AMENDED IN SENATE JUNE 16, 2009

AMENDED IN ASSEMBLY MAY 5, 2009

AMENDED IN ASSEMBLY APRIL 16, 2009

california legislature—2009–10 regular session

ASSEMBLY BILL No. 800

Introduced by Assembly Member Duvall

February 26, 2009

An act to amend Sections 1644, 1652, 1655, 1656, 1658, 1661, 1683, 1718, 1729, 1749, *1749.3*, 1749.31, 1751, 1758.3, 1758.692, 1758.7, 1758.81, 1758.92, and 12418.3 of the Insurance Code, relating to insurance.

legislative counsel's digest

AB 800, as amended, Duvall. Insurance omnibus.

Existing law regulates the licensing and the renewal of licensing of insurance agents, adjusters, and brokers by specifying who is eligible for a license and the requirements for applying for or renewing a license.

This bill would state that a person under 18 years of age is not eligible to apply for certain specified licenses. This bill would authorize the Insurance Commissioner to require the use of electronic forms of application for certain licenses and would authorize the commissioner to electronically deliver forms to renew certain licenses to licensees, as specified. This bill would require a person applying for certain insurance licenses to supply the commissioner with his or her e-mail address, in addition to a mailing address, as specified.

Existing law requires applicants for certain licenses to meet certain prelicensing education standards, as specified.

This bill would delete the prelicensing education requirement for resident applicants who currently hold a nonresident license.

Existing law requires the commissioner to charge a fee for the filing of an application or request for a copy of, or a duplicate license for licenses related to disability insurance, surplus lines, bail, life and disability analysts, and motor clubs, as specified.

This bill would delete that requirement.

~~This bill would delete the prelicensing education requirement for resident applicants who currently hold a nonresident license.~~

Existing law requires specified persons who are licensed as life-only agents, accident and health agents, or fire and casualty broker agents to complete certain prelicensing and continuing education requirements. Existing law exempts a licensee from these requirements if the licensee submits proof satisfactory to the Insurance Commissioner that he or she has been a licensee in good standing for 30 continuous years in California and is 70 years of age or older.

This bill would provide that this exemption shall not apply to those individuals licensed for the first time on or after January 1, 2010.

Existing law requires a person licensed as a personal lines broker-agent to complete 20 hours of continuing education during each 2-year license term, as specified.

This bill would increase that requirement to 24 hours of continuing education.

Existing law prohibits nonresident insurance organizations from using residents of California to exercise the powers and perform the duties of their license in California.

This bill would delete that prohibition and allow nonresident insurance organizations to use California residents to conduct their business in California.

Existing law requires a life agent or applicant to take and pass a written qualifying test before the commissioner can grant the person authority to transact variable contracts, as specified.

This bill would delete the requirement for passing a written test and would correct an erroneous ~~cross reference~~ *cross-reference* to federal authority.

Existing law requires a person employed as a title marketing representative to hold a certificate of registration issued by the insurance commissioner. Under existing law, the commissioner must mail an application to renew a registration not less than 60 days before a certificate of registration will expire.

This bill would authorize the commissioner to mail or use an electronic delivery method to deliver the application, as specified.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

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

SECTION 1. Section 1644 of the Insurance Code is amended to read:

1644. A person under 18 years of age is not eligible to apply for a license pursuant to this chapter, Chapter 5A (commencing with Section 1759), Chapter 6 (commencing with Section 1760), and Chapter 7 (commencing with Section 1800) of Part 2 of Division 1, and Chapter 1 (commencing with Section 14000) and Chapter 2 (commencing with Section 15000) of Division 5.

