

## **BILL ANALYSIS**

Senate Research Center

S.B. 682  
By: Armbrister  
Economic Development  
4-7-97  
As Filed

### **DIGEST**

Currently, Texas Department of Insurance rules require advertisements that refer to rates for health insurance coverage to disclose exclusions, reductions, and limitations. This interpretation may restrict the advertising of rates because most policies contain the standard laundry list of exclusions, such as cosmetic surgery and self-inflicted injuries. This bill clarifies the ability to advertise rates for health insurance coverage, without the listing of all exclusions and benefit limitations if accompanied by disclaimers of insurers and health maintenance organizations.

### **PURPOSE**

As proposed, S.B. 682 clarifies the ability to advertise rates for health insurance coverage, without the listing of all exclusions and benefit limitations if accompanied by disclaimers of insurers and health maintenance organizations.

### **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 Section 2, Article 3.70-2, Insurance Code, by adding Subsection (N), to provide that notwithstanding the provisions of Article 21.21, Insurance Code, an advertisement for an individual or group policy of accident and sickness insurance, and an evidence of coverage issued by a health maintenance organization subject to the Texas Health Maintenance Organization Act may include rates without listing of all exclusions and benefit limitations if accompanied by disclaimers which clearly indicate that the advertised rates are illustrative and that benefit limitations and exclusions may apply.

SECTION 2. Emergency clause.  
Effective date: upon passage.