

BILL ANALYSIS

Senate Research Center

H.B. 839
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Economic Development
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Engrossed

DIGEST

Currently, insurers are not prohibited from denying coverage to a victim of family violence under the Insurance Code. Some individuals may not have access to life or health insurance because insurers may deny applications, cancel coverage, or raise rates for victims of family violence. H.B. 839 would prohibit life and health insurance companies from denying, refusing to renew, canceling, limiting, or charging a different rate to a victim of family violence. Additionally, this bill authorizes an insurer to underwrite a risk on the basis of an individual's physical or mental condition provided that criteria is applied consistently and is not used to avoid providing coverage.

PURPOSE

As proposed, H.B. 839 prohibits discrimination by insurers in issuing health or life insurance policies to certain persons who are victims of family violence.

RULEMAKING AUTHORITY

This bill does not grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Chapter 21B, Insurance Code, by adding Article 21.21-5, as follows:

Art. 21.21-5. VICTIMS OF FAMILY VIOLENCE

Sec. 1. DEFINITION. Defines "family violence."

Sec. 2. SCOPE OF ARTICLE. Provides that this article applies only to a life insurer (insurer) that delivers, issues for delivery, or renews a life insurance contract or policy in this state and a health benefit plan issuer (issuer) that provides benefits for medical or surgical expenses incurred as a result of a health condition, accident, or sickness. Provides that this article does not apply to the issuer of certain coverage or policies.

Sec. 3. PROHIBITIONS. Prohibits an issuer or insurer, because of an individual's status as a victim of family violence, from denying coverage to the individual, refusing to renew the individual's coverage, cancelling the individual's coverage, limiting the amount or kind of coverage available; or charging the individual or a group to which the individual belongs a different rate for the same coverage. Prohibits an issuer or insurer from requiring an applicant to reveal whether the applicant has been or may become a victim of family violence.

Sec. 4. SANCTIONS. Provides that an issuer or insurer who violates this article commits an unfair and deceptive practice as defined by Article 21.21 of this code and is subject to the penalties imposed under that article.

Sec. 5. RELEASE FROM LIABILITY. Prohibits a health benefit plan provider or insurer from being held civilly or criminally liable for the death of, or bodily injuries incurred by, an individual who has been or may become a victim of family violence.

Sec. 6. UNDERWRITING CRITERIA. Sets forth the terms by which an issuer or insurer,

notwithstanding any other provision of this article, is authorized to underwrite a risk on an individual.

Sec. 7. CONTINUED COVERAGE. Provides that this article does not affect the right of an individual to continued coverage under Section 3B, Article 3.51-6, Insurance Code.

Sec. 8. CONFIDENTIALITY. Prohibits an issuer, insurer, or a person employed by or under contract with either an issuer or insurer from releasing information relating to the status as a victim of family violence of an individual who is clearly a victim of family violence, with certain exceptions.

SECTION 2. Amends Section 14(b), Article 20A.14, V.T.C.S. (Texas Health Maintenance Organization Act), to provide that Article 21.21-5, Insurance Code, as added by Chapter 522, Acts of the 74th Legislature, Regular Session, 1995, applies to health maintenance organizations that offer both basic and single health care coverages and to basic and single health care plans and the evidence of coverage under those plans, with certain exceptions.

SECTION 3. Effective date: September 1, 1997.

Makes application of this Act prospective to January 1, 1998.

SECTION 4. Emergency clause.