

**Subchapter S. Minimum Standards and Benefits and Readability for Individual  
Accident and Health Insurance Policies  
28 TAC §3.3052**

**INTRODUCTION.** The commissioner of insurance adopts amendments to 28 TAC §3.3052, concerning standards for termination of insurance provision. The amendments are adopted without changes to the proposed text published in the August 22, 2025, issue of the *Texas Register* (50 TexReg 5422).

**REASONED JUSTIFICATION.** The amendments to §3.3052 are necessary to implement Insurance Code §1201.059 as amended by House Bill 446, 88th Legislature, 2023, which updated references to "mental retardation" in the Insurance Code. Insurance Code §1201.059 addresses termination of coverage based on a child's age in an accident and health insurance policy. The amendments to §3.3052 replace the term "mental retardation" in subsection (h)(1) with "intellectual disability."

In a separate rulemaking, as part of the implementation of HB 446, TDI proposed amendments to 28 TAC §19.1703 and §19.2003, concerning utilization reviews for health care, to similarly update references to "mental retardation." The Chapter 19 proposed amendments were also published in the August 22, 2025, issue of the *Texas Register* (50 TexReg 5423). The adopted Chapter 19 amendments are also published in this issue of the *Texas Register*.

In addition, the amendments include nonsubstantive rule drafting and formatting changes to conform §3.3052 to the agency's current style and to improve the rule's clarity. These changes include adding a comma in subsection (b)(1) after "Medical" in the reference to the heading for §3.3038 to conform the reference to the current heading,

correcting capitalization of "coverage" in subsections (b)(2)(A) and (B), inserting the titles of cited Insurance Code provisions in subsections (b)(2)(B) and (d) and punctuation revisions related to the change in subsection (b)(2)(B), and adding a comma in subsections (b)(2)(A) and (f).

**SUMMARY OF COMMENTS.** TDI provided an opportunity for public comment on the rule proposal for a period that ended on September 22, 2025. TDI did not receive any comments on the proposed amendments.

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**STATUTORY AUTHORITY.** The commissioner adopts amended §3.3052 under Insurance Code §1201.006 and §36.001.

Insurance Code §1201.006 authorizes the commissioner to adopt reasonable rules as necessary to implement the purposes and provisions of Insurance Code Chapter 1201.

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

**TEXT.**

**§3.3052. Standards for Termination of Insurance Provision.**

(a) A policy subject to this subchapter must include termination provisions that specify as to each eligible family member, as set out in §3.3051 of this title (relating to

Initial and Subsequent Conditions of Eligibility Provision), the age, or event, if any, upon which coverage under the policy will terminate.

(b) In regard to individual hospital, medical or surgical coverage, a policy may only contain the following bases for termination of coverage:

(1) the bases for nonrenewal contained in §3.3038 of this title (relating to Mandatory Guaranteed Renewability Provisions for Individual Hospital, Medical, or Surgical Coverage; Exceptions);

(2) in regard to policies covering a spouse of the primary insured or dependents:

(A) coverage of the spouse may terminate upon the dissolution of the marriage through divorce or other lawful means, subject to this section, §21.407 of this title (relating to Continuance of Coverage), and other applicable law; and

(B) coverage of a dependent may terminate upon the dependent's attainment of a limiting age, subject to Insurance Code §1201.059, concerning Termination of Coverage Based on Age of Child in Individual, Blanket, or Group Policy; this section; and other applicable law.

(c) A policy containing noncancellable, guaranteed renewable or limited guarantee of renewability provisions may not provide for termination of coverage of the spouse solely because of the occurrence of an event specified for termination of coverage of the insured, other than nonpayment of premium. The provision must stipulate that in the event of the insured's death the spouse of the insured, if covered under the policy, will become the insured.

(d) The provision must stipulate that if the insurer accepts premium for coverage extending beyond the date, age, or event specified for termination as to an insured family

member, then coverage as to such person will continue during the period for which an identifiable premium was accepted, except where such acceptance was predicated on a misstatement of age outlined in Insurance Code §1201.011, concerning Coverage for Premium Period with Limitations by Age or Date; Misstatement of Age of Insured.

(e) In the event of cancellation by the insurer or refusal to renew by the insurer of a policy providing pregnancy benefits, the provision must provide for an extension of benefits as to pregnancy commencing while the policy is in force and for which benefits would have been payable had the policy continued in force.

(f) The provision must stipulate that termination of the policy by the insurer will be without prejudice to any continuous loss which commenced while the policy was in force, but the extension of benefits beyond the period the policy was in force may be predicated upon the continuous total disability of the insured person limited to the duration of the policy benefit period, payment of the maximum benefits, or to a time period of not less than three months.

(g) The provision may provide for the termination or suspension of family members who become eligible for coverage provided by the federal government.

(h) A policy may not provide for termination of coverage of a dependent child on attainment of the limiting age for dependent children specified in the policy while the child is:

(1) incapable of self-sustaining employment due to intellectual disability or physical handicap; and

(2) chiefly dependent upon the insured for support and maintenance. Proof of the incapacity and dependency must be furnished to the insurer by the insured within 31 days of the child's attainment of the limiting age and subsequently as may be required

but not more frequently than annually after the two-year period following the child's attainment of the limiting age. Upon the attainment of the limiting age, the applicable adult premium may be charged.

**CERTIFICATION.** The agency certifies that legal counsel has reviewed the adoption and found it to be a valid exercise of the agency's legal authority.

Issued at Austin, Texas, on October 29, 2025.

Signed by:  
*Jessica Barta*  
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Jessica Barta, General Counsel  
Texas Department of Insurance

The amendments to 28 TAC §3.3052 are adopted.

Signed by:  
*C Brown*  
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Cassie Brown  
Commissioner of Insurance

Commissioner's Order No. 2025-9574