

BILL ANALYSIS

Senate Research Center
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H.B. 471
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Business & Commerce
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Engrossed

DIGEST AND PURPOSE

Currently, the smallest employers in Texas are finding it increasingly difficult to obtain affordable health insurance for their employees. H.B. 471 prohibits a small employer carrier from implementing agent commission schedules that vary the level of agent commissions based on the size of the group, or otherwise reduce access to small employer health benefit plans.

RULEMAKING AUTHORITY

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

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Article 26.73, Insurance Code, by adding Subsections (c) and (d), as follows:

- (c) Prohibits a small employer carrier from implementing, directly or indirectly, agent commission schedules that vary the level of agent commissions based on the size of the group, or otherwise reduce access to small employer health benefit plans.
- (d) Authorizes a small employer, notwithstanding Subsection (c) of this article, to:
 - (1) vary agent commission amounts or percentages based on group size if the variation in the commission amounts or percentages are inversely related to the size of the group;
 - (2) vary agent commission amounts or percentages based on the cumulative premium paid by a single small employer over a specific period if the variation in the commission amounts or percentages are inversely related to the cumulative premium paid during the period; or
 - (3) pay agent commissions as a percentage of premium charged to a small employer if the commission percentage is based on all premium paid by the small employer.

SECTION 2. Provides that Article 26.73, Insurance Code, as amended by this Act, applies only to a small employer health benefit plan that is delivered or issued for delivery on or after January 1, 2002. Provides that a health benefit plan delivered or issued for delivery before January 1, 2002, is governed by the law as it existed immediately before the effective date of this Act, and that law is continued in effect for that purpose.

SECTION 3. Effective date: September 1, 2001.