

BILL ANALYSIS

Senate Research Center
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S.B. 466
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Business & Commerce
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DIGEST AND PURPOSE

Currently, the Insurance Code maintains specific requirements for issuing a license to a person who provides insurance services. One of the licenses issued by the Texas Department of Insurance (department) is a “specialty” license for a business, instead of for an individual employee, that provides point of sale insurance products, such as credit insurance, rental car insurance, and travel insurance. As proposed, S.B. 466 amends certain licensing requirements for a specialty license, to include a vendor of telecommunication equipment with respect to insurance that provides coverage to customers for the loss of, the malfunction of, or damage to the telecommunication equipment.

RULEMAKING AUTHORITY

Rulemaking authority is expressly granted to the commissioner of insurance in SECTION 1 (Section 1(a), Article 21.09, Insurance Code), of this bill.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 1(a), Article 21.09, Insurance Code, to authorize the commissioner of insurance (commissioner) to adopt rules necessary to implement this article and to meet minimum requirements of federal law and regulations.

SECTION 2. Amends Article 21.09, Insurance Code, by adding Section 7, as follows:

Sec. 7. TELECOMMUNICATIONS EQUIPMENT VENDOR LICENSE. Defines “customer,” and “telecommunications equipment.” Authorizes the commissioner, notwithstanding any other provision of this article or code, to issue a specialty license under Section 1 to a retail vendor of telecommunications equipment (vendor) who complies with this section only for the limited purposes set forth in this section. Authorizes a vendor licensed under Section 1 to act as an agent for any authorized insurer only in connection with the sale and use of telecommunications equipment and only with respect to insurance that provides certain coverage. Prohibits insurance from being issued under this section unless the written materials containing the disclosures required by Section 1(g) are prominently displayed and readily available to the prospective purchaser of insurance coverage.

SECTION 3. Repealer: Section 6 (Rules), Article 21.09, Insurance Code.

SECTION 4. Effective date: September 1, 2001.