

By: Eiland

H.B. No. 2771

A BILL TO BE ENTITLED

AN ACT

relating to regulation and licensing of certain insurance agents.

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

ARTICLE 1. LICENSING OF CERTAIN INSURANCE AGENTS

SECTION 1.01. Chapter 4051, Insurance Code, is amended by adding Subchapter I to read as follows:

SUBCHAPTER I. PERSONAL LINES PROPERTY AND CASUALTY AGENT

Sec. 4051.401. PERSONAL LINES PROPERTY AND CASUALTY LICENSE; LICENSE REQUIRED. A person is required to hold a personal lines property and casualty license if the person acts as:

(1) an agent who writes property and casualty insurance sold to individuals and families primarily for personal or household use for an insurer authorized to engage in the business of property and casualty insurance in this state; or

(2) a subagent of a person who holds a license as an agent under this subchapter who solicits and binds insurance risks for that agent.

Sec. 4051.402. AUTHORITY TO WRITE ADDITIONAL LINES. (a) A person who holds a personal lines property and casualty license may write the kind of insurance contracts described by:

(1) this subchapter;

(2) Subchapters C and E; and

(3) Chapter 4055.

(b) In addition to any of the insurance contracts described

1 by Subsection (a), a person who holds a personal lines property and
2 casualty license may write accident and health insurance contracts
3 for individuals and families for personal, family, or household
4 purposes for a property and casualty insurer authorized to sell
5 those insurance products in this state.

6 Sec. 4051.403. PERSONAL LINES INCLUDED IN GENERAL PROPERTY
7 AND CASUALTY LICENSE. Notwithstanding Section 4051.401, a person
8 who holds a general property and casualty license under Subchapter
9 B may write the kinds of insurance described by this subchapter.

10 SECTION 1.02. Chapter 4054, Insurance Code, is amended by
11 adding Subchapter G to read as follows:

12 SUBCHAPTER G. LIFE AGENT

13 Sec. 4054.301. LICENSE REQUIRED. (a) Except as provided by
14 Subsection (b), a person is required to hold a life agent license if
15 the person does not hold a general life, accident, and health
16 license under Subchapter B and the person acts as:

17 (1) an agent who writes insurance coverage on human
18 lives, including endowment benefits and annuities, benefits in the
19 event of death or dismemberment by accident, and benefits for
20 disability income;

21 (2) an industrial life insurance agent for an insurer
22 that writes only weekly premium life insurance on a debit basis
23 under Chapter 1151;

24 (3) an agent who writes fixed or variable annuity
25 contracts or variable life contracts;

26 (4) an agent who writes for a stipulated premium
27 company only life insurance in excess of \$15,000 on any one life; or

1 (5) an agent who writes any other kind of insurance as
2 required by the commissioner for the protection of the insurance
3 consumers of this state.

4 (b) A person who holds a limited license under Subchapter C
5 and who engages in the business of insurance only within the scope
6 of that license is not required to hold a life agent license. A
7 person who holds a life agent license may write the insurance
8 described by that subchapter.

9 (c) A person who holds a funeral prearrangement life
10 insurance license under Subchapter D and who engages in the
11 business of insurance only within the scope of that license is not
12 required to hold a life agent license. A person who holds a life
13 agent license may write the insurance described by that subchapter.

14 (d) A person who holds a license to write life insurance not
15 exceeding \$15,000 under Subchapter E and who engages in the
16 business of insurance only within the scope of that license is not
17 required to hold a life agent license. A person who holds a life
18 agent license may write the insurance described by that subchapter.

19 (e) This subchapter does not apply to a person who holds a
20 specialty license under Chapter 4055 and who engages in the
21 business of insurance only within the scope of the specialty
22 license.

23 Sec. 4054.302. AUTHORITY TO WRITE SPECIFIED COVERAGES. A
24 person who holds a license under this subchapter may write only
25 insurance described by Sections 4054.301(a)-(d).

