**Overview**

[Senate Bill 263](https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=202320240SB263) (Dodd, Chapter 2, Statutes of 2024) Insurance: annuities and life insurance policies adds Section 1749.81 to the California Insurance Code. Subdivision (a) states “A life agent licensed on or after January 1, 2024, who sells life insurance policies other than term life with no cash value, shall satisfactorily complete four hours of training before soliciting individual consumers to sell nonterm life insurance policies.”

This training is required to be completed for any life insurance agent, licensed on or after January 1, 2024, who engages in the sale of specified life insurance policies on or after January 1, 2025, to complete four hours of training prior to soliciting individual consumers to sell these life insurance policies. Therefore, the curriculum for this course focuses on individual life insurance policies other than term life with no cash value based on the [Prelicensing Education for Life Agents](https://www.insurance.ca.gov/0200-industry/0030-seek-pre-lic/upload/2023-Life-Educational-Objectives.docx).

TABLE OF CONTENTS

1. Life Insurance Policy Training Requirement
2. The life insurance policy training requirement
3. Disclaimer
4. Curriculum
5. Types of individual life insurance policies and benefits.
6. Training Goals
7. Life Sales Practices
8. Suitability
9. Business Management
10. Unfair Trade Practices
11. Prohibitions
12. Penalties
13. Life Insurance Policy Training Requirement
    1. The Life Insurance Policy Training Requirement

Life insurance is “a contract of indemnity under which, in exchange for the payment of premiums, the insurer promises to pay a sum of money to the designated beneficiary upon the death of the named insured.” [Fairbanks v. Superior Court (2009) 46 Cal. 4th 56, 61](https://casetext.com/case/fairbanks-v-superior-court).

California Insurance Code section 1749.81(a) requires a life agent licensed on or after January 1, 2024 who sells life insurance policies other than term life with no cash value to satisfactorily complete four hours of training before soliciting individual consumers to sell those life insurance policies. The life insurance training shall consist of:

* + 1. Topics related to individual life insurance policies other than term life with no cash value,
    2. Applicable California law and requirements,
    3. Prohibited sales practices, and
    4. Unfair trade practices.

The training requirement becomes operative on January 1, 2025. Life agents licensed on and after January 1, 2024 are to complete the Life Insurance Policies Four-Hour Course “before soliciting individual consumers to sell those life insurance policies.” This training requirement takes effect on January 1, 2025 (Insurance Code section 1749.81[c]). The newly licensed life agents are encouraged to complete Life Insurance Policies Four-Hour Course as soon as the course becomes available in 2024 to be able to continue to sell the life insurance policies stated in California Insurance Code section 1749.81(a). This four-hour training applies to all California life licensees both resident and non-resident.

The training shall not include information that is primarily intended to promote the sale or marketing of life insurance policies (Insurance Code section 1749.81[c]). The training may not contain any content to persuade, indoctrinate or enlighten agents on a particular philosophy, a political view, or a public policy position. Finally, opinions about state or federal legislation or predictions about the success or failure of legislation should not be included.

The training required by Insurance Code section 1749.81(a) does not include the California Department of Insurance’s required one-hour Agents and Brokers Anti-Fraud Training. The one-hour Agents and Brokers Anti-Fraud Training requirement must be met separately.

* 1. Disclaimer

The California Department of Insurance is released from responsibility for approved course materials that may have a copyright infringement. In addition, no course approved for either pre-licensing or continuing education hours or any designation resulting from completion of such courses should be construed to be endorsed by the Commissioner.

1. Curriculum
   1. Types of individual life insurance policies and benefits.

Be able to identify and describe the key features of each type of individual life insurance policy other than term life with no cash value, any disability benefits that may be in the policy, and appropriate uses for these products.

