

## **BILL ANALYSIS**

Senate Research Center  
80R8781 DLF-F

H.B. 2467  
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State Affairs  
5/15/2007  
Engrossed

### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

Section 1507.108, Insurance Code, requires carriers to renew policies and certificates issued in the small and large employer market at the employer's option, so long as the employer complies with the law and the terms of the plan. This duty is generally described as "guaranteed renewability" and requires the continuation of the employer's election of benefits and level of coverage. Under current state law, the carrier has no flexibility to make changes to the policy. However, under the federal Health Insurance Portability and Availability Act, carriers are authorized to modify guaranteed renewal policies in certain circumstances.

H.B. 2467 authorizes carriers under state law to modify guaranteed renewable policies under certain circumstances.

### **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 Section 1501.108, Insurance Code, by amending Subsection (a) and adding Subsection (d), as follows:

(a) Requires a small or large employer health benefit plan issuer to renew the plan for any covered small or large employer, as applicable, at the employer's option, except as provided by this section and as previously provided for in this subsection.

(d) Authorizes a small or large employer health benefit plan issuer to modify a small or large employer health benefit plan if the modification occurs at the time of coverage renewal, the modification is effective uniformly among all small or large employers covered by that health benefit plan, and the issuer notifies the commissioner of insurance and each affected covered small or large employer of the modification not later than the 60<sup>th</sup> day before the date the modification is effective, notwithstanding Subsection (a).

SECTION 2. Makes application of this Act prospective to January 1, 2008.

SECTION 3. Effective date: September 1, 2007.