

BILL ANALYSIS

Senate Research Center
87R8270 SCL-F

H.B. 317
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Business & Commerce
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Engrossed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

It has been reported that insurance companies are denying coverage, increasing premiums, and taking other adverse actions against individuals with respect to life, disability, and long-term care insurance policies because those individuals are living organ donors. There are concerns that these practices may create a disincentive for other individuals to become living organ donors in the future, thus resulting in longer wait times and worse health outcomes for patients who rely on those organ donations.

H.B. 317 seeks to remove this potential disincentive by prohibiting insurance companies from taking certain adverse actions against individuals who are living organ donors solely on that basis and with respect to those types of policies.

H.B. 317 amends current law relating to prohibiting discrimination against living organ donors by certain insurers.

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. Authorizes this Act to be cited as the Texas Living Organ Donor Act.

SECTION 2. Amends Chapter 544, Insurance Code, by adding Subchapter M, as follows:

SUBCHAPTER M. LIVING ORGAN DONORS

Sec. 544.601. DEFINITION. Defines "living organ donor."

Sec. 544.602. APPLICABILITY OF SUBCHAPTER. Provides that this subchapter applies only to a life insurance policy or contract, disability insurance policy, or long-term care insurance policy.

Sec. 544.603. PROHIBITIONS. (a) Prohibits an insurer, based solely on the status of an individual as a living organ donor, from:

- (1) denying coverage to the individual;
- (2) refusing to renew the individual's coverage;
- (3) canceling the individual's coverage;
- (4) limiting the amount, extent, or kind of coverage available to the individual; or
- (5) charging the individual or a group to which the individual belongs a rate that is different than the rate charged to other individuals or groups, as

applicable, for the same coverage unless the rate differential is based on sound actuarial principles or sound underwriting related to actual or anticipated loss experience for a particular risk.

(b) Prohibits an insurer from preventing an insured from donating all or part of an organ as a condition of continuing coverage.

SECTION 3. Provides that Section 544.603, Insurance Code, as added by this Act, applies only to an insurance policy or contract that is delivered, issued for delivery, or renewed on or after January 1, 2022.

SECTION 4. Effective date: September 1, 2021.