

SUBCHAPTER R. Viatical and Life Settlements
28 TAC §§3.1701 – 3.1717

1. INTRODUCTION. The Texas Department of Insurance adopts the repeal of 28 TAC, Chapter 3, Subchapter R, §§3.1701 – 3.1717, concerning viatical and life settlements.

The repeal of the subchapter is adopted without changes to the proposed text published in the December 28, 2012, issue of the *Texas Register* (37 TexReg 10800).

2. REASONED JUSTIFICATION. The repeal of the subchapter is necessary because Insurance Code Chapter 1111, Subchapter A, was repealed by House Bill 2277, 82nd Legislature, Regular Session, effective September 1, 2011. In conjunction with this repeal, the department is adopting new Subchapter R, §§3.1701 – 3.1703, 3.1720 – 3.1730, 3.1740 – 3.1744, and 3.1760, to implement the new Life Settlements Act, Insurance Code Chapter 1111A, also published in this issue of the *Texas Register*.

3. HOW THE SECTIONS WILL FUNCTION. The adoption of the repeal will result in the repeal of Chapter 3, Subchapter R, §§3.1701 – 3.1717, concerning viatical and life settlements. The repeal will allow the new Subchapter R to implement the new Life Settlements Act, Insurance Code Chapter 1111A, also published in this issue of the *Texas Register*.

4. SUMMARY OF COMMENTS AND AGENCY RESPONSE.

The department did not receive any comments on the published proposal related to the repeal of Subchapter R.

5. STATUTORY AUTHORITY. The repeal is adopted pursuant to HB 2277, 82nd Legislature, Regular Session, effective September 1, 2011, and Insurance Code §36.001. Section 17 of HB 2277 repealed Insurance Code Chapter 1111, Subchapter A. Insurance Code Chapter 1111A was added by HB 2277. Section 1111A.015 of the Insurance Code provides that the commissioner may adopt rules implementing Chapter 1111A and regulate the activities and relationships of providers, brokers, insurers, and their authorized representatives. Insurance Code §36.001 provides that the commissioner may adopt any rules necessary and appropriate to implement the powers and duties of the Texas Department of Insurance under the Insurance Code and other laws of this state.

6. TEXT.

Subchapter R. Viatical and Life Settlements.

§3.1701. Purpose and Severability.

§3.1702. Definitions.

§3.1703. Application for Certificate of Registration for Viatical or Life Settlement Providers, Provider Representatives, or Brokers; Fees.

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§3.1704. Renewal; Fees.

§3.1705. Reporting Requirements.

§3.1706. Form Filing Requirements and Approval, Disapproval, or Withdrawal of Forms.

§3.1707. Advertising, Sales and Solicitation Materials; Filing Prior to Use.

§3.1708. Required Disclosure.

§3.1709. Application and Contract Forms: Required Provisions and Escrow/Trust Agreements.

§3.1710. Prohibited Practices Relating to Advertising and Solicitation; Applications and Contracts.

§3.1711. Payment of Commissions or Other Forms of Compensation: Disclosure and Prohibited Practices.

§3.1712. Contacting the Viator, Life Settlor, or Owner for Health Status Inquiries: Limits and Prohibited Practices.

§3.1713. Assignment, Sale, or Transfer of Policies: Disclosure.

§3.1714. Confidentiality.

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§3.1715. Prohibition Against Doing Business with an Unregistered or Unlicensed Viatical or Life Settlement Provider, Provider Representative, or Broker, Escrow Agent or Trustee.

§3.1716. Denial, Suspension, or Revocation of Certificate of Registration; Enforcement.

§3.1717. Examinations.

CERTIFICATION. This agency certifies that legal counsel has reviewed the adoption and found it to be a valid exercise of the agency's legal authority.

Issued at Austin, Texas, on June 21, 2013.



Sara Waitt
General Counsel
Texas Department of Insurance

The commissioner adopts the repeal.



Julia Rathgeber
Commissioner of Insurance

COMMISSIONER'S ORDER NO. **2604**