

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(b), Insurance Code, is amended 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; and

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

~~[(C)]~~ 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 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.

H.B. No. 2503

President of the Senate

Speaker of the House

I certify that H.B. No. 2503 was passed by the House on April 7, 2011, by the following vote: Yeas 144, Nays 0, 1 present, not voting.

Chief Clerk of the House

I certify that H.B. No. 2503 was passed by the Senate on May 12, 2011, by the following vote: Yeas 31, Nays 0.

Secretary of the Senate

APPROVED: _____

Date

Governor