

RICARDO LARA

CALIFORNIA INSURANCE COMMISSIONER

**Curriculum Board Meeting Minutes** Thursday, February 18, 2021 12:30 to 3:00 p.m.

California Department of Insurance

Telephone conference dial-in number:

1-916-245-2537

Conference ID number: 361 851 328#

The meeting was called to order at 12:32 p.m. by Neil Granger, Board Chairman

 Neil Granger – Elder Abuse & Annuity Richard Kern – President, California of

 Training Association of Independent Adjusters

 Neal Bordenave – RiskPro Insurance Shawna Reeves – Institute on Aging

Services, Inc.

 Jesse Dogillo – Bay Area Financial & Rene Swan – United Valley Insurance

 Insurance Services Services (absent)

 Steve Hinds – Nationwide Insurance Sandra Watts – United Policy Holders

 Monique Howard – Allied World Insurance Mimie Yoon-Lee – Lincoln Financial

 Company Network

Cerrina Jensen – Verus Insurance

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 to approve the minutes from the October 15, 2020, meeting. Prior to approval, Charlene Ferguson, Licensing

Services Division Chief, disclosed that there were two items missing from the October 15, 2020 meeting minutes. The minutes to be amended include the summary of the Long-Term Care Bill (AB 2453) and the CDI Omnibus Bill. Board member Neal Bordenave made a motion to approve the meeting minutes from October 15, 2020. Board member Steve Hinds seconded the motion. The October meeting minutes were approved as amended.

1. **Legislation:** Charlene Ferguson reviewed the bills from the October 15, 2020, meeting. Assembly Bill (AB) 2367 (Gonzalez and Limón) Residential Property Insurance: Wildfire Resilience is inactive. AB 2756 (Limón and Bloom, Chapter

263 Statutes of 2020) Residential Property Insurance took effect on

January 1, 2021. AB 3012 (Wood, Chapter 258, Statutes of 2020) Residential

Property Insurance will take effect on July 1, 2021. Senate Bill (SB) 872 (Dodd,

Chapter 261, Statutes of 2020) Residential Property Insurance: State of Emergency will take effect on July 1, 2021.

AB 2453 (Nazarian) Long Term Care Insurance and Accelerated Death Benefit is now inactive. CDI’s Omnibus Bill, SB 1255 (Committee on Insurance, Chapter 184, Statutes of 2020) Insurance was signed and took effect January 1, 2021. For Licensing, several sections of the California Insurance Code were amended and relabeled. The last day for 2021 bills to be introduced for the 2021 Legislative Session is February 19, 2021. CDI will provide the 2021 Legislative Update during the July 15, 2021, Curriculum Board Meeting.

CDI’s enhanced “Check a License” was launched on February 5, 2021.

All Board members were reminded of the annual Statement of Economic Interests (Form 700) and Ethics training is due by April 1, 2021. If Board members were recently appointed to the Board and completed the Ethics training in the last six months, there is no need to retake the training at this time. However, a new Form 700 is required to be filed even if a form was filed within the last six months.

CDI’s updated address for education providers and course applications is P.O. Box 311, Sacramento, CA 95812-0957. Charlene also informed the Board CDI’s fingerprint vendor, Accurate Biometrics, has a new address: 6080 Center Drive, Suite 600, Los Angeles CA, 90045. CDI is working with the Department of Justice (DOJ) to launch a new fingerprinting live scan request form, which will be form [BCIA 8016.](http://www.insurance.ca.gov/0200-industry/0050-renew-license/0200-requirements/upload/LIC44239AReqlivescan-4-2.pdf) The prior live scan request form, LIC 442-39A, was updated to provide instructions on how to complete DOJ’s [BCIA 8016](http://www.insurance.ca.gov/0200-industry/0050-renew-license/0200-requirements/upload/LIC44239AReqlivescan-4-2.pdf) live scan form.

Board member Steve Hinds inquired about the Form 700 e-disclosure. He stated he tried to do what was directed in the email, but had difficulty. The website indicated he did not need to fill out the form, which is contradictory to the email. Charlene referred Steve Hinds to Amanda Bastidas, CDI Boards Officer, who offered her assistance after the meeting.

1. **Examination Statistics:** Dawn Ward, Curriculum Review Section Manager, shared the Examination Statistics Report for the time period of January 1, 2020 through December 31, 2020. Board member Jesse Dogillo asked if there has been a significant drop-off in testing. Dawn stated there was a decline in the number of examinees during the months of March, April, and May 2020; however, it picked up after the launch of remote proctoring. Charlene noted CDI administered 68,000 examinations in 2020. Bart Schacknow from Zurich expressed he understood why test numbers went down; however, he mentioned he thought the numbers would have gone up because there is so much unemployment and there is such a great opportunity at this time. Charlene confirmed CDI received a large quantity of license applications, including many non-resident applications, in September and October 2020, which is more than any other month in years past.

Cindy Davidson from ExamFX asked if the pass rates can be provided to the guests and Charlene approved the request.

