

BILL ANALYSIS

Senate Research Center
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S.B. 373
By: Williams
State Affairs
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DIGEST AND PURPOSE

Current law requires insurers to notify policy holders of a premium rate increase 30 days prior to the effective date of the rate increase. Increasing the notification period to 60 days will give employers and consumers time to make more informed decisions about their group insurance. As proposed, S.B. 373 requires insurers to notify policy holders of a premium rate increase 60 days before the increase takes effect.

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 3.51-10, Insurance Code, as effective June 1, 2003, by increasing from 30 days to 60 days before a premium rate increase takes effect the date on which the insurer is required to give written notice of the premium rate increase to the policyholder of certain group policies or contracts.

SECTION 2. Amends Section 1132.001(b), Insurance Code, as effective June 1, 2003, to make a conforming change.

SECTION 3. Makes application of this act prospective to March 1, 2004.

SECTION 4. Effective date: September 1, 2003.