1. Define and discuss individual whole life insurance (also known as straight life, ordinary life, and traditional permanent insurance):

Individual whole life insurance is designed to provide coverage for the insured’s entire lifetime, unlike term insurance which provides protection for a specified time period. To keep the premium level, the premium at the younger ages exceeds the actual cost of protection. This extra premium builds a reserve (cash value) which helps pay for the policy in later years as the cost of protection rises above the premium. Whole life policies stretch the cost of insurance over a longer period of time in order to level out the otherwise increasing cost of insurance. Under some policies, premiums are required to be paid for a set number of years. Under other policies, premiums are paid throughout the policyholder's lifetime. The policy matures when the face amount equals the cash value.

1. Define and discuss limited pay life insurance: has a shorter premium payment period but a regular insurance period.
2. Define and discuss single pay life insurance.

2. Define and discuss individual variable life insurance:

Individual variable life insurance provides for life insurance the amount or duration of which varies according to the investment experience of a separate account or accounts established and maintained by the insurer, as provided for in Insurance Code [section 10506](https://leginfo.legislature.ca.gov/faces/codes_displaySection.xhtml?lawCode=INS&sectionNum=10506.) or the corresponding statute of a foreign insurer’s state of domicile. See California Department of Insurance [Bulletin 87-3](https://www.insurance.ca.gov/0250-insurers/0300-insurers/0200-bulletins/bulletin-notices-commiss-opinion/upload/Bulletin_87_3.pdf) as amended November 1, 1992, page 5, item (v).

3. Define and discuss individual non-variable universal life insurance (often described as flexible premium adjustable life; includes fixed and indexed policies):

Individual universal life insurance is a flexible premium adjustable benefit life insurance policy that accumulates cash value. Universal life allows the owner to change or skip premium payments or change the death benefit more easily than any other policy. Cash values are accumulated by crediting premium payments and interest to a fund from which deductions are made for expenses and cost of insurance. Changes to premium and death benefit elements can affect the cash value, and increases in expenses and the cost of insurance can reduce the cash value and death benefit. Interest rates are linked to an external index such as Treasury bills. Because the cash value element of this type of policy is interest-rate sensitive, predictions of future costs are highly dependent upon the accuracy of interest rate projections. No-lapse guarantees may be an option.

4. Define and discuss individual variable universal life insurance:

Individual variable life insurance with characteristics of universal life, i.e., flexible premium adjustable benefit life insurance that accumulates cash value and depends on the performance of the separate account.

5. Understand that individual term life insurance policies generally do not include a cash value component with the exception of:

a. An individual term life insurance policy that provides guaranteed cash surrender values. The most common type is individual term life with return of premium.

b. Other types of term life policies *may* have cash value, depending upon how the policy is structured:

i. Limited pay term life (i.e., policies that become paid up after only a few premiums)

ii. Term policies with long level premium periods (30+ years)

iii. Term policies issued to higher issue ages (age 70+ or even younger for longer terms)

6. Define and discuss individual endowment life insurance:

An endowment life insurance policy insures the life of the policyholder. The policy may have a set maturity date, such as 5 years or 30 years, or the policy may end when the policyholder reaches a certain age. If the policyholder dies before the end of the period, the policy pays a death benefit to the beneficiaries. If the policyholder is living at the end of the policy period the policy pays the policyholder the face value of the policy, either in a lump sum or in installments.

7. Define and discuss individual modified endowment contracts:

A modified endowment contract is a cash value life insurance policy that has been overfunded, as determined by IRS guidelines. The overfunding triggers an irreversible loss of certain tax benefits.

8. Define and discuss individual funeral insurance, (also called “burial insurance”):

Funeral insurance is a life policy that pays a benefit to cover the funeral or burial expense of the person insured (up to $20,000 as stated in California Insurance Code [section 1749.01](https://leginfo.legislature.ca.gov/faces/codes_displaySection.xhtml?lawCode=INS&sectionNum=1749.01.)), who is living at the time the policy is issued. California Insurance Code [section 10240](https://leginfo.legislature.ca.gov/faces/codes_displaySection.xhtml?lawCode=INS&sectionNum=10240.). Particular requirements for these policies are set forth in California Insurance Code [sections 10240 – 10252](https://leginfo.legislature.ca.gov/faces/codes_displayText.xhtml?lawCode=INS&division=2.&title=&part=2.&chapter=3.&article=).

