

## **BILL ANALYSIS**

H.B. 2154  
By: Eiland  
Insurance  
Committee Report (Unamended)

### **BACKGROUND AND PURPOSE**

Certain Texas insurance agents must complete a specified number of hours of continuing education periodically to keep their licenses active. However, two products that agents sell, Medicare-related products and annuities, have different and specific continuing education requirements. The exception for certain long-term agents does not apply to those agents with at least 20 years of experience who sell Medicare-related products and annuities. In addition, the continuing education provision applicable to agents who sell annuities requires such agents to complete the required hours of continuing education on an annual basis, while other continuing education requirements allow agents two years to complete the specified number of hours.

Interested parties assert that these variations create unnecessary compliance costs for experienced Texas insurance agents. It is common practice, the parties contend, for agents who are exempt from the generally applicable continuing education requirements to regularly continue their training voluntarily, focusing on areas most affecting their business. It is stressed by the interested parties that making the general exemption inapplicable to the continuing education requirements for the sale of certain specific products and requiring annual continuing education force agents, without good reason, to duplicate much of the training they already are receiving and to face unnecessary hardships.

H.B. 2154 attempts to resolve these issues by making the general exemption for long-term agents applicable to the continuing education requirement for agents who sell Medicare-related products and annuities and permits annuity sales agents to complete the applicable continuing education requirements during the agent's two-year licensing period, rather than on an annual basis.

### **RULEMAKING AUTHORITY**

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

### **ANALYSIS**

H.B. 2154 amends the Insurance Code to change the requirement for each resident agent who sells, solicits, or negotiates a contract for an annuity in Texas, or who represents or purports to represent an insurer in relation to such an annuity, to complete four hours of continuing education that specifically relates to annuities from an annual requirement to a requirement that the agent complete the four hours of continuing education during the agent's two-year licensing period. The bill makes continuing education exemptions for certain agents who have been licensed for at least 20 years applicable to continuing education requirements for such agents engaged in the sale of Medicare-related products and annuities.

H.B. 2154 amends Section 4004.155, Insurance Code, as added by Chapter 326 (H.B. 739), Acts of the 81st Legislature, Regular Session, 2009, to make a conforming change relating to the applicability of those exemptions to long-term licensees and makes other conforming changes.

**EFFECTIVE DATE**

September 1, 2011.