**CALIFORNIA DEPARTMENT OF INSURANCE**

**CURRICULUM BOARD**

**Meeting Minutes**

**Sacramento, California**

**July 16, 2020**

**Board Members in Attendance:**

Neil Granger, Chairperson; Neil Granger Insurance and Annuity Consulting; Jesse Dogillo, Bay Area Financial & Insurance Services; Steve Hinds, Nationwide Insurance; Monique Howard, Allied World Insurance Company; Cerrina Jensen, CoreMark Insurance Services, Inc.; Richard Kern, Schifrin, Gagnon & Dickey, Inc.; Diane Mitchell, Liberty Mutual Insurance Company; Shawna Reeves, Institute on Aging; Casey Roberts, Laurus Insurance Consulting; Sandra Watts, United Policyholders; and Mimie Yoon-Lee, Lincoln Financial Network.

**Board Members Absent:**   
Neal Bordenave, RiskPro Insurance Services, Inc.

**California Department of Insurance (CDI) Staff:**

Charlene Ferguson, Chief, Licensing Services Division; Holly Kinney, Chief, Curriculum and Officer Review Bureau; Dawn Ward, Manager, Curriculum Review Section; Stephanie Bellotti and Ammy Dang, Education Analysts; and Katey Piciucco, Attorney III, Legal Enforcement Bureau.

**PSI Services, LLC:**

Jason McCartney, Director of Client Services.

**Opening Remarks**

Chairman Neil Granger called the Curriculum Board (Board) meeting to order at 12:30 p.m. Chairman Granger reviewed the general housekeeping information and the meeting’s teleconference protocols for the Board members, and guests participating by teleconference. Chairman Granger then invited the Board members, CDI staff, and teleconference guests to introduce themselves.

Chairperson Granger then introduced the new Board members Steve Hinds, Monique Howard, and Sandra Watts with the following:

Steve Hinds owns a property and casualty insurance agency affiliated with Nationwide Insurance Company. Steve has more than 30 years of experience in the insurance industry, including underwriting, sales, and training. Prior to his current position, he worked in sales and management for Allstate Insurance Company. Steve joins the Curriculum Board as an agent-broker representative with a term ending in June 2023.

Monique Howard is Assistant Vice President of Allied World Insurance Company. Monique has 12 years of experience in underwriting and marketing property and casualty commercial liability and inland marine/ocean marine risks and exposures. She is a board member and Treasurer of the Pacific Coast Regional Advisory Committee of Inland Marine Underwriters Association and is also a member of the San Francisco Chapter of the National African American Insurance Association. Monique joins the Curriculum Board as an insurance company representative with a term ending in June 2023.

Sandra Watts is the Roadmap to Recovery Project Coordinator at United Policyholders (UP). Sandra is an insurance claims educator, coordinating workshops and events as part of UP’s Roadmap to Recovery Program to help disaster survivors and legal professionals negotiate the insurance claims process. She is also a licensed public adjuster and presently conducts continuing education classes for public adjusters on various subjects. Sandra joins the Curriculum Board as a consumer group representative with a term ending in June 2023.

Neil Granger is reappointed to the Curriculum Board as a life agent representative with his new term ending in May 2025. He is the owner of Neil Granger Insurance and Annuity Consulting. He is an educational training specialist in the area of elder financial abuse, consulting with attorneys, adult protective service workers, elder advocates, financial professionals, and seniors. Additionally, he is also one of only 32 licensed Life & Disability Analysts statewide, serving as an unbiased, expert advisor to consumers and help to protect vulnerable populations against financial fraud.

**Motion**

Chairman Granger asked for a motion to approve the minutes from the February 20, 2020, meeting. Board member Roberts made a motion to approve the meeting minutes. Board member Kern seconded the motion.

**Action**

Chairman Granger asked for a vote to approve the February 20, 2020, meeting minutes and with all members voting in favor, he declared the meeting minutes as approved.

