

AN ACT

relating to the repeal of the requirement for a surety bond or other proof of financial responsibility for licensure of surplus lines insurance agents.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Section 981.203, Insurance Code, is amended to read as follows:

Sec. 981.203. QUALIFICATIONS FOR SURPLUS LINES LICENSE.

(a) The department may issue a surplus lines license to an applicant who the department determines complies with Subsection (b) and is:

(1) an individual who:

(A) has passed an examination under Article 21.01-1 and department rules; and

(B) holds a current license as:

(i) a general property and casualty agent authorized under Article 21.14; or

(ii) a managing general agent; or

(2) a corporation, limited liability company, or partnership that:

(A) has at least one officer or director or at least one active partner who has passed the required surplus lines license examination;

(B) holds a current license as:

1 (i) a general property and casualty agent
2 authorized under Article 21.14; or

3 (ii) a managing general agent; and

4 (C) conducts insurance activities under this
5 chapter only through an individual licensed under this section.

6 (b) The agent must:

7 (1) pay an application fee as determined by the
8 department; and

9 (2) submit a properly completed license application[+
10 ~~and~~

11 [~~(3) provide proof of financial responsibility under~~
12 ~~Section 981.206].~~

13 SECTION 2. Section 981.206, Insurance Code, is repealed.

14 SECTION 3. This Act takes effect January 1, 2006.

President of the Senate

Speaker of the House

I hereby certify that S.B. No. 1564 passed the Senate on May 10, 2005, by the following vote: Yeas 31, Nays 0.

Secretary of the Senate

I hereby certify that S.B. No. 1564 passed the House on May 25, 2005, by a non-record vote.

Chief Clerk of the House

Approved:

Date

Governor