

By: Smithee

H.B. No. 2652

A BILL TO BE ENTITLED

AN ACT

relating to a rescission period for annuity contracts.

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

SECTION 1. Subtitle A, Title 7, Insurance Code, is amended by adding Chapter 1116 to read as follows:

CHAPTER 1116. REQUIRED PROVISIONS FOR ANNUITY CONTRACT

Sec. 1116.001. DEFINITION. In this chapter, "annuity" means a fixed, variable, or modified guaranteed annuity that is individually solicited, whether classified as an individual annuity or group annuity.

Sec. 1116.002. RESCISSION PERIOD REQUIRED. An annuity contract must:

(1) authorize the purchaser to rescind the contract and return it to the issuer without surrender fees for at least 30 days after the date the contract is entered into; and

(2) provide for a refund to a purchaser who rescinds the contract during that period equal to the amount paid by the purchaser under the contract.

SECTION 2. The change in law made by this Act applies only to an annuity contract delivered or issued for delivery on or after January 1, 2010. A contract delivered or issued for delivery before January 1, 2010, is governed by the law in effect immediately before the effective date of this Act, and that law is continued in effect for that purpose.

1 SECTION 3. This Act takes effect September 1, 2009.