

## **BILL ANALYSIS**

H.B. 1554  
By: Raymond  
Insurance  
Committee Report (Unamended)

### **BACKGROUND AND PURPOSE**

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. H.B. 1554 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**

H.B. 1554 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 requires the funeral director to provide a copy of the written consent to the life insurer requested to provide information. The written consent must contain the following:

- the name and address of the heir, heir's representative, or personal representative providing consent;
- a brief statement of the facts establishing knowledge as to the family and nearest relatives of the decedent;
- a brief statement of facts describing the basis for the belief the decedent was or may have been an insured under a life insurance policy with a particular life insurer; and
- a brief statement of facts concerning whether the decedent was or may have been the owner of the policy.

H.B. 1554 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.

H.B. 1554 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 the director's 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.

H.B. 1554 applies only to the following:

- 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; and
- 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 policy 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, 2023.