Eight-Hour Annuity Training Outline Attachment III

Important Laws and Penalties

Some Important Laws and Penalties Licensees Should be Aware of (Listed laws relating to penalties are California Insurance Code sections 782, 783, 789.3, 1668, 1668.1, 1725.5, 1738, 1739, 10509.9, 10509.916, and 10509.9206).

Current Law

This list includes California Insurance Code section 10509.9206, which is a statute within Senate Bill [(SB) 263](https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202320240SB263) (Dodd, Chapter 2, Statutes of 2024), and will take effect on January 1, 2025.

Laws within Article 6. Misrepresentation of Policies [[Sections 780 - 784](https://leginfo.legislature.ca.gov/faces/codes_displayText.xhtml?lawCode=INS&division=1.&title=&part=2.&chapter=1.&article=6.)]

[**Section 780. Prohibited misrepresentations**](https://leginfo.legislature.ca.gov/faces/codes_displaySection.xhtml?lawCode=INS&sectionNum=780.)

An insurer or officer or agent thereof, or an insurance broker or solicitor shall not cause or permit to be issued, circulated or used, any statement that is known, or should have been known, to be a misrepresentation of the following:

1. The terms of a policy issued by the insurer or sought to be negotiated by the person making or permitting the misrepresentation.
2. The benefits or privileges promised thereunder.
3. The future dividends payable thereunder.

[**Section 781. Twisting**](https://leginfo.legislature.ca.gov/faces/codes_displaySection.xhtml?lawCode=INS&sectionNum=781.)

(a) A person shall not make any statement that is known, or should have been known, to be a misrepresentation (1) to any other person for the purpose of inducing, or tending to induce, such other person either to take out a policy of insurance, or to refuse to accept a policy issued upon an application therefor and instead take out any policy in another insurer, or (2) to a policyholder in any insurer for the purpose of inducing or tending to induce him or her to lapse, forfeit or surrender his or her insurance therein.

(b) A person shall not make any representation or comparison of insurers or policies to an insured which is misleading, for the purpose of inducing or tending to induce him or her to lapse, forfeit, change or surrender his or her insurance, whether on a temporary or permanent plan.

[**Section 782. Violation; fine; restitution**](https://leginfo.legislature.ca.gov/faces/codes_displaySection.xhtml?sectionNum=782&lawCode=INS)

Any person who violates the provisions of Section 780 or 781 is punishable by a fine not exceeding twenty-five thousand dollars ($25,000), or in a case in which the loss of the victim exceeds ten thousand dollars ($10,000), by a fine not exceeding three times the amount of the loss suffered by the victim, by imprisonment in a county jail for a period not to exceed one year, or by both a fine and imprisonment. Restitution to the victim ordered pursuant to Section 1202.4 of the Penal Code shall be satisfied before any fine imposed by this section is collected.

[**Section 783. Suspension of License**](https://leginfo.legislature.ca.gov/faces/codes_displaySection.xhtml?lawCode=INS&sectionNum=783.)

Whenever any insurance agent, broker, or solicitor knowingly violates any provisions of Sections 780 or 781, the commissioner, after a hearing in accordance with the procedure provided in Article 13 of Chapter 5 of this part, may suspend the license of any such person for not exceeding three years.

Laws within Article 6.3. Senior Insurance [[Sections 785 - 789.10](https://leginfo.legislature.ca.gov/faces/codes_displayText.xhtml?lawCode=INS&division=1.&title=&part=2.&chapter=1.&article=6.3.)]

**[Senate 785.1. Participation or association in origination of reverse mortgages or employment of party that does so prohibited; safeguards against direct financial incentives; offering of title insurance or other customary products](https://leginfo.legislature.ca.gov/faces/codes_displaySection.xhtml?lawCode=INS&sectionNum=785.1)**

(a) (1) An insurance broker or agent shall not participate in, be associated with, or employ any party that participates in, or is associated with, the origination of a reverse mortgage, unless the insurance agent or broker maintains procedural safeguards designed to ensure that the agent or broker transacting insurance has no direct financial incentive to refer the policyholder or prospective policyholder to a reverse mortgage lender.

(2) Except as provided in subdivision (b), individuals transacting insurance shall not receive compensation, commission, or direct incentive for providing reverse mortgage borrowers with a noncasualty insurance product that is connected to or a result of the reverse mortgage.

