

California Department of Insurance
Commercial Earthquake Risk Management
Topics that may be Included in the Course Outline

OVERVIEW

The following outline is a listing of the topics that may be addressed as part or all of an insurance continuing education course designed to meet the requirements of Section 1749.1(a) of the California Insurance Code (CIC), which reads in part, "...The curriculum board shall also develop or recommend courses of study on commercial earthquake risk management ..."

Unlike in the homeowners' market, there is no mandate to offer commercial earthquake insurance in California, and no requirement for agents and brokers to actually discuss earthquake insurance with their commercial clients.

If inadequately prepared, earthquake disasters could cripple California's economy and impact global business operations for a prolonged period of time. The impact and damage to commercial operations is different, and more complex, than in the residential market. Factors to be considered by a business include physical damage to structures, workforce availability, infrastructure damage, disruptions to supply lines, reduced productivity, loss of market share, loss of customer base and lost profit.

The purpose of this course is to ensure that insurance agents and brokers have access to approved training on the complex issues of commercial earthquake insurance and mitigation and are qualified to fully assist their clients in managing their earthquake risk.

Training

Commercial Earthquake Risk Management continuing education courses consist of the subjects below. The course curriculum may relate to a single subject listed below, portion of any subject listed below, or any combination.

- Understanding risk zones;
- Options for insurance coverage to cover potential loss;
- Mitigation strategies;
- Postevent recovery; and,
- Significant differences between commercial and residential earthquake coverages.

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Education Provider Guidelines

Course providers are required to do the following:

- Provide a detailed understanding of all the topic areas;
- Show continuity of explanations in the course textbook, examples, references, and citations;
- Provide easy to read text. Rather than seemingly unrelated pieces of data, the text should have a narrative explanation of why or how parts fit together;
- State conclusions (i.e. why is this topic important and what does it mean for the policyholder);
- Substantiate information with material presented;
- Focus course material on the needs of commercial consumers and the problems and solutions associated with commercial earthquake risk management;

Contact Course

Credit Hours for Contact Courses: Our guideline for assigning credit hours to contact courses is based on a 50-minute hour of classroom instruction. No credit is given for breaks. The student can receive credit for only eight hours or 480 minutes of instruction per day. This equates to nine hours of classroom credit per day (partial hours are not given credit). The student is required to be attentive and participate. It is the instructor's discretion or judgment to determine if the student should receive credit based on his attention and participation. Additionally, the instructor may give credit if the student participates in at least 80 percent of class instruction. No credit is given for review. Credit is given for examinations only if it is mandatory to pass the examination to receive credit for the course.

Non-Contact Course

Credit Hours for Non-Contact Courses: One credit hour is approved for 4,600 words. For the examination, not more than 15 percent of the course time is added to arrive at the total credit hours for the non-contact course. The examination must have a minimum of three questions for each credit hour approved. Partial credit hours will not be awarded and will be rounded down to the nearest whole credit hour.

Disclaimer –The California Department of Insurance is released of responsibility for approved course materials that may have a copyright infringement. In addition, no course approved for either prelicensing or continuing education hours or any designation resulting from completion of such courses should be construed to be endorsed by the Commissioner.