SEC. 2. Section 1652 of the Insurance Code is amended to read:

1652. (a) A license under this chapter, Chapter 5A (commencing with Section 1759), Chapter 6 (commencing with Section 1760), Chapter 7 (commencing with Section 1800), and Chapter 8 (commencing with Section 1831), of Part 2 of Division 1, and Chapter 1 (commencing with Section 14000) and Chapter 2 (commencing with Section 15000) of Division 5 shall be applied for, and renewed by the filing with the commissioner of a written application therefor. The application shall be on a form prescribed by the commissioner, which form shall prescribe the disclosure of information that will aid the commissioner in determining whether the prerequisites for the license sought have been met. The applicant shall declare, under penalty of perjury, that the contents of the application are true and correct.

(b) The forms prescribed by the commissioner other than for renewal applications may require authenticated fingerprints of any of the following:

(1) Individual applicants.

(2) Specified partners or officers of organization applicants.

(3) The individuals who are to transact insurance for an organization applicant.

(c) The forms may require the fingerprints to be affixed to the application or to an attachment to be affixed to the application. The commissioner, in his or her discretion, may require the fingerprints on applications for any, some, or all of the licenses issued pursuant to this chapter or Chapter 6 (commencing with Section 1760), *Chapter* 7 (commencing with Section 1800), or *Chapter* 8 (commencing with Section 1831), provided that as to any one such type of license the requirement is applied without discrimination to all applicants within specified classifications. The classifications may be made upon any or all of the following bases:

(1) Length of continuous residence in this state.

(2) Whether or not previously or currently licensed by the commissioner.

(3) Whether or not currently licensed by specified regulatory agencies of the State of California which require fingerprints on applications for licenses and routinely process the fingerprints for positive identification.

(4) Other reasonable criteria.

(d) The commissioner may decline to act on an incomplete or defective application until an amended application which completes the prescribed form is filed with him or her.

SEC. 3. Section 1655 of the Insurance Code is amended to read:

1655. No application for a license shall be deemed filed unless the document has been submitted by a means of electronic service approved by the commissioner, and the proper filing fee, including any required application fee for any qualifying examination required by this chapter, Chapter 5A (commencing with Section 1759), Chapter 6 (commencing with Section 1760), and Chapter 7 (commencing with Section 1800) of Part 2 of Division 1, or Chapter 1 (commencing with Section 14000) and Chapter 2 (commencing with Section 15000) of Division 5 for the license applied for has been paid.

SEC. 4. Section 1656 of the Insurance Code is amended to read:

1656. Every applicant for an organizational license shall provide the names of all licensed persons who may exercise the power and perform the duties under the license ~~and shall designate a licensed person to be responsible for the organization's compliance with California insurance laws, regulations, and rules. The designated person shall be a partner, member, officer, director, or manager of the organization~~. Applicants for a nonresident organizational license must name at least one person from a state other than California who may exercise the power and perform the duties under their license. Additional persons endorsed to that license may be residents of other states, including California.

SEC. 5. Section 1658 of the Insurance Code is amended to read:

1658. Each application filed by a natural person for a license shall contain the residence address, ~~and~~ the principal business address, *and* the mailing address of the applicant. The application shall also contain the e-mail address to which the applicant wants the commissioner to direct all license-related correspondence. Each application for an organization license shall contain the principal business address and the mailing address of the applicant. The application shall also contain the e-mail address to which the applicant wants the commissioner to direct all license-related correspondence.

SEC. 6. Section 1661 of the Insurance Code is amended to read:

1661. Whenever an organization licensed as a life agent, or a fire and casualty broker-agent desires to change, remove, or add to~~,~~ the natural person or persons who are to transact insurance under authority of its license, it shall immediately file an application or notice on a form prescribed by the commissioner with the commissioner for an endorsement changing its license accordingly. The form must be submitted by a means of electronic service approved by the commissioner. The commissioner shall require that the prelicensing education standards set forth in Section 1749 be met and that the qualifying examination provided by this code be taken by any natural person named by the organization to exercise its agency or brokerage powers who would be required to take and pass the qualifying examination. That natural person or persons and the organization are in all other respects subject to the provisions of this chapter and the insurance laws.

