

House Bill (HB) 1041

Rep. Chris Turner



Insurable Interest of Caregivers for People with Disabilities

HB 1041 would amend the Texas Insurance Code to state that a person providing care to an individual with a disability, including an intellectual disability, at a long-term care facility cannot have an insurable interest in the life of an individual unless they are relatives. The types of facilities named in the bill are state-supported living centers, assisted living facilities, intermediate care facilities, and group homes. The bill defines “relative” as an individual related to the insured within the third degree, which includes parents, children, brothers, sisters, grandparents, grandchildren, great-grandparents, great-grandchildren, aunts, uncles, nephews, and nieces.



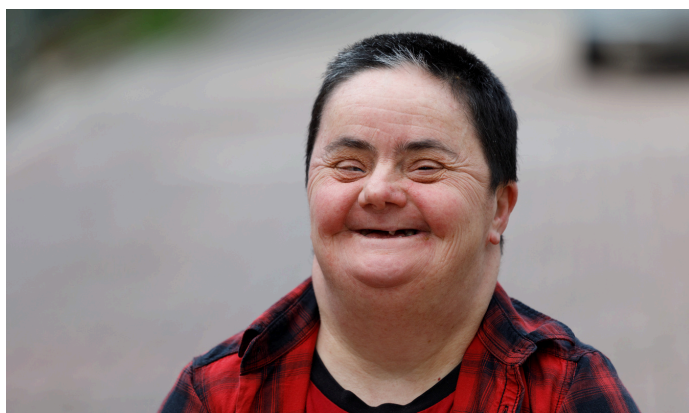
WFAA-TV’s “Disabled in Danger” 2019 investigative report shared the story of Leroy Anderson Jr., a Texas resident with intellectual disabilities and other diagnoses who fell ill and died while living in a state-funded group home. Following his passing, it was revealed that his life insurance policy had been changed to benefit the group home’s owner rather than Anderson’s family.



Though Texas Health and Human Services Commission regulations advise against conflicts of interest, they do not explicitly prohibit employees of long-term care facilities from being named beneficiaries of life insurance policies on individuals under their care. There is a concern that this could improperly influence care decisions and leave vulnerable Texans at risk of financial exploitation.



Supporters of the bill include:
AARP Texas,
Coalition of Texans with Disabilities,
Disability Rights Texas,
Evergreen Life Services,
NAMI Texas, Parents and Allies for Remarkable Texans, Texas Assisted Living Association, and Texas Council of Community Centers.



“Leroy Anderson’s story highlighted an unfathomable conflict of interest — caregivers taking out life insurance policies on individuals with disabilities and profiting from their deaths. HB 1041 protects our most vulnerable Texans by ensuring that only those with legitimate insurable interests can hold these policies.”

Rep. Chris Turner, author of HB 1041

