

By: Delisi

H.B. No. 3550

A BILL TO BE ENTITLED

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AN ACT

relating to the definition of gross premiums for certain health insurance providers.

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

SECTION 1. Section 2(c), Article 4.11, Texas Insurance Code, is amended to read as follows:

(c) "Gross premiums are the total gross amount of all premiums, membership fees, assessments, dues and any other considerations for such insurance received during the taxable year on each and every kind of such insurance policy of contract covering persons located in the State of Texas and arising from the types of insurance specified in Section 1 of this article, but deducting returned premiums, any dividends applied to purchase paid-up additions to insurance or to shorten the endowment or premium payment period, and excluding those premiums received from insurance carriers for reinsurance and there shall be no deduction for premiums paid for reinsurance. For purposes of this article, a stop-loss or excess loss insurance policy issued to a health maintenance organization, as defined under the Texas Health Maintenance Organization Act (Chapter 20A, Vernon's Texas Insurance Code), shall be considered reinsurance. Such gross premiums shall not include premiums received from the ~~[Treasury of the State of Texas or from the]~~ Treasury of the United States for ~~[insurance contracted for by the state or federal government for~~

1 ~~the purpose of providing welfare benefits to designated welfare~~
2 ~~recipients or for]~~ insurance contracted by [~~the state or~~] federal
3 government in accordance with or in furtherance of the provisions
4 of [~~Title 2, Human Resources Code, or~~] Title XVIII of the Federal
5 Social Security Act. The gross premiums receipts so reported shall
6 not include the amount of premiums paid on group health, accident,
7 and life policies in which the group covered by the policy consists
8 of a single nonprofit trust established to provide coverage
9 primarily for employees of:

10 (1) a municipality, county, or hospital district in
11 this state; or

12 (2) a county of municipal hospital, without regard to
13 whether the employees are employees of the county or municipality
14 or another entity operating the hospital on behalf of the county or
15 municipality.

16 SECTION 2. Article 4.17(a), Insurance Code, is amended to
17 read as follows:

18 (a) The commissioner shall annually determine the rate of
19 assessment of a maintenance tax to be paid on an annual, semiannual,
20 or other periodic basis, as determined by the comptroller. The rate
21 of assessment may not exceed .04 percent of the correctly reported
22 gross premiums of life, health, and accident insurance coverages
23 and the gross considerations for annuity and endowment contracts
24 collected by all authorized insurers writing life, health, and
25 accident insurance, annuity, or endowment contracts in this state.
26 The comptroller shall collect the maintenance tax. For purposes of
27 this article, the gross premiums on which an assessment is based may

1 not include premiums received from [~~this state or~~] the United
2 States for insurance contracted for by [~~this state or~~] the United
3 States [~~for the purpose of providing welfare benefits to designated~~
4 ~~welfare recipients or for insurance contracted for by this state or~~
5 ~~the United States in accordance with or~~] in furtherance of [~~Title 2,~~
6 ~~Human Resources Code, or~~] Title XVIII of the federal Social
7 Security Act [~~(42 U.S.C. Section 301 et seq.)~~].

8 SECTION 3. Article 20A.33, Texas Insurance Code, is amended
9 by amending Subsection (d) to read as follows:

10 (d) The commissioner shall annually determine the rate of
11 assessment of a per capita maintenance tax to be paid on an annual
12 or semiannual basis, on the correctly reported gross revenues for
13 the issuance of health maintenance certificates or contracts
14 collected by all authorized health maintenance organizations
15 issuing such coverages in this state. The rate of assessment may
16 not exceed \$2 for each enrollee. The rate of assessment may differ
17 between basic health care plans, limited health care service plans,
18 and single health care service plans and shall equitably reflect
19 any differences in regulatory resources attributable to each type
20 of plan. The comptroller shall collect the maintenance tax. For
21 purposes of this section, the amount of maintenance tax assessed
22 may not be computed on enrollees who as individual certificate
23 holders or their dependents are covered by a master group policy
24 paid for by revenues received from [~~this state or~~] the United States
25 for insurance contracted for by [~~this state or~~] the United States
26 [~~for the purpose of providing welfare benefits to designated~~
27 ~~welfare recipients or for insurance contracted for by this state or~~

1 ~~the United States in accordance with or]~~ in furtherance of [~~Title 2,~~
2 ~~Human Resources Code, or]~~ Title XVIII of the federal Social
3 Security Act [~~(42 U.S.C. Section 301 et seq.)~~].

4 SECTION 4. REPEALER. Article 27.05, Texas Insurance Code,
5 is repealed.

6 SECTION 5. EFFECTIVE DATE. This Act takes effect September
7 1, 2003 and applies to an insurance policy or certificate of
8 coverage that is delivered, issued for delivery, or renewed on or
9 after January 1, 2004. A policy delivered, issued for delivery, or
10 renewed before January 1, 2004, is governed by the law as it existed
11 immediately before the effective date of this Act, and that law is
12 continued in effect for that purpose.