1. **Administrative Bars:** Jennifer Mariona, Examination Unit Analyst, summarized California Insurance Code (Cal. Ins. Code) Section 1681.5, Cheating or

Subverting Examinations, Penalties, and the purpose of the Administrative Bar. From January 1, 2020 through December 31, 2020, there were 10 administrative bar incidents, of which one case resulted in an order issued. The other nine incidents are currently under CDI’s Legal Division review. The majority of the incidents occurred between September and December 2020 after CDI launched its online remote proctored license examinations. Administrative bars can be reviewed on CDI’s Enforcement Actions webpage.

Irma Romero from Quick Learning School recognized the increase in examinations and questioned the difference in administrative bars in online remote proctored testing versus onsite testing. Charlene responded there is a 60/40 ratio. Charlene noted the reason for this is because some of the candidates who signed up for an online remote proctored testing realized their computer was not compatible with the online remote proctored testing platform and had to reschedule and take an examination at a test center. Charlene reminded the Board only one administrative bar was issued in 2020, and other nine incidents are under review by CDI’s Legal Division.

1. **Property Broker-Agent, Casualty Broker-Agent Educational Objectives Update:** Stephanie Bellotti, Education Unit Analyst, noted the Property and

Casualty Subcommittee completed their review of the Educational Objectives

(EOs). Katey Piciucco, attorney with CDI’s Legal Enforcement Bureau and

Curriculum Board liaison, reviewed and approved the Board’s edits. As a result of Governor Newsom signing AB 2756, AB 3012, and SB 872, the EOs were updated to reflect the new laws; however, CDI did not receive responses from the Subcommittee due to reduced membership. CDI asked the new Board members, as well as any other members and guests, to join Board member Neal Bordenave to review these updates. Chairman Granger asked for volunteers to join this subcommittee and the Chair approved the addition of Board members Steve Hinds, Monique Howard, and Sandra Watts, and guests Barbara Gavitt and Donal Griffith.

Once the Subcommittee’s updates are complete, the Curriculum Review Section staff will review the current examination questions and determine if new questions will need to be added. After the questions are aligned, a Notice will then be distributed to the Board and education providers announcing the new, updated outlines are available on CDI’s webpage.

**Long Term Care (LTC) Outline Subcommittee Report:** Stephanie reminded the Board thatthe LTC outline has not been updated since 2013 and extensive edits were being made. Once the revisions are completed, the updated outline will be reviewed by Katey Piciucco and Tyler McKinney, attorneys in CDI’s Legal Enforcement Bureau. A Notice will be distributed to the Board and education providers announcing the new, updated outline and the Eight-Hour LTC Outline are available on the CDI’s webpage. After the launch of the Eight-Hour LTC Outline, the Curriculum Review Section will ask Chairman Granger to request the LTC Subcommittee members to continue to participate on the Subcommittee to develop four-hour, topic specific LTC outlines.

1. **12-Hour Ethics and California Insurance Code Subcommittee Report:** Benjamin Loi, Education Unit Analyst, reminded the Board that the 12-Hour

Ethics and California Insurance Code Subcommittee was appointed during the October 2020 meeting, in accordance with the review schedule for education objectives. To date, the Ethics Subcommittee has completed the revisions of the EOs and are reviewing all changes with Katey Piciucco. Once Katey has completed her review, the EOs will be sent to the Board for approval. A Notice will be distributed to the Board and education providers announcing the new, updated outline for the 12-Hour Ethics and California Insurance Code are available on the CDI’s webpage.

Board member Neal Bordenave thanked Cindy Davidson for all the help she provided for this Subcommittee, and Chairman Granger concurred.

1. **PSI Report:** Alon Schwartz, Senior Vice President of Licensure, presented the first-time pass rates for online remote proctored license examinations and overall first-time pass rates. Pass rates remain comparable regardless of the modality of the testing type. Candidates are encouraged to complete a System Compatibility Check prior to taking remote examinations to ensure they have the appropriate software and hardware to take the examination. Examinees who are scheduled for online remote proctored examinations are provided a link in their confirmation email. CDI’s Los Angeles location and PSI’s 20 testing centers throughout California maintain the appropriate social distancing practices and limit the number of candidates to be consistent with applicable state and local public health directives to protect the health and safety of CDI and PSI’s employees and license examinees.

Examinees who are scheduled at PSI sites are emailed a COVID-19 screening form prior to their appointment. Examinees are required to complete and bring the form with them to the testing site. Safety is a top priority and if a examinees needs to reschedule due to COVID-19-related issues, they may do so at no charge to the examinees.

Irma Romero stated the three consecutive Saturday evenings she has had students calling her frantically because they could not contact a proctor during their online remote proctored examination or were unable to take their remote examination. Irma inquired how the students can be helped? She also asked for PSI to provide advice to students who experience these types of issues. Alon responded he unfortunately could not speak to those students specifically, but the day and time should not be an issue because online remote proctored license examinations are available 24 hours a day, seven days a week. He apologized and responded he would like to look into the examinee’s issues specifically. Alon explained there is a check-in process the examinee completes on their own before being referred to a proctor. There is a five to seven minute wait for the proctor to begin to administer the license examination. If there is an extended delay or no response, the examinee is directed to a messaging system, which allows them to contact PSI’s customer support.