9. Define and discuss disability benefits in individual life insurance policies:

* 1. Waiver of premium or monthly deduction:

Insurance Code section 10271.1(a)(1): waiver of premium or waiver of monthly deduction benefit if the insured becomes totally disabled. Total disability shall be not less favorable to the insured than the definition in Insurance Code section 10271.1(a)(2). See also Insurance Code section 10271.1(a)(3) presumptive total disability, and Insurance Code section 10271.1(a)(4), (5), and (6).

* 1. Waiver of surrender charge:

Insurance Code section 10271.1(b): special surrender benefit, i.e., waiver of surrender charge benefit triggered by:

i. Terminal illness: Develops a “terminal illness” as defined in Insurance Code sections 10271.1(b)(1) and 10271.1(d).

ii. Receiving services: The individual is receiving home care or community-based services, nursing facility care, or residential facility care as defined in Insurance Code section 10271.1(b)(2).

iii. Fatal if untreated medical condition: The individual has a fatal if untreated medical condition as defined in Insurance Code section 10271.1(b)(3).

iv. Total disability: The individual is totally disabled as defined in Insurance Code section 10271.1(b)(4).

v. Chronic illness: The individual has a chronic illness as defined in Insurance Code section 10271.1(b)(5).

vi. Involuntary or voluntary unemployment. Insurance Code section 10271.1(b)(6).

c. Accelerated death benefit:

An accelerated death benefit provides for advance payment of any part of the death proceeds upon occurrence of a qualifying event:

i. Fatal if untreated medical condition, as defined in Insurance Code section 10295(b)(2)(A), or

ii. Chronic illness, as defined in Insurance Code section 10295(b)(2)(B). There is no requirement that the insured is receiving long-term care services.

If the benefit requires long-term care services or confinement to a nursing home as described in Insurance Code section 10231.2 et seq. it is a long-term care benefit.

iii. Long-term care, as defined in Insurance Code section 10231.2 et seq.

LTC training is required when an agent is transacting accelerated death benefit riders or policy provisions that provide long-term care coverage:

1) Eight (8) hours of LTC training prior to soliciting individual consumers for the sale of LTC insurance

2) Eight (8) hours of LTC training each of the first four years of licensing

3) Eight (8) hours of LTC training every two-year license term, beginning with the fifth year of licensing

d. Terminal illness, defined in Insurance Code section 10271.1(d) but governed by the general disability statutes.

10. Disability benefits in life policies with other triggers:

a. Accidental death or dismemberment or accidental loss of sight governed by the general disability statutes.

b. Disability income benefit

B. Training Goals

1. Understand common modes of premium payment

a. Single premium

b. Limited pay

c. Modified premium

d. Level

e. Fixed vs. flexible

f. Initial premium and guaranteed maximum premium

2. Be able to identify each of the following special purposes and when they are appropriate:

a. Family protection, family policy, and family rider

b. Juvenile policies (including jumping juvenile, payor Rider)

c. Joint life and survivorship policies

3. Be able to identify the insured’s rights to cancel a recently purchased life policy (known as the “free look” or “right to examine” requirements) when insured is:

a. An individual 60 years of age or older (Cal. Ins. Code [section 10127.10](https://leginfo.legislature.ca.gov/faces/codes_displaySection.xhtml?lawCode=INS&sectionNum=10127.10.))

b. An individual under 60 years of age (Cal. Ins. Code [section 10127.9](https://leginfo.legislature.ca.gov/faces/codes_displaySection.xhtml?lawCode=INS&sectionNum=10127.9.))

