

1-1 By: Smithee (Senate Sponsor - Hancock) H.B. No. 4030  
 1-2 (In the Senate - Received from the House May 3, 2021;  
 1-3 May 10, 2021, read first time and referred to Committee on Business  
 1-4 & Commerce; May 14, 2021, reported adversely, with favorable  
 1-5 Committee Substitute by the following vote: Yeas 8, Nays 0;  
 1-6 May 14, 2021, sent to printer.)

1-7 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-8	X			
1-9	X			
1-10	X			
1-11	X			
1-12			X	
1-13	X			
1-14	X			
1-15	X			
1-16	X			
1-17	X			

1-18 COMMITTEE SUBSTITUTE FOR H.B. No. 4030 By: Hancock

1-19 A BILL TO BE ENTITLED  
 1-20 AN ACT

1-21 relating to the licensing and regulation of insurance  
 1-22 professionals.

1-23 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-24 SECTION 1. Section 443.156(a), Insurance Code, is amended  
 1-25 to read as follows:

1-26 (a) Every person who represented the insurer as an agent and  
 1-27 receives notice in the form prescribed in Section 443.155 that the  
 1-28 insurer is the subject of a liquidation order, not later than the  
 1-29 30th day after the date of the notice, shall provide to the  
 1-30 liquidator, in addition to the information the agent may be  
 1-31 required to provide pursuant to Section 443.010, the information in  
 1-32 the agent's records related to any policy issued by the insurer  
 1-33 through the agent and any policy issued by the insurer through an  
 1-34 agent under contract to the agent~~[, including the name and address~~  
 1-35 ~~of any subagent]~~. For purposes of this subsection, a policy is  
 1-36 issued through an agent if the agent has a property interest in the  
 1-37 expiration of the policy or if the agent has had in the agent's  
 1-38 possession a copy of the declarations of the policy at any time  
 1-39 during the life of the policy, except where the ownership of the  
 1-40 expiration of the policy has been transferred to another.

1-41 SECTION 2. Section 521.151, Insurance Code, is amended to  
 1-42 read as follows:

1-43 Sec. 521.151. APPLICABILITY OF SUBCHAPTER. This subchapter  
 1-44 applies to any legal entity engaged in the business of insurance in  
 1-45 this state, including:

- 1-46 (1) a capital stock insurance company;
- 1-47 (2) a mutual insurance company;
- 1-48 (3) a title insurance company;
- 1-49 (4) a fraternal benefit society;
- 1-50 (5) a local mutual aid association;
- 1-51 (6) a statewide mutual assessment company;
- 1-52 (7) a county mutual insurance company;
- 1-53 (8) a Lloyd's plan;
- 1-54 (9) a reciprocal or interinsurance exchange;
- 1-55 (10) a stipulated premium company;
- 1-56 (11) a group hospital service corporation;
- 1-57 (12) a farm mutual insurance company;
- 1-58 (13) a risk retention group;
- 1-59 (14) an eligible surplus lines insurer; and
- 1-60 (15) an agent, broker, or adjuster~~[, or life and~~

2-1 ~~health insurance counselor].~~

2-2 SECTION 3. Section 541.002(2), Insurance Code, is amended  
2-3 to read as follows:

2-4 (2) "Person" means an individual, corporation,  
2-5 association, partnership, reciprocal or interinsurance exchange,  
2-6 Lloyd's plan, fraternal benefit society, or other legal entity  
2-7 engaged in the business of insurance, including an agent, broker,  
2-8 or adjuster~~[, or life and health insurance counselor].~~

2-9 SECTION 4. Section 544.001, Insurance Code, is amended to  
2-10 read as follows:

2-11 Sec. 544.001. APPLICABILITY OF SUBCHAPTER. This subchapter  
2-12 applies to:

2-13 (1) any legal entity engaged in the business of  
2-14 insurance in this state, including:

