

By: Averitt

S.B. No. 2578

A BILL TO BE ENTITLED

AN ACT

relating to insurance agent licenses issued to certain foreign corporations and partnerships.

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

SECTION 1. Section 4001.106, Insurance Code, is amended by amending Subsection (b) and adding Subsection (b-1) to read as follows:

(b) The department shall issue a license to a corporation or partnership if the department determines that:

(1) the corporation or partnership is:

(A) organized under the laws of this state or another state;

~~[(B) admitted to engage in business in this state by the secretary of state, if required; and~~

~~(C)~~ (B) authorized by its articles of incorporation or its partnership agreement to act as an agent;

(2) at least one officer of the corporation or one active partner of the partnership and all other persons performing any acts of an agent on behalf of the corporation or partnership in this state are individually licensed by the department separately from the corporation or partnership;

(3) the corporation or partnership will have the ability to pay any amount up to \$25,000 that it might become legally obligated to pay under a claim made against it by a customer and

1 caused by a negligent act, error, or omission of the corporation or
2 partnership or a person for whose acts the corporation or
3 partnership is legally liable in the conduct of its business under
4 this code;

5 (4) if engaged in the business of insurance, the
6 corporation or partnership intends to be actively engaged in that
7 business as required under Section 4001.104(a);

8 (5) each location from which the corporation or
9 partnership will engage in business in this state under authority
10 of a license issued by the department is registered separately with
11 the department;

12 (6) the corporation or partnership has submitted the
13 application, appropriate fees, and any other information required
14 by the department; and

15 (7) an officer, director, member, manager, partner, or
16 other person who has the right or ability to control the corporation
17 or partnership has not:

18 (A) had a license suspended or revoked or been
19 the subject of any other disciplinary action by a financial or
20 insurance regulator of this state, another state, or the United
21 States; or

22 (B) committed an act for which a license may be
23 denied under Subchapter C, Chapter 4005.

24 SECTION 2. This Act applies only to a license application
25 filed on or after the effective date of this Act. A license
26 application filed before the effective date of this Act is governed
27 by the law in effect on the date the application was filed, and that

1 law is continued in effect for that purpose.

2 SECTION 3. This Act takes effect September 1, 2009.