



RICARDO LARA
CALIFORNIA INSURANCE COMMISSIONER

Curriculum Board Meeting Minutes

Thursday, July 15, 2021

12:30 to 3:00 p.m.

California Department of Insurance

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

Conference ID number: 497 359 220#

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

Neil Granger – Elder Abuse & Annuity Training

Neal Bordenave – RiskPro Insurance Services, Inc.

Jesse Dogillo – Bay Area Financial & Insurance Services

Steve Hinds – Nationwide Insurance

Monique Howard – Allied World Insurance Company

Cerrina Jensen – Verus Insurance

Richard Kern – President, California of Association of Independent Adjusters

Shawna Reeves – Institute on Aging

Rene Swan – United Valley Insurance Services

Sandra Watts – United Policy Holders

Mimie Yoon-Lee – Lincoln Financial Network (Absent)

Samona Caldwell – State Farm Insurance

- 1. Welcome:** Chairman Granger welcomed and thanked everyone for attending the Curriculum Board (Board) meeting and reviewed the meeting procedures.

Chairman Granger introduced the newest member of the Board, Samona Caldwell. Samona is the Government Affairs Coordinator for State Farm Insurance Companies. She has been with State Farm for 26 years and has experience in the Fire Claims Department as well as in Public Affairs. She serves as a corporate advisory board member for the Los Angeles African American Women's Public Policy Institute and the Valley Industry and Commerce Association, and as the Advisory Board Chair for Educate California. Samona was appointed to the Board as an insurance company representative with a term ending on July 12, 2024.

- 2. Minutes:** Chairman Granger asked for a motion from the Board members to approve the February 18, 2021, minutes. Board member Steve Hinds made a motion to approve the meeting minutes and Board member Neal Bordenave seconded the motion. The February 18, 2021, meeting minutes were approved as amended.

3. **Licensing Update:** Charlene Ferguson, Chief of the Licensing Services Division (LSD), reviewed the following legislation from the 2021 California Legislative Session: Assembly Bill (AB) 1347, AB 1511, Senate Bill (SB) 11, SB 72, and SB 456.

Wildfire

[SB 72](#) (Rubio) Property Insurance: Wildfire Risk requires the Insurance Commissioner to transmit a report to the Secretary of the Natural Resources Agency that makes geographic recommendations for vegetation management projects based on the Commissioner's analysis of specific information, including non-renewal data on policies of residential property insurance, and to post that report on the California Department of Insurance's (CDI) internet website.

This bill would also require the California Fair Access to Insurance Requirements (FAIR) Plan to commission a study on how concentration risks affect the FAIR Plan's policies in high fire risk areas. The study is to be submitted to the Legislature, the Natural Resource Agency, and CDI.

[SB 456](#) (Laird) Fire Prevention: Wildfire and Forest Resilience renames the "Forest Management Task Force" to be the "Wildfire and Forest Resilience Task Force" (Task Force). The Task Force includes the Natural Resources Agency, the California Environmental Protection Agency, the Office of Planning and Research, and the Department of Forestry and Fire Protection. In coordination with the relevant lead federal, state, local, and tribal agencies, the Task Force would be required to develop a comprehensive implementation strategy to track and ensure the achievement of the goals and key actions identified in the state's "Wildfire and Forest Resilience Action Plan" [new California Insurance Code section 4771(c)]. The Task Force is to submit a report to the Legislature.

California FAIR Plan Association

[SB 11](#) (Rubio) California FAIR Plan Association: Basic Property Insurance is an urgency bill that modifies the definition of basic property insurance for the purpose of the California FAIR Plan Association. The basic property insurance definition excludes insurance on automobile risks, commercial agricultural commodities or livestock, or equipment used to cultivate or transport agricultural commodities or livestock. This bill also creates an exception to the exclusion on insuring "farm risk" that will allow for the California FAIR Plan to sell commercial coverage to farms covering structures. In addition, this bill would require the California FAIR Plan to file a new or amended rate application with the Insurance Commissioner consistent with these exclusions within 90 days of the bill's operative date.

