

By: Taylor

S.B. No. 2304

A BILL TO BE ENTITLED

AN ACT

1
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 Subsections (c-1) and
7 (d-1) to 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 (c-1) To determine whether a multiple employer welfare
3 arrangement is considered a large employer, participating
4 employees are counted in the aggregate at the level of the multiple
5 employer welfare arrangement.

6 (d-1) A working owner of a trade or business without
7 employees may qualify both as an employer and as an employee of the
8 trade or industry for the purposes of this section.

9 SECTION 2. Section 846.053, Insurance Code, as amended by
10 this Act, applies only to an application for a certificate of
11 authority as a multiple employer welfare arrangement submitted on
12 or after January 1, 2020. An application submitted before January
13 1, 2020, is governed by the law as it existed immediately before the
14 effective date of this Act, and that law is continued in effect for
15 that purpose.

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