

BILL ANALYSIS

H.B. 1041
By: Turner
Human Services
Committee Report (Unamended)

BACKGROUND AND PURPOSE

Current law does not specifically address conflicts of interest that may arise with respect to a provider, staff member, or paid caregiver of certain facilities and other settings serving individuals with a disability being named as a beneficiary on the life insurance policy of a client for whom such providers, staff members, and caregivers are responsible for ensuring the safety and well-being. The author informed the committee of an example of such a possible conflict involving 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 seeks to address this type of conflict by providing that a person caring for an individual with a disability, including an intellectual disability, at an applicable 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

H.B. 1041 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, a state-licensed assisted living facility, a state-licensed intermediate care facility, or a group home, as defined by reference to the Persons with an Intellectual Disability Act, 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's provisions apply only to an insurance policy delivered, issued for delivery, or renewed on or after January 1, 2026.

EFFECTIVE DATE

September 1, 2025.