



**RICARDO LARA**  
CALIFORNIA INSURANCE COMMISSIONER

## NOTICE

**DATE:** March 21, 2025

**TO:** All Admitted Insurers, Insurance Producers, Bail Agents, Independent and Public Adjusters, Education Providers and Other Interested Parties

**SUBJECT:** Requirement to Report Changes in Background Information (Annual Reminder)

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### Reporting Requirement:

[California Insurance Code section 1729.2](#) requires all licensees and applicants to report, in writing, any changes in background information to the California Department of Insurance (Department) within 30 days of the date the licensee or applicant learns of the change in background information. For more information, including a description of what constitutes a change in background, see [California Insurance Code section 1729.2](#) and visit the [Licensing Background Section website](#).

### Who is Required to Report:

The reporting requirements apply to all individual and business entity licensees and applicants. The reporting requirements also apply to any unlicensed officer, director, partner, member, or controlling person, or any other natural person named under a business entity license or application.

### Failure to Report Background Changes:

Failing to report a change in background within 30 days is grounds for discipline and may result in fines in addition to the revocation, suspension, or restriction of a license. Failing to report a change in background for a pending license application may also result in fines in addition to the denial of the application or in the issuance of a restricted license.

### Background Changes Subject to the Reporting Requirement Include the Following:

- Any felony and/or misdemeanor conviction.
- A filing of felony criminal charges in state or federal court.
- Administrative actions regarding any professional or occupational license.
- Any discharge, or attempt to discharge, in a personal or organizational bankruptcy proceeding, an obligation regarding any insurance premiums or fiduciary funds owed to any company, including a premium finance company, or managing general agent.
- Any admission, or judicial finding or determination, of fraud, misappropriation or conversion of funds, misrepresentation, or breach of fiduciary duty.

### **Specific Requirements for Employees of Business Entity Licensees:**

Any licensee or applicant who is listed as an endorsee on a business entity license, must also provide the notice of background change to any officer, director, or partner listed on that business entity license or application pursuant to [California Insurance Code section 1729.2\(a\)](#).

### **Specific Requirements for Business Entity Licenses:**

Any business entity licensee, upon learning of a change in background information pertaining to any unlicensed person listed on its business entity license or application, including any unlicensed officer, director, partner, member, controlling person, or any other natural person named shall notify the commissioner of that change pursuant to [California Insurance Code section 1729.2\(b\)](#).

### **How to Submit Reportable Background Changes:**

Required reportable background changes may be submitted to the Department through:

1. the online [Background Change Disclosure Form and Instructions](#) on the Department's website; or
2. the National Insurance Producer Registry (NIPR) (<http://www.nipr.com>) by accessing the Attachment Warehouse for Reporting of Actions (ROA) and selecting "Reporting of Actions" on the Attachment Warehouse page.

### **Documents Required for Reporting a Change in Background:**

The following supporting documents are required:

- A comprehensive statement describing the underlying circumstances leading to the background change;
- Certified court documents showing the charges filed, final plea and sentence imposed;
- Administrative or disciplinary documents identifying the violations alleged and the final decision;
- Any document which shows the final disposition outcome of a bankruptcy proceeding, and
- Any other information relative to the change.

### **For Reporting Questions and Assistance:**

Direct questions about the background change reporting requirements to the Department's Licensing Background (916) 492-3650.