

BILL ANALYSIS

C.S.H.B. 317
By: Murr
Insurance
Committee Report (Substituted)

BACKGROUND AND PURPOSE

It has been reported that insurance companies are denying coverage, increasing premiums, and taking other adverse actions against individuals with respect to life, disability, and long-term care insurance policies because those individuals are living organ donors. There are concerns that these practices may create a disincentive for other individuals to become living organ donors in the future, thus resulting in longer wait times and worse health outcomes for patients who rely on those organ donations. C.S.H.B. 317 seeks to remove this potential disincentive by prohibiting insurance companies from taking certain adverse actions against individuals who are living organ donors solely on that basis and with respect to those types of policies.

CRIMINAL JUSTICE IMPACT

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

C.S.H.B. 317 amends the Insurance Code to prohibit an insurer from taking any of the following actions against an individual with respect to a life insurance policy or contract, disability insurance policy, or long-term care insurance policy based solely on the individual's status as a living organ donor:

- denying coverage to the individual;
- refusing to renew or canceling the individual's coverage;
- limiting the amount, extent, or kind of coverage available to the individual; or
- charging the individual or a group to which the individual belongs a rate that is different than the rate charged to other individuals or groups, as applicable, for the same coverage, unless the rate differential is based on sound actuarial principles or sound underwriting related to actual or anticipated loss experience for a particular risk.

The bill also prohibits an insurer from preventing an individual from donating all or part of an organ as a condition of continuing coverage under such a policy. These provisions apply only to a policy or contract that is delivered, issued for delivery, or renewed on or after January 1, 2022.

EFFECTIVE DATE

September 1, 2021.

COMPARISON OF ORIGINAL AND SUBSTITUTE

C.S.H.B. 317 excepts an insurer from the prohibition against charging an applicable individual or a group to which the individual belongs a different rate than the rate charged to other individuals or groups, as applicable, based solely on the individual's status as a living organ donor if that rate differential is based on sound actuarial principles or sound underwriting related to actual or anticipated loss experience for a particular risk.

The substitute differs from the original in other minor or nonsubstantive ways to conform to certain bill drafting conventions.