

By: Taylor of Collin, Eltife

S.B. No. 844

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

13 SECTION 6. Section [4102.062](#), Insurance Code, is amended to
14 read as follows:

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

19 SECTION 7. Section [4102.064](#), Insurance Code, is amended to
20 read as follows:

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

1 accompanied by:

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

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

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

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

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

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

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

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

22 (1) submitting to the department:

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

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

27 (2) paying to the department the required renewal

1 application fee and an additional fee that is equal to one-half of
2 the renewal application fee for the license.

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

7 (1) a new application;

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

10 (3) the license application fee; and

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

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

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

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

27 (1) each license issued to a person that is not an

1 individual expires on the expiration date of the license with the
2 longest remaining term held by that person on January 1, 2016;

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

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

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

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

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

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