

House Bill 3410
Senate Amendments
Section-by-Section Analysis

HOUSE VERSION

SECTION 1. Section 225.006, Insurance Code, is amended to read as follows:

Sec. 225.006. COLLECTION OF TAX BY AGENT. (a) The surplus lines agent shall collect from the insured the tax imposed by this chapter at the time of delivery of the cover note, certificate of insurance, policy, or other initial confirmation of insurance and the full amount of the gross premium charged by the eligible surplus lines insurer for the insurance.

(b) Notwithstanding any other law, a surplus lines agent that places an insurance policy with a managing underwriter, as defined by Section 981.002, shall collect, report, and pay the tax imposed by this chapter.

SECTION 2. Section 981.002, Insurance Code, is amended by adding Subdivision (1-a) and amending Subdivision (4) to read as follows:

(1-a) "Managing underwriter" means a surplus lines agent or agency that exercises, pursuant to a written agreement with an eligible surplus lines insurer, underwriting authority for the eligible surplus lines insurer and that derives the agent or agency's business from a surplus lines agent.

(4) "Surplus lines insurance" means insurance coverage:

(A) for a subject that is resident, located, or to be performed in this state; and

(B) that may be placed, in accordance with this chapter, with an eligible surplus lines insurer or the insurer's managing underwriter.

SECTION 3. Subchapter E, Chapter 981, Insurance Code, is amended by adding Section 981.223 to read as follows:

Sec. 981.223. MANAGING UNDERWRITERS. (a) A managing underwriter with whom an insurance policy is

SENATE VERSION (IE)

SECTION 1. Same as House version.

SECTION 2. Same as House version.

SECTION 3. Same as House version.

CONFERENCE

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HOUSE VERSION

placed in the manner described by Section 225.006(b) shall maintain appropriate records and make the records available for inspection by the department and the comptroller, including records of:

(1) the name and address of the insured;

(2) the policy number and policy period;

(3) the name of the eligible surplus lines insurer;

(4) the gross premium charged for the insurance;

(5) the name of the surplus lines agent who placed the policy with the managing underwriter;

(6) the license number of the surplus lines agent who placed the policy with the managing underwriter; and

(7) documentation that the managing underwriter has transmitted to the surplus lines agent written confirmation of the agent's written agreement to act as the agent for the placement of the policy and be responsible for all filing, reporting, collection, and payment requirements imposed by this chapter and by Chapter 225.

(b) A managing underwriter who acts as a surplus lines agent for a policy issued by an eligible surplus lines insurer shall maintain appropriate records and make the records available for inspection by the department and the comptroller, including the information listed in Subdivisions (a)(1) through (6). The records must reflect the name and license number of the managing underwriter as the surplus lines agent placing the policy.

(c) A managing underwriter may hold both a surplus lines agent license and a managing general agent license.

SECTION 4. This Act takes effect **September 1, 2011.**

SENATE VERSION (IE)

CONFERENCE

SECTION 4. This Act takes effect **January 1, 2012.** [FA1]