- 2-15 (A) a capital stock insurance company;
- 2-16 (B) a mutual insurance company;
- 2-17 (C) a title insurance company;
- 2-18 (D) a fraternal benefit society;
- 2-19 (E) a local mutual aid association;
- 2-20 (F) a statewide mutual assessment company;
- 2-21 (G) a county mutual insurance company;
- 2-22 (H) a Lloyd's plan;
- 2-23 (I) a reciprocal or interinsurance exchange;
- 2-24 (J) a stipulated premium company;
- 2-25 (K) a group hospital service corporation;
- 2-26 (L) a farm mutual insurance company;
- 2-27 (M) a risk retention group;
- 2-28 (N) an eligible surplus lines insurer; and
- 2-29 (O) an agent, broker, or adjuster~~[, or life and~~

2-30 ~~health insurance counselor]; and~~

2-31 (2) a health maintenance organization.

2-32 SECTION 5. Section 544.051, Insurance Code, is amended to  
2-33 read as follows:

2-34 Sec. 544.051. APPLICABILITY OF SUBCHAPTER. This subchapter  
2-35 applies to any individual, corporation, association, partnership,  
2-36 or other legal entity engaged in the business of insurance,  
2-37 including:

- 2-38 (1) a fraternal benefit society;
- 2-39 (2) a county mutual insurance company;
- 2-40 (3) a Lloyd's plan;
- 2-41 (4) a reciprocal or interinsurance exchange;
- 2-42 (5) a farm mutual insurance company; and
- 2-43 (6) an agent, broker, or adjuster~~[, or life and health~~

2-44 ~~insurance counselor].~~

2-45 SECTION 6. Section 1131.056(a), Insurance Code, is amended  
2-46 to read as follows:

2-47 (a) In this section, "agent" includes a general agent~~[,~~  
2-48 ~~subagent,~~] or a salesperson.

2-49 SECTION 7. Section 4001.002(b), Insurance Code, is amended  
2-50 to read as follows:

2-51 (b) This title does not apply to:

2-52 (1) a resident of this state who arbitrates in the  
2-53 adjustment of losses between an insurer and an insured, a marine  
2-54 adjuster who adjusts particular or general average losses of  
2-55 vessels or cargoes if the adjuster paid an occupation tax of \$200  
2-56 for the year in which the adjustment is made, or a practicing  
2-57 attorney at law in this state, acting in the regular transaction of  
2-58 the person's business as an attorney at law, who is not a local  
2-59 agent and is not acting as an adjuster for an insurer;

2-60 (2) ~~[a full-time home office salaried employee of an~~  
2-61 ~~insurer authorized to engage in the business of insurance in this~~  
2-62 ~~state, other than an employee who solicits or receives an~~  
2-63 ~~application for the sale of insurance through an oral, written, or~~  
2-64 ~~electronic communication in accordance with Subchapter C, Chapter~~  
2-65 ~~4051,~~

2-66 ~~[(3)]~~ an attorney in fact or the traveling salaried  
2-67 representative of a reciprocal or interinsurance exchange admitted  
2-68 to engage in the business of insurance in this state as to business  
2-69 transacted through the attorney in fact or salaried representative;

3-1                   (3) [~~4~~] the attorney in fact for a Lloyd's plan;  
 3-2                   (4) [~~5~~] the group motor vehicle insurance business  
 3-3 or the group motor vehicle department of a company engaged in that  
 3-4 business; or  
 3-5                   (5) [~~6~~] a salaried employee who is not involved in  
 3-6 soliciting or negotiating insurance in the office of an agent and  
 3-7 who devotes the employee's full time to clerical and administrative  
 3-8 services, including the incidental taking of information from  
 3-9 customers and receipt of premiums in the office of an agent, if:  
 3-10                   (A) the employee does not receive any  
 3-11 commissions; and  
 3-12                   (B) the employee's compensation is not varied by  
 3-13 the volume of premiums taken and received.