4. Be able to identify the notice requirements and penalties in the Requirements for Replacement of Life Insurance and Annuity Policies article (Cal. Ins. Code [sections 10509 through 10509.09](https://leginfo.legislature.ca.gov/faces/codes_displayText.xhtml?lawCode=INS&division=2.&title=&part=2.&chapter=5.&article=8.))

1. Life insurance illustrations: Understand the requirements for life insurance policy illustrations. Be able to identify the life insurance policy disclosures (Cal. Ins. Code sections [10509.950](https://leginfo.legislature.ca.gov/faces/codes_displaySection.xhtml?lawCode=INS&sectionNum=10509.950.), [10509.955](https://leginfo.legislature.ca.gov/faces/codes_displaySection.xhtml?lawCode=INS&sectionNum=10509.955.), [10509.957](https://leginfo.legislature.ca.gov/faces/codes_displaySection.xhtml?lawCode=INS&sectionNum=10509.957.) (supplemental illustrations) and [10509.970 through 10509.975](https://leginfo.legislature.ca.gov/faces/codes_displayText.xhtml?lawCode=INS&division=2.&title=&part=2.&chapter=5.6.&article=):

a. Requirements for compliant illustrations

b. Buyer’s guide

c. Cost indexes

d. Surrender charges

e. Surrender period

6. Regarding policy delivery, be able to identify:

a. The acceptable methods for delivery of a life policy to the owner of the policy (Cal. Ins. Code [section 10113.6](https://leginfo.legislature.ca.gov/faces/codes_displaySection.xhtml?lawCode=INS&sectionNum=10113.6.))

b. The purpose of a delivery receipt

7. Be able to define a life settlement contract and know its purpose and suitability. Life settlements are governed by California Insurance Code sections [10113.1](https://leginfo.legislature.ca.gov/faces/codes_displaySection.xhtml?lawCode=INS&sectionNum=10113.1.), [10113.2](https://leginfo.legislature.ca.gov/faces/codes_displaySection.xhtml?lawCode=INS&sectionNum=10113.2.), [10113.3](https://leginfo.legislature.ca.gov/faces/codes_displaySection.xhtml?lawCode=INS&sectionNum=10113.3.), [10113.35](https://leginfo.legislature.ca.gov/faces/codes_displaySection.xhtml?lawCode=INS&sectionNum=10113.35.).

a. Possible alternatives to life settlements

b. Owners’ rescission rights

c. Fraudulent life settlements (including stranger originated life insurance)

d. Know that a life agent must also be licensed as a life settlement broker in order to transact life settlements on behalf of a policy owner (Cal. Ins. Code [section 10113.2](https://leginfo.legislature.ca.gov/faces/codes_displaySection.xhtml?lawCode=INS&sectionNum=10113.2.))

8. Be able to identify the following “common provisions” of life policies:

a. Insuring clause

b. Free look

c. Consideration clause

d. Owner’s rights, including:

i. Assignment or transfer of policy

ii. Selecting or changing payment mode

iii. Selecting or changing beneficiaries.

iv. Conversion privilege (when applicable)

v. Cash values

vi. Dividends

vii. Surrender charges and periods

e. Beneficiary designations, including:

i. Eligible beneficiaries

ii. Primary and contingent (secondary)

iii. Common disaster clause (Uniform Simultaneous Death Act)

iv. Spendthrift clause

v. Revocable vs. irrevocable

vi. Be able to identify per capita vs. per stirpes

vii. Be able to identify the rights of beneficiaries and creditors

f. Grace period: California Insurance Code [section 10113.71](https://leginfo.legislature.ca.gov/faces/codes_displaySection.xhtml?lawCode=INS&sectionNum=10113.71.) requires a grace period of not less than 60 days for each life insurance policy issued or delivered in CA. The 60-day grace period does not run concurrently with the period of paid coverage. The policy remains in force during the grace period. Flexible premium variable life policies have a 61-day grace period. California Department of Insurance [Bulletin 87-3](https://www.google.com/url?client=internal-element-cse&cx=001779225245372747843:xivfnjvib5a&q=https://www.insurance.ca.gov/0250-insurers/0300-insurers/0200-bulletins/bulletin-notices-commiss-opinion/upload/Bulletin_87_3.pdf&sa=U&ved=2ahUKEwjC2YHGlo2FAxXYLkQIHfK5CGgQFnoECAEQAQ&usg=AOvVaw3UTWWfZXQ2ZghQp5tbaEpO), page 12, section 3.(c)(2)(B).

