

BILL ANALYSIS

Senate Research Center
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H.B. 3872
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Business & Commerce
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Engrossed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Texas currently requires resident insurance agents to complete 30 continuing education (CE) hours every two years. The majority of states, however, only require resident agents to complete 24 CE hours, which is the standard set by state insurance commissioners through the National Association of Insurance Commissioners (NAIC). This means Texas' resident agents bear a greater regulatory burden than agents in other states.

H.B. 3872 reduces the required CE hours and aligns Texas CE requirements with the majority of the country. With this modification, Texas resident agents will have the same renewal requirements as nonresident agents operating in Texas, creating a level playing field for all agents that compete in Texas.

H.B. 3872 amends current law relating to continuing education requirements for an insurance agent, insurance adjuster, or public adjuster and amends provisions subject to a criminal penalty.

RULEMAKING AUTHORITY

Rulemaking authority previously granted to the commissioner of insurance is modified in SECTION 2 (Section 4102.109, Insurance Code) of this bill.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 4004.053(a), Insurance Code, as follows:

(a) Requires an individual who holds a general life, accident, and health license, a life agent license, a life and health insurance counselor license, an adjuster license, a managing general agent license, a general property and casualty license, or a personal lines property and casualty license to complete 24, rather than 15, hours of continuing education during the license period, rather than annually. Provides that, if the individual holds more than one license for which continuing education is otherwise required, the individual is not required to complete more than 24, rather than 15, continuing education hours for all licenses during the license period. Authorizes an individual who is required under rules adopted under Chapter 4008 (Agent Certification and Education Programs for Complex Insurance Products), Insurance Code, to hold a certificate to sell a designated product or product line to use continuing education programs administered under Section 4004.151 (Agent Education Programs) to satisfy the continuing education requirements, rather than annual continuing education requirements, under this subsection.

SECTION 2. Amends Section 4102.109(a), Insurance Code, as follows:

(a) Requires each license holder to complete at least 24 hours of continuing education during the license period. Requires the commissioner of insurance (commissioner) by rule to prescribe the requirements for continuing education courses under this section.

Deletes existing text requiring each license holder to annually complete at least 15 hours of continuing education courses.

SECTION 3. Provides that the change in law made by this Act applies only to a license issued or renewed on or after the effective date of this Act. Makes application of this Act prospective.

SECTION 4. Effective date: September 1, 2015.