BILL ANALYSIS

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Current law does not clearly define or regulate Transportation Protection Agreements (TPAs), which are low-cost contracts guaranteeing the transport of a body from the place of death to a licensed holding facility or crematory. These agreements are often offered by third-party vendors and typically fall outside the scope of prepaid funeral service plans regulated under the Finance Code. This has led to uncertainty over how TPAs are classified and whether they are subject to regulation as funeral benefits or insurance products. H.B. 1094 would clarify that TPAs are not considered prepaid funeral benefits and do not constitute the business of insurance in Texas. This clarification makes clear that TPAs are not treated as prepaid funeral benefits or insurance products, helping ensure transparency for both providers and consumers.

H.B. 1094 amends current law relating to the regulation of transportation protection agreements.

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 154.002, Finance Code, by amending Subdivisions (9) and (13) to redefine "prepaid funeral benefits," "funeral service," and "service" and adding Subdivision (15) to define "transportation protection agreement."

SECTION 2. Amends Subchapter B, Chapter 101, Insurance Code, by adding Section 101.056, Insurance Code, as follows:

Sec. 101.056. TRANSPORTATION PROTECTION AGREEMENTS; EXEMPTION FROM INSURANCE LAW. (a) Defines "seller" and "transportation protection agreement."

(b) Provides that a transportation protection agreement sold by a seller does not constitute the business of insurance in this state and is otherwise exempt from the requirements of the Insurance Code.

SECTION 3. Effective date: September 1, 2025.