(b) This section does not prevent an agent or broker from offering title insurance, hazard, flood, or other peril insurance, or other similar products that are customary and normal under a reverse mortgage loan.

[**Section 785.4. Unlawful acts; agents not licensed as attorneys; delivery of legal documents with intent to sell insurance; agents licensed as attorneys; delivery of legal documents without required disclosure**](https://leginfo.legislature.ca.gov/faces/codes_displaySection.xhtml?lawCode=INS&sectionNum=785.4.)

1. It shall be unlawful for any insurance agent who is not licensed as an attorney to deliver to a person who is 65 years of age or older, a living trust or other legal document, other than an insurance contract or other insurance product document, if a purpose of the delivery is to sell an insurance product.

(b) It shall be unlawful for any insurance agent who is licensed as an attorney to deliver to a person who is 65 years of age or older, a living trust or other legal document, other than an insurance contract or other insurance product document, unless the insurance agent complies with Section 6175.3 of the Business and Professions Code.

[**Section 787. Advertisements and other lead generating devices; disclosure; deceptive and misleading practices; contents; presentations regarding veterans’ benefits**](https://leginfo.legislature.ca.gov/faces/codes_displaySection.xhtml?lawCode=INS&sectionNum=787.)

Any advertisement or other device designed to produce leads based on a response from a potential insured that is directed towards persons 65 years of age or older shall prominently disclose that an agent may contact the applicant if that is the fact. In addition, an agent who makes contact with a person as a result of acquiring that person’s name from a lead generating device shall disclose that fact in the initial contact with the person.

(a) An insurer, agent, broker, solicitor, or other person or other entity shall not solicit persons 65 years of age and older in this state for the purchase of disability insurance, life insurance, or annuities through the use of a true name or fictitious name that is deceptive or misleading with regard to the status, character, or proprietary or representative capacity of the entity or person, or to the true purpose of the advertisement.

(b) For the purposes of this section, an advertisement includes envelopes, stationery, business cards, worksheets, questionnaires, or other materials designed to describe and encourage the purchase of a policy or certificate of disability insurance, life insurance, or an annuity, or to collect personal or financial information about a prospective insured or purchaser of an annuity.

(c) Advertisements shall not employ words, letters, initials, symbols, or other devices that are so similar to those used by governmental agencies, a nonprofit or charitable institution, veterans’ organization or agency, senior organization, or other insurer that they could have the capacity or tendency to mislead the public. Examples of misleading materials include, but are not limited to, those which imply any of the following:

(1) The advertised coverages are somehow provided by or are endorsed by any governmental agencies, nonprofit or charitable institutions, veterans’ organizations or agencies, or senior organizations.

(2) The advertiser is the same as, is connected with, or is endorsed by governmental agencies, nonprofit or charitable institutions, veterans’ organizations or agencies, or senior organizations.

(d) An advertisement may not use the name of a state or political subdivision thereof in a policy name or description.

(e) An advertisement may not use any name, service mark, slogan, symbol, or any device in any manner that implies that the insurer, or the policy or certificate advertised, or that any agency that may call upon the consumer in response to the advertisement, is connected with a governmental agency, such as the federal Social Security Administration or the United States Department of Veterans Affairs.

(f) An advertisement may not imply that the reader may lose a right, or privilege, or benefits under federal, state, or local law if he or she fails to respond to the advertisement.

(g) An insurer, agent, broker, or other entity may not use an address so as to mislead or deceive as to the true identity, location, or licensing status of the insurer, agent, broker, or other entity.

(h) An insurer may not use, in the trade name of its insurance policy or certificate, any terminology or words so similar to the name of a governmental agency, governmental program, or veterans’ organization or agency as to have the capacity or the tendency to confuse, deceive, or mislead a prospective purchaser.

(i) All advertisements used by agents, producers, brokers, solicitors, or other persons for a policy of an insurer shall have written approval of the insurer before they may be used.

(j) An insurer, agent, broker, or other entity may not solicit a particular class by use of advertisements which state or imply that the occupational or other status as members of the class entitles them to reduced rates on a group or other basis when, in fact, the policy or certificate being advertised is sold on an individual basis at regular rates.

