

By: Frullo

H.B. No. 2104

A BILL TO BE ENTITLED

AN ACT

relating to a limitation on life insurance proceeds for terroristic acts.

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

SECTION 1. Subchapter A, Chapter 1101, Insurance Code, is amended by adding Section 1101.014 to read as follows:

Sec. 1101.014. LIMITATION ON PROCEEDS DUE TO TERRORISTIC ACT. Notwithstanding any other law, a life insurance policy may provide that proceeds are limited to the amount paid in premiums if:

(1) the insured's death occurs as a result of the insured's conduct constituting an offense involving violence to any person or property and with the intent to:

(A) place the public or a substantial group of the public in fear of serious bodily injury;

(B) influence the conduct or activities of a branch or agency of the federal government, this state, or a political subdivision of this state; or

(C) significantly disrupt or interfere with lawful commerce or the right of lawful assembly; and

(2) the conduct described by Subdivision (1) occurred not later than the second anniversary of the effective date of the policy.

SECTION 2. Section 1101.014, Insurance Code, as added by this Act, applies only to an insurance policy delivered, issued for

1 delivery, or renewed on or after January 1, 2020.

2 SECTION 3. This Act takes effect September 1, 2019.