



RICARDO LARA

CALIFORNIA INSURANCE COMMISSIONER

Curriculum Board Meeting Minutes

Thursday, February 16, 2023

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: 545 310 239#

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
Mimie Yoon-Lee – Lincoln Financial Network

- 1. Welcome:** Chairman Granger welcomed and thanked everyone for attending the Curriculum Board (Board) meeting and reviewed the meeting procedures.
- 2. Minutes:** Chairman Granger asked for a motion from the Board members to approve the October 20, 2022, Board meeting minutes. Board member Steve Hinds made a motion to approve the meeting minutes and Board member Peter Schifrin seconded the motion. The October 20, 2022, meeting minutes were approved as written.
- 3. Licensing Update:** Charlene Ferguson, Chief of the Licensing Services Division (Licensing) provided a Licensing update and a legislative report.

**Notices - SB 1242 (Committee on Insurance, Chapter 424, Statutes of 2022)
Insurance**

- December 16, 2022, Notice** - Required Endorsement of Employees Who Sell Credit Insurance. [SB 1242](#) took effect on January 1, 2023 and amended California Insurance Code (Cal. Ins. Code) [section 1758.9](#) to state, in part, no person shall sell or solicit any form of credit insurance in California unless that person is licensed as an insurance agent or broker or is licensed as a credit insurance agent or is a credit insurance agency endorsee.

- **December 22, 2022, [Notice - Revised](#)** - New Law Requires Licensees to Include Their License Number on Emails. The Department's revised Notice provided the background on the implementation Cal. Ins. Code section 1725.5. [SB 1242](#) added subsection (c) to Cal. Ins. Code section 1725.5 to require on January 1, 2023, all resident and non-resident licensees who hold licenses to include the individual and the agency / organization license numbers on emails involving an activity for which a license is required:
 - Property broker-agent ([Cal. Ins. Code section 1625](#))
 - Casualty broker-agent ([Cal. Ins. Code section 1625](#))
 - Life agent ([Cal. Ins. Code section 1626](#))
 - Variable life and variable annuity ([Cal. Ins. Code section 1758.1](#))
 - Accident and health or sickness agent ([Cal. Ins. Code section 1626](#))
 - Personal lines agent ([Cal. Ins. Code section 1625.5](#))
 - Limited lines automobile insurance agent ([Cal. Ins. Code section 1625.55](#))
 - Surplus lines broker ([Cal. Ins. Code section 1765](#))
 - Life and disability insurance analyst ([Cal. Ins. Code sections 1831 through 1849](#))
 - Independent insurance adjuster ([Cal. Ins. Code section 14020](#))
 - Public insurance adjuster ([Cal. Ins. Code section 15006](#))

The individual and business entity license numbers allow consumers to confirm the person maintains an active license with the California Department of Insurance.

- **January 12, 2023, [Notice](#)** - Revised Ethics Training Includes New Law Requiring Providers to Incorporate the Department's One Hour of Study on Insurance Fraud. [SB 1242's](#) amendments to Cal. Ins. Code sections [1749](#), [1749.3](#), [1749.31](#), [1749.32](#), and [1749.33](#) require *12-Hour Ethics and California Insurance Code Educational Objectives* (EOs) and the *Three-Hour Ethics Training Course Development and Review Guidelines* (Guidelines) classes to incorporate one hour of study on insurance fraud. [SB 1242](#) also adds sections [1872.41](#) and [1872.51](#) to the Cal. Ins. Code to provide agents and insurers additional details on the fraud reporting requirements.

For license applicants, agents and brokers to meet this new requirement, education providers were encouraged to incorporate the "[Agents and Brokers Anti-Fraud Training](#)" course into their new or current 12-hour ethics prelicensing courses for license applicants to complete before scheduling their qualifying license examinations and their three-hour continuing education (CE) ethics courses for agents and brokers to complete prior to each license renewal. Also, as stated in the Notice, education providers have until their next course renewal period to submit their updated courses to include the Department's one-hour study on insurance fraud.

Subsequent to this meeting, the Department distributed a Notice on March 10, 2023, to agents and brokers informing them about the Department's one hour of insurance fraud training requirement.

Bail Fugitive Recovery Agent (BFRA) - Assembly Bill ([AB 2043](#) Jones-Sawyer and Co-Author Mayes, Chapter 768, Statutes of 2022) Bail Bonds adds the bail fugitive recovery agent (BFRA) license to the list of bail licenses and will take effect on July 1, 2023.

As stated in the Board's October 20, 2022, meeting minutes, AB 2043 prohibits 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.

Subsequent to this meeting, the Department distributed a **April 14, 2023, [Notice](#)**, which was updated on May 18, 2023, announcing the BFRA license application requirements and provided links to the new bail application online services.

2023 Legislative Session: The last day for bills to be introduced in the 2023 California Legislative Session is Friday, February 17, 2023. Licensing has three items of interest to the Board.

