

Assembly Bill No. 2279

CHAPTER 108

An act to amend Sections 1676 and 1749.01 of the Insurance Code, relating to insurance.

[Approved by Governor July 9, 2014. Filed with Secretary
of State July 9, 2014.]

LEGISLATIVE COUNSEL'S DIGEST

AB 2279, Hagman. Insurance: life agents.

Existing law does not require an applicant for a life-only license or a life-only license limited to the payment of funeral and burial expenses, who is limited by the terms of a written agreement with an insurer that has filed on that life-only agent's behalf a notice of appointment with the commissioner to transact only specific life insurance policies or annuities having an initial face amount of \$15,000 or less that are designated by the purchaser for the payment of funeral and burial expenses, to take the full life agent examination to obtain a license.

This bill would raise the initial face value of those life insurance policies or annuities to \$20,000 or less.

Existing law requires licensed life agents and applicants for licensure as a life agent to meet certain education standards unless they are limited by the terms of a written agreement with an insurer to transact only specified life insurance policies or annuities having an initial face value of \$15,000 or less that are designated by the purchaser for the payment of funeral and burial expenses.

This bill would raise the initial face value of those life insurance policies or annuities to \$20,000 or less.

The people of the State of California do enact as follows:

SECTION 1. Section 1676 of the Insurance Code is amended to read:

1676. (a) Except as set forth in Sections 1675 and 1679, the commissioner shall not issue a permanent license pursuant to this chapter to an applicant therefor unless the applicant has within the 12-month period next preceding the date of issue of the license taken and passed the qualifying examination for that license. This section shall not apply to a person licensed as a property broker-agent or as a casualty broker-agent who applies for a license as a personal lines broker-agent.

(b) An application for both the life-only and accident and health license types shall meet the requirement in subdivision (a) by passing one examination covering subjects pertaining to both license types. These

applicants shall pay the fee for a life agent, as specified in paragraph (4) of subdivision (a) of Section 1751.

(c) An applicant for a life-only license pursuant to Section 1626 or a life-only license limited to the payment of funeral and burial expenses who is limited by the terms of a written agreement with an insurer that has filed on that life-only agent's behalf a notice of appointment with the commissioner to transact only specific life insurance policies or annuities having an initial face amount of twenty thousand dollars (\$20,000) or less that are designated by the purchaser for the payment of funeral and burial expenses, shall not be required to take the full life agent examination to obtain a license. The applicant shall be required to take an examination developed to test their knowledge of topics relevant to the type of policies that they are restricted to sell.

SEC. 2. Section 1749.01 of the Insurance Code is amended to read:

1749.01. Sections 1749 and 1749.3 shall not apply to a life agent who is limited by the terms of a written agreement with the insurer, which filed on that life agent's behalf a notice of appointment with the commissioner, to transact only specific life insurance policies or annuities that have an initial face amount of twenty thousand dollars (\$20,000) or less that are designated by the purchaser for the payment of funeral and burial expenses. The commissioner may require the insurer appointing those life agents to certify as to the limitations of the agents' representation.