

- SUBJECT:** Optional certification for insurance agents serving small employers
- COMMITTEE:** Insurance — favorable, without amendment
- VOTE:** 8 ayes — Smithee, Martinez Fischer, Deshotel, Eiland, Hancock, Isett, Taylor, Thompson
- 0 nays
- 1 absent — Hunter
- SENATE VOTE:** On final passage, April 9 — 31-0, on Local and Uncontested Calendar
- WITNESSES:** For — (*Registered, but did not testify:* Jennifer Ahrens, Texas Association of Life and Health Insurers; Michelle Apodaca, Texas Hospital Association; Patricia Kolodzey, Texas Medical Association; Manross Lee, Texas Association of Health Underwriters)
- Against — None
- On — Douglas Danzeiser, Texas Department of Insurance
- DIGEST:** SB 79 would amend Insurance Code, ch. 4054 to require the Texas Department of Insurance (TDI) to establish a voluntary specialty certification program for insurance agents who market small employer health benefit plans. The certification would cover a two-year period.
- Qualifications.*** To receive this specialty certification, an individual would have to meet the following qualifications:
- held a general life, accident, and health license;
 - satisfied all requirements; and
 - submitted evidence of completion of training to TDI.
- In order to maintain the certification, the insurance agent would be required to maintain a general life, accident, and health license. Additionally, an agent would have to agree to market small employer

health benefit plans to small employers, regardless of the number of employees to be covered under a plan.

Certification and renewal. To be certified, an agent first would have to complete training in the law, including TDI rules, applicable to small employer health benefit plans provided in ch. 1501 of the Insurance Code. Additionally, an agent would need to complete a TDI-approved course applicable to small employer health benefits plans and pass an exam in order to be certified.

An agent would not have to complete the certification course and exam if the agent held a designation as:

- a registered health underwriter (RHU);
- a certified employee benefit specialist (CEBS); or
- a registered employee benefits consultant (REBC).

To renew a special certification, an agent would have to complete five hours of continuing education applicable to small employer health benefit plans during the two-year certification period. Each hour of education to obtain or renew a specialty license could be used to satisfy an hour of continuing education requirement.

Other provisions. An agent holding a specialty certification could advertise that the agent was specially trained to serve small employers.

TDI would maintain a list of agents who held a specialty certification along with their address, telephone number, and service area. This list would be provided on TDI's website.

The bill would take effect September 1, 2009, and TDI would begin issuing specialty certifications by January 1, 2010.

**SUPPORTERS
SAY:**

SB 79 would establish a voluntary certification from the Texas Department of Insurance (TDI) for insurance agents specializing in small employer health coverage. Currently, consumers and TDI have no way of identifying which of the over 150,000 licensed agents are selling small employer health coverage or which agents are knowledgeable enough to advise consumers about such coverage. With the complexity and high costs in the small employer health care market, small business owners need help connecting with agents knowledgeable in this important, but

underserved, area. SB 79 would help address this issue by having an optional TDI certification for agents specializing in this market. As only roughly 25 percent of small businesses currently offer health coverage to their employees, the bill also would help address the issue of uninsured Texans by providing better information to small employers.

**OPPONENTS
SAY:**

No apparent opposition.