

BILL ANALYSIS

Senate Research Center
76R6266 AJA-D

H.B. 1431
By: Averitt (Sibley)
Economic Development
5/2/1999
Engrossed

DIGEST

Currently, the Texas Health Insurance Risk Pool (THIRP) provides health insurance to individuals who otherwise are uninsurable in the private market due to medical conditions or diagnoses. Current law limits the fees paid to THIRP's third party administrator to 12.5 percent of the preceding year's gross premium receipts. This bill would authorize the commissioner of insurance to approve a higher amount, not to exceed 15 percent of the gross premium receipts from the calendar year, if needed.

PURPOSE

As proposed, H.B. 1431 authorizes the commissioner of insurance to approve a higher amount, not to exceed 15 percent of the gross premium receipts from the calendar year, if needed.

RULEMAKING AUTHORITY

This bill does not grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 7(f), Article 3.77, Insurance Code, authorizes the commissioner of insurance to approve a higher amount in fees, not to exceed 15 percent of the gross receipts of the Texas Health Insurance Risk Pool (THIRP) for the calendar year, if the commissioner determines that the higher amount is necessary to pay the administrative costs and fees of the pool. Makes conforming and nonsubstantive changes.

SECTION 2. Provides that this Act applies to payment made to all insurers or third party administrators for administration of THIRP for the 1999 calendar year or a subsequent year.

SECTION 3. Emergency clause.
Effective date: upon passage.