



RICARDO LARA
CALIFORNIA INSURANCE COMMISSIONER

California Department of Insurance Curriculum Board Meeting Minutes

Thursday, October 17, 2024
12:30 p.m. to 3:00 p.m.

The meeting was called to order at 12:30 p.m. by Board Chairperson, Jesse Dogillo.

Jesse Dogillo (Chairperson), Bay Area
Financial & Insurance Services
Anne Lintz (Vice Chairperson), Anne
Lintz Insurance Agency, Inc.
Janise Graham, Entrepreneur's
Insurance Services
Aretha Hartley, Allstate Insurance
(Absent)
Monique Howard, Inland Marine at
Ascot Group (Absent)
Michael Lujan, Michael Lujan
Consulting Group, LLC
Colbie McRae, insureCAL Insurance
Agency

Gloria Mitchell, Gloria Mitchell Bail
Bonds
Sandra Moriarty, Roadmap to
Recovery Project Coordinator
Peter Schiffrin, Schiffrin, Gagnon &
Dickey, Inc. (Absent)
Doug Smith, Inclusive Action for the
City
Samantha Tradelius, Lytespeed
Learning
Vinh Truong, CMT Insurance
Agency

1. **Welcome:** Chairperson Dogillo welcomed and thanked the Board members and guests for attending the Curriculum Board (Board) meeting and reviewed the meeting procedures.
2. **Minutes:** Chairperson Dogillo asked for a motion from the Board members to approve the July 18, 2024, Board meeting minutes. Vice Chairperson Anne Lintz made a motion to approve the meeting minutes and Board member Colbie McRae seconded the motion. The July 18, 2024, meeting minutes were approved.
3. **Licensing Update:** Charlene Ferguson, Chief of the Licensing Services Division (Licensing), provided a 2024 Legislative Session Update.

[Senate \(SB\) Bill 263](#) (Dodd, Chapter 2, Statutes of 2024) Insurance: annuities and life insurance policies: During the months of July, August, and September 2024, the Licensing Services Division was involved in the development of new curriculum and the distribution of Notices regarding the implementation of the annuity suitability best interest standard of care and other training requirements stated in

the California Department of Insurance (Department) sponsored [Senate \(SB\) Bill 263](#) (Dodd, Chapter 2, Statutes of 2024) Insurance: annuities and life insurance policies.

The purpose of this legislation is for California to meet the NAIC's [Suitability in Annuity Transactions Model Act #275](#) standards to avoid dual oversight and regulation of annuities by the federal government (namely the U.S. Securities and Exchange Commission) by January 1, 2025. [SB 263](#) reforms and provides more consumer protections with higher standards of conduct, stronger enforcement tools for the regulator, more rigorous communication requirements between the consumer, producers, and insurance company, and additional required training for producers, among other consumer protections.

Chairman Dogillo appointed the [SB 263](#) Subcommittee (Subcommittee) at the July 20, 2023, Board meeting in anticipation of SB 263 being signed into law in 2023. However, after a few delays and during a new legislative session, Governor Gavin Newsom signed [SB 263](#) into law on February 29, 2024.

With the assistance of the Department's Legal Branch Attorneys as subject matter experts, the appointed Subcommittee met the goals to develop the new life and the new variable life insurance course curriculums as well as the new four-hour annuity suitability "Best Practice" and the new eight-hour annuity training course curriculums. There are three additional four-hour annuity training courses the Department's Legal Annuity Subject Matter Expert is updating with the annuity suitability best practices.

The three additional annuity four-hour suitability best standards curriculum outlines that will be sent to the Subcommittee to review and to the Board's Legal Liaison for approval and release to education providers. The three courses are:

- 2025 Taxation and Suitability of Annuities Outline
- 2025 How Fixed, Variable, and Index Annuity Contract Provisions Affect Consumers Outline
- 2025 Four-Hour Primary Uses of Annuities, types of Annuities, and the Senior Market Outline.

Please note, Senate Bill 577, the Department's omnibus bill amended sections 1749.81 (a) and (b) to add the word "individual" life insurance policies in subsection (a) and "individual" variable life insurance policies in subsection (b).

