



RICARDO LARA
CALIFORNIA INSURANCE COMMISSIONER

NOTICE

TO: California Resident Agents, Brokers, and Other Interested Parties

CC: Prelicensing and Continuing Education Providers

FROM: Curriculum and Officer Review Bureau, Licensing Services Division

DATE: March 10, 2023

SUBJECT: New Required Ethics One-Hour Study on Insurance Fraud

The California Department of Insurance hereby notifies you that sections [1749](#), [1749.3](#), [1749.31](#), [1749.32](#), and [1749.33](#) of the California Insurance Code were amended to require licensed California resident agents and brokers and applicants for a California resident agent-broker license to complete “one hour of study on insurance fraud” as a part of, and not in addition to, their ethics training requirement. ([Senate Bill 1242](#) [Senate Committee on Insurance, Chapter 424, Statutes of 2022])

Continuing Education Requirements for Resident License Renewal

Current law requires licensed California resident agents and brokers to complete 24 hours of continuing education (CE), of which three hours shall be in ethics, prior to renewal of their license. Effective March 1, 2023, the three-hour ethics training that licensed California resident agents and brokers are required to complete for renewal must include the Department’s one hour of study on [Agents and Brokers Anti-Fraud Training](#).

If you have recently completed your CE, which includes the three-hours of ethics training, you should ask your education provider if the three-hour ethics training course you took included the Department’s one-hour anti-fraud training.

If the ethics course taken did not include the Department’s one-hour anti-fraud training, you are still required to complete this anti-fraud course. You can take the course for free on the Department’s website at [Agents and Brokers Anti-Fraud Training](#). After completing the course, you must download the Certificate of Attendance (linked below the training screen) and submit the Certificate by email to SIU-Annualreport@insurance.ca.gov in order to meet this new ethics requirement.

Prelicensing Education Requirements for Resident License Applicants

Effective March 1, 2023, if you are applying for a California resident agent-broker license, you are required to complete the *12-hour ethics and California Insurance Code prelicensing education course*, which must include the Department's one-hour study on [Agents and Brokers Anti-Fraud Training](#). If you have already completed your prelicensing education requirements prior to this Notice, you should ask your education provider if the 12-hour prelicensing course you completed included the Department's one-hour anti-fraud training.

If the 12-hour prelicensing course did not include the Department's one-hour anti-fraud training, you are still required to complete this anti-fraud course. You can take the course for free on the Department's website at [Agents and Brokers Anti-Fraud Training](#). After completing the course, you must download the Certificate of Attendance (linked below the training screen) and submit the Certificate by email to SIU-Annualreport@insurance.ca.gov in order to meet this ethics requirement.

Important Notes:

- Licensees who have renewed their licenses prior to their March 31, April 30, or May 31, 2023, license renewal date must now complete the Department's one-hour anti-fraud training on the Department's website at [Agents and Brokers Anti-Fraud Training](#) and submit the Certificate of Attendance by email to SIU-Annualreport@insurance.ca.gov.
- The Department's [Agents and Brokers Anti-Fraud Training](#) will be available until March 1, 2025, to allow time for California's education providers to incorporate the new training requirement into their ethics training courses and to allow California resident agents and brokers time to meet this requirement before their license renewal date. After March 1, 2025, resident agents and brokers seeking renewals will be referred to their education providers whose three-hour ethics training courses must include the Department's one-hour anti-fraud training.
- Education providers who offer ethics training continuing education courses and have not incorporated the Department's one-hour anti-fraud training into their ethics courses must provide the following disclaimer on those courses:

"This course does not include the California Department of Insurance's required one-hour Agents and Brokers Anti-Fraud Training. As such, the one hour of study of insurance fraud requirement will not be met upon completing this course."

Direct questions regarding this Notice to the Department's Curriculum Review Section by phone at (916) 492- 3064 or by email at CDI.Education@insurance.ca.gov.