

By: Veasey

H.B. No. 2532

A BILL TO BE ENTITLED

AN ACT

1
2 relating to the interest of a governmental entity in a life
3 insurance policy insuring the life of an employee or retired
4 employee of the governmental entity.

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

6 SECTION 1. Subchapter A, Chapter 1103, Insurance Code, is
7 amended by adding Section 1103.006 to read as follows:

8 Sec. 1103.006. LOCAL GOVERNMENT OR STATE AGENCY AS
9 BENEFICIARY. A local government or state agency, as defined by
10 Section 2256.002, Government Code, or an assignee or designee of a
11 local government or state agency may be designated as a beneficiary
12 in a policy that insures the life of an employee or retired employee
13 of the local government or state agency or an individual who was an
14 employee of a local government or state agency at the time the life
15 insurance policy was issued but subsequently ceased employment for
16 any reason.

17 SECTION 2. Subchapter A, Chapter 2256, Government Code, is
18 amended by adding Section 2256.0165 to read as follows:

19 Sec. 2256.0165. AUTHORIZED INVESTMENTS: GOVERNMENTAL
20 EMPLOYEE LIFE INSURANCE POLICIES. A life insurance policy that
21 insures the life of an employee or retired employee of a local
22 government or state agency, or an individual who was an employee of
23 a local government or state agency at the time the life insurance
24 policy was issued but subsequently ceased employment for any

1 reason, and designates the local government or state agency or an
2 assignee or designee of the local government or state agency as a
3 beneficiary, is an authorized investment of the local government or
4 state agency under this subchapter if:

5 (1) the life insurance policy allows the employee or
6 retired employee to designate a beneficiary for a portion of the
7 policy; and

8 (2) the local government or state agency allows the
9 employee or retired employee to decline coverage under the policy.

10 SECTION 3. This Act takes effect September 1, 2011.