

By: Creighton

S.B. No. 1285

A BILL TO BE ENTITLED

AN ACT

Relating to certain information or assistance provided by life insurance agents to owners of life insurance policies.

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

SECTION 1. Subchapter B, Chapter 541, Insurance Code, is amended by adding Section 541.062 to read as follows:

Sec. 541.062. INTERFERENCE WITH LIFE INSURANCE AGENT PROHIBITED.

(a) This section applies with respect to individual life insurance policies only.

(b) It is against the law and public policy of the State of Texas for any person or entity in the business of insurance to directly or indirectly interfere with the ability of a life insurance agent to:

(1) inform a policy owner about:

(A) the benefit options available under life insurance policy;

(B) the alternatives to the lapse or surrender of a life insurance policy; or

(C) a policy owner's rights related to the disposition of a life insurance policy;

(2) assist a policy owner with securing discounted policy proceeds under or related to a life insurance policy; or

(3) unless otherwise prohibited by law, act as a life

1 settlement broker under Chapter 19.1111A for the policy owner.

2 (c) The remedies under this section do not include:

3 (1) a private cause of action under Subchapter D, or

4 (2) a class action under subchapter F.

5 SECTION 2. This Act takes effect September 1, 2017.