

State Corporation Commission 2012 Fiscal Impact Statement

1. Bill Number: HB313

House of Origin	<input type="checkbox"/> Introduced	<input type="checkbox"/> Substitute	<input type="checkbox"/> Engrossed
Second House	<input type="checkbox"/> In Committee	<input type="checkbox"/> Substitute	<input checked="" type="checkbox"/> Enrolled

2. Patron: Ware, R.L.

3. Committee: Passed Both Houses

4. Title: Life insurance and annuities agents; licensing examination.

5. Summary: Life insurance and annuities agents; licensing examination. Adds a requirement by which the Commission will review annually the results of the life and annuities licensing examinations and revise the content of the examinations to further the goal of achieving a pass rate in accordance with the 2011 NAIC State Licensing Handbook or any successor publication adopted by the National Association of Insurance Commissioners and report to the General Assembly by the second quarter of the following year on its findings and any related changes it has implemented.

6. Budget amendment necessary: No

7. No fiscal impact on the State Corporation Commission. Final.

8. Fiscal implications: None on the State Corporation Commission

9. Specific agency or political subdivisions affected: State Corporation Commission Bureau of Insurance

10. Technical amendment necessary: None

11. Other comments: The Bureau of Insurance currently reviews the results of all pre-licensing examinations on a monthly basis to determine any significant deviations in examination pass rates which may require immediate action. In addition, the Bureau and its licensing vendor conduct an examination review workshop annually with insurance industry representatives and Bureau staff subject matter experts to review each question's performance, validity, and fairness and to ensure that each is legally defensible for minimally competent entry level candidates. A course content outline is developed for each examination to provide candidates with the subject matter tested on the examination. Virginia Insurance School Summary reports are also posted on the Bureau's website as they reflect each insurance school's pass/fail rates. The pass rate for first time test takers for all agent examinations in 2011 was 69%. The pass rate for first time test takers for the Life & Annuities examination in 2011 was 66%. New passing standards for Virginia examinations were implemented in November 2010. New retest rules for Virginia examinations went into effect in April 2011.

House Bill 313
Page 2

Date: 03/02/12/V. Tompkins
cc: Secretary of Commerce and Trade
Secretary of Health and Human Resources