

By: Averitt

S.B. No. 1683

A BILL TO BE ENTITLED

AN ACT

relating to the Texas Health Reinsurance System.

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

SECTION 1. Section 1501.3241, Insurance Code, is amended to read as follows:

Sec. 1501.3241. TEMPORARY LIMIT ON TOTAL ASSESSMENTS.

Notwithstanding Section 1501.324, the maximum assessment amount payable for a calendar year may not exceed 10 percent of the total premiums earned in the preceding calendar year from small employer health benefit plans delivered or issued for delivery by reinsured health benefit plan issuers in this state. This section expires September 1, 2009 [~~2007~~].

SECTION 2. Subsections (d-1) and (e-1), Section 1501.325, Insurance Code, are amended to read as follows:

(d-1) During the period that this subsection is effective, Subsection (d) is not effective. A reinsured health benefit plan issuer may not cede additional eligible lives to the system during a calendar year if the assessment amount payable for the preceding calendar year is at least 10 percent of the total premiums earned in that calendar year from small employer health benefit plans delivered or issued for delivery by reinsured health benefit plan issuers in this state. This subsection expires September 1, 2009 [~~2007~~].

(e-1) During the period that this subsection is effective,

1 Subsection (e) is not effective. A reinsured health benefit plan  
2 issuer may not cede additional eligible lives to the system after  
3 the board determines that the expected loss from the reinsurance  
4 system for a year will exceed the total amount of assessments  
5 payable at a rate of 10 percent of the total premiums earned for the  
6 preceding calendar year. A reinsured health benefit plan issuer  
7 may not resume ceding additional eligible lives to the system until  
8 the board determines that the expected loss will be less than the  
9 maximum established by this subsection. This subsection expires  
10 September 1, 2009 [~~2007~~].

11 SECTION 3. EFFECTIVE DATE. This Act takes effect  
12 immediately if it receives a vote of two-thirds of all the members  
13 elected to each house, as provided by Section 39, Article III, Texas  
14 Constitution. If this Act does not receive the vote necessary for  
15 immediate effect, this Act takes effect September 1, 2007.