



RICARDO LARA

CALIFORNIA INSURANCE COMMISSIONER

Curriculum Board Meeting Minutes

Thursday, October 20, 2022

12:30 to 3:00 p.m.

California Department of Insurance

Via Microsoft Teams

[Click here to join the meeting](#)

Or call in:

916-245-2537

Phone Conference ID: 298 325 748#

The meeting was called to order at 12:31 p.m. by Neil Granger, Board Chairman.

Neil Granger – Elder Abuse & Annuity Training
Samona Caldwell – State Farm Insurance
Jesse Dogillo – Bay Area Financial & Insurance
Services
Steve Hinds – Nationwide Insurance
Company
Monique Howard – Allied World Insurance
Company
Anne Lintz – Anne Lintz Insurance Company

Michael Lujan – Michael Lujan Consulting
Group, LLC
Peter Schifrin– Schifrin, Gagnon & Dickey, Inc.
Rene Swan – United Valley Insurance
Services (Absent)
Sandra Moriarty – United Policy Holders
(Absent)
Mimie Yoon-Lee – Lincoln Financial Network
(Absent)

1. **Welcome:** Chairman Granger welcomed and thanked everyone for attending the Curriculum Board (Board) meeting and reviewed the meeting procedures.

Chairman Granger introduced new board member, Michael Lujan. Michael is Principal Consultant of Michael Lujan Consulting Group, LLC, which provides health insurance consulting services to insurance carriers and enrollment related projects with a focus on sales strategy and sales channel optimization. Previously, Michael was the inaugural Director of Sales for Covered California. During this role, he created the curriculum required to certify licensed agents to enroll in the program and successfully trained, certified, and appointed more than 14,000 agents in the first year. He is a member and past president of California Agents & Health Insurance Professionals (CAHIPP) and is also a board member of the Employee Benefits Planning Association. Michael joins the Curriculum Board in the life agent trade association representative seat with a term ending on October 14, 2025.

Charlene Ferguson, Chief of the Licensing Services Division (Licensing), reported that Dawn Ward, former manager of the Curriculum Review Section (CRS), moved on to another agency. She introduced Lynne Reinhardt, the new manager of CRS. Previously, Lynne was the manager of the Department's Producer Licensing Background Section. If the Board or guests have curriculum related questions, please contact Lynne.

Charlene also introduced and welcomed Laurie Menchaca to the Board members and guests. Laurie is the Department's new Deputy Commissioner of the Administration and Licensing Services Branch (ALSB). Laurie was appointed to this position on September 1, 2022, to replace Julie Arce (formerly Julia Cross), who retired from state service.

In the Deputy Commissioner position, Laurie oversees the functions within ALSB, which include the Licensing Services Division, Financial and Business Management Division, Information Technology Division, Human Resources Management Division, and Administrative Hearing Bureau.

2. **Minutes:** Chairman Granger asked for a motion from the Board members to approve the July 21, 2022, Board meeting minutes. Board member Samona Caldwell made a motion to approve the meeting minutes and Board member Steve Hinds seconded the motion. The July 21, 2022, meeting minutes were approved as written.
3. **Licensing Update:** Charlene Ferguson provided a legislative report and a Licensing update.

Legislative Report: The following six legislative bills are of interest to the Board:

Assembly Bill (AB) 2043 (Jones-Sawyer and Co-Author Mayes) Bail Bonds adds the bail fugitive recovery agent (BFRA) license to the list of bail licenses and will take effect on July 1, 2023. AB 2043 will prohibit a person from performing the activities of a bail fugitive recovery agent, or soliciting or negotiating to perform the activities of a bail fugitive recovery agent, unless that individual is properly licensed. Any person or entity who hires, contracts, solicits, or appoints another person to act as a bail fugitive recovery agent must ensure the individual is licensed as a BFRA by the Department of Insurance. Online bail license applications are expected to be launched on or before March 1, 2023.