SEC. 7. Section 1683 of the Insurance Code is amended to read:

1683. An applicant shall schedule or reschedule his or her qualifying examination using an electronic service approved by the commissioner. If an applicant fails to appear at the time and place set for the examination, he *or she* shall be deemed to have failed the examination. If the applicant fails the qualifying examination, the commissioner shall give him *or her* written notice thereof.

SEC. 8. Section 1718 of the Insurance Code is amended to read:

1718. (a) Not less than 60 days before a permanent license will expire, the commissioner may use an electronic delivery method, including e-mail or other similar electronic method of delivery, to deliver, or may mail, to the latest e-mail or mailing address appearing on his or her records, an application to the licensee to renew the license for the appropriate succeeding license term. It is the licensee's responsibility to renew whether or not a renewal notice is received. The commissioner may accept a late renewal, provided the licensee's failure to comply is due to clerical error or inadvertence on the part of the department.

(b) Application for renewal of a license may be filed on or before the expiration date. When filed under this subdivision, the fee for filing shall be as specified in Section 1750.

(c) The application for renewal of an expired license may be filed after the expiration date and until that same month and day of the next succeeding year. The fee for a renewal application under this subdivision shall be the fee specified in subdivision (b) and a delinquent fee in the amount specified for a one-year period in Section 1750 for the filing. Each licensee shall be subject to payment of delinquent fees under this section.

SEC. 9. Section 1729 of the Insurance Code is amended to read:

1729. Every licensee and every applicant for a license shall immediately notify the commissioner using an electronic service approved by the commissioner of any change in his *or her* e-mail or mailing address as given to the commissioner pursuant to Sections 1658 and 1728.

SEC. 10. Section 1749 of the Insurance Code is amended to read:

1749. The department shall require all new applicants for license as a fire and casualty broker-agent, limited lines automobile insurance agent, personal lines broker-agent, life-only agent, or accident and health agent to meet prelicensing education standards as follows:

(a) Require a minimum of 40 hours of prelicensing study as a prerequisite to qualification for a fire and casualty broker-agent license. The curriculum for satisfying this requirement shall be approved by the curriculum board and submitted to the commissioner for final approval. Any additions to the minimum requirements provided by this section shall be approved by the curriculum board pursuant to Section 1749.1 and certified by the department.

(b) Require a minimum of 20 hours of prelicensing study as a prerequisite for qualification for a personal lines broker-agent license. The curriculum for satisfying this requirement shall be approved by the curriculum board and submitted to the commissioner for final approval. Any additions to the minimum requirements provided by this section shall be approved by the curriculum board pursuant to Section 1749.1 and certified by the department.

(c) Require a minimum of 20 hours of prelicensing study as a prerequisite for qualification for a life-only agent license. The curriculum for satisfying this requirement shall be approved by the curriculum board and submitted to the commissioner for final approval. Any additions to the minimum requirements provided by this section shall be approved by the curriculum board pursuant to Section 1749.1 and certified by the department.

(d) Require a minimum of 20 hours of prelicensing study as a prerequisite for qualification for a limited lines automobile insurance agent license. The curriculum for satisfying this requirement shall be approved by the curriculum board and submitted to the commissioner for final approval. Any additions to the minimum requirements under this section shall be approved by the curriculum board pursuant to Section 1749.1 and certified by the department.

(e) Require a minimum of 20 hours of prelicensing study as a prerequisite for qualification for an accident and health insurance agent license. The curriculum for satisfying this requirement shall be approved by the curriculum board and submitted to the commissioner for final approval. Any additions to the minimum requirements under this section shall be approved by the curriculum board pursuant to Section 1749.1 and certified by the department. This curriculum shall also include instruction in workers' compensation and general principles of employers' liability.

