

## **BILL ANALYSIS**

Senate Research Center  
76R6330 DLF-D

S.B. 530  
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As Filed

### **DIGEST**

Currently, the definition of “gross premiums” in Section 2(c), Article 4.11, Insurance Code, excludes the amount of insurance premiums paid on group health, accident, and life policies in which the group covered by the policy consists of a single nonprofit trust established to provide coverage primarily for “municipal or county employees” of this state. This could have the effect of prohibiting policies covering hospital district employees from claiming this tax benefit because of the status of the employees of the hospital district. S.B. 530 would prohibit the reported gross premiums receipts from including the amount of premiums paid on group health, accident, and life policies in which the group covered by the policy consists of a single nonprofit trust established to provide coverage primarily for employees of a municipality, county, hospital district, or a county or municipal hospital in this state.

### **PURPOSE**

As proposed, S.B. 530 redefines “gross premiums” to include information concerning the premium tax on certain life, health, and accident policies.

### **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 2(c), Article 4.11, Insurance Code, to redefine “gross premiums” by prohibiting the reported gross premiums receipts from including the amount of premiums paid on group health, accident, and life policies in which the group covered by the policy consists of a single nonprofit trust established to provide coverage primarily for employees of: a municipality, county, or hospital district in this state; or a county or municipal hospital, without regard to whether the employees are employees of the county or municipality or another entity operating the hospital on behalf of the county or municipality.

SECTION 2. Effective date: January 1, 2000.  
Makes application of this Act prospective.

SECTION 3. Emergency clause.