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Testimony 2013

H.B. 1934

Dear Members of the Committee,

Thank you for allowing me this opportunity to present testimony in favor of H.B. 1934, which prohibits life insurance companies from discriminating against individuals based solely on their criminal background. H.B. 1934 will help families avoid financial hardships, thus increasing family and community stability.

ENCOURAGE RESPONSIBLE APPROACHES FOR PAYING FAMILY DEBTS, FOR LONG-TERM FAMILY AND COMMUNITY STABILITY

Many obstacles prevent individuals with minor criminal backgrounds from accessing legitimate opportunities to succeed. Discrimination in employment, public housing, and public benefits are a few critical barriers that these individuals face during the reentry transition. While some measures are appropriate and necessary to protect public safety, many are counterproductive, creating unreasonable roadblocks for those seeking to turn their lives around. **Life insurance serves an important function to provide family stability**, helping to cover the sometimes significant expenses associated with the death of a loved one. Individuals who are able to take the responsible step of paying for insurance coverage should not be penalized for a past criminal conviction.

Currently, the Texas Insurance Code prohibits discrimination by insurance companies based on race, color, religion, national origin, age, gender, marital status, geographic location, disability, or partial disability;¹ however, the **code does not specifically prohibit discrimination based on the status of an individual's criminal background**. As such, life insurance companies may withhold insurance from individuals with criminal backgrounds by refusing to insure or provide coverage; refusing to continue to insure or provide coverage; limiting the amount, extent, or kind of coverage available; or charging a rate that is different from the rate charged to other individuals for the same coverage. **Sadly, an insurance provider may refuse service to an individual for having any sort of a criminal history, not necessarily relating to having any connection with a shorter life expectancy**. A person's criminal background should never be a deciding factor in whether an insurance company provides life insurance.

KEY FINDINGS

- **Being denied eligibility or having higher premiums for a basic life insurance policy unfairly penalizes individuals and their families** long after a conviction and term of incarceration.
- Many families who depend on a loved one with a past criminal conviction already struggle with the basics of housing, food, and other types of required insurance. For some, **having life insurance is a responsible, long-term approach to reducing a future financial hardship on loved ones**.
- **Access to fair life insurance policies reduces the negative impact on communities** by helping families to meet their debt obligations in the event of a death.

COST-SAVING AND PUBLIC SAFETY-DRIVEN SOLUTION: SUPPORT H.B. 1934 BY REPRESENTATIVE ALLEN

H.B. 1934 ensures that individuals with criminal backgrounds are not refused life insurance solely for that reason. While the Texas Insurance Code prohibits discrimination in providing life insurance based on age, sex, race, and other factors, it does not prohibit discrimination based on an individual's criminal background.² H.B. 1934 will ban life insurance companies from refusing policies based on one's criminal background alone. This will increase individual responsibility, create more stable families, and strengthen communities.

Citations on reverse.

Citations

¹ Tex. Insur. Code. Ann. §544.002.

² *Ibid.*