

BILL ANALYSIS

Senate Research Center

S.B. 599
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Economic Development
4-23-97
As Filed

DIGEST

Currently, under Article 21.22, Insurance Code, any assignment or commutation by a beneficiary is void if the insurance policy or annuity contract contains a provision against the assignment or commutation of benefits. In some instances, an annuity beneficiary may want to assign his or her benefits for financial or other reasons. S.B. 599 would authorize the assignment of benefits if the assignment is voluntary, in writing, supported by consideration, and secured by a pledge of the policy or its proceeds.

PURPOSE

As proposed S.B. 599 sets forth the requirements of a valid assignment of money or benefits to be paid under an insurance policy.

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(5), Insurance Code, to provide that notwithstanding Subsection (a), an assignment of money or benefits to be paid under a policy of insurance, annuity contract, or plan of annuities or benefits mentioned in Section 1 of this article is valid under certain circumstances. Makes a conforming change.

SECTION 2. Emergency clause.
Effective date: upon passage.