



RICARDO LARA
CALIFORNIA INSURANCE COMMISSIONER

Curriculum Board Meeting Minutes

Thursday, February 17, 2022

12:30 to 3:00 p.m.

California Department of Insurance

Telephone Conference dial-in number: 1-916-245-2537

Conference ID number: 211 058 245#

The meeting was called to order at 12:33 p.m. by Neil Granger, Board Chairman.

Neil Granger – Elder Abuse & Annuity Training
Samona Caldwell – State Farm Insurance
Jesse Dogillo – Bay Area Financial &
Insurance Services
Steve Hinds – Nationwide Insurance
Monique Howard – Allied World
Insurance Company
Mariette Lasley – Ameritas

Anne Lintz – Anne Lintz Insurance
Company
Peter Schifrin – Schifrin, Gagnon &
Dickey, Inc.
Rene Swan – United Valley Insurance
Services
Sandra Watts – United Policy Holders
Mimie Yoon-Lee – Lincoln Financial Network

- 1. Welcome:** Chairman Granger welcomed and thanked everyone for attending the Curriculum Board meeting and reviewed the meeting procedures.
- 2. Minutes:** Chairman Granger asked for a motion from the Board members to approve the October 21, 2021, Board meeting minutes. Board member Jesse Dogillo made a motion to approve the meeting minutes and Board member Steve Hinds seconded the motion. The October 21, 2021, meeting minutes were approved as written.
- 3. Licensing Update:** Charlene Ferguson, Chief of the Licensing Services Division (Licensing), began this report with a legislative update stating there is no new legislation to report at this time. She informed the Board that February 18, 2022, would be the last day for bills to be introduced for this session.

For the Licensing update, Charlene reported in 2021, the Producer Licensing Bureau received more than 100,000 license applications, of which 63 percent were resident and 37 percent were non-resident. This is more than a 15 percent increase in the number of license applications received in previous years.

Charlene reported on the following Licensing notices distributed since the last Board meeting:

February 3, 2022 – [Annual Reminder](#) for Required Reporting of Change in Background Information – California Insurance Code (Cal. Ins. Code) section 1729.2 requires all licensees and applicants for licenses issued by the CDI's Producer Licensing Bureau to report any changes in background information to CDI within 30 days of the date the licensee or applicant learns of the change in background information. The reporting requirements apply to both California resident and non-resident licensees and applicants. If licensees have no background changes to report, no action is required.

February 9, 2022 – [Annual Notice](#) on Significant California Laws Pertaining to Residential Property Insurance Policies, including those related to a Declared State of Emergency was distributed. In addition, the Notice and the Department's [Guide for Adjusting Property Claims in California After a Major Disaster](#) were launched onto the Department's Adjuster Requirements web page.

In summary, at the July 15, 2021, Curriculum Board meeting, Licensing asked for volunteers to join the Adjuster Notice Subcommittee to review and provide updates to the Department's Annual Notice and Guide. Board members Sandra Watts, Samona Caldwell, and Peter Schifrin, and guests Richard Kern and David Davis volunteered to participate on this subcommittee. The volunteers were asked to review the new property and wildfire laws, which were added to the Department's Notice and Guide. It was noted a new Adjuster Notice Subcommittee will need to be appointed in October each year to review and finalize the Department's Annual Notice for launch during the month of January in the following year.

December 20, 2021 – [New Exemptions to Independent Insurance Adjuster Bond Requirement](#) provides the new adjuster bond exemptions, which were included in the Department's 2021 Omnibus Bill, [AB 1511](#) (Committee on Insurance, Chapter 627, statutes of 2021) Insurance: Omnibus.

An applicant for an independent insurance adjuster license is exempt from the independent insurance adjuster \$2,000 bond requirement if the applicant's employer, who has filed a bond with the Department, registers the applicant using CDI's [Adjuster Online Services](#) or the employer provides the applicant with a completed form [CDI-183](#) to attach to their adjuster license application.

Licensed independent insurance adjusters, unlicensed employees, and qualified managers who adjust claims on the employer's behalf are exempt from filing a bond if their employer refiles their adjuster bond and attaches form [CDI-183](#) that lists the employee's names [Cal. Ins. Code section [14050\(b\)\(2\)](#)].

