

Texas Life and Accident and Health Insurance Update Eff. September 1 2021

Replace the material under the Continuing Education requirement head as follows:

CONTINUING EDUCATION

Requirement

All required continuing education hours must be completed before the expiration date of the individual's license. At least half of the hours must be earned in a classroom or equivalent setting. There are only two acceptable topic groups: general and ethics/consumer protection. Any licensee may take courses from these two groups. Courses are not divided by license type.

The following table identifies the required hours of continuing education needed to maintain licenses.

License	Requirement per renewal period (2 years)
General Lines Life, Accident, Health, and HMO (LAH)	24 hours, including 3 hours of ethics/consumer protection
General Lines Property and Casualty (PC)	24 hours, including 3 hours of ethics/consumer protection
Life/Health Insurance Counselor	24 hours, including 3 hours of ethics/consumer protection
Long Term Care Partnership Licensees	4 hours of department certified long-term care CE
Medicare-Related Licensees	4 hours of department certified CE
Adjuster	24 hours, including 3 hours of ethics/consumer protection
MGA	24 hours, including 3 hours of ethics/consumer protection
Limited Lines (LAH, PC, Pre-Paid Legal, Others)	10 hours, including 3 hours of ethics/consumer protection
Insurance Service Representative (ISR)	24 hours, including 3 hours of ethics/consumer protection

Full-Time Home Office Employee	15 hours, including 3 hours of ethics/consumer protection; courses submitted to TDI for approval by insurer prior to use
Funeral Prearrangement	none
Life Insurance Under \$25,000	10 hours, including 3 hours of ethics/consumer protection
County Mutual	10 hours, including 3 hours of ethics/consumer protection

An individual who holds a general life, accident, and health license, a life agent license, a life and health insurance counselor license, an adjuster license, a managing general agent license, a general property and casualty license, or a personal lines property and casualty license must complete 24 hours of continuing education during the license period. If the individual holds more than one license, the individual is not required to complete more than 24 continuing education hours for all licenses during the license period. Of the 24 hours, three hours must be in ethics and consumer protection.

An individual who holds a limited life, accident, and health license or a limited property and casualty license must complete 10 hours of continuing education each licensing renewal period.

The Commissioner by rule may authorize the Department to grant not more than four hours of continuing education credit to an agent who is an active member of a state or national insurance association.

Licensees must keep records of every course completed for four years after the date of completion for the purpose of investigation or audit by the Department of Insurance. A licensee under investigation must maintain such records for at least as long as the investigation continues.

Page 76, Life and Accident and Health and Life Only supplements. The material pertaining to credit life insurance is not applicable to the Texas Health supplement.

Credit Life

Add the following material to the beginning of the section on Credit Life Insurance.

Definitions

Credit life insurance means insurance on the life of a debtor in connection with a specific credit transaction.

Credit transaction includes the lending of money.

Creditor means:

- a person who lends money or who sells or leases goods, services, property, rights, or privileges, for which the payment is arranged through a credit transaction;
- a successor to the right, title, or interest of a person described in the previous paragraph; or
- a person who is in any way associated with a person described in this section, including a director, officer, employee, affiliate, associate, or subsidiary.

Debtor means a person who borrows money or who purchases or leases goods, services, property, rights, or privileges, the payment for which is arranged through a credit transaction.

Applicability of chapter

This chapter applies to life insurance that is sold in connection with a credit transaction that is charged to or paid for by, in whole or part, the debtor, regardless of the nature, kind, or plan of the credit insurance coverage or premium payment system and regardless of whether the credit insurance is charged to or paid for by the debtor directly or indirectly.

This chapter does not apply to insurance that is issued or sold:

- in connection with a credit transaction of more than 10 years' duration;
- in connection with a credit transaction that is secured by a first mortgage or deed of trust and made to:
 - finance the purchase of commercial real property or the construction of or improvement to a building, other than a single-family dwelling, on the real property if the purchase, construction, or improvement is secured by a lien on the real property; or
 - refinance a credit transaction made for a purpose described in the preceding paragraph or
- as an isolated transaction on the part of the insurer that is not related to an agreement or a plan for insuring debtors of the creditor.

