

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) Subchapter C, Chapter 4051; and

(2) Subchapters C and G, Chapter 4054.

(b) The commissioner or, at the commissioner's discretion, the testing service, 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 compile an annual report based on the review required under Subsection (b). The report must be based on demographic data. The report must indicate whether there was any disparity in the pass rate based on race, gender, or national origin and, if there was such a disparity, the causes of the disparity.

(d) A report that indicates a disparity under Subsection (c) must describe what, if any, corrective action will be taken to

1 remedy the identified disparity.

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

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

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

8 (f) The commissioner shall deliver the report prepared  
9 under Subsection (c) to the governor, the lieutenant governor, and  
10 the speaker of the house of representatives not later than December  
11 1 of each year.

12 SECTION 2. (a) The first 12-month period for which a  
13 license examination review may be required under Section  
14 4002.008(b), Insurance Code, as added by this Act, begins September  
15 1, 2009.

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

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