

BILL ANALYSIS

H.B. 969
By: Christian
Insurance
Committee Report (Unamended)

BACKGROUND AND PURPOSE

The Texas Life, Accident, Health, and Hospital Service Insurance Guaranty Association protects policyholders in Texas against the insolvency of an insurance carrier and its subsequent inability to perform its contractual obligations under life, accident, health, and annuity contracts. As a result of the recent market volatility, many consumers are turning to annuities and other life insurance products as alternative investment tools to grow and protect their net worth.

H.B. 969 increases from \$100,000 to \$250,000 the maximum cash surrender or withdrawal value for life insurance policies and increases from \$100,000 to \$250,000 the maximum withdrawal and cash values for annuities payable by the association.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

H.B. 969 amends Insurance Code provisions relating to the amounts payable on contractual obligations by the Texas Life, Accident, Health, and Hospital Service Insurance Guaranty Association. The bill increases from \$100,000 to \$250,000 the maximum net cash surrender or net cash withdrawal value under one or more annuity policies on a single life; the maximum present value under one or more annuity contracts issued with respect to a single life under individual annuity policies or group annuity policies; the maximum present value annuity benefits, in the aggregate, including any net cash surrender and net cash withdrawal values, with respect to each individual participating in certain governmental retirement benefit plans covered by an unallocated annuity contract or the beneficiary or beneficiaries of the individual if the individual is deceased; and the maximum present value annuity benefits, in the aggregate, including any net cash surrender and net cash withdrawal values, with respect to each payee of a structured settlement annuity or the beneficiary or beneficiaries of the payee if the payee is deceased.

EFFECTIVE DATE

September 1, 2009.