

From: Derek Schelldorf <
Date: June 21, 2011 1:52:17 PM CDT
To: Bill Bilyeu <
Cc: "John K. Hall"
Subject: RE: Question from Commissioner

Bill,

Please see below provided by our Compliance Officer. Included are two sections of the Texas Code that are relevant to your earlier questions, one regarding the eligibility of retirees and another regarding the payment of premiums by the retiree/individual insured. Please let me know if you have any questions about what is provided here.

Regarding eligibility of retirees of the county. Specifically, please note '(d)' highlighted in red:

Sec. 1251.008. RULES. The commissioner may adopt rules necessary to administer this chapter. A rule adopted under this section is subject to notice and hearing as provided by Section 1201.007 for a rule adopted under Chapter 1201.

Added by Acts 2003, 78th Leg., ch. 1274, Sec. 3, eff. April 1, 2005.

SUBCHAPTER B. GROUP ACCIDENT AND HEALTH INSURANCE: ELIGIBLE POLICYHOLDERS

Sec. 1251.051. EMPLOYERS. (a) For purposes of this section, "employee" includes:

- (1) an officer, manager, or employee of the employer;

(2) an individual proprietor or partner, if the employer is an individual proprietorship or partnership;

(3) an officer, manager, or employee of a subsidiary or affiliated corporation; and

(4) an individual proprietor, partner, or employee of an individual or firm, if the business of the employer and the individual or firm is under common control through stock ownership, contract, or otherwise.

(b) A policy issued to insure employees of a public body may provide that the term "employee" includes an elected or appointed officer of the body.

(c) A policy issued to the trustees of a fund established by an employer may provide that the term "employee" includes a trustee, an employee of the trustees, or both, if the person's duties are principally connected with the trusteeship.

(d) A group accident and health insurance policy may be issued to an employer or trustees of a fund established by an employer to insure the employer's active and retired employees for the benefit of persons other than the employer.

(e) The employer or the trustees of a fund established by an employer are the policyholder under a policy to which this section applies.

Regarding payment of premiums. There is no limitation as to payment of premiums by the covered individual:

SUBCHAPTER C. GROUP ACCIDENT AND HEALTH INSURANCE: REQUIRED PROVISIONS

Sec. 1251.101. REQUIRED PROVISIONS. (a) A group accident and health insurance policy, including a group contract issued by a group hospital service corporation, may not be delivered in this state unless the policy contains in substance the provisions prescribed by this subchapter or provisions in relation to provisions prescribed by this subchapter that, in the opinion of the commissioner, are:

(1) more favorable to the insureds under the policy; or

(2) at least as favorable to the insureds under the policy and more favorable to the policyholder.

(b) The standard provisions required for individual health insurance policies do not apply to group health insurance policies.

(c) If any provision of this subchapter is wholly or partly inapplicable to or inconsistent with the coverage provided by a particular form of policy, the insurer, with the approval of the commissioner, shall:

(1) omit the inapplicable provision or part from the policy; or

(2) modify the inconsistent provision in a manner that makes the provision as contained in the policy consistent with the coverage provided by the policy.

Added by Acts 2003, 78th Leg., ch. 1274, Sec. 3, eff. April 1, 2005.

Sec. 1251.102. PAYMENT OF PREMIUMS. A group accident and health insurance policy must provide that premiums due under the policy must be remitted by the premium payor as designated in the policy:

- (1) on or before the due date; or
- (2) within any grace period specified in the policy.

Added by Acts 2003, 78th Leg., ch. 1274, Sec. 3, eff. April 1, 2005.

From: Derek Schelldorf
Sent: Tuesday, June 21, 2011 11:20 AM
To: 'Bill Bilyeu'
Cc: John K. Hall
Subject: RE: Question from Commissioner

Bill,

I would just like to follow up with you on the status of your questions from yesterday's meeting. The information has been requested and we are eagerly awaiting a response so we can provide to you. I understand you need the information today, but is there a deadline you have to meet to get the topics on the next agenda? If so, can you let us know that time? We would like to ensure that we get this to you as timely as possible.

In the meantime, we will keep you posted of the progress.

From: John K. Hall
Sent: Monday, June 20, 2011 3:59 PM

To: Bill Bilyeu
Cc: Derek Schelldorf
Subject: RE: Question from Commissioner

Bill,

Thank you for your call today and the follow up email. I have requested the information needed and we will get it to you as soon as we can.

John

From: Bill Bilyeu
Sent: Monday, June 20, 2011 2:23 PM
To: John K. Hall; Derek Schelldorf
Subject: RE: Question from Commissioner

John,

The Commissioners Court held the RFP solicitation until this “group” question is answered. If you have an answer by tomorrow, I’ll place it on the agenda for next week. Additionally, I’d like for one of you to attend the meeting if additional questions come up about how this program works. You might watch the webcast of today’s meeting on our website around 2:15 or so of the agenda (posted tomorrow). The court discussed the RFP for approximately 10 minutes or so.

Bill

From: Bill Bilyeu
Sent: Monday, June 20, 2011 12:03 PM
To: John J. Hall
Cc: Cheryl Williams
Subject: Question from Commissioner

Derek Schelldorf

John,

As we discussed, Commissioner Williams requests more information regarding how retired employees of an employer qualify as a group under state law. Her email is cdwilliams@collincountytx.gov

Thanks,

Bill Bilyeu

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