

## **BILL ANALYSIS**

Senate Research Center  
76R4526 PB-D

S.B. 405  
By: Madla  
Economic Development  
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As Filed

### **DIGEST**

Currently, the Texas Insurance Code limits the amount of group life insurance coverage that may be provided to Texas employees' spouses or children under a group life insurance policy to an amount not to exceed one-half of the amount of insurance on the employee's life. This limits the options of Texas consumers under group life insurance plans. S.B. 405 provides that the amount of group life insurance coverage for spouses and children may be limited to a percentage of the amount of insurance on the life of the primary insured. This bill would also allow a spouse or child to become insured under a group life insurance policy if the employee is eligible to be insured.

### **PURPOSE**

As proposed, S.B. 405 extends certain group life insurance coverage to spouses and children.

### **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 Article 3.51-4A, Insurance Code, as follows:

Art. 3.51-4A. New heading: EXTENSION OF GROUP LIFE INSURANCE  
TO SPOUSES AND CHILDREN

Sec. 1. Authorizes group life insurance coverage, rather than group term life insurance, of each person eligible to be insured, to be extended to cover spouses and certain children, provided the life insurance coverage of the spouse or child meets the authorized percentage limit of the primary insured's amount.

Sec. 2. Makes a conforming change.

Sec. 3. Makes conforming changes.

Sec. 4. Makes no change.

SECTION 2. Makes application of this Act prospective to January 1, 2000.

SECTION 3. Effective date: September 1, 1999.

SECTION 4. Emergency clause.