The resubmission of the bond is not required if the employer is using CDI's [Adjuster Online Services](#). The online service displays the employer's bond on each of the employee registration records. The Department encourages employers to log-in to the [Adjuster Online Services](#) to review the bond and employee registration list to confirm the information is accurate.

Upcoming Notice – April 2022 – A Notice will be distributed regarding the down time for the Department's Siron Licensing System conversion of specific license qualifications and license types to be compliant with the National Association of Insurance's Commissioner's Producer Licensing Model Act (PLMA). The launch is scheduled for May 2022.

The Department's 2019's Omnibus Bill, [SB 1255](#) (Committee on Insurance, Chapter 184, Statutes of 2019), amended several sections of the California Insurance Code to relabel the Life-Only, Accident and Health, Variable Contracts, and the Rental Car license qualifications for this PLMA conversion.

The Department will also update the Property Broker-Agent, Casualty Broker-Agent, Personal Lines Broker-Agent, Travel Agent, and Credit Insurance Agent license qualifications to be uniform with the PLMA. Those edits did not require a change to the California Insurance Code.

Current LOA	New LOA
Life-Only	Life
Accident and Health	Accident and Health or Sickness
Variable Contracts	Variable Life and Variable Annuity
Rental Car	Car Rental
Property Broker-Agent	Property
Casualty Broker-Agent	Casualty
Personal Lines Broker-Agent Moved to Major Line	Personal Lines
Travel Agent	Travel
Credit Insurance Agent	Credit

In addition, the resident and non-resident license types will be converted to be "Insurance Producer."

New Licensing Application Background Questions – Charlene also reported the Department's 2021 Omnibus Bill amended and added Cal. Ins. Code sections [1668\(r\)](#) and [1668.5\(a\)\(9\)](#), which allows the Commissioner to deny an application for a production agency license, or suspend or revoke a permanent license, if the applicant or controlling person has been found liable by clear and convincing evidence in a civil action involving allegations of elder or dependent abuse, oppression, fraud, malice, misappropriation or conversion of funds, misrepresentation, or breach of fiduciary duty.

In March 2022, the Department will be adding a new background question to the individual and business entity license applications and renewals for license applicants and licensees to submit this disclosure when they answer the new background question on these applications.

Correction on the Limited Lines Automobile Insurance Agent Educational Objectives – Charlene explained, Licensing will be revising Item I. C. 2. o. subtitle "i." to state in this educational objective to state, "identify the continuing education (CE) requirements for: an individual licensed as a ~~property broker-agent and/or casualty broker-agent~~ limited lines automobile agent, Cal. Ins. Code section 1749.32." The limited lines automobile insurance agent must complete 20 hours of CE each license term as compared to the property and casualty broker agents, who are required to complete 24 hours of CE each license term.

Questions – Chairman Granger inquired about the increase in applications. Charlene surmised the rise in applications is due to individual teleworking due to COVID-19 and

the ability for license applicants to schedule remote proctored license examinations may provide additional time to work another full time or part time job.

A member of the public inquired if the ratio for resident and non-resident applications were constant. Charlene responded there is a 60:40 ratio.

Board member Steve Hinds inquired whether or not the Department keeps track of the working status of applicants. Charlene explained the Department collects voluntary demographic information from examinees when they register to take a license examination. This information is retained for three years. Also, the license application asks for the applicant's work history. After the license is issued, the Department has a record on the license status, business entity endorsements and company appointments for each individual licensee. This information is available on the Department's [Check a License](#) online service.

- 4. PSI Examination Review:** Alon Schwartz, Senior Vice President of Licensure for PSI Services LLC (PSI), provided an update on PSI's online remote proctored examinations. Alon explained that PSI works closely with the Department to further enhance security protocols for their online remote proctored license examinations. Alon also stated with continuous advancements in technology, PSI's remote proctoring software is constantly being improved, including the use of room scans and artificial intelligence tools for their proctors.

Alon reported in 2021, approximately 37 percent of the examinees took an online remote proctored license examination. By January 2022, the number increased to 40 percent. Alon stated PSI anticipates the numbers for 2022 will be over 40 percent as more examinees are taking remote proctored license examinations.

