



ROBERT DUNCAN  
STATE SENATOR  
DISTRICT 28

## **Senator Duncan files small business reinsurance bill**

For Immediate Release  
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AUSTIN - Sens. Robert Duncan and Jane Nelson today filed legislation to strengthen Texas' small business health insurance market.

Senate Bill 6, commonly known as Healthy Texas, would create a reinsurance program to support a lower cost health insurance product to qualifying small businesses. Reinsurance is a method for insurance companies to provide a form of coverage while still protecting them against great risk or loss.

Texas has one of the highest rates of uninsured businesses in the nation. Healthy Texas would provide a market-based solution to address the issue. Reinsurance would serve the market by lowering the premium through spreading risk and improving claim predictability.

"There are employed Texans who are uninsured and I believe it's time to address this issue" said Duncan. "The legislation provides a great opportunity for more small business employees and employers to finally have affordable insurance."

The reinsurance program created in the bill covers 80 percent of claims between \$5,000 and \$75,000 per member, per year. By providing this level of reinsurance, insurance carriers have better claim predictability for the small business market. This support will allow Healthy Texas to offer a health insurance product with a significantly lower premium.

Mike Geeslin, Commissioner of the Texas Department of Insurance, said the bill encourages small employers to purchase health insurance.

"In keeping with the directive from the Legislature, Healthy Texas proposes an innovative, public/private collaboration to encourage small employers to purchase private health insurance coverage" said Geeslin. "Its strength is state-funded premium stabilization fund that will act as a catalyst in the market, providing a more affordable option for uninsured working Texans."

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Select insurers, chosen through a competitive bidding process, would offer a standard benefit plan and premiums would be approved by the Texas Department of Insurance. Employers and employees would contribute to the premiums.

Nelson said the bill provides a market-based approach to the issue.

"Through this partnership with the state," Nelson said, "more small businesses will be in position to make private health insurance available to their employees. This is a market-based approach to our challenges with the uninsured."

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