26 Sec. 4054.303. APPLICABILITY OF CERTAIN REQUIREMENTS.
27 Except as otherwise provided by this code, the provisions of this

1 title that apply to the holder of a general life, accident, and
2 health license apply to the holder of a license issued under this
3 subchapter.

4 ARTICLE 2. CONFORMING AMENDMENTS

5 SECTION 2.01. Section 523.152(a), Insurance Code, is
6 amended to read as follows:

7 (a) An originating agent shall share commissions with an
8 issuing agent as required by the market assistance program plan of
9 operation if the originating agent holds a license as:

10 (1) a general property and casualty agent or a
11 personal lines property and casualty agent; or

12 (2) a salaried representative for one or more insurers
13 whose plan of operation does not contemplate the use of general
14 property and casualty agents or personal lines property and
15 casualty agents.

16 SECTION 2.02. Section 549.053(b), Insurance Code, is
17 amended to read as follows:

18 (b) Subsection (a) does not:

19 (1) apply if the borrower provides the lender with
20 specific written authority permitting or directing the particular
21 use or disclosure of information before the use or disclosure
22 occurs; or

23 (2) prevent a lender who is a licensed general
24 property and casualty agent or a personal lines property and
25 casualty agent from selling insurance to a borrower.

26 SECTION 2.03. Section 549.055, Insurance Code, is amended
27 to read as follows:

1 Sec. 549.055. INSURANCE BINDER AS EVIDENCE OF INSURANCE.

2 (a) A lender that requires a borrower to secure insurance coverage
3 before the lender will provide a residential mortgage or commercial
4 real estate loan must accept an insurance binder as evidence of the
5 required insurance and may not require the borrower to provide an
6 original insurance policy instead of a binder if:

7 (1) the binder is issued by a licensed general
8 property and casualty agent or a personal lines property and
9 casualty agent who is appointed to represent the insurer whose name
10 appears on the binder and who is authorized to issue binders;

11 (2) the binder is accompanied by evidence of payment
12 of the required premium; and

13 (3) the binder will be replaced by an original
14 insurance policy for the required coverage on or before the 30th day
15 after the date the binder is issued.

16 (b) A [~~general~~] property and casualty agent who issues an
17 insurance binder under Subsection (a) must, on request, provide the
18 lender with appropriate evidence for purposes of Subsection (a)(1).

19 SECTION 2.04. Section 549.056(e), Insurance Code, is
20 amended to read as follows:

21 (e) Except as provided by this subsection, this subchapter
22 does not prevent a lender from requiring, at or before the time of
23 delivery to the lender of an insurance policy by a general property
24 and casualty agent or a personal lines property and casualty agent
25 or by the insurer, [~~of an insurance policy to the lender~~] a written
26 statement from the borrower designating the agent or insurer as the
27 borrower's agent for the delivery of the policy. A lender may not

1 require a statement described by this subsection when an agent or
2 insurer is providing a renewal of an existing expiring insurance
3 policy provided by the agent or insurer.

4 SECTION 2.05. Section 559.001(2), Insurance Code, is
5 amended to read as follows:

6 (2) "Agent" means a person licensed or required to be
7 licensed as a general property and casualty insurance agent or a
8 personal lines property and casualty agent under Chapter 4051.

9 SECTION 2.06. The heading to Section 651.008, Insurance
10 Code, is amended to read as follows:

11 Sec. 651.008. AUTHORITY OF CERTAIN [~~GENERAL~~] PROPERTY AND
12 CASUALTY AGENTS TO CHARGE INTEREST TO CERTAIN PERSONS.

