

Amend **HB 1267** on third reading as follows:

(1) on page 5, following line 11, add a new SECTION 5 to read as follows and renumber subsequent sections:

"SECTION 5. Article 26.72, Insurance Code, is amended by amending Subsection (c) and adding Subsection (e) to read as follows:

(c) Subsection (b) of this article does not apply to an arrangement that provides compensation to an agent on the basis of percentage of premium, provided that:

(1) the percentage may not vary because of health status or claim experience; and

(2) the small employer carrier does not:

(A) exclude any additional premium charged to the small employer because of health status or claims experience from the premium amount to which the percentage is applied; or

(B) apply a smaller percentage to any additional premium charged to the small employer because of health status or claims experience than is applied to other premiums charged to the small employer.

(e) A small employer carrier may not use an agent compensation schedule that provides compensation in a specific dollar amount for each individual covered during a specified period or for each group of individuals covered during a specified period.;"

(2) on page 5, between "6." and "This", insert "(1)"; and,

(3) on page 5, following line 27, add the following:

"(2) Article 26.73, Insurance Code, as amended by this Act, applies only to a small employer health benefit plan that is delivered, renewed, or issued for delivery on or after January 1, 2004. A health benefit plan delivered or issued for delivery before January 1, 2004, is governed by the law as it existed immediately before the effective date of this Act, and that law is continued in effect for that purpose."