

1-1 By: Meyer, Fallon H.B. No. 1947
 1-2 (Senate Sponsor - Taylor of Collin)
 1-3 (In the Senate - Received from the House April 28, 2015;
 1-4 May 19, 2015, read first time and referred to Committee on
 1-5 Administration; May 24, 2015, reported adversely, with favorable
 1-6 Committee Substitute by the following vote: Yeas 4, Nays 0;
 1-7 May 24, 2015, sent to printer.)

1-8 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-9 Hancock	X			
1-10 Uresti	X			
1-11 Campbell			X	
1-12 Eltife			X	
1-13 Huffines	X			
1-14 Schwertner	X			
1-15 West			X	

1-17 COMMITTEE SUBSTITUTE FOR H.B. No. 1947 By: Schwertner

1-18 A BILL TO BE ENTITLED
 1-19 AN ACT

1-20 relating to licenses for insurance agents and adjusters.
 1-21 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:
 1-22 SECTION 1. Sections 4001.006(a) and (b), Insurance Code,
 1-23 are amended to read as follows:
 1-24 (a) The department shall collect from each agent of an
 1-25 insurer writing insurance in this state under this code:
 1-26 (1) a nonrefundable license application fee; and
 1-27 (2) a nonrefundable appointment fee for each
 1-28 appointment of the agent by an insurer.
 1-29 (b) The department shall deposit the fees described by
 1-30 Subsection (a), together with other license application fees,
 1-31 examination fees, and license renewal application fees, to the
 1-32 credit of the Texas Department of Insurance operating account.
 1-33 SECTION 2. Section 4003.001, Insurance Code, is amended by
 1-34 amending Subsection (a) and adding Subsections (c) and (d) to read
 1-35 as follows:
 1-36 (a) Unless a staggered renewal system is adopted under
 1-37 Section 4003.002, each ~~[agent]~~ license issued or renewed by the
 1-38 department under Chapter 981 or Subtitles A, B, or C and not
 1-39 suspended or revoked by the commissioner expires on:
 1-40 (1) the second anniversary of the date the license is
 1-41 issued to or renewed by a person that is not an individual; or
 1-42 (2) except as provided in Subsection (c):
 1-43 (A) for a license issued or renewed in an
 1-44 even-numbered year, the individual license holder's birthday each
 1-45 even-numbered year; or
 1-46 (B) for a license issued or renewed in an
 1-47 odd-numbered year, the individual license holder's birthday each
 1-48 odd-numbered year.
 1-49 (c) If a person holds more than one license, all licenses
 1-50 issued to the person expire on the earliest expiration date of the
 1-51 licenses held. Thereafter, all licenses expire in accordance with
 1-52 Subsection (a).
 1-53 (d) Notwithstanding Section 4003.002(b), the commissioner
 1-54 may not prorate the initial application fee for a license based on
 1-55 the expiration period of the license under Subsection (c).
 1-56 SECTION 3. Section 4003.008(b), Insurance Code, is amended
 1-57 to read as follows:
 1-58 (b) The person must pay to the department a fee equal to the
 1-59 license application fee.
 1-60 SECTION 4. Subchapter B, Chapter 4004, Insurance Code, is

2-1 amended by adding Section 4004.055 to read as follows:
2-2 Sec. 4004.055. CONSEQUENCES OF FAILURE TO COMPLETE
2-3 CONTINUING EDUCATION REQUIREMENT. (a) The department may not
2-4 renew a license issued under this title if the license holder fails
2-5 to:
2-6 (1) complete an applicable continuing education
2-7 requirement not later than the 90th day after the last day of the
2-8 licensing period; or
2-9 (2) pay an applicable fine related to the failure to
2-10 timely complete continuing education.
2-11 (b) The department may not issue a new license under this
2-12 title to an individual who was previously licensed under this title
2-13 if the individual fails to:
2-14 (1) provide evidence of completion of an applicable
2-15 continuing education requirement for the expired, nonrenewed,
2-16 canceled, or revoked license; or
2-17 (2) pay an applicable fine related to the failure to
2-18 timely complete continuing education.
2-19 (c) Completion of continuing education after expiration of
2-20 a license is not a defense in a disciplinary action under Section
2-21 4005.101, Section 4005.109, or another provision of this code
2-22 against an individual who failed to complete continuing education
2-23 as required by this chapter.
2-24 SECTION 5. Sections 4101.057(a), (b), and (d), Insurance
2-25 Code, are amended to read as follows:
2-26 (a) Before issuing or renewing a license under this chapter,
2-27 the department shall set and collect a nonrefundable license
2-28 application fee in an amount not to exceed \$50.
2-29 (b) An applicant for a renewal license must remit the fee
2-30 required by Subsection (a) before the expiration of the ~~biennially~~
2-31 ~~after the issuance of the original~~ license being renewed. If the
2-32 applicant's license has been expired for not more than 90 days, an
2-33 applicant for a renewal license must remit, in addition to the fee
2-34 assessed under Subsection (a), a fee equal to one-half of the
2-35 original application ~~license~~ fee.
2-36 (d) Before issuing a duplicate license requested by an
2-37 adjuster, the department shall set and collect a duplicate license
2-38 application fee.
2-39 SECTION 6. Section 4101.061, Insurance Code, is amended to
2-40 read as follows:
2-41 Sec. 4101.061. EXPIRATION; RENEWAL. Expiration and
2-42 renewal of a license issued under this chapter are governed by
2-43 Chapter 4003, Section 4004.055, rules adopted by the commissioner,
2-44 and ~~or~~ any applicable provision of this code or another insurance
2-45 law of this state.
2-46 SECTION 7. Section 4102.062, Insurance Code, is amended to
2-47 read as follows:
2-48 Sec. 4102.062. EXPIRATION. A license issued under this
2-49 chapter expires as provided by Chapter 4003 ~~[on the second~~
2-50 ~~anniversary of the date of issuance]~~ unless suspended or revoked by
2-51 the commissioner.
2-52 SECTION 8. Section 4102.064, Insurance Code, is amended to
2-53 read as follows:
2-54 Sec. 4102.064. RENEWAL OF UNEXPIRED LICENSE. (a) A license
2-55 holder may renew a license that has not expired and has not been
2-56 suspended or revoked by filing with the department a properly
2-57 completed renewal application, in the form prescribed by the
2-58 commissioner, that demonstrates continued compliance with the
2-59 license requirements imposed under this chapter or adopted by rule
2-60 by the commissioner. The completed renewal application must be
2-61 accompanied by:
2-62 (1) a renewal application fee in the amount determined
2-63 by the commissioner under Section 4102.066(b); and
2-64 (2) evidence of compliance with the continuing
2-65 education requirements imposed under Section 4102.109.
2-66 (b) A license holder must submit the completed renewal
2-67 application, evidence of compliance with the continuing education
2-68 requirements, and the renewal application fee to the commissioner
2-69 not later than the 30th day before the second anniversary date of