13 SECTION 2.07. Section 651.008(a), Insurance Code, is
14 amended to read as follows:

15 (a) Notwithstanding any other law, a general property and
16 casualty agent or a personal lines property and casualty agent who
17 holds a license under Chapter 4051 may enter into a written
18 agreement with a purchaser of insurance from the agent that
19 provides for the payment of interest to the agent on any amount due
20 to the agent for the insurance purchased. The interest is computed
21 at a rate not to exceed the greater of:

22 (1) a rate allowed by Chapter 303, Finance Code; or

23 (2) the rate of one percent a month.

24 SECTION 2.08. Section 885.351, Insurance Code, is amended
25 to read as follows:

26 Sec. 885.351. AGENTS. (a) A fraternal benefit society may
27 appoint an agent licensed by the department under Chapter 4054

1 ~~[Article 21.07-1]~~ to sell benefits listed under Section 885.301(a)
2 to society members.

3 (b) Except as provided by Section 885.352, a person may not
4 solicit or procure benefit contracts for a fraternal benefit
5 society unless the person is licensed as a general life, accident,
6 and health agent or a life agent under Chapter 4054 ~~[Article~~
7 ~~21.07-1]~~.

8 (c) The licensing and regulation of agents for fraternal
9 benefit societies is subject to Title 13 ~~[Subchapter A, Chapter~~
10 ~~21,]~~ and other laws regulating those agents.

11 SECTION 2.09. Section 981.203(a), Insurance Code, is
12 amended to read as follows:

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

16 (1) an individual who:

17 (A) has passed an examination under Chapter 4002
18 ~~[Article 21.01-1]~~ and department rules; and

19 (B) holds a current license as:

20 (i) a general property and casualty agent
21 or a personal lines property and casualty agent authorized under
22 Chapter 4051 ~~[Article 21.14]~~; or

23 (ii) a managing general agent; or

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

26 (A) has at least one officer or director or at
27 least one active partner who has passed the required surplus lines

1 license examination;

2 (B) holds a current license as:

3 (i) a general property and casualty agent
4 or a personal lines property and casualty agent authorized under
5 Chapter 4051 [Article 21.14]; or

6 (ii) a managing general agent; and

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

9 SECTION 2.10. Section 981.220, Insurance Code, is amended
10 to read as follows:

11 Sec. 981.220. MANAGING GENERAL AGENTS; LIMITED AUTHORITY
12 OF CERTAIN AGENTS. [~~(a) A managing general agent is not required to~~
13 ~~hold a local recording agent license to be eligible to receive a~~
14 ~~surplus lines license.~~

15 [~~(b)~~] A surplus lines license granted to a managing general
16 agent who is not also licensed under Chapter 4051 [Article 21.14] is
17 limited to the acceptance of business originating through a
18 licensed general property and casualty agent or a personal lines
19 property and casualty agent. The license does not authorize the
20 agent to engage in business directly with the insurance applicant.

21 SECTION 2.11. Section 1152.151, Insurance Code, is amended
22 to read as follows:

23 Sec. 1152.151. AGENT'S LICENSE REQUIRED. (a) A person may
24 not sell or offer for sale in this state a variable contract, or act
25 to negotiate, make, or consummate a variable contract for another,
26 unless the department has licensed the person under Chapter 4054
27 [~~Article 21.07-1~~] as a general life, accident, and health agent or a

1 life agent.

2 (b) The licensing and regulation of a person acting as a
3 variable contract agent is subject to the same provisions
4 applicable to the licensing and regulation of other agents under
5 Title 13 [Subchapter A, Chapter 21].

6 SECTION 2.12. Section 1505.005(b), Insurance Code, is
7 amended to read as follows:

8 (b) A person licensed as a general life, accident, and
9 health agent under Chapter 4054, [or] as a general property and
10 casualty agent under Chapter 4051 authorized to write health and
11 accident insurance under Section 4051.053, or as a personal lines
12 property and casualty agent authorized to write health and accident
13 insurance under Section 4051.402, [or 4054] may act in the licensed
14 capacity in connection with an insurance policy or a certificate of
15 insurance issued by an unincorporated association, trust, or other
16 organization formed under Subsection (a). The agent is not
17 required to notify the department that the person has been
18 appointed to act for that purpose.

