

INSURANCE CODE

TITLE 8. HEALTH INSURANCE AND OTHER HEALTH COVERAGES

SUBTITLE K. CERTAIN BENEFITS AND ARRANGEMENTS THAT ARE NOT  
INSURANCE

CHAPTER 1682. HEALTH BENEFITS PROVIDED BY CERTAIN NONPROFIT  
AGRICULTURAL ORGANIZATIONS

Sec. 1682.001. DEFINITIONS. In this chapter:

(1) "Nonprofit agricultural organization" means an organization that:

(A) is exempt from taxation under Section 501(a), Internal Revenue Code of 1986, as an organization described by Section 501(c)(5) of that code;

(B) is domiciled in this state;

(C) was in existence prior to 1940;

(D) is composed of members who are residents of at least 98 percent of the counties in this state;

(E) collects annual dues from its members; and

(F) was created to promote and develop the most profitable and desirable system of agriculture and the most wholesome and satisfactory conditions of rural life in accordance with its articles of organization and bylaws.

(2) "Nonprofit agricultural organization health benefits" means health benefits:

(A) sponsored by a nonprofit agricultural organization or an affiliate of the organization;

(B) offered only to:

(i) members of the nonprofit agricultural organization; and

(ii) family members of members of the nonprofit agricultural organization;

(C) that are not provided through an insurance policy or other product the offering or issuance of which is regulated as the business of insurance in this state; and

(D) that are deemed by the nonprofit agricultural organization to be important in assisting its members to live long and productive lives.

(3) "Preexisting condition" means a condition present before the effective date of an individual's enrollment in nonprofit agricultural organization health benefits. Added by Acts 2021, 87th Leg., R.S., Ch. 1034 (H.B. 3924), Sec. 3, eff. September 1, 2021.

Sec. 1682.002. NONPROFIT AGRICULTURAL ORGANIZATION HEALTH BENEFITS AUTHORIZED. A nonprofit agricultural organization or an affiliate of the organization may offer in this state nonprofit agricultural organization health benefits. Added by Acts 2021, 87th Leg., R.S., Ch. 1034 (H.B. 3924), Sec. 3, eff. September 1, 2021.

Sec. 1682.003. WAITING PERIOD FOR PREEXISTING CONDITION. Notwithstanding any other provision of this chapter, a nonprofit agricultural organization that offers nonprofit agricultural organization health benefits may not require a waiting period of more than six months for treatment of a preexisting condition otherwise included in nonprofit agricultural organization health benefits. Added by Acts 2021, 87th Leg., R.S., Ch. 1034 (H.B. 3924), Sec. 3, eff. September 1, 2021.

Sec. 1682.004. REQUIRED DISCLOSURE BY NONPROFIT AGRICULTURAL ORGANIZATION. (a) A nonprofit agricultural organization that offers nonprofit agricultural organization health benefits must provide to an individual applying for nonprofit agricultural organization health benefits written notice that the benefits are not provided through an insurance policy or other product the offering or issuance of which is regulated as the business of insurance in this state.

(b) An individual must sign and return to the nonprofit agricultural organization the notice described by Subsection (a) before the individual may enroll in nonprofit agricultural organization health benefits. The nonprofit agricultural organization must:

(1) maintain a copy of the signed written notice for

the duration of the term during which the nonprofit agricultural organization health benefits are provided to the individual; and

(2) at the request of the individual, provide a copy of the written notice to the individual.

Added by Acts 2021, 87th Leg., R.S., Ch. 1034 (H.B. 3924), Sec. 3, eff. September 1, 2021.

Sec. 1682.005. NONPROFIT AGRICULTURAL ORGANIZATION NOT ENGAGED IN BUSINESS OF HEALTH INSURANCE. Notwithstanding any other provision of this code, for the purposes of offering nonprofit agricultural organization health benefits, a nonprofit agricultural organization that acts in accordance with this chapter is not a health insurer and is not engaging in the business of health insurance in this state.

Added by Acts 2021, 87th Leg., R.S., Ch. 1034 (H.B. 3924), Sec. 3, eff. September 1, 2021.

Sec. 1682.006. RISK TRANSFER OR COVERAGE. A nonprofit agricultural organization that offers nonprofit agricultural organization health benefits under this chapter may contract with a company authorized to engage in the business of insurance in this state that is not under common control with the nonprofit agricultural organization to:

(1) transfer to that company all or a portion of the organization's risks arising from nonprofit agricultural organization health benefits offered under this chapter; or

(2) obtain insurance coverage from the company guarantying the nonprofit agricultural organization's obligations arising from nonprofit agricultural organization health benefits offered under this chapter.

Added by Acts 2021, 87th Leg., R.S., Ch. 1034 (H.B. 3924), Sec. 3, eff. September 1, 2021.