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HOUSE JOINT RESOLUTION NO. 196

Offered January 9, 2008

Requesting the Bureau of Insurance within the State Corporation Commission to study the qualifications and characteristics of applicants for licensure as insurance agents in the Commonwealth. Report.

Patron—Hargrove

Referred to Committee on Rules

WHEREAS, the availability of appropriate insurance products is vital to the personal and financial well-being of the citizens of the Commonwealth; and

WHEREAS, there is a shortage of qualified insurance agents in the Commonwealth; and

WHEREAS, the preparation level of applicants for licensure is currently unknown to the State Corporation Commission's Bureau of Insurance; and

WHEREAS, demographic data regarding applicants for licensure is currently unavailable to the Bureau of Insurance; and

WHEREAS, the efficacy of licensing examination preparatory courses is unknown to the Bureau of Insurance; and

WHEREAS, the Bureau of Insurance currently does not know the number of applicants who enroll in or complete licensing examination preparatory courses; and

WHEREAS, the Bureau of Insurance contracts with a professional testing organization to create and administer licensing examinations; and

WHEREAS, the professional testing organization is capable of collecting various demographic and other data as part of the examination registration process; and

WHEREAS, the collection of such information will assist the Bureau of Insurance in analyzing and determining the modifications, if any, that may need to be made to the prelicensing preparation process or the licensing examination process; and

WHEREAS, such information and analysis by the Bureau of Insurance, along with any recommendations that may arise as a result thereof, have the potential to increase the number of qualified insurance agent licensees providing appropriate insurance advice and products for the benefit of the residents of the Commonwealth; now, therefore, be it

RESOLVED by the House of Delegates, the Senate concurring, That the Bureau of Insurance within the State Corporation Commission be requested to study the qualifications and characteristics of applicants for licensure as insurance agents in the Commonwealth.

In conducting its study, the Bureau of Insurance shall:

1. Require its contracted insurance license examination provider to obtain from each registrant for a licensing examination the following information: (i) gender (male or female); (ii) race or ethnicity (African-American, Caucasian, Native American, Asian, Hispanic or Other); (iii) native language; (iv) highest level of education completed (years of high school or higher education); and (v) whether the candidate completed a licensing examination preparatory course, and if so, the name of the provider of such course.

2. Require its contracted insurance license examination provider, in requesting the aforesaid information, to include a prominent statement that the applicant's disclosure of any demographic information is voluntary and the applicant's refusal to disclose such information shall not affect the results of the applicant's examination. The application shall also state that the applicant's demographic information shall be used only for statistical analysis and shall be maintained separately from the applicant's personally identifiable information.

3. Obtain and analyze information as described below, commencing July 1, 2008. For data collected from July 1, 2008, through September 30, 2008, the Bureau of Insurance shall report its findings no later than October 15, 2008. Such report shall summarize the statistical information collected, and shall include separate statistical information relating to each classification of licensing examination administered during the preceding calendar quarter. The report for each classification of licensing examination shall include the following information for all examinations combined, as well as separately by age range, gender, race or ethnicity, race or ethnicity with gender, native language, and education level, and whether candidates completed a licensing examination preparatory course: (i) the total number of examinees; (ii) the percentage and number of examinees who passed the examination on their initial attempt; (iii) the mean scaled scores on the examination; (iv) standard deviation of scaled scores on the examination; and (v) correct-answer rates and correlations. Further, such report shall include a list of all licensing examination preparatory course providers that were revealed in response to questions asked as

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59 part of the examination application process, and shall include a statistical breakdown of the pass ratio
60 for each course provider as determined by the number of candidates who passed the examination divided
61 by the number of candidates who registered for the examination. The Bureau of Insurance may request
62 and obtain any other data that it deems appropriate to conduct this study, and may include any such
63 additional data and analysis in its report. The report shall include any recommendations from the Bureau
64 of Insurance or its contracted insurance license examination provider that, in the opinion of the Bureau
65 of Insurance, would increase the number of qualified candidates for licensure in Virginia, without
66 compromising the qualifications of candidates for licensure.

67 The Bureau of Insurance shall require the contracted insurance license examination provider to
68 continue to collect, analyze, and report all such information to the Bureau of Insurance for a period of
69 two years commencing July 1, 2008, or until the General Assembly determines that the need for
70 collection of such data no longer exists, whichever occurs first.

71 All agencies of the Commonwealth shall provide assistance to the Bureau of Insurance for this study,
72 upon request.

73 The Bureau of Insurance shall submit to the General Assembly an executive summary and a report of
74 its findings and recommendations no later than October 15, 2008. Copies of the report shall be provided
75 to the chairmen of the House and Senate Committees on Commerce and Labor. The executive summary
76 and report shall be submitted as provided in the procedures of the Division of Legislative Automated
77 Systems for the processing of legislative documents and reports and shall be posted on the General
78 Assembly's website.