Alon reviewed the options for examinees to call or email PSI with their scheduling or remote testing issues. The following telephone numbers and email address are dedicated for the Department's license examinees:

- Telephone number: 833-518-7456
- Email address: cdisupport@psionline.com
- Remote proctor technical support telephone number: 844-267-1017

Alon also reviewed the scratch paper policy that was asked about at the October 2021 Board meeting. He explained that scratch paper is allowed for both testing centers and remote proctored examinations. The test centers allow one piece of paper at a time. If an examinee needs another piece of paper, they must exchange the piece of paper with the proctor for a new piece of paper. The paper is collected at the end of the examination.

For remote proctored examinations, an examinee is also allowed one piece of paper. Prior to the examination, the examinee must show the proctor the front and back of the paper. Upon completion of the examination, the examinee must show the proctor the paper and shred the paper in front of the proctor. This is the established policy and if an examinee does not comply, PSI will notify the Department for further instructions.

Alon reported PSI and the Department are continuing to require staff and examinees to wear an approved face mask at the test centers. This, along with additional information, is located on PSI's website and in the Department's [Candidate Information Bulletin](#).

- 5. Examination Statistics Update:** Jennifer Mariona, Curriculum Compliance Analyst, provided the examination statistics report and the license examination percentage scores report. The percentage scores report provides who scored 50 percent or higher on their license examination, for the time period January 1, 2021 through December 31, 2021.

Jennifer reported from January 1, 2021 through December 31, 2021, there were 22 Administrative Bars. There were 16 cases resulting in Administrative Orders, four cases dismissed, and two still pending the Department's Legal Enforcement Bureau's (Legal) review.

Chairman Granger inquired if the pass rates are where they should be and Charlene confirmed the pass rates are where they should be at this time. However, the Department will be evaluating the pass rates for the Property and Casualty Broker Agent license examination due to the recent updates, reviews, and launch of new license examination questions. The Department will have more information regarding the Property and Casualty Broker-Agent examination at the July 2022 meeting.

- 6. Long-Term Care Outline Subcommittee Report:** Dillon Gingras, Education Analyst, provided a status update on the Eight-Hour Long-Term Care (LTC) Outline review. Dillon reported the LTC subcommittee, which was appointed on February 20, 2020, completed approximately 95 percent of the proposed edits to the Eight-Hour LTC Outline and Attachments.

Dillon reminded the Board and guests that after the revisions are completed, the updated LTC Outline and Attachments will be reviewed by Legal and, if approved, the updated curriculum will be sent to the Board to review. If the Board has no comments or questions, a Notice will be distributed to the Board and education providers announcing the revised Eight-Hour LTC Outline and Attachments are available on the Department's [Resident-Provider Continuing Education Courses](#) webpage. The Notice will announce the timeline for education providers to update their eight-hour LTC courses. The Department anticipates the Notice will be distributed in summer 2022.

Soon after the revised Eight-Hour LTC Outline is launched onto the Department's website, the new Four-Hour LTC subcommittee will begin the development of the four-hour, topic-specific LTC course outlines. This subcommittee were appointed at the October 2021 Board meeting and the members include Board members Jesse Dogillo, Neil Granger, and Anne Lintz as well as guest Donal Griffith. These courses will provide agents with in-depth curriculum on the specific LTC topics in each four-hour course.

- 7. 12-Hour Ethics and California Insurance Code Educational Objective Update:** Ammy Dang, Education Analyst, provided an update on the 12-Hour Ethics and California Insurance Code prelicensing course and the 3-Hour Ethics Training Guidelines review for applicants and agents to meet their ethics training requirements.

Ammy reported the Ethics and California Insurance Code (Ethics) subcommittee completed their review in February 2021. The ethics prelicensing course and guidelines

were reviewed and have been approved by the Department's Board Legal Liaison, Katey Piciucco.

Currently, the Department is updating the prelicensing educational objectives for the Life-Only, Accident and Health courses as well as the examination objectives for the Life-Limited to the Payment of Funeral and Burial Expenses and the Life and Disability Analyst courses to include the revisions made to the 12-Hour Ethics and California Insurance Code prelicensing course. The ethics questions in these license examinations are also being reviewed to include new questions based on the revisions to the 12-Hour Ethics and California Insurance Code prelicensing course outline.

Subsequent to this meeting, this Notice was to be distributed in summer 2022; however, due to the introduction of the Department's omnibus bill, SB 1242, which includes additional curriculum for the ethics training, the distribution of this Notice will be delayed until spring 2023.

