

By: Madden

H.B. No. 3196

A BILL TO BE ENTITLED

AN ACT

1
2 relating to premium rates for certain small employer health benefit
3 plans.

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

5 SECTION 1. Articles 26.32(a) and (c), Insurance Code, are
6 amended to read as follows:

7 (a) The premium rates for a small employer health benefit
8 plan with an enrollment of at least six eligible employees are
9 subject to this article.

10 (c) For a class of business, the premium rates charged
11 during a rating period to small employers with similar case
12 characteristics for the same or similar coverage, or the rates that
13 could be charged to those employers under the rating system for that
14 class of business, may not vary from the index rate by more than 43
15 [~~25~~] percent.

16 SECTION 2. This Act takes effect September 1, 2003, and
17 applies only to a small employer health benefit plan that is
18 delivered or issued for delivery on or after January 1, 2004. A
19 small employer health benefit plan that is delivered or issued for
20 delivery before January 1, 2004, is governed by the law as it
21 existed immediately before the effective date of this Act, and that
22 law is continued in effect for that purpose.