

By: Ellis, et al.

S.B. No. 965

A BILL TO BE ENTITLED

AN ACT

relating to certain education requirements for insurance agents who sell annuities.

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

SECTION 1. Subchapter B, Chapter 1115, Insurance Code, is amended by adding Section 1115.056 to read as follows:

Sec. 1115.056. AGENT EDUCATION REQUIREMENTS. (a) An agent that intends to sell, solicit, or negotiate a contract for an annuity in this state or to represent an insurer in relation to such an annuity must submit evidence satisfactory to the department of completion of at least eight hours of training relating to annuities in a program certified by the department under Subchapter C, Chapter 4004, before soliciting individual consumers for the purpose of selling annuities.

(b) The training required under Subsection (a) may be used to satisfy the continuing education requirements established under Subchapter B, Chapter 4004.

SECTION 2. Chapter 4004, Insurance Code, is amended by adding Subchapter E to read as follows:

SUBCHAPTER E. CONTINUING EDUCATION REQUIREMENTS FOR SALE OF ANNUITIES

Sec. 4004.201. DEFINITION. In this subchapter, "annuity" has the meaning assigned by Section 1115.002.

Sec. 4004.202. REQUIRED CONTINUING EDUCATION REGARDING

1 ANNUITIES. (a) This section applies to an agent who:

2 (1) sells, solicits, or negotiates a contract for an
3 annuity in this state; or

4 (2) represents or purports to represent an insurer in
5 relation to such an annuity.

6 (b) Each agent described by Subsection (a) must complete
7 four hours of continuing education annually that specifically
8 relates to annuities. The annual period under this subsection
9 shall be based on the agent's license date or another date specified
10 by the commissioner by rule, and the continuing education
11 requirement under this subsection must be met within that annual
12 period, notwithstanding Section 4004.051(b).

13 (c) The continuing education required under Subsection (b)
14 may be used to satisfy the continuing education requirements
15 established under Subchapter B.

16 Sec. 4004.203. PROGRAM CERTIFICATION REQUIREMENTS.

17 (a) The commissioner by rule shall adopt criteria for continuing
18 education programs used to satisfy the requirements of Section
19 4004.202. Those criteria must include:

20 (1) topics related specifically to annuities;

21 (2) state laws and rules related to annuities,
22 including requirements adopted under Chapter 1115;

23 (3) prohibited sales practices regarding annuities;

24 (4) recognition of indicators that a prospective
25 insured may lack the short-term memory or judgment to knowingly
26 purchase an annuity; and

27 (5) fraudulent and unfair trade practices regarding

1 the sale of annuities.

2 (b) Subject matter determined by the commissioner to be
3 primarily intended to promote the sale or marketing of annuities
4 does not qualify as continuing education for purposes of this
5 subchapter.

6 (c) Subchapter C applies to continuing education programs
7 described by Subsection (a) and training under Section 1115.056.

8 SECTION 3. The commissioner of insurance shall adopt rules
9 as required by Section 4004.203, Insurance Code, as added by this
10 Act, not later than December 1, 2009.

11 SECTION 4. Subchapter E, Chapter 4004, Insurance Code, as
12 added by this Act, applies to continuing education requirements for
13 insurance agents for a license issued or renewed on or after January
14 1, 2010.

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