

BILL ANALYSIS

Senate Research Center
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H.B. 1777
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Engrossed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Annuities are the only private product to provide protected lifetime income through retirement.

In 2007, Texas passed legislation that requires agents to determine the "suitability" of a particular annuity product for the individual consumer before it is sold. The law applies to all annuities (e.g., fixed, variable, indexed).

In 2020, the Securities and Exchange Commission (SEC) adopted a "best interest" standard of care for the sale of securities (e.g., stocks, bonds, mutual funds) to consumers.

Because variable annuities contain securities, under current Texas law there is a disparity in the standards of care for the sale of different annuities. Those that contain securities operate under a "best interest" standard while those that do not operate under an outdated standard of "suitability."

Upgrading Texas's standards for all annuity sales to "best interest" will address this disparity while enhancing protections for consumers and providing consistency for the industry and regulators.

H.B. 1777 amends Chapter 1115 of the Texas Insurance Code to incorporate a "best interest" standard of care for annuities similar to the best interest standard of care for securities adopted by the SEC in 2020. This will harmonize the standard of care for annuities across regulatory platforms.

The bill expressly requires an insurance agent, including an insurance company where no agent is involved, to act in the "best interest" of the consumer by prioritizing the consumer's interest over the agent's or the insurer's financial interest.

To act in the best interest of the consumer, the agent is required to satisfy four obligations—the care, disclosure, conflict of interest, and documentation obligations. To fulfill the care obligation, an agent is required to exercise reasonable diligence, care, and skill in recommending an annuity by concluding it effectively addresses the consumer's financial situation insurance needs and financial objectives based on the consumer's profile information.

H.B. 1777 amends current law relating to disclosures and standards required for certain annuity transactions and benefits under certain annuity contracts.

RULEMAKING AUTHORITY

Rulemaking authority is expressly granted to the commissioner of insurance in SECTION 9 (Section 1115.0514, Insurance Code) of this bill.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 1107.055, Insurance Code, as follows:

Sec. 1107.055. INTEREST RATE. Requires that the interest rate used in determining minimum nonforfeiture amounts be an annual rate of interest determined as the lesser of

three percent per annum and the following, which is required to be specified in the contract if the interest rate will be redetermined:

(1) and (2) makes no changes to these subdivisions;

(3) where the resulting interest rate is not less than 0.15 percent, rather than not less than one percent; and

(4) makes no changes to this subdivision.

SECTION 2. Amends Section 1115.001, Insurance Code, as follows:

Sec. 1115.001. PURPOSE. Provides that the purpose of Chapter 1115 (Suitability of Certain Annuity Transactions) is to require an agent to act in the best interest of the consumer when making a recommendation of an annuity and to require insurers to establish and maintain a system to supervise those recommendations so that the insurance needs and financial objectives of the consumer as of the time of the transaction are effectively addressed.

Deletes existing text providing that the purpose of this chapter is to establish standards and procedures regarding recommendations made to a consumer that result in a transaction involving annuity products, and to require insurers to establish a system to supervise those recommendations, to ensure that the insurance needs and financial objectives of the consumer as of the time of the transaction are appropriately addressed.

SECTION 3. Amends Section 1115.002, Insurance Code, by amending Subdivisions (2-a), (3), (4), and (5) and adding Subdivisions (2-b), (2-c), (3-a), (3-b), (3-c), and (3-d), to define "cash compensation," "consumer profile information," "intermediary," "material conflict of interest," "noncash compensation," and "non-guaranteed element" and to redefine "insurer," "recommendation," and "replacement" for Chapter 1115. Makes nonsubstantive changes.

SECTION 4. Amends Section 1115.003, Insurance Code, as follows:

Sec. 1115.003. APPLICABILITY; EXEMPTIONS. (a) Provides that this chapter applies to any sale of an annuity. Deletes existing text providing that this chapter applies to any recommendation to purchase, replace, or exchange an annuity that is made to a consumer by an agent, or an insurer if an agent is not involved and that results in the recommended purchase, replacement, or exchange.

(b) Makes nonsubstantive changes to this subsection.

