NOTICE

TO: Education Training Providers

DATE: January 10, 2006

SUBJECT: Four-Hour Annuity Training Requirement

On January 1, 2005, Section 1749.8 of the California Insurance Code became effective and established two requirements for life agents who sell annuity products. The first requirement is for the agent to complete an initial eight (8) hours of annuity training. At that time, the California Department of Insurance’s Curriculum Board established an 8-Hour Annuity Training Outline that can be found on the CDI’s Web site at www.insurance.ca.gov.

The second requirement stated in Section 1749.8 is for those life agents who completed the eight hours of initial annuity training to complete four (4) hours of annuity training every license term. Agents who completed the initial eight-hour course will be required to complete the four-hour course during the license term immediately following the license term in which they completed the eight hour course. For instance, if an agent completed the eight-hour course in their current license term, which expires in February 2006, they will need to have completed the four-hour course by February 2008.

For the purposes of the four-hour training requirement, the Curriculum Board created the “Four-Hour Annuity Training Course Development and Review Guidelines” (Guidelines). The Guidelines are now available on the CDI’s Web site at www.insurance.ca.gov to assist education providers in developing their courses to meet this training requirement. To access the Guidelines from the home page, please click on the following links: 1) Producer Licensing under Quick Links, 2) Education Provider Information, 3) Resident - Provider Continuing Education Courses, Outlines and Materials, and 4) Four-Hour Annuity Training Course Development and Review Guidelines.

When developing your courses, as an alternative to the Guidelines, the Annuity Training Subcommittee is also in the process of developing outlines for specific annuity topics that include, but are not limited to, the senior market, suitability for annuity sales to seniors, and advertising annuities: requirements and prohibited sales practices. These outlines will soon be available on the CDI’s Web site.

Should you have any questions concerning the Four-Hour Annuity Training Course Development and Review Guidelines, you may contact the Producer Licensing Bureau’s Education Section at (916) 492-3064.