g. Automatic premium loan

h. Incontestability: California insurance Code [section 10113.5](https://leginfo.legislature.ca.gov/faces/codes_displaySection.xhtml?lawCode=INS&sectionNum=10113.5.). (2 years, no fraud exception)

i. Reinstatement

j. Policy loan: California insurance Code [sections 1230-1239.5.](https://leginfo.legislature.ca.gov/faces/codes_displayText.xhtml?lawCode=INS&division=1.&title=&part=2.&chapter=2.&article=5.5.)Variable life policy loan requirements are in [Bulletin 87-3](https://www.google.com/url?client=internal-element-cse&cx=001779225245372747843:xivfnjvib5a&q=https://www.insurance.ca.gov/0250-insurers/0300-insurers/0200-bulletins/bulletin-notices-commiss-opinion/upload/Bulletin_87_3.pdf&sa=U&ved=2ahUKEwjC2YHGlo2FAxXYLkQIHfK5CGgQFnoECAEQAQ&usg=AOvVaw3UTWWfZXQ2ZghQp5tbaEpO), page 15, section 3.(d).

k. Suicide: Variable life policy may include a 2-year exclusion for suicide, per [Bulletin 87-3](https://www.google.com/url?client=internal-element-cse&cx=001779225245372747843:xivfnjvib5a&q=https://www.insurance.ca.gov/0250-insurers/0300-insurers/0200-bulletins/bulletin-notices-commiss-opinion/upload/Bulletin_87_3.pdf&sa=U&ved=2ahUKEwjC2YHGlo2FAxXYLkQIHfK5CGgQFnoECAEQAQ&usg=AOvVaw3UTWWfZXQ2ZghQp5tbaEpO): page 16, section 3.(e)(1).

l. Misstatement of age or sex

m. Entire contract (California Insurance Code [section 10113](https://leginfo.legislature.ca.gov/faces/codes_displaySection.xhtml?lawCode=INS&sectionNum=10113.5.))

n. Representations not warranties (All statements purporting to be made by the insured shall, in the absence of fraud, be representations and not warranties. California Insurance Code [section 10113.](https://leginfo.legislature.ca.gov/faces/codes_displaySection.xhtml?lawCode=INS&sectionNum=10113.5.))

9. Notice of pending lapse and termination requirements: Notice of pending lapse and termination of a life policy is not effective unless it complies with Insurance Code [section 10113.71](https://leginfo.legislature.ca.gov/faces/codes_displaySection.xhtml?lawCode=INS&sectionNum=10113.71.) requirements.

10. The right to select a designee: An individual life policy shall not be issued or delivered in CA until the applicant has been given the right to designate at least one person in addition to themselves to receive notice of lapse or termination for nonpayment of premium. The insurer shall provide the applicant with a form to make the designation. The insurer shall notify the person each year of their right to designate. An individual life policy shall not lapse or be terminated for nonpayment of premium unless the insurer gives at least 30 days’ notice to the policyholder and their designee. Insurance Code [section 10113.72](https://leginfo.legislature.ca.gov/faces/codes_displaySection.xhtml?lawCode=INS&sectionNum=10113.72.).

