

By: Craddick

H.B. No. 3370

A BILL TO BE ENTITLED

AN ACT

relating to certain limitations on the increase of a premium, cost, charge, administrative expense, or fee associated with a life insurance policy.

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

SECTION 1. The heading to Subchapter B, Chapter 1101, Insurance Code, is amended to read as follows:

SUBCHAPTER B. PROHIBITIONS RELATED TO POLICIES AND ~~[PROHIBITED]~~

POLICY PROVISIONS

SECTION 2. Subchapter B, Chapter 1101, Insurance Code, is amended by adding Section 1101.057 to read as follows:

Sec. 1101.057. LIMITATIONS ON INCREASES OF PREMIUMS, COSTS, CHARGES, EXPENSES, OR FEES. (a) In this section, "insurer" has the meaning assigned by Section 1102.001.

(b) Except as provided by Subsection (c), an insurer may not increase a premium, cost, charge, administrative expense, or fee associated with a life insurance policy by an amount that exceeds 10 percent of the premium, cost, charge, expense, or fee during any year.

(c) Subsection (b) does not apply to an increase in a premium, cost, charge, administrative expense, or fee associated with a life insurance policy, including an increase in premium based on a policyholder's attained age, if the schedule and amount of the increase are disclosed to the policyholder at the time the

1 policy is issued.

2 SECTION 3. Section 1101.057, Insurance Code, as added by
3 this Act, applies only to a premium, cost, charge, administrative
4 expense, or fee associated with a life insurance policy that is
5 delivered, issued for delivery, or renewed on or after January 1,
6 2018. A premium, cost, charge, administrative expense, or fee
7 associated with a life insurance policy delivered, issued for
8 delivery, or renewed before January 1, 2018, is governed by the law
9 as it existed immediately before the effective date of this Act, and
10 that law is continued in effect for that purpose.

11 SECTION 4. This Act takes effect September 1, 2017.