3-1 the license.

3-2 (c) On the filing of a completed renewal application,
 3-3 renewal application fee, and, if applicable, evidence of compliance
 3-4 with the continuing education requirements, the original license
 3-5 continues in force until:

3-6 (1) the department issues the renewal license; [~~or~~]
 3-7 (2) the license is not renewed under Section 4004.055;
 3-8 or
 3-9 (3) the commissioner issues an order revoking the
 3-10 license.

3-11 SECTION 9. Sections 4102.065(a), (b), and (d), Insurance
 3-12 Code, are amended to read as follows:

3-13 (a) A person whose license has been expired for 90 days or
 3-14 less may renew the license by:

3-15 (1) submitting to the department:

3-16 (A) a completed renewal application in the form
 3-17 prescribed by the commissioner; and
 3-18 (B) evidence of compliance with the continuing
 3-19 education requirements and eligibility for renewal under Section
 3-20 4004.055; and

3-21 (2) paying to the department the required renewal
 3-22 application fee and an additional fee that is equal to one-half of
 3-23 the renewal application fee for the license.

3-24 (b) Except as provided by Section 4004.055, a [A] person
 3-25 whose license has been expired for more than 90 days but less than
 3-26 one year may not renew the license but is entitled to a new license
 3-27 without taking the applicable examination if the person submits to
 3-28 the department:

3-29 (1) a new application;
 3-30 (2) evidence of compliance with the continuing
 3-31 education requirements;
 3-32 (3) the license application fee; and
 3-33 (4) an additional fee equal to one-half of the license
 3-34 application fee.

3-35 (d) The department may renew without reexamination an
 3-36 expired license of a person who was licensed in this state, moved to
 3-37 another state, and is currently licensed and has been in continual
 3-38 practice in the other state up to and including the date of the
 3-39 application. The person must pay to the department a fee that is
 3-40 equal to the license application fee.

3-41 SECTION 10. (a) The change in law made by this Act applies
 3-42 only to a license issued or renewed on or after January 1, 2016. A
 3-43 license issued or renewed before January 1, 2016, is governed by the
 3-44 law as it existed immediately before the effective date of this Act,
 3-45 and that law is continued in effect for that purpose.

3-46 (b) On January 1, 2016, each license held on that date under
 3-47 Chapter 981, Insurance Code, and Subtitles A, B, and C, Title 13,
 3-48 Insurance Code, expires as follows:

3-49 (1) each license issued to a person that is not an
 3-50 individual expires on the expiration date of the license with the
 3-51 longest remaining term held by that person on January 1, 2016;
 3-52 (2) each license issued to an individual expires, or
 3-53 may be extended to expire, on the individual's next birthday after
 3-54 the expiration date of the license with the longest remaining term
 3-55 held by that person on January 1, 2016; and
 3-56 (3) after a license expires as described by
 3-57 Subdivision (1) or (2) of this subsection, the license renews and
 3-58 expires as provided by Section 4003.001, Insurance Code, as amended
 3-59 by this Act.

3-60 (c) To the extent that the term of an existing license is
 3-61 extended under this section, the department may not charge an
 3-62 additional fee or require a renewal application before the renewal
 3-63 date established under this section.

3-64 (d) Except as provided by Subsection (e) of this section,
 3-65 the change in law made by this Act does not change the continuing
 3-66 education requirement for a license issued or renewed on or after
 3-67 the effective date of this Act. Except as otherwise provided by
 3-68 provisions of this Act, the continuing education requirement for a
 3-69 license issued or renewed before the effective date of this Act is

4-1 governed by the law as it existed immediately before the effective
4-2 date of this Act, and that law is continued in effect for that
4-3 purpose.

4-4 (e) A licensee may not be required to complete additional
4-5 continuing education hours for a license during any period the
4-6 license was extended under this section beyond its original
4-7 expiration date.

4-8 (f) Section 4004.055, Insurance Code, as added by this Act,
4-9 applies only to completion of continuing education requirements for
4-10 a license issued or renewed on or after November 1, 2015. Completion
4-11 of continuing education requirements for a license issued or
4-12 renewed before November 1, 2015, is governed by the law as it
4-13 existed immediately before the effective date of this Act, and that
4-14 law is continued in effect for that purpose.

4-15 SECTION 11. This Act takes effect September 1, 2015.

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