19 SECTION 2.13. Section 2151.053, Insurance Code, is amended
20 to read as follows:

21 Sec. 2151.053. MEMBERSHIP OF GOVERNING COMMITTEE. The
22 governing committee is composed of 15 members selected as follows:

23 (1) eight members who represent the interests of
24 insurers, elected by the association members according to a method
25 the members determine;

26 (2) five public members, nominated by the office of
27 public insurance counsel and selected by the commissioner; and

1 (3) two members who are general or personal lines
2 property and casualty agents, as required by the plan of operation.

3 SECTION 2.14. Section 2210.102(a), Insurance Code, is
4 amended to read as follows:

5 (a) The board of directors is composed of the following nine
6 members:

7 (1) five representatives of different insurers who are
8 members of the association, elected by the members as provided by
9 the plan of operation;

10 (2) two public representatives who are nominated by
11 the office of public insurance counsel and who, as of the date of
12 the appointment:

13 (A) reside in a catastrophe area; and

14 (B) are policyholders of the association; and

15 (3) two ~~general~~ property and casualty agents, each
16 of whom must:

17 (A) ~~who~~ have demonstrated experience in the
18 association; ~~and~~

19 (B) maintain the agent's ~~whose~~ principal
20 office ~~offices~~, as of the date of the appointment, ~~are located~~
21 in a catastrophe area; and

22 (C) hold a license under Chapter 4054 as a
23 general property and casualty agent or a personal lines property
24 and casualty agent.

25 SECTION 2.15. Section 2210.202(b), Insurance Code, is
26 amended to read as follows:

27 (b) A general property and casualty agent or a personal

1 lines property and casualty agent must submit an application for
2 the insurance coverage on behalf of the applicant on forms
3 prescribed by the association. The application must contain a
4 statement as to whether the applicant has submitted or will submit
5 the premium in full from personal funds or, if not, to whom a
6 balance is or will be due.

7 SECTION 2.16. Section 2210.204(d), Insurance Code, is
8 amended to read as follows:

9 (d) If an insured requests cancellation of the insurance
10 coverage, the association shall refund the unearned premium payable
11 to the insured and the holder of an unpaid balance. The [~~general~~]
12 property and casualty agent who submitted the application shall
13 refund the agent's commission on any unearned premium in the same
14 manner.

15 SECTION 2.17. Section 2211.154(b), Insurance Code, is
16 amended to read as follows:

17 (b) A general property and casualty agent or personal lines
18 property and casualty agent may make an application on behalf of the
19 applicant. The applicant or agent must submit the application on a
20 form prescribed by the association.

21 SECTION 2.18. Section 4001.205(a), Insurance Code, is
22 amended to read as follows:

23 (a) A general life, accident, and health agent, life
24 insurance agent, [~~or a~~] general property and casualty agent, or
25 personal lines property and casualty agent appointed by an insurer
26 authorized to engage in the business of insurance in this state
27 shall notify the department on a form prescribed by the department

1 if the agent appoints a subagent. The notice must be accompanied by
2 a nonrefundable fee in an amount set by the department.

3 SECTION 2.19. Section 4002.003(a), Insurance Code, is
4 amended to read as follows:

5 (a) The department may not require a person to take an
6 examination under this chapter if the person is:

7 (1) an applicant for the renewal of an unexpired
8 license issued by the department;

9 (2) an applicant whose license issued by the
10 department expired less than one year before the date of the
11 application, if the previous license was not denied, revoked, or
12 suspended by the commissioner;

13 (3) a partnership, corporation, or depository
14 institution;

15 (4) an applicant for a life, accident, and health
16 license who is designated as a chartered life underwriter (CLU);

17 (5) an applicant for a life and health insurance
18 counselor license who is designated as a chartered life underwriter
19 (CLU), chartered financial consultant (ChFC), or certified
20 financial planner (CFP);

