

By: Janek

S.B. No. 1564

A BILL TO BE ENTITLED

AN ACT

relating to the repeal of the requirement for a surety bond 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:

(i) a general property and casualty agent

1 authorized under Article 21.14; or

2 (ii) a managing general agent; and

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

5 (b) The agent must:

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

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

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

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 Section 981.206, Insurance Code, is repealed.

13 SECTION 3. This act takes effect January 1, 2006.