

By: Carona
(Eiland)

S.B. No. 697

Substitute the following for S.B. No. 697:

By: Eiland

C.S.S.B. No. 697

A BILL TO BE ENTITLED

AN ACT

relating to the qualifications of certain nonresident individuals
to hold a surplus lines agent license.

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

SECTION 1. Section 981.203, Insurance Code, is amended by
adding Subsection (a-1) to read as follows:

(a-1) Notwithstanding Subsection (a)(1)(B), an individual
is not required to obtain a general property and casualty agent
license to hold a surplus lines agent license if:

(1) the home state of each insured is Texas;

(2) the individual is a nonresident of this state;

(3) the individual is licensed as a surplus lines
agent in the individual's state of residence;

(4) the individual is not required by the individual's
state of residence to hold a general property and casualty agent
license to become licensed as a surplus lines agent;

(5) the individual has provided information
acceptable to the commissioner that the individual's state of
residence does not require a general property and casualty agent
license for a surplus lines agent license;

(6) the individual's state of residence does not
require a surplus lines agent to search for the availability of
insurance in the individual's state of residence before the
insurance is placed through a surplus lines agent;

1 (7) the individual's state of residence allows a
2 licensed general property and casualty agent to search for the
3 availability of insurance in the individual's state of residence;

4 (8) the individual has a professional relationship
5 with, and each transaction is conducted through, a person who:

6 (A) is a licensed general property and casualty
7 agent in this state or in the state of each transaction; and

8 (B) searches for the availability of insurance in
9 this state before the insurance is placed through a surplus lines
10 agent; and

11 (9) each transaction complies with the laws of the
12 state in which it occurs.

13 SECTION 2. The change in law made by this Act applies to a
14 license application submitted on or after the effective date of
15 this Act. A license application submitted before the effective
16 date of this Act is governed by the law in effect immediately before
17 the effective date of this Act, and that law is continued in effect
18 for that purpose.

19 SECTION 3. This Act takes effect January 1, 2014.