Licensing Update

Charlene discussed three topics: Curriculum Board Handbook, Licensing Hotline, and the Legislative Update.

The Curriculum Board Handbook was distributed to all Board members, which included Curriculum Board information such as the current roster, meeting protocols, and the Bagley-Keene Open Meeting Act.

Charlene explained CDI’s Licensing Hotline, 800-967-9331, has been closed since March 19, 2020, and will be continued to be closed until further notice. She stated CDI is looking for how Licensing staff could respond to calls while teleworking. Although the Licensing Hotline calls could not be answered, the Hotline recording provides instructions on how to access CDI’s Check License Application Status Service [(CLASS)](http://www.insurance.ca.gov/0200-industry/0038-CLASS/), which was launched on the day CDI converted its licensing system to Sircon, powered by Vertafore. Using CLASS, new license applicants can review their license status online and expedite the processing of their license application by attaching and submitting any deficient items to their license application, which is a link provided in CLASS or instructions on how to submit fingerprints, or where to access a prelicensing education provider to complete the prelicensing requirements. Charlene noted education providers, especially prelicensing education providers, should inform the student to first review their license application status using CDI’s CLASS online service before calling the Licensing Hotline. Applicants may also contact Licensing through the “Would You Like to Chat” function on CDI’s Agents & Brokers web pages.

Charlene also reported, due to COVID-19, legislative sessions will either be closed or limited this year. Charlene noted for the 2020 California Legislative Session, there are five bills that are of interest to the Curriculum Board: Assembly Bill (AB) AB 2367 (Gonzalez), AB 2453 (Nazarian), AB 2756 (Limon), AB 3012 (Wood), and Senate Bill (SB) 1255 (Committee on Insurance).

**California Wildfires**

* **AB 2367 (Gonzalez) Residential Property Insurance: Wildfire Resilience. This bill is currently in the Assembly Insurance Committee. As reported at the February 20, 2020, Curriculum Board meeting, AB 2367** would create the Wildfire Resilience Task Force, which would include the Insurance Commissioner, the Director of the Office of Emergency Services, and the State Fire Marshal. The Task Force would establish minimum standards for fire-hardened homes and communities, and would authorize the insurance Commissioner to promulgate regulations to implement specified exceptions to those standards. AB 2367 would require admitted insurers that offer or sell residential property insurance coverage to write or renew policies for existing homes in communities that meet the minimum standards for fire-hardening established by the Task Force, including a residence rebuilt after being destroyed by wildfire. The following is the news release that was distributed to the Board at the February 20, 2020, meeting: [February 18, 2020 News Release](http://www.insurance.ca.gov/0400-news/0100-press-releases/2020/release017-2020.cfm).
* **AB 2756 (Limon) Residential Property Insurance. This bill passed the Assembly and is currently in the Senate Insurance Committee. AB 2756** requires an insurer to obtain a signed acknowledgment from an applicant or insured if the insurer issues or renews a residential property insurance policy that does not provide coverage for the peril of fire. This bill also requires that acknowledgment and the declarations page of such policy to prominently disclose a statement that the policy does not cover the peril of fire and information on the [California FAIR Plan](https://www.cfpnet.com/) and the [California Home Insurance Finder](https://interactive.web.insurance.ca.gov/apex_extprd/f?p=400:50).
* **AB 3012 (Wood) Residential Property Insurance. This bill passed the Assembly and is currently in the Senate Insurance Committee. AB 3012** requires, for a total loss of a furnished residence related to a declared state of emergency, a residential property insurer to provide a payment for contents of no less than a certain percent of the policy limit without requiring an itemized claim. This bill was amended on May 11, 2020, to require a notice of nonrenewal for a policy to be accompanied by certain information, including information about the [California Home Insurance Finder](https://interactive.web.insurance.ca.gov/apex_extprd/f?p=400:50) and [California FAIR Plan](https://www.cfpnet.com/) policies.

