

1-1 By: Perry S.B. No. 439  
1-2 (In the Senate - Filed January 23, 2019; February 14, 2019,  
1-3 read first time and referred to Committee on Business & Commerce;  
1-4 March 27, 2019, reported favorably by the following vote: Yeas 9,  
1-5 Nays 0; March 27, 2019, sent to printer.)

1-6 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-7 Hancock	X			
1-8 Nichols	X			
1-9 Campbell	X			
1-10 Creighton	X			
1-11 Menéndez	X			
1-12 Paxton	X			
1-13 Schwertner	X			
1-14 Whitmire	X			
1-15 Zaffirini	X			
1-16				

1-17 A BILL TO BE ENTITLED  
1-18 AN ACT

1-19 relating to the application of certain insurance regulations to  
1-20 certain small employer health reimbursement arrangements.

1-21 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-22 SECTION 1. Section 1501.003, Insurance Code, is amended to  
1-23 read as follows:

1-24 Sec. 1501.003. APPLICABILITY: SMALL EMPLOYER HEALTH  
1-25 BENEFIT PLANS; EXCEPTION. (a) Except as provided by Subsection  
1-26 (b), an [An] individual or group health benefit plan is a small  
1-27 employer health benefit plan subject to Subchapters C-H if it  
1-28 provides health care benefits covering two or more employees of a  
1-29 small employer and:

1-30 (1) the employer pays a portion of the premium or  
1-31 benefits;

1-32 (2) the employer or a covered individual treats the  
1-33 health benefit plan as part of a plan or program for purposes of  
1-34 Section 106 or 162, Internal Revenue Code of 1986 (26 U.S.C. Section  
1-35 106 or 162); or

1-36 (3) the health benefit plan is an employee welfare  
1-37 benefit plan under 29 C.F.R. Section 2510.3-1(j).

1-38 (b) This chapter does not apply to a qualified small  
1-39 employer health reimbursement arrangement as defined by 26 U.S.C.  
1-40 Section 9831(d)(2).

1-41 SECTION 2. This Act takes effect immediately if it receives  
1-42 a vote of two-thirds of all the members elected to each house, as  
1-43 provided by Section 39, Article III, Texas Constitution. If this  
1-44 Act does not receive the vote necessary for immediate effect, this  
1-45 Act takes effect September 1, 2019.

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