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**NOTICE**

TO: All Life Agents, Insurers and Interested Parties

DATE: October 26, 2007

SUBJECT: New Life Agent License Requirements

**Background**

Assembly Bill 720 (De Leon, Chapter 270, Statutes of 2007) was signed into law and will take effect on January 1, 2008. This legislation makes significant changes to the life agent license qualifications, including changes to the precensing and continuing education (CE) requirements contained in Section 1749 et seq. of the California Insurance Code (CIC). Specifically, California's life agent licensing laws will be changed to establish two new insurance agent license types, a life-only agent license and an accident and health agent license. These two new license types will affect both individual and organization licenses and applicants.

**How Will Currently Licensed Life Agents be Affected?**

Effective January 1, 2008, all Life Agent licenses will automatically convert to the new Life-Only and Accident and Health Agent licenses. In addition, the agent's records as shown on the California Department of Insurance's (CDI) Web site will reflect the new Life-Only and Accident and Health license qualifications for those licensees. Life Agents will receive their new license, showing the two separate qualifications, at the time they renew their license.

**Life-Only and Accident and Health Licenses  
 Continuing Education Requirements**

<b>Current License Status</b>	<b>CE Requirements</b>	<b>After January 1, 2008 License Status</b>	<b>CE Requirements</b>
<b>Life Agent</b> (licensed less than four years)	25 hours per year	<b>Life-Only Agent and/or Accident and Health Agent</b>	24 hours per two-year license term
<b>Life-Agent</b> (licensed more than four years)	30 hours per two-year license term	<b>Life-Only Agent and/or Accident and Health Agent</b>	24 hours per two-year license term
<b>Life-Agent and Fire and Casualty Broker-Agent</b> (licensed less than four years)	25 hours per year	<b>Life-Only Agent and Fire and Casualty Broker-Agent</b>	25 hours per year
<b>Life-Agent and Fire and Casualty Broker-Agent</b> (licensed more than four years)	30 hours per two-year license term	<b>Life-Only Agent and Fire and Casualty Broker-Agent</b>	30 hours per two-year license term

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**Important Note**

Due to the complexity of licensing system changes that need to be implemented before January 1, 2008, the renewal notices to be sent to Life Agents that are scheduled to have their licenses renewed between January 31, 2008 and February 28, 2008 will indicate that either 50 hours or 30 hours of CE will be needed to renew their licenses. However, as shown in the table above, the requirement after January 1, 2008 will only be 24 hours of CE per license term. The reduction in CE hours will **not** apply to Life Agents who are also licensed as a Fire and Casualty Broker-Agent. Those agents will be required to complete the required CE hours listed on the renewal notice.

**Life-Only License Applicants**

The Life-Only agent is entitled to transact insurance coverage on human lives, including benefits of endowment and annuities, and may include benefits in the event of death or dismemberment by accident and benefits for disability income. The applicant for this license will be required to complete 20 hours of prelicensing education covering these subject areas as well as 12 hours on ethics and the California Insurance Code. The license application fee will be \$144 per the two-year license term. The qualifying examination will consist of 75 questions. As stated previously, the CE requirement will be 24 hours per license term.

**Accident and Health License Applicants**

The Accident and Health agent is entitled to transact insurance coverage for sickness, bodily injury, accidental death including benefits for disability income, 24-hour care coverage and long-term care coverage. The applicant for this license will be required to complete 20 hours of prelicensing education covering these subject areas as well as 12 hours on ethics and the California Insurance Code. The license application fee will be \$144 per the two-year license term. The qualifying examination will consist of 75 questions. As stated previously, the CE requirement will be 24 hours per license term.

**Applicants for Both the Life-Only and Accident and Health Licenses**

A Life-Only and Accident and Health agent is entitled to transact insurance coverage for both license qualifications as previously described. The applicant that applies for both the Life-Only and Accident and Health license qualification will be required to complete 40 hours of prelicensing education and 12 hours on ethics and the California Insurance Code. The application fee when applying for both license qualifications **at the same time** will be \$144. The qualifying examination when applying for both the Life-Only and Accident and Health license qualifications will consist of 150 questions, the same as the current Life Agent examination. As previously stated, the CE requirement for these individuals will be 24 hours per the two-year license term.

**Ethics Training**

For all of these license scenarios, agents must complete at least 4 hours of ethics training each license term before the license may be renewed.

Please visit the CDI's Website at [www.insurance.ca.gov](http://www.insurance.ca.gov) for more information regarding these changes and to review the Life-Only and Accident and Health frequently asked questions Web Page. Please contact the Producer Licensing Bureau at (800) 967-9331 if you have further questions about the new requirements.