



Fact Sheet on House Bill 861

Competitive Insurance Benefits (CIB) Bill

Equality Texas Supports HB 861

Bill Number:	House Bill 861
Unofficial Name:	Competitive Insurance Benefits
Bill Author:	Representative Elliott Naishtat
Short description:	HB 861 would amend the Insurance Code to require and empower the University of Texas and Texas A&M University Systems to offer employees insurance benefits comparable with those offered in private industry.
Committee Assignment:	Insurance
Current Status:	2/23/09 – Referred to Insurance Committee 1/29/09 – Filed

SUPPORTIVE STATEMENTS:

To be flagship universities, state statutes require the UT and TAMU systems to be competitive at the highest levels. Statutes demand UT and TAMU offer benefits competitive to their peer institutions, but neither system currently does so. The best universities in this country already offer insurance benefits for the unmarried partners, cohabitating parents/adult children of faculty and staff. Texas' flagship universities must provide these benefits in order to be able to attract top talent.

QUICK FACTS:

Tenured faculty and experienced staff are leaving Texas' flagship universities, and potential hires are declining offers, due to the lack of competitive insurance benefits. Replacing these valuable employees, and recruiting replacement candidates, requires significant amounts of time and money.

Offering competitive insurance benefits to faculty and staff can help attract and retain top talent.

Failing to offer such benefits creates an income disparity between married and unmarried employees and forces families either to buy their own insurance (without the advantage of the large university group) or to pay for medical care out-of-pocket. Sometimes, medical expenses are even shifted to Texas counties, which are required to provide emergency medical care to anyone in need.

Currently, both the UT and TAMU Systems could offer competitive insurance benefits to a qualified employee and the employee's designee. This bill would clear up ambiguity in the Insurance Code. Chapter 1601 of the Insurance Code requires that the University Systems offer benefits that are at "comparable" and "at least equal to" those offered by peer institutions, state agencies and private industry.



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- **Twenty-three of the top 25 national universities offer competitive insurance benefits to partners and/or dependents of unmarried staff members.** In Texas, Baylor College of Medicine, Rice University, Southwestern University, Southern Methodist University and Trinity University *all provide such benefits.*
- **Approximately 80% of Fortune 100 companies and some Texas governments** (City of Austin and Travis County) **provide similar benefits.**

Based on these facts, the current standards of the UT and TAMU Systems *are not comparable and do not equal the standards* set in the Insurance Code.