

By: Thompson

H.B. No. 1757

A BILL TO BE ENTITLED

AN ACT

relating to review of certain license examinations for insurance agents.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Subchapter A, Chapter 4002, Insurance Code, is amended by adding Section 4002.008 to read as follows:

Sec. 4002.008. STANDARDS FOR EXAMINATION PASS RATES; ANNUAL REPORT. (a) This section applies only to insurance agent license examinations for limited and single lines licenses, including agent licenses issued under:

(1) Subchapters C and I, Chapter 4051; and

(2) Subchapters C and G, Chapter 4054.

(b) The commissioner or, at the commissioner's discretion, a vendor under contract with the department, shall review a license examination subject to this section if, during any 12-month period beginning on September 1 of a year, that examination exhibits an overall pass rate of less than 70 percent for first-time examinees.

(c) The department shall collect demographic information, including, race, gender, and national origin, from an individual taking a license examination subject to this section.

(d) The department shall compile an annual report based on the review required under Subsection (b). The report must indicate whether there was any disparity in the pass rate based on demographic information.

1 (e) The commissioner by rule may establish procedures as
2 necessary to:

3 (1) collect demographic information necessary to
4 implement this section; and

5 (2) ensure that a review required under Subsection (b)
6 is conducted and the resulting report is prepared.

7 (f) The commissioner shall deliver the report prepared
8 under Subsection (d) to the governor, the lieutenant governor, and
9 the speaker of the house of representatives not later than December
10 1 of each year.

11 SECTION 2. (a) The first 12-month period for which a
12 license examination review may be required under Section
13 4002.008(b), Insurance Code, as added by this Act, begins September
14 1, 2009.

15 (b) The commissioner of insurance shall deliver the initial
16 report required under Section 4002.008, Insurance Code, as added by
17 this Act, not later than December 1, 2010.

18 SECTION 3. This Act takes effect immediately if it receives
19 a vote of two-thirds of all the members elected to each house, as
20 provided by Section 39, Article III, Texas Constitution. If this
21 Act does not receive the vote necessary for immediate effect, this
22 Act takes effect September 1, 2009.