(f) In addition to the 40 hours *of* prelicensing education required to qualify for a license as a fire and casualty broker-agent, the 20 hours *of* prelicensing education required to qualify for a license as a personal lines broker-agent, a life-only agent, or an accident and health agent, or the 20 hours *of* prelicensing education required to qualify for a license as a limited lines automobile insurance agent, the department shall require 12 hours of study on ethics and this code. Where an applicant seeks a license for more than one of the following license types: a fire and casualty broker-agent license, a personal lines broker-agent license, a life-only license, or an accident and health license, the applicant shall only be required to complete one 12-hour course on ethics and this code. The curriculum for satisfying this requirement shall be approved by the curriculum board and submitted to the commissioner for final approval.

(g) An applicant for a life-only agent license, an accident and health license, a personal lines broker-agent license, or a limited lines automobile insurance agent license, who is currently licensed as a nonresident in this state shall be required to complete only the course of study on ethics and the Insurance Code, as required by Section 1749. Additionally, any applicant for such a license holding one or more of the designations specified in subdivisions (a) to (p), inclusive, of Section 1749.4 shall be exempted from any requirement for courses in general insurance that would otherwise be a condition of issuance of the license.

(h) An applicant for a fire and casualty broker-agent license who is currently licensed as a nonresident in this state shall be required to complete only the course of study on ethics and this code, as required by subdivision (f). Additionally, any applicant for such a license holding one or more of the designations specified in subdivisions (a) to (p), inclusive, of Section 1749.4, shall be exempted from any requirement for courses in general insurance that would otherwise be a condition of issuance of a license.

(i) An applicant for a fire and casualty broker-agent license who is licensed as a personal lines agent shall complete a minimum of 20 hours *of* prelicensing study as a prerequisite. The curriculum for satisfying this requirement shall be approved by the curriculum board and submitted to the commissioner for final approval. The applicant shall not be required to repeat any prelicensing requirements completed as a prerequisite to being licensed as a personal lines agent.

(j) Review and approval of prelicensing courses not conducted in a classroom, as referenced in subdivisions (a) to (i), inclusive, shall include an evaluation of the safeguards in place to ensure that the student completing the course is the person enrolled in the course, methods used to monitor the students' attendance are adequate, methods for the student to interact with the entity providing the training exist, and methods used to record the times spent completing the course are adequate.

(k) Prelicensing certificates of completion expire three years from the completion date of the course, whether or not a license is issued.

SEC. 11. Section 1749.3 of the Insurance Code is amended to read:

1749.3. (a) An individual licensed as a life-only agent or an accident and health agent and also licensed as a fire and casualty broker-agent, or an individual only licensed as a fire and casualty broker-agent, shall complete those courses, programs of instruction, or seminars approved by the commissioner for the type of license held. Completion of specified product training required in subdivision (d) of Section 1749.33, subdivision (b) of Section 1749.8, and paragraph (4) of subdivision (a) of Section 10234.93 may result in the completion of more than the minimum of required continuing education hours. The minimum number of hours required is as follows:

(b) During each of the first four 12-month periods following the date of the original license issuance, a minimum of 25 hours.

(c) Any licensee who has complied with subdivision (b) in the first four years, shall thereafter satisfactorily complete 24 hours of instruction prior to renewal of the license. These hours of instruction may be completed at any time prior to renewal of the license.

(d) An individual licensed as a fire and casualty broker-agent and as a life-only agent or an accident and health agent shall satisfy the requirements of this section by demonstrating completion of the courses, programs of instruction, or seminars approved by the commissioner for any of the license types listed in subdivision (a).

(e) A licensee shall not be required to comply with the requirements of this article if the licensee submits proof satisfactory to the commissioner that he or she has been a licensee in good standing for 30 continuous years in this state and is 70 years of age or older. *This exemption shall not apply to those individuals licensed for the first time on or after January 1, 2010.*

~~SEC. 10.5.~~

SEC. 12. Section 1749.31 of the Insurance Code is amended to read:

1749.31. (a) An individual licensed as a personal lines broker-agent shall complete required continuing education courses, programs of instruction, or seminars approved by the commissioner. The personal lines broker-agent shall complete 24 hours during each two-year license term as defined in subdivision (d) of Section 1625.5.