SECTION 5. Amends Section 1115.004, Insurance Code, as follows:

Sec. 1115.004. NO CAUSE OF ACTION CREATED. Prohibits this chapter from being construed to create or imply a private cause of action against an agent or insurer or to subject an agent or insurer to civil liability for a violation of this chapter or a rule adopted under this chapter or of a standard governing the conduct of a fiduciary or a fiduciary relationship. Makes nonsubstantive changes.

SECTION 6. Amends Subchapter B, Chapter 1115, Insurance Code, by adding Sections 1115.0505, 1115.0506, 1115.0507, and 1115.0508, as follows:

Sec. 1115.0505. AGENTS EXERCISING MATERIAL CONTROL. (a) Provides that Subchapter B (Duties of Insurers and Agents) applies to each agent who exercises material control or influence in making a recommendation or sale and who receives direct compensation as a result of the recommendation or sale, regardless of whether the agent has direct contact with the consumer.

(b) Provides that activities that do not constitute material control or influence include providing or delivering marketing or educational materials, product

wholesaling or other back office product support, general supervision of an agent, and similar activities.

Sec. 1115.0506. TRANSACTIONS NOT BASED ON RECOMMENDATION; CERTAIN EXEMPTIONS FROM SUBCHAPTER. Provides that an agent does not have an obligation to a consumer under Section 1115.0513 if:

- (1) the agent does not make a recommendation;
- (2) the agent makes a recommendation based on materially inaccurate information provided by the consumer;
- (3) the consumer refuses to provide consumer profile information; or
- (4) the consumer enters into an annuity transaction that is not based on the recommendation from the agent or the insurer.

Sec. 1115.0507. INSURER OBLIGATIONS. (a) Requires that an insurer's issuance of an annuity, notwithstanding Section 1115.0506, be reasonable under the circumstances known to the insurer at the time the annuity is issued.

(b) Provides that if there is no agent involved in an annuity transaction, the obligations described in this subchapter apply to the insurer that recommends or sells the annuity in the same way those obligations would apply to an agent.

Sec. 1115.0508. ADDITIONAL LICENSURE NOT REQUIRED. Prohibits anything in this subchapter from being construed to require an agent to obtain a license other than the license described by Chapter 4054 (Life, Accident, and Health Agents).

SECTION 7. Amends the heading to Section 1115.051, Insurance Code, to read as follows:

Sec. 1115.051. BEST-INTEREST OBLIGATION.

SECTION 8. Amends Sections 1115.051(a) and (b), Insurance Code, as follows:

(a) Requires an agent, when making a recommendation of an annuity, to act in the best interest of the consumer under the circumstances known to the agent at the time the recommendation is made, without placing the agent's or the insurer's financial interest ahead of the consumer's interest.

Deletes existing text requiring the agent, or the insurer if an agent is not involved, in recommending to a consumer the purchase of an annuity or the exchange of an annuity that results in another insurance transaction or series of insurance transactions, to have a reasonable basis to believe that:

- (1) the recommendation is suitable for the consumer on the basis of the facts disclosed by the consumer as to the consumer's investments and other insurance products and as to the consumer's financial situation and needs, including the consumer's suitability information;
- (2) the consumer has been reasonably informed of various features of the annuity, such as the potential surrender period and the surrender charge, any potential tax penalty if the consumer sells, exchanges, surrenders, or annuitizes the annuity, mortality and expense fees, investment advisory fees, potential charges for and features of riders, limitations on interest returns, insurance and investment components, and market risk;
- (3) the consumer would benefit from certain features of the annuity, such as tax-deferred growth, annuitization, or a death or living benefit;

(4) the particular annuity as a whole, the underlying subaccounts to which funds are allocated at the time of the purchase or exchange of the annuity, and any riders or similar product enhancements are suitable, and, in the case of an exchange or replacement, the transaction as a whole is suitable, for the particular consumer based on the consumer's suitability information; and

(5) in the case of an exchange or replacement of an annuity, the exchange or replacement is suitable, including taking into consideration whether the consumer:

(A) will incur a surrender charge, be subject to the commencement of a new surrender period, lose existing benefits such as death, living, or other contractual benefits, or be subject to increased fees, investment advisory fees, or charges for riders or similar product enhancements;

(B) would benefit from product enhancements and improvements; and

(C) has had another annuity exchange or replacement, and in particular, an exchange or replacement in the preceding 36 months.