3-14                   SECTION 8. Section 4001.003(1), Insurance Code, is amended  
 3-15 to read as follows:

3-16                   (1) "Agent" means a person who is an authorized agent  
 3-17 of an insurer or health maintenance organization [~~, a subagent,~~]  
 3-18 and any other person who performs the acts of an agent, whether  
 3-19 through an oral, written, electronic, or other form of  
 3-20 communication, by soliciting, negotiating, procuring, or  
 3-21 collecting a premium on an insurance or annuity contract, or who  
 3-22 represents or purports to represent a health maintenance  
 3-23 organization, including a health maintenance organization offering  
 3-24 only a single health care service plan, in soliciting, negotiating,  
 3-25 procuring, or effectuating membership in the health maintenance  
 3-26 organization. The term does not include:

3-27                   (A) a regular salaried officer or employee of an  
 3-28 insurer, health maintenance organization, or agent who:

3-29                   (i) devotes substantially all of the  
 3-30 officer's or employee's time to activities other than the  
 3-31 solicitation of applications for insurance, annuity contracts, or  
 3-32 memberships;

3-33                   (ii) does not receive a commission or other  
 3-34 compensation directly dependent on the business obtained; and

3-35                   (iii) does not solicit or accept from the  
 3-36 public applications for insurance, annuity contracts, or  
 3-37 memberships;

3-38                   (B) an employer or an employer's officer or  
 3-39 employee or a trustee of an employee benefit plan, to the extent  
 3-40 that the employer, officer, employee, or trustee is engaged in the  
 3-41 administration or operation of an employee benefits program  
 3-42 involving the use of insurance or annuities issued by an insurer or  
 3-43 memberships issued by a health maintenance organization, if the  
 3-44 employer, officer, employee, or trustee is not directly or  
 3-45 indirectly compensated by the insurer or health maintenance  
 3-46 organization issuing the insurance or annuity contracts or  
 3-47 memberships;

3-48                   (C) except as otherwise provided by this code, a  
 3-49 depository institution, or an officer or employee of a depository  
 3-50 institution, to the extent that the depository institution or  
 3-51 officer or employee collects and remits premiums or charges by  
 3-52 charging those premiums or charges against accounts of depositors  
 3-53 on the orders of those depositors; or

3-54                   (D) a person or the employee of a person who has  
 3-55 contracted to provide administrative, management, or health care  
 3-56 services to a health maintenance organization and who is  
 3-57 compensated for those services by the payment of an amount computed  
 3-58 as a percentage of the revenues, net income, or profit of the health  
 3-59 maintenance organization, if that method of compensation is the  
 3-60 sole basis for subjecting that person or the employee of the person  
 3-61 to this title.

3-62                   SECTION 9. Section 4001.051(b), Insurance Code, is amended  
 3-63 to read as follows:

3-64                   (b) Regardless of whether the act is done at the request of  
 3-65 or by the employment of an insurer, broker, or other person, a  
 3-66 person is the agent of the insurer for which the act is done or risk  
 3-67 is taken for purposes of the liabilities, duties, requirements, and  
 3-68 penalties provided by this title or [~~7~~] Chapter 21 [~~or a provision~~  
 3-69 ~~listed in Section 4001.009~~] if the person:

- 4-1 (1) solicits insurance on behalf of the insurer;
- 4-2 (2) receives or transmits other than on the person's
- 4-3 own behalf an application for insurance or an insurance policy to or
- 4-4 from the insurer;
- 4-5 (3) advertises or otherwise gives notice that the
- 4-6 person will receive or transmit an application for insurance or an
- 4-7 insurance policy;
- 4-8 (4) receives or transmits an insurance policy of the
- 4-9 insurer;
- 4-10 (5) examines or inspects a risk;
- 4-11 (6) receives, collects, or transmits an insurance
- 4-12 premium;
- 4-13 (7) makes or forwards a diagram of a building;
- 4-14 (8) takes any other action in the making or
- 4-15 consummation of an insurance contract for or with the insurer other
- 4-16 than on the person's own behalf; or
- 4-17 (9) examines into, adjusts, or aids in adjusting a
- 4-18 loss for or on behalf of the insurer.

