

1-1 By: Hancock (Senate Sponsor - Jackson) H.B. No. 2690
1-2 (In the Senate - Received from the House May 18, 2009;
1-3 May 19, 2009, read first time and referred to Committee on State
1-4 Affairs; May 22, 2009, reported favorably by the following vote:
1-5 Yeas 9, Nays 0; May 22, 2009, sent to printer.)

1-6 A BILL TO BE ENTITLED
1-7 AN ACT

1-8 relating to eligible policyholders for group life insurance.

1-9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-10 SECTION 1. Sections 1131.053(a) and (d), Insurance Code,
1-11 are amended to read as follows:

1-12 (a) A group life insurance policy that insures the
1-13 employers' employees or the unions' members for the benefit of
1-14 persons other than the employers or unions may be issued to the
1-15 trustees of a fund established or adopted by two or more employers
1-16 in the same industry or by one or more labor unions, by one or more
1-17 employers in the same industry and one or more labor unions, or by
1-18 one or more employers and one or more labor unions whose members are
1-19 in the same or related occupations or trades.

1-20 (d) A policy may not be issued under this section to insure
1-21 employees of:

1-22 (1) an employer whose eligibility to participate in
1-23 the fund as an employer arises out of considerations directly
1-24 related to the employer being a commercial correspondent or
1-25 business client or patron of another employer, without regard to
1-26 whether the other employer participates in the fund; or

1-27 (2) an employer that is not located in this state,
1-28 unless:

1-29 (A) the majority of the employers whose employees
1-30 are to be insured are located in this state; or

1-31 (B) the policy is issued to the trustees of a fund
1-32 established or adopted by one or more labor unions.

1-33 SECTION 2. This Act applies only to an insurance policy or
1-34 contract or evidence of coverage that is delivered, issued for
1-35 delivery, or renewed on or after January 1, 2010. An insurance
1-36 policy or contract or evidence of coverage delivered, issued for
1-37 delivery, or renewed before January 1, 2010, is governed by the law
1-38 as it existed immediately before the effective date of this Act, and
1-39 that law is continued in effect for that purpose.

1-40 SECTION 3. This Act takes effect September 1, 2009.

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