

AMENDED IN ASSEMBLY MARCH 28, 2014

CALIFORNIA LEGISLATURE—2013–14 REGULAR SESSION

ASSEMBLY BILL

No. 2279

Introduced by Assembly Member Hagman

February 21, 2014

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

LEGISLATIVE COUNSEL'S DIGEST

AB 2279, as amended, 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.

~~Under existing law, applicants for a license as a property broker-agent, casualty broker-agent, limited lines automobile insurance agent, personal lines broker-agent, life-only agent, or accident and health agent are required to meet specified prelicensing education requirements and postlicensing continuing education requirements. A life agent who is limited by the terms of a written agreement with an insurer to transact only specific life insurance policies or annuities that have an initial face amount of \$15,000 or less that are designated by the purchaser for the payment of funeral and burial expenses is not required to meet those education requirements.~~

~~This bill would make technical, nonsubstantive changes to that provision.~~

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

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

1 SECTION 1. Section 1676 of the Insurance Code is amended
2 to read:
3 1676. (a) Except as set forth in Sections 1675 and 1679, the
4 commissioner shall not issue a permanent license pursuant to this
5 chapter to an applicant therefor unless the applicant has within the
6 12-month period next preceding the date of issue of the license
7 taken and passed the qualifying examination for that license. This
8 section shall not apply to a person licensed as a property
9 broker-agent or as a casualty broker-agent who applies for a license
10 as a personal lines broker-agent.
11 (b) An application for both the life-only and accident and health
12 license types shall meet the requirement in subdivision (a) by
13 passing one examination covering subjects pertaining to both
14 license types. These applicants shall pay the fee for a life agent,
15 as specified in paragraph ~~(2)~~ (4) of subdivision (a) of Section 1751.
16 (c) An applicant for a life-only license pursuant to Section 1626
17 or a life-only license limited to the payment of funeral and burial
18 expenses who is limited by the terms of a written agreement with
19 an insurer ~~which~~ that has filed on that life-only agent's behalf a
20 notice of appointment with the commissioner to transact only
21 specific life insurance policies or annuities having an initial face
22 amount of ~~fifteen thousand dollars (\$15,000)~~ twenty thousand
23 dollars (\$20,000) or less that are designated by the purchaser for

1 the payment of funeral and burial expenses, shall not be required
2 to take the full life agent examination to obtain a license. The
3 applicant shall be required to take an examination developed to
4 test their knowledge of topics relevant to the type of policies that
5 they are restricted to sell.

6 ~~SECTION 1.~~

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

9 1749.01. Sections 1749 and 1749.3 shall not apply to a life
10 agent who is limited by the terms of a written agreement with the
11 insurer, which filed on that life agent's behalf a notice of
12 appointment with the commissioner, to transact only specific life
13 insurance policies or annuities that have an initial face amount of
14 ~~fifteen thousand dollars (\$15,000)~~ *twenty thousand dollars*
15 *(\$20,000)* or less that are designated by the purchaser for the
16 payment of funeral and burial expenses. The commissioner may
17 require the insurer appointing those life agents to certify as to the
18 limitations of the agents' representation.