(k) In addition to any other prohibition on untrue, deceptive, or misleading advertisements, no advertisement for an event where insurance products will be offered for sale at, or as a result of, the event may use the terms “seminar,” “class,” “informational meeting,” “benefits assistance,” “qualification information,” or substantially equivalent terms to characterize the purpose of the public gathering or event unless it adds the words “and insurance sales presentation” immediately following those terms in the same type size and font as those terms.

(l) Any advertisement for an event, presentation, seminar, workshop, or other public gathering regarding veterans’ benefits or entitlements is required to comply with the requirements of paragraph (25) of subdivision (a) of Section 1770 of the Civil Code.

[**Section 789.3. Administrative penalties; amounts; rescission of contracts**](https://leginfo.legislature.ca.gov/faces/codes_displaySection.xhtml?lawCode=INS&sectionNum=789.3.)

(a) Any broker, agent, or other person or other entity engaged in the transactions of insurance, other than an insurer, who violates this article is liable for an administrative penalty of no less than one thousand dollars ($1,000) for the first violation.

1. Any broker, agent, other person, or other entity engaged in the business of insurance, other than an insurer, who engages in practices prohibited by this article a second or subsequent time or who commits a knowing violation of this article, is liable for an administrative penalty of no less than five thousand dollars ($5,000) and no more than fifty thousand dollars ($50,000) for each violation.
2. If the commissioner brings an action against a licensee pursuant to subdivision (a) or (b) and determines that the licensee may reasonably be expected to cause significant harm to seniors, the commissioner may suspend his or her license pending the outcome of the hearing described in subdivision (c) of Section 789.
3. Any insurer who violates this article is liable for an administrative penalty of ten thousand dollars ($10,000) for the first violation.
4. Any insurer who violates this article with a frequency as to indicate a general business practice or commits a knowing violation of this article, is liable for an administrative penalty of no less than thirty thousand dollars ($30,000) and no more than three hundred thousand dollars ($300,000) for each violation.
5. The commissioner may require rescission of any contract found to have been marketed, offered, or issued in violation of this article.

Laws within Article 6. License Qualifications [[Sections 1666 - 1672](https://leginfo.legislature.ca.gov/faces/codes_displayText.xhtml?lawCode=INS&division=1.&title=&part=2.&chapter=5.&article=6.)]

[**Section 1668**](https://leginfo.legislature.ca.gov/faces/codes_displaySection.xhtml?lawCode=INS&sectionNum=1668)**. Denial of application after hearing; grounds**

The commissioner may deny an application for a license issued pursuant to this chapter if any of the following are true:

(a) The applicant is not properly qualified to perform the duties of a person holding the license for which the applicant applied.

(b) The granting of the license will be against public interest.

(c) The applicant does not intend actively and in good faith to carry on as a business with the general public the transactions that would be permitted by the issuance of the license for which the applicant applied.

(d) The applicant is not of good business reputation.

(e) The applicant is lacking in integrity.

(f) The applicant has been refused a professional, occupational, or vocational license or had a professional, occupational, or vocational license suspended or revoked by a licensing authority for reasons that should preclude the granting of the license for which the applicant applied.

(g) The applicant seeks the license for the purpose of avoiding or preventing the operation or enforcement of the insurance laws of this state.

(h) The applicant has knowingly or willfully made a misstatement in an application to the commissioner for a license, or in a document filed in support of that application, or has made a false statement in testimony given under oath before the commissioner or another person acting in the commissioner’s stead.

(i) The applicant has previously engaged in a fraudulent practice or act or has conducted any business in a dishonest manner.

(j) The applicant has shown incompetency or untrustworthiness in the conduct of any business, or has by commission of a wrongful act or practice in the course of any business exposed the public or those dealing with the applicant to the danger of loss.

(k) The applicant has knowingly misrepresented the terms or effect of an insurance policy or contract.

(l) The applicant has failed to perform a duty expressly enjoined upon them by this code or has committed an act expressly forbidden by this code.

(m) The applicant has been convicted of any of the following:

(1) A felony.

(2) A misdemeanor specified by this code or other laws regulating insurance.

(3) A public offense having as one of its necessary elements a fraudulent act or an act of dishonesty in acceptance, custody, or payment of money or property.

(n) The applicant has aided or abetted a person in an act or omission that would constitute grounds for the suspension, revocation, or refusal of a license or certificate issued under this code to the person aided or abetted.

