

## **BILL ANALYSIS**

S.B. 79  
By: Nelson  
Insurance  
Committee Report (Unamended)

### **BACKGROUND AND PURPOSE**

Currently, consumers and the Texas Department of Insurance (TDI) have no way of identifying which agents are selling small employer health coverage or which agents are knowledgeable enough to advise consumers about such coverage. Agents who do not clearly understand the unique requirements of the small employer market may give bad, or even illegal, advice or information to employers. Many employers have complained to TDI that they cannot find an agent and have asked for a list of agents in their area who will work with small business owners. With the complexity and high costs in the small employer health care market, small business owners need help connecting with agents knowledgeable in this area.

S.B. 79 requires TDI to establish a voluntary specialty certification program for individuals who market small employer health benefit plans in accordance with the Health Insurance Portability and Availability Act.

### **RULEMAKING AUTHORITY**

It is the committee's opinion that rulemaking authority is expressly granted to the commissioner of insurance in SECTION 1 of this bill.

### **ANALYSIS**

S.B. 79 amends the Insurance Code to require the Texas Department of Insurance (TDI) to establish a voluntary specialty certification program for individuals who market small employer health benefit plans in accordance with the Health Insurance Portability and Availability Act (HIPAA). The bill requires an individual, to be eligible to receive a specialty certification under the program, to hold a general life, accident, and health license; satisfy the specialty certification requirements; and submit evidence of completion of training to TDI in the manner prescribed by the commissioner of insurance. The bill requires an individual, to maintain a specialty certification, to continue to hold a general life, accident, and health license.

S.B. 79 requires an individual, to be certified, first to complete training in the law, including department rules, applicable to small employer health benefit plans offered under HIPAA. The bill requires an individual seeking specialty certification to complete a course applicable to small employer health benefit plans, as prescribed and approved by the commissioner. The bill establishes that an individual is not eligible for the specialty certification unless, on completion of the course, it is certified to the commissioner as required by TDI that the individual has completed the course and passed an examination testing the individual's knowledge and qualification. The bill exempts an individual seeking specialty certification from the requirement to complete the required course and examination if the individual demonstrates to TDI, in the manner prescribed by TDI, that the individual holds a designation as a Registered Health Underwriter, a Certified Employee Benefit Specialist, or a Registered Employee Benefits Consultant.

S.B. 79 requires the individual, to renew a specialty certification, to complete five hours of continuing education applicable to small employer health benefit plans during the two-year certification period. The bill specifies that each hour of education completed to obtain or renew a specialty license may be used to satisfy an hour of a continuing education requirement otherwise applicable to a life, accident, and health agent. The bill requires an individual, to hold a specialty certification, to agree to market small employer health benefit plans to small employers that satisfy HIPAA requirements without regard to the number of employees to be covered under the plan. The bill authorizes an individual who holds a specialty certification to advertise, in the manner specified by TDI rule, that the individual is specially trained to serve small employers. The bill requires TDI to maintain a list of all individuals who hold a specialty certification, together with the business address and phone number of each individual and a general description of the individual's service area and to publish the list on TDI's website.

S.B. 79 authorizes the commissioner to adopt rules as necessary to administer the bill's provisions regarding specialty certification for agents serving certain employer groups. The bill establishes that provisions relating to the licensing of insurance agents in general to apply to each individual who holds a specialty certification, except as otherwise provided by state insurance laws. The bill authorizes the TDI, not later than January 1, 2010, to begin issuing specialty certifications as added by this bill.

**EFFECTIVE DATE**

September 1, 2009.