

BILL ANALYSIS

Senate Research Center
81R17808 PMO-F

H.B. 2690
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State Affairs
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Engrossed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Texas currently only allows trust groups established by an employer. Amending the current law and adding “or adopted” to the statute would allow an employer to buy a trust-based policy without the requirement that the employer itself establish the trust.

This bill amends the Texas trust group law to mimic the National Association of Insurance Commissioners Employer Group Model which allows trust groups established or adopted by an employer.

H.B. 2690 amends current law relating to eligible policyholders for group life insurance.

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 Sections 1131.053(a) and (d), Insurance Code, as follows:

(a) Authorizes a group life insurance policy that insures the employers' employees or the unions' members for the benefit of persons other than the employers or unions to be issued to the trustees of a fund established or adopted by two or more employers in the same industry or by one or more labor unions, by one or more employers in the same industry and one or more labor unions, or by one or more employers and one or more labor unions whose members are in the same related occupations or trades.

(d) Makes a conforming change.

SECTION 2. Makes application of this Act prospective to January 1, 2010.

SECTION 3. Effective date: September 1, 2009.