(o) The applicant has permitted a person in the applicant’s employ to violate this code.

(p) The applicant has violated a law relating to conduct of business that could lawfully be done only under authority conferred by that license.

(q) The applicant has submitted to the commissioner a false or fraudulent certificate pursuant to subdivision (d) of Section 1749.5.

(r) The applicant has been found liable by clear and convincing evidence in a civil action involving allegations of elder or dependent abuse, oppression, fraud, malice, misappropriation or conversion of funds, misrepresentation, or breach of fiduciary duty.

A judgment, plea, or verdict of guilty, or a plea of nolo contendere is deemed to be a conviction within the meaning of this section.

[**Section 1668.1. Cause to suspend or revoke permanent license**](https://leginfo.legislature.ca.gov/faces/codes_displaySection.xhtml?lawCode=INS&sectionNum=1668.1)

In addition to the grounds set forth in [Section 1668](https://www.westlaw.com/Link/Document/FullText?findType=L&pubNum=1000214&cite=CAINS1668&originatingDoc=NAE043D30880F11D881E9FEF4A4D44D69&refType=LQ&originationContext=document&vr=3.0&rs=cblt1.0&transitionType=DocumentItem&contextData=(sc.Document)), the following acts shall constitute cause to suspend or revoke any permanent license issued pursuant to this chapter:

(a) The licensee has induced a client, whether directly or indirectly, to cosign or make a loan, make an investment, make a gift, including a testamentary gift, or provide any future benefit through a right of survivorship to the licensee, or to any of the persons listed in subdivision (e).

1. The licensee has induced a client, whether directly or indirectly, to make the licensee or any of the persons listed in subdivision (e) a beneficiary under the terms of any intervivos or testamentary trust or the owner or beneficiary of a life insurance policy or an annuity policy.

(c) The licensee has induced a client, whether directly or indirectly, to make the licensee, or a person who is registered as a domestic partner of the licensee, or is related to the licensee by birth, marriage, or adoption, a trustee under the terms of any intervivos or testamentary trust. However, if the licensee is also licensed as an attorney in any state, the licensee may be made a trustee under the terms of any intervivos or testamentary trust, provided that the licensee is not a seller of insurance to the trustor of the trust.

(d) The licensee, who has a power of attorney for a client has sold to the client or has used the power of attorney to purchase an insurance product on behalf of the client for which the licensee has received a commission.

(e) Subdivisions (a) and (b) shall also apply if the licensee induces the client to provide the benefits in those subdivisions to the following people:

* 1. A person who is related to the licensee by birth, marriage, or adoption.
	2. A person who is a friend or business acquaintance of the licensee.
	3. A person who is registered as a domestic partner of the licensee.

(f) This section shall not apply to situations in which the client is:

(1) A person related to the licensee by birth, marriage, or adoption.

(2) A person who is registered as a domestic partner of the licensee.

Laws within Article 12. Conduct of Licensee [[Sections 1724 - 1736.5](https://leginfo.legislature.ca.gov/faces/codes_displayText.xhtml?lawCode=INS&division=1.&title=&part=2.&chapter=5.&article=12.)]

[**Section 1725.5. Affixment of license number, business cards, price quotations, and print advertisements, penalties**](https://leginfo.legislature.ca.gov/faces/codes_displaySection.xhtml?lawCode=INS&sectionNum=1725.5)

(a) A person licensed under Section 1625, 1625.5, 1625.55, 1626, 1758.1, 1765, 1800, 14020, or 15006, or Chapter 8 (commencing with Section 1831), shall affix, type, or print on business cards, written price quotations for insurance products, and print advertisements distributed exclusively in this state for insurance products, its license number in a type size that is at least as large as any indicated telephone number, address, or fax number or in 12-point type, or in 8-point type for business cards, whichever is larger. If a licensee includes the names of multiple licensed organizations on a business card, written price quotation, or print advertisement distributed exclusively in this state, affixing, typing, or printing the license number of any one of the organizations complies with the requirements of this section.

(b) A person licensed under Section 1625, 1625.5, 1625.55, 1626, 1758.1, 1765, 14020, or 15006, or Chapter 8 (commencing with Section 1831), shall affix, type, or print on business cards, written price quotations for insurance products, and print advertisements distributed in this state for insurance products, the word “Insurance” in a type size that is at least as large as the smallest telephone number or in 12-point type, or in 8-point type for business cards, whichever is larger.

