

DEPARTMENT OF INSURANCE

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**NOTICE**

TO: California Resident Insurance Producers, Insurers and all Interested Parties

DATE: August 1, 2006

SUBJECT: Ethics Continuing Education Requirement

The purpose of this notice is to inform **resident** insurance agents and brokers of a new continuing education requirement. Specifically, Section 2188.6 (h), (i), and (j) of the California Code of Regulations was amended effective June 24, 2006 to require Fire and Casualty broker-agents and Life agents to complete **four hours** of ethics continuing education **every** license term; and, to require Personal Lines broker-agents to complete **two hours** of ethics continuing education **every** license term.

The new ethics requirement does not increase the total continuing education hours that must be completed every license term. The Fire and Casualty broker-agents and Life agents who have been required to complete 30 hours of continuing education in the past, will continue to complete 30 hours in the future, but at least four of the hours must be in an approved ethics course(s). The Personal Lines broker-agents who have been required to complete 20 hours to continuing education will continue to complete 20 hours in the future, but at least two of the hours must be in an approved ethics course(s).

The ethics continuing education will be required for agents and brokers whose license term expires on or after **January 31, 2007**. Agents and brokers not completing the ethics continuing education prior to the expiration date of their **license will not be allowed to renew their license until this requirement has been met.**

If the ethics continuing education is completed after the expiration date of the license, then the renewal will be considered a **late renewal**. Please note that a 50 percent penalty fee is required to late renew the license; and, all endorsements, appointments, employee/employer relationships must be reestablished with the appropriate forms and fees. There is no grace period. Agents and brokers have one year from the expiration date to late renew the license; after which time they must file a new application, appointment (s), fees, pre-licensing certificates and pass the qualifying examination.

Approved ethics continuing education courses are shown on the California Department of Insurance's (CDI) Web site at www.insurance.ca.gov. To review these courses, please drop down the Quick Links menu, click on Producer Licensing, click on Current Licensee Information, then click on Continuing Education – Individual Licensee Information. When the Continuing Education – Individual Licensee Information Web page opens, click on Education Provider and Course Search and fill-in the requested information. In addition, the Continuing Education – Individual Licensee Information Web page has a link to the ethics continuing education requirements that provides you with access to the amendments to Sections 2186 to 2188.9 of the California Code of Regulations. This Web page highlights the changes to the regulations.

If you have any questions concerning the ethics continuing education requirement, please contact the Producer Licensing Bureau Education Section at (916) 492-3064.