

BILL ANALYSIS

Senate Research Center
79R475 AJA-F

S.B. 88
By: Averitt
State Affairs
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As Filed

AUTHOR'S/SPONSOR'S STATEMENT OF INTENT

Currently, Texas law prohibits insurance carriers from issuing a group life insurance policy that covers less than 10 employees. There are over 200,000 small businesses in Texas that employ less than 10 employees, all of which are thereby unable to offer their employees group life insurance. As proposed, S.B. 88 changes the minimum number of employees a business must have to qualify for group life insurance to two.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 1131.204(a), Insurance Code, to require certain group life insurance policies to cover at least two, rather than ten, employees on the date a policy is issued.

SECTION 2. Makes application of this Act prospective to January 1, 2006.

SECTION 3. Effective date: September 1, 2005.