

1-1 By: Paul (Senate Sponsor - Eltife) H.B. No. 3910
 1-2 (In the Senate - Received from the House May 6, 2015;
 1-3 May 7, 2015, read first time and referred to Committee on Business
 1-4 and Commerce; May 20, 2015, reported adversely, with favorable
 1-5 Committee Substitute by the following vote: Yeas 7, Nays 0,
 1-6 1 present not voting; May 20, 2015, sent to printer.)

1-7 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-8	X			
1-9				
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. 3910 By: Eltife

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

1-21 relating to completion of continuing education requirements for
 1-22 insurance agents and adjusters.

1-23 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-24 SECTION 1. Section 4003.006, Insurance Code, is amended to
 1-25 read as follows:

1-26 Sec. 4003.006. CONTINUATION OF ORIGINAL LICENSE. The
 1-27 original license of a person who has applied for license renewal in
 1-28 compliance with Section 4003.004 [~~4003.004~~] remains in effect from
 1-29 the date the renewal application is filed until the date:

- 1-30 (1) the department issues the renewal license; [~~or~~]
- 1-31 (2) the license is not renewed under Section 4004.055;

1-32 or

- 1-33 (3) the commissioner issues an order revoking the
- 1-34 license.

1-35 SECTION 2. Section 4004.051(a), Insurance Code, is amended
 1-36 to read as follows:

1-37 (a) Except as provided by Section 4004.052 or other law,
 1-38 each individual who holds a license issued by the department shall
 1-39 complete, as a condition of licensure, continuing education as
 1-40 provided by this chapter.

1-41 SECTION 3. Subchapter B, Chapter 4004, Insurance Code, is
 1-42 amended by adding Section 4004.055 to read as follows:

1-43 Sec. 4004.055. CONSEQUENCES OF FAILURE TO COMPLETE
 1-44 CONTINUING EDUCATION REQUIREMENT. (a) The department may not
 1-45 renew a license issued under this title if the license holder fails
 1-46 to:

- 1-47 (1) complete an applicable continuing education
- 1-48 requirement not later than the 90th day after the last day of the
- 1-49 licensing period; or

- 1-50 (2) pay an applicable fine related to the failure to
- 1-51 timely complete continuing education.

1-52 (b) The department may not issue a new license under this
 1-53 title to an individual who was previously licensed under this title
 1-54 if the individual fails to:

- 1-55 (1) provide evidence of completion of an applicable
- 1-56 continuing education requirement for the expired, nonrenewed,
- 1-57 canceled, or revoked license; or

- 1-58 (2) pay an applicable fine related to the failure to
- 1-59 timely complete continuing education.

1-60 (c) Completion of continuing education after expiration of

2-1 a license is not a defense in a disciplinary action under Section
2-2 4005.101, Section 4005.109, or another provision of this code
2-3 against an individual who failed to complete continuing education
2-4 as required by this chapter.

2-5 SECTION 4. Section 4004.101(a), Insurance Code, is amended
2-6 to read as follows:

2-7 (a) The department shall certify continuing education
2-8 programs for agents and adjusters. The certification criteria must
2-9 be designed to ensure that continuing education programs enhance
2-10 the knowledge, understanding, and professional competence of the
2-11 license holder.

2-12 SECTION 5. Subchapter C, Chapter 4004, Insurance Code, is
2-13 amended by adding Section 4004.105 to read as follows:

2-14 Sec. 4004.105. ADJUSTER CONTINUING EDUCATION PROGRAM
2-15 CONTENTS. A continuing education program for adjusters licensed
2-16 under Chapter 4101 must include education relating to:

- 2-17 (1) Chapter 541;
- 2-18 (2) Chapter 547;
- 2-19 (3) Subchapter A, Chapter 542;
- 2-20 (4) Subchapter E, Chapter 17, Business & Commerce
2-21 Code; and
- 2-22 (5) any other similar laws specified by the
2-23 department.

2-24 SECTION 6. Section 4005.105(d), Insurance Code, is amended
2-25 to read as follows:

2-26 (d) Subsections (b) and [Subsection] (c) do [does] not apply
2-27 to an applicant whose license application was denied or revoked for
2-28 failure by the applicant to:

- 2-29 (1) pass a required written examination; [or]
- 2-30 (2) complete continuing education or pay an applicable
2-31 fine under Section 4004.055(a); or
- 2-32 (3) submit a properly completed license application.

