

DEPARTMENT OF INSURANCE

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BULLETIN NO. **2013-2**

DATE: March 15, 2013

TO: All Admitted Insurers and Other Interested Parties

SUBJECT: Notification of Fee Increase

In accordance with Insurance Code Section 12978, we respectfully notify you that the California Department of Insurance is increasing fees by 10 percent for all insurance producers, bail agents, insurance adjusters, and insurers operating in the State of California. The increase will be effective June 15, 2013. As an example, an insurance agent or broker will see an increase of only \$12 for each biennial license or renewal, which amounts to only \$6 per year.

This will be the first increase of these fees in almost a decade, as the last increase implemented by the Department was in January 2004. In fact, since January 2004, these fees were decreased by 12 percent. Even with a 10 percent increase, fees will still be below 2004 levels.

The Department has worked diligently to create operational efficiencies and control costs while striving to improve service levels. For example, in the Licensing area:

- License applicants can now obtain their license in two to three weeks compared to the two to three month timeframe previously experienced.
- Through enhanced automation, the Department achieved significant savings by sending license renewal notices via email and enabling licensees to instantaneously download their new and renewed licenses on its website.
- License applicants are able to take their qualifying examination at 21 locations statewide, including evenings and weekends, compared to only four locations previously provided.
- The Department recently converted its licensing process to exam-first from application-first, thus reducing initial licensure costs to applicants and industry. While positively impacting applicants and industry, this change significantly reduced the Department's revenue in fiscal year 2012-13.

Pursuant to Insurance Code Section 12978, the Department has the responsibility to set fees that provide sufficient revenue to support the Department's budget and meet critical workload demands to protect California's insurance consumers as well as to ensure the

solvency of the Insurance Fund. The Department will continue to monitor the Fund in order to ensure its financial integrity.

The [new fee schedule](#) is available for your reference. If you have any questions, please contact our Producer Licensing Bureau at (800) 967-9331.

PLEASE BE SURE THIS INFORMATION IS DISSEMINATED TO ALL YOUR APPOINTED AGENTS IN CALIFORNIA.

ERIKA SPERBECK
Deputy Commissioner
Administration & Licensing Services Branch

Attachment