

BILL ANALYSIS

Senate Research Center
79R4855 AJA-F

H.B. 1571
By: Taylor (Averitt)
State Affairs
5/16/2005
Engrossed

AUTHOR'S/SPONSOR'S STATEMENT OF INTENT

Current statutes authorize a group policyholder to pay the premium for the policy either wholly from the employer's funds or funds contributed by the employer, or partly from the employer's funds and partly from funds contributed by the employees.

H.B. 1571 adds a third alternative to the source of the premium funds: premiums could be paid wholly from funds contributed by the insured employees. H.B. 1571 also makes available a group life insurance policy to employees of an employer notwithstanding that the employer makes no contribution of funds to pay the premium, but permits the employees to have the advantage of the group life insurance, the premiums for which would be paid entirely by the employees' funds. The bill broadens the opportunity for employees to have access to group life insurance, but paid for entirely from employees' funds.

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 1131.203(a), Insurance Code, to require a group life insurance policyholder to pay the premium for the policy from certain funds, including wholly from funds contributed by the insured employees. Makes nonsubstantive changes.

SECTION 2. Repealer: Sections 1131.203(b) (relating to premiums paid from funds wholly paid by employees) and 1131.204(b) (relating to premiums paid mostly by employees), Insurance Code.

SECTION 3. Makes application of this Act prospective.

SECTION 4. Effective date: upon passage or September 1, 2005.