

## **BILL ANALYSIS**

Senate Research Center

S.B. 285  
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Jurisprudence  
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### **DIGEST**

Currently, in a divorce or annulment, Section 3.632(b) of the Family Code automatically terminates a spouse's designation as beneficiary of a life insurance policy. This bill allows the life insurance policy beneficiary to remain the same unless the policy holder chooses to designate another person.

### **PURPOSE**

As proposed, S.B. 285 provides that an insurance policy's benefit provision in favor of the insured's former spouse is valid unless the divorce decree states otherwise.

### **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 Section 3.632, Family Code, to provide that if a divorce decree (decree) or annulment is rendered after an insured has designated the insured's spouse as a beneficiary under a life insurance policy in force at the time of rendition, a provision in the policy in favor of the insured's former spouse is valid unless the decree states otherwise. Deletes provisions whereby an insured's policy in favor of insured's former spouse is not effective. Deletes provisions whereby an insurer would be liable for insurance benefits under Subsection (b). Makes conforming changes.

SECTION 2. Effective date: September 1, 1997.  
Makes application of this Act prospective.

SECTION 3. Emergency clause.