

BILL ANALYSIS

C.S.H.B. 3872
By: Paul
Insurance
Committee Report (Substituted)

BACKGROUND AND PURPOSE

There are concerns regarding the amount of continuing education hours that certain resident insurance professionals are required to complete in comparison to nonresident insurance professionals. Interested parties contend that the State of Texas imposes a greater regulatory burden on such professionals than other states. C.S.H.B. 3872 seeks to address this issue.

CRIMINAL JUSTICE IMPACT

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

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

C.S.H.B. 3872 amends the Insurance Code to change the required number of hours of continuing education that insurance agents and insurance adjusters licensed by the Texas Department of Insurance must complete from 15 hours annually to 24 hours during the license period. The bill clarifies that if such an individual holds more than one license for which continuing education is otherwise required, the individual is not required to complete more than 24 hours of continuing education for all licenses during the license period. The bill changes the required number of hours of continuing education that a public insurance adjuster license holder must complete from 15 hours annually to 24 hours during the license period.

EFFECTIVE DATE

September 1, 2015.

COMPARISON OF ORIGINAL AND SUBSTITUTE

While C.S.H.B. 3872 may differ from the original in minor or nonsubstantive ways, the following comparison is organized and formatted in a manner that indicates the substantial differences between the introduced and committee substitute versions of the bill.

INTRODUCED

SECTION 1. Section 4004.053(a), Insurance Code, is amended to read as follows:

HOUSE COMMITTEE SUBSTITUTE

SECTION 1. Section 4004.053(a), Insurance Code, is amended to read as follows:

(a) An individual who holds a general life, accident, and health license, a life agent license, a life and health insurance counselor license, an adjuster license, a managing general agent license, a general property and casualty license, or a personal lines property and casualty license must complete 24 [15] hours of continuing education during the license period [annually]. If the individual holds more than one license for which continuing education is otherwise required, the individual is not required to complete more than 24 [15] continuing education hours for all licenses during the license period [annually]. An individual who is required under rules adopted under Chapter 4008 to hold a certificate to sell a designated product or product line may use continuing education programs administered under Section 4004.151 to satisfy the annual continuing education requirements under this subsection.

SECTION 2. Section 4102.109(a), Insurance Code, is amended to read as follows:

(a) Each license holder must annually complete at least 24 [15] hours of continuing education during the license period [courses]. The commissioner by rule shall prescribe the requirements for continuing education courses under this section.

SECTION 3. The change in law made by this Act applies only to a license issued or renewed on or after the effective date of this Act. A license issued or renewed before the effective date of this Act is governed by the law in effect immediately before the effective date of this Act, and that law is continued in effect for that purpose.

SECTION 4. This Act takes effect September 1, 2015.

(a) An individual who holds a general life, accident, and health license, a life agent license, a life and health insurance counselor license, an adjuster license, a managing general agent license, a general property and casualty license, or a personal lines property and casualty license must complete 24 [15] hours of continuing education during the license period [annually]. If the individual holds more than one license for which continuing education is otherwise required, the individual is not required to complete more than 24 [15] continuing education hours for all licenses during the license period [annually]. An individual who is required under rules adopted under Chapter 4008 to hold a certificate to sell a designated product or product line may use continuing education programs administered under Section 4004.151 to satisfy the [annual] continuing education requirements under this subsection.

SECTION 2. Section 4102.109(a), Insurance Code, is amended to read as follows:

(a) Each license holder must [annually] complete at least 24 [15] hours of continuing education during the license period [courses]. The commissioner by rule shall prescribe the requirements for continuing education courses under this section.

SECTION 3. Same as introduced version.

SECTION 4. Same as introduced version.