11. Be able to differentiate the three nonforfeiture options:  
a. Cash surrender

b. Reduced paid up

c. Extended term

12. Be able to identify the common death benefit settlement options and why each might be selected:  
a. Lump sum

b. Fixed amount

c. Fixed period

d. Life income

e. Interest only

f. Payment of policy proceeds: California Insurance Code [section 10172.5](https://leginfo.legislature.ca.gov/faces/codes_displaySection.xhtml?lawCode=INS&sectionNum=10172.5.).

g. Retained asset account disclosures and requirements: California Insurance Code [sections 10509.930-10509.938](https://leginfo.legislature.ca.gov/faces/codes_displayText.xhtml?lawCode=INS&division=2.&title=&part=2.&chapter=5.&article=11.).

13. Be able to identify the dividend options that may be available to policy owners, including:  
a. Cash

b. Accumulation at interest

c. Paid-up additions

d. Reduced premium payment

e. One-year term

14. Common Policy Exclusions  
a. War or military service

b. Aviation

c. Illegal activity

d. Know that suicide during the contestability period usually results in a refund of premiums paid, not payment of the death benefit

e. Know that hazardous hobbies or occupations may result in the exclusion of certain causes of death by endorsement, resulting in a refund of premiums paid

15. Taxation of Life Insurance Policies   
a. Be able to identify the tax treatment regarding:

i. Premium payments

ii. Cash value accumulation or dividends

ii. Death benefit proceeds

iv. Settlement options

b. [Internal Revenue Code (IRC) section 1035](https://www.irs.gov/pub/irs-drop/rr-07-24.pdf) exchanges. Know what policy exchanges are or are not permitted, and how they are affected

c. Mature policy values

d. Non-Forfeiture

e. Be able to identify the IRC definition of modified endowment contract, including what effect this might have on a policyholder ([IRC section 7702](https://www.irs.gov/pub/irs-drop/rr-05-6.pdf))

III. Sales Practices

1. Suitability

1. Be able to define “suitability.”

a. Understand the producer’s legal and ethical obligations toward the consumer (and to the insurer and to regulators) with regard to the sale and suitability of a non-term life insurance policy

b. Be able to define the types of information that must be obtained from the consumer in order to make suitable life insurance policy purchase recommendations.

c. Be able to identify the product features and circumstances in which a life insurance policy would be suitable or unsuitable for a consumer.

2. Understand the processes in place to audit and supervise producer activities

3. Identify and understand the laws that protect senior consumers when they purchase or exchange life insurance policies.

4. Identify violations of suitability standards

5. Identify prohibited sales practices and unfair trade practices.

6. Know and understand the penalties for violations of applicable laws.

B. BusinessManagement

1. [Business Management Practices](https://www.insurance.ca.gov/0200-industry/0050-renew-license/0400-resident-materials/upload/BusinessManagementGuidelines.pdf)

* 1. Prohibited - Sales training, motivational training, self-improvement training, or training offered by insurers or agents regarding new products or programs.
  2. Accounting and financial management, including trust account maintenance, reconciliation and auditing, financial statements, business budgeting, income and expense ratios, banking and investment practices, and business perpetuation and planning.
  3. Information and database management, including recordkeeping, privacy law, and other legal requirements covering the use of information.
  4. Human resource management, including employee compliance supervision, recruitment, training, and licensing.
  5. Customer service management, consisting of methods to improve handling of consumer inquiries and complaints.
  6. Communication skills, consisting of methods to improve writing and verbal skills for communication with clients, employees, insurance carriers, claims departments, and regulators.

IV. Unfair Trade Practices

A. Prohibitions

1. Definitions and Examples

* 1. Illegal handling of premiums
     1. Commingling -mixing personal funds with the client’s money
     2. Charging too much and keeping the excess
     3. Charging premiums for coverage not in effect

