

BILL ANALYSIS

Senate Research Center

S.B. 2578
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Business & Commerce
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As Filed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Current law allows licenses to be issued to certain foreign corporations and partnerships wishing to do business in Texas. The Texas Department of Insurance (TDI) is required to issue a license to a corporation or partnership if it meets certain requirements, including registration with the secretary of state, if required. TDI has taken the position that all corporations and partnerships are required to register with the secretary of state before a license is issued. TDI should not be a clearinghouse for the secretary of state.

This bill removes from the criteria for TDI to issue a license to a corporation or partnership a determination by TDI that the entity is registered with the secretary of state to do business in Texas.

As proposed, S.B. 2578 relates to insurance agent licenses issued to certain foreign corporations and partnerships.

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 4001.106, Insurance Code, by amending Subsection (b) and adding Subsection (b-1), as follows:

(b) Deletes existing text requiring the Texas Department of Insurance (TDI) to issue a license to a corporation or partnership if TDI determines that the corporation or partnership is admitted to engage in business in this state by the secretary of state, if required. Makes nonsubstantive changes.

Bill as drafted does not contain a Subsection (b-1).

SECTION 2. Makes application of this Act prospective.

SECTION 3. Effective date: September 1, 2009.