(b) An individual licensed as a personal lines broker-agent and as a life-only agent or accident and health agent shall satisfy the requirements of this section by satisfactorily completing 24 hours of instruction prior to renewal of the license.

~~SEC. 11.~~

SEC. 13. Section 1751 of the Insurance Code is amended to read:

1751. The commissioner shall require, in advance, a fee for filing the following documents:

(a) Application for registration of change in membership of a copartnership licensed as any of the following:

(1) Fire and casualty broker-agent, fifty-six dollars ($56).

(2) Life agent, resident, forty-eight dollars ($48).

(3) Life agent, nonresident, fifty-three dollars ($53).

(4) Personal lines broker-agent, fifty-six dollars ($56).

(b) Notice for adding or removing from any life agent's, fire and casualty broker-agent's, or personal lines broker-agent's license issued to an organization the name of any natural person named thereon, sixteen dollars ($16).

(c) First amendment to an application, eight dollars ($8); a second and each subsequent amendment to an application, sixteen dollars ($16).

(d) Original application to be given the qualifying examination for a license of a fire and casualty or personal lines licensee, twenty-seven dollars ($27) for each person to be examined.

(e) Original application to be given the qualifying examination for a license of a life licensee, twenty-seven dollars ($27) for each person to be examined.

(f) Application for reexamination for any of the licenses mentioned in this section, twenty-seven dollars ($27) for each person to be reexamined.

(g) Application which includes a request for a certificate of convenience pursuant to Article 8 (commencing with Section 1685), twenty dollars ($20) in addition to, and not in lieu of, fees otherwise required.

(h) Application or request for approval of *a* true or fictitious name pursuant to Section 1724.5, thirty dollars ($30), except that there shall be no fee when the name is contained in an original application.

(i) "A ratification of appointments of agents" whereby the surviving insurer in a merger or consolidation assumes responsibility for all agents then lawfully appointed for one of the constituent insurers and makes each its agent, one hundred three dollars ($103).

(j) An application or request for approval of:

(1) A training course pursuant to Section 1691, except when filed by a degree-conferring college or university, a public educational institution, or by a private nonprofit educational institution, one hundred three dollars ($103).

(2) An arrangement whereby an insurer may qualify certificate of convenience holders pursuant to Section 1691 by means of an approved course given on the insurer's behalf by a school or organization other than itself, fifty-five dollars ($55).

(k) A bond, pursuant to Article 5 (commencing with Section 1662) or Section 1760.5 or 1765, except when the bond constitutes part of an original application filing, sixteen dollars ($16).

(*l*) An application or request for clearance and cancellation notice of a current licensee of record, sixteen dollars ($16).

(m) An amended action notice pursuant to subdivision (e) of Section 1704, five dollars ($5).

~~SEC. 12.~~

SEC. 14. Section 1758.3 of the Insurance Code is amended to read:

1758.3. The commissioner shall not grant authority to transact variable contracts unless the life agent or applicant furnishes proof that he or she is registered to sell securities in accordance with the rules of the United States Securities and Exchange Commission or the Financial Industry Regulatory Authority.

~~SEC. 13.~~

SEC. 15. Section 1758.692 of the Insurance Code is amended to read:

1758.692. (a) Not less than 60 days before a permanent license will expire, the commissioner may use an electronic delivery method, including e-mail or other similar electronic method of delivery, to deliver, or may mail, to the latest e-mail or mailing address appearing on his or her records, an application to the licensee to renew the license of a communications equipment insurance agent and any endorsees for the appropriate succeeding license term. It is the licensee's responsibility to renew, whether or not a renewal notice is received.

(b) The commissioner may accept a late renewal without penalty, provided that the licensee's failure to comply is due to a clerical error or inadvertence.

(c) An application for renewal of a license may be filed on or before the expiration date. An application for renewal of an expired license may be filed after the expiration date and until that same month and date of the next succeeding year.

