

BILL ANALYSIS

Senate Research Center
80R14289 AJA-F

C.S.H.B. 2549
By: Smith, Todd (Averitt)
State Affairs
5/15/2007
Committee Report (Substituted)

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Currently, Section 1131.802 (Extension of Group Life Insurance Coverage to Spouses and Children; Eligible Children), Insurance Code, defines "dependent," for the purposes of eligibility under a group life insurance policy, to include a natural or adopted child younger than 21, or such a child older than 21 years of age if the child is enrolled as a full-time student at an educational institution or is physically or mentally disabled and under the parents' supervision. Therefore, children who are 21 years of age are not included, creating a coverage gap for that one-year period.

C.S.H.B. 2549 authorizes a carrier issuing group life coverage to extend coverage to a natural or adopted child of an insured person who is unmarried and younger than 25 years of age or physically or mentally disabled and under the parents' supervision, or to a natural or adopted grandchild of an insured person who is unmarried, younger than 25 years of age, and a dependent of the insured person for federal income tax purposes at the time the application for coverage of the child is made. This bill would allow dependent coverage at the insured policyholder's request that is consistent with coverage provided by accident and health policies.

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 1131.802, Insurance Code, as follows:

Sec. 1131.802. EXTENSION OF GROUP LIFE INSURANCE TO SPOUSES AND CHILDREN; ELIGIBLE CHILDREN. Authorizes insurance under a group life insurance policy to be extended to cover a natural or adopted child of each individual eligible to be insured under the policy if the child is unmarried and younger than 25 years of age or physically or mentally disabled and under the parents' supervision, rather than if the child is younger than 21 years of age or older than 21 years of age and enrolled as a full-time student at an educational institution or physically or mentally disabled and under the parents' supervision. Authorizes insurance under a group life insurance policy to be extended to cover a natural or adopted grandchild of each individual eligible to be insured under the policy if the child is unmarried, younger than 25 years of age, and a dependent of the insured for federal income tax purposes at the time the application for coverage of the child is made.

SECTION 2. Makes application of this Act prospective to January 1, 2008.

SECTION 3. Effective date: September 1, 2007.