

DEPARTMENT OF INSURANCE

ADMINISTRATION & LICENSING SERVICES BRANCH

PRODUCER LICENSING BUREAU

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**NOTICE**

TO: All Admitted Insurers, Insurance Producers, Bail Agents, Independent and Public Adjusters and Other Interested Parties

SUBJECT: Reporting of Administrative Actions and Criminal Convictions

DATE: August 16, 2013

Background

On January 1, 2005, Section 1729.2 was added to the California Insurance Code. This section requires all licensees and applicants for licenses issued by the California Department of Insurance's (CDI) Producer Licensing Bureau to report any administrative actions or criminal convictions to CDI within 30 days of the final disposition of the matter. This requirement applies to both California resident and non-resident licensees and applicants.

Purpose

Several licensees have told CDI that they are not aware of the reporting requirement. Therefore, the purpose of this notice is to remind all affected parties of the requirement and to provide instructions for how to report the information.

What needs to be reported?

Background information **that must be reported** includes any of the following:

- A misdemeanor or felony conviction
- A filing of felony criminal charges in state or federal court
- An administrative action regarding a professional or occupational license
- A licensee's discharge or attempt to discharge in a personal or organizational bankruptcy proceeding an obligation regarding any insurance premiums or fiduciary funds owed to any company, including a premium finance company, or managing general agent
- Any admission, or judicial finding or determination, of fraud, misappropriation or conversion of funds, misrepresentation, or breach of fiduciary duty

How to report

To report information to CDI in writing, you may use the background change disclosure form available on our website at www.insurance.ca.gov by selecting "Producer Background Information" under "Agents & Brokers". Additional information regarding this requirement, and the form, can be found by following the link [here](#) or by typing "background change" in the search box on CDI's homepage.

You may also submit background changes electronically to the National Insurance Producer Registry (NIPR) Attachment Warehouse Reporting of Actions (ROA) at <http://www.nipr.com/> by selecting "Reporting of Actions" under "Attachments Warehouse". The documents submitted through the ROA service fully satisfy the Background Reporting requirements of Section 1729.2 of the California Insurance Code.

What documents to provide?

Please include supporting documents such as a statement regarding the background change; certified court documents; administrative or disciplinary documents; or any other information relative to the change.

Specific Requirements for Employees of Organizational Licenses

If any of the changes in the background information involves an applicant or licensee who is listed as an endorsee on a business entity license, the licensee or applicant must also provide the notice of background change to any officer, director, or partner listed on that business entity license or application pursuant to Section 1729.2(a) of the California Insurance Code.

You may contact the Licensing Background Bureau at (916) 492-3650 if you have further questions about these background reporting requirements.