

1-1 By: Hegar S.B. No. 579
1-2 (In the Senate - Filed February 9, 2011; February 17, 2011,
1-3 read first time and referred to Committee on Business and Commerce;
1-4 March 23, 2011, reported adversely, with favorable Committee
1-5 Substitute by the following vote: Yeas 9, Nays 0; March 23, 2011,
1-6 sent to printer.)

1-7 COMMITTEE SUBSTITUTE FOR S.B. No. 579 By: Estes

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

1-10 relating to the total benefit amount under a prepaid funeral
1-11 contract.

1-12 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-13 SECTION 1. Section 4054.157, Insurance Code, is amended to
1-14 read as follows:

1-15 Sec. 4054.157. LIMIT ON AGENT'S AUTHORITY. Except as
1-16 provided by Section 154.2021, Finance Code, a [A] funeral
1-17 prearrangement life insurance agent licensed under this subchapter
1-18 may not write any coverage or combination of coverages with an
1-19 initial guaranteed death benefit on any life that exceeds the total
1-20 cost of the prepaid funeral benefits purchased under the prepaid
1-21 funeral contract [~~\$15,000 on any life~~].

1-22 SECTION 2. The change in law made by this Act applies to a
1-23 prepaid funeral contract that is formed on or after the effective
1-24 date of this Act. A contract that is formed before the effective
1-25 date of this Act is covered by the law in effect when the contract
1-26 was formed, and the former law is continued in effect for that
1-27 purpose.

1-28 SECTION 3. This Act takes effect September 1, 2011.

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