

By: Ellis

S.B. No. 964

A BILL TO BE ENTITLED

AN ACT

relating to requirements for insurers and insurance agents that sell Medicare-related products.

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

SECTION 1. Subtitle I, Title 8, Insurance Code, is amended by adding Chapter 1654 to read as follows:

CHAPTER 1654. REQUIREMENTS RELATING TO SALE OF CERTAIN

MEDICARE-RELATED PRODUCTS

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 1654.001. DEFINITIONS. In this chapter:

(1) "Medicare advantage plan" means a health benefit plan operated under the Medicare program as a managed care plan, special needs plan, or private fee-for-service plan.

(2) "Medicare program" means the federal health insurance program that is operated under the Health Insurance for the Aged Act (42 U.S.C. Section 1395 et seq.).

(3) "Medicare-related product" means a Medicare advantage plan, a Medicare supplement benefit plan, a Medicare prescription drug plan, or another health plan operated under the Medicare program, such as a Medicare cost plan or a Medicare demonstration plan.

(4) "Medicare supplement benefit plan" has the meaning assigned by Section 1652.002. The term includes a Medigap policy.

Sec. 1654.002. APPLICABILITY. This chapter applies only to

1 insurers and insurance agents that solicit, negotiate, or sell  
2 Medicare-related products.

3 Sec. 1654.003. RULES. The commissioner shall adopt rules  
4 as necessary to implement this chapter.

5 [Sections 1654.004-1654.050 reserved for expansion]

6 SUBCHAPTER B. COMPENSATION RESTRICTIONS

7 Sec. 1654.051. COMPENSATION RESTRICTIONS. (a) An insurer  
8 may not pay or offer to pay to an insurance agent, and an insurance  
9 agent may not accept, a payment for Medicare-related products that  
10 operates as an incentive for sales behavior that may violate  
11 Chapter 541 or is otherwise false, deceptive, or misleading.

12 (b) The commissioner may order an insurer to change the  
13 insurer's Medicare-related agent commission payment schedules if  
14 the commissioner determines that the schedules operate as an  
15 incentive for sales behavior that may violate Chapter 541 or is  
16 otherwise false, deceptive, or misleading.

17 [Sections 1654.052-1654.100 reserved for expansion]

18 SUBCHAPTER C. AGENT REQUIREMENTS

19 Sec. 1654.101. AGENT EDUCATION REQUIREMENTS. (a) An  
20 insurance agent that intends to sell, solicit, or negotiate a  
21 contract for a Medicare-related product in this state or to  
22 represent an insurer in relation to such a product must submit  
23 evidence satisfactory to the department of completion of at least  
24 eight hours of professional training relating to Medicare-related  
25 products before selling, soliciting, or negotiating such a  
26 contract.

27 (b) The requirement imposed under Subsection (a) is in

1 addition to any other education or training requirements imposed  
2 under this code and rules adopted under this code for issuance of a  
3 license.

4 Sec. 1654.102. CONTINUING EDUCATION. (a) In addition to  
5 complying with the continuing education requirements established  
6 under Subchapter B, Chapter 4004, each agent subject to this  
7 chapter must complete eight hours of continuing education annually  
8 that specifically relates to Medicare-related products.

9 (b) Subchapter C, Chapter 4004, applies to continuing  
10 education programs used to satisfy the requirements of Subsection  
11 (a). The commissioner by rule shall adopt criteria for those  
12 programs.

13 SECTION 2. Section 4004.053(a), Insurance Code, is amended  
14 to read as follows:

15 (a) An individual who holds a general life, accident, and  
16 health license, a life agent license, a life and health insurance  
17 counselor license, a general property and casualty license, or a  
18 personal lines property and casualty license must complete 15 hours  
19 of continuing education annually. Except as provided by Chapter  
20 1654, if [~~if~~] the individual holds more than one license for which  
21 continuing education is otherwise required, the individual is not  
22 required to complete more than 15 continuing education hours  
23 annually.

24 SECTION 3. The commissioner of insurance shall adopt rules  
25 as required by Chapter 1654, Insurance Code, as added by this Act,  
26 not later than December 1, 2009.

27 SECTION 4. Section 1654.102, Insurance Code, as added by

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1 this Act, applies to requirements for an insurance agent license  
2 issued or renewed on or after January 1, 2010.

3 SECTION 5. This Act takes effect September 1, 2009.