

AN ACT

relating to regulation and licensing of certain insurance agents.

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

ARTICLE 1. LICENSING OF CERTAIN INSURANCE AGENTS

SECTION 1.01. Chapter 4051, Insurance Code, is amended by adding Subchapter I to read as follows:

SUBCHAPTER I. PERSONAL LINES PROPERTY AND CASUALTY AGENT

Sec. 4051.401. PERSONAL LINES PROPERTY AND CASUALTY LICENSE; LICENSE REQUIRED. A person is required to hold a personal lines property and casualty license if the person acts as:

(1) an agent who writes property and casualty insurance sold to individuals and families primarily for personal or household use for an insurer authorized to engage in the business of property and casualty insurance in this state; or

(2) a subagent of a person who holds a license as an agent under this subchapter who solicits and binds insurance risks for that agent.

Sec. 4051.402. AUTHORITY TO WRITE ADDITIONAL LINES. (a) A person who holds a personal lines property and casualty license may write the kind of insurance contracts described by:

(1) this subchapter;

(2) Subchapters C and E; and

(3) Chapter 4055.

(b) In addition to any of the insurance contracts described

1 by Subsection (a), a person who holds a personal lines property and
2 casualty license may write accident and health insurance contracts
3 for individuals and families for personal, family, or household
4 purposes for a property and casualty insurer authorized to sell
5 those insurance products in this state.

6 Sec. 4051.403. PERSONAL LINES INCLUDED IN GENERAL PROPERTY
7 AND CASUALTY LICENSE. Notwithstanding Section 4051.401, a person
8 who holds a general property and casualty license under Subchapter
9 B may write the kinds of insurance described by this subchapter.

10 Sec. 4051.404. FEES. Section 4001.006 applies to all fees
11 collected under this subchapter.

12 SECTION 1.02. Chapter 4054, Insurance Code, is amended by
13 adding Subchapter G to read as follows:

14 SUBCHAPTER G. LIFE AGENT

15 Sec. 4054.301. LICENSE REQUIRED. (a) Except as provided
16 by Subsection (b), a person is required to hold a life agent license
17 if the person does not hold a general life, accident, and health
18 license under Subchapter B and the person acts as:

19 (1) an agent who writes insurance coverage on human
20 lives, including endowment benefits and annuities, benefits in the
21 event of death or dismemberment by accident, and benefits for
22 disability income;

23 (2) an industrial life insurance agent for an insurer
24 that writes only weekly premium life insurance on a debit basis
25 under Chapter 1151;

26 (3) an agent who writes fixed or variable annuity
27 contracts or variable life contracts;

1 (4) an agent who writes for a stipulated premium
2 company only life insurance in excess of \$15,000 on any one life; or

3 (5) an agent who writes any other kind of insurance as
4 required by the commissioner for the protection of the insurance
5 consumers of this state.

6 (b) A person who holds a limited license under Subchapter C
7 and who engages in the business of insurance only within the scope
8 of that license is not required to hold a life agent license. A
9 person who holds a life agent license may write the insurance
10 described by that subchapter.

11 (c) A person who holds a funeral prearrangement life
12 insurance license under Subchapter D and who engages in the
13 business of insurance only within the scope of that license is not
14 required to hold a life agent license. A person who holds a life
15 agent license may write the insurance described by that subchapter.

16 (d) A person who holds a license to write life insurance not
17 exceeding \$15,000 under Subchapter E and who engages in the
18 business of insurance only within the scope of that license is not
19 required to hold a life agent license. A person who holds a life
20 agent license may write the insurance described by that subchapter.

21 (e) This subchapter does not apply to a person who holds a
22 specialty license under Chapter 4055 and who engages in the
23 business of insurance only within the scope of the specialty
24 license.

25 Sec. 4054.302. AUTHORITY TO WRITE SPECIFIED COVERAGES. A
26 person who holds a license under this subchapter may write only
27 insurance described by Sections 4054.301(a)-(d).

1 Sec. 4054.303. APPLICABILITY OF CERTAIN REQUIREMENTS.

2 Except as otherwise provided by this code, the provisions of this
3 title that apply to the holder of a general life, accident, and
4 health license apply to the holder of a license issued under this
5 subchapter.