Education Unit Analyst, Maria Alfaro, provided a review of the Subcommittee's accomplishments and plans during her report below.

[SB 1217](#) (Glaze, Chapter 612, Statutes of 2024) Pet Insurance: In addition to [SB 263](#) (Dodd) Insurance: annuities and life insurance, [SB 1217](#) (Glaze, Chapter 612, Statutes of 2024) Pet Insurance was signed into law by the Governor on September 26, 2024. This bill takes effect on January 1, 2025.

This new law:

- Requires an insurer to disclose if it reduces coverage or increases premiums based on the age of the covered pet or a change in the geographic location of the insured, as well as if it requires a medical examination to effectuate coverage or imposes a waiting period.
- Authorizes the issuance of a pet insurance policy that excludes preexisting conditions or imposes a waiting period, if specified criteria are met.
- Requires coverage to be issued no later than 12:01 a.m. on the second day after receipt of a complete application and valid payment information, except as specified.
- Provides requirements for a pet wellness program, as defined, would prohibit the marketing of a wellness program as pet insurance, and would specify when a wellness program is considered a pet insurance policy.

Updates existing definitions and define additional terms, including “orthopedic,” “producer,” and “renewal.”

[SB 966](#) (Weiner) Pharmacy Benefit

Vetoed by the Governor on Saturday, September 28, 2024

This bill focused on regulating Pharmacy Benefit Managers by requiring PBM to be licensed by the California Department of Insurance and be required to:

- disclose all types of fees PBMs receive and how these fees are calculated;
- file annual reports with the Department detailing specific information about their operations and contracts and
- the Department would have to annually launch a report on the records provided by the PBMs.

The goal of SB 966 was to increase transparency in the operations of PBMs, ensure that PBS do not derive income from pharmacy benefit management services except as specified.

- 4. Examination Statistics Update:** Rebecca Galsote, Curriculum Compliance Analyst, reported that from January 1, 2024 through September 30, 2024, there were 5,749 online remote proctored first-time test takers with 3,773 passing, which is a 66 percent first-time pass rate.

Rebecca also stated, there were 12,876 first-time test center license examinations with 8,196 passing, which is a 64 percent first-time pass rate.

Overall, there were 18,625 first-time examinations, with a total of 11,969 passing, which is a 64 percent first-time pass rate.

Rebecca also stated that the California's [Candidate Information Bulletin](#) (CIB) is available on the Department's Applying for a License and on the Individual Resident License webpage under the "License Examination Information" header. A link to the CIB is also available on PSI's website after registering to take a license examination, the scheduled examination confirmation email will include a link to California CIB.

Rebecca described the importance of an examinee reading the CIB. The CIB is also available in Chinese (Simplified), English, Korean, Spanish, Tagalog, and Vietnamese. Specifically, the CIB:

- Explains how to Schedule and Register for an Examination
- Explains how to canceling and Re-scheduling an Examination
- Provides are the limitations on Retaking a Failed Examination
- Provides what to Do If an Applicant Missed the Examination or Canceled Late
- States the steps to take for a Special Examination Accommodations and similar Arrangements
- Provides a List of The Test Center Locations
- States PSI's convenience fee
- Provides a List of Acceptable Identification Types for In-Person and Remote Examinations
- Reviews the Security Procedures for the Test Centers and Online Proctored Examinations
- Explains the Score Reporting Process
- States how to Prepare for the Examination
- States what Supplies are Allowed During the Examination
- Lists the examination Time Limits for each license examination

Rebecca also reported there were nineteen cheating incidents from January 1, 2024 to September 30, 2024, which resulted in five Administrative Bars being issued. Rebecca explained that [California Insurance Code section 1681.5](#) states what is considered to be "willfully cheating" on a license examination and can result in a license examinee being issued an Administrative Bar.

5. Long-Term Care Outline Subcommittee Report: Dillon Gingras, Education Analyst, reported on the status of the Long-Term Care (LTC) Subcommittee's (Subcommittee) development of Four-Hour Long-Term Care Outlines (Outlines).