(d) The commissioner shall impose a penalty fee equal to one-half of the renewal fee for the communications equipment insurance agent license and any endorsees for any renewal that is filed after the expiration date of the license.

~~SEC. 14.~~

SEC. 16. Section 1758.7 of the Insurance Code is amended to read:

1758.7. (a) No self-service storage facility, or franchisee of a self-service storage facility, shall offer or sell insurance unless it has complied with the requirements of this article and has been issued a license by the commissioner as provided in this article.

(b) The commissioner may issue to a self-service storage facility, or its franchisee, that has complied with the requirements of this article, a license that authorizes the self-service storage facility or its franchisee to offer or sell the types of insurance specified in Section 1758.75 in connection with and incidental to rental agreements on behalf of any insurer authorized to write those types of insurance policies in this state.

(c) (1) The license period shall be a two-year period beginning as described in subparagraph (A) or (B) of paragraph (2), as applicable, and ending on the second succeeding year on the last calendar day of the month in which the initial license was issued.

(2) The commencement of a license period shall be determined for each self-service storage facility or franchisee of a self-service storage facility, as follows:

(A) Upon initial licensing, the license period begins on the date the license is issued.

(B) Upon license renewal, the license period begins on the first day of the month following the month in which the initial license was issued.

(3) (A) Not less than 60 days before a permanent license will expire, the commissioner may use an electronic delivery method, including e-mail or other similar electronic method of delivery, to deliver, or may mail, to the latest e-mail or mailing address appearing on his or her records, an application to the licensee to renew the license for the appropriate succeeding license period. It is the licensee's responsibility to renew whether or not a renewal application is received. The commissioner may accept a late renewal without penalty, provided that the licensee's failure to comply is due to clerical error or inadvertence on the part of the department.

(B) The application for renewal of a license shall be filed on or before the expiration date.

(C) The application for renewal of an expired license may be filed after the expiration date and until the same month and day of the next succeeding year. A licensee who files the renewal application after the license has expired shall be charged, in addition to the renewal fee, a penalty of 50 percent of the renewal fee.

(d) The applicant for a license pursuant to this section shall submit an application fee upon initial application and upon renewal application in the amount or amounts determined by the department as sufficient to defray its actual cost of processing the applications and implementing this article.

(e) Costs associated with any enforcement action or investigation shall be paid for by the person or organization licensed pursuant to this article.

~~SEC. 15.~~

SEC. 17. Section 1758.81 of the Insurance Code is amended to read:

1758.81. (a) An applicant for a rental car agent license under this article shall file the following documents with the commissioner:

(1) A written application for licensure, signed by the applicant or an officer of the applicant, in the form prescribed by the commissioner.

(2) A certificate by the insurer that is to be named in the rental car agent license, stating that the insurer has satisfied itself that the named applicant is trustworthy and competent to act as its insurance agent limited to this purpose and that the insurer will appoint the applicant to act as its agent to transact the kind or kinds of insurance that are permitted by this article, if the rental car agent license applied for is issued by the commissioner. The certification shall be subscribed by an officer or managing agent of the insurer on a form prescribed by the commissioner.

(3) An application fee, and each license period thereafter, a renewal fee, in an amount or amounts determined by the department as sufficient to defray the department's actual cost of processing the application or renewal and implementing this article.

(4) Not less than 60 days before a permanent license will expire, the commissioner may use an electronic delivery method, including e-mail or other similar electronic method of delivery, to deliver, or may mail, to the latest e-mail or mailing address appearing on his or her records, an application to the licensee to renew the license for the appropriate succeeding license period. It is the licensee's responsibility to renew whether or not a renewal application is received. The commissioner may accept a late renewal without a penalty, provided the licensee's failure to comply is due to clerical error or inadvertence on the part of the department.

(A) The application for renewal of a license shall be filed on or before the expiration date.

