

## **BILL ANALYSIS**

Senate Research Center

H.B. 2274  
By: Shields (Brown)  
Jurisprudence  
4-24-97  
Engrossed

### **DIGEST**

Since the 73rd Legislature, Article 21.22 of the Insurance Code has been debated on at least six occasions in courts of law. There are concerns that the language is not sufficiently explicit regarding whether unlimited exemptions for insurance proceeds are in addition to the exemptions from seizure under Chapter 42 of the Property Code. As a result, the courts have interpreted the law inconsistently. The addition of Section 7 to Article 21.22 serves to clarify the legislative intent for the courts.

### **PURPOSE**

As proposed, H.B. 2274 clarifies the legislative intent that the exemption of insurance benefits and certain annuities from seizure is in addition to exemptions given under Chapter 42 of the Property Code.

### **RULEMAKING AUTHORITY**

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

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Article 21.22, Insurance Code, by adding Section 7, as follows:

Sec. 7. Provides that the exemptions and protection from seizure under this article are in addition to the exemptions from garnishment, attachment, execution, or other seizure under Chapter 42, Property Code.

SECTION 2. Provides that this Act applies to money or benefits paid or rendered to an insured or a beneficiary under an insurance policy or annuity issued by a life, health, or accident insurance company without regard to whether the policy or contract was issued or entered into before, on, or after the effective date of this Act.

SECTION 3. Emergency clause.  
Effective date: upon passage.