21 (6) an applicant for a property and casualty license
22 who is designated as a chartered property casualty underwriter
23 (CPCU);

24 (7) an applicant for a specialty license issued under
25 Chapter 4055;

26 (8) a nonresident individual who is exempt from the
27 examination requirement under Chapter 4056; or

1 (9) an applicant for a general life, accident, and
2 health license or a life agent license who was authorized to solicit
3 or procure insurance on behalf of a fraternal benefit society on
4 September 1, 1999, if the applicant:

5 (A) solicited or procured insurance on behalf of
6 the fraternal benefit society for at least 24 months preceding
7 September 1, 1999; and

8 (B) does not, on or after September 1, 1999,
9 solicit or procure:

10 (i) insurance for any other insurer or a
11 different fraternal benefit society;

12 (ii) an insurance contract from anyone
13 other than a person who is eligible for membership in the fraternal
14 benefit society; or

15 (iii) an interest-sensitive life insurance
16 contract that exceeds \$35,000 of coverage on an individual life,
17 unless the applicant is designated as a "Fraternal Insurance
18 Counselor" at the time the contract is solicited or procured.

19 SECTION 2.20. Section 4004.053(a), Insurance Code, is
20 amended to read as follows:

21 (a) An individual who holds a general life, accident, and
22 health license, a life agent license, a life and health insurance
23 counselor license, ~~or~~ a general property and casualty license, or
24 a personal lines property and casualty license must complete 15
25 hours of continuing education annually. If the individual holds
26 more than one license for which continuing education is otherwise
27 required, the individual is not required to complete more than 15

1 continuing education hours annually.

2 SECTION 2.21. Section 4005.002(a), Insurance Code, is
3 amended to read as follows:

4 (a) In connection with a client's application for insurance
5 coverage or with [7] the issuance of an insurance policy to a
6 client, or on a client's request, a general property and casualty
7 agent or personal lines property and casualty agent may obtain:

8 (1) the motor vehicle record of a person insured under
9 or to be insured under an insurance policy; or

10 (2) a photograph of property insured under or to be
11 insured under an insurance policy.

12 SECTION 2.22. Section 4005.003, Insurance Code, is amended
13 to read as follows:

14 Sec. 4005.003. FEES. (a) A general property and casualty
15 agent or personal lines property and casualty agent may charge a
16 client a fee to reimburse the agent for costs the agent incurred in
17 obtaining a motor vehicle record or photograph of property
18 described under Section 4005.002. The fee may not exceed the actual
19 costs to the agent.

20 (b) For services provided to a client, a [~~general~~] property
21 and casualty agent described by Subsection (a) may charge a
22 reasonable fee, including a fee for:

23 (1) special delivery or postal charges;

24 (2) printing or reproduction costs;

25 (3) electronic mail costs;

26 (4) telephone transmission costs; and

27 (5) similar costs that the agent incurs on behalf of

1 the client.

2 (c) A [~~general~~] property and casualty agent described by
3 Subsection (a) may charge a client a fee under this section only if,
4 before the agent incurs an expense for the client, the agent:

5 (1) notifies the client of the agent's fee; and

6 (2) obtains the client's written consent for each fee
7 to be charged.

8 SECTION 2.23. Section 4051.001, Insurance Code, is amended
9 to read as follows:

10 Sec. 4051.001. APPLICABILITY OF CHAPTER. (a) This
11 subchapter and Subchapters B-E, [~~and~~] G, and I apply to each agent
12 of an insurer authorized to engage in the business of property and
13 casualty insurance in this state.

