

BILL ANALYSIS

Senate Research Center
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C.S.S.B. 579
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Business & Commerce
3/22/2011
Committee Report (Substituted)

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

C.S.S.B. 579 gives consumers the ability to fund prearrangements for funerals with insurance for the amount of the total contract. Under current law, there is a limit of \$15,000.

C.S.S.B. 579 amends current law relating to the total benefit amount under a prepaid funeral contract.

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 4054.157, Insurance Code, as follows:

Sec. 4054.157. LIMIT ON AGENT'S AUTHORITY. Prohibits, except as provided by Section 154.2021 (Requirements for Insurance Policies), Finance Code, a funeral prearrangement life insurance agent licensed under this subchapter from writing any coverage or combination of coverages with an initial guaranteed death benefit on any life that exceeds the total cost of the prepaid funeral benefits purchased under the prepaid funeral contract, rather than prohibits a funeral prearrangement life insurance agent licensed under this subchapter from writing any coverage or combination of coverages with an initial guaranteed death benefit that exceeds \$15,000 on any life.

SECTION 2. Makes application of this Act prospective.

SECTION 3. Effective date: September 1, 2011.