4-19 SECTION 10. Section 4001.106(b), Insurance Code, is amended  
4-20 to read as follows:

4-21 (b) The department shall issue a license to a corporation or  
4-22 partnership if the department determines that:

- 4-23 (1) the corporation or partnership is:
- 4-24 (A) organized under the laws of this state or
- 4-25 another state; and
- 4-26 (B) authorized by its articles of incorporation
- 4-27 or its partnership agreement to act as an agent;

4-28 (2) at least one officer of the corporation or one  
4-29 active partner of the partnership and all other persons performing  
4-30 any acts of an agent on behalf of the corporation or partnership in  
4-31 this state are individually licensed by the department separately  
4-32 from the corporation or partnership;

4-33 (3) the corporation or partnership will have the  
4-34 ability to pay any amount up to \$25,000 that it might become legally  
4-35 obligated to pay under a claim made against it by a customer and  
4-36 caused by a negligent act, error, or omission of the corporation or  
4-37 partnership or a person for whose acts the corporation or  
4-38 partnership is legally liable in the conduct of its business under  
4-39 this code;

4-40 (4) if engaged in the business of insurance, the  
4-41 corporation or partnership intends to be actively engaged in that  
4-42 business as required under Section 4001.104(a);

4-43 (5) ~~each location from which the corporation or~~  
4-44 ~~partnership will engage in business in this state under authority~~  
4-45 ~~of a license issued by the department is registered separately with~~  
4-46 ~~the department;~~

4-47 ~~[(6)]~~ the corporation or partnership has submitted the  
4-48 application, appropriate fees, and any other information required  
4-49 by the department; and

4-50 (6) ~~[(7)]~~ an officer, director, member, manager,  
4-51 partner, or other person who has the right or ability to control the  
4-52 corporation or partnership has not:

4-53 (A) had a license suspended or revoked or been  
4-54 the subject of any other disciplinary action by a financial or  
4-55 insurance regulator of this state, another state, or the United  
4-56 States; or

4-57 (B) committed an act for which a license may be  
4-58 denied under Subchapter C, Chapter 4005.

4-59 SECTION 11. Section 4001.153, Insurance Code, is amended to  
4-60 read as follows:

4-61 Sec. 4001.153. APPLICATION FOR AND ISSUANCE OF TEMPORARY  
4-62 LICENSE. (a) Except as provided by Subsection (b), the ~~[The]~~  
4-63 department shall issue a temporary license immediately on receipt  
4-64 of a properly completed application executed by the applicant in  
4-65 the form required by Section 4001.102 and accompanied by:

4-66 (1) the nonrefundable filing fee set by the  
4-67 department; and

4-68 (2) a certificate signed by an officer or properly  
4-69 authorized representative of an agent, insurer, or health

5-1 maintenance organization stating that:  
 5-2 (A) the applicant is being considered for  
 5-3 appointment by the agent, insurer, or health maintenance  
 5-4 organization as its full-time agent;  
 5-5 (B) the agent, insurer, or health maintenance  
 5-6 organization desires that the applicant be issued a temporary  
 5-7 license; and  
 5-8 (C) the applicant will complete training as  
 5-9 prescribed by Section 4001.160 under the agent's, insurer's, or  
 5-10 health maintenance organization's supervision.

5-11 (b) The department may deny a license application under this  
 5-12 subchapter if the department determines that any of the grounds  
 5-13 exist for license denial or disciplinary action under Section  
 5-14 4005.101 of this code or Chapter 53, Occupations Code.

5-15 SECTION 12. Section 4001.155, Insurance Code, is amended to  
 5-16 read as follows:

5-17 Sec. 4001.155. TERM OF TEMPORARY LICENSE. A temporary  
 5-18 license is valid for 180 [~~90~~] days after the date of issuance.

5-19 SECTION 13. Section 4001.352, Insurance Code, is amended to  
 5-20 read as follows:

5-21 Sec. 4001.352. AUTHORITY TO ISSUE PROVISIONAL PERMIT.  
 5-22 (a) The department may, in conjunction with a license application  
 5-23 under Section 4001.102, issue a provisional permit to an applicant  
 5-24 who is being considered for appointment as an agent by another  
 5-25 agent, an insurer, or a health maintenance organization.

