

By: Hegar

S.B. No. 579

A BILL TO BE ENTITLED

AN ACT

1  
2 relating to the total benefit amount under a prepaid funeral  
3 contract.

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

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

7 Sec. 4054.157. LIMIT ON AGENT'S AUTHORITY. A funeral  
8 prearrangement life insurance agent licensed under this subchapter  
9 may not write any coverage or combination of coverages with an  
10 initial guaranteed death benefit on any life that exceeds the total  
11 cost of the prepaid funeral benefits purchased under the prepaid  
12 funeral contract [~~\$15,000 on any life~~].

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

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