

BILL ANALYSIS

Senate Research Center
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C.S.H.B. 1466
By: Maxey (Cain)
Business & Commerce
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Committee Report (Substituted)

DIGEST AND PURPOSE

C.S.H.B. 1466 allows municipalities to waive the requirement that a contract made with a stop-loss insurance company is required to be a firm bid that cannot be modified to limit the terms of coverage or to exclude or assign a higher deductible to an individual.

RULEMAKING AUTHORITY

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

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 2, Article 21.49-16, Insurance Code, as follows:

Sec. 2. New heading: **REQUIREMENTS; EXCEPTION.** (a) Prohibits an insurer who bids on a contract subject to the competitive bidding and competitive proposal requirements adopted under Section 252.021 (Competitive Bidding and Competitive Proposal Requirements), Local Government Code, from submitting a bid for a contract to provide stop-loss or other insurance coverage that is subject to any qualification imposed by the insurer that permits the insurer to modify or limit the terms of insurance coverage to be provided after the contract has been made, except as provided by Subsection (c) of this section.

(b) Makes a conforming change.

(c) Authorizes a municipality, by executing a written waiver in favor of the insurer, to waive the requirements of certain subsections.

SECTION 2. Makes application of this Act prospective.

SECTION 3. Effective date: September 1, 2001.

SUMMARY OF COMMITTEE CHANGES

SECTION 1. Amends As Filed H.B. 1466, Section 2, Article 21.49-16, Insurance Code, by amending proposed Subsection (c).

SECTION 2. Adds reference to Section 2 of Article 21.49-16.

SECTION 3. No change.