5-26 (b) The department may suspend the issuance of a provisional  
 5-27 permit under this subchapter if:

5-28 (1) the department's processing time for license  
 5-29 applications has not exceeded 21 days in any month in the preceding  
 5-30 90 days before the suspension; and

5-31 (2) the department provides notice both on its  
 5-32 Internet website and to applicants for provisional licenses that  
 5-33 the provisional license applications are temporarily suspended  
 5-34 because sufficient processing time for permanent licenses is  
 5-35 available to allow for those licenses to be processed in not more  
 5-36 than 21 days for a completed application.

5-37 SECTION 14. Section 4002.003(a), Insurance Code, is amended  
 5-38 to read as follows:

5-39 (a) The department may not require a person to take an  
 5-40 examination under this chapter if the person is:

5-41 (1) an applicant for the renewal of an unexpired  
 5-42 license issued by the department;

5-43 (2) an applicant whose license issued by the  
 5-44 department expired less than one year before the date of the  
 5-45 application, if the previous license was not denied, revoked, or  
 5-46 suspended by the commissioner;

5-47 (3) a partnership, corporation, or depository  
 5-48 institution;

5-49 (4) an applicant for a life, accident, and health  
 5-50 license who is designated as a chartered life underwriter (CLU);

5-51 (5) ~~an applicant for a life and health insurance~~  
 5-52 ~~counselor license who is designated as a chartered life underwriter~~  
 5-53 ~~(CLU), chartered financial consultant (ChFC), or certified~~  
 5-54 ~~financial planner (CFP);~~

5-55 [~~6~~] an applicant for a property and casualty license  
 5-56 who is designated as a chartered property casualty underwriter  
 5-57 (CPCU);

5-58 (6) [~~7~~] an applicant for a specialty license issued  
 5-59 under Chapter 4055;

5-60 (7) [~~8~~] a nonresident individual who is exempt from  
 5-61 the examination requirement under Chapter 4056; or

5-62 (8) [~~9~~] an applicant for a general life, accident,  
 5-63 and health license or a life agent license who was authorized to  
 5-64 solicit or procure insurance on behalf of a fraternal benefit  
 5-65 society on September 1, 1999, if the applicant:

5-66 (A) solicited or procured insurance on behalf of  
 5-67 the fraternal benefit society for at least 24 months preceding  
 5-68 September 1, 1999; and

5-69 (B) does not, on or after September 1, 1999,

6-1 solicit or procure:  
 6-2 (i) insurance for any other insurer or a  
 6-3 different fraternal benefit society;  
 6-4 (ii) an insurance contract from anyone  
 6-5 other than a person who is eligible for membership in the fraternal  
 6-6 benefit society; or  
 6-7 (iii) an interest-sensitive life insurance  
 6-8 contract that exceeds \$35,000 of coverage on an individual life,  
 6-9 unless the applicant is designated as a "Fraternal Insurance  
 6-10 Counselor" at the time the contract is solicited or procured.

6-11 SECTION 15. Section 4004.053(a), Insurance Code, is amended  
 6-12 to read as follows:

6-13 (a) An individual who holds a general life, accident, and  
 6-14 health license, a life agent license, [~~a life and health insurance~~  
 6-15 ~~counselor license,~~] an adjuster license, a managing general agent  
 6-16 license, a general property and casualty license, or a personal  
 6-17 lines property and casualty license must complete 24 hours of  
 6-18 continuing education during the license period. If the individual  
 6-19 holds more than one license for which continuing education is  
 6-20 otherwise required, the individual is not required to complete more  
 6-21 than 24 continuing education hours for all licenses during the  
 6-22 license period. An individual who is required under rules adopted  
 6-23 under Chapter 4008 to hold a certificate to sell a designated  
 6-24 product or product line may use continuing education programs  
 6-25 administered under Section 4004.151 to satisfy the continuing  
 6-26 education requirements under this subsection.

6-27 SECTION 16. Section 4004.054, Insurance Code, is amended to  
 6-28 read as follows:

6-29 Sec. 4004.054. ETHICS REQUIREMENT. Each individual who  
 6-30 holds a license issued by the department shall complete three [~~two~~]  
 6-31 hours of continuing education in ethics during each license renewal  
 6-32 period.

