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**NOTICE**

TO: Insurers, Agents, Brokers and Other Interested Parties

DATE: November 3, 2008

SUBJECT: New Licensing Laws To Take Effect on January 1, 2009

On January 1, 2009 changes to California's producer licensing laws will take effect as a result of the passage of Assembly Bill 2044 (Duvall, Chapter 300, Statutes of 2008). There were several changes resulting from this bill, most for the purpose of allowing California's producer licensing laws to be uniform with other states. Listed below are the licensing changes that will take effect.

Fire and Casualty Broker-Agent Continuing Education Hours

- Section 1749.3 of the California Insurance Code (CIC) was amended to reduce the number of continuing education (CE) hours required for individuals licensed more than four years as Fire and Casualty Broker-Agents from 30 hours per license term to 24 hours. This change will be reflected on the renewal notices sent to agents and brokers beginning with licenses expiring in January 2009.

Personal Lines Broker-Agents

- Section 1625.5 of the CIC was amended to restructure the dates that initial licenses for Personal Lines Broker-Agents are effective so that renewals are staggered throughout the year rather than all due at the same time at the beginning of every odd year as it is at present. However, the renewal date for an existing Personal Lines Broker-Agent will remain the same. If a Personal Lines Broker-Agent also holds an additional license qualification (e.g. Life-Only Agent, Accident and Health Agent) the Personal Lines Broker-Agent's renewal date will be changed so that these licensees will have one renewal date instead of two renewal dates as it is at present.
- Section 1749.31 of the CIC was amended to allow Personal Lines Broker-Agents to complete 20 hours of CE during their two-year license term, removing the requirement to complete 10 hours during each calendar year in a license term.

Examination Waiver

- Section 1675 of the CIC was amended to allow licensed agents in good standing in another state, who move to California, to waive the examination requirement as a condition to obtaining a California resident license. To qualify for the waiver, the agent or broker must hold a nonresident license in California. However, agents and brokers currently licensed as non-residents who move to California must still complete the 12-hour Ethics and California

Insurance Code course before the license can be issued. The agent must apply for the resident license within 90 days of canceling the license in their previous home state.

Definition of Resident

- Section 1638 of the CIC was amended to redefine the definition of a “resident” to allow for either an individual who occupies a dwelling in California or an individual who maintains his or her principal place of business in California while limiting the individual to only designate one state as his or her resident state.

Non-Resident Licensing Fees

- Section 1750.5 of the CIC was amended to provide the Commissioner with discretion to waive “retaliatory” nonresident licensing fees in those instances when a nonresident applicant’s home state charges license fees greater than California’s fees for a license of the same type. Beginning on January 1, 2009, California’s licensing fee for non-residents will be the same as the fee to become licensed as a resident producer when applying for the same type of license regardless of which state the individual holds a resident license.

Nationally Recognized Designations

Section 1749 and 1749.4 of the CIC were amended to recognize courses from other nationally recognized designation programs not currently listed in 1749.4, as meeting the standards for preclicensing and continuing education requirements. Effective January 1, 2009, the recognized designations will be as follows:

- Any part of the Life Underwriter Training Council Fellow (LUTCF) program totaling 30 hours for the life-only license and the accident and health license;
- Any part of the Chartered Life Underwriter (CLU) curriculum totaling 30 hours for the life-only license and the accident and health license.
- Any part of the Accredited Advisor in Insurance (AAI) program totaling 25 hours for the fire casualty broker-agent license.
- Any part of the Chartered Property Casualty Underwriter (CPCU) program totaling 30 hours for the fire casualty broker-agent license.
- Any part of the Certified Insurance Counselor (CIC) program totaling 25 hours for the life-only or accident health agent license and the fire casualty broker-agent license.
- Any part of the Certified Employee Benefit Specialists (CEBS) program totaling 25 hours for the life-only license and the accident and health license.
- Any part of the Chartered Financial Consultant (ChFC) program totaling 30 hours for the life-only license.
- Any part of the Certified Financial Planner (CFP) program totaling 30 hours for the life-only license.
- Any part of the Fellow, Life Management Institute (FLMI) program totaling 30 hours for the life-only license and the accident and health license.
- Any part of the Health Insurance Associate (HIA) program totaling 25 hours for the accident and health license.
- Any part of the Registered Employee Benefits Consultant (REBC) program totaling 30 hours for the accident and health license.

- Any part of the Registered Health Underwriter (RHU) program totaling 30 hours for the accident and health license.
- Any part of the Associate in Risk Management (ARM) program totaling 30 hours for the fire casualty broker-agent license.

Life and Disability Insurance Analyst Qualification

- Section 1849 of the CIC was amended to clarify the eligibility requirements to qualify for the life and disability insurance analyst license. Specifically, to qualify to apply for this license, individuals must be licensed as **both** a life-only and accident and health licensee for five years prior to taking the qualifying examination.

Citation Program

- Repeals Section 1745 and 1746 of the CIC and adds Section 1746 to establish a “citation and fine” program in lieu of the existing “reprimand” program to enforce minor violations of the Insurance Code committed by insurance agents, brokers, and applicants.

Should you have any questions, please either email [Producer Licensing Bureau](#) or call the Producer Licensing Hotline at (800) 967-9331 or (916) 322-3555. For emails, please be sure to include your name, telephone number, license number and e-mail address.