

SUBJECT: Extending the training period for a temporary insurance agent license

COMMITTEE: Insurance — favorable, without amendment

VOTE: 9 ayes — Phillips, Muñoz, R. Anderson, Gooden, Oliverson, Paul, Sanford, Turner, Vo

0 nays

WITNESSES: For — Jennifer Cawley, Texas Association of Life and Health Insurers; (*Registered, but did not testify:* Elizabeth Hadley, Aflac; Lee Loftis, Independent Insurance Agents of Texas; Tim Von Kennel, NAIFA Texas; Jay Thompson, Texas Association of Life and Health Insurers, Prudential, American National; Amanda Martin, Texas Association of Business; Lee Manross, Texas Association of Health Underwriters; Kandice Sanaie, UnitedHealthcare; Miles Mathews, Voya Financial Services)

Against — None

On — (*Registered, but did not testify:* Joe Matetich, Office of Public Insurance Counsel; Elijio Salas, Texas Department of Insurance)

BACKGROUND: Insurance Code, ch. 4001, subchapter D governs temporary licenses for insurance agents. Under that subchapter, temporary licenses are valid for 90 days after the date of issuance. Sec. 4001.160 requires an agent, insurer, or health maintenance organization that is considering appointment of a temporary license applicant as its agent to provide to the applicant at least 40 hours of training within 14 days of the date the application, nonrefundable fee, and certificate are delivered or mailed to the Texas Department of Insurance.

DIGEST: HB 1197 would increase to 30 days from 14 days the deadline by which an applicant for a temporary insurance agent license must receive at least 40 hours of training.

This bill would take immediate effect if finally passed by a two-thirds

record vote of the membership of each house. Otherwise, it would take effect September 1, 2017, and would apply only to applications delivered or mailed to the Texas Department of Insurance on or after the effective date.

**SUPPORTERS
SAY:**

HB 1197 would give temporary license applicants more flexibility in completing their required 40 hours of training. Temporary licenses are designed for those considering a career change to insurance, not insurance professionals. Many people applying for temporary licenses are working another full-time job and have trouble completing 40 hours of training within the 14 days allowed by current law. The bill would give them more time to complete this training.

**OPPONENTS
SAY:**

No apparent opposition.

NOTES:

An identical companion bill, SB 519 by Creighton, was referred to the Senate Business and Commerce Committee on February 6.