

**DEPARTMENT OF INSURANCE**

LICENSING BACKGROUND BUREAU  
300 CAPITOL MALL, 16<sup>TH</sup> FLOOR  
SACRAMENTO, CA 95814  
(916) 492-3650  
(916) 323-1512 (FAX)  
[www.insurance.ca.gov](http://www.insurance.ca.gov)

**NOTICE**

DATE: December 2005

TO: All Admitted Insurers, Insurance Producers, and Other Interested Parties

SUBJECT: NEW LAW REQUIRING PROMPT REPLY TO INSURANCE  
COMMISSIONER'S INQUIRIES

Assembly Bill 729 (Koretz), Chapter 312, Statutes of 2005, adds Section 1736.5 to the California Insurance Code effective January 1, 2006. Section 1736.5 authorizes the insurance commissioner to impose discipline against insurance producer licensees and applicants who fail to promptly reply to inquiries from the commissioner relating to any of the following matters:

- An application for, or the retention or renewal of a license;
- An investigation relating to a consumer complaint; or
- A matter relating to a producer licensing background change reporting requirement.

Pursuant to Section 1736.5, a "prompt reply" means to provide a written response to the commissioner no later than 21 days after the date the commissioner's inquiry was mailed or otherwise communicated to the applicant or licensee. The terms "licensee" and "applicant" include any person holding or submitting an application for the following licenses:

- Chapter 5. Production Agencies (commencing with Section 1621)
- Chapter 5A. Administrators (commencing with Section 1759)
- Chapter 6. Surplus Line Brokers (commencing with Section 1760)
- Chapter 6.5. Reinsurance Intermediaries (commencing with Section 1781.1)
- Chapter 7. Bail Licensees (commencing with Section 1800)
- Chapter 8. Life and Disability Insurance Analysts (commencing with Section 1831)
- Part 2 of Division 1, Chapter 4. Motor Club Agents (commencing with Section 12280)
- Part 5 of Division 2, and Chapter 1. Insurance Adjusters (commencing with Section 14000)
- Chapter 2. (commencing with Section 15000) of Division 5. Public Insurance Adjusters

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NEW LAW REQUIRING PROMPT REPLY TO INSURANCE COMMISSIONER'S  
INQUIRIES  
Page 2

Questions concerning the duties to respond to producer licensing inquiries and reporting requirements should be directed to:

Licensing Background Bureau  
Attn: AB 729 Reporting Requirements  
300 Capitol Mall, 16<sup>th</sup> Floor  
Sacramento, CA 95814  
(916) 492-3650

Questions concerning the duties to respond to an investigation relating to a consumer complaint should be directed to:

Consumer Services Division  
300 South Spring Street, 14<sup>th</sup> Floor  
Los Angeles, CA 90013  
(800) 927- HELP