

1-1 By: Taylor of Collin S.B. No. 844
 1-2 (In the Senate - Filed February 27, 2015; March 4, 2015,
 1-3 read first time and referred to Committee on Business and Commerce;
 1-4 March 30, 2015, reported favorably by the following vote: Yeas 7,
 1-5 Nays 0; March 30, 2015, sent to printer.)

1-6 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-7				
1-8	X			
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 A BILL TO BE ENTITLED
 1-18 AN ACT

1-19 relating to the expiration of licenses for insurance agents and
 1-20 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. Sections 4101.057(a), (b), and (d), Insurance
 1-61 Code, are amended to read as follows:

2-1 (a) Before issuing or renewing a license under this chapter,
 2-2 the department shall set and collect a nonrefundable license
 2-3 application fee in an amount not to exceed \$50.

2-4 (b) An applicant for a renewal license must remit the fee
 2-5 required by Subsection (a) before the expiration of the [~~biennially~~
 2-6 ~~after the issuance of the original~~] license being renewed. If the
 2-7 applicant's license has been expired for not more than 90 days, an
 2-8 applicant for a renewal license must remit, in addition to the fee
 2-9 assessed under Subsection (a), a fee equal to one-half of the
 2-10 original application [~~license~~] fee.

2-11 (d) Before issuing a duplicate license requested by an
 2-12 adjuster, the department shall set and collect a duplicate license
 2-13 application fee.

2-14 SECTION 5. Section 4101.061, Insurance Code, is amended to
 2-15 read as follows:

2-16 Sec. 4101.061. EXPIRATION; RENEWAL. Expiration and renewal
 2-17 of a license issued under this chapter are governed by Chapter 4003,
 2-18 rules adopted by the commissioner, and [~~or~~] any applicable
 2-19 provision of this code or another insurance law of this state.

2-20 SECTION 6. Section 4102.062, Insurance Code, is amended to
 2-21 read as follows:

2-22 Sec. 4102.062. EXPIRATION. A license issued under this
 2-23 chapter expires as provided by Chapter 4003 [~~on the second~~
 2-24 ~~anniversary of the date of issuance~~] unless suspended or revoked by
 2-25 the commissioner.

2-26 SECTION 7. Section 4102.064, Insurance Code, is amended to
 2-27 read as follows:

2-28 Sec. 4102.064. RENEWAL OF UNEXPIRED LICENSE. (a) A
 2-29 license holder may renew a license that has not expired and has not
 2-30 been suspended or revoked by filing with the department a properly
 2-31 completed renewal application, in the form prescribed by the
 2-32 commissioner, that demonstrates continued compliance with the
 2-33 license requirements imposed under this chapter or adopted by rule
 2-34 by the commissioner. The completed renewal application must be
 2-35 accompanied by:

2-36 (1) a renewal application fee in the amount determined
 2-37 by the commissioner under Section 4102.066(b); and

2-38 (2) evidence of compliance with the continuing
 2-39 education requirements imposed under Section 4102.109.

2-40 (b) A license holder must submit the completed renewal
 2-41 application, evidence of compliance with the continuing education
 2-42 requirements, and the renewal application fee to the commissioner
 2-43 not later than the 30th day before the second anniversary date of
 2-44 the license.

2-45 (c) On the filing of a completed renewal application,
 2-46 renewal application fee, and, if applicable, evidence of compliance
 2-47 with the continuing education requirements, the original license
 2-48 continues in force until:

2-49 (1) the department issues the renewal license; or

2-50 (2) the commissioner issues an order revoking the
 2-51 license.

2-52 SECTION 8. Sections 4102.065(a), (b), and (d), Insurance
 2-53 Code, are amended to read as follows:

2-54 (a) A person whose license has been expired for 90 days or
 2-55 less may renew the license by:

2-56 (1) submitting to the department:

2-57 (A) a completed renewal application in the form
 2-58 prescribed by the commissioner; and

2-59 (B) evidence of compliance with the continuing
 2-60 education requirements; and

2-61 (2) paying to the department the required renewal
 2-62 application fee and an additional fee that is equal to one-half of
 2-63 the renewal application fee for the license.

2-64 (b) A person whose license has been expired for more than 90
 2-65 days but less than one year may not renew the license but is
 2-66 entitled to a new license without taking the applicable examination
 2-67 if the person submits to the department:

2-68 (1) a new application;

2-69 (2) evidence of compliance with the continuing

3-1 education requirements;

3-2 (3) the license application fee; and

3-3 (4) an additional fee equal to one-half of the license

3-4 application fee.

3-5 (d) The department may renew without reexamination an
3-6 expired license of a person who was licensed in this state, moved to
3-7 another state, and is currently licensed and has been in continual
3-8 practice in the other state up to and including the date of the
3-9 application. The person must pay to the department a fee that is
3-10 equal to the license application fee.

3-11 SECTION 9. (a) The change in law made by this Act applies
3-12 only to a license issued or renewed on or after January 1, 2016. A
3-13 license issued or renewed before January 1, 2016, is governed by the
3-14 law as it existed immediately before the effective date of this Act,
3-15 and that law is continued in effect for that purpose.

3-16 (b) On January 1, 2016, each license held on that date under
3-17 Chapter 981, Insurance Code, and Subtitles A, B, and C, Title 13,
3-18 Insurance Code, expires as follows:

3-19 (1) each license issued to a person that is not an
3-20 individual expires on the expiration date of the license with the
3-21 longest remaining term held by that person on January 1, 2016;

3-22 (2) each license issued to an individual expires, or
3-23 may be extended to expire, on the individual's birthday in the year
3-24 after the expiration date of the license with the longest remaining
3-25 term held by that person on January 1, 2016; and

3-26 (3) after a license expires as described by
3-27 Subdivision (1) or (2) of this subsection, the license renews and
3-28 expires as provided by Section 4003.001, Insurance Code, as amended
3-29 by this Act.

3-30 (c) To the extent that the term of an existing license is
3-31 extended under this section, the Texas Department of Insurance may
3-32 not charge an additional fee or require a renewal application
3-33 before the renewal date established under this section.

3-34 (d) Except as provided by Subsection (e) of this section,
3-35 the change in law made by this Act does not change the continuing
3-36 education requirement for a license issued or renewed on or after
3-37 the effective date of this Act. The continuing education
3-38 requirement for a license issued or renewed before the effective
3-39 date of this Act is governed by the law as it existed immediately
3-40 before the effective date of this Act, and that law is continued in
3-41 effect for that purpose.

3-42 (e) A licensee may not be required to complete additional
3-43 continuing education hours for a license during any period the
3-44 license was extended under this section beyond its original
3-45 expiration date.

3-46 SECTION 10. This Act takes effect January 1, 2016.

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