(c) A person licensed under Section 1625, 1625.5, 1625.55, 1626, 1758.1, 1765, 14020, or 15006, or Chapter 8 (commencing with Section 1831), shall include the person’s license number in the emails the person sends that involve an activity for which a license is required. A person’s license number shall be in a type size that is no smaller than the largest of any telephone number, street address, or email address of the person included in the email. The license number of an individual licensee shall appear adjacent to or on the line below the individual’s name or title. The license number of an organizational licensee shall appear adjacent to or on the line below the organization’s name if the email is sent from the organization and not an individual licensee, and the communication involves an activity for which a license is required.

(d) A natural person who is a solicitor, as defined in Section 1624, working exclusively as an employee of a motor club agent, or working exclusively for a property broker-agent or casualty broker-agent on behalf of a motor club, shall use the organizational licensee number of that person’s employer.

(e) A person in violation of this section shall be subject to a fine levied by the commissioner in the amount of two hundred dollars ($200) for the first offense, five hundred dollars ($500) for the second offense, and one thousand dollars ($1,000) for the third and subsequent offenses. The penalty shall not exceed one thousand dollars ($1,000) for any one offense. These fines shall be deposited into the Insurance Fund.

(f) A separate penalty shall not be imposed upon each piece of printed material that fails to conform to the requirements of this section.

(g) If the commissioner finds that the failure of a licensee to comply with the provisions of subdivision (a) or (b) is due to reasonable cause or circumstance beyond the licensee’s control, and occurred notwithstanding the exercise of ordinary care and in the absence of willful neglect, the licensee may be relieved of the penalty in subdivision (e).

(h) A licensee seeking to be relieved of the penalty in subdivision (e) shall file with the department a statement with supporting documents setting forth the facts upon which the licensee bases its claims for relief.

(i) This section does not apply to a person or entity that is not currently required to be licensed by the department or that is exempted from licensure.

(j) This section does not apply to general advertisements of motor clubs that merely list insurance products as one of several services offered by the motor club, and do not provide any details of the insurance products.

(k) This section does not apply to life insurance policy illustrations required by Chapter 5.5 (commencing with Section 10509.950) of Part 2 of Division 2 or to life insurance cost indexes required by Chapter 5.6 (commencing with Section 10509.970) of Part 2 of Division 2.

Laws within ARTICLE 13. Disciplinary Actions [[Sections 1737 - 1748.5]](https://leginfo.legislature.ca.gov/faces/codes_displayText.xhtml?lawCode=INS&division=1.&title=&part=2.&chapter=5.&article=13.)

[**Section 1738. Suspension or revocation of license; grounds; notice and hearing**](https://leginfo.legislature.ca.gov/faces/codes_displaySection.xhtml?lawCode=INS&sectionNum=1738.)

The commissioner may suspend or revoke a permanent license issued pursuant to this chapter on any of the grounds set forth in Article 6 hereof on which the commissioner may deny an application. When the word “applicant” is used in those grounds, the word shall for the application of this section be the words “the holder of a permanent license.” A suspension or revocation based upon a ground set forth in Section 1669 may be without

notice or hearing. Suspension or revocation of any permanent license, except a restricted license, on a ground other than that set forth in Section 1669 shall be after notice and hearing conducted in accordance with Chapter 5 of Part 1 of Division 3 of Title 2 of the Government Code, and the commissioner has all of the powers granted therein

[**Section 1739. Organization license; suspension or revocation**](https://leginfo.legislature.ca.gov/faces/codes_displaySection.xhtml?lawCode=INS&sectionNum=1739.)

Where a permanent license is held by an organization both the organization itself and any natural persons named thereon shall, for the purposes of this article, be deemed to be the holders thereof. If that natural person commits any act or fails to perform any duty which is a ground for suspension or revocation of the license held by the organization, that action may be taken against the organization. If any natural person named under an organization license commits any act or fails to perform any duty which is a ground for the suspension or revocation of any license held by the organization, the commissioner may suspend or revoke the license of the organization, or the license of the natural person, or may take all of those steps.

A Law within ARTICLE 8. Requirements for Replacement of Life Insurance and Annuity Policies [[Sections 10509 - 10509.9](https://leginfo.legislature.ca.gov/faces/codes_displayText.xhtml?lawCode=INS&division=2.&title=&part=2.&chapter=5.&article=8.)]