The BFRA applicant will be required to complete a 20-hour bail prelicensing course and a 40-hour power of arrest course certified by the Commission on Peace Officer Standards and Training (POST) for educational purposes only. Fingerprints are required for the BFRA applicants as stated in California Insurance Code (Cal. Ins. Code) sections [1652](#) and [1802.3](#).

The BFRA applicant will also be required to submit the following:

- (1) Notice of appointment executed by a bail agent or surety insurer authorizing the applicant to act on behalf of the appointing license holder.
- (2) Surety bond in the amount of \$1,000 with a requirement to provide information on how to contact the Department if there is a consumer complaint with information on the insurer or agent or broker of record on that bond which is a new requirement for all bail agents.
- (3) Limited liability insurance \$1,000,000 policy. This requirement can be delayed if there is either a lack of availability or affordability, or both, of liability insurance for BFRAs. A BFRA is also required to comply with the Bail Fugitive Recovery Persons Act stated in California Penal Code sections [1299](#) through [1299.12](#).

In addition, the BFRA list is to be added to the Department's Bail Report for County Clerk Offices Online Services.

Bail agents, permittees, and solicitors who apply for a BFRA license are exempt from filing the surety bond, a surety appointment, and the liability insurance policy if the bail agent currently has those items on file with the Department. Current bail agents are also exempt from having to again complete the 20 hours of prelicensing.

Charlene stated the prelicensing educational objectives (EOs) for the California bail agent license examination will need to be updated to include the BFRA license requirements. However, since the Board does not have a bail agent representative, Licensing will work with the Department's Investigations Division to update those EOs.

[AB 2450 \(Valladares\) Insurance: Reporting](#) was vetoed by the Governor on September 27, 2022.

[AB 2604 \(Calderon, Chapter 534, Statutes of 2022\) Long-Term Care Insurance](#) requires long-term care (LTC) insurance providers certified by the California Partnership for Long-Term Care Program (Partnership) to provide lower-cost inflation adjustment options. This new requirement takes effect on January 1, 2023.

[Senate Bill \(SB\) 1040 \(Rubio\) Insurance: Restitution](#) authorizes the Commissioner to seek a judgment to enforce an order for restitution, if requirements are met, to provide restitution for a loss arising from the respondent's conduct. With a restitution order, and if the facts and equity permit, this new law would also authorize the Commissioner to issue an order of rescission enforceable on any person subject to the Commissioner's jurisdiction. The bill would require the rescission or restitution order to be subject to judicial review. This bill takes effect on January 1, 2023.

[SB 1242 \(Committee on Insurance\) Insurance](#) is the Department's Omnibus bill. This bill amended and added several sections to the California Insurance Code to require the following, which takes effect on January 1, 2023, unless a specific effective date is stated below.

- [Bail Bonds](#) – This bill requires insurers to provide a specific written disclosure to the customer on the bail bond when it is first executed or delivered to include the Department's contact information for consumer complaints and the address and customer service telephone number of the insurer or of the agent or broker on record.
- [HIV Testing](#) – This bill clarifies that on or after January 1, 2023, a life or disability income insurer may not decline an application or an enrollment request for life or disability income insurance coverage based solely on a positive HIV test.
- [License Number on Emails](#) – This bill requires specific resident and non-resident insurance producers, independent insurance adjusters, public insurance adjusters, and analysts to include their license numbers on emails involving an activity for which a license is required so consumers can confirm that the person maintains an active license with the Department.
- [Credit Insurance](#) – This bill would be amended to remove “and receive a commission for their efforts” in Cal. Ins. Code section [1758.9](#). This bill would require all credit insurance agent employees who sell credit insurance to be endorsed with the credit insurance agency or hold a credit insurance license.
- [Fingerprinting Requirements](#) – This bill details the fingerprint requirements for insurance license applicants by expressly referencing the California Department of Justice and by listing each license qualification that requires a background check.

- Long-Term Care – This bill authorizes alternative procedures related to the issuance of benefit statements for an accelerated death benefit for LTC.
- Fraud Insurance Training – This bill requires one hour of study on insurance fraud to be included in the 12-hour ethics course for new license applicants and the 3-hour ethics training course, which is a part of, and not in addition to, the 24-hour continuing education requirements for agents and brokers license renewals. This requirement takes effect on March 1, 2023.