- **Assembly Bill (AB) 451 (Calderon), Insurance: License Examinations.** [AB 451](#) (Calderon) License Examinations amends [Cal. Ins. Code section 1677](#) to remove the Spanish Language sunset date and, beginning January 1, 2024, require the examination for a license as a life agent, accident and health or sickness agent, property broker-agent, and casualty broker-agent to be provided in English, Spanish, Simplified Chinese, Vietnamese, Korean and, beginning July 1, 2024, in Tagalog.
- **Possible Annuity Suitability Legislation** – The Department is looking into the National Association of Insurance Commissioners (NAIC) [annuity suitability model](#) as well as section 989J of the Dodd-Frank Act, which requires states to adopt the 2020 version of the annuity suitability model by February 2025 to maintain the status of fixed and fixed indexed annuities.

It is necessary to adopt the NAIC model by 2025 in order to avoid federal regulation. Once again, the Department's proposal may exceed the NAIC model to offer increasingly stronger protections for consumers in California.

- **The Department's Omnibus Bill** was not introduced as of the date of this meeting.

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

Online Remote Proctored License Examination Statistics: From January 1, 2022 through December 31, 2022, the total number of online remote proctored English and Spanish language license examinations was 24,723. The first-time pass rate for remote tests was 62 percent.

Fingerprinting Update: Effective December 31, 2022, Idemia, PSI's long-standing fingerprinting vendor at PSI's test centers located throughout California, will no longer provide fingerprinting services in California. License applicants who test at a PSI test center or schedule an online remote proctored license examination are given instructions to contact a Department of Justice (DOJ)-approved fingerprint live scan vendor in California. The list of DOJ-authorized live scan vendors are listed by county on DOJ's website at <https://oag.ca.gov/fingerprints/locations>.

PSI is giving license examinees a copy of the Department's [Live Scan Form BCIA 8016](#), which was prepared by DOJ and lists the Department's fingerprint routing number on their form. License examinees and applicants are instructed to take the [Live Scan Form BCIA 8016](#) with them to their fingerprinting appointment. PSI is in the process of becoming a DOJ-approved live scan service provider in order to have new fingerprinting machines at PSI's test centers. This is a lengthy process and is expected to take approximately nine months for PSI to go through DOJ's review and approval process.

PSI's Convenience Fee: Effective December 15, 2022, PSI's new contract with the Department included a \$43 convenience fee for candidates testing at a PSI test center or via online remote proctored license examinations. Since 2012, PSI's convenience fee was \$33. Several factors led to this fee increase, including the following:

- Substantial increase in labor wages
- Increase in rent costs

Guest Nancy Strickler asked why education providers were not notified of the change in convenience fee. Holly Kinney, Chief of the Curriculum and Officer Review Bureau, stated this information was available on the Department's License Examination webpage and PSI's examination scheduling webpage for California starting on November 15, 2022; however, if there is a convenience fee increases in the future, the Department will ensure education providers are notified of any convenience fee changes.

5. **Examination Statistics Update:** Maria Alfaro, Education Analyst, provided the examination statistics report and the license examination percentage scores report. The percentage scores report provides the number of candidates who scored 50 percent or higher on their license examination for the time period of January 1, 2022 through December 31, 2022.

Maria also reported there were seven Administrative Bars from January 1, 2022 to December 31, 2022, which resulted in six orders issued and one incident is still under Legal review. As previously stated, Administrative Bars implements California Insurance Code section [1681.5](#).

Board member Michael Lujan asked for clarification on the pass rate for the Spanish examinations. Holly explained the score is in mid-30 percent. The Department works with Subject Matter Experts (SMEs) for PSI to work on translations of the questions. Board member Steve Hinds commented that it might be confusing for the questions to be translated from English to Spanish due to wording and formatting. Charlene noted examinees are able to toggle between Spanish and English to assist them in understanding the questions and the answers throughout the license examination.

Board member Rene Swan asked if it is normal for the first time pass rates to be better versus second time for the Spanish examinations. Charlene stated the pass rate depends on how many examinees are taking the examination. Board member Anne Lintz inquired whether there were any preclicensing courses in Spanish. Holly advised there are some education providers offering their courses in Spanish.

Charlene explained examinees should be referred to and study the Department's educational objectives (EOs), which are also offered in English and in Spanish. Holly explained the Board appointed subcommittees ensure the EOs align with the license examination questions. Neil also explained workshops are conducted to vet all questions and are carefully reviewed by the SMEs who are reviewing the questions.

Guest Mike Russ asked about the property and casualty scores. Guest Cindy Davidson advised forty to fifty percent for property and casualty is typical nationally.

Long-Term Care Outline Subcommittee Report: Dillon Gingras, Education Analyst, reported on the Long-Term Care Subcommittee. With the completion and distribution of the Eight-Hour LTC Outline and Attachments on August 24, 2022, the Department scheduled the new LTC Subcommittee meetings to begin development of the four-hour, topic-specific LTC course outlines. These courses will provide agents with in-depth curriculum on specific LTC topics in each four-hour course.

