

AN ACT

relating to notice of coverage under certain group health insurance policies and standard health benefit plans.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Section 1251.201, Insurance Code, as effective April 1, 2005, is amended to read as follows:

Sec. 1251.201. CERTIFICATE OF INSURANCE; NOTICE OF SEPARATE AVAILABLE COVERAGE. (a) An insurer issuing a group policy under this chapter shall provide to the policyholder for delivery to each employee or member of the insured group:

(1) a certificate of insurance that:

(A) [~~1~~] summarizes the essential features of the insurance coverage of the employee or member, including the annual deductibles, annual and lifetime policy limits, and maximum out-of-pocket expenses under the policy; and

(B) [~~2~~] states the person to whom benefits are payable; and

(2) 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.

(b) If dependents are included in the coverage, an insurer is not required to provide more than one certificate or notice for each family unit.

1 SECTION 2. Subchapter E, Chapter 1251, Insurance Code, is
2 amended by adding Section 1251.202 to read as follows:

3 Sec. 1251.202. NOTICE REGARDING CERTAIN EMPLOYER HEALTH
4 BENEFIT PLANS. (a) In this section, "standard health benefit plan"
5 means a plan offered under Article 3.80, Article 20A.09N, or
6 Chapter 1507.

7 (b) If an employer offers to employees a standard health
8 benefit plan, the employer shall:

9 (1) provide a copy of the disclosure statement
10 provided to the employer by the plan issuer under Section 6, Article
11 3.80, Article 20A.09N(g), Section 1507.006, or Section 1507.056 to:

12 (A) each employee:

13 (i) before the employee initially enrolls
14 in the plan, unless the employee received notice under Paragraph
15 (B) on or after the 90th day before the date the employee initially
16 enrolls; and

17 (ii) not later than the 30th day before the
18 date the employee renews enrollment in the plan; and

19 (B) each prospective employee before the
20 prospective employee is hired by the employer; and

21 (2) obtain a copy of the notice signed by the employee
22 or prospective employee at the time the notice is provided.

23 SECTION 3. The change in law made by this Act applies only
24 to an insurance policy that is delivered, issued for delivery, or
25 renewed on or after January 1, 2006. An insurance policy that is
26 delivered, issued for delivery, or renewed before January 1, 2006,
27 is covered by the law in effect at the time the policy was

1 delivered, issued for delivery, or renewed, and that law is
2 continued in effect for that purpose.

3 SECTION 4. This Act takes effect September 1, 2005.

David Swihurst

President of the Senate

Jim Credik

Speaker of the House

I certify that H.B. No. 765 was passed by the House on April 13, 2005, by a non-record vote; and that the House concurred in Senate amendments to H.B. No. 765 on May 27, 2005, by a non-record vote.

Robert Hamey
Chief Clerk of the House

I certify that H.B. No. 765 was passed by the Senate, with amendments, on May 25, 2005, by the following vote: Yeas 31, Nays 0.

Lacey Spaw
Secretary of the Senate

APPROVED: 18 JUNE '05

Date

Rick Perry

Governor

FILED IN THE OFFICE OF THE
SECRETARY OF STATE
9:15 AM O'CLOCK,

Roger Williams
Secretary of State