

By: Oliverson

H.B. No. 2893

A BILL TO BE ENTITLED

1 AN ACT  
2 relating to eligibility to establish a multiple employer welfare  
3 arrangement.

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

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

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

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

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

18 (c) If the employers in the multiple employer welfare  
19 arrangement are members of an association, the association must ~~+~~

20 [~~1~~] be engaged in substantial activity for its  
21 members other than sponsorship of an employee welfare benefit  
22 plan, ~~and~~

23 [~~2~~] ~~have been in existence for at least two years~~  
24 ~~before engaging in any activities relating to providing employee~~

1 ~~health benefits to its members].~~

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

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

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

12 (3) either:

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

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

21 SECTION 2. Section [846.053](#), Insurance Code, as amended by  
22 this Act, applies only to an application for a certificate of  
23 authority as a multiple employer welfare arrangement submitted on  
24 or after January 1, 2020. An application submitted before January  
25 1, 2020, is governed by the law as it existed immediately before the  
26 effective date of this Act, and that law is continued in effect for  
27 that purpose.

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