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| BILL ANALYSIS |

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| C.S.H.B. 643 |
| By: Raymond |
| Insurance |
| Committee Report (Substituted) |

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| **BACKGROUND AND PURPOSE**  It has been noted that a life insurance company is not required, and may at times refuse, to disclose the beneficiary of a life insurance policy to the person directing a decedent's funeral. Without this information, it is often more difficult for the funeral director to organize and make arrangements for the funeral. C.S.H.B. 643 seeks to address this issue by requiring a life insurance company to disclose the beneficiary of a life insurance policy to a funeral director on the director's request and with written consent of an heir, heir's representative, or the decedent's personal representative. |
| **CRIMINAL JUSTICE IMPACT**  It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision. |
| **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**  C.S.H.B. 643 amends the Insurance Code to authorize a funeral director to request a disclosure from a life insurer of the designated beneficiaries in a decedent's life insurance policy if the director has obtained written consent from an heir, an heir's representative, or the decedent's personal representative for the director to contact a specific life insurer concerning such designated beneficiaries. The bill establishes requirements for the content of the written consent and requires the funeral director to provide a copy of the written consent to the life insurer requested to provide information.  C.S.H.B. 643 requires a life insurer to provide a written disclosure of the designated beneficiary of a life insurance policy owned by the decedent for which a funeral director requests information not later than the fifth day after the date the insurer receives the request. However, the bill prohibits a life insurer from making that disclosure if the decedent is not the policy owner unless the insurer receives the owner's written consent to provide the disclosure. The insurer may advise a funeral director who requests information that the decedent is not the policy owner.  C.S.H.B. 643 prohibits its provisions from being construed to do any of the following:   * require a life insurer to disclose the owner or designated beneficiary of a life insurance policy insuring the life of a decedent that is not owned by the decedent without the owner's written consent; * establish a right of the funeral director or their assignee to benefits under a life insurance policy unless the policy's designated beneficiary has executed a written assignment of benefits to the funeral director; or * establish any determination that benefits are payable under the terms of the applicable life insurance policy.   The bill exempts a life insurer from civil liability or administrative action for making an authorized disclosure under the bill's provisions.  C.S.H.B. 643 applies only to a life insurance policy with a death benefit in an amount of not more than $15,000 that is issued in Texas by a legal reserve life insurance company, a mutual assessment life insurance company, a stipulated premium life insurance company, a burial association, or a fraternal benefit society. Additionally, the bill applies only to a funeral director who is directing a decedent's funeral in Texas and who:   * is provided reasonably sufficient information by an heir, an heir's representative, or the decedent's personal representative that the decedent is or may be an insured under a life insurance policy; and * needs information from the issuer because the heir, heir's representative, or decedent's personal representative is unaware or unable to provide information on whether the decedent was the owner of a life insurance policy or on the identity of the policy's designated beneficiary. |
| **EFFECTIVE DATE**  September 1, 2021. |
| **COMPARISON OF ORIGINAL AND SUBSTITUTE**  While C.S.H.B. 643 may differ from the original in minor or nonsubstantive ways, the following summarizes the substantial differences between the introduced and committee substitute versions of the bill.  Whereas the original included only a requirement that a life insurance company that is organized under Texas law and that issues or delivers a life insurance policy in Texas disclose the beneficiary of an insured's life insurance policy to a requesting funeral director directing the insured's funeral, the substitute instead requires a life insurer to disclose the designated beneficiary of the applicable decedent's life insurance policy on request of a funeral director who meets certain criteria. The substitute includes provisions not in the original establishing a robust request process for the disclosure, providing for limited circumstances under which disclosure is prohibited, limiting the life insurance policies to which the bill applies, providing for the construction of the bill's provisions, providing for a limitation on liability of a life insurer, and providing for the meaning of certain related terms. |
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