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TITLE 28. INSURANCE
Part I. Texas Department of Insurance
Chapter 3. Life, Accident, and Health Insurance and Annuities

Adopted Section
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SUBCHAPTER W. Miscellaneous Rules for Group and Individual Accident and Health Insurance

28 TAC 3.3602

1. INTRODUCTION: The commissioner of insurance adopts the repeal of 28 TAC Chapter 3, Subchapter F, concerning Group Health Insurance Mandatory Conversion Privilege. The commissioner adopts the repeal without changes to the proposal published in the July 4, 2014, issue of the *Texas Register* (39 TexReg 5078). The repeal is related to the separate adoption of a new 28 TAC Chapter 21, Subchapter SS, and the adoption of amendments to 28 TAC Chapter 11, Subchapter F, both published in this issue of the *Texas Register*.

2. REASONED JUSTIFICATION. As the 1993 adoption of amendments to §3.3602 notes, the section was amended to apply only to coverage issued for delivery or renewed before January 1, 1994, as a result of statutory changes and because the rule was replaced by the rules in Chapter 3, Subchapter F, which govern policies issued or renewed after that date. Because policies are renewed yearly, the rule no longer applies to any policies and can safely be repealed.

3. SUMMARY OF COMMENTS AND AGENCY RESPONSE. TDI received no comments on the published proposal for repeal.

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4. STATUTORY AUTHORITY. TDI proposes this repeal under Insurance Code

§§36.001, 1251.008, 1251.251, 1251.253, 1251.258, and 1251.260.

Section 36.001 provides that the commissioner may adopt any rules necessary and appropriate to implement the powers and duties of the department under the Insurance Code and other laws of this state.

Section 1251.008 states, “The commissioner may adopt rules necessary to administer this chapter. A rule adopted under this section is subject to notice and hearing as provided by Section 1201.007 for a rule adopted under Chapter 1201.”

Section 1251.251 states, “(a) An insurer or group hospital service corporation that issues policies that provide hospital, surgical, or major medical expense insurance coverage or any combination of those coverages on an expense incurred basis shall, as required by this subchapter, provide continuation of group coverage for employees or members and their eligible dependents, subject to the eligibility provisions prescribed by Section 1251.252.”

Section 1251.253 states, “An employee, member, or dependent must provide to the employer or group policyholder a written request for continuation of group coverage not later than the 60th day after the later of: (1) the date the group coverage would otherwise terminate; or (2) the date the individual is given, in a format prescribed by the commissioner, notice by either the employer or the group policyholder of the right to continuation of group coverage.”

Section 1251.258 states, “The commissioner by rule shall establish minimum standards for benefits under converted policies issued under this subchapter.”

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Section 1251.260 states, “(a) An employer that provides to its employees group accident and health insurance coverage that includes a group continuation or conversion privilege on termination of coverage shall give written notice of the continuation or conversion privileges under the policy to each employee or dependent insured under the group and affected by the termination. (b) The commissioner by rule shall establish minimum standards for the notice required by this section.”

Section 1701.060(a) provides that the commissioner may adopt reasonable rules necessary to implement the purposes of Chapter 1701.

5. TEXT.

§3.3602 Minimum Standards for Notice of Conversion or Group Continuation Privilege under Group Accident and Health Policies

6. CERTIFICATION. This agency certifies that legal counsel has reviewed the rule as adopted and found it to be a valid exercise of the agency’s legal authority.

Issued in Austin, Texas, on October 24, 2014.



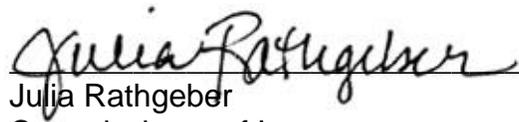
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The commissioner adopts the repeal of Subchapter W, §3.3602, concerning Minimum Standards for Notice of Conversion or Group Continuation Privilege under Group Accident and Health Policies.



Julia Rathgeber
Commissioner of Insurance

Commissioner's Order No. **3610**