**Long Term Care**

* **AB 2453 (Nazarian) Long Term Care Insurance and Accelerated Death Benefit. This bill is currently in the Assembly Insurance Committee. AB 2453** removes a specified exclusion for life insurance policies that accelerates benefits for long term care. This bill would, with respect to those policies, require the procedures to take into consideration the applicant's goals or needs with respect to life insurance, and to also take into consideration the advantages and disadvantages of the proposed insurance coverage compared to those of a stand-alone long- term care insurance policy. AB 2453 requires a written summary of the comparison be presented to the applicant at the time of application and made part of the applicant’s file.

**CDI Omnibus Bill**

* **SB 1255 (Department of Insurance) Insurance –** CDI’s Omnibus Bill passed the Senate and is currently in the Assembly. SB 1255 would:

a) Authorize a hearing to suspend or revoke a license, registration, or certificate of authority for alleged misconduct perpetrated against a person age 65 or over to be set on the earliest available date if the Office of Administrative Hearings cannot accommodate the hearing within 90 days.

b) Authorize future access to cash withdrawals to be limited to the remaining cash value of the policy.

c) Prohibit life and disability income insurers from denying an application based solely on human immunodeficiency virus (HIV) status, and heightens the civil and criminal penalties for negligent, willful, or malicious disclosure of HIV test results.

d) Make various technical, non-substantive changes to the California Insurance Code.

Board member Roberts noted that AB 3012requires, for a total loss of a furnished residence related to a declared state of emergency, a residential property insurer to provide a payment for contents of no less than a certain percent of the policy limit without requiring an itemized claim. He asked Charlene if we know what percentage is and she responded that she would include the percentage in the next meeting minutes. Subsequent to this meeting, Stephanie Bellotti provided member Roberts with the following information: “Based on the current language in the bill, the percentage that the insurer must offer as payment for contents in the event of a covered total loss is 30% of the policy limit applicable to the covered dwelling up to $250,000.”

**Examination Statistics Update**Dawn Ward reported from January 1, 2020 through June 30, 2020, there were 23,262 examinations administered, of which 17,041 were first-time pass examinations and 6,221 were repeat examinations.

Dawn also reported from January 1, 2020 through June 30, 2020, there were 738 Spanish license examinations administered, of which 499 were first-time pass examinations and 239 were repeat examinations.

Administrative Bars – During the February 20, 2020, Curriculum Board meeting, the Board was provided a thorough review of California Insurance Code Section 1681.5, which defines the offenses that constitute cheating on a license examination. For the new members, if a license examinee is caught cheating on a CDI license examination, an incident report and other items collected during the incident is submitted to CDI management for an initial review before the case is submitted to CDI’s Legal Enforcement Bureau to determine if the examinee will be the issued an Administrative Bar.

Dawn reiterated, if an Administrative Bar is issued, California Insurance Code Section 1681.5 states, in part, the Commissioner shall bar any candidate caught willfully cheating from taking any license examination and from holding an active license under any provision of the California Insurance Code for a period of five years. Note, before beginning their license examination, license examinees review and agree to the License Applicant Examination Disclosure, which thoroughly details the law on cheating during a license examination.

From January 1, 2020 to July 15, 2020, there was one cheating incident that resulted in an Administrative Bar action, and one is pending Legal Enforcement Bureau’s review.

**PSI Examination Review**

Jason McCartney stated the PSI test centers were closed in the middle of March due to the COVID-19 pandemic. In early April, five PSI teste centers were opened in California with limited seating Those locations were Agoura Hills, Lawndale, Redding, Sacramento, and San Francisco. On May 1, 2020, the remaining 20 test centers were opened with limited seating.

