

## **BILL ANALYSIS**

C.S.H.B. 1010  
By: Turner  
Human Services  
Committee Report (Substituted)

### **BACKGROUND AND PURPOSE**

Currently, the Health and Human Services Commission instructs employees to avoid conflicts of interest with their clients but does not specifically address whether a provider, staff member, or paid caregiver can be named a beneficiary on a client's life insurance policy. Being such a beneficiary is seen as a clear conflict of interest for paid caregivers who are given the responsibility of ensuring the safety and well-being of an individual with a disability, including an intellectual disability. As an example of a possible conflict, the case of Leroy Anderson, a 49-year-old man with schizophrenia, bipolar disorder, and diabetes, is cited. While living in and receiving care in a group home, he fell into a diabetic coma and eventually passed away. In the course of settling his estate, it was revealed that the beneficiary on his life insurance policy had been changed from his uncle to his caregiver, who is not related by blood or marriage and had no other familial relationship with Mr. Anderson. C.S.H.B. 1010 seeks to address this type of conflict by providing that a person caring for an individual with a disability, including an intellectual disability, at a state supported living facility, assisted living facility, intermediate care facility, or group home does not have an insurable interest in the life of the individual under the person's care unless the two are related.

### **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. 1010 amends the Insurance Code to establish that, for purposes of a life insurance policy issued or delivered in Texas or issued by a life insurance company organized under state law, a person providing care to an individual with a disability, including an intellectual disability, at a state supported living center, an assisted living facility, an intermediate care facility, or a group home does not directly or indirectly have an insurable interest in the individual's life unless the person is the individual's relative who is related to the insured within the third degree by consanguinity or affinity. The bill applies only to an insurance policy delivered, issued for delivery, or renewed on or after January 1, 2024.

### **EFFECTIVE DATE**

September 1, 2023.

## **COMPARISON OF INTRODUCED AND SUBSTITUTE**

While C.S.H.B. 1010 may differ from the introduced in minor or nonsubstantive ways, the following summarizes the substantial differences between the introduced and committee substitute versions of the bill.

The substitute expands the applicability of the bill's provisions. Whereas the introduced applied only to a life insurance policy issued by a legal reserve life insurance company or a mutual assessment life insurance company, the substitute instead applies to all life insurance policies issued or delivered in Texas or issued by a life insurance company organized under state law.

The substitute includes a definition of the term "relative," whereas the introduced did not.