

# SENATE AMENDMENTS

2<sup>nd</sup> Printing

By: Smith of Tarrant

H.B. No. 2549

A BILL TO BE ENTITLED

AN ACT

relating to extension of group life insurance to eligible children.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Section 1131.802, Insurance Code, is amended to read as follows:

Sec. 1131.802. EXTENSION OF GROUP LIFE INSURANCE TO SPOUSES AND CHILDREN; ELIGIBLE CHILDREN. Insurance under a group life insurance policy may be extended to cover:

(1) the spouse of each individual eligible to be insured under the policy; ~~or~~

(2) a natural or adopted child of each individual eligible to be insured under the policy if the child is:

(A) unmarried; and ~~[younger than 21 years of age, or]~~

(B) younger ~~[older]~~ than 25 ~~[21]~~ years of age; or

(C) physically or mentally disabled and under the parents' supervision; or

(3) a natural or adopted grandchild of each individual eligible to be insured under the policy if the child is:

(A) unmarried;

(B) younger than 25 years of age; and

(C) a dependent of the insured for federal income tax purposes at the time the application for coverage of the grandchild is made ~~[and]~~

1                                   ~~[(i) enrolled as a full-time student at an~~  
2 ~~educational institution, or~~  
3                                   ~~[(ii) physically or mentally disabled and~~  
4 ~~under the parents' supervision].~~

5                   SECTION 2. This Act takes effect September 1, 2007.

ADOPTED

MAY 18 2007

*Atty Gen*  
Secretary of the Senate

By: Smith

H.B. No. 2549

Substitute the following for \_\_\_B. No. \_\_\_\_\_:

By: Harris

C.S. \_\_\_B. No. \_\_\_\_\_

A BILL TO BE ENTITLED

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AN ACT

relating to eligibility of certain dependents for group life insurance.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Section 1131.802, Insurance Code, is amended to read as follows:

Sec. 1131.802. EXTENSION OF GROUP LIFE INSURANCE TO SPOUSES AND CHILDREN; ELIGIBLE CHILDREN. Insurance under a group life insurance policy may be extended to cover:

(1) the spouse of each individual eligible to be insured under the policy; [~~or~~]

(2) a natural or adopted child of each individual eligible to be insured under the policy if the child is:

(A) unmarried and younger than 25 [~~21~~] years of age; or

(B) [~~older than 21 years of age and:~~  
~~[(i) enrolled as a full-time student at an educational institution; or~~

~~[(ii)] physically or mentally disabled and under the parents' supervision; or~~

(3) a natural or adopted grandchild of each individual eligible to be insured under the policy if the child is:

(A) unmarried;

(B) younger than 25 years of age; and

1                    (C) a dependent of the insured for federal income  
2 tax purposes at the time the application for coverage of the child  
3 is made.

4            SECTION 2. The change in law made by this Act applies only  
5 to a group life insurance policy delivered, issued for delivery, or  
6 renewed on or after January 1, 2008. A policy delivered, issued for  
7 delivery, or renewed before January 1, 2008, is governed by the law  
8 in effect immediately before the effective date of this Act, and  
9 that law is continued in effect for that purpose.

10           SECTION 3. This Act takes effect September 1, 2007.

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION**

**May 15, 2007**

**TO:** Honorable Robert Duncan, Chair, Senate Committee on State Affairs

**FROM:** John S. O'Brien, Director, Legislative Budget Board

**IN RE: HB2549** by Smith, Todd (Relating to eligibility of certain dependents for group life insurance.), **Committee Report 2nd House, Substituted**

**No significant fiscal implication to the State is anticipated.**

The bill would amend the Insurance Code relating to extension of group life insurance to eligible children.

Based on the analysis of the Texas Department of Insurance (TDI), it is assumed that there would be a one-time revenue gain of \$1,500 in the General Revenue Dedicated Account Fund 36 in fiscal year 2008 because the bill would result in 15 filings, each accompanied by a \$100 filing fee. Since General Revenue Dedicated Account Fund 36 is a self-leveling account, this analysis assumes all revenue generated would go toward fund balances or the maintenance tax would be set to recover a lower level of revenue the following year. It is also assumed that any costs realized by TDI from implementing the provisions of the bill could be absorbed within existing resources.

The bill would take effect September 1, 2007.

**Local Government Impact**

No fiscal implication to units of local government is anticipated.

**Source Agencies:** 454 Department of Insurance

**LBB Staff:** JOB, KJG, JRO, MW, SK

LEGISLATIVE BUDGET BOARD  
Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

May 11, 2007

TO: Honorable Robert Duncan, Chair, Senate Committee on State Affairs

FROM: John S. O'Brien, Director, Legislative Budget Board

IN RE: **HB2549** by Smith, Todd (Relating to extension of group life insurance to eligible children.),  
**As Engrossed**

**No significant fiscal implication to the State is anticipated.**

The bill would amend the Insurance Code relating to extension of group life insurance to eligible children.

Based on the analysis of the Texas Department of Insurance (TDI), it is assumed that there would be a one-time revenue gain of \$1,500 in the General Revenue Dedicated Account Fund 36 in fiscal year 2008 because the bill would result in 15 filings, each accompanied by a \$100 filing fee. Since General Revenue Dedicated Account Fund 36 is a self-leveling account, this analysis assumes all revenue generated would go toward fund balances or the maintenance tax would be set to recover a lower level of revenue the following year. It is also assumed that any costs realized by TDI from implementing the provisions of the bill could be absorbed within existing resources.

The bill would take effect September 1, 2007.

**Local Government Impact**

No fiscal implication to units of local government is anticipated.

**Source Agencies:** 454 Department of Insurance

**LBB Staff:** JOB, KJG, JRO, MW, SK

**LEGISLATIVE BUDGET BOARD**  
Austin, Texas

**FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION**

April 20, 2007

**TO:** Honorable John T. Smithee, Chair, House Committee on Insurance

**FROM:** John S. O'Brien, Director, Legislative Budget Board

**IN RE: HB2549** by Smith, Todd (Relating to extension of group life insurance to eligible children.),  
**As Introduced**

**No significant fiscal implication to the State is anticipated.**

The bill would amend the Insurance Code relating to extension of group life insurance to eligible children.

Based on the analysis of the Texas Department of Insurance (TDI), it is assumed that there would be a one-time revenue gain of \$1,500 in the General Revenue Dedicated Account Fund 36 in fiscal year 2008 because the bill would result in 15 filings, each accompanied by a \$100 filing fee. Since General Revenue Dedicated Account Fund 36 is a self-leveling account, this analysis assumes all revenue generated would go toward fund balances or the maintenance tax would be set to recover a lower level of revenue the following year. It is also assumed that any costs realized by TDI from implementing the provisions of the bill could be absorbed within existing resources.

The bill would take effect September 1, 2007.

**Local Government Impact**

No fiscal implication to units of local government is anticipated.

**Source Agencies:** 454 Department of Insurance

**LBB Staff:** JOB, JRO, MW, SK