



**TEXAS DEPARTMENT OF INSURANCE**  
COMMISSIONER OF INSURANCE

December 1, 2014

The Honorable Rick Perry, Governor  
The Honorable David Dewhurst, Lieutenant Governor  
The Honorable Joe Straus, Speaker of the House

Dear Governors and Speaker:

In accordance with Texas Insurance Code, Section 4002.008, the Texas Department of Insurance conducted its annual review and analysis of first-time pass rates for insurance agent and adjuster license examinations, including limited and single lines licenses during fiscal year (FY) 2014. Pearson Vue, the agency's contracted exam services vendor for FY 2014, collected self-reported demographic information for all candidates that participated in an end-of-exam survey.

Analysis of demographics, exam data, and pass rates has been provided by Pearson Vue, including an executive summary highlighting constructs and analysis for their report. As required by HB 1757, this letter conveys that the 2014 Pearson Vue report indicates possible disparities in pass rate(s) correlating to demographic information.

In this regard, continuing trends were noted. Higher pass rates were evidenced in the following demographics: Caucasian males; higher income levels; higher formal education levels; and examinees that took preparatory classes. Lower pass rates were evidenced in the following demographics: females; non-Caucasians; and examinees with income less than \$25,000.

TDI works periodically with Pearson Vue and industry stakeholders to analyze and adjust exam content and clarity. Twice during FY 2014, agency staff and industry subject matter experts convened to review multiple exams to improve test questions and results. We believe this effort, coupled with a change in testing methodology to "scaled scoring", positively impacted testing results for six license types.

Concurrent to the collection of another year of demographic data, TDI will continue to work with stakeholders and its exam vendor in order to improve our state exam process.

Thank you for the opportunity to provide this information and for your consideration of this report. If you have any questions regarding this report, I will be happy to respond.

Sincerely,

Julia Rathgeber  
Commissioner of Insurance