

1-1 By: Solomons (Senate Sponsor - Van de Putte) H.B. No. 2467  
1-2 (In the Senate - Received from the House May 9, 2007;  
1-3 May 10, 2007, read first time and referred to Committee on State  
1-4 Affairs; May 17, 2007, reported favorably by the following vote:  
1-5 Yeas 8, Nays 0; May 17, 2007, sent to printer.)

1-6 A BILL TO BE ENTITLED  
1-7 AN ACT

1-8 relating to modification of certain small and large employer health  
1-9 benefit plans.

1-10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-11 SECTION 1. Section 1501.108, Insurance Code, is amended by  
1-12 amending Subsection (a) and adding Subsection (d) to read as  
1-13 follows:

1-14 (a) Except as provided by this section and Section 1501.109,  
1-15 a small or large employer health benefit plan issuer shall renew the  
1-16 small or large employer health benefit plan for any covered small or  
1-17 large employer, as applicable, at the employer's option, unless:

1-18 (1) a premium has not been paid as required by the  
1-19 terms of the plan;

1-20 (2) the employer has committed fraud or has  
1-21 intentionally misrepresented a material fact;

1-22 (3) the employer has not complied with the terms of the  
1-23 plan;

1-24 (4) no enrollee in the plan resides or works in the  
1-25 geographic service area of the small or large employer health  
1-26 benefit plan issuer or in the area for which the issuer is  
1-27 authorized to do business; or

1-28 (5) membership of the employer in an association  
1-29 terminates, but only if coverage is terminated uniformly without  
1-30 regard to a health status related factor of a covered individual.

1-31 (d) Notwithstanding Subsection (a), a small or large  
1-32 employer health benefit plan issuer may modify a small or large  
1-33 employer health benefit plan if:

1-34 (1) the modification occurs at the time of coverage  
1-35 renewal;

1-36 (2) the modification is effective uniformly among all  
1-37 small or large employers covered by that health benefit plan; and

1-38 (3) the issuer notifies the commissioner and each  
1-39 affected covered small or large employer of the modification not  
1-40 later than the 60th day before the date the modification is  
1-41 effective.

1-42 SECTION 2. This Act applies only to a small or large  
1-43 employer health benefit plan that is delivered, issued for  
1-44 delivery, or renewed on or after January 1, 2008. A health benefit  
1-45 plan that is delivered, issued for delivery, or renewed before  
1-46 January 1, 2008, is governed by the law as it existed immediately  
1-47 before the effective date of this Act, and that law is continued in  
1-48 effect for this purpose.

1-49 SECTION 3. This Act takes effect September 1, 2007.

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