

BILL ANALYSIS

S.B. 579
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Pensions, Investments & Financial Services
Committee Report (Unamended)

BACKGROUND AND PURPOSE

A licensed funeral prearrangement life insurance agent currently is prohibited from writing a policy that provides coverage with an initial guaranteed death benefit that exceeds \$15,000. S.B. 579 seeks to provide a licensed funeral prearrangement life insurance agent more flexibility in writing policies to secure the delivery of funeral services and merchandise under prepaid funeral contracts by changing the limit on the total benefit amount.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

S.B. 579 amends the Insurance Code, in a provision limiting the amount of an initial guaranteed death benefit in the coverage or combination of coverages that a licensed funeral prearrangement life insurance agent may write, to change the limit on the total benefit amount from \$15,000 on any life to the total cost of the prepaid funeral benefits purchased under a prepaid funeral contract. The bill provides an exception to this limit under provisions of the Finance Code governing prepaid funeral services.

EFFECTIVE DATE

September 1, 2011.