With the completion and distribution of the Eight-Hour LTC Outline and Attachments on August 24, 2022, the Board appointed the Four-Hour LTC Subcommittee to develop four-hour, in-depth topic-specific, LTC curriculum outlines on specific LTC topics in each four-hour course. The Subcommittee held its first meeting on September 20, 2022, and meets every two weeks unless scheduling conflicts arise.

Currently, the Subcommittee is finishing the final edits for the third Four-Hour Outline and expects to complete this outline in November 2024.

With the stepping down of Neil Granger on May 25, 2023, the Subcommittee soon realized a fifth vacant member needed to be appointed to provide additional subject matter expertise and allow the Subcommittee to have a quorum at each meeting. Chairman Dogillo appointed Jack Schmitz of Yetworth to the Four-Hour LTC Subcommittee. Jack attended his first meeting on May 24, 2024.

The Subcommittee's goal is to have a minimum of four four-hour LTC course outlines launched and distributed for these courses to be available for accident and health or sickness agents to meet their eight-hour LTC continuing education requirement prior to each license renewal by the end of Fall 2024. However, as reported at the July 18, 2024, Board meeting, the Subcommittee received multiple questions from education providers regarding Section VIII. A.1. of the Eight-Hour LTC outline due to changes in asset protection and estate recovery requirements which were implemented on January 1, 2024.

The Subcommittee drafted new wording for the Eight-Hour LTC outline, Section VIII. This update was reviewed and approved by the Department of Healthcare Services (DHCS), California Partnership for Long-Term Care. The corrected Eight-Hour LTC Outline will be republished on the Department's website with the distribution of the four-hour LTC outlines.

The Four-Hour LTC Subcommittee will continue to meet via Microsoft Teams. This meeting information is also available on the Department's Main Page, in the "Search" box, type "Curriculum Board" to retrieve the meeting information.

Charlene Ferguson explained that once the four-hour LTC outlines are available to the education providers to prepare the courses, a Notice will be distributed to life and accident and health or sickness agents announcing that there are four-hour long-term care courses available. Life and accident and health or sickness agents will be able to take two four-hour LTC courses to meet the eight-hour LTC course requirement ([California Insurance Code section 10234.93\(a\)\(4\)\(B\)](#)).

6. **Senate Bill 263 Subcommittee Report:** Maria Alfaro, Education Analyst, reported on the status of the [SB 263](#) Subcommittee's (Subcommittee) development of the 2025 Life Insurance Policies Four-Hour Course, the 2025 Variable Life Two-Hour Course, the 2025 Annuity Four-Hour Training Course, and the 2025 Annuity Eight-Hour Training Course.

The Subcommittee held their first meeting on January 23, 2024, and continued to meet every other Tuesday from 10 a.m. to 12 p.m. During the meetings, the Subcommittee created the 2025 Life Insurance Policies Four-Hour Course Curriculum, the 2025 Variable Life Two-Hour Course Curriculum, the 2025 Annuity Four-Hour Training Course Curriculum the 2025 Annuity Eight-Hour Training Course Curriculum was finalized on August 20, 2024.

At the last Subcommittee meeting held on August 20, 2024, On Monday, September 23, 2024, the Department distributed a Notice to Education Providers advising them that the new 2025 Annuity Eight-Hour Course Curriculum is

available on the Department's Resident Provider Continuing Education Courses, Outline and Materials webpage and the California Non-Resident Provider Training Materials webpage.

As of the date of this meeting, the Curriculum Review Section (CRS) approved eleven 2025 Life Insurance Policies Four-Hour courses, eight 2025 Variable Life Insurance Two-Hour Courses, four 2025 Annuity Four-Hour Training Courses, and received four 2025 Annuity Eight-Hour courses, of which two were approved and available for agents to complete their SB 263 training requirements.

The Department is currently updating the remaining three four-hour annuity training outlines to provide options for agents to complete their four-hour annuity training requirement and meet the new annuity suitability standards stated in SB263.

When the updates are completed, the curriculum outlines will be shared with the Subcommittee via email for review. If no edits or comments are received, the Department will ask the Subcommittee for a vote to approve the Curriculum Outlines.

The Department anticipates releasing the three additional four-hour course curriculum outlines by the end of October 2024.

