

1-1 By: Thompson (Senate Sponsor - Eltife) H.B. No. 2503
1-2 (In the Senate - Received from the House April 11, 2011;
1-3 April 26, 2011, read first time and referred to Committee on
1-4 Business and Commerce; May 3, 2011, reported favorably by the
1-5 following vote: Yeas 8, Nays 0; May 3, 2011, sent to printer.)

1-6 A BILL TO BE ENTITLED
1-7 AN ACT

1-8 relating to insurance agent licenses issued to certain foreign
1-9 corporations and partnerships.

1-10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-11 SECTION 1. Section 4001.106(b), Insurance Code, is amended
1-12 to read as follows:

1-13 (b) The department shall issue a license to a corporation or
1-14 partnership if the department determines that:

1-15 (1) the corporation or partnership is:

1-16 (A) organized under the laws of this state or
1-17 another state; and

1-18 (B) ~~[admitted to engage in business in this state~~
1-19 ~~by the secretary of state, if required, and~~

1-20 ~~[(C)]~~ authorized by its articles of
1-21 incorporation or its partnership agreement to act as an agent;

1-22 (2) at least one officer of the corporation or one
1-23 active partner of the partnership and all other persons performing
1-24 any acts of an agent on behalf of the corporation or partnership in
1-25 this state are individually licensed by the department separately
1-26 from the corporation or partnership;

1-27 (3) the corporation or partnership will have the
1-28 ability to pay any amount up to \$25,000 that it might become legally
1-29 obligated to pay under a claim made against it by a customer and
1-30 caused by a negligent act, error, or omission of the corporation or
1-31 partnership or a person for whose acts the corporation or
1-32 partnership is legally liable in the conduct of its business under
1-33 this code;

1-34 (4) if engaged in the business of insurance, the
1-35 corporation or partnership intends to be actively engaged in that
1-36 business as required under Section 4001.104(a);

1-37 (5) each location from which the corporation or
1-38 partnership will engage in business in this state under authority
1-39 of a license issued by the department is registered separately with
1-40 the department;

1-41 (6) the corporation or partnership has submitted the
1-42 application, appropriate fees, and any other information required
1-43 by the department; and

1-44 (7) an officer, director, member, manager, partner, or
1-45 other person who has the right or ability to control the corporation
1-46 or partnership has not:

1-47 (A) had a license suspended or revoked or been
1-48 the subject of any other disciplinary action by a financial or
1-49 insurance regulator of this state, another state, or the United
1-50 States; or

1-51 (B) committed an act for which a license may be
1-52 denied under Subchapter C, Chapter 4005.

1-53 SECTION 2. This Act applies only to a license application
1-54 filed on or after the effective date of this Act. A license
1-55 application filed before the effective date of this Act is governed
1-56 by the law in effect on the date the application was filed, and that
1-57 law is continued in effect for that purpose.

1-58 SECTION 3. This Act takes effect September 1, 2011.

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