

BILL ANALYSIS

H.B. 2503
By: Thompson
Insurance
Committee Report (Unamended)

BACKGROUND AND PURPOSE

Currently, certain foreign corporations and partnerships that want to conduct certain insurance business in Texas may be issued a license to do so. The Texas Department of Insurance (TDI) is required to issue a license to a corporation or partnership if TDI determines that certain conditions apply, including the condition that the corporation or partnership be registered, if required, with the secretary of state. Interested parties assert that all corporations and partnerships are required to register with the secretary of state before a license is issued and further contend that TDI should not be a clearinghouse for the secretary of state.

H.B. 2503 removes from the criteria under which TDI must 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. 2503 amends the Insurance Code to remove as one of the conditions necessary for the requirement imposed on the Texas Department of Insurance to issue an insurance agent license to a corporation or partnership the department's determination that the corporation or partnership is admitted to engage in business in Texas by the secretary of state, if required.

EFFECTIVE DATE

September 1, 2011.