

BILL ANALYSIS

H.B. 3994
By: Hunter
Insurance
Committee Report (Unamended)

BACKGROUND AND PURPOSE

Current law allows licenses to be issued to certain foreign corporations and partnerships wishing to do business in Texas. The Texas Department of Insurance (TDI) is required to issue a license to a corporation or partnership if it meets certain requirements, including registration with the secretary of state, if required. TDI has taken the position that all corporations and partnerships are required to register with the secretary of state before a license is issued. TDI should not be a clearing house for the secretary of state.

H.B. 3994 removes from the criteria for TDI to issue a license to a corporation or partnership a determination by TDI that the entity is registered with the secretary of state to do business in Texas.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

H.B. 3994 amends the Insurance Code to remove from the criteria for the Texas Department of Insurance (TDI) to issue a license to a corporation or partnership a TDI determination that the corporation or partnership is admitted to engage in business in Texas by the secretary of state.

EFFECTIVE DATE

September 1, 2009.