

1-1 By: Thompson (Senate Sponsor - Van de Putte) H.B. No. 1757
1-2 (In the Senate - Received from the House April 16, 2009;
1-3 April 16, 2009, read first time and referred to Committee on
1-4 Business and Commerce; May 18, 2009, reported favorably by the
1-5 following vote: Yeas 7, Nays 0; May 18, 2009, sent to printer.)

1-6 A BILL TO BE ENTITLED
1-7 AN ACT

1-8 relating to review of certain license examinations for insurance
1-9 agents.

1-10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-11 SECTION 1. Subchapter A, Chapter 4002, Insurance Code, is
1-12 amended by adding Section 4002.008 to read as follows:

1-13 Sec. 4002.008. STANDARDS FOR EXAMINATION PASS RATES; ANNUAL
1-14 REPORT. (a) This section applies only to insurance agent license
1-15 examinations for limited and single lines licenses, including agent
1-16 licenses issued under:

1-17 (1) Subchapters C and I, Chapter 4051; and

1-18 (2) Subchapters C and G, Chapter 4054.

1-19 (b) The commissioner or, at the commissioner's discretion,
1-20 a vendor under contract with the department, shall review a license
1-21 examination subject to this section if, during any 12-month period
1-22 beginning on September 1 of a year, that examination exhibits an
1-23 overall pass rate of less than 70 percent for first-time examinees.

1-24 (c) The department shall collect demographic information,
1-25 including, race, gender, and national origin, from an individual
1-26 taking a license examination subject to this section.

1-27 (d) The department shall compile an annual report based on
1-28 the review required under Subsection (b). The report must indicate
1-29 whether there was any disparity in the pass rate based on
1-30 demographic information.

1-31 (e) The commissioner by rule may establish procedures as
1-32 necessary to:

1-33 (1) collect demographic information necessary to
1-34 implement this section; and

1-35 (2) ensure that a review required under Subsection (b)
1-36 is conducted and the resulting report is prepared.

1-37 (f) The commissioner shall deliver the report prepared
1-38 under Subsection (d) to the governor, the lieutenant governor, and
1-39 the speaker of the house of representatives not later than December
1-40 1 of each year.

1-41 SECTION 2. (a) The first 12-month period for which a
1-42 license examination review may be required under Section
1-43 4002.008(b), Insurance Code, as added by this Act, begins September
1-44 1, 2009.

1-45 (b) The commissioner of insurance shall deliver the initial
1-46 report required under Section 4002.008, Insurance Code, as added by
1-47 this Act, not later than December 1, 2010.

1-48 SECTION 3. This Act takes effect immediately if it receives
1-49 a vote of two-thirds of all the members elected to each house, as
1-50 provided by Section 39, Article III, Texas Constitution. If this
1-51 Act does not receive the vote necessary for immediate effect, this
1-52 Act takes effect September 1, 2009.

1-53 * * * * *