(B) The application for renewal of an expired license may be filed after the expiration date and until that same month and day of the next succeeding year. A licensee who files the renewal application after the license has expired shall be charged, in addition to the renewal fee, a penalty of 50 percent of the renewal fee.

(b) Notwithstanding any other provision of law to the contrary, Sections 1667, 1668, 1668.5, 1669, 1670, 1720, 1738, and 1739 apply to any application for or issuance of a license pursuant to this article.

(c) Costs associated with any enforcement action or investigation shall be paid for by the person or organization licensed pursuant to this article.

~~SEC. 16.~~

SEC. 18. Section 1758.92 of the Insurance Code is amended to read:

1758.92. (a) An applicant for a credit insurance agent license under this article shall submit each of the following to the commissioner:

(1) A written application for licensure signed by the applicant or an officer of the applicant, in the form prescribed by the commissioner.

(2) A certificate by the insurer that is to be named in the credit insurance agent license, stating that the insurer has satisfied itself that the named applicant is trustworthy and competent to act as its insurance agent limited to this purpose and that the insurer will appoint the applicant to act as its agent in reference to selling or soliciting the kind or kinds of insurance that are permitted by this article, if the credit insurance agent license applied for is issued by the commissioner. The certification shall be subscribed by an officer or managing agent of the insurer on a form prescribed by the commissioner.

(3) An application fee, and each license period thereafter, a renewal fee, in an amount or amounts determined by the department as sufficient to defray the department's actual costs of processing the application or renewal and implementing this article.

The limitation on fee increases of 10 percent without prior approval of the Legislature set forth in Section 12978 shall not apply to the application or renewal fee set forth in this subdivision during the years 2002, 2003, and 2004.

(b) Notwithstanding any other provision of law to the contrary, the provisions set forth in Sections 1667, 1668, 1668.5, 1669, 1670, 1720, 1738, and 1739 apply to any application for or issuance of a license, or any application for or approval of an endorsee, pursuant to this article.

(c) (1) Not less than 60 days before a permanent license will expire, the commissioner may use an electronic delivery method, including e-mail or other similar electronic method of delivery, to deliver, or may mail, to the latest e-mail or mailing address appearing on his or her records, an application to the licensee to renew the license for the appropriate succeeding license period. It is the licensee's responsibility to renew whether or not a renewal application is received. The commissioner may accept a late renewal without penalty, provided the licensee's failure to comply is due to a clerical error or inadvertence on the part of the department.

(2) An application for renewal shall be filed on or before the expiration date.

(3) The application for renewal of an expired license may be filed after the expiration date and until that same month and date of the next succeeding year. A licensee who files a renewal application after the license has expired shall be charged, in addition to the renewal fee, a penalty of 50 percent of the renewal fee for the credit insurance agent license and all endorsees.

(d) Costs associated with any enforcement action or investigation shall be paid for by the person or organization licensed pursuant to this article.

~~SEC. 17.~~

SEC. 19. Section 12418.3 of the Insurance Code is amended to read:

12418.3. (a) Each certificate of registration issued under this article shall be for a three-year period beginning on the date the certificate is issued.

(b) Not less than 60 days before a certificate of registration will expire, the commissioner may mail or use an electronic delivery method, including e-mail or other similar electronic method, to deliver an application to renew the certificate to the latest e-mail or mailing address appearing on the registrant's records. It shall be the responsibility of the registrant to renew his or her certificate, whether or not a renewal notice is received.

(c) The application for renewal of an expired certificate of registration may be filed after the expiration date and until the same month and day of the next succeeding year. In addition to the fee for a renewal application, a delinquent application fee in the amount of fifty dollars ($50) shall be assessed for each application for renewal filed after the expiration date. Each registrant shall be subject to payment of delinquent application fees under this subdivision. The commissioner may waive the delinquent application fee, or accept a renewal filed after the date specified in this subdivision, if the registrant's failure to comply is due to clerical or other inadvertent error on the part of the department.

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