

By: Perry  
(Davis of Harris)

S.B. No. 439

A BILL TO BE ENTITLED

AN ACT

relating to the application of certain insurance regulations to certain small employer health reimbursement arrangements.

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; EXCEPTION. (a) Except as provided by Subsection (b), an ~~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 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) This chapter does not apply to a qualified small employer health reimbursement arrangement as defined by 26 U.S.C. Section 9831(d)(2).

SECTION 2. This Act takes effect immediately if it receives

1 a vote of two-thirds of all the members elected to each house, as  
2 provided by Section 39, Article III, Texas Constitution. If this  
3 Act does not receive the vote necessary for immediate effect, this  
4 Act takes effect September 1, 2019.