(b) Provides that an agent is presumed to act in the best interest of the consumer if the agent satisfies the care, disclosure, conflict of interest, and documentation obligations described by Subchapter B. Deletes existing text requiring an agent, or an insurer if an agent is not involved, before the execution of a purchase, exchange, or replacement of an annuity resulting from a recommendation, to make reasonable efforts to obtain the consumer's suitability information.

SECTION 9. Amends Subchapter B, Chapter 1115, Insurance Code, by adding Sections 1115.0513, 1115.0514, 1115.0515, and 1115.0516, as follows:

Sec. 1115.0513. CARE OBLIGATION. (a) Requires an agent, in making a recommendation, to exercise reasonable diligence, care, and skill to:

(1) obtain consumer profile information from the consumer before making the recommendation of an annuity;

(2) know the consumer's financial situation, insurance needs, and financial objectives;

(3) understand the available recommendation options available to the agent;

(4) consider the types of products the agent is authorized and licensed to recommend or sell that address the consumer's financial situation, insurance needs, and financial objectives;

(5) have a reasonable basis to believe the recommendation addresses the consumer's financial situation, insurance needs, and financial objectives over the life of the product, in light of the consumer profile information;

(6) have a reasonable basis to believe the consumer would benefit from certain features of the annuity, such as annuitization, a death or living benefit, or other insurance-related feature; and

(7) communicate the basis of the recommendation.

(b) Provides that Subsection (a) does not require analysis or consideration of a product outside the authority and license of the agent, analysis or consideration of a product or strategy that is an alternative to an annuity, recommendation of the annuity with the lowest one-time or multiple occurrence compensation structure, or ongoing monitoring of the consumer's financial situation.

(c) Requires the agent to consider consumer profile information, characteristics of the insurer, and product costs, rates, benefits, and features in determining whether an annuity effectively addresses the consumer's financial situation, insurance needs, and financial objectives. Provides that the agent is authorized to place varying levels of importance on each of those factors based on the facts and circumstances of a particular case, but is prohibited from considering one factor in isolation.

(d) Requires the agent, in the case of an exchange or replacement of an annuity, to consider the whole transaction, including whether:

(1) the consumer will incur a surrender charge, be subjected to the commencement of a new surrender period, lose existing benefits such as death, living, or other contractual benefits, or be subject to increased fees, investment advisory fees, or charges for riders and similar product enhancements;

(2) the replacing product would substantially benefit the consumer in comparison to the replaced product over the life of the product; and

(3) the consumer has had an annuity exchange or replacement in the preceding 60 months.

(e) Provides that this section applies to an annuity as a whole, including underlying subaccounts to which money is allocated at the time of the purchase or exchange of an annuity and any riders and similar product enhancements.

(f) Requires an agent to be held to standards applicable to an agent with similar authority and licensure with respect to the requirements of this section. Provides that this section does not create a fiduciary obligation or relationship and only creates a regulatory obligation. Provides that this section does not affect any ongoing monitoring obligation an agent may have under a fiduciary, consulting, investment advising, or financial planning agreement between the consumer and the agent.

Sec. 1115.0514. DISCLOSURE OBLIGATION. (a) Requires an agent, before the recommendation or sale of an annuity, to provide a disclosure to the consumer on a form prescribed by the commissioner of insurance (commissioner) by rule.

(b) Requires that the prescribed form be substantially similar to the National Association of Insurance Commissioners (NAIC) Insurance Agent Disclosure for Annuities form. Requires that the form include:

(1) a description of the scope and terms of the agent's relationship with the consumer and role in the transaction;

(2) an affirmative statement on whether the agent is licensed and authorized to sell certain financial instruments;

(3) a statement describing the certain insurers for whom the agent is authorized, contracted or appointed, or otherwise able to sell insurance products;

(4) a description of the sources and types of cash compensation and noncash compensation to be received by the agent, including whether the agent is to be compensated for the sale of a recommended annuity by commission as part of premium or other remuneration received from the insurer, intermediary, or other agent or by fee as a result of a contract for advice or consulting services; and

(5) a notice of the consumer's right to request additional information regarding cash compensation under Subsection (c).

(c) Requires an agent, on request of the consumer or the consumer's designated representative, to disclose:

(1) a reasonable estimate of the amount of cash compensation to be received by the agent, which is authorized to be stated as a range of amounts or percentages; and

(2) whether the cash compensation is a one-time or multiple occurrence amount, and if a multiple occurrence amount, the frequency and amount of occurrence, which is authorized to be stated as a range of amounts or percentages.

