

By: Alonzo

H.B. No. 968

A BILL TO BE ENTITLED

AN ACT

1  
2 relating to limiting increases in premiums paid for certain  
3 individual health insurance policies or plans.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

5 SECTION 1. Chapter 397, Acts of the 54th Legislature,  
6 Regular Session, 1955 (Article 3.70-1 et seq., Vernon's Texas  
7 Insurance Code), is amended by adding Section 15 to read as follows:

8 Sec. 15. LIMITATION ON PREMIUM INCREASES. (a) An insurer  
9 authorized to engage in the business of accident and sickness  
10 insurance in this state may not increase the premium a retired  
11 policyholder is charged for a term of the policy by an amount  
12 greater than the amount equal to 30 percent of the premium the  
13 retired policyholder was charged for the immediately preceding term  
14 of the policy.

15 (b) For purposes of this section, "retired policyholder"  
16 means a policyholder who has retired from full-time employment but  
17 is not yet eligible to receive benefits under the Medicare program.

18 SECTION 2. The Texas Health Maintenance Organization Act  
19 (Chapter 20A, Vernon's Texas Insurance Code) is amended by adding  
20 Section 9R to read as follows:

21 Sec. 9R. LIMITATION ON PREMIUM INCREASES. (a) A health  
22 maintenance organization may not increase the premium a retired  
23 enrollee enrolled in an individual health care plan is charged for a  
24 term of the evidence of coverage by an amount greater than the

1 amount equal to 30 percent of the premium the retired enrollee was  
2 charged for the immediately preceding term of the evidence of  
3 coverage.

4 (b) For purposes of this section, "retired enrollee" means  
5 an enrollee who has retired from full-time employment but is not yet  
6 eligible to receive benefits under the Medicare program.

7 SECTION 3. This Act takes effect September 1, 2003, and  
8 applies only to a policy of accident and sickness insurance or  
9 evidence of coverage that is delivered, issued for delivery, or  
10 renewed on or after January 1, 2004. A policy of accident and  
11 sickness insurance or evidence of coverage that is delivered,  
12 issued for delivery, or renewed before January 1, 2004, is governed  
13 by the law in effect immediately before the effective date of this  
14 Act, and the former law is continued in effect for that purpose.