The Department 's Enforcement Branch will be developing the one-hour anti-fraud awareness training course. Charlene stated education providers will need to reduce their courses to add in the Department's one-hour anti-fraud awareness training. CRS will work closely with precicensing and continuing education providers to ensure the Department's one-hour anti-fraud awareness training is a part of their 12-hour and 3-hour ethics courses.

Suspected Fraud Applications – This bill details the steps for agents to follow when an agent "reasonably suspects that a fraudulent insurance application is being made" as stated in Cal. Ins. Code sections [1872.41](#) and [1872.51](#).

Board member Peter Schifrin asked a clarifying question on the requirement for license numbers to be listed on emails. Charlene confirmed that the individual license number and the organizational license number are required to be included in emails involving an activity for which a license is required.

Licensing Updates: The Department launched several SimpliGov online forms: License Change of Address, [LIC 447-7](#); License Name Change Request, [LIC 075](#); California Insurance Cancellation Request, [LIC CC2](#); Variable Life and Variable Annuity, [LIC-073](#); and the Background Information Change Disclosure Form, [LIC #2557B](#).

The SimpliGov automation platform moves licensing forms which have no fees from a paper format to an online submission process. The online service has an integrated eSignature to allow individuals to complete their updates online and submit the form to the Department electronically. To use this new service, licensees must use the email address on their licensing record to allow the submission of the completed form to be sent to the Department. Additional forms will be launched on SimpliGov soon.

4. PSI Examination Review: Alon Schwartz, Senior Vice President of Licensure for PSI Services LLC (PSI):

Remote Proctoring Update – PSI is continuously working with the Department to further enhance security protocols for remotely proctored examinations. With advancements in technology, PSI's remote proctoring software is constantly being enhanced and improved for PSI and the Department to ensure the integrity of the license examinations. These improvements include room scans and intelligence tools for PSI proctors.

Online Remote Proctored License Examination Statistics – From January 1, 2022 through September 30, 2022, the total number of online remote proctored English and Spanish language license examinations was 18,197. The first-time pass rate for remote tests was 64 percent.

Guest Irma Romero asked if there was a break down by license type of the sixty-four percent passing score for remote testing. Holly Kinney, Chief of the Curriculum and Officer Review Bureau, advised that she would discuss with PSI and would provide a report to the Board at the February 16, 2023, meeting.

Department-Specific Contact Information – As previously reported, PSI has a dedicated telephone number for scheduling examinations and/or any questions at (833) 518-7456, a dedicated Department email for any questions are CDISupport@psionline.com, and Remote Proctor Tech Support telephone number at (844) 267-1017. This information is available in the Department's Candidate Information Bulletin.

Irma asked for confirmation that examinees would not be penalized for calling one of PSI's Department-dedicated numbers while taking an examination. Alon confirmed examinees would not be penalized. He also explained there is chat support as well as telephone support. Remote proctors have audio and can hear when examinees are on the telephone with technical support. PSI's technical support staff notifies examination proctors if they are speaking with a specific examinee to prevent being penalized.

- 5. Examination Statistics Update:** Jennifer Mariona, Curriculum Compliance Analyst, provided the examination statistics report and the license examination percentage scores report. The percentage scores report provides who scored 50 percent or higher on their license examination for the time period of January 1, 2022 through September 30, 2022.

Jennifer also reported there were seven Administrative Bar incidents from January 30, 2022 through September 30, 2022, reported to the Department's Legal Enforcement Bureau, which resulted in seven Legal Orders issued.

- 6. Long-Term Care Outline Subcommittee Report:** Dillon Gingras, Education Analyst, reported on August 24, 2022, a Notice was distributed announcing the new, updated Eight-Hour Long-Term Care (LTC) Outline and Attachments are available on the Department's [Resident – Provider Continuing Education Courses](#) webpage. He stated education providers are currently working on and submitting their revisions to the Education Unit to review.

