

## IMPORTANT INFORMATION ABOUT COVERAGE UNDER THE TEXAS LIFE, ACCIDENT, HEALTH AND HOSPITAL SERVICE INSURANCE GUARANTY ASSOCIATION

Texas law establishes a system, administered by the Texas Life, Accident, Health and Hospital Service Insurance Guaranty Association (the "Association"), to protect policyholders if their life or health insurance company fails to or cannot meet its contractual obligations. Only the policyholders of insurance companies which are members of the Association are eligible for this protection. However, even if a company is a member of the Association, protection is limited and policyholders must meet certain guidelines to qualify.

BECAUSE OF STATUTORY LIMITATIONS ON POLICYHOLDER PROTECTION IT IS POSSIBLE THAT THE ASSOCIATION MAY NOT COVER YOUR POLICY OR MAY NOT COVER YOUR POLICY IN FULL.

### **Eligibility for Protection by the Association**

When an insurance company which is a member of the Association is designated as impaired by the Texas Commissioner of Insurance, the Association provides coverage to policyholders who are:

- residents of Texas at the time that their insurance company is impaired
- residents of other states, ONLY if the following conditions are met:
  1. The policyholder has a policy with a company based in Texas;
  2. The company has never held a license in the policyholder's state of residence;
  3. The policyholder's state of residence has a similar guaranty association; and
  4. The policyholder is not eligible for coverage by the guaranty association of the policyholder's state of residence.

### **Limits of Protection by the Association**

Accident, Accident and Health, or Health Insurance:

- up to a total of \$200,000 for one or more policies for each individual covered.

Life Insurance:

- net cash surrender value up to a total of \$100,000 under one or more policies on any one life or
- death benefits up to a total of \$300,000 under one or more policies on any one life

Individual Annuities

- net cash surrender amount up to a total of \$100,000 under one or more policies owned by one contractholder

Group Annuities

- net surrender amount up to \$100,000 in allocated benefits under one or more policies owned by one contractholder; or
- net cash surrender amount up to \$5,000,000 in unallocated benefits under one contractholder regardless of the number of contracts.

THE INSURANCE COMPANY AND ITS AGENTS ARE PROHIBITED BY LAW FROM USING THE EXISTENCE OF THE ASSOCIATION FOR THE PURPOSE OF SALES, SOLICITATION, OR INDUCEMENT TO PURCHASE ANY FORM FOR INSURANCE.

**When you are selecting a insurance company, you should not rely on coverage by the Association.**

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