

By: Turner, Garcia of Bexar, Noble,
A. Davis of Dallas

H.B. No. 1041

A BILL TO BE ENTITLED

AN ACT

relating to the insurable interest of certain persons providing care to individuals with disabilities in the life of those individuals.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

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

(a) Except as provided by Subsection (b) or (c), a beneficiary or owner of a life insurance policy who is designated in accordance with this subchapter or an entity to which a life insurance policy or an interest, benefit, right, or title in a life insurance policy is transferred or assigned in accordance with this subchapter has, at all times after the designation, an insurable interest in the life of the individual who is insured under the policy.

(c) Notwithstanding Section 1103.051, this subsection applies to a life insurance policy issued under Chapter 1101. 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, Health and Safety Code, an assisted living facility licensed under Chapter 247, Health and Safety Code, an intermediate care facility licensed under Chapter 252, Health and Safety Code, or a group home, as defined by Section 591.003,

1 Health and Safety Code, does not directly or indirectly have an
2 insurable interest in the life of an individual unless the person is
3 a relative of the individual.

4 (d) In this section, "relative" means an individual who is
5 related to the insured within the third degree by consanguinity or
6 affinity as determined under Chapter 573, Government Code.

7 SECTION 2. Section 1103.053(c), Insurance Code, as added by
8 this Act, applies only to an insurance policy delivered, issued for
9 delivery, or renewed on or after January 1, 2026.

10 SECTION 3. This Act takes effect immediately if it receives
11 a vote of two-thirds of all the members elected to each house, as
12 provided by Section 39, Article III, Texas Constitution. If this
13 Act does not receive the vote necessary for immediate effect, this
14 Act takes effect September 1, 2025.