

## **BILL ANALYSIS**

Senate Research Center

H.B. 1041  
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Engrossed

### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

Current law allows non-relative caregivers to be named as life insurance beneficiaries, which can create incentives for neglect or financial exploitation by service providers in assisted living facilities, especially when a person suffers from an intellectual or developmental disability. The bill's author, for example, informed the house committee of one of these potential conflicts in the case of Leroy Anderson who was a 49-year-old man with schizophrenia, bipolar disorder, and diabetes and who lived and received care in a group home. While in that facility, he fell into a diabetic coma and passed away and, 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.

H.B. 1041 would prevent these conflicts of interest by amending the Insurance Code to establish that a caregiver is prohibited from having a direct or indirect insurable interest in the life of a person with a disability, including an intellectual disability, unless the caregiver is a relative of the person. More specifically, the bill would apply this restriction to persons receiving care at a state supported living center, assisted living facility, intermediate care facility, or group home.

H.B. 1041 amends current law relating to the insurable interest of certain persons providing care to individuals with disabilities in the life of those individuals.

### **RULEMAKING AUTHORITY**

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Section 1103.053, Insurance Code, by amending Subsection (a) and adding Subsections (c) and (d), as follows:

(a) Creates an exception under Subsection (c).

(c) Provides that, notwithstanding Section 1103.051 (Applicability of Subchapter), this subsection applies to a life insurance policy issued under Chapter 1101 (Life Insurance). Provides that a person providing care to an individual with a disability, including an intellectual disability, at a state supported living center, as defined by Section 531.002 (Definitions), Health and Safety Code, an assisted living facility licensed under Chapter 247 (Assisted Living Facilities), Health and Safety Code, an intermediate care facility licensed under Chapter 252 (Intermediate Care Facilities for Individuals With an Intellectual Disability), Health and Safety Code, or a group home, as defined by Section 591.003 (Definitions), Health and Safety Code, does not directly or indirectly have an insurable interest in the life of an individual unless the person is a relative of the individual.

(d) Defines "relative."

SECTION 2. Makes application of Section 1103.053(c), Insurance Code, as added by this Act, prospective to January 1, 2026.

SECTION 3. Effective date: upon passage or September 1, 2025.