

BILL ANALYSIS

S.B. 844
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Insurance
Committee Report (Unamended)

BACKGROUND AND PURPOSE

Insurance agents and adjusters commonly hold several different licenses issued by the Texas Department of Insurance (TDI). Interested parties contend that each license can have a different renewal date, making it difficult to keep all of an agent's or adjuster's licenses current and in compliance with continuing education requirements and resulting in inefficient license renewal management by TDI. Interested parties further contend that TDI has experienced a significant increase in insurance agent and adjuster license requests over the past decade and that the increased demand for licenses and the greater complexity of certain filings is straining TDI resources. S.B. 844 seeks to address these issues.

CRIMINAL JUSTICE IMPACT

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

S.B. 844 amends the Insurance Code to subject license renewals for a license issued by the Texas Department of Insurance (TDI) for surplus lines agents, insurance agents, and insurance adjusters to the same expiration schedule as newly issued licenses and to specify that each such license expires on the second anniversary of the date the license is issued to or renewed by a person that is not an individual. The bill sets the expiration date of licenses issued to or renewed by individual license holders at the individual license holder's birthday so that the expiration date for a license issued or renewed in an even-numbered year is the individual license holder's birthday each even-numbered year and the expiration date for a license issued or renewed in an odd-numbered year is the individual license holder's birthday each odd-numbered year.

S.B. 844 subjects all licenses issued to a person who holds more than one license to the earliest expiration date of the licenses held and, after that, to the expiration schedule established by the bill. The bill prohibits the commissioner of insurance from prorating the initial application fee for a license based on the expiration period of the license for a person who holds more than one license. The bill clarifies that a license fee is a license application fee and an applicant for a renewal license is required to remit a license application fee before the expiration of the license being renewed.

S.B. 844 establishes that on January 1, 2016, each license held on that date under statutory provisions relating to surplus lines insurance, insurance agents, and insurance adjusters issued to a person that is not an individual expires on the expiration date of the license with the longest

remaining term held by that person on January 1, 2016, and each license issued to an individual expires, or may be extended to expire, on the individual's birthday in the year after the expiration date of the license with the longest remaining term held by that person on January 1, 2016. The bill specifies that after the expiration of such licenses, the licenses renew and expire as provided by the bill.

S.B. 844 prohibits TDI from charging an additional fee or requiring a renewal application before the established renewal date to the extent that the term of an existing license is extended beyond its original expiration date. The bill exempts a licensee from any requirement to complete additional continuing education hours for a license during any period the license was extended beyond its original expiration date.

EFFECTIVE DATE

January 1, 2016.