



Texas
**Life, Accident, Health & Hospital Service
Insurance Guaranty Association**

BILL INCREASES ASSOCIATION PROTECTION

During the 2011 regular session of the 82nd Texas Legislature, Senate Bill 567 was passed by both the Texas Senate and House of Representatives. Governor Rick Perry signed the bill into law on April 29, 2011. This legislation amended several portions of and introduces new items into the Association's governing statute, Chapter 463 of the Texas Insurance Code. The following lists the most significant changes that take effect on September 1, 2011:

1. Increasing the coverage for individual annuities from \$100,000 to \$250,000 per life of the present value of benefits,
2. Increasing the coverage for each individual participating in a governmental retirement benefit plan established under Section 401, 403(b) or 457 of the Internal Revenue Code covered by an unallocated annuity contract from \$100,000 to \$250,000,
3. Increase the coverage for structured settlement annuities from \$100,000 to \$250,000 of the present value of annuity benefits per each payee,
4. Excluding Medicare Part C and D policies from Association protection,
5. Providing the Association with rights with respect to an insolvent insurance company's statutory or special deposits,
6. Providing the Association with rights with respect to assuming the rights and obligations of the insolvent insurance company's indemnity reinsurance contracts,
7. Permitting greater flexibility for the Association's Board of Directors and its Committee to meet by teleconference, videoconference, or similar telecommunications methods,
8. Clarifying the language of the Association's annual assessment capacity, and
9. Changing the Association's name to the Texas Life and Health Insurance Guaranty Association.

For additional information on these changes, please call the Association at (800) 982-6362.