

BILL ANALYSIS

Senate Research Center
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S.B. 965
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AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Currently, there is not a standard level of annuity-specific education for licensed insurance agents to complete in order to sell, solicit, or negotiate a contract for an annuity in this state.

As proposed, S.B. 965 requires insurance agents licensed to sell, solicit, or negotiate a contract for an annuity in this state to complete eight hours of annuity-related education initially and four hours of continuing education annually, in addition to any other required education.

RULEMAKING AUTHORITY

Rulemaking authority is expressly granted to the commissioner of insurance in SECTION 2 (Section 4044.203, Insurance Code) of this bill.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Subchapter B, Chapter 1115, Insurance Code, by adding Section 1115.056, as follows:

Sec. 1115.056. AGENT EDUCATION REQUIREMENTS. (a) Requires an agent that intends to sell, solicit, or negotiate a contract for an annuity in this state or to represent an insurer in relation to such an annuity to submit evidence satisfactory to the Texas Department of Insurance (TDI) of completion of at least eight hours of training relating to annuities before soliciting individual consumers for the purpose of selling annuities.

(b) Provides that the requirement imposed under Subsection (a) is in addition to any other education or training requirements imposed under this code and rules adopted under this code for issuance of a license under this code.

SECTION 2. Amends Chapter 4004, Insurance Code, by adding Subchapter E, as follows:

SUBCHAPTER E. ADDITIONAL CONTINUING EDUCATION REQUIREMENTS FOR SALE OF ANNUITIES

Sec. 4004.201. DEFINITION. Defines "annuity."

Sec. 4004.202. REQUIRED CONTINUING EDUCATION REGARDING ANNUITIES. (a) Provides that this section applies to an agent who sells, solicits, or negotiates a contract for an annuity in this state or represents or purports to represent an insurer in relation to such an annuity.

(b) Requires each agent described by Subsection (a), in addition to complying with the continuing education requirements established under Subchapter B (Agent Continuing Education Requirements), to complete four hours of continuing education annually that specifically relates to annuities.

Sec. 4004.203. PROGRAM CERTIFICATION REQUIREMENTS. (a) Requires the commissioner of insurance (commissioner) by rule to adopt criteria for continuing education programs used to satisfy the requirements of Section 4004.202. Sets forth the required criteria.

(b) Provides that subject matter determined by the commissioner be primarily intended to promote the sale or marketing of annuities does not qualify as continuing education for purposes of this subchapter.

(c) Provides that Subchapter C (Continuing Education Programs) applies to continuing education programs described by Subsection (a). Requires that any training program disapproved under Subsection (b) be presumed invalid for certification under Subchapter C unless the program is approved in writing by the commissioner.

SECTION 3. Amends Section 4004.053(a), Insurance Code, to provide that the individual is not required to complete more than 15 continuing education hours annually, except as provided by Subchapter E, if the individual holds more than one license for which continuing education is otherwise required.

SECTION 4. Requires the commissioner to adopt rules as required by Section 4004.203, Insurance Code, as added by this Act, not later than December 1, 2009.

SECTION 5. Provides that Subchapter E, Chapter 4004, Insurance Code, as added by this Act, applies to continuing education requirements for insurance agents for a license issued or renewed on or after January 1, 2010.

SECTION 6. Effective date: September 1, 2009.