

Subchapter B. Licensing and Regulation
28 TAC §25.24

INTRODUCTION. The commissioner of insurance adopts amendments to 28 TAC §25.24, concerning applications for an insurance premium finance company license. The amendments are adopted without changes to the proposed text published in the December 1, 2023 issue of the *Texas Register* (48 TexReg 7009).

REASONED JUSTIFICATION. The amendments to §25.24 are necessary to remove redundant language and implement Senate Bill 422, 88th Legislature, 2023, which amended Occupations Code §§55.004(d), 55.0041, and 55.005(a). Chapter 55 of the Occupations Code provides for alternative licensing procedures and requirements for military service members, military veterans, and military spouses. Before the passage of SB 422, Occupations Code §55.0041 required licensing agencies to recognize the out-of-state licenses of military spouses. SB 422 amended §55.0041 to also apply to military service members and to incorporate additional changes.

As part of the implementation of SB 422, the Texas Department of Insurance (TDI) is separately adopting new 28 TAC §1.814, which provides alternative licensing procedures and requirements for license applications by military service members, military veterans, and military spouses, consistent with Occupations Code Chapter 55 and with 50 USC §4025a. New §1.814 applies generally to all licenses, permits, certifications, and other authorizations issued by TDI, including insurance premium finance company licenses.

Section 25.24 addresses requirements for insurance premium finance company licenses, and subsections (c) and (d) of §25.24 provide alternative licensing procedures for

military spouses and related application fee exemption. The amendments remove subsections (c) and (d) because they will be made redundant by new §1.814. In addition, subsection (b) is amended to remove a reference to subsection (d).

SUMMARY OF COMMENTS. TDI provided an opportunity for public comment on the rule proposal for a period that ended on January 3, 2024. TDI did not receive any comments on the proposed amendments.

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28 TAC §25.24

STATUTORY AUTHORITY. The commissioner adopts amendments to §25.24 under Occupations Code §55.0041 and Insurance Code §651.003 and §36.001.

Occupations Code §55.0041, which addresses recognition of out-of-state licenses of military service members and military spouses, requires state agencies to adopt rules to implement the section.

Insurance Code §651.003 authorizes the commissioner to adopt rules necessary to administer Insurance Code Chapter 651.

Insurance Code §36.001 provides that the commissioner may adopt any rules necessary and appropriate to implement the powers and duties of TDI under the Insurance Code and other laws of this state.

TEXT.**§25.24. License Application.**

(a) An applicant for an insurance premium finance company license must file an application Form PF1 with TDI. The application must include the following as applicable:

- (1) List of Principals (Form PF2);
- (2) Premium Finance Application Questionnaire (Form PF3);
- (3) Biographical Affidavit (Form PF4) for each individual named on Form PF2;
- (4) General statement of experience giving applicant's qualifications;
- (5) List of Other States of Licensure (Form PF5);
- (6) Appointment of Statutory Agent and Consent to Service (Form PF6);
- (7) Sworn financial statement;
- (8) Sample Business Operation forms;
- (9) \$400 Investigation Fee;
- (10) Partnership agreement;
- (11) Certified copy of Assumed Name Certificate as on file with the County Clerk or Secretary of State;
- (12) Originally certified copy of Articles of Incorporation from the Office of the Secretary of State or equivalent office in another state;
- (13) Certified copy of Bylaws;
- (14) Certified copy of Minutes;
- (15) Current Franchise Tax Certificate of Good Standing or letter of exemption issued by the Texas Comptroller of Public Accounts; and
- (16) Certified copy of Certificate of Authority issued by the Texas Secretary of State (foreign corporations only).

2024-8525

TITLE 28. INSURANCE
Part I. Texas Department of Insurance
Chapter 25. Insurance Premium Finance

Adopted Section
Page 4 of 4

(b) On notification by TDI of approval of the application, the applicant must submit a license fee as follows:

- (1) Licenses issued January 1 through June 30--\$200;
- (2) Licenses issued July 1 through December 31--\$100.

CERTIFICATION. This agency certifies that legal counsel has reviewed the adoption and found it to be a valid exercise of the agency's legal authority.

Issued at Austin, Texas, on February 9, 2024.

DocuSigned by:
Jessica Barta
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Jessica Barta, General Counsel
Texas Department of Insurance

The amendments to 28 TAC §25.24 are adopted.

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Cassie Brown
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Cassie Brown
Commissioner of Insurance

Commissioner's Order No. 2024-8525