[**Section 10509.9. Administrative penalties**](https://leginfo.legislature.ca.gov/faces/codes_displaySection.xhtml?lawCode=INS&sectionNum=10509.9)

(a) Any agent or other person or entity engaged in the business of insurance, other than an insurer, who violates this article is liable for an administrative penalty of no less than one thousand dollars ($1,000) for the first violation.

1. Any agent or other person or entity engaged in the business of insurance, other than an insurer, who engages in practices prohibited by this chapter a second or subsequent time or who commits a knowing violation of this article, is liable for an administrative penalty of no less than five thousand dollars ($5,000) and no more than fifty thousand dollars ($50,000) for each violation.
2. Any insurer who violates this article is liable for an administrative penalty of ten thousand dollars ($10,000) for the first violation.
3. Any insurer who violates this article with a frequency as to indicate a general business practice or commits a knowing violation of this article, is liable for an administrative penalty of no less than thirty thousand dollars ($30,000) and no more than three hundred thousand dollars ($300,000) for each violation.
4. After a hearing conducted in accordance with Chapter 4.5 (commencing with Section 11400) and Chapter 5 (commencing with Section 11500) of Part 1 of Division 3 of Title 2 of the Government Code, the commissioner may suspend or revoke the license of any person or entity that violates this article.
5. Nothing in this section shall be deemed to affect any other authority provided by law to the commissioner.

A Law within ARTICLE 9. Suitability Requirements for Annuity Transactions which occur before January 1, 2025 [[Sections 10509.910 - 10509.918](https://leginfo.legislature.ca.gov/faces/codes_displayText.xhtml?lawCode=INS&division=2.&title=&part=2.&chapter=5.&article=9.)]

**[Section 10509.916. Compliance; corrective action ordered in addition to penalties, remedies, or administrative actions; obligations of insurer and consumer remedies or causes of action unaffected](https://leginfo.legislature.ca.gov/faces/codes_displaySection.xhtml?lawCode=INS&sectionNum=10509.916)**

(a) An insurer is responsible for compliance with this article. If a violation occurs, either because of the action or inaction of the insurer or its insurance producer, the commissioner may, in addition to any other available penalties, remedies, or administrative actions, order any or all of the following:

1. An insurer to take reasonably appropriate corrective action for any consumer harmed by the insurer's, or by its insurance producer's, violation of this article.
2. A managing general agent or an insurance producer to take reasonably appropriate corrective action for any consumer harmed by the insurance producer's violation of this article. Penalties and sanctions pursuant to Section 10509.9. For purposes of Section 10509.9, this article shall be deemed to be part of Article 8 (commencing with Section 10509), and the commissioner may in a single enforcement action seek penalties for a first and a second or subsequent violation.
3. Penalties and sanctions pursuant to Section 10509.9. For purposes of Section 10509.9, this article shall be deemed to be part of Article 8 (commencing with Section 10509), and the commissioner may in a single enforcement action seek penalties for a first and a second or subsequent violation.

(b) Nothing in this article shall affect any obligation of an insurer for acts of its agents, or any consumer remedy or cause of action that is otherwise provided for.

A Law within Article 9.5. Suitability Requirements for Annuity Transactions which Occur on or after January 1, 2025

Section 10509.9206 from [SB 263](https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202320240SB263)

1. An insurer is responsible for compliance with this article. If a violation occurs, either because of the action or inaction of the insurer or its producer, the commissioner may, in addition to any other available penalties, remedies, or administrative actions, order any or all of the following:
2. An insurer to take reasonably appropriate corrective action for any consumer harm caused by a violation of this article by the insurer, by its producer, or by its intermediary or by an entity that is contracted to perform the insurer’s supervisory duties.

(2) A general agency, independent agency, or producer to take reasonably appropriate corrective action for any consumer harmed by the producer’s violation of this article.

(3) Penalties and sanctions pursuant to Section 10509.9. For purposes of Section 10509.9, this article shall be deemed to be part of Article 8 (commencing with Section 10509), and the commissioner may in a single enforcement action seek penalties for a first and a second or subsequent violation.

(b) Nothing in this article shall affect any obligation of an insurer for acts of its agents, or any consumer remedy or cause of action that is otherwise provided for.