

## **BILL ANALYSIS**

H.B. 1201  
By: Seaman  
Insurance  
Committee Report (Unamended)

### **BACKGROUND AND PURPOSE**

Section 4001.162 of the Insurance Code currently allows an agent, insurer, or health maintenance organization to appoint a maximum of 250 temporary license holders during a calendar year. In 1987, the 70th Texas Legislature first restricted the number of allowable temporary agent licenses in order prohibit certain abuses of the temporary licensing statute. The purpose of H.B. 1201 is to provide for increased employment of new insurance agents in Texas, while still protecting against abuse of the temporary agent's license.

### **RULEMAKING AUTHORITY**

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

### **ANALYSIS**

- Section 1:      Allows an agent, insurer, or health maintenance organization to raise the number of appointments to a maximum of 500 temporary license holders during a calendar year.
- Section 2:      Effective date

### **EFFECTIVE DATE**

Upon passage, or if the Act does not receive the necessary number of votes, the Act takes effect on September 1, 2005.