

BILL ANALYSIS

Senate Research Center
76R4526 PB-D

C.S.S.B. 405
By: Madla
Economic Development
2/24/1999
Committee Report (Substituted)

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. C.S.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, C.S.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 amount of an eligible person's life insurance coverage.

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.

SUMMARY OF COMMITTEE CHANGES

SECTION 1.

Sec. 1. Amends Section 1, Article 3.51-4A, Insurance Code, to authorize 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 amount of an eligible person's life insurance coverage, rather than, primary insured's amount.