

BILL ANALYSIS

Senate Research Center

C.S.S.B. 682
By: Armbrister
Economic Development
4-11-97
Committee Report (Substituted)

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, C.S.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 Chapter 21B, Insurance Code, by adding Article 21.20-2, as follows:

Art. 21.20-2. ADVERTISEMENTS FOR CERTAIN HEALTH BENEFIT PLANS.

Sec. 1. SCOPE OF ARTICLE. Provides that this article applies to health benefit plans which provide benefits for medical or surgical expenses as a result of a health condition, accident, or sickness or an individual or group evidence of coverage issued by certain entities. Sets forth policies to which this plan is not applicable.

Sec. 2. DISCLAIMERS. Authorizes an advertisement for a health benefit plan to include certain information, subject to Article 21.21 of this code. Sets forth requirements for rates mentioned in an advertisement.

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

SUMMARY OF COMMITTEE CHANGES

SECTION 1.

Deletes proposed SECTION 1. Amends Chapter 21B, Insurance Code, by adding Article 21.20-2, regarding advertisements for certain health benefit plans.