

**DEPARTMENT OF INSURANCE**

ADMINISTRATION AND LICENSING SERVICES BRANCH  
300 CAPITOL MALL, 16<sup>TH</sup> FLOOR  
SACRAMENTO, CA 95814  
www.insurance.ca.gov



**BULLETIN NO.**        **2018-4**

**DATE:**                December 3, 2018

**TO:**                    All Admitted Insurers and Other Interested Parties

**SUBJECT:**            Notification of Fee Increase

In accordance with Insurance Code Section 12978, this provides notification that the California Department of Insurance is increasing fees by 10 percent for all insurance producers, bail agents, insurance adjusters, and insurers operating in the State of California effective March 3, 2019. As an example, an insurance agent or broker will see an increase of \$18 for each biennial license or renewal, which amounts to \$9 per year.

Pursuant to Insurance Code Section 12978, the Department has the responsibility to set fees that provide sufficient revenue to support the Department's budget and meet critical workload demands to protect California's insurance consumers as well as ensure the solvency of the Insurance Fund. The Department makes every effort to control costs; however, revenue has not kept pace with the cost of doing business. Expenditures in recent years, most outside of the Department's control, continue to outpace revenue growth. For example, employee compensation increases negotiated by the Governor and approved by the Legislature as well as increases in employer pension contributions adopted by CalPERS have resulted in cost increases. Additionally, the passage of SB 84 (Chapter 50, Statutes of 2017) mandates a supplemental pension assessment which significantly increases the Department's annual costs over the next eight years beginning July 1, 2018, a portion of which must be covered by Fees and Licenses. Therefore, this increase is necessary to ensure revenues are sufficient to support expenditures. As always, the Department will continue to monitor the Insurance Fund in order to ensure its financial integrity.

The new fee schedule is available for your reference. If you have any questions, please contact our Licensing Hotline at (800) 967-9331.

**PLEASE BE SURE THIS INFORMATION IS DISSEMINATED TO ALL YOUR APPOINTED AGENTS IN CALIFORNIA.**

JULIA B. CROSS  
Deputy Commissioner

Attachment