

**DEPARTMENT OF INSURANCE**

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**NOTICE**

**DATE:** December 23, 2005  
**TO:** All Admitted Insurance and Other Interested Parties  
**SUBJECT:** BEWARE!!! Cheating is a Crime . . .

Assembly Bill 729 (Koretz, Chapter 312, Statutes of 2005), was signed into law on September 22, 2005. Effective January 1, 2006, this bill states that license applicants who willfully cheat or subvert a license examination will be in violation of the law as per Section 1681.5 of the California Insurance Code. Each cheating incident will be investigated by the California Department of Insurance (CDI). If the applicant is found guilty of cheating on the examination, he or she will be convicted of a misdemeanor punishable by a fine not exceeding ten thousand dollars (\$10,000) or by imprisonment, not to exceed one year (Section 1681.5 [b] of the California Insurance Code).

Specifically, Section 1681.5 of the California Insurance Code states, in part, no person shall cheat on, subvert, or attempt to subvert, any licensing examination given by the CDI, including, but not limited to, engaging in, soliciting, or procuring any of the following:

- Any communication between one or more examinees and any other person, other than a proctor or examination official, while the examination is in progress.
- The taking of all or a part of the examination by a person other than the applicant.
- Possession or use at any time during the examination or while the examinee is on the examination premises of any device, material, or document that is not expressly authorized for use by examinees during the examination, including, but not limited to, notes, crib sheets, textbooks, and electronic devices.
- Failure to follow any examination instruction or rule related to examination security.
- The provision of false, fraudulent, or materially misleading information concerning education, experience, or other qualifications as part of, or in support of, any application for admission to any examination.

In addition to the penalties stated above, the Insurance Commissioner can bar any candidate caught willfully cheating from taking any license examination and from holding an active license under any provision of this code for a period of five years.