87R10119 TYPED

By:  Thompson of Harris H.B. No. 1932

A BILL TO BE ENTITLED

AN ACT

relating to notice of available alternatives to the lapse or surrender of a life insurance policy.

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

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

SUBCHAPTER G. NOTICE REGARDING ALTERNATIVES TO LAPSE OR SURRENDER

Sec. 1101.301.  NOTICE OF ALTERNATIVES TO LAPSE OR SURRENDER OF POLICY. (a) An insurer shall provide to a policy owner who is at least 60 years of age and who has held the policy for at least two years a written notice of the existence of potential available alternatives to the lapse or surrender of the owner's life insurance policy on the request by the policy owner of:

(1)  prior to the termination or complete or partial surrender of the policy;

(2)  on the request by the policy owner of a loan against or withdrawal of the cash value of the policy; or

(3)  on the request by the policy owner of any change to the terms of the policy, including a change regarding an accelerated death benefit, a nursing home benefit, a catastrophic illness benefit, or another living benefit.

(b)  The notice must state that the policy holder may consult with the insurer's agent, the department, or financial advisor.

SECTION 2.  This Act takes effect September 1, 2021.