

AN ACT

relating to the use by insurance companies of separate accounts in connection with life insurance and annuities and certain other benefits.

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

SECTION 1. The legislature declares that the intent of this Act is to be consistent with:

(1) uniform laws of the various states in which the approval of a separate account and of the investments and reserves in a separate account is performed by the domiciliary state; and

(2) recent legislative enactments designed to modernize insurance regulation by exempting certain large commercial-type policy forms from regulatory filing and approval.

SECTION 2. Section 1152.055, Insurance Code, is amended to read as follows:

Sec. 1152.055. GUARANTEED BENEFITS AND MONEY RESTRICTION FOR SEPARATE ACCOUNTS. A domestic ~~An~~ insurance company may not maintain a reserve for a benefit guaranteed as to dollar amount and duration or funds guaranteed as to principal amount or stated rate of interest in a separate account except with the commissioner's approval and under conditions for investments, and other matters, that recognize the guaranteed nature of the benefits provided and that are prescribed by the department.

SECTION 3. Subchapter A, Chapter 1701, Insurance Code, is

1 amended by adding Section 1701.006 to read as follows:

2 Sec. 1701.006. EXEMPTION FOR CERTAIN GROUP ANNUITY
3 TRANSACTIONS. (a) The filing and approval requirements in this
4 chapter do not apply to any group annuity policy, certificate, or
5 contract written or issued by an insurer authorized to engage in the
6 business of insurance in this state that involves use of a separate
7 account if benefits would also have guarantees from an insurer's
8 general account.

9 (b) For purposes of this section, a group annuity policy,
10 certificate, or contract includes a single premium group annuity
11 policy, certificate, or contract that is negotiated between an
12 insurer and an applicable group or plan sponsor.

13 SECTION 4. This Act takes effect immediately if it receives
14 a vote of two-thirds of all the members elected to each house, as
15 provided by Section 39, Article III, Texas Constitution. If this
16 Act does not receive the vote necessary for immediate effect, this
17 Act takes effect September 1, 2023.

President of the Senate

Speaker of the House

I certify that H.B. No. 1587 was passed by the House on April 28, 2023, by the following vote: Yeas 141, Nays 3, 2 present, not voting.

Chief Clerk of the House

I certify that H.B. No. 1587 was passed by the Senate on May 17, 2023, by the following vote: Yeas 31, Nays 0.

Secretary of the Senate

APPROVED: _____

Date

Governor