

AN ACT

relating to modification of certain small and large employer health benefit plans.

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

SECTION 1. Section 1501.108, Insurance Code, is amended by amending Subsection (a) and adding Subsection (d) to read as follows:

(a) Except as provided by this section and Section 1501.109, a small or large employer health benefit plan issuer shall renew the small or large employer health benefit plan for any covered small or large employer, as applicable, at the employer's option, unless:

(1) a premium has not been paid as required by the terms of the plan;

(2) the employer has committed fraud or has intentionally misrepresented a material fact;

(3) the employer has not complied with the terms of the plan;

(4) no enrollee in the plan resides or works in the geographic service area of the small or large employer health benefit plan issuer or in the area for which the issuer is authorized to do business; or

(5) membership of the employer in an association terminates, but only if coverage is terminated uniformly without regard to a health status related factor of a covered individual.

1 (d) Notwithstanding Subsection (a), a small or large
2 employer health benefit plan issuer may modify a small or large
3 employer health benefit plan if:

4 (1) the modification occurs at the time of coverage
5 renewal;

6 (2) the modification is effective uniformly among all
7 small or large employers covered by that health benefit plan; and

8 (3) the issuer notifies the commissioner and each
9 affected covered small or large employer of the modification not
10 later than the 60th day before the date the modification is
11 effective.

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

19 SECTION 3. This Act takes effect September 1, 2007.

President of the Senate

Speaker of the House

I certify that H.B. No. 2467 was passed by the House on May 8, 2007, by the following vote: Yeas 146, Nays 0, 2 present, not voting.

Chief Clerk of the House

I certify that H.B. No. 2467 was passed by the Senate on May 23, 2007, by the following vote: Yeas 31, Nays 0.

Secretary of the Senate

APPROVED: _____

Date

Governor