Form of insurance and evidence of coverage

Credit life insurance may be issued only as an individual policy of life insurance issued to a debtor on a term plan or a group policy of life insurance issued to a creditor on a term plan providing insurance on the lives of debtors.

The insurance must be evidenced by an individual policy or group certificate of insurance.

Limits on amount of credit life insurance

The initial amount of credit life insurance on a debtor may not exceed the total amount of debt repayable under the contract that evidences the credit transaction.

If the debt is repayable in substantially equal installments, the amount of insurance may not at any time exceed the greater of the scheduled or actual unpaid amount of the debt under the contract.

Beginning of term of credit insurance coverage

The term of credit life insurance begins, subject to acceptance by the insurer, on the date that the debtor becomes obligated to the creditor.

With respect to an obligation that exists when a group policy takes effect, coverage begins on the later of the effective date of the policy or the date of enrollment for coverage under the policy.

If evidence of insurability is required and is provided after the 30th day after the date the debtor becomes obligated to the creditor, the term of the insurance may begin on the date the insurance company determines that the evidence is satisfactory.

Maximum amount of insurance charge to debtor

A creditor may not charge a debtor for credit life insurance an amount that exceeds the amount of the premium that the insurer charges the creditor for that insurance, as computed at the time the charge to the debtor is determined.

Refund of insurance charge on termination of debt or insurance; filing of formula

Each individual policy or group policy and group certificate must include a written notice stating that:

if the underlying debt or the insurance terminates before the originally scheduled termination date of the insurance, including the termination of a debt by renewing or refinancing the debt, the debtor will be entitled to a refund of unearned premium; and

in the event that the underlying debt or the insurance terminates before the originally scheduled termination date of the insurance, including the termination of a debt by renewing or refinancing the debt, the person who is the holder of the underlying debt instrument on the date the debt terminates must, no later than 60 days after the termination of the insurance, provide notice to the insurer of the termination of the debt that includes the name and address of the insured and the payoff date of the underlying debt.

The refund of any amount of unearned premium paid by or charged to the debtor must be paid or credited promptly to the person entitled to the refund no later than 30 days after receipt of the notice required to be sent to the insurer described below.

A refund is not required if the amount of the refund is less than \$3.

The formula to be used in computing the refund of the amount paid by or charged to the debtor for insurance if the underlying debt or the insurance terminates before the scheduled maturity date of the debt must be filed with and approved by the commissioner.

Required refunds or adjustments

If the beginning of the term of insurance is delayed, the charge to the debtor for insurance must be adjusted or the appropriate amount must be refunded to the debtor.

If a creditor requires a debtor to make any payment for credit life insurance and an individual policy or group certificate of insurance is not issued, the creditor must immediately give written notice to the debtor and promptly make an appropriate credit to the debtor's account.

Page 100, Life and Accident and Health and page 85, Accident and Health supplements only. The material applicable to health maintenance organizations is not applicable to the Texas Life supplement.

Evidence of Coverage

Add the following material to the beginning of the section on evidence of coverage.

An evidence of coverage or an amendment to an evidence of coverage may not be issued, delivered, or used in Texas unless it has been filed for review and has received the approval of the commissioner. The following forms are always considered to be part of the evidence of coverage:

- group agreement;
- certificate issued to each subscriber who is enrolled through a group (the same form may be used as both the group agreement and the group certificate);
- conversion and individual agreements;
- group, conversion, and individual applications for coverage;
- group subscriber enrollment form;
- riders, endorsements, amendments, and letters of agreement;
- matrix filings;
- schedule of benefits; and
- any other form attached to or made a part of the evidence of coverage.

The forms described above must be identified with a unique form number and individually approved by the commissioner before being issued, delivered, or used in Texas. Each form will be considered a separate evidence of coverage filing and is subject to required filing fees for initial submissions.