14 (b) This subchapter and Subchapters B-E, [~~and~~] G, and I
15 apply to each person who performs the acts of an agent, as described
16 by Section 4001.051, whether through an oral, written, electronic,
17 or other form of communication, by soliciting, negotiating,
18 procuring, or collecting a premium on an insurance contract offered
19 by any kind of insurer authorized to engage in the business of
20 property and casualty insurance in this state, including:

21 (1) a fidelity or surety company;

22 (2) a mutual insurance company, including a farm
23 mutual or a county mutual;

24 (3) a reciprocal or interinsurance exchange; and

25 (4) a Lloyd's plan.

26 SECTION 2.24. Section 4051.051, Insurance Code, is amended
27 to read as follows:

1 Sec. 4051.051. LICENSE REQUIRED. (a) A person is required
2 to hold a general property and casualty license if the person acts
3 as:

4 (1) an agent who writes property and casualty
5 insurance for an insurer authorized to engage in the business of
6 property and casualty insurance in this state;

7 (2) a subagent of a person who holds a license as an
8 agent under this chapter who solicits and binds insurance risks for
9 that agent; or

10 (3) an agent who writes any other kind of insurance as
11 required by the commissioner for the protection of the insurance
12 consumers of this state.

13 (b) Notwithstanding Subsection (a), a person is not
14 required to hold a general property and casualty license to engage
15 in an activity described by Subsection (a) if the person:

16 (1) holds a license under this chapter as a personal
17 lines property and casualty agent; and

18 (2) limits activities described by Subsection (a) to
19 those activities authorized under the scope of the person's
20 license.

21 SECTION 2.25. Section 4053.002, Insurance Code, is amended
22 to read as follows:

23 Sec. 4053.002. EXCEPTION. An agent licensed under
24 Subchapter E, ~~of~~ Chapter 981, Subchapters B-E or I, ~~of~~ Chapter
25 4051, or Chapter 4056 is not a managing general agent unless the
26 agent accepts 50 percent or more of the agent's total annual
27 business or does \$500,000 or more of total annual business as

1 measured by premium volume, whichever amount is less, from
2 insurance policies produced and sold by other agents.

3 SECTION 2.26. Section 4053.101, Insurance Code, is amended
4 to read as follows:

5 Sec. 4053.101. GENERAL POWERS AND DUTIES. A managing
6 general agent acting for an insurer may:

7 (1) receive and pass on daily reports and monthly
8 accounts;

9 (2) receive and be responsible for agency balances;

10 (3) handle the adjustment of losses; or

11 (4) appoint or direct general property and casualty
12 agents and personal lines property and casualty agents in this
13 state.

14 SECTION 2.27. Section 4054.051, Insurance Code, is amended
15 to read as follows:

16 Sec. 4054.051. LICENSE REQUIRED. Except as provided by
17 Subchapter G, a [A] person is required to hold a general life,
18 accident, and health license if the person acts as:

19 (1) an agent who represents a health maintenance
20 organization;

21 (2) an industrial life insurance agent for an insurer
22 that writes only weekly premium life insurance on a debit basis
23 under Chapter 1151;

24 (3) an agent who writes life, accident, and health
25 insurance for a life insurance company;

26 (4) an agent who writes only accident and health
27 insurance;

1 (5) an agent who writes fixed or variable annuity
2 contracts or variable life contracts;

3 (6) an agent who writes for a stipulated premium
4 company:

5 (A) only life insurance in excess of \$15,000 on
6 any one life;

7 (B) only accident and health insurance; or

8 (C) both kinds of insurance described by
9 Paragraphs (A) and (B);

10 (7) an agent who writes life, accident, and health
11 insurance for any type of authorized life insurance company that is
12 domiciled in this state, including a legal reserve life insurance
13 company, and who represents the company:

14 (A) in a foreign country or territory; and

15 (B) on a United States military installation or
16 with United States military personnel;

17 (8) an agent who writes life, accident, and health
18 insurance for a fraternal benefit society except as provided by
19 Section 885.352; or

20 (9) an agent who writes any other kind of insurance as
21 required by the commissioner for the protection of the insurance
22 consumers of this state.

