

EDUCATION CODE

TITLE 6. BENEFITS CONSORTIUMS

CHAPTER 2000. BENEFITS CONSORTIUMS FOR CERTAIN
PRIVATE EDUCATIONAL INSTITUTIONS

Sec. 2000.001. DEFINITIONS. In this chapter:

(1) "Employee welfare benefit plan" has the meaning assigned by Section 3(1), Employee Retirement Income Security Act of 1974 (29 U.S.C. Section 1002(1)).

(2) "Private educational institution" means any nonpublic, nonprofit, and accredited school that:

(A) is owned and operated by an individual, religious institution, partnership, association, or corporation, or a department, division, or section of one of those entities; and

(B) designates itself as a private educational center that includes a program of elementary, secondary, religious, college, or university education whose primary purpose is to provide private or religious-based education.

Added by Acts 2005, 79th Leg., Ch. 625 (H.B. 2390), Sec. 1, eff. June 17, 2005.

Sec. 2000.002. FORMATION OF BENEFITS CONSORTIUM. Two or more private educational institutions may form a benefits consortium for the purpose of establishing a self-funded employee welfare benefit plan by adopting articles of incorporation or a declaration of trust. The articles of incorporation or declaration of trust must:

(1) limit membership in the benefits consortium to private educational institutions;

(2) list the charter members of the benefits consortium;

(3) include the method by which other institutions may be admitted as members of the benefits consortium;

(4) require that each member agree to an initial membership term of not less than three years;

(5) provide that the directors or trustees of the benefits consortium be elected from or on behalf of the membership

of the benefits consortium and prescribe the method for selection of directors or trustees of the benefits consortium;

(6) provide that the directors or trustees have complete fiscal control over the plan and are responsible for all operations of the plan;

(7) list the purposes of the benefits consortium, including the types of risks shared by members of the consortium;

(8) establish bylaws of the benefits consortium; and

(9) provide for amendment of the articles of incorporation or declaration of trust and the bylaws.

Added by Acts 2005, 79th Leg., Ch. 625 (H.B. [2390](#)), Sec. 1, eff. June 17, 2005.

Sec. 2000.003. FILINGS BY BENEFITS CONSORTIUM. A benefits consortium formed under this chapter shall:

(1) file with the commissioner of insurance a copy of the consortium's articles of incorporation or declaration of trust and any amendments to the articles of incorporation or declaration of trust; and

(2) comply with all reporting requirements under the Employee Retirement Income Security Act of 1974 (29 U.S.C. Section 1001 et seq.).

Added by Acts 2005, 79th Leg., Ch. 625 (H.B. [2390](#)), Sec. 1, eff. June 17, 2005.

Sec. 2000.004. REGULATION OF BENEFITS CONSORTIUM; EXEMPTION FROM STATE REGULATION. An employee welfare benefit plan established by a benefits consortium under this chapter that is sponsored by a trade association in existence for 10 years or more, is in good standing with the secretary of state, and meets the requirements of this chapter is governed solely by and shall comply with the Employee Retirement Income Security Act of 1974 (29 U.S.C. Section 1001 et seq.), as implemented by the United States Department of Labor.

Added by Acts 2005, 79th Leg., Ch. 625 (H.B. [2390](#)), Sec. 1, eff. June 17, 2005.