

CHAPTER 918

H.B. No. 431

AN ACT

relating to the regulation of viatical settlements by the State Board of Insurance.

*Be it enacted by the Legislature of the State of Texas:*

SECTION 1. Subchapter E, Chapter 3, Insurance Code, is amended by adding Article 3.50-6A to read as follows:

*Art. 3.50-6A. VIATICAL SETTLEMENTS*

*Sec. 1. DEFINITION. In this article, "viatical settlement" means a contract, entered into by an insured with a terminal illness who owns a life insurance policy insuring the life of the insured, under which the insured assigns or transfers the insurance policy to another person or entity for valuable consideration.*

*Sec. 2. REGULATION BY BOARD. The board has exclusive jurisdiction in this state to regulate viatical settlements, regardless of form, other than transactions governed by The Securities Act (Article 581-1 et seq., Vernon's Texas Civil Statutes).*

SECTION 2. The importance of this legislation and the crowded condition of the calendars in both houses create an emergency and an imperative public necessity that the constitutional rule requiring bills to be read on three several days in each house be suspended, and this rule is hereby suspended, and that this Act take effect and be in force from and after its passage, and it is so enacted.

Passed by the House on April 7, 1993, by a non-record vote; the House concurred in Senate amendments to H.B. No. 431 on May 28, 1993, by a non-record vote; passed by the Senate, with amendments, on May 25, 1993: Yeas 30, Nays 0.

Approved June 19, 1993.

Effective Aug. 30, 1993, 90 days after date of adjournment.