

INSURANCE CODE

TITLE 7. LIFE INSURANCE AND ANNUITIES

SUBTITLE A. LIFE INSURANCE IN GENERAL

CHAPTER 1116. REQUIRED PROVISIONS FOR ANNUITY CONTRACT

Sec. 1116.001. DEFINITION. In this chapter, "annuity" means a fixed, variable, or modified guaranteed annuity that is individually solicited, whether classified as an individual annuity or group annuity.

Added by Acts 2011, 82nd Leg., R.S., Ch. 77 (H.B. 1032), Sec. 1, eff. September 1, 2011.

Sec. 1116.002. RESCISSION PERIOD REQUIRED. (a) A fixed annuity contract must provide that, for a period of at least 20 days after the date the contract is delivered, the purchaser may rescind the contract and receive an unconditional refund of premiums paid for the contract, including any contract fees or charges.

(b) Except as provided by Subsection (c), a variable or modified guaranteed annuity contract must provide that, for a period of at least 20 days after the date the contract is delivered, the purchaser may rescind the contract and receive an unconditional refund that is equal to the cash surrender value provided in the contract plus any fees or charges deducted from the premiums or imposed under the contract.

(c) Subsection (b) does not apply to an annuity contract if the prospective owner is an accredited investor, as defined by 17 C.F.R. Section 230.501(a) as adopted by the United States Securities and Exchange Commission.

Added by Acts 2011, 82nd Leg., R.S., Ch. 77 (H.B. 1032), Sec. 1, eff. September 1, 2011.

Sec. 1116.003. RULEMAKING AUTHORITY FOR CONTINGENT DEFERRED ANNUITY CONTRACTS. (a) In this section, "contingent deferred annuity contract" means an annuity contract in which a life insurer makes periodic payments for the annuitant's lifetime beginning when a designated investment that is not owned or held by the insurer is depleted to an amount specified by the contract due to

contractually permitted withdrawals, market performance, fees, or other charges.

(b) The commissioner by rule may adopt reasonable standards for contingent deferred annuity contracts, including standards for:

(1) the procedures for department review and approval of contingent deferred annuity contracts and the criteria the department will use in approving the contracts;

(2) replacement, suitability, and disclosure requirements that are consistent with applicable model regulations developed by the National Association of Insurance Commissioners; and

(3) advertising of contingent deferred annuity contracts that are consistent with applicable model regulations developed by the National Association of Insurance Commissioners.

Added by Acts 2015, 84th Leg., R.S., Ch. 375 (S.B. [1107](#)), Sec. 2, eff. June 9, 2015.