

By: Raymond

H.B. No. 643

Substitute the following for H.B. No. 643:

By: Oliverson

C.S.H.B. No. 643

A BILL TO BE ENTITLED

AN ACT

relating to disclosure of a beneficiary to a funeral director under a life insurance policy.

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

SECTION 1. Chapter 1103, Insurance Code, is amended by adding Subchapter E to read as follows:

SUBCHAPTER E. DISCLOSURE TO FUNERAL DIRECTOR

Sec. 1103.201. DEFINITIONS. In this subchapter:

(1) "Funeral director" has the meaning assigned by Section 651.001, Occupations Code.

(2) "Heir" and "personal representative" have the meanings assigned by Chapter 22, Estates Code.

Sec. 1103.202. APPLICABILITY OF SUBCHAPTER. (a) This subchapter applies only to a life insurance policy with a death benefit in an amount of not more than \$15,000 issued in this state by:

(1) a legal reserve life insurance company;

(2) a mutual assessment life insurance company;

(3) a stipulated premium life insurance company;

(4) a burial association; or

(5) a fraternal benefit society.

(b) This subchapter applies only to a funeral director who:

(1) is directing a decedent's funeral in this state;

(2) is provided reasonably sufficient information by

1 an heir, an heir's representative, or the personal representative
2 of the decedent that the decedent is or may be an insured under a
3 life insurance policy; and

4 (3) needs information from the issuer of the life
5 insurance policy because an heir, heir's representative, or
6 personal representative of the decedent is unaware or unable to
7 provide information on:

8 (A) whether the decedent was the owner of a life
9 insurance policy; or

10 (B) the identity of the designated beneficiary
11 under the policy.

12 Sec. 1103.203. REQUEST FOR DISCLOSURE BY FUNERAL DIRECTOR.

13 (a) A funeral director to whom this subchapter applies may request
14 a disclosure in accordance with this section from a life insurer to
15 which this subchapter applies if the director has obtained written
16 consent from an heir, an heir's representative, or the personal
17 representative of the decedent for the director to contact a
18 specific life insurer concerning designated beneficiaries in a
19 policy insuring the life of the decedent.

20 (b) The written consent described by Subsection (a) must
21 include:

22 (1) the name and address of the heir, heir's
23 representative, or personal representative providing consent;

24 (2) a brief statement of the facts establishing
25 knowledge as to the family and nearest relatives of the decedent;

26 (3) a brief statement of facts describing the basis
27 for the belief the decedent was or may have been an insured under a

1 life insurance policy with a particular life insurer; and

2 (4) a brief statement of facts concerning whether the
3 decedent was or may have been the owner of the policy.

4 (c) A funeral director shall provide a copy of the written
5 consent to the life insurer requested to provide information under
6 this section.

7 Sec. 1103.204. DISCLOSURE BY LIFE INSURER. (a) Except as
8 provided by Subsection (b), a life insurer shall provide a written
9 disclosure of the designated beneficiary of a life insurance policy
10 owned by the decedent for which a funeral director requests
11 information under Section 1103.203. The insurer shall provide the
12 disclosure not later than the fifth day after the date the insurer
13 receives the request.

14 (b) A life insurer may not disclose the designated
15 beneficiary of a life insurance policy insuring the life of a
16 decedent if the decedent is not the owner of the policy unless the
17 life insurer receives the written consent of the owner to provide
18 the disclosure. The insurer may advise a funeral director who
19 requests information under Section 1103.203 that the decedent is
20 not the owner of the policy.

21 Sec. 1103.205. CONSTRUCTION OF SUBCHAPTER. This subchapter
22 may not be construed to:

23 (1) require a life insurer to disclose the owner or
24 designated beneficiary of a life insurance policy insuring the life
25 of a decedent that is not owned by the decedent without the owner's
26 written consent;

27 (2) establish a right of the funeral director or

1 assignee of the funeral director to benefits under a life insurance
2 policy unless the designated beneficiary of the policy has executed
3 a written assignment of benefits to the funeral director; or

4 (3) establish any determination that benefits are
5 payable under the terms of the applicable life insurance policy.

6 Sec. 1103.206. LIMITATION OF LIABILITY. A life insurer is
7 not subject to civil liability or administrative action by making
8 an authorized disclosure under this subchapter.

9 SECTION 2. This Act takes effect September 1, 2021.