(d) Requires the agent, prior to or at the time of the recommendation or sale of an annuity, to have a reasonable basis to believe the consumer has been informed of certain features of the annuity.

Sec. 1115.0515. CONFLICT OF INTEREST OBLIGATION. (a) Requires an agent to take reasonable steps to discover a material conflict of interest, including a material conflict of interest related to an ownership interest.

(b) Requires an agent to identify and avoid a material conflict of interest or to reasonably manage and disclose the conflict.

Sec. 1115.0516. DOCUMENTATION OBLIGATION. Requires an agent, at the time of the recommendation or sale, to:

(1) make a written record of the recommendation and the basis for the recommendation;

(2) if applicable, obtain a statement signed by the consumer on a form prescribed by the commissioner by rule that is substantially similar to the NAIC Consumer Refusal to Provide Information form documenting a consumer's refusal to provide consumer profile information and a consumer's understanding of the ramifications of failing to provide consumer profile information or providing insufficient consumer profile information; and

(3) if a consumer decides to enter into an annuity transaction that is not based on the agent's recommendation, obtain a statement signed by the consumer on a form prescribed by the commissioner by rule that is substantially similar to the NAIC Consumer Decision to Purchase an Annuity Not Based on a Recommendation, acknowledging that the annuity transaction is not recommended.

SECTION 10. Amends Section 1115.052, Insurance Code, by amending Subsections (a), (b), (c), and (d) and adding Subsections (b-1) and (c-1), as follows:

(a) Prohibits an insurer, except as provided in Section 1115.0506, from issuing an annuity recommended to a consumer unless there is a reasonable basis to believe the annuity would effectively address the consumer's financial situation, insurance needs, and financial objectives based on the consumer's consumer profile information. Deletes existing text requiring each insurer to establish supervision that is reasonably designed to achieve the insurer's and the insurer's agents' compliance with this chapter.

(b) Requires each insurer to establish and maintain a supervision system that is reasonably designed to achieve the insurer's and the insurer's agent's compliance with this chapter, including:

(1) establishing and maintaining reasonable procedures, rather than maintains reasonable procedures, to inform the insurer's agents of the requirements of this chapter and incorporating the requirements of this chapter into relevant agent training manuals;

(2) makes conforming changes to this subdivision;

(3) makes a nonsubstantive change to this subdivision;

(4) establishing and maintaining procedures to review each recommendation electronically, physically, or otherwise before the issuance of an annuity that:

(A) are designed to ensure that there is a reasonable basis to determine that the recommended annuity would effectively address the consumer's financial situation, insurance needs, and financial objectives, rather than to determine that a recommendation is suitable; and

(B) makes no changes to this paragraph;

(5) establishing and maintaining reasonable procedures, such as confirmation of consumer profile information, systematic customer surveys, agent and consumer interviews, confirmation letters, agent statements or attestations, and programs of internal monitoring, to detect recommendations that are not in compliance with Sections 1115.0505 through 1115.051 and Sections 1115.0521 and 1115.054, which are authorized to include applying sampling procedures or confirming consumer profile information after the issuance or delivery of the annuity, rather than maintains reasonable procedures, such as confirmation of consumer suitability information, systematic customer surveys, interviews, confirmation letters, and programs of internal monitoring, to detect recommendations that are not suitable, which are authorized to involve applying sampling procedures or confirming suitability information after the issuance or delivery of the annuity;

(6) establishing and maintaining reasonable procedures to assess, before or on issuance or delivery of an annuity, whether an agent has provided to the consumer the information required to be provided under this subchapter;

(7) establishing and maintaining reasonable procedures to identify and address suspicious consumer refusals to provide consumer profile information;

(8) establishing and maintaining reasonable procedures to identify and eliminate sales contests, sales quotas, bonuses, or noncash compensation that are based on the sale of specific annuities within a limited period of time; and

(9) annually providing a written report, rather than provide a report, to the insurer's senior management, including to the senior manager responsible for audit functions, that details a review, with appropriate testing, reasonably designed to determine the effectiveness of the supervision system, the exceptions found, and any corrective action taken or recommended.

