

By: Hancock

S.B. No. 1332

A BILL TO BE ENTITLED

1 AN ACT
2 relating to a group health benefit plan policy or contract holder's
3 obligation to pay premiums on behalf of an individual after the
4 individual's eligibility for group coverage terminates.

5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

6 SECTION 1. Section 843.210, Insurance Code, is amended by
7 adding Subsection (e) to read as follows:

8 (e) If the group contract holder notifies the health
9 maintenance organization of the termination of an enrollee's
10 eligibility for coverage later than the end of the month in which
11 the enrollee's eligibility for the group coverage terminated, the
12 health maintenance organization may waive the contract holder's
13 liability for premiums on the enrollee for any subsequent months,
14 provided that no covered services were provided to the enrollee
15 after the end of the month in which the enrollee's eligibility
16 terminated.

17 SECTION 2. Section 1301.0061, Insurance Code, is amended by
18 adding Subsection (e) to read as follows:

19 (e) If the group policyholder notifies the insurer of the
20 termination of an individual's eligibility for coverage later than
21 the end of the month in which the individual's eligibility for the
22 group coverage terminated, the insurer may waive the policyholder's
23 liability for premiums on the individual for any subsequent months,
24 provided that no covered services were provided to the individual

1 after the end of the month in which the individual's eligibility
2 terminated.

3 SECTION 3. This Act takes effect immediately if it receives
4 a vote of two-thirds of all the members elected to each house, as
5 provided by Section 39, Article III, Texas Constitution. If this
6 Act does not receive the vote necessary for immediate effect, this
7 Act takes effect September 1, 2025.