23 SECTION 2.28. Section 4054.052(b), Insurance Code, is
24 amended to read as follows:

25 (b) A person may not act as a combination life insurance
26 agent for a combination company unless the person holds a general
27 life, accident, and health license or a life agent license.

1 SECTION 2.29. Section 4055.013, Insurance Code, is amended
2 to read as follows:

3 Sec. 4055.013. ASSIGNMENT AND TRANSFER OF COMPENSATION BY
4 CERTAIN AGENTS. A person who is licensed as a general life,
5 accident, and health agent, life insurance agent, [~~or as a~~] general
6 property and casualty agent, or personal lines property and
7 casualty agent or who holds a substantially equivalent license
8 under this code, as determined by the commissioner, and who enters
9 into a contract with an insurer to act as the insurer's agent in
10 soliciting or writing policies or certificates of insurance that
11 are subject to this chapter may assign and transfer to the agent's
12 employer any commission, fee, or other compensation to be paid to
13 the agent under the agent's contract with the insurer only if the
14 sale of the insurance product occurs within the scope of the agent's
15 employment.

16 SECTION 2.30. Section 4101.001(a), Insurance Code, is
17 amended to read as follows:

18 (a) In this chapter, "adjuster" means an individual who:

19 (1) investigates or adjusts losses on behalf of an
20 insurer as an independent contractor or as an employee of:

21 (A) an adjustment bureau;

22 (B) an association;

23 (C) a general property and casualty agent or
24 personal lines property and casualty agent;

25 (D) an independent contractor;

26 (E) an insurer; or

27 (F) a managing general agent; or

1 (2) supervises the handling of claims.

2 SECTION 2.31. Section 4102.051(b), Insurance Code, is
3 amended to read as follows:

4 (b) A license is not required for:

5 (1) an attorney licensed to practice law in this state
6 who has complied with Section 4102.053(a)(6); or

7 (2) a person licensed as a general property and
8 casualty agent or personal lines property and casualty agent under
9 Chapter 4051 while acting for an insured concerning a loss under a
10 policy issued by that agent.

11 ARTICLE 3. TRANSITION; EFFECTIVE DATE

12 SECTION 3.01. Not later than December 1, 2007, the
13 commissioner of insurance shall adopt rules as necessary to
14 implement:

15 (1) Subchapter I, Chapter 4051, Insurance Code, as
16 added by this Act; and

17 (2) Subchapter G, Chapter 4054, Insurance Code, as
18 added by this Act.

19 SECTION 3.02. Effective January 1, 2008, a person who holds
20 a license as a general property and casualty agent issued by the
21 Texas Department of Insurance that is in good standing is:

22 (1) entitled to receive from the department on request
23 a license to act as a personal lines property and casualty agent
24 under the new license type, without reexamination; and

25 (2) subject to the provisions of the Insurance Code as
26 amended by this Act.

27 SECTION 3.03. Effective January 1, 2008, a person who holds

1 a license as a general life, accident, and health agent issued by
2 the Texas Department of Insurance that is in good standing is:

3 (1) entitled to receive from the department on request
4 a license to act as a life agent under the new license type, without
5 reexamination; and

6 (2) subject to the provisions of the Insurance Code as
7 amended by this Act.

8 SECTION 3.04. Chapter 4004, Insurance Code, as amended by
9 this Act, applies to continuing education requirements for
10 insurance agents for a renewal of a license that occurs on or after
11 January 1, 2008.

12 SECTION 3.05. To the extent of any conflict, this Act
13 prevails over the Act of the 80th Legislature, Regular Session,
14 2007, relating to nonsubstantive additions to and corrections in
15 enacted codes (the general code update bill), and over the Act of
16 the 80th Legislature, Regular Session, 2007, relating to
17 nonsubstantive additions to and corrections in the Insurance Code
18 (update of the Insurance Code).

19 SECTION 3.06. This Act takes effect September 1, 2007.