Deletes existing text authorizing an insurer to comply with Subsection (a) by establishing and maintaining the insurer's own supervision system under which, at a minimum, the insurer meets certain requirements. Makes nonsubstantive changes.

(b-1) Provides that Subsection (b)(8) does not prohibit the receipt by employees of health insurance, office rent, office support, retirement benefits, or other employee benefits so long as those benefits are not based on the volume of sales of a specific annuity within a limited period of time.

(c) Provides that this subsection and Subsection (c-1) (relating to requiring that an insurer's supervision system designed to achieve suitability of certain annuity transactions

include the supervision of certain contractual performances), rather than this subsection, do not prohibit an insurer from contracting for the performance of a function, including maintenance of procedures, required by Subsection (b). Provides that an insurer is responsible for taking appropriate corrective action and is authorized to be subject to sanctions and penalties under Section 1115.102 (Sanctions) regardless of whether the insurer contracts for performance of a function and regardless of whether the insurer complies with Subsection (c-1). Makes a nonsubstantive change.

(c-1) Creates this subsection from existing text and makes no further changes.

(d) Provides that an insurer is not required by Section 1115.052 (Supervision System) to include certain information in the supervision system, including consideration of or comparison to options available to the agent or compensation relating to those options other than annuities or other products offered by the insurer. Makes nonsubstantive changes.

SECTION 11. Amends Subchapter B, Chapter 1115, Insurance Code, by adding Section 1115.0521, as follows:

Sec. 1115.0521. PROHIBITED PRACTICES. Prohibits an agent or insurer from dissuading or attempting to dissuade a consumer from truthfully responding to an insurer's request for confirmation of consumer profile information, filing a complaint, or cooperating with the investigation of a complaint.

SECTION 12. Amends Section 1115.053, Insurance Code, as follows:

Sec. 1115.053. CERTIFICATION REQUIREMENTS. Makes conforming changes to this section.

SECTION 13. Amends Section 1115.054, Insurance Code, as follows:

Sec. 1115.054. New heading: SAFE HARBOR. (a) Provides that recommendations and sales of annuities made in compliance with comparable standards satisfy the requirements of this chapter. Provides that this section applies to recommendations and sales of annuities made by a financial professional in compliance with business rules, controls, and procedures that satisfy a comparable standard even if such standard would not otherwise apply to the product or recommendation at issue.

Deletes existing text providing that, subject to Subsection (c), sales made in compliance with the conduct rules of the Financial Industry Regulatory Authority (FINRA) relating to suitability and supervision of annuity transactions, or the rules of another national organization recognized by the commissioner, satisfy the requirements of this chapter. Deletes existing text providing that this section applies to FINRA member broker-dealer sales of variable annuities and fixed annuities if the suitability and supervision conduct rules are similar to those applied to variable annuity sales.

(b) Makes no changes to this subsection.

(c) Provides that this section does not limit the insurer's obligation to comply with Section 1115.052(a), although the insurer is authorized to base its analysis on information received from either the financial professional or the entity supervising the financial professional.

(d) Creates this subsection from existing text. Provides that Subsection (a) applies only if the insurer:

(1) using information collected in the normal course of the insurer's business, monitors the relevant conduct of the financial professional or the entity responsible for supervising the financial professional, such as the

financial professional's broker-dealer or an investment adviser registered under federal or state securities laws; and

(2) provides to the entity responsible for supervising the financial professional, such as the financial professional's broker-dealer or investment adviser registered under federal or state securities laws, information and reports that are reasonably appropriate to assist the entity in maintaining the entity's supervision system.

Deletes existing text providing that Subsection (a) applies only if the insurer monitors the FINRA member broker-dealer using information collected in the normal course of the insurer's business and provides to the FINRA member broker-dealer information and reports that are reasonably appropriate to assist the broker-dealer to maintain the broker-dealer's supervision system.

(e) Defines "financial professional."

(f) Defines "comparable standards."

SECTION 14. Amends Section 1115.055(a), Insurance Code, as follows:

(a) Requires each agent, general agent, independent agency, and insurer to maintain, or otherwise be able to make available to the commissioner, records of the information collected from the consumer, disclosures made to the consumer, including summaries of oral disclosures, and other information used in making a recommendation that was the basis for an insurance transaction subject to this chapter until the fifth anniversary of the date on which the transaction is completed by the insurer. Makes a nonsubstantive change.

