

By: Huffman

S.B. No. 1682

A BILL TO BE ENTITLED

AN ACT

relating to establishing a contingency reserve account under the Texas Public School Employees Group Insurance Program.

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

SECTION 1. Subchapter G, Chapter 1575, Insurance Code, is amended by adding Section 1575.307 to read as follows:

Sec. 1575.307. CONTINGENCY RESERVE ACCOUNT. (a) Before the first day of each state fiscal biennium, the trustee shall estimate for an average 60-day period during the biennium the expenditures from the fund anticipated for the group program, considering projected claims and administrative expenses.

(b) The trustee shall place the estimated amount in a contingency reserve account to provide for adverse fluctuations in claims or administrative expenses.

(c) The trustee shall include in each request for legislative appropriations to the group program the amount the trustee determines to be necessary to maintain the contingency reserve account at the level required by this section.

(d) The trustee may invest and reinvest any portion of the contingency reserve account in accordance with Sections 825.103(b) and 825.301, Government Code, considering the functional need to provide for adverse fluctuations in claims or administrative expenses.

(e) The interest on, earnings of, and proceeds from the sale

1 of investments of assets in the contingency reserve account shall
2 be credited to the account.

3 (f) The trustee, from time to time and in amounts the
4 trustee considers appropriate, may transfer unused money for
5 administrative expenses to the contingency reserve account to be
6 used by the trustee only for charges, claims, and expenses under the
7 group program.

8 SECTION 2. This Act takes effect immediately if it receives
9 a vote of two-thirds of all the members elected to each house, as
10 provided by Section 39, Article III, Texas Constitution. If this
11 Act does not receive the vote necessary for immediate effect, this
12 Act takes effect September 1, 2019.