

By: Meyer, Fallon

H.B. No. 1947

A BILL TO BE ENTITLED

AN ACT

relating to the expiration of licenses for insurance agents and adjusters.

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

SECTION 1. Sections 4001.006(a) and (b), Insurance Code, are amended to read as follows:

(a) The department shall collect from each agent of an insurer writing insurance in this state under this code:

(1) a nonrefundable license application fee; and

(2) a nonrefundable appointment fee for each appointment of the agent by an insurer.

(b) The department shall deposit the fees described by Subsection (a), together with other license application fees, examination fees, and license renewal application fees, to the credit of the Texas Department of Insurance operating account.

SECTION 2. Section 4003.001, Insurance Code, is amended by amending Subsection (a) and adding Subsections (c) and (d) to read as follows:

(a) Unless a staggered renewal system is adopted under Section 4003.002, each ~~[agent]~~ license issued or renewed by the department under Chapter 981 or Subtitles A, B, or C and not suspended or revoked by the commissioner expires on:

(1) the second anniversary of the date the license is issued to or renewed by a person that is not an individual; or

1 (2) except as provided in Subsection (c):

2 (A) for a license issued or renewed in an
3 even-numbered year, the individual license holder's birthday each
4 even-numbered year; or

5 (B) for a license issued or renewed in an
6 odd-numbered year, the individual license holder's birthday each
7 odd-numbered year.

8 (c) If a person holds more than one license, all licenses
9 issued to the person expire on the earliest expiration date of the
10 licenses held. Thereafter, all licenses expire in accordance with
11 Subsection (a).

12 (d) Notwithstanding Section 4003.002(b), the commissioner
13 may not prorate the initial application fee for a license based on
14 the expiration period of the license under Subsection (c).

15 SECTION 3. Section 4003.008(b), Insurance Code, is amended
16 to read as follows:

17 (b) The person must pay to the department a fee equal to the
18 license application fee.

19 SECTION 4. Sections 4101.057(a), (b), and (d), Insurance
20 Code, are amended to read as follows:

21 (a) Before issuing or renewing a license under this chapter,
22 the department shall set and collect a nonrefundable license
23 application fee in an amount not to exceed \$50.

24 (b) An applicant for a renewal license must remit the fee
25 required by Subsection (a) before the expiration of the [~~biennially~~
26 ~~after the issuance of the original~~] license being renewed. If the
27 applicant's license has been expired for not more than 90 days, an

1 applicant for a renewal license must remit, in addition to the fee
2 assessed under Subsection (a), a fee equal to one-half of the
3 original application [~~license~~] fee.

4 (d) Before issuing a duplicate license requested by an
5 adjuster, the department shall set and collect a duplicate license
6 application fee.

7 SECTION 5. Section 4101.061, Insurance Code, is amended to
8 read as follows:

9 Sec. 4101.061. EXPIRATION; RENEWAL. Expiration and
10 renewal of a license issued under this chapter are governed by
11 Chapter 4003, rules adopted by the commissioner, and [~~or~~] any
12 applicable provision of this code or another insurance law of this
13 state.

14 SECTION 6. Section 4102.062, Insurance Code, is amended to
15 read as follows:

16 Sec. 4102.062. EXPIRATION. A license issued under this
17 chapter expires as provided by Chapter 4003 [~~on the second~~
18 ~~anniversary of the date of issuance~~] unless suspended or revoked by
19 the commissioner.

20 SECTION 7. Section 4102.064, Insurance Code, is amended to
21 read as follows:

22 Sec. 4102.064. RENEWAL OF UNEXPIRED LICENSE. (a) A license
23 holder may renew a license that has not expired and has not been
24 suspended or revoked by filing with the department a properly
25 completed renewal application, in the form prescribed by the
26 commissioner, that demonstrates continued compliance with the
27 license requirements imposed under this chapter or adopted by rule

1 by the commissioner. The completed renewal application must be
2 accompanied by:

3 (1) a renewal application fee in the amount determined
4 by the commissioner under Section 4102.066(b); and

5 (2) evidence of compliance with the continuing
6 education requirements imposed under Section 4102.109.

7 (b) A license holder must submit the completed renewal
8 application, evidence of compliance with the continuing education
9 requirements, and the renewal application fee to the commissioner
10 not later than the 30th day before the second anniversary date of
11 the license.

12 (c) On the filing of a completed renewal application,
13 renewal application fee, and, if applicable, evidence of compliance
14 with the continuing education requirements, the original license
15 continues in force until:

16 (1) the department issues the renewal license; or

17 (2) the commissioner issues an order revoking the
18 license.

19 SECTION 8. Sections 4102.065(a), (b), and (d), Insurance
20 Code, are amended to read as follows:

21 (a) A person whose license has been expired for 90 days or
22 less may renew the license by:

23 (1) submitting to the department:

24 (A) a completed renewal application in the form
25 prescribed by the commissioner; and

26 (B) evidence of compliance with the continuing
27 education requirements; and

1 (2) paying to the department the required renewal
2 application fee and an additional fee that is equal to one-half of
3 the renewal application fee for the license.

4 (b) A person whose license has been expired for more than 90
5 days but less than one year may not renew the license but is
6 entitled to a new license without taking the applicable examination
7 if the person submits to the department:

8 (1) a new application;

9 (2) evidence of compliance with the continuing
10 education requirements;

11 (3) the license application fee; and

12 (4) an additional fee equal to one-half of the license
13 application fee.

14 (d) The department may renew without reexamination an
15 expired license of a person who was licensed in this state, moved to
16 another state, and is currently licensed and has been in continual
17 practice in the other state up to and including the date of the
18 application. The person must pay to the department a fee that is
19 equal to the license application fee.

20 SECTION 9. (a) The change in law made by this Act applies
21 only to a license issued or renewed on or after January 1, 2016. A
22 license issued or renewed before January 1, 2016, is governed by the
23 law as it existed immediately before the effective date of this Act,
24 and that law is continued in effect for that purpose.

25 (b) On January 1, 2016, each license held on that date under
26 Chapter 981, Insurance Code, and Subtitles A, B, and C, Title 13,
27 Insurance Code, expires as follows:

1 (1) each license issued to a person that is not an
2 individual expires on the expiration date of the license with the
3 longest remaining term held by that person on January 1, 2016;

4 (2) each license issued to an individual expires, or
5 may be extended to expire, on the individual's birthday in the year
6 after the expiration date of the license with the longest remaining
7 term held by that person on January 1, 2016; and

8 (3) after a license expires as described by
9 Subdivision (1) or (2) of this subsection, the license renews and
10 expires as provided by Section [4003.001](#), Insurance Code, as amended
11 by this Act.

12 (c) To the extent that the term of an existing license is
13 extended under this section, the department may not charge an
14 additional fee or require a renewal application before the renewal
15 date established under this section.

16 (d) Except as provided by Subsection (e) of this section,
17 the change in law made by this Act does not change the continuing
18 education requirement for a license issued or renewed on or after
19 the effective date of this Act. The continuing education
20 requirement for a license issued or renewed before the effective
21 date of this Act is governed by the law as it existed immediately
22 before the effective date of this Act, and that law is continued in
23 effect for that purpose.

24 (e) A licensee may not be required to complete additional
25 continuing education hours for a license during any period the
26 license was extended under this section beyond its original
27 expiration date.

1 SECTION 10. This Act takes effect January 1, 2016.