

1-1 By: Hinojosa, et al. S.B. No. 1168
1-2 (In the Senate - Filed February 26, 2009; March 13, 2009, read
1-3 first time and referred to Committee on State Affairs;
1-4 April 15, 2009, reported adversely, with favorable Committee
1-5 Substitute by the following vote: Yeas 5, Nays 1; April 15, 2009,
1-6 sent to printer.)

1-7 COMMITTEE SUBSTITUTE FOR S.B. No. 1168 By: Van de Putte

1-8 A BILL TO BE ENTITLED
1-9 AN ACT

1-10 relating to a rescission period for annuity contracts.

1-11 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-12 SECTION 1. Subtitle A, Title 7, Insurance Code, is amended
1-13 by adding Chapter 1116 to read as follows:

1-14 CHAPTER 1116. REQUIRED PROVISIONS FOR ANNUITY CONTRACT

1-15 Sec. 1116.001. DEFINITION. In this chapter, "annuity"
1-16 means a fixed, variable, or modified guaranteed annuity that is
1-17 individually solicited, whether classified as an individual
1-18 annuity or group annuity.

1-19 Sec. 1116.002. RESCISSION PERIOD REQUIRED. An annuity
1-20 contract must:

1-21 (1) authorize the purchaser to rescind the contract
1-22 and return it to the issuer without surrender fees for at least:

1-23 (A) 15 days after the date the contract is
1-24 entered into; or

1-25 (B) 30 days after the date the contract is
1-26 entered into if:

1-27 (i) the purchaser is 65 years of age or
1-28 older; or

1-29 (ii) the agreement is entered into by mail;
1-30 and

1-31 (2) provide for a refund to a purchaser who rescinds
1-32 the contract during the applicable rescission period equal to the
1-33 amount paid by the purchaser under the contract.

1-34 SECTION 2. The change in law made by this Act applies only
1-35 to an annuity contract delivered or issued for delivery on or after
1-36 January 1, 2010. A contract delivered or issued for delivery before
1-37 January 1, 2010, is governed by the law in effect immediately before
1-38 the effective date of this Act, and that law is continued in effect
1-39 for that purpose.

1-40 SECTION 3. This Act takes effect September 1, 2009.

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