

BILL ANALYSIS

H.B. 3448
By: Longoria
Investments & Financial Services
Committee Report (Unamended)

BACKGROUND AND PURPOSE

Interested parties note that there is a segment of the population that is underinsured when it comes to life insurance. The goal of H.B. 3448 is to provide more people with an opportunity to protect their families with life insurance.

CRIMINAL JUSTICE IMPACT

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

RULEMAKING AUTHORITY

It is the committee's opinion that rulemaking authority is expressly granted to the Finance Commission of Texas in SECTION 1 of this bill.

ANALYSIS

H.B. 3448 amends the Finance Code to authorize a lender to offer a borrower on a consumer loan subject to statutory provisions governing interest charges on non-real property loans single premium term life insurance through a properly licensed insurance agent, to prohibit such a lender from requiring the borrower to accept the insurance, to require such a lender to provide the borrower with the option to pay the insurance premium from the borrower's own funds or to pay the premium with a portion of the loan proceeds, and to require such a lender to provide to and review with the borrower specified disclosures before completing the transaction. The bill requires the Finance Commission of Texas to prescribe by rule the form and the content of such disclosures.

EFFECTIVE DATE

January 1, 2018.