1	AN ACT					
2	relating to the repeal of the requirement for a surety bond or other					
3	proof of financial responsibility for licensure of surplus lines					
4	insurance agents.					
5	BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:					
6	SECTION 1. Section 981.203, Insurance Code, is amended to					
7	read as follows:					
8	Sec. 981.203. QUALIFICATIONS FOR SURPLUS LINES LICENSE.					
9	(a) The department may issue a surplus lines license to an					
10	applicant who the department determines complies with Subsection					
11	(b) and is:					
12	(1) an individual who:					
13	(A) has passed an examination under Article					
14	21.01-1 and department rules; and					
15	(B) holds a current license as:					
16	(i) a general property and casualty agent					
17	authorized under Article 21.14; or					
18	(ii) a managing general agent; or					
19	(2) a corporation, limited liability company, or					
20	partnership that:					
21	(A) has at least one officer or director or at					
22	least one active partner who has passed the required surplus lines					
23	license examination;					
24	(B) holds a current license as:					

1 (i) a general property and casualty agent 2 authorized under Article 21.14; or 3 (ii) a managing general agent; and 4 (C) conducts insurance activities under this chapter only through an individual licensed under this section. 5 6 (b) The agent must: 7 (1) pay an application fee as determined by the department; and 8 submit a properly completed license application[+ 9 (2) 10 and 11 (3) provide proof of financial responsibility under 12 Section 981.206]. SECTION 2. Section 981.206, Insurance Code, is repealed. 13

SECTION 3. This Act takes effect January 1, 2006.

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rsavid Dunhu	TA		In Calle	L	
President of the Se	nate	Spea	aker of the H	ouse	
I hereby certify	that S.B.	No. 1564	passed the	Senate	on
May 10, 2005, by the fol.	lowing vote:	Yeas 31	, Nays 0		
		\Rightarrow	atou 1	Saw!	
		Secre	tary of the	enate	
I hereby certify	that S.B.	No. 1564	passed the	House	on
May 25, 2005, by a non-r	ecord vote.				
		Chief	Clerk of the	NEUL E HOUSE	
Approved:				J	
17 JUNE 0	5				
Piru De Da	14				
NILK TURE	7				

Governor

FILED IN THE OFFICE OF THE SECRETARY OF STATE

JUN 17 2005/