

By: Guerra

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. 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 is:

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

(B) 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.

SECTION 2. Subchapter G, Chapter 1101, Insurance Code, as added by this Act, applies only to an insurance policy delivered, issued for delivery, or renewed on or after January 1, 2024. A policy delivered, issued for delivery, or renewed before January 1, 2024, is governed by the law as it existed immediately before the

H.B. No. 1498

1 effective date of this Act, and that law is continued in effect for  
2 that purpose.

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