

By: Thompson of Harris, Bailes

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:

(1) before the termination or the complete or partial  
surrender of the policy; and

(2) on the request by the policy owner of:

(A) a loan against or withdrawal of the cash  
value of the policy; or

(B) 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 provided under Subsection (a) must state that  
the policy owner may consult with the insurer's agent, the

1 department, or a financial advisor regarding the potential  
2 available alternatives to the lapse or surrender of the owner's  
3 life insurance policy.

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