Irma also asked about some consistency on the use of scratch paper during an examination. She has received mixed feedback from students and wanted clarity regarding the policy. Alon responded candidates are allowed to have one sheet of scratch paper. At the conclusion of their examination, the examinee will need to rip up the scratch paper in view of the camera for the proctor to see.

1. **Curriculum Review Schedule:** Holly Kinney, Chief of the Curriculum and Officer Review Bureau, reminded the BoardtheEthics Subcommittee was appointed at the October 15, 2020, meeting. Holly noted in January 2021, the CDI Curriculum Review Section sent curricula to the Board for review. With a few responses s from Board members, Holly provided a quick review to determine if further reviews are required or if the Board can approve the outlines as written.

Holly provided the following summaries:

The 24-Hour Coverage and General Concepts is based on Cal. Ins. Code Sections [1749.02](https://leginfo.legislature.ca.gov/faces/codes_displaySection.xhtml?lawCode=INS&sectionNum=1749.02.) and [1749.33(d).](https://leginfo.legislature.ca.gov/faces/codes_displaySection.xhtml?lawCode=INS&sectionNum=1749.33.) This is a four-hour course on the joint issuance of a workers’ compensation policy with a disability insurance policy, health care service plan contract, or other medical insurance coverage for nonoccupational injuries and illnesses, which does not include a life insurance policy. An accident and health agent who is authorized to sell 24-hour care coverage is required to complete this course. This course was last reviewed by the Board in November 2012. The Board approved this outline as written.

The Eight-Hour Annuity Training Course is designed to meet the requirements in Cal. Ins. Code Section [1749.8](https://leginfo.legislature.ca.gov/faces/codes_displaySection.xhtml?lawCode=INS&sectionNum=1749.8.) (a). The four-hour topic-specific annuity training courses are designed meet Cal. Ins. Code Sections [1749.8(](https://leginfo.legislature.ca.gov/faces/codes_displaySection.xhtml?lawCode=INS&sectionNum=1749.8.)b), [10127.10,](https://leginfo.legislature.ca.gov/faces/codes_displaySection.xhtml?sectionNum=10127.10.&lawCode=INS) [10509.6,](https://leginfo.legislature.ca.gov/faces/codes_displaySection.xhtml?sectionNum=10509.6.&lawCode=INS) and [10509.910 through 10509.918.](https://leginfo.legislature.ca.gov/faces/codes_displayText.xhtml?lawCode=INS&division=2.&title=&part=2.&chapter=5.&article=9.) These outlines were last reviewed by the Curriculum Board in April 2012. Holly asked Chairman Granger to appoint a subcommittee to update these outlines. The subcommittee was appointed to include Chairman Granger, Board members Jesse Dogillo, Neal Bordenave, and Shawna Reeves, and guests Cindy Davidson, Donal Griffin, and Irma Romero.

The lead analyst will be Jenny Mariona. Subsequent to this meeting, the lead analyst was changed to Benjamin Loi.

The Business Management Practices Course Development Guidelines are based on Cal. Ins. Code [Sections 1749.1(c)(1) through (5).](https://leginfo.legislature.ca.gov/faces/codes_displaySection.xhtml?lawCode=INS&sectionNum=1749.1.) This outline was last reviewed by the Board in January 2012 and is specifically based on the California Insurance Code. In 2018, there were no changes in the Code. The Board approved this outline as written.

The Commercial Earthquake and Risk Management Course Outline is based on

Cal. Ins. Code [Section 1749.1(a)](https://leginfo.legislature.ca.gov/faces/codes_displaySection.xhtml?lawCode=INS&sectionNum=1749.1.) and was last reviewed by the Board in January 2012. The purpose of this course is to ensure that insurance agents and brokers have access to approved training on the complex issues of commercial earthquake insurance and mitigation and are qualified to fully assist their clients in managing their earthquake risk. There is no mandate to offer commercial earthquake insurance in California, and no requirement for agents and brokers to discuss earthquake insurance with their commercial clients. The California Earthquake Authority offers this course, and possibly other education providers. The Board approved this outline as written.

The Curriculum Review Section sent the 15-Hour Life Settlement Broker Outline to CDI’s attorney, Jennifer Chambers. Jennifer’s report included edits to the definition of terms as well as relatively minor edits to the outline. Jennifer also noted the life settlement statute does not separately categorize a viatical settlement contract and life settlement contract. Jennifer stated terminology like “viatical settlement” is archaic. The settlements involving terminally ill insureds are still considered life settlements. Jennifer indicated, however, that insureds have special protections under Cal. Ins. Code Section 10113.3(a). The Board approved all edits.

1. **Education Status Report:** Benjamin Loi reviewed the Education Unit statistics for the Calendar Year 2020. Benjamin also informed the Board all hard copy and Sircon applications received within the last 10days were assigned to an education analyst.

1. **Final Remarks and Adjournment:** Chairman Granger thanked everyone for attending the meeting today and reminded everyone the next Board meeting is scheduled for Thursday, July 15, 2021, at 12:30 p.m. The location is to be determined. The February 18, 2021, Board meeting adjourned at 1:50 p.m.