

By: Brimer

S.B. No. 1263

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.