6 Sec. 4054.304. FEES. Section 4001.006 applies to all fees
7 collected under this subchapter.

8 ARTICLE 2. CONFORMING AMENDMENTS

9 SECTION 2.01. Subsection (a), Section 523.152, Insurance
10 Code, is amended to read as follows:

11 (a) An originating agent shall share commissions with an
12 issuing agent as required by the market assistance program plan of
13 operation if the originating agent holds a license as:

14 (1) a general property and casualty agent or a
15 personal lines property and casualty agent; or

16 (2) a salaried representative for one or more insurers
17 whose plan of operation does not contemplate the use of general
18 property and casualty agents or personal lines property and
19 casualty agents.

20 SECTION 2.02. Subsection (b), Section 549.053, Insurance
21 Code, is amended to read as follows:

22 (b) Subsection (a) does not:

23 (1) apply if the borrower provides the lender with
24 specific written authority permitting or directing the particular
25 use or disclosure of information before the use or disclosure
26 occurs; or

27 (2) prevent a lender who is a licensed general

1 property and casualty agent or a personal lines property and
2 casualty agent from selling insurance to a borrower.

3 SECTION 2.03. Section 549.055, Insurance Code, is amended
4 to read as follows:

5 Sec. 549.055. INSURANCE BINDER AS EVIDENCE OF INSURANCE.

6 (a) A lender that requires a borrower to secure insurance coverage
7 before the lender will provide a residential mortgage or commercial
8 real estate loan must accept an insurance binder as evidence of the
9 required insurance and may not require the borrower to provide an
10 original insurance policy instead of a binder if:

11 (1) the binder is issued by a licensed general
12 property and casualty agent or a personal lines property and
13 casualty agent who is appointed to represent the insurer whose name
14 appears on the binder and who is authorized to issue binders;

15 (2) the binder is accompanied by evidence of payment
16 of the required premium; and

17 (3) the binder will be replaced by an original
18 insurance policy for the required coverage on or before the 30th day
19 after the date the binder is issued.

20 (b) A [~~general~~] property and casualty agent who issues an
21 insurance binder under Subsection (a) must, on request, provide the
22 lender with appropriate evidence for purposes of Subsection (a)(1).

23 SECTION 2.04. Subsection (e), Section 549.056, Insurance
24 Code, is amended to read as follows:

25 (e) Except as provided by this subsection, this subchapter
26 does not prevent a lender from requiring, at or before the time of
27 delivery to the lender of an insurance policy by a general property

1 and casualty agent or a personal lines property and casualty agent
2 or by the insurer, [~~of an insurance policy to the lender~~] a written
3 statement from the borrower designating the agent or insurer as the
4 borrower's agent for the delivery of the policy. A lender may not
5 require a statement described by this subsection when an agent or
6 insurer is providing a renewal of an existing expiring insurance
7 policy provided by the agent or insurer.

8 SECTION 2.05. Subdivision (2), Section 559.001, Insurance
9 Code, is amended to read as follows:

10 (2) "Agent" means a person licensed or required to be
11 licensed as a general property and casualty insurance agent or a
12 personal lines property and casualty agent under Chapter 4051.

13 SECTION 2.06. The heading to Section 651.008, Insurance
14 Code, is amended to read as follows:

15 Sec. 651.008. AUTHORITY OF CERTAIN [~~GENERAL~~] PROPERTY AND
16 CASUALTY AGENTS TO CHARGE INTEREST TO CERTAIN PERSONS.

17 SECTION 2.07. Subsection (a), Section 651.008, Insurance
18 Code, is amended to read as follows:

19 (a) Notwithstanding any other law, a general property and
20 casualty agent or a personal lines property and casualty agent who
21 holds a license under Chapter 4051 may enter into a written
22 agreement with a purchaser of insurance from the agent that
23 provides for the payment of interest to the agent on any amount due
24 to the agent for the insurance purchased. The interest is computed
25 at a rate not to exceed the greater of:

- 26 (1) a rate allowed by Chapter 303, Finance Code; or
27 (2) the rate of one percent a month.

