

By: Thompson

H.B. No. 2503

A BILL TO BE ENTITLED

1 AN ACT
2 relating to insurance agent licenses issued to certain foreign
3 corporations and partnerships.

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

5 SECTION 1. Section 4001.106(b), Insurance Code, is amended
6 to read as follows:

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

9 (1) the corporation or partnership is:

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

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

14 ~~[(C)]~~ authorized by its articles of
15 incorporation or its partnership agreement to act as an agent;

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

21 (3) the corporation or partnership will have the
22 ability to pay any amount up to \$25,000 that it might become legally
23 obligated to pay under a claim made against it by a customer and
24 caused by a negligent act, error, or omission of the corporation or

1 partnership or a person for whose acts the corporation or
2 partnership is legally liable in the conduct of its business under
3 this code;

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

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

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

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

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

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

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

1 SECTION 3. This Act takes effect September 1, 2011.