

1-1 By: Paul (Senate Sponsor - Eltife) H.B. No. 3872
1-2 (In the Senate - Received from the House May 4, 2015;
1-3 May 5, 2015, read first time and referred to Committee on Business
1-4 and Commerce; May 18, 2015, reported adversely, with favorable
1-5 Committee Substitute by the following vote: Yeas 7, Nays 0, 1
1-6 present not voting; May 18, 2015, sent to printer.)

1-7 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-8				
1-9			X	
1-10	X			
1-11	X			
1-12	X			
1-13	X			
1-14	X			
1-15				X
1-16	X			
1-17	X			

1-18 COMMITTEE SUBSTITUTE FOR H.B. No. 3872 By: Watson

1-19 A BILL TO BE ENTITLED
1-20 AN ACT

1-21 relating to licensing requirements, including continuing education
1-22 requirements for insurance agents, insurance adjusters, and public
1-23 adjusters.

1-24 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-25 SECTION 1. Section 4004.053(a), Insurance Code, is amended
1-26 to read as follows:

1-27 (a) An individual who holds a general life, accident, and
1-28 health license, a life agent license, a life and health insurance
1-29 counselor license, an adjuster license, a managing general agent
1-30 license, a general property and casualty license, or a personal
1-31 lines property and casualty license must complete 24 [15] hours of
1-32 continuing education during the license period [annually]. If the
1-33 individual holds more than one license for which continuing
1-34 education is otherwise required, the individual is not required to
1-35 complete more than 24 [15] continuing education hours for all
1-36 licenses during the license period [annually]. An individual who
1-37 is required under rules adopted under Chapter 4008 to hold a
1-38 certificate to sell a designated product or product line may use
1-39 continuing education programs administered under Section 4004.151
1-40 to satisfy the [annual] continuing education requirements under
1-41 this subsection.

1-42 SECTION 2. Subchapter B, Chapter 4056, Insurance Code, is
1-43 amended by adding Section 4056.059 to read as follows:

1-44 Sec. 4056.059. TRANSITION TO RESIDENT AGENT LICENSE. (a)
1-45 This section applies only to an individual who is a nonresident
1-46 agent licensed under Section 4056.052 and who has moved from the
1-47 other state that licensed the individual to this state.

1-48 (b) A nonresident agent may apply to the department for a
1-49 comparable license for residents of this state. An application
1-50 must include:

1-51 (1) a notification of the agent's change of address and
1-52 contact information;

1-53 (2) a clearance letter from the state authority of the
1-54 state that issued the agent's prior resident license demonstrating
1-55 the agent's good standing with that authority; and

1-56 (3) fingerprints in the format prescribed by the
1-57 department, which may be electronic.

1-58 (c) If a nonresident agent submits a satisfactory
1-59 application in accordance with Subsection (b), the department shall
1-60 issue a comparable resident agent license to the agent for the

2-1 remaining term on the agent's nonresident agent license and cancel
2-2 the agent's nonresident agent license.

2-3 (d) The department shall prorate the continuing education
2-4 requirement for a license issued under this section.

2-5 SECTION 3. Section 4102.109(a), Insurance Code, is amended
2-6 to read as follows:

2-7 (a) Each license holder must [~~annually~~] complete at least 24
2-8 [15] hours of continuing education during the license period
2-9 [courses]. The commissioner by rule shall prescribe the
2-10 requirements for continuing education courses under this section.

2-11 SECTION 4. (a) Sections 4004.053(a) and 4102.109(a),
2-12 Insurance Code, as amended by this Act, apply only to a license
2-13 issued or renewed on or after the effective date of this Act. A
2-14 license issued or renewed before the effective date of this Act is
2-15 governed by the law in effect immediately before the effective date
2-16 of this Act, and that law is continued in effect for that purpose.

2-17 (b) Section 4056.059, Insurance Code, as added by this Act,
2-18 applies only to a nonresident agent who relocates to this state on
2-19 or after the effective date of this Act. A nonresident agent who
2-20 relocates to this state before the effective date of this Act is
2-21 governed by the law as it existed immediately before the effective
2-22 date of this Act, and that law is continued in effect for that
2-23 purpose.

2-24 SECTION 5. This Act takes effect September 1, 2015.

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