1 SECTION 2.08. Section 885.351, Insurance Code, is amended
2 to read as follows:

3 Sec. 885.351. AGENTS. (a) A fraternal benefit society may
4 appoint an agent licensed by the department under Chapter 4054
5 [~~Article 21.07-1~~] to sell benefits listed under Section 885.301(a)
6 to society members.

7 (b) Except as provided by Section 885.352, a person may not
8 solicit or procure benefit contracts for a fraternal benefit
9 society unless the person is licensed as a general life, accident,
10 and health agent or a life agent under Chapter 4054 [~~Article~~
11 ~~21.07-1~~].

12 (c) The licensing and regulation of agents for fraternal
13 benefit societies is subject to Title 13 [~~Subchapter A, Chapter~~
14 ~~217~~] and other laws regulating those agents.

15 SECTION 2.09. Subsection (a), Section 981.203, Insurance
16 Code, is amended to read as follows:

17 (a) The department may issue a surplus lines license to an
18 applicant who the department determines complies with Subsection
19 (b) and is:

20 (1) an individual who:
21 (A) has passed an examination under Chapter 4002
22 [~~Article 21.01-1~~] and department rules; and

23 (B) holds a current license as:
24 (i) a general property and casualty agent
25 authorized under Chapter 4051 [~~Article 21.14~~]; or

26 (ii) a managing general agent; or
27 (2) a corporation, limited liability company, or

1 partnership that:

2 (A) has at least one officer or director or at
3 least one active partner who has passed the required surplus lines
4 license examination;

5 (B) holds a current license as:

6 (i) a general property and casualty agent
7 authorized under Chapter 4051 [~~Article 21.14~~]; or

8 (ii) a managing general agent; and

9 (C) conducts insurance activities under this
10 chapter only through an individual licensed under this section.

11 SECTION 2.10. Section 981.220, Insurance Code, is amended
12 to read as follows:

13 Sec. 981.220. MANAGING GENERAL AGENTS; LIMITED AUTHORITY OF
14 CERTAIN AGENTS. [~~(a) A managing general agent is not required to
15 hold a local recording agent license to be eligible to receive a
16 surplus lines license.~~

17 [~~(b)~~] A surplus lines license granted to a managing general
18 agent who is not also licensed under Chapter 4051 [~~Article 21.14~~] is
19 limited to the acceptance of business originating through a
20 licensed general property and casualty agent. The license does not
21 authorize the agent to engage in business directly with the
22 insurance applicant.

23 SECTION 2.11. Section 1152.151, Insurance Code, is amended
24 to read as follows:

25 Sec. 1152.151. AGENT'S LICENSE REQUIRED. (a) A person may
26 not sell or offer for sale in this state a variable contract, or act
27 to negotiate, make, or consummate a variable contract for another,

1 unless the department has licensed the person under Chapter 4054
2 [~~Article 21.07-1~~] as a general life, accident, and health agent or a
3 life agent.

4 (b) The licensing and regulation of a person acting as a
5 variable contract agent is subject to the same provisions
6 applicable to the licensing and regulation of other agents under
7 Title 13 [~~Subchapter A, Chapter 21~~].

8 SECTION 2.12. Subsection (b), Section 1505.005, Insurance
9 Code, is amended to read as follows:

10 (b) A person licensed as a general life, accident, and
11 health agent under Chapter 4054, [~~or~~] as a general property and
12 casualty agent under Chapter 4051 authorized to write health and
13 accident insurance under Section 4051.053, or as a personal lines
14 property and casualty agent authorized to write health and accident
15 insurance under Section 4051.402, [~~or 4054~~] may act in the licensed
16 capacity in connection with an insurance policy or a certificate of
17 insurance issued by an unincorporated association, trust, or other
18 organization formed under Subsection (a). The agent is not
19 required to notify the department that the person has been
20 appointed to act for that purpose.