Charlene added that CDI’s Los Angeles test center remained opened during the entire COVID-19 pandemic. CDI originally had 60 seats available at the onset of the pandemic, but on March 20, 2020, CDI had to limit seating to 10 examinees based on the Los Angeles Health Officer's directive. The seating was increased to 25 on

May 1, 2020. Charlene also noted fingerprinting is still available at CDI’s test center in Los Angeles. PSI does not have fingerprinting available right now; however, Charlene recommends for prelicensing providers to inform their students to go the Department of Justice's [Live Scan Fingerprint Vendor List](https://oag.ca.gov/fingerprints/locations) to check locations that are open for fingerprinting and bring the completed the [Live Scan Request Form 442-39A](http://www.insurance.ca.gov/0200-industry/0050-renew-license/0200-requirements/upload/LIC44239AReqlivescan-4.pdf) to the selected location. Charlene emphasized, CDI’s and PSI’s test centers maintain appropriate social distancing practices and the number of allowed examinees consistent with applicable state and local public health directives to protect the health and safety of its employees and the public.

## Jason stated PSI opened up remote testing on October 1, 2019, with the Washington State Office of the Insurance Commissioner, which included five examinations. On March 1, 2020, PSI launched the remaining examinations for Washington. Since the pandemic, Washington was the only state in the country able to get through the pandemic because they did not have to issue temporary licenses and individuals were able to get their tests taken without going to a physical test center.

As of June 15, 2020, PSI launched remote testing for the New York Department of Financial Services. Since New York’s launch of remote testing, approximately 55 to 60 percent of candidates have taken an online remote license examination. For Washington, around 40 percent of examinations are taken remotely. On July 1, 2020, PSI launched remote testing in two more states: Wisconsin and Pennsylvania. Wisconsin is a new PSI program starting with traditional testing and remote testing. Between July 1 and July 14, 2020, approximately 60-70 percent of candidates in Wisconsin were taking an examination remotely. In Pennsylvania, about 75 percent of candidates took an online remote test.

Jason reported PSI has other programs who are also looking into online remote proctored license examinations. South Carolina and Michigan are expected to launch at the end of August. Other license examination vendors have also launched remote testing for Connecticut, Nebraska, North Dakota, and Colorado. Charlene stated, at this time, CDI is exploring remote testing.

Chairman Granger asked Jason if the protocols for the remote testing is a developing thing or if the protocol is already set. Jason stated PSI has been doing remote testing for a long time, but Washington state was the first insurance license program that PSI launched. To launch PSI’s online remote proctored license examinations, a state’s testing program is moved to PSI’s BridgeTM technology scheduling platform, which typically takes a few months to complete the conversion. A PSI project management team is assigned to complete these conversions. PSI is moving right along.

**Property and Casualty Broker-Agent Subcommittee Update and the Long-Term Care Subcommittee Report**

Stephanie Bellotti stated at the February 20, 2020, meeting, Dawn Ward, manager of the Curriculum Review Section, reported the Property and Casualty Subcommittee completed their review of the Educational Objectives (EOs). CDI’s Curriculum Board Liaison, Katey Piciucco, and others in Legal are currently reviewing the Board-approved edits to the EOs and are expected to complete their review by the end of July 2020.

CDI’s license examination vendor, PSI Services LLC, will then review the content updates with the Curriculum Review Section to align the license examination questions with the new Property and Casualty Broker-Agent Educational Objectives to determine if a license examination workshop is to be scheduled.

After the questions are aligned and the examination workshop is concluded, the Property and Casualty EOs will be used to also update the Personal Lines Broker-Agent EOs, the Limited Lines Automobile Agent EOs, and the Commercial EOs. These license qualifications are a subset of the Property and Casualty Broker Agent license qualification. After the EOs are updated, a Notice will be distributed to the Board and education providers to announce the new, updated EO outlines are available on CDI’s Prelicensing Educational and Examination Objectives webpage.

The second Curriculum Board appointed subcommittee is the Eight-Hour Long-Term Care (LTC) Subcommittee. For the new Board members, the LTC Subcommittee’s review differs from the Property and Casualty Educational Objective Subcommittee in that the LTC Outline is to update continuing education course content. Whereas, the Property and Casualty EO Subcommittee’s approved EOs updates the content of prelicensing education courses, which also requires the Curriculum Review Section to update the content of CDI’s qualifying license examinations.

