

BILL ANALYSIS

S.B. 437
By: Nelson
Insurance
Committee Report (Unamended)

BACKGROUND AND PURPOSE

It has been suggested that some life insurers consider the use of prescription drugs when reviewing policy applicants, and it can be difficult to tell the difference between someone who carries naloxone to save others and someone who carries naloxone because they are personally at risk for an overdose. S.B. 437 seeks to address this issue by prohibiting life insurance companies from denying or limiting coverage based only on a prescription or obtainment of an opioid antagonist.

CRIMINAL JUSTICE IMPACT

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

S.B. 437 amends the Insurance Code to prohibit a life insurance company from taking any of the following actions based solely on whether an individual has been prescribed or has obtained through a standing order an opioid antagonist:

- denying coverage to the individual;
- limiting the amount, extent, or kind of coverage available to the individual; or
- charging the individual or a group to which the individual belongs a rate that is different from the rate charged to other individuals or groups, respectively, for the same coverage, unless the charge is based on sound underwriting or actuarial principles reasonably related to actual or anticipated loss experience for a particular risk.

The bill applies to a life insurance policy issued or delivered in Texas or issued by a life insurance company organized in Texas.

EFFECTIVE DATE

September 1, 2019.