

## **BILL ANALYSIS**

Senate Research Center  
81R2324 PMO-D

S.B. 79  
By: Nelson  
State Affairs  
3/10/2009  
As Filed

### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

This bill contains a portion of S.B. 23 relating to the creation of an office within the Texas Department of Insurance (TDI) to assist in educating the public about health insurance options (80th Legislature, Regular Session, 2007), which died on the House calendar at the end of the last regular session.

Currently, consumers and 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 advice, 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. This bill helps with the goal of increasing access to care.

As proposed, S.B. 79 creates an optional specialty certification for insurance agents who market small employer health benefit plans.

### **RULEMAKING AUTHORITY**

Rulemaking authority is expressly granted to the commissioner of insurance in SECTION 1 (Section 4054.358, Insurance Code) of this bill.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Chapter 4054, Insurance Code, by adding Subchapter H, as follows:

#### **SUBCHAPTER H. SPECIALTY CERTIFICATION FOR AGENTS SERVING CERTAIN EMPLOYER GROUPS**

Sec 4054.351. CERTIFICATION PROGRAM. Requires 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 Chapter 1501 (Health Insurance Portability and Availability Act).

Sec. 4054.352. QUALIFICATIONS. (a) Requires an individual, to be eligible to receive a specialty certification under this subchapter, to hold a general life, accident, and health license under this chapter; satisfy the requirements of this subchapter; and submit evidence of completion of training to TDI in the manner prescribed by the commissioner of insurance (commissioner).

(b) Requires an individual, to maintain a specialty certification under this subchapter, to continue to hold a general life, accident, and health license under this chapter.

Sec. 4054.353. TRAINING. (a) Requires an individual, to be certified under this subchapter, to first complete training in the law, including TDI rules, applicable to small employer health benefit plans offered under Chapter 1501.

(b) Requires an individual seeking specialty certification under this subchapter to complete a course applicable to small employer health benefit plans under Chapter 1501, as prescribed and approved by the commissioner. Provides that, except as provided by Subsection (c), 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.

(c) Provides that an individual seeking specialty certification under this chapter is not required to complete the course and examination required by Subsection (b) if the individual demonstrates to TDI, in the manner prescribed by TDI, that the individual holds a designation as a Registered Health Underwriter (RHU), a Certified Employee Benefit Specialist (CEBS), or a Registered Employee Benefits Consultant (REBC).

Sec. 4054.354. CONTINUING EDUCATION REQUIREMENTS. (a) Requires an individual, to renew a specialty certification under this subchapter, to complete five hours of continuing education applicable to small employer health benefit plans during the two-year certification period.

(b) Authorizes each hour of continuing education completed in accordance with this section to be used to satisfy an hour of a continuing education requirement otherwise applicable to the agent under this title.

Sec. 4054.355. OFFER OF SERVICES TO ALL GROUP SIZES. Requires an individual, to hold a specialty certification under this subchapter, to agree to market small employer health benefit plans to small employers that satisfy the requirements of Chapter 1501 without regard to the number of employees to be covered under the plan.

Sec. 4054.356. ADVERTISING. 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.

Sec. 4054.357. LIST MAINTAINED BY DEPARTMENT; WEBSITE. Requires TDI to maintain a list of all individuals who hold a specialty certification under this chapter, together with the business address and phone number of each individual and a general description of the individual's service area. Requires TDI to publish the list on TDI's website.

Sec. 4054.358. RULES. Authorizes the commissioner, in accordance with Section 36.001 (General Rulemaking Authority), to adopt rules as necessary to administer this subchapter.

SECTION 2. Amends Section 4001.002, Insurance Code, by adding Subsection (a-1), to provide that, except as otherwise provided by this code, this title applies to each individual who holds a specialty certification under Subchapter H, Chapter 4054.

SECTION 3. Authorizes TDI to begin issuing specialty certifications under Subchapter H, Chapter 4054, Insurance Code, not later than January 1, 2010.

SECTION 4. Effective date: September 1, 2009.