7. Curriculum Review Schedule: Dawn Ward, Chief of the Curriculum and Licensing Background Bureau, provided the Board's Curriculum Review Schedule update.

Dawn explained for the new Board members that this schedule states when the outline or guideline was developed, the dates reviewed, and the three-year review timeline for the Board to consider if an in-depth review by an appointed subcommittee is to be appointed to update the curriculum to ensure the course or guideline material is up-to-date and meets current laws and regulations. The 2024 Curriculum Review Schedule had several courses scheduled for review in 2025.

Dawn also clarified for the Board members that the Curriculum Review Schedule is updated to include the four new required continuing education training outlines stated in SB 263 (Dodd, Chapter 2, Statutes of 2024) Insurance: annuities and life insurance policies. The new course outlines are the "2025 Life Insurance Policies Four-Hour Course," the "2025 Variable Life Two-Hour Course," the "2025 Annuity Eight-Hour Training Course" and the "2025 Annuity Four-Hour Training Course."

As Maria Alfaro stated during her report, currently there are courses available in each of these course categories for life agents to meet the training requirements stated in SB 263.

Dawn also stated the 15-Hour Life Settlement Broker Outline and attachments, Business Management Practices Course Development Guidelines, and Commercial Earthquake Risk Management are scheduled for the Board's review. Dawn explained that on October 1, 2024, these Outlines were sent to the Board to review and determine if the Outlines need to be updated to meet new laws and regulations. The CRS will follow-up with the Board members who have not, as of the date of this meeting, responded to let CRS know whether these Outlines will need to have a subcommittee appointed to further review and update the outline or if the outlines are approved as presented to the Board.

8. **Education Work Status Report:** Ammy Dang, Education Analyst, reviewed the Education Unit's statistics from January 1, 2024 through September 30, 2024. Ammy also informed the Board that all paper and Sircon applications, were assigned to an education analyst to review within 10 days of its receipt at the Department.
9. **Roundtable:** Board member Samantha Tradelius commented on SB 263 course-related items and specifically stated that students need help understanding the requirements for the new SB 263 courses.

Charlene acknowledged the students' concerns regarding the requirements for SB263 and advised that the Department has posted SB 263 Frequently Asked Questions onto the Department's website.

During Roundtable Session, Charlene discussed a new online service to submit solicitor terminations, solicitor appointments, letter clearance, replacement bonds for insurance brokers, and self-termination notices requests electronically using Vertafore's [Sircon Online Services](#), scroll down to Submit Requests Electronically and select "[here](#)," Select the "[Services](#)" link in the upper right hand corner and "[Additional State Service Request](#)," fill-in the items and submit the form and payment electronically.

Charlene also reviewed the question regarding the confusion with PSI's listings of license examination titles, which was brought forward during the previous Board meeting. To remedy the issue, the Department is working with PSI to list the name of language examination first and then list the examinations offered in the language requested.

In addition, Charlene discussed the difference between PSI test centers that use paper and test centers that use blackboards. The blackboards are for the larger test centers to increase convenience and efficiency.

Lastly, Charlene addressed the concern surrounding the dress code at test centers. Charlene suggests for education providers remind students to thoroughly review the [Candidate Information Bulletin](#) before entering the license examination test center. The CIB is available in five languages and, as Rebecca reported, the CIB provides details on scheduling, cancelling and rescheduling license examinations, test center locations, required identification, security procedures,

PSI telephone numbers to call for services, describes what examinees will experience when they take the examination at a test center, preparing for the license examination, examination number of questions and time limits, examination objectives, and the fingerprinting requirement after the examinees submit their license applications.

- 10. Remarks and Adjournment:** Chairperson Dogillo reminded the Board members and guests that the next Board meeting is scheduled for Thursday, February 20, 2025. The meeting will begin at 12:30 p.m. CRS' Board Liaison, Ammy Dang, will provide the Board members and guests with the next Board meeting arrangements approximately 30 days before the February 20th meeting.

Chairperson Dogillo asked for a motion to adjourn the meeting. Board member Colbie McRae made a motion, and Board member Sandra Moriarty seconded the motion to adjourn the meeting. Chairperson Dogillo announced the February 20, 2025, Board meeting was adjourned at 1:30 p.m.