2-33 SECTION 7. Section 4005.109, Insurance Code, is amended by
2-34 amending Subsection (b) and adding Subsection (b-1) to read as
2-35 follows:

2-36 (b) A violation for which a fine may be assessed under this
2-37 section includes a failure to:

- 2-38 (1) obtain the total number of continuing education
2-39 hours before the expiration [renewal] date of a license;
- 2-40 (2) timely report a change of address to the
2-41 department; or
- 2-42 (3) notify the department of an administrative action
2-43 against the agent by a financial or insurance regulator of another
2-44 state or of the federal government.

2-45 (b-1) The aggregate amount of fines assessed under
2-46 Subsection (b)(1) may not exceed \$500 for a licensing period.

2-47 SECTION 8. Section 4101.059(a), Insurance Code, is amended
2-48 to read as follows:

2-49 (a) To renew a license under this chapter, a licensed
2-50 adjuster must participate in a continuing education program under
2-51 Chapter 4004 [relating to consumer protection]. [The program must
2-52 include education relating to consumer protection laws, including:

- 2-53 [(1) Chapter 541;
- 2-54 [(2) Chapter 547;
- 2-55 [(3) Subchapter A, Chapter 542;
- 2-56 [(4) Subchapter E, Chapter 17, Business & Commerce
2-57 Code; and
- 2-58 [(5) any other similar laws specified by the
2-59 department.]

2-60 SECTION 9. Section 4101.061, Insurance Code, is amended to
2-61 read as follows:

2-62 Sec. 4101.061. EXPIRATION; RENEWAL. Expiration and
2-63 renewal of a license issued under this chapter are governed by
2-64 Section 4004.055, rules adopted by the commissioner, and [or] any
2-65 applicable provision of this code or another insurance law of this
2-66 state.

2-67 SECTION 10. Section 4102.064(c), Insurance Code, is amended
2-68 to read as follows:

2-69 (c) On the filing of a completed renewal application,

3-1 renewal fee, and, if applicable, evidence of compliance with the
3-2 continuing education requirements, the original license continues
3-3 in force until:

- 3-4 (1) the department issues the renewal license; [~~or~~]
- 3-5 (2) the license is not renewed under Section 4004.055;
- 3-6 or
- 3-7 (3) the commissioner issues an order revoking the
- 3-8 license.

3-9 SECTION 11. Sections 4102.065(a), (b), and (c), Insurance
3-10 Code, are amended to read as follows:

3-11 (a) A person whose license has been expired for 90 days or
3-12 less may renew the license by:

- 3-13 (1) submitting to the department:
- 3-14 (A) a completed renewal application in the form
- 3-15 prescribed by the commissioner; and
- 3-16 (B) evidence of compliance with the continuing
- 3-17 education requirements and eligibility for renewal under Section
- 3-18 4004.055; and

3-19 (2) paying to the department the required renewal fee
3-20 and an additional fee that is equal to one-half of the renewal fee
3-21 for the license.

3-22 (b) Except as provided by Section 4004.055, a [A] person
3-23 whose license has been expired for more than 90 days but less than
3-24 one year may not renew the license but is entitled to a new license
3-25 without taking the applicable examination if the person submits to
3-26 the department:

- 3-27 (1) a new application;
- 3-28 (2) evidence of compliance with the continuing
- 3-29 education requirements;
- 3-30 (3) the license fee; and
- 3-31 (4) an additional fee equal to one-half of the license
- 3-32 fee.

3-33 (c) A person whose license has been expired for one year or
3-34 more may not renew the license. The person may obtain a new license
3-35 by:

- 3-36 (1) submitting to reexamination, if examination is
- 3-37 required for original issuance of the license;
- 3-38 (2) [~~, and by~~] complying with the requirements and
- 3-39 procedures for obtaining an original license; and
- 3-40 (3) if applicable, submitting evidence of completion
- 3-41 of any outstanding continuing education requirement related to the
- 3-42 expired license.

3-43 SECTION 12. The change in law made by this Act applies only
3-44 to a license issued or renewed on or after the effective date of
3-45 this Act. A license issued or renewed before the effective date of
3-46 this Act is governed by the law as it existed immediately before the
3-47 effective date of this Act, and that law is continued in effect for
3-48 that purpose.

3-49 SECTION 13. This Act takes effect November 1, 2015.

3-50 * * * * *