

## CHAPTER 819

## H.B. No. 2095

## AN ACT

relating to the appointment of life insurance agents.

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

SECTION 1. Section 8, Chapter 213, Acts of the 54th Legislature, 1955 (Article 21.07-1, Vernon's Texas Insurance Code), is amended to read as follows:

Sec. 8. (a) Any life insurance agent licensed in this state may represent and act as a life insurance agent for more than one legal reserve life insurance company at any time while his or its license is in force, if he or it so desires. Any such life insurance agent and the company involved must give notice to the Commissioner of Insurance of any additional appointment or appointments authorizing him or it to act as a life insurance agent for an additional legal reserve life insurance company or companies. Such notice must set forth the insurer or insurers which the agent is then licensed to represent, and shall be accompanied by a certificate from each insurer to be named in each additional appointment, that said insurer desires to appoint the applicant as its agent. This notice shall also contain such other information as the Commissioner may require. The agent shall be required to pay a nonrefundable fee in an amount not to exceed \$16 as determined by the State Board of Insurance for each additional appointment applied for, which fee shall accompany the notice. Any insurer may file a request with the Insurance Commissioner for notification in the event any agent licensed to represent such insurer has given the Commissioner of Insurance notice of an additional appointment to represent another insurer; and in such event the Commissioner shall notify the insurer filing such request.

(b) Any life insurance agent licensed in this state may *solicit, negotiate, or effect applications for policies of life insurance or place excess or rejected risks* with any legal reserve life insurance company lawfully doing business in this state other than an insurer such agent is licensed to represent, *if such agent requests appointment with such company simultaneously with the submission to such company of the application for insurance solicited by him or it. However, no commissions shall be paid by such company to the agent until such time as notice of appointment with respect to such agent has been given to the Commissioner pursuant to the provisions of Subsection (a) of this section*~~[- provided, however, that such life insurance agent shall procure an additional appointment to represent such other insurer before receiving commissions or other compensation for his or its services].~~

(c) *No insurer, general agent, or agent, directly or through any representative, shall furnish to any agent any blank forms, applications, stationery, or other supplies to be used in soliciting, negotiating, or effecting contracts of insurance on its*

*behalf unless such blank forms, applications, stationery, or other supplies relate to a class of business with respect to which such agent is a licensed agent, whether for that insurer or another insurer.*

*(d) Any insurer, general agent, or agent who furnishes any of the supplies specified in Subsection (c) of this section to any agent or prospective agent not licensed to represent the insurer and who accepts from or writes any insurance business for such agent or agency shall be subject to civil liability to any insured of such insurer to the same extent and in the same manner as if such agent or prospective agent had been appointed, licensed, or authorized by the insurer or such agent to act in its or his behalf.*

SECTION 2. This Act takes effect September 1, 1987.

SECTION 3. 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.

Passed by the House on May 8, 1987, by a non-record vote. Passed by the Senate on May 25, 1987, by the following vote: Yeas 30, Nays 0.

Approved June 18, 1987.

Effective Sept. 1, 1987.