

# TALHI Key Issues: 86<sup>th</sup> Regular Session

**HB 1864**

Rep. Smithee

**SB 1153**

Sen. Hancock

## Protecting Texans From Insurance Company Insolvencies

Each state, including Texas, uses a system of “Guaranty Associations” (GA) to protect consumers in the unlikely event of an insurance company insolvency. The GA provides coverage for claims against insolvent insurers and is funded by the insurance industry. In 2017, the costliest long term care insurance failure ever led insurers and regulators to reevaluate the current assessment methodology and to develop an updated approach to ensure a more equitable allocation among member insurers. ▶▶ **HB 1864/SB 1153** provides Texas a unique opportunity to stabilize and modernize the guaranty

association system in a manner that has broad support from the life and health insurers that fund the Association.

**HB 2820**

Rep. Flynn

**SB 1977**

Sen. Hughes

## Streamlining and Aligning Regulatory Oversight of 403(b) Products Offered by TRS

Texas teachers and other school employees currently have the ability to use pre-tax dollars to purchase financial products through payroll deduction to supplement their state pensions upon retirement. A 403(b) investment is similar in concept to 401(k) investments offered by corporate employers. Like 401(k) investment options, all 403(b) financial products are regulated by the state through the Texas Department of Insurance and the State Securities Board and/or by other federal agencies. The TRS is currently

charged with regulating 403(b) products offered to teachers — a role that is duplicative of existing state and federal regulation and one in which TRS has no expertise. ▶▶ **HB 2820/SB 1977** will eliminate dual regulation of these products, maintain access to product information and disclosure requirements, and allow TRS to focus on its core function of managing one of the largest pension funds in the country.

**HB 1903**

Rep. Smithee

**SB 1852**

Sen. Paxton

## Streamlining the Renewal Process for Consumer Choice Health Plans

Consumer choice health plans are health insurance options that were initially designed to add flexibility for consumers in choosing coverage. Because they allow an HMO plan to have a deductible, these plans offer a less expensive choice for health coverage. To protect consumers, these plans have specific disclosure requirements. Even though the disclosure information and an acknowledging signature is required when the plan is purchased, current law requires a new signature to also be obtained at the time of each

renewal. This step has become burdensome and unnecessary, creating difficulties for all involved in the process. By removing the signature at renewal requirement, Texas consumers and business owners would streamline the renewal process and eliminate difficulties for consumers, agents, and insurers. ▶▶ **SB 1852/HB 1903** will remove the renewal signature requirement.

**HB 3933**

Rep. Martinez Fischer

**SB 1264**

Sen. Hancock

## Protecting Consumers From Surprise Billing for Emergency Room Care

When individuals face situations requiring emergency room care, it is often difficult, if not impossible, for them to remain in-network, even when they go to an in-network hospital. And given the nature of most emergency room visits, ensuring that a treating doctor is in-network is not often a priority during a serious injury or life-threatening situation. More than 65 percent of out-of-network ER doctor claims in Texas are for services provided to individuals at hospitals that are in-network. ▶▶ **SB 1264/HB 3933**

prohibits out-of-network providers from sending surprise bills when the patient does not have a choice of picking the doctor who treats them, clarifies the payments patients are responsible for, requires health plans to pay agreed-to amounts for out-of-network care, offers providers dispute resolution options, and protects patients’ credit against reports from certain out-of-network facilities if the patient had health coverage.

# Texas Benefits From A Stable Insurance Market

- ▶ A healthy and competitive insurance market **maximizes product options** for consumers.
- ▶ **Consumers should be protected** from unfair and fraudulent business practices involving the purchase of any insurance product.
- ▶ Fair and efficient regulation of the industry maintains the integrity of insurance contracts and fosters **a stable and competitive insurance market**.
- ▶ Sound insurance policy promotes **a healthy insurance market and encourages companies to invest in Texas and Texans.**



**\$29 BILLION**  
paid to Texans for life insurance  
and financial products.



**\$18.7 BILLION**  
paid in disability income in the  
U.S.



**\$472 BILLION**  
invested by life insurers to  
support the Texas economy.



**\$2.5 BILLION**  
in tax revenue for Texas  
produced by insurance taxes.



**279,553 JOBS**  
(direct & indirect) created by  
insurance companies in Texas.



## TALHI Member Companies

Aetna	Funeral Directors Life Insurance Company	New Era Life Insurance Company
Aflac	Genworth	New York Life Group
AIG	Germania	Pacific Life
Allstate	Government Personnel Mutual Life Insurance Company	Primerica
American Fidelity Group	Guardian Life Insurance Company	Prudential
American National Insurance Company	Kemper Corporation/Reliable Life	Security Benefit
Americo Group	Landmark Life Insurance Company	Security National Life Insurance Company
Axa	MetLife	Southern Farm Bureau Group
Best Life & Health Insurance Company	Mutual of Omaha Group	State Farm Insurance
Blue Cross and Blue Shield of Texas	National Farm Life Insurance Company	SWBC Life Insurance Company
Brighthouse	National Life Group©	Texas Service Life Insurance Company
Central Security Life Insurance Company	National Teachers Associates Life Insurance Company	Trustmark Companies
Central States Group	National Western Life Insurance Company	United Benefits, Inc.
Cigna	Nationwide	UnitedHealth Group
Colonial Life Insurance Co. of Texas		USAA
Conseco Insurance Group		
Continental General Insurance Company		
Croy-Hall Management, Inc.		