

By: Madden

H.B. No. 3197

A BILL TO BE ENTITLED

AN ACT

relating to premium rate adjustments for certain health benefit plans.

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

SECTION 1. Article 26.33(a), Insurance Code, is amended to read as follows:

(a) The percentage increase in the premium rate charged to a small employer for a new rating period may not exceed the sum of:

(1) the percentage change in the new business premium rate measured from the first day of the prior rating period to the first day of the new rating period;

(2) any adjustment, not to exceed 33 [~~15~~] percent annually and adjusted pro rata for rating periods of less than one year, due to the claim experience, health status, or duration of coverage of the employees or dependents of the small employer as determined from the small employer carrier's rate manual for the class of business; and

(3) any adjustment due to change in coverage or change in the case characteristics of the small employer as determined from the small employer carrier's rate manual for the class of business.

SECTION 2. This Act takes effect September 1, 2003, and applies only to a small employer health benefit plan that is delivered, issued for delivery, or renewed after the effective date

1 of this Act. A small employer health benefit plan that is
2 delivered, issued for delivery, or renewed before the effective
3 date of this Act is governed by the law as it existed before the
4 effective date of this Act, and that law is continued in effect for
5 that purpose.