

BILL ANALYSIS

Senate Research Center
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S.B. 1376
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Economic Development
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DIGEST

Currently, many Mexican citizens visit Texas for medical treatment. Despite the market potential for selling health insurance to the citizens, state law provides no incentive for Texas-based insurers to sell health insurance coverage to foreign nationals. S.B. 1376 would provide a premium tax exemption for a health care provider in Texas who sells insurance coverage to foreign nationals.

PURPOSE

As proposed, S.B. 1376 provides an incentive for selling health benefit plan coverage to certain individuals who are not residents of this state.

RULEMAKING AUTHORITY

Rulemaking authority is granted to the commissioner of the Texas Department of Insurance in SECTION 1 (Section 5, Article 21.52I, Chapter 21E, Insurance Code) of this bill.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Chapter 21E, Insurance Code, by adding Article 21.52I, as follows:

Art. 21.52I. HEALTH BENEFIT PLAN COVERAGE FOR CERTAIN NONRESIDENTS

Sec. 1. DEFINITION. Defines "health benefit plan."

Sec. 2. SCOPE OF ARTICLE. Applies this article only to certain health benefit plans that provide benefits for certain medical or surgical expenses.

Sec. 3. COVERAGE FOR CERTAIN NONRESIDENTS. Authorizes a health benefit plan to provide nonresident coverage under this article for certain individuals. Authorizes nonresident coverage to be issued to those individuals and certain other individuals.

Sec. 4. APPLICATION OF OTHER LAW. Provides that the nonresident coverage is subject to this code and certain other state laws on insurance, except that non-emergency care coverage under the plan may be limited to benefits for goods and services provided in the state.

Sec. 5. RULES. Authorizes the commissioner to adopt rules to implement this article.

SECTION 2. Amends Section 2(c), Article 4.11, Insurance Code, to prohibit a gross premium receipt described by Subdivision (1) of this subsection from including the amount of premium paid on certain insurance policies. Prohibits the gross premium receipts from including the amount of premium that are attributable to nonresident coverage issued under Article 21.52I. Provides that this subdivision expires on December 31, 2005. Makes conforming changes.

SECTION 3. (a) Effective date: September 1, 1999, except as provided by Subsection (b).

(b) Effective date for SECTION 2: January 1, 2000.

(c)-(d) Makes application of this Act prospective to January 1, 2000.

SECTION 4. Emergency clause.