

SUBJECT: Penalty for unlicensed life insurance counselor

COMMITTEE: Insurance — committee substitute recommended

VOTE: 7 ayes — Smithee, Duncan, Averitt, Driver, Dutton, G. Lewis, Shields
0 nays
2 absent — Counts, De La Garza

WITNESSES: For — E. Kenneth Tooley, Texas Association of Life Underwriters
Against — None

BACKGROUND: A "life insurance counselor" is any person who is paid for giving advice or recommendations regarding the terms and conditions of life insurance policies.

DIGEST: CSHB 2794 would change the penalty for a person acting as a life insurance counselor without a license from a misdemeanor requiring a fine of not more than \$500 or six months in prison, or both, to a Class C misdemeanor (a fine of not less than \$25 nor more than \$500).

The bill would take effect September 1, 1995 and would apply to offenses committed on or after that date.

SUPPORTERS SAY: CSHB 2794 would make the penalty for acting as a life insurance counselor without a license conform to the penal code. No one has ever been put in jail for violating this law, and the punishment provided by Class C misdemeanor most closely resembles the original penalty.

OPPONENTS SAY: No apparent opposition.

NOTES: The substitute redrafted the original bill without making substantive changes.