6-33 SECTION 17. Section 4051.051(a), Insurance Code, is amended  
 6-34 to read as follows:

6-35 (a) A person is required to hold a general property and  
 6-36 casualty license if the person acts as:

6-37 (1) an agent who writes property and casualty  
 6-38 insurance for an insurer authorized to engage in the business of  
 6-39 property and casualty insurance in this state; or

6-40 (2) [~~a subagent of a person who holds a license as an~~  
 6-41 ~~agent under this chapter who solicits and binds insurance risks for~~  
 6-42 ~~that agent; or~~

6-43 [~~3~~] an agent who writes any other kind of insurance  
 6-44 as required by the commissioner for the protection of the insurance  
 6-45 consumers of this state.

6-46 SECTION 18. Section 4051.401, Insurance Code, is amended to  
 6-47 read as follows:

6-48 Sec. 4051.401. PERSONAL LINES PROPERTY AND CASUALTY  
 6-49 LICENSE; LICENSE REQUIRED. A person is required to hold a personal  
 6-50 lines property and casualty license if the person acts as [+

6-51 [~~1~~] an agent who writes property and casualty  
 6-52 insurance sold to individuals and families primarily for personal  
 6-53 or household use for an insurer authorized to engage in the business  
 6-54 of property and casualty insurance in this state[~~, or~~

6-55 [~~2~~] ~~a subagent of a person who holds a license as an~~  
 6-56 ~~agent under this subchapter who solicits and binds insurance risks~~  
 6-57 ~~for that agent].~~

6-58 SECTION 19. Section 4056.052, Insurance Code, is amended by  
 6-59 adding Subsection (c) to read as follows:

6-60 (c) A license issued under this section shall be  
 6-61 automatically suspended, canceled, or revoked if the licensee's  
 6-62 home state suspends, cancels, or revokes the licensee's  
 6-63 corresponding resident license.

6-64 SECTION 20. Section 4056.059(b), Insurance Code, is amended  
 6-65 to read as follows:

6-66 (b) A nonresident agent may apply to the department for a  
 6-67 comparable license for residents of this state. An application  
 6-68 must include:

6-69 (1) a notification of the agent's change of address and

7-1 contact information; and

7-2 (2) ~~[a clearance letter from the state authority of~~  
7-3 ~~the state that issued the agent's prior resident license~~  
7-4 ~~demonstrating the agent's good standing with that authority; and~~

7-5 [~~3~~] fingerprint forms in the format prescribed by  
7-6 the department, which may be electronic.

7-7 SECTION 21. Section 4102.054(a), Insurance Code, is amended  
7-8 to read as follows:

7-9 (a) The commissioner may issue a nonresident license to an  
7-10 applicant for a public insurance adjuster license who is not a  
7-11 permanent resident of this state on determining that the  
7-12 application meets the requirements of this chapter, the nonresident  
7-13 license application fee has been paid, and the applicant is an  
7-14 individual who:

7-15 (1) is at least 18 years of age;

7-16 (2) except as provided by Section 4102.058, has  
7-17 passed, to the satisfaction of the commissioner, an examination  
7-18 approved by the commissioner and of sufficient scope as prescribed  
7-19 by Section 4102.057;

7-20 (3) is self-employed as a public insurance adjuster or  
7-21 associated with or employed by a public insurance adjusting firm or  
7-22 other public insurance adjuster;

7-23 (4) is trustworthy and of a moral character that  
7-24 reasonably ensures that the applicant will conduct the business of  
7-25 a public insurance adjuster fairly and in good faith without  
7-26 detriment to the public;

7-27 (5) has never been convicted of a felony or, if  
7-28 convicted of a felony, has received a full pardon from that  
7-29 conviction and is otherwise relieved from any disabilities  
7-30 connected with that conviction;

7-31 (6) has sufficient experience or training relating to  
7-32 the assessment of:

7-33 (A) real and personal property values; and

7-34 (B) physical loss of or damage to real or  
7-35 personal property that may be the subject of insurance and claims  
7-36 under insurance;

7-37 (7) is sufficiently informed as to the terms and  
7-38 effects of the types of insurance contracts that provide coverage  
7-39 on real and personal property;

7-40 (8) possesses knowledge and experience adequate to  
7-41 enable the applicant to engage in the business of a public insurance  
7-42 adjuster fairly and without injury to the public or any member of  
7-43 the public with whom the applicant may have business as a public  
7-44 insurance adjuster;

7-45 (9) ~~[if currently licensed as a resident public~~  
7-46 ~~insurance adjuster in the applicant's state of residence, provides~~  
7-47 ~~with the application a certificate or letter of authorization from~~  
7-48 ~~the licensing authority of the applicant's state of residence that:~~

7-49 [~~(A) states that the applicant holds a current or~~  
7-50 ~~comparable license to act as a public insurance adjuster; and~~

7-51 [~~(B) meets the requirements of Subsection (b);~~

7-52 [~~(10) if the applicant's state of residence does not~~  
7-53 ~~require licensure as a resident public insurance adjuster and the~~  
7-54 ~~applicant has been licensed as an adjuster, agent, broker, or other~~  
7-55 ~~insurance representative in the applicant's state of residence or~~  
7-56 ~~any other state within the past three years, provides with the~~  
7-57 ~~application a certificate or letter of authorization from the~~  
7-58 ~~licensing authority that:~~

7-59 [~~(A) states that the applicant holds or has held~~  
7-60 ~~a license to act as an adjuster, agent, broker, or other insurance~~  
7-61 ~~representative; and~~

7-62 [~~(B) meets the requirements of Subsection (c);~~

7-63 [~~11~~] files proof of financial responsibility in  
7-64 accordance with Section 4102.105; and

7-65 (10) [~~12~~] complies with any other requirements  
7-66 under applicable state law, including provision of a complete set  
7-67 of fingerprints on request, as provided by Section 4001.103.

7-68 SECTION 22. The following provisions of the Insurance Code  
7-69 are repealed:

- 8-1 (1) Section 4001.003(9);
- 8-2 (2) Sections 4001.009 and 4001.109;
- 8-3 (3) Section 4001.156(a);
- 8-4 (4) Section 4001.205;
- 8-5 (5) Subchapters D and G, Chapter 4051;
- 8-6 (6) Chapter 4052;
- 8-7 (7) Section 4056.004;
- 8-8 (8) Sections 4102.054(b) and (c); and
- 8-9 (9) Section 4102.114(d).

8-10 SECTION 23. (a) In this section, "department" means the  
8-11 Texas Department of Insurance.

8-12 (b) On the effective date of this Act, the department shall  
8-13 convert all active insurance services representative licenses  
8-14 issued before June 1, 2021, to general property and casualty  
8-15 insurance agent licenses. Licensees must comply with all  
8-16 requirements of the converted license to keep the license active  
8-17 and in good standing. Any insurance services representative  
8-18 licenses issued on or after June 1, 2021, through the effective date  
8-19 of this Act may not be renewed on expiration of the license and may  
8-20 not convert to another license type.

8-21 (c) On the effective date of this Act, the department shall  
8-22 convert all active life and health insurance counselor licenses  
8-23 issued before June 1, 2021, to general life and health agent  
8-24 licenses. Converted licensees must comply with all requirements of  
8-25 the converted license to keep the license active and in good  
8-26 standing. Any life and health insurance counselor licenses issued  
8-27 on or after June 1, 2021, through the effective date of this Act may  
8-28 not be renewed on expiration of the license and may not convert to  
8-29 another license type.

8-30 (d) On the effective date of this Act, any existing home  
8-31 office salaried employee registration is void and ceases to exist.  
8-32 Any former home office salaried employee registrant engaging in the  
8-33 business of insurance after the effective date of this Act must  
8-34 follow the requirements of the Insurance Code and any other  
8-35 applicable laws of this state.

8-36 SECTION 24. This Act takes effect September 1, 2021.

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