21 SECTION 2.13. Section 2151.053, Insurance Code, is amended
22 to read as follows:

23 Sec. 2151.053. MEMBERSHIP OF GOVERNING COMMITTEE. The
24 governing committee is composed of 15 members selected as follows:

- 25 (1) eight members who represent the interests of
26 insurers, elected by the association members according to a method
27 the members determine;

1 (2) five public members, nominated by the office of
2 public insurance counsel and selected by the commissioner; and

3 (3) two members who are general or personal lines
4 property and casualty agents, as required by the plan of operation.

5 SECTION 2.14. Subsection (a), Section 2210.102, Insurance
6 Code, is amended to read as follows:

7 (a) The board of directors is composed of the following nine
8 members:

9 (1) five representatives of different insurers who are
10 members of the association, elected by the members as provided by
11 the plan of operation;

12 (2) two public representatives who are nominated by
13 the office of public insurance counsel and who, as of the date of
14 the appointment:

15 (A) reside in a catastrophe area; and

16 (B) are policyholders of the association; and

17 (3) two ~~general~~ property and casualty agents, each
18 of whom must:

19 (A) ~~who~~ have demonstrated experience in the
20 association; ~~and~~

21 (B) maintain the agent's ~~whose~~ principal
22 office ~~offices~~, as of the date of the appointment, ~~are located~~
23 in a catastrophe area; and

24 (C) hold a license under Chapter 4051 as a
25 general property and casualty agent or a personal lines property
26 and casualty agent.

27 SECTION 2.15. Subsection (b), Section 2210.202, Insurance

1 Code, is amended to read as follows:

2 (b) A general property and casualty agent or a personal
3 lines property and casualty agent must submit an application for
4 the insurance coverage on behalf of the applicant on forms
5 prescribed by the association. The application must contain a
6 statement as to whether the applicant has submitted or will submit
7 the premium in full from personal funds or, if not, to whom a
8 balance is or will be due.

9 SECTION 2.16. Subsection (d), Section 2210.204, Insurance
10 Code, is amended to read as follows:

11 (d) If an insured requests cancellation of the insurance
12 coverage, the association shall refund the unearned premium payable
13 to the insured and the holder of an unpaid balance. The [~~general~~]
14 property and casualty agent who submitted the application shall
15 refund the agent's commission on any unearned premium in the same
16 manner.

17 SECTION 2.17. Subsection (b), Section 2211.154, Insurance
18 Code, is amended to read as follows:

19 (b) A general property and casualty agent or personal lines
20 property and casualty agent may make an application on behalf of the
21 applicant. The applicant or agent must submit the application on a
22 form prescribed by the association.

23 SECTION 2.18. Subsection (a), Section 4001.205, Insurance
24 Code, is amended to read as follows:

25 (a) A general life, accident, and health agent, life
26 insurance agent, [~~or a~~] general property and casualty agent, or
27 personal lines property and casualty agent appointed by an insurer

1 authorized to engage in the business of insurance in this state
2 shall notify the department on a form prescribed by the department
3 if the agent appoints a subagent. The notice must be accompanied by
4 a nonrefundable fee in an amount set by the department.

5 SECTION 2.19. Subsection (a), Section 4002.003, Insurance
6 Code, is amended to read as follows:

7 (a) The department may not require a person to take an
8 examination under this chapter if the person is:

9 (1) an applicant for the renewal of an unexpired
10 license issued by the department;

11 (2) an applicant whose license issued by the
12 department expired less than one year before the date of the
13 application, if the previous license was not denied, revoked, or
14 suspended by the commissioner;

15 (3) a partnership, corporation, or depository
16 institution;

17 (4) an applicant for a life, accident, and health
18 license who is designated as a chartered life underwriter (CLU);

19 (5) an applicant for a life and health insurance
20 counselor license who is designated as a chartered life underwriter
21 (CLU), chartered financial consultant (ChFC), or certified
22 financial planner (CFP);

23 (6) an applicant for a property and casualty license
24 who is designated as a chartered property casualty underwriter
25 (CPCU);

26 (7) an applicant for a specialty license issued under
27 Chapter 4055;

1 (8) a nonresident individual who is exempt from the
2 examination requirement under Chapter 4056; or

