

By: Carona

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 or a managing general agent license to hold a surplus lines agent license if:

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

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

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

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

(5) 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 (6) 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 and

5 (7) the individual has a professional relationship
6 with a person who:

7 (A) is a licensed general property and casualty
8 agent; and

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

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

18 SECTION 3. This Act takes effect September 1, 2013.