With the LTC Subcommittee's completion of their review and the Department's approval and distribution of the Eight-Hour LTC Outline and Attachments, the Department scheduled the new Four-Hour LTC Subcommittee (Subcommittee) meetings to begin development of the four-hour, topic-specific, LTC course outlines. These courses are to provide agents with in-depth curriculum on the specific LTC topics included in each of the four-hour courses.

The Subcommittee held their first meeting on September 20, 2022, and they established meeting dates for every two weeks to continue their discussions and determine the specific topics for each of the four-hour outlines.

Chairman Granger noted he participates on this Subcommittee and he is grateful to all of the Subcommittee members for their experience and expertise during the discussions to provide excellent, high-level topics for the LTC four-hour course curriculum.

7. **12-Hour Ethics and California Insurance Code Educational Objectives Update:** Ammy Dang, Education Analyst, reported the Ethics and California Insurance Code (Ethics) Subcommittee completed their review of the 12-hour Ethics and California Insurance Code Educational Objectives (12-hour EOs) and the Three-Hour Ethics Training Course Development and Review Guidelines (Guidelines). Both of these documents were reviewed by the Department's Curriculum Board Legal Liaison, Katey Piciucco.

The Department updated the 12-hour ethics course curriculum in the Life and Accident, Health or Sickness prelicensing EOs as well as in the Life-Limited to the Payment of Funeral and Burial Expenses and Life and Disability Analyst examination objectives to include the revisions made to the 12-hour ethics course curriculum. The license examinations for these license qualifications are also being reviewed to include new questions based on the revisions.

As Charlene reported, [SB 1242](#) amended the 12-hour and three-hour ethics course requirements to require education providers to include the Department's one-hour of anti-fraud awareness training on or before March 1, 2023. This training will be provided by the Department's Enforcement Branch-Fraud Division.

To meet this new requirement, CRS staff met with the Board's Ethics Subcommittee to review the Enforcement Branch's edits to the current 12-hour and three-hour ethics insurance fraud curriculum and the proposed one-hour outline for the Department's insurance fraud training. Soon after that meeting, the Board and the Department's Curriculum Board Legal Liaison approved the revised 12-hour and the three-hour ethics courses.

Ammy reported a Notice will be distributed to announce the updated 12-hour and the 3-hour ethic course curriculum as well as provide the timeline for education providers to update their ethics courses. The ethics curriculum will be available in sufficient time for education providers to reduce their ethics courses and incorporate the Department's one-hour anti-fraud insurance awareness training to their ethics courses for those licensees who renew their license on or before March 31, 2023.

Irma Romero asked for clarification on when the fraud portion for the ethics requirement needs to be met by licensees for their renewals. Charlene advised the effective date is March 1, 2023, and a Notice will be distributed with the link and format options for education providers to add the required one-hour anti-fraud awareness training, which is a part of ,and not in addition to, their 12-hour and three-hour ethics courses.

8. **Annuity Training Course Subcommittee Report:** Jennifer Mariona reported the Annuity Subcommittee held meetings every three weeks and completed its review and revisions to the Eight-Hour Annuity Outline, Four-Hour Annuity Outline, and Attachments on December 7, 2021. However, the Annuity training outlines are, once again, on hold pending the review of proposed legislation in the 2023 Legislative Session which may impact these outlines. Soon after the 2023 Legislative Session

deadline to introduce bills, Licensing will be able to update the Board on the status of the updated annuity training course curriculum.

If no new annuity legislation is introduced, CRS staff will distribute a Notice to education providers announcing the new, updated Eight-Hour Annuity Outline, Four-Hour Annuity Outline, and Attachments are available on the Department's [Resident – Provider Continuing Education Courses](#) webpage. The Notice will announce the timeline for education providers to update their annuity training courses.

9. Curriculum Review Update and Schedule: Holly Kinney provided an update on the Department's Curriculum Review Schedule.

