Chapter 162 H.B. No. 2503 1 AN ACT 2 relating to insurance agent licenses issued to certain foreign 3 corporations and partnerships. BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS: 4 5 SECTION 1. Section 4001.106(b), Insurance Code, is amended to read as follows: 6 The department shall issue a license to a corporation or 7 (b) partnership if the department determines that: . 8 9 (1) the corporation or partnership is: 10 (A) organized under the laws of this state or 11 another state; and 12 (B) [admitted to engage in business in this state 13 by the secretary of state, if required; and 14 [(C)] authorized by its articles of incorporation or its partnership agreement to act as an agent; 15 at least one officer of the corporation or one 16 (2) active partner of the partnership and all other persons performing 17 any acts of an agent on behalf of the corporation or partnership in 18 19 this state are individually licensed by the department separately 20 from the corporation or partnership; 21 (3) the corporation or partnership will have the 22 ability to pay any amount up to \$25,000 that it might become legally obligated to pay under a claim made against it by a customer and 23 caused by a negligent act, error, or omission of the corporation or 24

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1 partnership or a person for whose acts the corporation or 2 partnership is legally liable in the conduct of its business under 3 this code;

H.B. No. 2503

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

7 (5) each location from which the corporation or
8 partnership will engage in business in this state under authority
9 of a license issued by the department is registered separately with
10 the department;

(6) the corporation or partnership has submitted the application, appropriate fees, and any other information required by the department; and

14 (7) an officer, director, member, manager, partner, or
15 other person who has the right or ability to control the corporation
16 or partnership has not:

17 (A) had a license suspended or revoked or been
18 the subject of any other disciplinary action by a financial or
19 insurance regulator of this state, another state, or the United
20 States; or

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

23 SECTION 2. This Act applies only to a license application 24 filed on or after the effective date of this Act. A license 25 application filed before the effective date of this Act is governed 26 by the law in effect on the date the application was filed, and that 27 law is continued in effect for that purpose.

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H.B. No. 2503

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SECTION 3. This Act takes effect September 1, 2011.

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H.B. No. 2503 Speaker of the House

President of the Senate

I certify that H.B. No. 2503 was passed by the House on April 7, 2011, by the following vote: Yeas 144, Nays 0, 1 present, not voting.

<u>ane</u> Chief Clerk of the Hou

I certify that H.B. No. 2503 was passed by the Senate on May .12, 2011, by the following vote: Yeas 31, Nays 0.

Secreta of the Senate

28 MA1'II Date

APPROVED:

Governor

FILED IN THE OFFICE OF THE SECRETARY OF STATE OCK

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