

1 AN ACT

2 relating to eligible policyholders for group life insurance.

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

4 SECTION 1. Sections 1131.053(a) and (d), Insurance Code,  
5 are amended to read as follows:

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

14 (d) A policy may not be issued under this section to insure  
15 employees of:

16 (1) an employer whose eligibility to participate in  
17 the fund as an employer arises out of considerations directly  
18 related to the employer being a commercial correspondent or  
19 business client or patron of another employer, without regard to  
20 whether the other employer participates in the fund; or

21 (2) an employer that is not located in this state,  
22 unless:

23 (A) the majority of the employers whose employees  
24 are to be insured are located in this state; or

1                   (B) the policy is issued to the trustees of a fund  
2 established or adopted by one or more labor unions.

3           SECTION 2. This Act applies only to an insurance policy or  
4 contract or evidence of coverage that is delivered, issued for  
5 delivery, or renewed on or after January 1, 2010. An insurance  
6 policy or contract or evidence of coverage delivered, issued for  
7 delivery, or renewed before January 1, 2010, is governed by the law  
8 as it existed 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, 2009.

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President of the Senate

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Speaker of the House

I certify that H.B. No. 2690 was passed by the House on May 15, 2009, by the following vote: Yeas 144, Nays 0, 1 present, not voting.

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Chief Clerk of the House

I certify that H.B. No. 2690 was passed by the Senate on May 27, 2009, by the following vote: Yeas 31, Nays 0.

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Secretary of the Senate

APPROVED: \_\_\_\_\_

Date

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Governor