Bail

[AB 1347](#) (Jones-Sawyer) Bail Premiums would prohibit, on and after January 1, 2022, an insurer, bail agent, or other bail licensee from entering into a contract, agreement, or undertaking of bail that requires the payment of more than one premium for the duration of the agreement, and would require the duration of the agreement to be until bail is exonerated. This bill prohibits, on and after January 1, 2022, an insurer, bail agent, or other bail licensees from charging, collecting, or receiving a renewal premium in connection with a contract, agreement, or undertaking. This bill also creates a private right of action for any person who suffers damages as a result of the violation, including the right to recover statutory damages of \$3,000, attorney fees, and costs.

CDI Omnibus Bill

[AB 1511](#) (Assembly Insurance Committee) Insurance, would amend the California Insurance Code as follows:

Align Mailing Timelines. This bill aligns both cancellation and non-renewal notices for homeowners' and workers' compensation insurance policies to ensure they receive extra mail-time-delay-days so consumers have a better chance to receive these documents on time.

The State Compensation Insurance Fund. This bill would authorize the State Compensation Insurance Fund (SCIF) to invest in the discretionary investments authorized pursuant to California Insurance Code [section 1210](#), the Leeway Law, until January 1, 2027. SCIF would have limited discretionary authority to make environmental, social, or governance investments in line with existing authorities for other insurers, specifically in properties and securities, and money market mutual funds. The provisions related to granting SCIF additional investment authorities are in SB 713 (Rubio).

Denial of Application, Suspension, or Revocation of License. This bill would allow 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.

Surety Bond Requirements. This bill would exempt licensed insurance adjusters, as specified, from the \$2,000 surety bond requirements if their employer has filed a surety bond or meets this requirement with a certificate of insurance.

False and Fraudulent Claims. This bill adds to the Insurance Fraud Protection Act that it is unlawful to make or cause to be made a knowingly false or fraudulent material statement or material representation for the purpose of obtaining or amending an insurance policy under any line of insurance regulated

by CDI. A violation is a public offense, punishable by a fine, by imprisonment pursuant to California Penal Code section [1170\(h\)](#), or in a county jail not to exceed one year, or by both a fine and imprisonment.

Standard Nonforfeiture Law for Individual Deferred Annuities. This bill would adopt the National Association of Insurance Commissioners (NAIC) model amendment to the [Standard Nonforfeiture Law for Individual Deferred Annuities](#), which reduces the minimum interest rates used to determine minimum nonforfeiture amounts to 0.15 percent so consumers can continue to access greater financial security for retirement [amended California Insurance Code section 10168.5(d)(1)].

License Applications

Charlene reported that CDI's LSD continues to process applications on an average of 12 business days; however, there was a significant increase in the number of licensing applications received (e.g., from an average of 6,800 to between 7,000 and 9,600 each month). Charlene also reminded the Board and guests that CDI provides the [Check License Application Status Service](#) as well as [Chat and email](#) features for license applicants, which are available through CDI's [Agents & Brokers](#) online services.

- 4. PSI Examination Review:** Alon Schwartz, Senior Vice President of Licensure for PSI Services LLC (PSI), reported PSI has worked very closely with CDI to tighten up security protocols for online remote proctored license examinations. This protocol is an effort to identify and reduce the number of potential cheating on examinations.

PSI made substantial efforts to improve customer satisfaction and the overall examination experience, including adding a dedicated CDI telephone line, a CDI email address, and a remote proctor tech support line/chat feature for all CDI examinees. Alon also reviewed the COVID-19 compliance procedures at PSI's test centers. PSI continues to require both candidates and employees to wear approved face masks. This updated information is located in CDI's [Candidate Information Bulletin](#).

- 5. Examination Statistics Update:** Jennifer Mariona, Curriculum Compliance Analyst, provided the examination statistics report for the time period of January 1, 2021 through June 31, 2021.

As a follow-up on the cheating incidents and CDI's Legal Enforcement Bureau's (Legal) administrative bars report at the February 18, 2021, Curriculum Board meeting, Jennifer reported in addition to the one administrative bar issued in 2020, Legal completed their review and of the other nine incidents and issued seven administrative bars, one case is pending, and one case was dismissed. Jennifer also reported in 2021 one administrative bar was issued and four incidents are pending Legal's review.