For the LTC Subcommittee update, in accordance with the Curriculum Review Schedule for outlines and guidelines, the LTC Subcommittee was appointed during the February 2020 Curriculum Board meeting to review and update the Eight-Hour LTC Outline. The Eight-Hour LTC Outline was previously reviewed and updated in 2013.

The current and former subcommittee members are:

Neal Bordenave, Curriculum Board Member

Jesse Dogillo, Curriculum Board Member

Cerrina Jensen, Curriculum Board member

Tyler McKinney, Legal Enforcement Bureau (CDI)

Traci Howard-Richards, Department of Health Care Services (DHCS), Active Participant

Raul Moreno, Department of Health Care Services (DHCS), Active Participant

Bonnie Burns, Guest

Tom Orr, Guest

Don Griffith, Guest

Max Herr, a former Curriculum Board member, was a subcommittee member and contributed greatly to the current revisions.

The LTC Subcommittee meets every three weeks, unless there is a conflict, and has completed approximately 30 percent of their proposed edits to the outline and to the outline’s attachments. Because the LTC outline was not updated in seven years, extensive edits are being made to the Outline. The LTC Subcommittee anticipates there will be extensive edits to the remaining outline and attachments. Therefore, the review of the LTC Outline will extend through the end of the 2020 and may be completed before the February 2021 Curriculum Board meeting.

Once the revisions are complete, the revisions will be submitted to the Curriculum Board for approval. With the Board’s approval, the updated LTC Outline and attachments will be reviewed by CDI’s Curriculum Board Legal Liaisons, Katey Piciucco and Tyler McKinney. Soon after receiving Legal’s approval on the updated LTC outline and its attachments, a Notice will be distributed to the Board and education providers announcing the new, updated outline and the Eight-Hour Long-Term Care Outline are available on CDI’s Resident - Provider Continuing Education Courses webpage.

**Curriculum Review Update and Schedule**

Holly Kinney directed the Board members to the Curriculum Review Spreadsheet in the meeting packet.

For the new members, Holly reported the Curriculum Review Schedule lists the course outlines and guidelines stated in the California Insurance Code for the Curriculum Board (Board) to develop, review, and update. During each Board meeting, the Curriculum Review Section provides a detailed Curriculum Review Schedule listing the curriculum to be reviewed by the Board. The spreadsheet states when the outline or guideline was developed, the dates reviewed, and the spreadsheet provides the three-year review timeline for the Board to consider if reviews should be scheduled to update the curriculum. The three-year schedule is to ensure the course outlines or guidelines meet current laws and regulations.

To review the current Board subcommittee appointments, as Stephanie reported, in 2019, the Board appointed a Property and Casualty Subcommittee to review the Property and Casualty Broker-Agent Prelicensing Educational Objectives (EOs). Their review is completed and CDI is currently reviewing the updated EOs.

During the February Curriculum Board meeting, Chairman Granger appointed the Eight-Hour Long-Term Care Subcommittee to thoroughly review and update the curriculum content in the Eight-Hour Long Term Care (LTC) Outline. After the LTC Subcommittee completes their review and the Curriculum Board and CDI approves the updated Eight-Hour Long-Term Care Outline, the Curriculum Review Section will ask Chairman Granger to ask the LTC subcommittee appointed members to continue to participate on the subcommittee to developing four-hour, topic-specific long-term care outlines. The eight-hour long-term care and the four-hour long-term care courses are to provide life agents, who sell long-term care products, with a choice to take the updated eight-hour course or to take two of the four-hour, topic specific, long-term care courses to meet their eight-hour long-term care training requirement. The eight-hour long-term care course completion is a requirement stated in California Insurance Code [section 10234.93(a)(4)](http://leginfo.legislature.ca.gov/faces/codes_displaySection.xhtml?lawCode=INS&sectionNum=10234.93.) and must be completed on or before each of the life agent’s license renewals.