Currently, the Subcommittee is developing and editing the first four-hour course outline, titled "Navigating the LTC Claims Process." Topics currently being considered for other four-hour LTC course outlines include "Suitability," "Types of LTC Policies," and "Plan Design." While the Subcommittee's goal is to have a minimum of four four-hour LTC courses to be available for accident and health agents to meet their eight-hour LTC requirement prior to each license renewal, the Subcommittee may consider additional courses as the work unfolds and new topics of importance arise.

In addition, due to the passage of [Assembly Bill 133](#) (Committee on Budget regarding Health, Chapter 143, Statutes of 2022), the LTC Subcommittee added language to the August 24, 2022, Eight-Hour LTC Outline, Attachment V, to inform agents and education providers about the updates to asset protection and estate recovery. The LTC Subcommittee also added a disclaimer to the Eight-Hour LTC Outline regarding the need for agents to refer their clients to tax professionals when discussing Medi-Cal's tax implications. On February 13, 2023, the revised Eight-Hour LTC Outline and Attachment V were launched onto the Department's website and education providers were also notified about these updates.

7. 12-Hour Ethics and California Insurance Code Educational Objectives Update:

Holly Kinney reported on the status updates on the 12-Hour Ethics and California Insurance Code prelicensing course for producer license applicants to meet their prelicensing education requirement and the 3-Hour Ethics Training Guidelines for producers to meet their ethics continuing education (CE) requirement.

The Ethics Subcommittee completed their review of the prelicensing course and the CE training guidelines. Both of these documents were reviewed by the Department's Board Legal Liaison, Katey Piciucco.

As Charlene Ferguson reported, Senate Bill [1242](#) made changes to several sections of the California Insurance Code, which includes one-hour of anti-fraud training in both the 12-hour ethics prelicensing and 3-hour CE ethics courses. This one hour of training was created by the Department's Enforcement Branch-Fraud Division, which will take effect on March 1, 2023.

The Subcommittee voted to have the edited and additional fraud curriculum added to the Ethics training. The Department's Board Legal Liaison and the Board approved the new one-hour anti-fraud awareness training.

A **January 12, 2023, Notice** was distributed to education providers and interested parties announcing the updated 12-hour prelicensing and 3-hour CE course curriculum, which included the Ethics Subcommittee's updates as well as the Enforcement Branch-Fraud Division's one-hour anti-fraud awareness training. The one-hour anti-fraud awareness training is available on the Department's website in YouTube, MP4, and Power Point formats. Additionally, the full narrative of the training is available for education providers upon request to the Department's Curriculum Review Section (CRS).

Following the distribution of this Notice, CRS staff received multiple inquiries regarding the implementation of the one-hour anti-fraud awareness training. Holly reviewed the most frequently asked questions and provided the Department's responses to these questions.

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

The Independent Insurance Adjuster Examination Objectives and the Public Insurance Adjuster EOs are updated. PSI facilitated a Public Adjuster Insurance Examination Workshop in early January 2023. The Independent Adjuster Insurance Examination Workshop was scheduled the week immediately following the Public Adjuster Workshop; however, due to unanticipated extreme weather events at that time, the Independent Adjuster Insurance Examination Workshop was postponed to the week of March 6, 2023.

Subsequent to this meeting, both the Independent and Public Insurance Adjuster Workshops were completed, and on June 12, 2023, a Notice was sent to the Board and education providers providing a link to the [Prelicensing Educational and Examination Objectives](#) webpage to retrieve copies of these Objectives. The Notice informed education providers to begin teaching the updated curriculum as soon as possible to prepare students for the July 14, 2023, launch of the revised Independent and the Public Insurance Adjuster license examination questions.

As reported at the last Board meeting, the Life and Disability examination requires a workshop to update and align the questions with those objectives. Due to the current work being done by the LTC Subcommittee, the Adjuster Workshops, the limited number of subject matter experts who are familiar with the life and disability examination objectives, and the infrequent scheduling of Life and Disability Insurance Agent license examination, Licensing will schedule this license examination workshop in early 2024

In addition, the Curriculum Review 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. Licensing will be asking the Board to review the EOs and objectives following the October 2023 Board meeting to see if the appointment of a subcommittee is required.

9. **Education Work Status Report:** Ammy Dang, Education Analyst, reviewed the Education Unit statistics from January 1, 2022 through December 31, 2022. Ammy also informed the Board that all hard copy and Sircon applications received within the last 10 days were assigned to an education analyst.
10. **Final Remarks and Adjournment:** Chairman Granger reminded everyone the next Board meeting is scheduled for Thursday, July 20, 2023. CRS staff will provide the Board members and guests with the next Board meeting arrangements approximately 30 days before the July meeting.

Please note, the next Board meeting will begin at 12:30 p.m. Board member Peter Schifrin made a motion, and Board member Steve Hinds seconded the motion to adjourn the meeting. The February 16, 2023, Board meeting adjourned at 1:55 p.m.