

By: Watson

S.B. No. 813

A BILL TO BE ENTITLED

AN ACT

relating to the eligibility of certain sole proprietors to participate in small employer health benefit plans.

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

SECTION 1. Section 1501.003, Insurance Code, is amended to read as follows:

Sec. 1501.003. APPLICABILITY: SMALL EMPLOYER HEALTH BENEFIT PLANS. (a) An individual or group health benefit plan is a small employer health benefit plan subject to Subchapters C-H if it provides health care benefits covering two or more eligible employees of a small employer and:

(1) the employer pays a portion of the premium or benefits;

(2) the employer or a covered individual treats the health benefit plan as part of a plan or program for purposes of Section 106 or 162, Internal Revenue Code of 1986 (26 U.S.C. Section 106 or 162); or

(3) the health benefit plan is an employee welfare benefit plan under 29 C.F.R. Section 2510.3-1(j).

(b) An individual health benefit plan is a small employer health benefit plan subject to Subchapters C-H if it provides health care benefits to a sole proprietor under Section 1501.012.

SECTION 2. Section 1501.011, Insurance Code, is amended by adding Subsection (c) to read as follows:

1 (c) This section does not apply to a sole proprietor who
2 elects to participate in a small employer health benefit plan under
3 Section 1501.012.

4 SECTION 3. Subchapter A, Chapter 1501, Insurance Code, is
5 amended by adding Section 1501.012 to read as follows:

6 Sec. 1501.012. PARTICIPATION IN SMALL EMPLOYER HEALTH
7 BENEFIT PLAN BY SOLE PROPRIETOR WITHOUT EMPLOYEES. (a)
8 Notwithstanding any other provision of this chapter or other law, a
9 business entity established as a sole proprietorship that has no
10 employees other than the sole proprietor is eligible to participate
11 in a small employer health benefit plan as if the sole proprietor
12 were a small employer under this chapter.

13 (b) The commissioner shall adopt rules under Section
14 1501.010 as necessary to implement this section.

15 SECTION 4. This Act applies only to a small employer health
16 benefit plan that is delivered, issued for delivery, or renewed on
17 or after January 1, 2010. A small employer health benefit plan
18 delivered, issued for delivery, or renewed before January 1, 2010,
19 is governed by the law as it existed immediately before the
20 effective date of this Act, and that law is continued in effect for
21 that purpose.

22 SECTION 5. This Act takes effect September 1, 2009.