

INSURANCE CODE

TITLE 5. PROTECTION OF CONSUMER INTERESTS

SUBTITLE C. DECEPTIVE, UNFAIR, AND PROHIBITED PRACTICES

CHAPTER 564. DISCLOSURES FOR THE SALE OF CERTAIN OCCUPATIONAL  
INSURANCE POLICIES

Sec. 564.001. SCOPE OF CHAPTER; PURPOSE. (a) This chapter is intended to require disclosures on policy forms for certain occupational insurance policies designed or marketed to provide coverage to an employer that elects not to maintain workers' compensation insurance coverage under Chapter 406, Labor Code.

(b) Nothing in this chapter prohibits an employer that is not required to maintain workers' compensation insurance coverage and has elected not to obtain workers' compensation insurance coverage from obtaining occupational accident, disease, or death insurance coverage for the employer or the employer's employees. Added by Acts 2021, 87th Leg., R.S., Ch. 281 (H.B. 3769), Sec. 1, eff. September 1, 2021.

Sec. 564.002. APPLICABILITY OF CHAPTER. This chapter applies to an insurance company authorized to write accident and health insurance or liability insurance, including:

- (1) a surplus lines insurer;
- (2) a Lloyd's plan; and
- (3) a reciprocal or interinsurance exchange.

Added by Acts 2021, 87th Leg., R.S., Ch. 281 (H.B. 3769), Sec. 1, eff. September 1, 2021.

Sec. 564.003. EXCEPTIONS. This chapter does not apply to:

- (1) a plan that provides coverage:
  - (A) only for a specified disease or another limited benefit;
  - (B) only for dental or vision care; or
  - (C) only for hospital indemnity for hospital confinement;

(2) a Medicare supplemental policy as defined by Section 1882(g)(1), Social Security Act (42 U.S.C. Section

1395ss);

(3) long-term care coverage or benefits, home health care coverage or benefits, community-based care coverage or benefits, or any combination of those coverages or benefits;

(4) an individual or group life insurance policy; or

(5) individual or group credit life, accident, or disability insurance.

Added by Acts 2021, 87th Leg., R.S., Ch. 281 (H.B. [3769](#)), Sec. 1, eff. September 1, 2021.

Sec. 564.004. OCCUPATIONAL POLICY DEFINED. In this chapter, "occupational policy" means:

(1) an individual or group accident or health insurance policy that explicitly provides coverage or benefits for an employer or the employer's employees for an employee's occupational bodily injury, disease, or death;

(2) an employer's insurance policy that explicitly provides liability coverage to an employer that elects not to maintain workers' compensation insurance coverage under Chapter [406](#), Labor Code, for an employee's occupational bodily injury, disease, or death in:

(A) a general liability insurance policy;

(B) a commercial multiple peril insurance policy; or

(C) any other type of insurance policy designated by the department as intended to provide liability coverage to an employer that elects not to maintain workers' compensation insurance coverage under Chapter [406](#), Labor Code, for an employee's occupational bodily injury, disease, or death;

(3) an accident, health, or liability insurance policy that does not expressly include coverage for occupational injuries, disease, or death, but is marketed or sold to or through an employer as an alternative to coverage for benefits or liability provided by a workers' compensation insurance policy; or

(4) a policy that includes occupational accident and health and liability coverage in the same policy.

Added by Acts 2021, 87th Leg., R.S., Ch. 281 (H.B. [3769](#)), Sec. 1,

eff. September 1, 2021.

Sec. 564.005. REQUIRED DISCLOSURES FOR OCCUPATIONAL POLICIES. An occupational policy shall include the following disclosure statement in 10-point boldface type on the first page of the policy and on the first page of all materials used in advertising or marketing the occupational policy to an employer that elects not to maintain workers' compensation insurance coverage under Chapter 406, Labor Code:

"THIS IS NOT A WORKERS' COMPENSATION INSURANCE POLICY. THE EMPLOYER DOES NOT OBTAIN WORKERS' COMPENSATION INSURANCE COVERAGE BY PURCHASING THIS POLICY, AND IF THE EMPLOYER HAS NOT ELECTED TO OBTAIN WORKERS' COMPENSATION INSURANCE COVERAGE, THE EMPLOYER DOES NOT OBTAIN THOSE BENEFITS THAT WOULD OTHERWISE ACCRUE UNDER THE WORKERS' COMPENSATION LAWS IN THIS STATE. THE EMPLOYER MUST COMPLY WITH THE WORKERS' COMPENSATION LAWS IN THIS STATE AS THEY PERTAIN TO EMPLOYERS THAT ELECT NOT TO MAINTAIN WORKERS' COMPENSATION INSURANCE COVERAGE AND THE REQUIRED NOTIFICATIONS THAT MUST BE FILED AND POSTED."

Added by Acts 2021, 87th Leg., R.S., Ch. 281 (H.B. 3769), Sec. 1, eff. September 1, 2021.

Sec. 564.006. RULES. The commissioner shall adopt rules as necessary to implement this chapter.

Added by Acts 2021, 87th Leg., R.S., Ch. 281 (H.B. 3769), Sec. 1, eff. September 1, 2021.