

## CHAPTER 73

S.B. No. 349

An Act relating to certain compensation for officers of life insurance companies; amending Article 3.68, Insurance Code.

*Be it enacted by the Legislature of the State of Texas:*

**SECTION 1.** Article 3.68, Insurance Code, is amended to read as follows:

"Article 3.68. **NO COMMISSIONS PAID OFFICERS.** No life insurance company transacting business in this State shall pay, or contract to pay, directly or indirectly, to its president, vice president, secretary, treasurer, actuary, medical director or other physician charged with the duty of examining risks or applications for insurance or to any officer of the company other than an agent or solicitor, any commission or other compensation contingent upon the writing or procuring of any policy of insurance in such company, or procuring an application therefor by any person whomsoever, or contingent upon the payment of any renewal premium, or upon the assumption of any ~~(life)~~ insurance risk by such company. Should any company violate any provision of this article, ~~(it shall be the duty of)~~ the Board ~~may~~ ~~(of Insurance Commissioners to)~~ revoke its certificate of authority to transact business in this State. *Provided, however, that nothing in this article shall prevent any plan of compensation to a marketing officer based on the aggregate amount of insurance that is issued by or that is in force with the company during any specified period, which is approved under the provisions of Article 1.29 of this code, as amended, so long as such officer is not responsible for underwriting, rating, or otherwise approving the acceptability of insurance risks. Further provided, this exception shall not allow such a plan of compensation to be based on commissions for individual sales of insurance products.*"

**SECTION 2.** The importance of this legislation and the crowded condition of the calendars in both houses create an emergency and an imperative public necessity that the constitutional rule requiring bills to be read on three several days in each house be suspended, and this rule is hereby suspended, and that this Act take effect and be in force from and after its passage, and it is so enacted.

Passed the Senate on February 20, 1985, by the following vote: Yeas 31, Nays 0;  
passed the House on April 17, 1985, by a non-record vote.

Approved: May 3, 1985

Effective: August 26, 1985