

AMENDED IN ASSEMBLY MAY 2, 2007

CALIFORNIA LEGISLATURE—2007—08 REGULAR SESSION

ASSEMBLY BILL

No. 720

Introduced by Assembly Member De Leon

February 22, 2007

An act to amend Section 1626 of the Insurance Code, relating to insurance licensees.

LEGISLATIVE COUNSEL'S DIGEST

AB 720, as amended, De Leon. Insurance: life agents.

Existing law provides that a life licensee is a person authorized by and on behalf of a life, disability, or life and disability insurer to transact life, disability, or life and disability insurance. A life agent is also authorized to transact 24-hour care coverage, as defined.

This bill would recast and reorganize that provision to provide for 3 different types of life agent licensees. The first type of licensee would be authorized to transact life, disability, or life and disability as well as 24-hour care coverage, as specified. The 2nd type of licensee would be authorized to transact life insurance only. The 3rd type of licensee would be authorized to transact disability insurance only.

This bill would further require that life-only or disability-only agents complete 20 hours of precicensing education, and 12 hours of study in ethics and insurance law, as specified. *The bill would establish requirements for persons licensed in other states to become licensed in this state as life-only, disability-only, or life and disability agents, 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:

1 SECTION 1. Section 1626 of the Insurance Code is amended
 2 to read:
 3 1626. (a) A life licensee is a person authorized to act as a life
 4 agent. Licenses to act as a life agent under this chapter shall be of
 5 the following types:
 6 (a)
 7 (1) Life and disability agent, which license shall entitle the
 8 licensee to transact life, disability, or life and disability insurance
 9 by and on behalf of a life, disability, or life and disability insurer.
 10 A life and disability agent is also authorized to transact 24-hour
 11 care coverage, as defined in Section 1749.02, pursuant to the
 12 requirements of subdivision (b) of Section 1749 ~~or subdivision (h)~~
 13 ~~of Section 1749.3.~~
 14 (b)
 15 (2) Life-only agent, which license shall entitle the licensee to
 16 transact life insurance on behalf of a life, disability, or life and
 17 disability insurer.
 18 (c)
 19 (3) Disability-only agent, which license shall entitle the licensee
 20 to transact disability insurance on behalf of an insurer of any kind
 21 that is admitted for disability insurance.
 22 ~~(d) Life~~
 23 (b) A *life* agent licensed to act as a life-only agent, or a
 24 disability-only agent, shall complete 20 hours of prelicensing study
 25 as a prerequisite for qualification for a license. The curriculum for
 26 satisfying this requirement shall be approved by the curriculum
 27 board and submitted to the commissioner for final approval. A
 28 life-only or a disability-only agent shall also complete 12 hours
 29 of study in ethics and this code, as required by Section 1749.
 30 (c) *The following types of licensees who are licensed in another*
 31 *state and who have completed the minimum hours of prelicensing*
 32 *education in that state shall be required to complete only the course*
 33 *of study on ethics and the California Insurance Code. If other*
 34 *states use other titles for those license types, the Insurance*
 35 *Commissioner may designate an equivalent or comparable license*
 36 *type for the purposes of the courses of study required:*
 37 (1) *Life-only agent.*
 38 (2) *Disability-only agent.*

1 (3) *Life and disability agent.*

2 (d) *The applicant for a life and disability agent license shall*
3 *not be required to repeat the prelicensing requirements that he or*
4 *she completed as a prerequisite to becoming licensed as a life-only*
5 *agent or a disability-only agent, provided these requirements were*
6 *met within three years of applying for the life and disability license.*

7 (e) *Review and approval of prelicensing courses not conducted*
8 *in a classroom, as referenced in subdivisions (b) and (d), shall*
9 *include an evaluation of the safeguards in place to ensure that the*
10 *student completing the course is the person enrolled in the course,*
11 *that methods used to monitor the student's attendance are*
12 *adequate, that methods for the student to interact with the entity*
13 *providing the training exist, and that methods used to record the*
14 *times spent completing the course are adequate.*

15 (f) *Prelicensing certificates of completion shall expire three*
16 *years from the completion date of the course, whether or not a*
17 *license has been issued.*