

BILL ANALYSIS

Senate Research Center

H.B. 765
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State Affairs
5/11/2005
Engrossed

AUTHOR'S/SPONSOR'S STATEMENT OF INTENT

H.B. 765 requires an insurer issuing a group policy to provide to each employee a notice that explains the policy limits and maximum out-of-pocket expenses under the policy.

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 1251.201, Insurance Code, as effective April 1, 2005, as follows:

Sec. 1251.201. New heading: CERTIFICATE OF INSURANCE; NOTICE OF SEPARATE AVAILABLE COVERAGE. Requires certain insurers to include, among other certain information provided to the policyholder for delivery to each employee or member of the insured group, the annual deductibles, annual and lifetime policy limits, and maximum out-of-pocket expenses under the policy; and a notice that informs the employee or member of the availability of and premiums for a rider or separate insurance policy that would provide coverage in addition to the coverage provided under the policy. Makes conforming and nonsubstantive changes.

SECTION 2. Amends Subchapter E, Chapter 1251, Insurance Code, by adding Section 1251.202, as follows:

Sec. 1251.202. NOTICE REGARDING CERTAIN EMPLOYER HEALTH BENEFIT PLANS. (a) Defines "standard health benefit plan."

(b) Requires an employer, if that employer offers to employees a standard health benefit plan, to provide a copy of a certain disclosure statement to each employee, by a certain date, and to each prospective employee before the prospective employee is hired by the employer. Requires said employer to obtain a copy of the notice signed by the employee or prospective employee at the time the notice is provided.

(c) Requires the employer to retain the signed disclosure statement in the employer's records, and on request of the commissioner of insurance, provide the signed disclosure statement to the Department of Insurance.

SECTION 3. Makes application of this Act prospective to January 1, 2006.

SECTION 4. Effective date: September 1, 2005.