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By:  Oliverson H.B. No. 2893

A BILL TO BE ENTITLED

AN ACT

relating to eligibility to establish a multiple employer welfare arrangement.

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

SECTION 1.  Section 846.053, Insurance Code, is amended by amending Subsections (b) and (c) and adding Subsection (d-1) to read as follows:

(b)  The employers in the multiple employer welfare arrangement must:

(1)  be members of an association or group of five or more businesses that are in the same trade or industry, including closely related businesses that provide support, services, or supplies primarily to that trade or industry; or

(2)  each have a principal place of business in the same region that does not exceed the boundaries of this state or the boundaries of a metropolitan statistical area designated by the United States Office of Management and Budget.

(c)  If the employers in the multiple employer welfare arrangement are members of an association, the association must[~~:~~

[~~(1)~~] be engaged in substantial activity for its members other than sponsorship of an employee welfare benefit plan[~~; and~~

[~~(2)  have been in existence for at least two years before engaging in any activities relating to providing employee health benefits to its members~~].

(d-1)  A working owner of a trade or business without employees may qualify as both an employer and as an employee of the trade or industry for the purposes of this section. In this subsection, "working owner" means an individual who:

(1)  has an ownership right of any nature in a trade or business, whether incorporated or unincorporated, including a partner and other self-employed individual;

(2)  earns wages or self-employment income from the trade or business for providing personal services to the trade or business; and

(3)  either:

(A)  works on average at least 20 hours per week or at least 80 hours per month providing personal services to the working owner's trade or business; or

(B)  has wages or self-employment income from the individual's trade or business that at least equals the individual's cost of coverage for participation by the individual and any covered beneficiaries in the group health plan sponsored by the group or association in which the individual is participating.

SECTION 2.  Section 846.053, Insurance Code, as amended by this Act, applies only to an application for a certificate of authority as a multiple employer welfare arrangement submitted on or after January 1, 2020. An application submitted before January 1, 2020, is governed by the law as it existed immediately before the effective date of this Act, and that law is continued in effect for that purpose.

SECTION 3.  This Act takes effect September 1, 2019.