- 8. Annuity Training Course Subcommittee Report:** Jennifer Mariona provided status updates on the Eight-Hour and Four-Hour Annuity Training Course (Annuity Training) Outlines review. The subcommittee completed their review in December 2021. The annuity training course outlines are currently being formatted by the Curriculum Review Section before they are returned to the subcommittee for their final review.

After the subcommittee, Legal, and the Curriculum Board complete their reviews, a Notice will be distributed to the Board and education providers announcing the updated Eight-Hour Annuity Training Course Outline and its Attachment, and the Four-Hour Training Course Outline are available on CDI's [Resident – Provider Continuing Education Courses](#) webpage. The Notice will be distributed to announce the timeline for education providers to update their courses.

- 9. Curriculum Review Update and Schedule:** Holly Kinney, Chief of the Curriculum and Officer Review Bureau, referred to the Curriculum Review Schedule. For 2022, Holly informed the Board there are four courses scheduled for review.

- Life-Only and the Accident and Health educational objectives (EOs) were scheduled to be reviewed in 2022; however, this review was changed to 2023.
- Life and Disability Insurance Analyst examination objectives will be sent to the Board for their review to determine if there are minimal or substantial updates to these objectives. If there are substantial updates, the Curriculum Review Section will ask Chairman Granger to appoint a subcommittee at the July 2022 Board meeting.
- Life-Limited to the Payment of Funeral and Burial Expenses (Life-Limited) examination objectives, a copy will be sent to Board for review to determine if there are minimal or substantial updates needed for these objectives. For these objectives, we will ask the Board to highlight where the updates are needed. If the updates only pertain to the annuity curriculum, the Curriculum Review Section will edit the objectives to include the Annuity subcommittee's updates to those sections. The Curriculum Review Section will re-send the edited objectives to the Board to review the updates to determine if a subcommittee is to be appointed to further review of the Life-Limited examination objectives.

- Independent Insurance Adjuster examination objectives and the Public Insurance Adjuster educational objectives (EOs) reviews were completed in February 2021. The delay to launch the adjuster educational objectives is due to the addition of the wildfire insurance laws and the pet insurance topics that were added to the adjuster objectives.

Holly stated the adjuster objectives are now updated and the next step is to ensure the adjuster objectives are aligned with the adjuster license examination questions. The Curriculum Review Section is working with PSI to facilitate an Adjuster License Examination Workshop in summer 2022.

For this Workshop, CDI is asking for licensed public and independent adjusters as well as licensed property and casualty broker-agents to participate as subject matter experts at this Workshop. Interested Board members and guests included Board members Sandra Watts, Samona Caldwell, and Peter Schifrin. Soon after the conclusion of this Workshop, the Board and education providers will receive a Notice announcing the launch of the updated Independent Adjuster Examination Objectives and the Public Adjuster EOs.

- 10. Education Work Status Report:** Ammy Dang, Education Analyst, reviewed the Education Unit statistics from January 1, 2021 through December 31, 2021. Ammy also informed the Board that all hard copy and Sicon applications received within the last 10 days were assigned to an education analyst.
- 11. Roundtable/Adjourn:** Nancy Strickler, from Lyte Speed, asked if any of the wild fire legislative updates are going to be added to the new Property and Casualty EOs. Holly and Charlene confirmed the legislative updates were included in the new EOs.

Charlene was asked if there was an update regarding reciprocal licensing for California's independent insurance adjusters. Charlene responded that AB 2588 (Chu) Independent Insurance Adjusters, from the 2016 Legislative Session would have made California's independent insurance adjuster licensing laws reciprocal with other states; however, AB 2588 was vetoed. Charlene noted a legislative concept on this issue may be proposed next year.

Board member Mimie Yoon Lee inquired about visiting the State Capitol. Charlene explained Licensing does not attend hearings at the Capitol unless the Department's Legislative Office asks for our attendance. Due to COVID-19, the Department suggests Board members call the Committee who schedules the legislative hearings to confirm if hearings are open to the public.

Board member Steve Hinds inquired about in-person meetings. Holly responded that in-person meetings are always the intention, but the locations for the Curriculum Board meetings are reliant on the Governor's guidelines and directives.

- 12. Final Remarks and Adjournment:** Chairman Granger thanked everyone for attending the meeting and reminded everyone the next Board meeting is scheduled for Thursday, July 21, 2022, at 12:30 p.m. The location is to be determined. The February 17, 2022, Board meeting adjourned at 1:27 p.m.