

By: Hegar
(Hancock)

S.B. No. 579

A BILL TO BE ENTITLED

AN ACT

relating to the total benefit amount under a prepaid funeral contract.

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

SECTION 1. Section 4054.157, Insurance Code, is amended to read as follows:

Sec. 4054.157. LIMIT ON AGENT'S AUTHORITY. Except as provided by Section 154.2021, Finance Code, a [A] funeral prearrangement life insurance agent licensed under this subchapter may not write any coverage or combination of coverages with an initial guaranteed death benefit on any life that exceeds the total cost of the prepaid funeral benefits purchased under the prepaid funeral contract [~~\$15,000 on any life~~].

SECTION 2. The change in law made by this Act applies to a prepaid funeral contract that is formed on or after the effective date of this Act. A contract that is formed before the effective date of this Act is covered by the law in effect when the contract was formed, and the former law is continued in effect for that purpose.

SECTION 3. This Act takes effect September 1, 2011.