

1-1 By: Guerra (Senate Sponsor - Hinojosa) H.B. No. 3024  
 1-2 (In the Senate - Received from the House May 13, 2015;  
 1-3 May 13, 2015, read first time and referred to Committee on Business  
 1-4 and Commerce; May 20, 2015, reported favorably by the following  
 1-5 vote: Yeas 8, Nays 1; May 20, 2015, sent to printer.)

1-6 COMMITTEE VOTE

|      | Yea | Nay | Absent | PNV |
|------|-----|-----|--------|-----|
| 1-7  | X   |     |        |     |
| 1-8  | X   |     |        |     |
| 1-9  | X   |     |        |     |
| 1-10 | X   |     |        |     |
| 1-11 |     | X   |        |     |
| 1-12 | X   |     |        |     |
| 1-13 | X   |     |        |     |
| 1-14 | X   |     |        |     |
| 1-15 | X   |     |        |     |
| 1-16 | X   |     |        |     |

1-17 A BILL TO BE ENTITLED  
 1-18 AN ACT

1-19 relating to coordination of dental benefits under certain insurance  
 1-20 policies.

1-21 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-22 SECTION 1. Chapter 1203, Insurance Code, is amended by  
 1-23 adding Subchapter B to read as follows:

1-24 SUBCHAPTER B. DENTAL INSURANCE

1-25 Sec. 1203.051. APPLICABILITY OF SUBCHAPTER; EXCEPTION. (a)  
 1-26 This subchapter applies only to an insurance policy that provides  
 1-27 benefits for dental expenses, including, except as provided by  
 1-28 Subsection (b), an individual, group, blanket, or franchise  
 1-29 insurance policy or insurance agreement, or a group hospital  
 1-30 service contract, that is offered by:

1-31 (1) an insurance company;

1-32 (2) a group hospital service corporation operating  
 1-33 under Chapter 842;

1-34 (3) a fraternal benefit society operating under  
 1-35 Chapter 885;

1-36 (4) a stipulated premium company operating under  
 1-37 Chapter 884;

1-38 (5) a reciprocal exchange operating under Chapter 942;

1-39 or

1-40 (6) a Lloyd's plan operating under Chapter 941.

1-41 (b) This subchapter does not apply to a separate dental  
 1-42 policy that exclusively provides a non-coordinated, fixed  
 1-43 indemnity benefit, regardless of expenses incurred paid directly to  
 1-44 the policyholder or to the provider under an assignment of benefits  
 1-45 provision.

1-46 Sec. 1203.052. COORDINATION OF BENEFITS BETWEEN PRIMARY AND  
 1-47 SECONDARY INSURERS. (a) This section applies if:

1-48 (1) an insured is covered by at least two different  
 1-49 insurance policies; and

1-50 (2) each policy provides the insured dental benefits.

1-51 (b) The primary insurer, as determined under a coordination  
 1-52 of benefits provision applicable to the policies, is responsible  
 1-53 for dental expenses covered under the insurance policy issued by  
 1-54 the primary insurer up to the full amount of any policy limit  
 1-55 applicable to the covered dental expenses.

1-56 (c) Before the policy limit described by Subsection (b) is  
 1-57 reached, the secondary insurer, as determined under a coordination  
 1-58 of benefits provision applicable to the policies, is responsible  
 1-59 only for dental expenses covered under the insurance policy issued  
 1-60 by the secondary insurer that are not covered under the policy  
 1-61 issued by the primary insurer.

2-1 (d) After the policy limit described by Subsection (b) has  
2-2 been reached, the secondary insurer, in addition to the  
2-3 responsibility described by Subsection (c), is responsible for any  
2-4 dental expenses covered by both policies that exceed the policy  
2-5 limit described by Subsection (b), not to exceed the policy limit of  
2-6 the secondary policy.

2-7 Sec. 1203.053. CERTAIN COORDINATION OF BENEFITS PROVISIONS  
2-8 PROHIBITED. An insurance policy subject to this subchapter may not  
2-9 be delivered, issued for delivery, or renewed in this state if:

2-10 (1) a provision of the policy excludes or reduces the  
2-11 payment of benefits for dental expenses to or on behalf of an  
2-12 insured;

2-13 (2) the reason for the exclusion or reduction is that  
2-14 dental benefits are payable or have been paid to or on behalf of the  
2-15 insured under another insurance policy; and

2-16 (3) the exclusion or reduction would apply before the  
2-17 full amount of the dental expenses incurred by the insured and  
2-18 covered by both policies have been paid or reimbursed or the full  
2-19 amount of the applicable policy limit of the policy containing the  
2-20 exclusion or reduction is reached.

2-21 Sec. 1203.054. CERTAIN COORDINATION OF BENEFITS PROVISIONS  
2-22 VOID. A provision of an insurance policy that violates Section  
2-23 1203.053 is void.

2-24 SECTION 2. Chapter 1203, Insurance Code, is amended by  
2-25 designating Sections 1203.001 through 1203.003 as Subchapter A and  
2-26 adding a subchapter heading to read as follows:

2-27 SUBCHAPTER A. SUPPLEMENTAL INSURANCE POLICIES

2-28 SECTION 3. Section 1203.001, Insurance Code, is amended to  
2-29 read as follows:

2-30 Sec. 1203.001. APPLICABILITY OF SUBCHAPTER [CHAPTER]. (a)  
2-31 This subchapter [~~chapter~~] applies only to:

2-32 (1) a policy of group accident and health insurance as  
2-33 described by Chapter 1251;

2-34 (2) a policy of blanket accident and health insurance  
2-35 as described by Chapter 1251;

2-36 (3) a policy of individual accident and health  
2-37 insurance as defined by Section 1201.001; or

2-38 (4) an evidence of coverage as defined by Section  
2-39 843.002.

2-40 (b) This subchapter [~~chapter~~] does not apply to an  
2-41 individual accident and health insurance policy that is designed to  
2-42 fully integrate with other policies through a variable deductible.

2-43 SECTION 4. The change in law made by this Act applies only  
2-44 to an insurance policy that is delivered, issued for delivery, or  
2-45 renewed on or after January 1, 2016. A policy delivered, issued for  
2-46 delivery, or renewed before January 1, 2016, is governed by the law  
2-47 as it existed immediately before the effective date of this Act, and  
2-48 that law is continued in effect for that purpose.

2-49 SECTION 5. This Act takes effect September 1, 2015.

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