

## **BILL ANALYSIS**

Senate Research Center  
77R14680 PB-D

C.S.H.B. 1066  
By: Uher (Jackson)  
Business & Commerce  
5/1/2001  
Committee Report (Substituted)

### **DIGEST AND PURPOSE**

Current law defines a grandchild as a dependent of a grandparent if the grandparent claims the grandchild as a dependent for federal income tax purposes. C.S.H.B. 1066 allows a policy holder to claim a grandchild as a dependent for insurance purposes, regardless of whether the policy holder claims the grandchild as a dependent for federal income tax purposes.

### **RULEMAKING AUTHORITY**

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

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Section 1(b), Article 3.51-6, Insurance Code, to provide that for purposes of this subsection, a grandchild of an employee or member is a dependent of the employee or member, regardless of whether the employee or member treats the grandchild as a dependent for federal income tax purposes.

SECTION 2. Amends Section 3E(b), Article 3.51-6, Insurance Code, to provide that for purposes of this subsection, a child of the policyholder's child is a dependent of the policyholder regardless of whether the policyholder treats the child as a dependent for federal income tax purposes.

SECTION 3. Amends Section 2(A), Chapter 397, Acts of the 54th Legislature, Regular Session, 1955 (Article 3.70-2, V.T.I.C.), as follows:

(A) Requires that no policy of accident and sickness insurance be delivered or issued for delivery to any person in this state unless it purports to insure only one person, except that a policy may insure, originally or by subsequent amendment, upon the application of an adult member of a family who shall be deemed the policy holder, any two or more eligible members of that family, including the spouse of the policy holder, a dependent child of the policy holder or any child under a specified age who may not exceed 25 years of age, a dependent grandchild of the policy holder who is less than 21 years old and living with and in the household of the policy holder; provided that, for purposes of this paragraph, a grandchild of a policy holder is a dependent of the policy holder regardless of whether the policy holder treats the grandchild as a dependent for federal income tax purposes and a child the policy holder is required to insure under a medical support order issued under Chapter 154, rather than Section 14.601, Family Code, or enforceable by a court in this state.

SECTION 4. Amends Section 2(L), Chapter 397, Acts of the 54th Legislature, Regular Session, 1955 (Article 3.70-2, V.T.I.C.), to make a conforming change.

SECTION 5. Amends Section 9(k), Texas Health Maintenance Organization Act (Article 20A.09, V.T.I.C.) (former Subsection (j)), as amended by Chapters 905 and 1026, Acts of the 75th Legislature, Regular Session, 1997, is by redesignating as Section 9H, Texas Health Maintenance

Organization Act (Chapter 20A, V.T.I.C.), and amending it as follows:

Sec. 9H. DEPENDENT GRANDCHILDREN. (a) Authorizes a health maintenance organization to provide benefits under a health care plan to a dependent grandchild of an enrollee when the dependent grandchild is less than 21 years old and living with and in the household of the enrollee.

(b) Makes a conforming change.

SECTION 6. Makes application of this Act prospective to January 1, 2002.

SECTION 7. Effective date: September 1, 2001.

**SUMMARY OF COMMITTEE CHANGES**

Amends As Filed H.B. 1066 by adding SECTION 2 and renumbering subsequent sections accordingly.