

By: Ellis

S.B. No. 961

A BILL TO BE ENTITLED

AN ACT

relating to the sale of certain annuities.

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

SECTION 1. Section 102.002, Insurance Code, is amended to read as follows:

Sec. 102.002. QUALIFIED CHARITABLE GIFT ANNUITY. (a) A charitable gift annuity is a qualified charitable gift annuity for purposes of this chapter if it was issued before September 1, 1995, or if it is:

(1) described by Section 501(m)(5), Internal Revenue Code of 1986; and

(2) issued by a charitable organization that on the date of the annuity agreement:

(A) has, exclusive of the assets funding the annuity agreement, a minimum of \$100,000 in unrestricted cash, cash equivalents, or publicly traded securities; and

(B) has been in continuous operation for at least three years or is a successor or affiliate of a charitable organization that has been in continuous operation for at least three years.

(b) The department may investigate as necessary to verify that an organization that issues an annuity meets the criteria described by Subsection (a).

SECTION 2. Section 102.102(c), Insurance Code, is amended

1 to read as follows:

2 (c) The charitable organization may not be required to
3 submit additional information except to:

4 (1) aid the department in an investigation and
5 verification of the organization conducted under Section
6 102.002(b); and

7 (2) determine appropriate penalties under Section
8 102.104.

9 SECTION 3. Section 1107.006, Insurance Code, is amended to
10 read as follows:

11 Sec. 1107.006. MATURITY DATE. (a) In determining the value
12 of benefits under Sections 1107.102, 1107.103, and 1107.104, [~~and~~
13 ~~subject to Subsection (b), if an annuity contract permits an~~
14 ~~election to have annuity payments begin on optional maturity~~
15 ~~dates,~~] the maturity date is considered to be [~~the latest date on~~
16 ~~which an election is permitted by the contract.~~

17 [~~(b) A maturity date determined under this section may not~~
18 ~~be later than]~~ the later of:

19 (1) the next anniversary of the annuity contract that
20 follows the annuitant's 70th birthday; or

21 (2) the 10th anniversary of the contract.

22 (b) Subject to Subsection (a), if an annuity contract
23 permits an election to have annuity payments begin on optional
24 maturity dates, the maturity date is considered to be the latest
25 date on which an election is permitted by the contract.

26 SECTION 4. Section 1115.005, Insurance Code, is amended to
27 read as follows:

1 Sec. 1115.005. RULES. (a) The commissioner may adopt
2 reasonable rules in the manner prescribed by Subchapter A, Chapter
3 36, to accomplish and enforce the purpose of this chapter.

4 (b) The commissioner by rule shall limit the commission or
5 other compensation that may be paid to an agent for the sale of an
6 annuity.

7 SECTION 5. This Act applies only to an annuity that is
8 delivered, issued for delivery, or renewed on or after January 1,
9 2010. An annuity that is delivered, issued for delivery, or renewed
10 before January 1, 2010, is governed by the law as it existed
11 immediately before the effective date of this Act, and that law is
12 continued in effect for that purpose.

13 SECTION 6. This Act takes effect September 1, 2009.