SECTION 15. Amends Section 1115.056, Insurance Code, by amending Subsections (a), (b), (d), and (f) and adding Subsection (i-1), as follows:

(a) Makes a nonsubstantive change to this subsection.

(b) Requires an agent who engages in the sale of annuity products to complete a one-time four-credit training course, rather than a one-time training course, approved by the Texas Department of Insurance (TDI) and provided by a continuing education provider.

(d) Requires that the training required by Subsection (b) include information on the following topics:

(1) and (2) makes no changes to these subdivisions;

(3) how product-specific annuity features affect consumers, rather than how fixed, variable, and indexed annuity contract provisions affect consumers;

(4) and (5) makes no changes to these subdivisions; and

(6) appropriate standard of conduct sales practices, replacement, and disclosure requirements, rather than appropriate sales practices, replacement, and disclosure requirements.

(f) Requires a provider of an annuity training course intended to comply with Subsection (b), rather than a provider of a course intended to comply with Subsection (b), to register as a continuing education provider in this state and comply with the rules and guidelines applicable to agent continuing education courses provided by Chapter 4004 (Continuing Education).

(i-1) Provides that a course that is substantially similar to a course required by Section 1115.056 (Agent Training Requirements) satisfies the requirement.

SECTION 16. Amends the heading to Subchapter C, Chapter 1115, Insurance Code, to read as follows:

SUBCHAPTER C. MITIGATION; ENFORCEMENT

SECTION 17. Amends Section 1115.101, Insurance Code, as follows:

Sec. 1115.101. MITIGATION. Authorizes the commissioner, if a violation occurs because of the action or inaction of the insurer or the insurer's agent, to:

(1) order:

(A) the insurer to take reasonable appropriate corrective action for any consumer harmed by a failure to comply with this chapter by the insurer, the insurer's agent, or an entity contracted to perform the insurer's supervisory duties, rather than for any consumer harmed by the insurer or by the insurer's agent because of a violation of this chapter; or

(B) makes no changes to this paragraph; and

(2) makes no changes to this subdivision.

SECTION 18. Repealer: Section 1115.002(6) (relating to defining "suitability information" for Chapter 1115), Insurance Code.

Repealer: Section 1115.051(c) (relating to prohibiting an insurer from issuing an annuity recommended to a consumer unless the insurer has a reasonable basis to believe the annuity is suitable based on the consumer's suitability information), Insurance Code.

Repealer: Section 1115.051(d) (relating to providing that an agent or insurer does not have any obligation to a consumer related to an annuity transaction if certain criteria are met), Insurance Code.

Repealer: Section 1115.051(e) (relating to requiring that an insurer's issuance of an annuity under circumstances described by Subsection (d) be reasonable under all circumstances actually known to the insurer at the time the annuity is issued), Insurance Code.

Repealer: Section 1115.051(f) (relating to requiring an agent or insurer to obtain and record certain information relating to an annuity transaction at the time of sale of the annuity), Insurance Code.

Repealer: Section 1115.052(e) (relating to prohibiting an agent from dissuading or attempting to dissuade a consumer from truthfully responding to an insurer's request for confirmation or suitability information, filing a complaint, or cooperating with the investigation of a complaint), Insurance Code.

SECTION 19. (a) Requires TDI, not later than December 1, 2021, to approve a training course for purposes of Section 1115.056, Insurance Code, as amended by this Act.

(b) Makes application of Section 1115.056, Insurance Code, as amended by this Act, prospective to January 1, 2022.

(c) Authorizes an agent who has completed an annuity training course for purposes of Section 1115.056, Insurance Code, before January 1, 2022, to comply with Section 1115.056, Insurance Code, as amended by this Act, by completing either a new four-credit training course approved by TDI under Subsection (a) of this section, or an additional one-time one-credit training course approved by TDI and provided by a

continuing education provider approved by TDI on appropriate sales practices, replacement, and disclosure requirements.

SECTION 20. (a) Makes application of Section 1107.055, Insurance Code, as amended by this Act, prospective to January 1, 2022.

(b) Makes application of Chapter 1115, Insurance Code, as amended by this Act, prospective.

SECTION 21. Effective date: September 1, 2021.