For an update on future subcommittee appointments, during the February 20, 2020, meeting, the Board reviewed the Curriculum Review Schedule and determined that the current 12-Hour Ethics and California Insurance Code prelicensing training will need an appointed subcommittee to review the prelicensing course Outline. In addition, the Ethics Continuing Education Course Development and Review Guidelines for the three-hour ethics continuing education training will also be reviewed by the appointed subcommittee.

However, considering the Board members’ time commitment for the Long-Term Care Subcommittee to complete their review of the Eight-Hour Long-Term Outline, the Curriculum Review Section asks the Chair to consider appointing the Ethics Review Subcommittee at the October 15th Curriculum Board meeting.

At the October 15th Curriculum Board meeting, Holly will review the course outlines and guidelines that are scheduled for the Board to review for subcommittee appointment consideration in 2021.

**Education Work Status Report**

Ammy reported from January 1, 2020 through June 30, 2020, the Education Unit received 780 new course applications compared to 808 new course applications for the same period in 2019. Of those applications, 89 percent were received through Sircon compared to 72 percent in 2019.

She also reported from January 1, 2020 through June 30, 2020, the Education Unit received 1,398 course renewals compared to 1,408 course renewals for the same period in 2019. Of those course renewals, 59 percent were received through Sircon compared to 56 percent in 2019.

The Education Unit received 144 education provider application and renewals compared to 132 in 2019.

In addition, all paper and Sircon applications received within the last ten days were assigned to an education analyst. This includes continuing education and prelicensing course applications and renewals, NAIC Uniform Continuing Education Reciprocity Course Filing applications, and education provider applications and renewals.

**Roundtable**

Board member Roberts thanked Charlene for including the Bagley-Keene Open Meeting Act.

Bart Shachnow from Zurich stated as an approved CE Provider in many states, California's responsiveness and productivity has been exemplary and they are thankful that it is distinctive amongst the other states.

Nancy Strickler from LyteSpeed said that some students stated their late fees are waived by CDI for the license renewal because of the COVID lockdown and inquired about CDI’s position is on this topic. Charlene responded that each request is handled by a case-by-case basis for people affected by COVID-19 (e.g., job loss, financial hardship, illness). CDI does not necessarily the waive the fee, but may extend the timeline for the licensee to meet their license renewal requirement which does not include continuing education. Nancy asked how remote proctoring works and what does that mean. Jason stated the online remote proctored license examination is done on a computer at home or at another location and requires a compatibility check and an ID scan to be taken using the required web cam. The computer at home must have a web cam that is mobile. The student will need to schedule an appointment through PSI (just like the student would schedule a license examination at one of PSI’s test centers). The proctor will talk to the student via a Chat function. Charlene added and emphasized the proctor is viewing the individual taking the remote test during the time the remote test is being taken.

Board member Dogillo stated New York passed regulations to impose of best interest standards on the sale of life insurance and annuity contracts. Board member Dogillo would like to know what is California position on the best interest standards or is there any upcoming California legislation on this topic. Subsequent to this meeting, Charlene reported that CDI voted in favor of the amended version of the NAIC’s Suitability in Annuity Transactions Model Regulations, but CDI reserved the right to make amendments to the model if it is presented for adoption as regulation or law in California. Charlene also noted, currently, there is no proposed legislation on this topic.

Jeff Schneider from BailCE suggested in the future to provide the ability for guest to make comments before the Board makes decisions rather than waiting until the end. Charlene stated the October Curriculum Board meeting will be held via WebEx or Zoom to allow guests to participate on each agenda item discussed.

Motion

With no further roundtable items for discussion, Chairman Granger asked for a motion to adjourn the meeting. Board member Hinds motioned and Board Member Kern seconded the motion.

Action

With all members voting in favor, Chairman Granger adjourned the July 16, 2020, Board meeting at 1:50 p.m. Chairperson Granger reminded the Board and guests that the next meeting will be held on Thursday, October 15, 2020. The meeting will begin at 12:30 p.m. via teleconference call, WebEx, or Zoom.