

By: Paul

H.B. No. 3910

A BILL TO BE ENTITLED

AN ACT

relating to completion of continuing education requirements for insurance agents and adjusters.

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

SECTION 1. Section 4003.006, Insurance Code, is amended to read as follows:

Sec. 4003.006. CONTINUATION OF ORIGINAL LICENSE. The original license of a person who has applied for license renewal in compliance with Section 4003.004 [~~4003.004~~] remains in effect from the date the renewal application is filed until the date:

(1) the department issues the renewal license; [~~or~~]

(2) the license is not renewed under Section 4004.055;

or

(3) the commissioner issues an order revoking the license.

SECTION 2. Section 4004.051(a), Insurance Code, is amended to read as follows:

(a) Except as provided by Section 4004.052 or other law, each individual who holds a license issued by the department shall complete, as a condition of licensure, continuing education as provided by this chapter.

SECTION 3. Subchapter B, Chapter 4004, Insurance Code, is amended by adding Section 4004.055 to read as follows:

Sec. 4004.055. CONSEQUENCES OF FAILURE TO COMPLETE

1 CONTINUING EDUCATION REQUIREMENT. (a) The department may not
2 renew a license issued under this title if the license holder fails
3 to:

4 (1) complete an applicable continuing education
5 requirement not later than the 90th day after the last day of the
6 licensing period; or

7 (2) pay an applicable fine related to the failure to
8 timely complete continuing education.

9 (b) The department may not issue a new license under this
10 title to an individual who was previously licensed under this title
11 if the individual fails to:

12 (1) provide evidence of completion of an applicable
13 continuing education requirement for the expired, nonrenewed,
14 canceled, or revoked license; or

15 (2) pay an applicable fine related to the failure to
16 timely complete continuing education.

17 (c) Completion of continuing education after expiration of
18 a license is not a defense in a disciplinary action under Section
19 4005.101, Section 4005.109, or another provision of this code
20 against an individual who failed to complete continuing education
21 as required by this chapter.

22 SECTION 4. Section 4004.101(a), Insurance Code, is amended
23 to read as follows:

24 (a) The department shall certify continuing education
25 programs for agents and adjusters. The certification criteria must
26 be designed to ensure that continuing education programs enhance
27 the knowledge, understanding, and professional competence of the

1 license holder.

2 SECTION 5. Subchapter C, Chapter 4004, Insurance Code, is
3 amended by adding Section 4004.105 to read as follows:

4 Sec. 4004.105. ADJUSTER CONTINUING EDUCATION PROGRAM
5 CONTENTS. A continuing education program for adjusters licensed
6 under Chapter 4101 must include education relating to:

7 (1) Chapter 541;

8 (2) Chapter 547;

9 (3) Subchapter A, Chapter 542;

10 (4) Subchapter E, Chapter 17, Business & Commerce
11 Code; and

12 (5) any other similar laws specified by the
13 department.

14 SECTION 6. Section 4005.105(d), Insurance Code, is amended
15 to read as follows:

16 (d) Subsections (b) and [Subsection] (c) do [does] not apply
17 to an applicant whose license application was denied or revoked for
18 failure by the applicant to:

19 (1) pass a required written examination; ~~[or]~~

20 (2) complete continuing education or pay an applicable
21 fine under Section 4004.055(a); or

22 (3) submit a properly completed license application.

23 SECTION 7. Section 4005.109, Insurance Code, is amended by
24 amending Subsection (b) and adding Subsection (b-1) to read as
25 follows:

26 (b) A violation for which a fine may be assessed under this
27 section includes a failure to:

1 (1) obtain the total number of continuing education
2 hours before the expiration [~~renewal~~] date of a license;

3 (2) timely report a change of address to the
4 department; or

5 (3) notify the department of an administrative action
6 against the agent by a financial or insurance regulator of another
7 state or of the federal government.

8 (b-1) The aggregate amount of fines assessed under
9 Subsection (b)(1) may not exceed \$500 for a licensing period.

10 SECTION 8. Section 4101.059(a), Insurance Code, is amended
11 to read as follows:

12 (a) To renew a license under this chapter, a licensed
13 adjuster must participate in a continuing education program under
14 Chapter 4004 [~~relating to consumer protection~~]. [~~The program must~~
15 ~~include education relating to consumer protection laws, including:~~

16 [~~(1) Chapter 541,~~

17 [~~(2) Chapter 547,~~

18 [~~(3) Subchapter A, Chapter 542,~~

19 [~~(4) Subchapter E, Chapter 17, Business & Commerce~~
20 ~~Code, and~~

21 [~~(5) any other similar laws specified by the~~
22 ~~department.~~]

23 SECTION 9. Section 4101.061, Insurance Code, is amended to
24 read as follows:

25 Sec. 4101.061. EXPIRATION; RENEWAL. Expiration and
26 renewal of a license issued under this chapter are governed by
27 Section 4004.055, rules adopted by the commissioner, and [~~or~~] any

1 applicable provision of this code or another insurance law of this
2 state.

3 SECTION 10. Section 4102.064(c), Insurance Code, is amended
4 to read as follows:

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

9 (1) the department issues the renewal license; ~~[or]~~

10 (2) the license is not renewed under Section 4004.055;
11 or

12 (3) the commissioner issues an order revoking the
13 license.

14 SECTION 11. Sections 4102.065(a), (b), and (c), Insurance
15 Code, are amended to read as follows:

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

18 (1) submitting to the department:

19 (A) a completed renewal application in the form
20 prescribed by the commissioner; and

21 (B) evidence of compliance with the continuing
22 education requirements and eligibility for renewal under Section
23 4004.055; and

24 (2) paying to the department the required renewal fee
25 and an additional fee that is equal to one-half of the renewal fee
26 for the license.

27 (b) Except as provided by Section 4004.055, a [A] person

1 whose license has been expired for more than 90 days but less than
2 one year may not renew the license but is entitled to a new license
3 without taking the applicable examination if the person submits to
4 the department:

5 (1) a new application;

6 (2) evidence of compliance with the continuing
7 education requirements;

8 (3) the license fee; and

9 (4) an additional fee equal to one-half of the license
10 fee.

11 (c) A person whose license has been expired for one year or
12 more may not renew the license. The person may obtain a new license
13 by:

14 (1) submitting to reexamination, if examination is
15 required for original issuance of the license;

16 (2) [~~and by~~] complying with the requirements and
17 procedures for obtaining an original license; and

18 (3) if applicable, submitting evidence of completion
19 of any outstanding continuing education requirement related to the
20 expired license.

21 SECTION 12. The change in law made by this Act applies only
22 to a license issued or renewed on or after the effective date of
23 this Act. A license issued or renewed before the effective date of
24 this Act is governed by the law as it existed immediately before the
25 effective date of this Act, and that law is continued in effect for
26 that purpose.

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