

By: Ellis

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 before soliciting individual consumers for the purpose of selling annuities.

(b) The requirement imposed under Subsection (a) is in addition to any other education or training requirements imposed under this code and rules adopted under this code for issuance of a license under this code.

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

SUBCHAPTER E. ADDITIONAL 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) In addition to complying with the continuing education  
7 requirements established under Subchapter B, each agent described  
8 by Subsection (a) must complete four hours of continuing education  
9 annually that specifically relates to annuities.

10 Sec. 4004.203. PROGRAM CERTIFICATION REQUIREMENTS. (a)  
11 The commissioner by rule shall adopt criteria for continuing  
12 education programs used to satisfy the requirements of Section  
13 4004.202. Those criteria must include:

14 (1) topics related specifically to annuities;

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

17 (3) prohibited sales practices regarding annuities;

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

21 (5) fraudulent and unfair trade practices regarding  
22 the sale of annuities.

23 (b) Subject matter determined by the commissioner to be  
24 primarily intended to promote the sale or marketing of annuities  
25 does not qualify as continuing education for purposes of this  
26 subchapter.

27 (c) Subchapter C applies to continuing education programs

1 described by Subsection (a). Any training program disapproved  
2 under Subsection (b) shall be presumed invalid for certification  
3 under Subchapter C unless the program is approved in writing by the  
4 commissioner.

5 SECTION 3. Section 4004.053(a), Insurance Code, is amended  
6 to read as follows:

7 (a) An individual who holds a general life, accident, and  
8 health license, a life agent license, a life and health insurance  
9 counselor license, a general property and casualty license, or a  
10 personal lines property and casualty license must complete 15 hours  
11 of continuing education annually. Except as provided by  
12 Subchapter E, if [~~if~~] the individual holds more than one license for  
13 which continuing education is otherwise required, the individual is  
14 not required to complete more than 15 continuing education hours  
15 annually.

16 SECTION 4. The commissioner of insurance shall adopt rules  
17 as required by Section 4004.203, Insurance Code, as added by this  
18 Act, not later than December 1, 2009.

19 SECTION 5. Subchapter E, Chapter 4004, Insurance Code, as  
20 added by this Act, applies to continuing education requirements for  
21 insurance agents for a license issued or renewed on or after January  
22 1, 2010.

23 SECTION 6. This Act takes effect September 1, 2009.