Guest Irma Romero, with Quick Learning School, asked if the Spanish license examinations will no longer be offered because of the low pass rate. Holly Kinney, Chief of the Curriculum and Officer Review Bureau, informed Irma that the Spanish license examinations will be available until January 1, 2024, which is the sunset date stated in California Insurance Code section 1677(d). Holly also noted legislation may be introduced to either extend or remove the sunset date.

6. Property Broker-Agent, Casualty Broker-Agent Educational Objectives

Update: Stephanie Bellotti, Education Analyst, reported the Property Broker-Agent and Casualty Broker-Agent Educational Objectives (EOs) Subcommittee (Property and Casualty Subcommittee) completed their review of the EOs. However, with the wildfire legislation (i.e., Assembly Bill (AB) 2756, AB 3012, and Senate Bill 872) signed into law and the departure of Board members and guests from the original Property and Casualty Subcommittee, a new Subcommittee was appointed during the February 18, 2021, Curriculum Board meeting. The newly appointed Property and Casualty Subcommittee reviewed the revisions to the EOs and their edits were incorporated into the documents. The EOs were sent to the Curriculum Board Legal Liaison (Board Legal Liaison), Katey Piciuccio, for Legal's review.

Due to the new curriculum in the Property and Casualty EOs, CDI will be conducting a property and casualty license examination workshop to review the newly created questions and align all of the existing questions in that license examination pool with the updated EOs.

When the workshop is completed, the Property and Casualty EOs will be used to update the Personal Lines Broker-Agent, the Limited Lines Automobile Agent, and the Commercial Insurance EOs. A Notice will be distributed to the Board and education providers announcing the new, updated EOs are available on CDI's [Prelicensing Educational and Examination Objectives](#) webpage. The Notice will also announce the timeline for education providers to update their property and casualty prelicensing courses. Subsequent to this meeting, the EOs were launched on CDI's internet website and the [Notice](#) was distributed on September 7, 2021.

Long-Term Care Subcommittee Report: Stephanie Bellotti, Education Analyst, reported the Long-Term Care (LTC) Subcommittee has completed approximately 65 percent of the proposed edits to the Eight-Hour LTC Outline and the Attachments. Once the revisions are completed, the updated LTC Outline and Attachments will be reviewed by Tyler McKinney and Priya Chisolm, attorneys in CDI's Legal Enforcement Bureau.

After Legal approves the updated LTC Outline and if there are no additional comments or questions from the Curriculum Board, a Notice will be distributed to the Board and education providers announcing the new, updated Eight-Hour Long-Term Care Outline and Attachments are available on CDI's website. The

Notice will announce the timeline for education providers to update their eight-hour long-term care courses.

After the updated Eight-Hour LTC Outline is launched, the LTC Subcommittee will be asked to develop four-hour, topic-specific long-term care course outlines. These courses will provide agents with in-depth topic-specific LTC curriculum courses.

7. **12-Hour Ethics and California Insurance Code Educational Objective Update:** Benjamin Loi, Education Analyst, reported the 12-Hour Ethics and California Insurance Code Subcommittee (Ethics Subcommittee) completed their review. The Ethics Subcommittee also reviewed the Ethics Training Course Development and Guidelines, which provides the curriculum for the required three-hour continuing education course. The Board's Legal Liaison, Katey Piciucco, is reviewing the 12-Hour Ethics outline and the Ethics guidelines for the three-hour course.

After receiving Legal's approval and if there are no additional comments or questions from the Curriculum Board, Curriculum Review Section (CRS) staff will review and update the license examination questions pertaining to Ethics and the California Insurance Code to meet the revised 12-hour outline. A Notice will be distributed to the Board and education providers announcing the new, updated 12-Hour Ethics and California Insurance Code Educational Objectives and the Three-Hour Required Ethics Training Course Development and Guidelines will be available on CDI's website. The Notice will announce the timeline for education providers to update their courses.

