

DEPARTMENT OF INSURANCE

ADMINISTRATION & LICENSING SERVICES BRANCH
 PRODUCER LICENSING BUREAU
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**NOTICE**

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

DATE: November 24, 2009

SUBJECT: Changes in Licensing Laws to Take Effect on January 1, 2010

AB 800 (Chapter 254, Statutes of 2009) will become effective on January 1, 2010. This bill made several changes to the California Insurance Code (CIC) for the purpose of encouraging online filings from insurance producers and to bring California closer to uniformity with other states' producer licensing laws. The changes that may have a direct effect on insurance producers and applicants are as follows:

Electronic License Applications and Renewals

Beginning January 1, 2010, most individual and business entity insurance producers and applicants must submit their filings to CDI electronically. Specifically, this requirement applies to individuals renewing or applying for the following licenses:

New Applications

- ❖ Life-Only
- ❖ Accident and Health
- ❖ Life and Health
- ❖ Fire and Casualty
- ❖ Surplus Lines
- ❖ Special Lines' Surplus Lines
- ❖ Personal Lines
- ❖ Automobile Insurance
- ❖ Motor Club
- ❖ Travel
- ❖ Title Marketing Representative

Renewals

- ❖ Life-Only
- ❖ Accident and Health
- ❖ Life and Health
- ❖ Fire and Casualty
- ❖ Personal Lines
- ❖ Automobile Insurance
- ❖ Motor Club
- ❖ Travel
- ❖ Administrator
- ❖ Cargo Shipper
- ❖ Communications Equipment
- ❖ Credit Insurance
- ❖ Life and Disability Analyst
- ❖ Limited Life Funeral/Burial Expenses
- ❖ Part-Time Fraternal
- ❖ Rental Car
- ❖ Self-Service Storage
- ❖ Title Marketing Representative

Individuals may, for good cause shown, request an exemption to these electronic filing requirements. Such requests may be made by contacting the Toll-Free Producer Licensing Hotline (800) 967-9331. For renewals, these requests should be made **several weeks** prior to the license expiration date to ensure a timely renewal.

This requirement also applies to business entities applying for or renewing the following licenses:

New Applications

- ❖ Life-Only
- ❖ Accident and Health
- ❖ Life and Health
- ❖ Fire and Casualty
- ❖ Automobile Insurance

Renewals

- ❖ Life-Only
- ❖ Accident and Health
- ❖ Life and Health
- ❖ Fire and Casualty
- ❖ Personal Lines Broker-Agent
- ❖ Automobile Insurance

Electronic Business Entity Endorsements and Terminations

Beginning January 1, 2010, Business Entities listed above under New Applications must electronically submit their agent endorsements (i.e. adding or removing individual licensees who are to transact insurance under authority of its license). (CIC Section 1661)

New Non-Resident Business Entities Law

Currently, non-resident business entities cannot endorse California resident individuals on their license. Additionally, non-resident business entities must have at least one individual licensed from the business entity's resident state endorsed on the license.

Effective January 1, 2010, non-resident business entities will be able to endorse California resident individuals on their license. Also, non-resident business entities will not be required to endorse an individual from the business entity's resident state. They do though need to endorse at least one individual from a state other than California. (CIC Section 1656)

E-Mail Addresses Are Now Mandatory

Effective January 1, 2010, license applicants must provide the e-mail address to which the applicant wants the commissioner to direct all license-related correspondence. (CIC Section 1658)

Personal Lines Broker-Agent New Continuing Education Requirement

Effective January 1, 2010, the personal lines broker-agent continuing education requirement will increase from 20 hours to 24 hours during each two-year license term. (CIC Section 1749.31)

Prelicensing Education Requirement Update

Applicants for a life-only agent license, accident and health license, personal lines broker-agent license, limited lines automobile insurance agent license, and fire and casualty broker-agent license, who are currently licensed as non-residents in California shall be required to complete only 12 hours of study on ethics and California Insurance Code. (Sections 1749 (g) and (h))

Continuing Education Exemption Revision

The exemption from the continuing education requirement for licensees 70 years of age and in good standing for 30 continuous years does not apply to those individuals licensed for the first time on or after January 1, 2010. (Section 1749.3 (e))

If you have any questions regarding this notice, please e-mail the Producer Licensing Bureau at <https://interactive.web.insurance.ca.gov/pli/servlet/InformationRequest> or call the CDI's Producer Licensing Bureau at (800) 967-9331 or (916) 322-3555. Please be sure to include your name, telephone number, license number and e-mail address in all correspondence with the CDI.