

By: Guerra, Oliverson, Perez

H.B. No. 1498

Substitute the following for H.B. No. 1498:

By: Oliverson

C.S.H.B. No. 1498

A BILL TO BE ENTITLED

AN ACT

relating to disclosure of an automatic premium loan provision in a life insurance policy.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Chapter 1101, Insurance Code, is amended by adding Subchapter G to read as follows:

SUBCHAPTER G. REQUIRED DISCLOSURES AND NOTICES

Sec. 1101.301. DISCLOSURE OF AUTOMATIC PREMIUM LOAN PROVISION. (a) Before issuing a life insurance policy that contains an automatic premium loan provision, an insurer shall:

(1) provide a written notice disclosing the automatic premium loan provision that:

(A) is printed in at least 16-point font on a separate page of the application or enrollment form for the policy;

(B) includes an affirmation that the insurer read the notice aloud as required by Subdivision (2); and

(C) is signed by the applicant separately from the rest of the application or enrollment form; and

(2) read the notice described by Subdivision (1) aloud to the applicant.

(b) If any related policy document is in a language other than English, notice under Subsection (a) must be provided and read in that language in addition to English.

(c) The commissioner may adopt rules as necessary to

1 implement this section, including rules establishing what
2 satisfies the oral notice requirement under Subsection (a)(2).

3 SECTION 2. Subchapter G, Chapter 1101, Insurance Code, as
4 added by this Act, applies only to an insurance policy delivered or
5 issued for delivery on or after January 1, 2024. A policy delivered
6 or issued for delivery before January 1, 2024, is governed by the
7 law as it existed immediately before the effective date of this Act,
8 and that law is continued in effect for that purpose.

9 SECTION 3. This Act takes effect September 1, 2023.