Please note, it has come to Licensing's attention that producers and adjusters are confused with the title of some ethics training courses. The courses that meet the Three-Hour Required Ethics Training Course Development and Guidelines course is the required course that must be completed by producers and adjusters before they can renew their licenses. To reduce this confusion, Licensing added "Three-Hour Required" to the title of this course and encourages education providers who offer the required three-hour ethics training course to also include the words "three-hour required" in the title of their approved courses.

8. **Annuity Training Course Subcommittee Report:** Benjamin Loi, Education Analyst, reported a status update on the Eight-Hour and Four-Hour Annuity Training Course Outline reviews. The Annuity Training Subcommittee (Annuity Subcommittee) was appointed at the February 20, 2021, Curriculum Board meeting and have completed the majority of the Eight-Hour Annuity Training Outline and its attachments. Once the Eight-Hour Annuity Training Outline and attachments are completed, the Subcommittee will begin their review of the Four-Hour Annuity Training Course Outlines, then the outlines will be sent to Board's Legal Liaison, Katey Piciucco, to review.

After receiving Legal's approval and if there are no additional Curriculum Board

comments or questions, a Notice will be distributed to the Board and education providers announcing the updated Eight-Hour Annuity Training Course Outline, Attachments, and Four-Hour Training Course Outlines are available on CDI's webpage. The Notice will include the timeline for education providers to update their courses.

- 9. Curriculum Review Update and Schedule:** Holly Kinney reported the Curriculum Review Schedule has several courses scheduled for review. Holly noted the recent updates to the 15-Hour Life Settlement Broker Outline is now posted on CDI's [Resident - Provider Continuing Education Courses webpage](#).

Holly reported the CRS staff were able to align the current Life-Limited to the Payment of Funeral and Burial Expenses (Life-Limited) Examination Objectives with the Life-Only EOs; however, when the Annuity Subcommittee completes their review and the courses are approved by Legal, CRS staff will update the Life-Limited Examination Objectives to include the updated annuity training curriculum. The updated Life-Limited Examination Objectives will be sent to the Board's Legal Liaison, Katey Piciucco, to review before the Examination Objectives are sent to the Board for their review and comment.

- 10. Education Work Status Report:** Ammy Dang, Education Analyst, reviewed the Education Unit statistics from January 1, 2021 through June 30, 2021. Ammy also informed the Board that all hard copy and Sircon applications received within the last 10 days were assigned to an education analyst.

Guest Bart Shachnow, with Zurich Insurance Academy, asked if the Education Unit could provide guidance on important topics the education providers may develop for producers to have a better understanding on CDI, consumer, and industry concerns. Charlene responded by asking Board Members if they have any areas of concern, issues, and/or topics for course development that could assist licensees. Board member Rene Swan suggested a course on fraud prevention. Charlene noted there are anti-fraud regulations in the California Code of Regulations, Title 10, section [2698.39](#) that education providers may review for course topics.

- 11. Roundtable/Adjourn:** Charlene Ferguson asked the Curriculum Board for volunteers to assist with CDI's annual [Notice](#), describing the most significant California laws pertaining to property insurance policies, including those relating to a declared states of emergency and CDI's [Guide for Adjusting Property Claims in California After a Major Disaster](#). The volunteers will review new laws signed by Governor Gavin Newsom to be added to the Notice and the Guide to inform agents, adjusters, and insurers on any new wildfire laws. Interested Board members and guests include Sandra Watts, Richard Kern, Samona Caldwell, and Shawna Reeves.

Final Remarks and Adjournment: Chairman Granger provided notification that Board member Shawna Reeves moved to a new position on

May 24, 2021, and she is no longer a representative on the Curriculum Board. However, Shawna will continue to participate as a guest for the Annuity Subcommittee. Chairman Granger also provided notification that Board member Richard Kern's term ends on July 31, 2021, and this is his last Curriculum Board meeting, and that Board member Neal Bordenave will be moving out of state this year. The October 21, 2021, meeting will be Neal's last Curriculum Board meeting.

Chairman Granger thanked everyone for attending the meeting and reminded everyone the next Curriculum Board meeting is scheduled for Thursday, October 21, 2021, at 12:30 p.m. The location is to be determined. The July 15, 2021, Curriculum Board meeting adjourned at 1:50 p.m.