1. Licenses-California Insurance Code [section 35](https://leginfo.legislature.ca.gov/faces/codes_displaySection.xhtml?lawCode=INS&sectionNum=35.)
   1. Transacting insurance without a license
   2. Transacting insurance outside the scope of a license
   3. Obtaining a license to write only controlled business
   4. Obtaining a license by fraud
2. Coercion
3. Intimidation
4. Boycott
5. Rebating
6. Illegal Inducement
7. Misrepresentation and Twisting - California Insurance Code [sections 780 through 784](https://leginfo.legislature.ca.gov/faces/codes_displayText.xhtml?lawCode=INS&division=1.&title=&part=2.&chapter=1.&article=6.)
8. False information and Advertising
9. False statements and Entries
10. Concealment-California Insurance Code [sections 330 through 339](https://leginfo.legislature.ca.gov/faces/codes_displayText.xhtml?lawCode=INS&division=1.&title=&part=1.&chapter=3.&article=1.)
11. Sales & Loan Requirements
12. Free Insurance-California Insurance Code [section 777.1](https://leginfo.legislature.ca.gov/faces/codes_displayText.xhtml?lawCode=INS&division=1.&title=&part=2.&chapter=1.&article=5.7.)
13. Defamation
14. Discrimination
15. Unfair Financial Planning Practices

B. Penalties

1. Be able to identify the California Insurance Code definition of transact and why the definition is important (Cal. Ins. Code sections [35](https://leginfo.legislature.ca.gov/faces/codes_displaySection.xhtml?lawCode=INS&sectionNum=35.), [1631](https://leginfo.legislature.ca.gov/faces/codes_displaySection.xhtml?lawCode=INS&sectionNum=1631.), and [1633](https://leginfo.legislature.ca.gov/faces/codes_displaySection.xhtml?lawCode=INS&sectionNum=1633.))

a. Know that the Code prohibits certain acts by unlicensed persons (Cal. Ins. Code [section 1631](https://leginfo.legislature.ca.gov/faces/codes_displaySection.xhtml?lawCode=INS&sectionNum=1631.))

b. Know the penalties for such prohibited acts (Cal. Ins. Code [section 1633](https://leginfo.legislature.ca.gov/faces/codes_displaySection.xhtml?lawCode=INS&sectionNum=1633.))

2. Written consent regarding persons engaged in the business of insurance whose activities affect interstate commerce (prohibited persons in insurance):

a. Be able to identify what conduct is prohibited and identify what civil and criminal penalties apply (United States Code, title 18, sections [1033](https://www.law.cornell.edu/uscode/text/18/1033) and [1034](https://www.law.cornell.edu/uscode/text/18/1034))

3. Be able to identify the penalty for unlawfully acting as an agent for a non-admitted insurer (Cal. Ins. Code [section 703](https://leginfo.legislature.ca.gov/faces/codes_displaySection.xhtml?lawCode=INS&sectionNum=703.))

4. Be able to identify the correct application of the Unfair Practices article, including its prohibitions and penalties (Cal. Ins. Code [sections 790 through 790.15](https://leginfo.legislature.ca.gov/faces/codes_displayText.xhtml?lawCode=INS&division=1.&title=&part=2.&chapter=1.&article=6.5.))

a. Know that only the Commissioner may enforce the provisions of the Unfair Practices Act

b. Know that the Commissioner may conduct hearings to identify additional unfair acts or practices and determine their enforcement

5. Be able to identify the privacy protection provisions of:

a. Gramm-Leach-Bliley Act (GLBA)/California Financial Information Privacy Act (California Financial Code [sections 4050 through 4060](https://leginfo.legislature.ca.gov/faces/codes_displayText.xhtml?lawCode=FIN&division=1.4.&title=&part=&chapter=&article=))

b. Insurance information and Privacy Protection Act regarding practices, prohibitions, and penalties (Cal. Ins. Code [sections 791 through 791.26](https://leginfo.legislature.ca.gov/faces/codes_displayText.xhtml?lawCode=INS&division=1.&title=&part=2.&chapter=1.&article=6.6.))

6. Be able to identify the notice requirements and penalties of the Requirements for Replacement of Life Insurance and Annuity Policies article (Cal. Ins. Code [sections 10509 through 10509.09](https://leginfo.legislature.ca.gov/faces/codes_displayText.xhtml?lawCode=INS&division=2.&title=&part=2.&chapter=5.&article=8.))