

INSURANCE CODE

TITLE 7. LIFE INSURANCE AND ANNUITIES

SUBTITLE A. LIFE INSURANCE IN GENERAL

CHAPTER 1102. PAYMENT OF INSURANCE BENEFITS IN CURRENCY

Sec. 1102.001. DEFINITIONS. In this chapter:

(1) "Insurance policy" means a policy, certificate, or contract of:

(A) life, term, or endowment insurance, including an annuity or pure endowment contract;

(B) group life or term insurance, including a group annuity contract;

(C) industrial life insurance;

(D) accident or health insurance;

(E) group accident or health insurance;

(F) hospitalization insurance;

(G) group hospitalization insurance;

(H) medical or surgical insurance;

(I) group medical or surgical insurance; or

(J) fraternal benefit insurance.

(2) "Insurer" means any insurer, including a:

(A) life, accident, health, or casualty insurance company;

(B) mutual life insurance company;

(C) mutual insurance company other than a life insurance company;

(D) mutual or natural premium life insurance company;

(E) general casualty company;

(F) Lloyd's plan or a reciprocal or interinsurance exchange;

(G) fraternal benefit society; or

(H) group hospital service corporation.

Added by Acts 2001, 77th Leg., ch. 1419, Sec. 2, eff. June 1, 2003.

Sec. 1102.002. BENEFITS PAYABLE IN CURRENCY. Each benefit payable under an insurance policy delivered, issued, or used in

this state by an insurer shall be payable in currency.

Added by Acts 2001, 77th Leg., ch. 1419, Sec. 2, eff. June 1, 2003.

Sec. 1102.003. STATEMENT REGARDING VALUE OF FOREIGN CURRENCY. (a) An insurance policy described by Section 1102.002 providing that benefits are payable in foreign currency must include a conspicuous statement that the value of the currency denominated in the policy can fluctuate as compared to the value of United States currency.

(b) The statement must be:

(1) included as part of the policy; or

(2) attached to the insurance policy at the time it is issued.

Added by Acts 2001, 77th Leg., ch. 1419, Sec. 2, eff. June 1, 2003.

Sec. 1102.004. PREVIOUSLY APPROVED INSURANCE POLICY FORM PAYABLE IN FOREIGN CURRENCY. (a) The commissioner may disapprove or withdraw approval of a previously approved insurance policy form that provides benefits payable in foreign currency if the commissioner determines that the foreign currency has been less stable than United States currency in the previous 20-year period.

(b) This section does not require the resubmission for approval of any previously approved insurance policy form unless:

(1) withdrawal of approval is authorized under this section or Chapter 1701; or

(2) after notice and hearing, the commissioner determines that approval was obtained by improper means, including by misrepresentation, fraud, or a misleading statement or document.

Added by Acts 2001, 77th Leg., ch. 1419, Sec. 2, eff. June 1, 2003.

Amended by:

Acts 2007, 80th Leg., R.S., Ch. 730 (H.B. 2636), Sec. 2F.003, eff. April 1, 2009.

Sec. 1102.005. RULES. The commissioner may adopt reasonable rules to accomplish the purposes of this chapter, including rules requiring:

(1) appropriate reserves for insurance policies

subject to this chapter; or

(2) prudent investment of premiums collected from insurance policies subject to this chapter regardless of any other provision of this code related to the investment of money by an insurance company.

Added by Acts 2001, 77th Leg., ch. 1419, Sec. 2, eff. June 1, 2003.