

BILL ANALYSIS

H.B. 1297
By: Frullo
Insurance
Committee Report (Unamended)

BACKGROUND AND PURPOSE

Interested parties note that certain employers have begun to consider implementing self-insured health benefit plans instead of fully-insured plans. The parties are concerned that some insurance agents may not be sufficiently knowledgeable regarding these plans to properly inform employers about the important differences. H.B. 1297 seeks to address this issue by creating a voluntary specialty certification for certain insurance agents who complete training regarding self-insured health benefit plans.

CRIMINAL JUSTICE IMPACT

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

RULEMAKING AUTHORITY

It is the committee's opinion that rulemaking authority is expressly granted to the commissioner of insurance in SECTION 1 of this bill.

ANALYSIS

H.B. 1297 amends the Insurance Code to require the Texas Department of Insurance (TDI) to establish a voluntary specialty certification program for individuals who have completed training in accordance with the bill's provisions regarding self-insured health benefit plans. The bill conditions an individual's eligibility to receive a specialty certification on the individual holding a general life, accident, and health license, satisfying the requirements prescribed by the bill, and submitting evidence of training completion to TDI in the manner prescribed by the commissioner of insurance. The bill requires an individual to continue to hold a general life, accident, and health license in order to maintain a specialty certification.

H.B. 1297 requires an individual seeking a specialty certification to first complete training in the law applicable to self-insured health benefit plans and to complete a course applicable to such plans as prescribed and approved by the commissioner. The bill establishes that an individual is not eligible for a specialty certification unless, on completion of the course, it is certified to the commissioner as required by TDI that the individual has completed the course and passed an examination testing the individual's knowledge and qualification. The bill exempts from the course completion and examination requirements an individual who demonstrates to TDI in the manner prescribed by TDI that the individual holds a designation as a registered health underwriter, a certified employee benefit specialist, or a registered employee benefits consultant.

H.B. 1297 conditions the renewal of an individual's specialty certification on the individual completing during the two-year certification period the number of hours of continuing education applicable to self-insured health benefit plans that are required by the commissioner by rule. The bill authorizes each hour of education completed to obtain or renew a specialty certification to be

used to satisfy an hour of a continuing education requirement otherwise applicable to the agent. The bill authorizes an individual who holds a specialty certification to advertise, in the manner specified by TDI rule, that the individual is specially trained regarding self-insured health benefit plans. The bill requires TDI to maintain a list of all individuals who hold a specialty certification, together with the business address and phone number of each individual and a general description of the individual's service area, and to publish the list on the TDI website. The bill authorizes the commissioner to adopt rules as necessary to administer the bill's provisions. The bill extends the applicability of statutory provisions relating to regulation of insurance professionals to each individual who holds a specialty certification under the bill's provisions. The bill authorizes TDI to begin issuing specialty certifications not later than January 1, 2018.

EFFECTIVE DATE

September 1, 2017.