

## **BILL ANALYSIS**

S.B. 373  
By: Williams  
Insurance  
Committee Report (Unamended)

### **BACKGROUND AND PURPOSE**

Current law requires insurers to notify policyholders of a premium rate increase for certain group policies or contracts 30 days prior to the effective date of the rate increase. Increasing the notification period to 60 days will give employers and consumers time to make more informed decisions about their group insurance. S.B. 373 requires insurers to notify policyholders of premium rate increases for certain group policies or contracts 60 days before the increase takes effect.

### **RULEMAKING AUTHORITY**

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Article 3.51-10, Insurance Code, as effective June 1, 2003, by requiring an insurer to give written notice of a premium rate increase on a group policy of health, accident and health, or life, health, and accident insurance to the policyholder 60 days, rather than 30 days, before the increase takes effect.

SECTION 2. Amends Section 1132.001(b), Insurance Code, as effective June 1, 2003, to make a conforming change.

SECTION 3. Makes application of this act prospective to March 1, 2004.

SECTION 4. Effective date: September 1, 2003.

### **EFFECTIVE DATE**

September 1, 2003.