

## **BILL ANALYSIS**

C.S.H.B. 3910  
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Insurance  
Committee Report (Substituted)

### **BACKGROUND AND PURPOSE**

Interested parties have expressed concern that while currently insurance agents pay a fine for each uncompleted hour of required continuing education, the agents are not required to make up the deficient hours. The parties contend that the lack of a requirement to make up the uncompleted continuing education hours may result in agents who lack the training needed to ensure adequate consumer protection. C.S.H.B. 3910 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. 3910 amends the Insurance Code to make completion of required continuing education a condition of licensure for each insurance professional licensed by the Texas Department of Insurance (TDI). The bill prohibits TDI from renewing a license issued under statutory provisions relating to the regulation of insurance professionals if the license holder fails to complete an applicable continuing education requirement not later than the 90th day after the last day of the licensing period or fails to pay an applicable fine related to the failure to timely complete continuing education. The bill prohibits TDI from issuing a new license under such provisions to an individual who was previously licensed if the individual fails to provide evidence of completion of an applicable continuing education requirement for the expired, nonrenewed, canceled, or revoked license or fails to pay an applicable fine related to the failure to timely complete continuing education.

C.S.H.B. 3910 establishes that completion of continuing education after expiration of a license is not a defense in a disciplinary action under statutory provisions relating to grounds for license denial or disciplinary action, statutory provisions relating to fines, or another provision of the Insurance Code against an individual who failed to complete the required continuing education.

C.S.H.B. 3910 requires TDI to certify continuing education programs for adjusters and specifies the content of the program. The bill clarifies that certain restrictions on application for a license after denial of an application or revocation of a license do not apply to an applicant whose license was denied or revoked for failure to complete continuing education or failure to pay an applicable fine related to the failure to timely complete continuing education.

C.S.H.B. 3910 includes among the conditions for a person whose public insurance adjuster's

license has been expired for one year or more to obtain a new license, submitting evidence of completion of any outstanding continuing education requirement related to the expired license, if applicable.

**EFFECTIVE DATE**

November 1, 2015.

**COMPARISON OF ORIGINAL AND SUBSTITUTE**

While C.S.H.B. 3910 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	HOUSE COMMITTEE SUBSTITUTE
SECTION 1. Section 4003.006, Insurance Code, is amended.	SECTION 1. Same as introduced version.
SECTION 2. Section 4004.051(a), Insurance Code, is amended.	SECTION 2. Same as introduced version.
SECTION 3. Subchapter B, Chapter 4004, Insurance Code, is amended.	SECTION 3. Same as introduced version.
SECTION 4. Section 4004.101(a), Insurance Code, is amended.	SECTION 4. Same as introduced version.
SECTION 5. Subchapter C, Chapter 4004, Insurance Code, is amended.	SECTION 5. Same as introduced version.
SECTION 6. Section 4005.105(d), Insurance Code, is amended.	SECTION 6. Same as introduced version.
SECTION 7. Section 4005.109, Insurance Code, is amended by amending Subsection (b) and adding Subsection (b-1) to read as follows: (b) A violation for which a fine may be assessed under this section includes a failure to: (1) obtain the total number of continuing education hours before the <u>expiration</u> [ <del>renewal</del> ] date of a license; (2) timely report a change of address to the department; or (3) notify the department of an administrative action against the agent by a financial or insurance regulator of another	SECTION 7. Section 4005.109(b), Insurance Code, is amended to read as follows: (b) A violation for which a fine may be assessed under this section includes a failure to: (1) obtain the total number of continuing education hours before the <u>expiration</u> [ <del>renewal</del> ] date of a license; (2) timely report a change of address to the department; or (3) notify the department of an administrative action against the agent by a financial or insurance regulator of another

state or of the federal government.  
(b-1) The aggregate amount of fines assessed under Subsection (b)(1) may not exceed \$500 for a licensing period.

state or of the federal government.

SECTION 8. Section 4101.059(a), Insurance Code, is amended.

SECTION 8. Same as introduced version.

SECTION 9. Section 4101.061, Insurance Code, is amended.

SECTION 9. Same as introduced version.

SECTION 10. Section 4102.064(c), Insurance Code, is amended.

SECTION 10. Same as introduced version.

SECTION 11. Sections 4102.065(a), (b), and (c), Insurance Code, are amended.

SECTION 11. Same as introduced version.

SECTION 12. 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 as it existed immediately before the effective date of this Act, and that law is continued in effect for that purpose.

SECTION 12. Same as introduced version.

SECTION 13. This Act takes effect November 1, 2015.

SECTION 13. Same as introduced version.