

1-1 By: Janek S.B. No. 1564
1-2 (In the Senate - Filed March 11, 2005; March 22, 2005, read
1-3 first time and referred to Committee on Business and Commerce;
1-4 May 2, 2005, reported favorably by the following vote: Yeas 9,
1-5 Nays 0; May 2, 2005, sent to printer.)

1-6 A BILL TO BE ENTITLED
1-7 AN ACT

1-8 relating to the repeal of the requirement for a surety bond or other
1-9 proof of financial responsibility for licensure of surplus lines
1-10 insurance agents.

1-11 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-12 SECTION 1. Section 981.203, Insurance Code, is amended to
1-13 read as follows:

1-14 Sec. 981.203. QUALIFICATIONS FOR SURPLUS LINES LICENSE.

1-15 (a) The department may issue a surplus lines license to an
1-16 applicant who the department determines complies with Subsection
1-17 (b) and is:

1-18 (1) an individual who:

1-19 (A) has passed an examination under Article
1-20 21.01-1 and department rules; and

1-21 (B) holds a current license as:

1-22 (i) a general property and casualty agent
1-23 authorized under Article 21.14; or

1-24 (ii) a managing general agent; or

1-25 (2) a corporation, limited liability company, or
1-26 partnership that:

1-27 (A) has at least one officer or director or at
1-28 least one active partner who has passed the required surplus lines
1-29 license examination;

1-30 (B) holds a current license as:

1-31 (i) a general property and casualty agent
1-32 authorized under Article 21.14; or

1-33 (ii) a managing general agent; and

1-34 (C) conducts insurance activities under this
1-35 chapter only through an individual licensed under this section.

1-36 (b) The agent must:

1-37 (1) pay an application fee as determined by the
1-38 department; and

1-39 (2) submit a properly completed license application[+
1-40 ~~and~~

1-41 ~~[(3) provide proof of financial responsibility under~~
1-42 ~~Section 981.206].~~

1-43 SECTION 2. Section 981.206, Insurance Code, is repealed.

1-44 SECTION 3. This Act takes effect January 1, 2006.

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