First, as Ammy reported, the 12-hour and 3-hour ethics training will soon be sent to the Department's Curriculum Board Legal Liaison and the Board to provide any comments or updates on the new fraud insurance training before the Notice is distributed to education providers.

Second, the bail agent EOs will also be updated to include [AB 2043](#)'s BFRA licensing requirements. The Board will be asked to review the EOs and the updates to those objectives. If there are no edits or concerns, the Bail EOs will be sent to the Department's Curriculum Board Legal Liaison and the Board to provide any comments or updates.

Third, the independent insurance adjuster examination objectives and the public insurance adjuster EOs are updated. The next step is to ensure the adjuster objectives are aligned with the adjuster license examination questions. The Department's license examination vendor, PSI Services LLC, can facilitate Adjuster License Examination Workshops (Workshop) in late November and early December 2022 or in January or February 2023 to invite subject matter experts (SMEs) to participate at these workshops.

Board member Peter Schifrin inquired about the target number of total SMEs needed for the Workshop. Holly responded that approximately seven to eight SMEs split up between the two weeks is the goal. Holly then asked if any guests or Board members would be interested in participating. Peter advised that he spoke with others who might be interested. Charlene clarified that this Workshop is associated with adjusting property claims and noted that in addition to licensed adjusters, licensed property and casualty agents are encouraged to participate as well. Board member Steve Hinds volunteered to participate.

When the Workshops are completed, a Notice will be sent to the Board and education providers announcing the launch of the updated independent adjuster examination objectives and the public adjuster EOs. The Notice will also provide the date the new adjuster license examination questions will be launched.

As reported at the last Curriculum Board meeting in July, the Life and Disability Analyst License Examination Workshop is expected to be held in summer 2023. However, there are a limited number of SMEs who are familiar with the life and disability analyst examination objectives and as such, there may be a delay as to when the Workshop will be held. Holly also indicated the 2023 schedule states the Life and the Accident and Health or Sickness EOs and the Life-Limited to the Payment of Funeral and Burial Expenses examination objectives are to be reviewed in 2023.

Chairman Granger reported participating on an examination workshop is very interesting and is important for new and experienced licensed individuals to participate on the examination workshop panels. Holly stated to participate as a SME at an examination workshop, the SME is required to hold a license in the license qualification being reviewed and the SME cannot be an education provider.

10. **Education Work Status Report:** Maria Alfaro, Education Analyst, reviewed the Education Unit statistics from January 1, 2022 through September 30, 2022. Maria also informed the Board that all hard copy and Sircon applications received within the last 10 days were assigned to an education analyst.
11. **Roundtable:** Board member Steve Hinds inquired about things the industry is doing to limit exposure in the market place for property/casualty risks. He is concerned that different providers seem to be doing different things. Charlene explained the Commissioner is doing everything he can to ensure individuals can get their homeowners insurance, including hardening of homes and proposing new legislation. She noted the Department's press release regarding "[Commissioner Lara enforces nation's first wildfire safety regulation to help drive down cost of insurance](#)" was distributed on October 17, 2022, which "directs insurance companies to provide discounts to consumers under new Safer from Wildfire framework with transparency about risk rating."

Guest Bart Shachnow, provider director of Zurich Agency Services, Inc. (Zurich), stated climate change could be a major loss exposure. Zurich is prepared to submit several continuing education courses that address climate change and the associated risks to insurers. He noted California leads the nation in developing climate and environmental standards. Holly indicated climate change is very important to the Commissioner and the Department has a Climate and Sustainability Branch. Charlene stated Zurich's course(s) will need to relate to insurance related climate change issues.

12. **Final Remarks and Adjournment:** Chairman Granger reminded everyone the next Board meeting is scheduled for Thursday, February 16, 2023. CRS staff will provide the Board members and guests with the next Board meeting arrangements approximately 30 days before the February meeting.

Please note, the next Curriculum Board meeting will begin at 12:30 p.m. Board member Peter Schiffrin made a motion, and Board member Steve Hinds seconded the motion to adjourn the meeting. The October 20, 2022, Board meeting adjourned at 1:48 p.m.