

BILL ANALYSIS

Senate Research Center
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H.B. 2542
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Business & Commerce
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Engrossed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Concerns have been raised regarding certain information relating to insurance agents that are placed in conservatorship or under supervision by the commissioner of insurance. Interested parties note that this information could be a signal to other insurers that engaging in business with the agent is a risk. H.B. 2542 addresses this issue by requiring the commissioner to provide written notice to an applicable insurer if the commissioner places an insurance agent in conservatorship or under supervision.

H.B. 2542 amends current law relating to notice to certain insurers by the Texas Department of Insurance regarding supervision or conservatorship of certain insurance agents.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 441.201, Insurance Code, by adding Subsection (g), as follows:

(g) Requires the commissioner of insurance (commissioner), notwithstanding Subsection (a) (relating to certain information in the possession of the Texas Department of Insurance that is confidential), if the commissioner places a title insurance agent licensed under Title 11 (Title Insurance) or an insurance agent licensed under Title 13 (Regulation of Professionals) under supervision or in conservatorship, to provide written notice of the order of supervision or conservatorship to each insurer for which the agent holds an appointment under Subchapter A (Title Insurance Agent's License), Chapter 2651 (Title Insurance Agents and Direct Operations), or Subchapter E (Appointment of Agent), Chapter 4001 (Agent Licensing in General), or other applicable law, on the date the supervisor or conservator is appointed.

SECTION 2. Makes application of Section 441.201(g), Insurance Code, as added by this Act, prospective.

SECTION 3. Effective date: September 1, 2017.