

BILL ANALYSIS

H.B. 2467
By: Solomons
Insurance
Committee Report (Unamended)

BACKGROUND AND PURPOSE

Texas Insurance Code, Section 1501.108, requires carriers to renew policies and certificates issued in the small and large employer market at the employer's option, so long as the employer complies with the law and the terms of the plan. This duty is generally described as "guaranteed renewability" and requires continuation of the employer's election of benefits and level of coverage. Under this section, the carrier has no flexibility to make changes to the policy, although the federal Health Insurance Portability and Availability Act allows carriers to modify guaranteed renewal policies in certain circumstances.

H.B. 2467 would allow carriers to modify guaranteed renewable policies under certain circumstances.

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.

ANALYSIS

H.B. 2467, in SECTION 1, amends Section 1501.108 of the Texas Insurance Code to allow carriers to modify a small or large employer health benefit plan if the modification occurs at the time of renewal, the modification is uniform among all employers covered by that plan and the carrier notifies the Texas Department of Insurance Commissioner and each affected employer not later than 60 days before the date the modification is effective.

Next, SECTION 2 states that this Act applies only to a small or large employer health benefit plan that is delivered, issued for delivery, or renewed on or after January 1, 2008. A health benefit plan that is delivered, issued for delivery, or renewed before January 1, 2008, is governed by the law as it existed immediately before the effective date of this Act, and that law is continued in effect for this purpose.

Finally, SECTION 3 states that this Act takes effect September 1, 2007.

EFFECTIVE DATE

September 1, 2007.