

By: Burnam

H.B. No. 3620

A BILL TO BE ENTITLED

AN ACT

1
2 Relating to requiring the charging of fair and reasonable premiums
3 for health care coverage of Texans.

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

5 SECTION 1. Section 1201.050, Texas Insurance Code, is added
6 to read as follows:

7 (a) No policy of insurance as defined in Title 8 of this Code
8 shall be issued in the State of Texas unless the premium charged
9 shall be approved by the Texas Department of Insurance as fair and
10 reasonable for the issued policy or health maintenance certificate
11 or contract sold.

12 (b) No insurer shall charge a premium that allows an
13 excessive rate of return beyond the cost of services and benefits.

14 (c) No health maintenance organization shall sell a health
15 maintenance certificate or contract that allows an excessive rate
16 of return beyond the cost of services and benefits.

17 SECTION 2. Chapter 222.003, Insurance Code amended to add
18 section 222.0031:

19 (a) An additional tax not to exceed 0.10% of the insurer's
20 gross premium or of a health maintenance organization's gross
21 revenues from the sale of health maintenance certificates or
22 contracts.

23 (b) This tax shall pay for the cost of the Department in
24 determining premiums to be fair and reasonable as set forth in

1 section 1201.001 of this Code.

2 (c) Each year the Department shall refund all amounts of
3 this tax to insurers and health maintenance organizations
4 determined by the Department to be unnecessary for determining
5 premiums to be fair and reasonable as set forth in section 1201.001
6 of this Code.

7 SECTION 3. This Act takes effect September 1, 2013.