3 (9) an applicant for a general life, accident, and
4 health license or a life agent license who was authorized to solicit
5 or procure insurance on behalf of a fraternal benefit society on
6 September 1, 1999, if the applicant:

7 (A) solicited or procured insurance on behalf of
8 the fraternal benefit society for at least 24 months preceding
9 September 1, 1999; and

10 (B) does not, on or after September 1, 1999,
11 solicit or procure:

12 (i) insurance for any other insurer or a
13 different fraternal benefit society;

14 (ii) an insurance contract from anyone
15 other than a person who is eligible for membership in the fraternal
16 benefit society; or

17 (iii) an interest-sensitive life insurance
18 contract that exceeds \$35,000 of coverage on an individual life,
19 unless the applicant is designated as a "Fraternal Insurance
20 Counselor" at the time the contract is solicited or procured.

21 SECTION 2.20. Subsection (a), Section 4004.053, Insurance
22 Code, is amended to read as follows:

23 (a) An individual who holds a general life, accident, and
24 health license, a life agent license, a life and health insurance
25 counselor license, [~~or~~] a general property and casualty license, or
26 a personal lines property and casualty license must complete 15
27 hours of continuing education annually. If the individual holds

1 more than one license for which continuing education is otherwise
2 required, the individual is not required to complete more than 15
3 continuing education hours annually.

4 SECTION 2.21. Subsection (a), Section 4005.002, Insurance
5 Code, is amended to read as follows:

6 (a) In connection with a client's application for insurance
7 coverage or with~~[r]~~ the issuance of an insurance policy to a client,
8 or on a client's request, a general property and casualty agent or
9 personal lines property and casualty agent may obtain:

10 (1) the motor vehicle record of a person insured under
11 or to be insured under an insurance policy; or

12 (2) a photograph of property insured under or to be
13 insured under an insurance policy.

14 SECTION 2.22. Section 4005.003, Insurance Code, is amended
15 to read as follows:

16 Sec. 4005.003. FEES. (a) A general property and casualty
17 agent or personal lines property and casualty agent may charge a
18 client a fee to reimburse the agent for costs the agent incurred in
19 obtaining a motor vehicle record or photograph of property
20 described under Section 4005.002. The fee may not exceed the actual
21 costs to the agent.

22 (b) For services provided to a client, a ~~[general]~~ property
23 and casualty agent described by Subsection (a) may charge a
24 reasonable fee, including a fee for:

- 25 (1) special delivery or postal charges;
26 (2) printing or reproduction costs;
27 (3) electronic mail costs;

- 1 (4) telephone transmission costs; and
- 2 (5) similar costs that the agent incurs on behalf of
- 3 the client.

4 (c) A [~~general~~] property and casualty agent described by

5 Subsection (a) may charge a client a fee under this section only if,

6 before the agent incurs an expense for the client, the agent:

- 7 (1) notifies the client of the agent's fee; and
- 8 (2) obtains the client's written consent for each fee
- 9 to be charged.

10 SECTION 2.23. Section 4051.001, Insurance Code, is amended

11 to read as follows:

12 Sec. 4051.001. APPLICABILITY OF CHAPTER. (a) This

13 subchapter and Subchapters B-E, [~~and~~] G, and I apply to each agent

14 of an insurer authorized to engage in the business of property and

15 casualty insurance in this state.

16 (b) This subchapter and Subchapters B-E, [~~and~~] G, and I

17 apply to each person who performs the acts of an agent, as described

18 by Section 4001.051, whether through an oral, written, electronic,

19 or other form of communication, by soliciting, negotiating,

20 procuring, or collecting a premium on an insurance contract offered

21 by any kind of insurer authorized to engage in the business of

22 property and casualty insurance in this state, including:

- 23 (1) a fidelity or surety company;
- 24 (2) a mutual insurance company, including a farm
- 25 mutual or a county mutual;
- 26 (3) a reciprocal or interinsurance exchange; and
- 27 (4) a Lloyd's plan.

