

DEPARTMENT OF INSURANCE

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**NOTICE**

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

DATE: December 15, 2016

SUBJECT: Statutory Limits on Taking Insurance License Examinations

Background

Governor Brown signed Assembly Bill (AB) 2884 (Chapter 304, Statutes of 2016) on September 12, 2016 and it becomes effective January 1, 2017. Among the provisions of AB 2884 is an amendment to Section 1682 of the California Insurance Code (CIC) setting statutory limits on the number of times individuals are allowed to take an insurance license exam in a 12-month period.

Statutory Limits

Effective January 1, 2017, any insurance license exam candidate that has failed an exam ten times within the previous 12-month period will be barred from taking the same exam for a period of 12 months, beginning from the date of the last failed exam. Exams that were taken and failed during Calendar Year 2016 will be counted towards the ten exam limit.

How to Calculate the Number of Exams Taken

The calculation for determining the number of exams taken is based on exam type. For instance, an exam candidate who is in the process of taking both the life-only exam and the personal lines exam would not have their exams combined but counted separately (e.g., the count for this exam candidate would be five times for the life-only exam and four times for the personal lines exam in the same 12-month period. In this example, the exam candidate would not be counted as taking nine exams towards the ten exam limit).

However, combination exams which include one of the license types of a single exam taken in the same 12-month period are considered to be the same exam type when determining the number of exams taken. For instance, an exam candidate taking the life-only exam eight times and a combination life and accident/health exam two times in the same 12-month period will have reached the ten exam limit for taking any of CDI's life agent exams, including life limited to funeral and burial expenses.

Questions

For specific questions regarding this notice, please e-mail the Producer Licensing Bureau at <https://interactive.web.insurance.ca.gov/pli/servlet/InformationRequest> or call CDI's Examination Section at (916) 492-3570. Please be sure to include your name, telephone number, license number and e-mail address in all correspondence with the CDI.