

By: Paxton

H.B. No. 2718

A BILL TO BE ENTITLED

AN ACT

1  
2 relating to treatment of premiums for group life insurance issued  
3 through voluntary employee beneficiary associations.

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

5 SECTION 1. Section 1131.503, Insurance Code, is amended by  
6 adding Subsection (c) to read as follows:

7 (c) This subsection applies only to a voluntary employee  
8 beneficiary association described by Section 501(c)(9), Internal  
9 Revenue Code of 1986, that collects member contributions, including  
10 money that is contributed specifically for insurance and that is  
11 remitted as premium under this section following a retrospective  
12 determination to an insurer that issues a group life insurance  
13 policy. For purposes of Section 222.002, gross premiums do not  
14 include any amount collected from association members as membership  
15 contributions, fees, assessments, dues, revenues, or otherwise, to  
16 the extent the amount exceeds the final premium amount remitted to  
17 the insurer.

18 SECTION 2. The change in law made by this Act applies only  
19 to a premium tax report originally due on or after January 1, 2008.

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