1 SECTION 2.24. Section 4051.051, Insurance Code, is amended
2 to read as follows:

3 Sec. 4051.051. LICENSE REQUIRED. (a) A person is required
4 to hold a general property and casualty license if the person acts
5 as:

6 (1) an agent who writes property and casualty
7 insurance for an insurer authorized to engage in the business of
8 property and casualty insurance in this state;

9 (2) a subagent of a person who holds a license as an
10 agent under this chapter who solicits and binds insurance risks for
11 that agent; or

12 (3) an agent who writes any other kind of insurance as
13 required by the commissioner for the protection of the insurance
14 consumers of this state.

15 (b) Notwithstanding Subsection (a), a person is not
16 required to hold a general property and casualty license to engage
17 in an activity described by Subsection (a) if the person:

18 (1) holds a license under this chapter as a personal
19 lines property and casualty agent; and

20 (2) limits activities described by Subsection (a) to
21 those activities authorized under the scope of the person's
22 license.

23 SECTION 2.25. Section 4053.002, Insurance Code, is amended
24 to read as follows:

25 Sec. 4053.002. EXCEPTION. An agent licensed under
26 Subchapter E, ~~[of]~~ Chapter 981, Subchapters B-E or I, ~~[of]~~ Chapter
27 4051, or Chapter 4056 is not a managing general agent unless the

1 agent accepts 50 percent or more of the agent's total annual
2 business or does \$500,000 or more of total annual business as
3 measured by premium volume, whichever amount is less, from
4 insurance policies produced and sold by other agents.

5 SECTION 2.26. Section 4053.101, Insurance Code, is amended
6 to read as follows:

7 Sec. 4053.101. GENERAL POWERS AND DUTIES. A managing
8 general agent acting for an insurer may:

- 9 (1) receive and pass on daily reports and monthly
10 accounts;
- 11 (2) receive and be responsible for agency balances;
- 12 (3) handle the adjustment of losses; or
- 13 (4) appoint or direct general property and casualty
14 agents and personal lines property and casualty agents in this
15 state.

16 SECTION 2.27. Section 4054.051, Insurance Code, is amended
17 to read as follows:

18 Sec. 4054.051. LICENSE REQUIRED. Except as provided by
19 Subchapter G, a [A] person is required to hold a general life,
20 accident, and health license if the person acts as:

- 21 (1) an agent who represents a health maintenance
22 organization;
- 23 (2) an industrial life insurance agent for an insurer
24 that writes only weekly premium life insurance on a debit basis
25 under Chapter 1151;
- 26 (3) an agent who writes life, accident, and health
27 insurance for a life insurance company;

1 (4) an agent who writes only accident and health
2 insurance;

3 (5) an agent who writes fixed or variable annuity
4 contracts or variable life contracts;

5 (6) an agent who writes for a stipulated premium
6 company:

7 (A) only life insurance in excess of \$15,000 on
8 any one life;

9 (B) only accident and health insurance; or

10 (C) both kinds of insurance described by
11 Paragraphs (A) and (B);

12 (7) an agent who writes life, accident, and health
13 insurance for any type of authorized life insurance company that is
14 domiciled in this state, including a legal reserve life insurance
15 company, and who represents the company:

16 (A) in a foreign country or territory; and

17 (B) on a United States military installation or
18 with United States military personnel;

19 (8) an agent who writes life, accident, and health
20 insurance for a fraternal benefit society except as provided by
21 Section 885.352; or

22 (9) an agent who writes any other kind of insurance as
23 required by the commissioner for the protection of the insurance
24 consumers of this state.

25 SECTION 2.28. Subsection (b), Section 4054.052, Insurance
26 Code, is amended to read as follows:

27 (b) A person may not act as a combination life insurance

1 agent for a combination company unless the person holds a general
2 life, accident, and health license or a life agent license.

3 SECTION 2.29. Section 4055.013, Insurance Code, is amended
4 to read as follows:

5 Sec. 4055.013. ASSIGNMENT AND TRANSFER OF COMPENSATION BY
6 CERTAIN AGENTS. A person who is licensed as a general life,
7 accident, and health agent, life insurance agent, [~~or as a~~] general
8 property and casualty agent, or personal lines property and
9 casualty agent or who holds a substantially equivalent license
10 under this code, as determined by the commissioner, and who enters
11 into a contract with an insurer to act as the insurer's agent in
12 soliciting or writing policies or certificates of insurance that
13 are subject to this chapter may assign and transfer to the agent's
14 employer any commission, fee, or other compensation to be paid to
15 the agent under the agent's contract with the insurer only if the
16 sale of the insurance product occurs within the scope of the agent's
17 employment.

18 SECTION 2.30. Subsection (a), Section 4101.001, Insurance
19 Code, is amended to read as follows:

20 (a) In this chapter, "adjuster" means an individual who:

21 (1) investigates or adjusts losses on behalf of an
22 insurer as an independent contractor or as an employee of:

23 (A) an adjustment bureau;

24 (B) an association;

25 (C) a general property and casualty agent or
26 personal lines property and casualty agent;

27 (D) an independent contractor;

1 (E) an insurer; or

2 (F) a managing general agent; or

3 (2) supervises the handling of claims.

4 SECTION 2.31. Subsection (b), Section 4102.051, Insurance
5 Code, is amended to read as follows:

6 (b) A license is not required for:

7 (1) an attorney licensed to practice law in this state
8 who has complied with Section 4102.053(a)(6); or

9 (2) a person licensed as a general property and
10 casualty agent or personal lines property and casualty agent under
11 Chapter 4051 while acting for an insured concerning a loss under a
12 policy issued by that agent.

13 ARTICLE 3. TRANSITION; EFFECTIVE DATE

14 SECTION 3.01. Not later than December 1, 2007, the
15 commissioner of insurance shall adopt rules as necessary to
16 implement:

17 (1) Subchapter I, Chapter 4051, Insurance Code, as
18 added by this Act; and

19 (2) Subchapter G, Chapter 4054, Insurance Code, as
20 added by this Act.

21 SECTION 3.02. Effective January 1, 2008, a person who holds
22 a license as a general property and casualty agent issued by the
23 Texas Department of Insurance that is in good standing is:

24 (1) entitled to receive from the department on request
25 a license to act as a personal lines property and casualty agent
26 under the new license type, without reexamination; and

27 (2) subject to the provisions of the Insurance Code as

1 amended by this Act.

2 SECTION 3.03. Effective January 1, 2008, a person who holds
3 a license as a general life, accident, and health agent issued by
4 the Texas Department of Insurance that is in good standing is:

5 (1) entitled to receive from the department on request
6 a license to act as a life agent under the new license type, without
7 reexamination; and

8 (2) subject to the provisions of the Insurance Code as
9 amended by this Act.

10 SECTION 3.04. Chapter 4004, Insurance Code, as amended by
11 this Act, applies to continuing education requirements for
12 insurance agents for a renewal of a license that occurs on or after
13 January 1, 2008.

14 SECTION 3.05. To the extent of any conflict, this Act
15 prevails over the Act of the 80th Legislature, Regular Session,
16 2007, relating to nonsubstantive additions to and corrections in
17 enacted codes (the general code update bill), and over the Act of
18 the 80th Legislature, Regular Session, 2007, relating to
19 nonsubstantive additions to and corrections in the Insurance Code
20 (update of the Insurance Code).

21 SECTION 3.06. This Act takes effect September 1, 2007.

S.B. No. 1263

David Newkum
President of the Senate

Jim Caddick
Speaker of the House

I hereby certify that S.B. No. 1263 passed the Senate on March 28, 2007, by the following vote: Yeas 30, Nays 0; and that the Senate concurred in House amendment on May 21, 2007, by the following vote: Yeas 30, Nays 0.

Patsy Law
Secretary of the Senate

I hereby certify that S.B. No. 1263 passed the House, with amendment, on May 17, 2007, by the following vote: Yeas 143, Nays 0, two present not voting.

Robert Honey
Chief Clerk of the House

Approved:

15 JUN 07
Date

Rick Perry
Governor

FILED IN THE OFFICE OF THE
SECRETARY OF STATE
4 PM O'CLOCK

Roger Winnie
Secretary of State