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INSURANCE CODE - INS

DIVISION 1. GENERAL RULES GOVERNING INSURANCE [100 - 1879.8] (*Division 1 enacted by Stats. 1935, Ch. 145.)*

PART 2. THE BUSINESS OF INSURANCE [680 - 1879.8] (*Part 2 enacted by Stats. 1935, Ch. 145.)*

CHAPTER 5. Production Agencies [1621 - 1758.993] (*Chapter 5 repealed and added by Stats. 1959, Ch. 4.)*

ARTICLE 7. License Qualification Examinations [1675 - 1684] (*Article 7 added by Stats. 1959, Ch. 4.)*

1675. The following applicants who have theretofore been licensed under this code are exempt from the requirements of this article:

- (a) An applicant for a license to act as a property broker-agent or a casualty broker-agent who has been licensed as a property broker-agent, casualty broker-agent, or surplus line broker during any part of the license year in which the application is filed or the immediately preceding license year.
- (b) An applicant for a license to act as a life agent who has been licensed as a life agent during any part of the license year in which the application is filed or the immediately preceding license year.
- (c) An applicant for a license to act as an accident and health or sickness agent who has been licensed as an accident and health or sickness agent during any part of the license year in which the application is filed or the immediately preceding license year.
- (d) An applicant for a license to act as a travel insurance agent.
- (e) An applicant specifically exempted from the particular qualifying examination requirement by other provisions of this code.
- (f) (1) A nonresident licensee who applies for a property broker-agent, casualty broker-agent, personal lines broker-agent, or life agent resident license in this state, and who is currently licensed for the same lines of authority in the state of the current resident license, shall not be required to complete an examination. The application shall be received within 90 days of the cancellation of the applicant's resident license and the producer database records, maintained by the National Association of Insurance Commissioners, shall indicate that the producer is licensed in good standing for the line of authority requested.

(2) Upon issuance of the California resident license, the examination waiver also applies to adding additional lines of authority to the California resident license provided that the individual was previously licensed in good standing for the requested additional lines of authority, and the application is received within 12 months of the cancellation of the applicant's previous resident license in another state.

(Amended by Stats. 2020, Ch. 184, Sec. 14. (SB 1255) Effective January 1, 2021.)

1676. (a) Except as set forth in Sections 1675 and 1679, the commissioner shall not issue a permanent license pursuant to this chapter to an applicant therefor unless the applicant has within the 12-month period next preceding the date of issue of the license taken and passed the qualifying examination for that license. This section shall not apply to a person licensed as a property broker-agent or as a casualty broker-agent who applies for a license as a personal lines broker-agent.

(b) An application for both the life and accident and health or sickness license types shall meet the requirement in subdivision (a) by passing one examination covering subjects pertaining to both license types. These applicants shall pay the fee for a life agent, as specified in paragraph (4) of subdivision (a) of Section 1751.

(c) An applicant for a life license pursuant to Section 1626 or a life license limited to the payment of funeral and burial expenses who is limited by the terms of a written agreement with an insurer that has filed on that life agent's behalf a notice of appointment with the commissioner to transact only specific life insurance policies or annuities having an initial face amount of twenty thousand dollars (\$20,000) or less that are designated by the purchaser for the payment of funeral and burial expenses, shall not be required to take the full life agent examination to obtain a license. The applicant shall be required to take an examination developed to test their knowledge of topics relevant to the type of policies that they are restricted to sell.

(Amended by Stats. 2020, Ch. 184, Sec. 15. (SB 1255) Effective January 1, 2021.)

1677. (a) Each qualifying examination for a license pursuant to this chapter shall be in writing and shall be of sufficient scope to satisfy the commissioner that the applicant has sufficient knowledge of, and is reasonably familiar with, the insurance laws of this state and with the provisions, terms, and conditions of the insurance that may be transacted pursuant to the license sought, and that the applicant has a general and fair understanding of the obligations and duties of the holder of that license.

(b) The examination for a license as a life agent, accident and health or sickness agent, property broker-agent, and casualty broker-agent shall be provided in English, Spanish, Simplified Chinese, Vietnamese, and Korean.

(c) On or after July 1, 2024, the examination for a license as a life agent, accident and health or sickness agent, property broker-agent, and casualty broker-agent shall also be provided in Tagalog.

(d) As part of the commissioner's annual report to the Governor required under Section 12922, the commissioner shall also include the following information:

(1) The number of people taking the Spanish, Simplified Chinese, Vietnamese, Korean, and Tagalog examinations.

(2) The first-time pass rate of the Spanish, Simplified Chinese, Vietnamese, Korean, and Tagalog examinations, including a comparison between the comparable licensing examination taken in English.

(e) This section shall become operative on January 1, 2024.

(Amended (as added by Stats. 2016, Ch. 560, Sec. 3) by Stats. 2023, Ch. 136, Sec. 1. (AB 451) Effective January 1, 2024. Section operative January 1, 2024, by its own provisions.)

1678. The commissioner shall administer qualifying license examinations under this chapter at test centers designated by the commissioner and through online proctored license examinations. The commissioner may give the examinations at more frequent intervals or in other places throughout the state.

(Amended by Stats. 2023, Ch. 204, Sec. 10. (AB 1140) Effective January 1, 2024.)

1679. (a) A nonresident applicant for a license shall be subject to the same qualifying examination as is required of a resident applicant. The examination may be administered to an eligible nonresident applicant through the insurance authority of the state, territory of the United States, or province of Canada of the applicant's residence; provided, however, that the commissioner may, in the commissioner's discretion, enter into a reciprocal arrangement with the officer having supervision of the insurance business in any other state, territory of the United States, or province of Canada whose qualification standards for the applicant to be examined are substantially the same as or in excess of those of this state, to accept, in lieu of the examination of an applicant residing therein, a certificate of the officer to the effect that the applicant is licensed in that state, territory of the United States, or province of Canada in a capacity similar to that for which a license is sought in this state and has complied with its qualification standards in respect to all of the following:

(1) Experience or training.

(2) Reasonable familiarity with the broad principles of insurance licensing and regulatory laws and with the provisions, terms, and conditions of the insurance which the applicant proposes to transact.

(3) A fair and general understanding of the obligations and duties of a holder of the license sought.

(b) The provisions of this section shall not apply to a nonresident applicant who maintains a license in a jurisdiction that grants reciprocity to California residents in accordance with Section 1638.5.

(c) A nonresident applicant for an organizational license shall name at least one person from a state other than California who may exercise the power and perform the duties under their license. Additional persons endorsed to that license may be residents of other states, including California.

(Amended by Stats. 2021, Ch. 133, Sec. 10. (SB 272) Effective July 23, 2021.)

1681. If an applicant fails the qualifying examination, that applicant may, subject to the provisions of Section 1682, retake a qualifying examination.

(Amended by Stats. 2021, Ch. 133, Sec. 11. (SB 272) Effective July 23, 2021.)

1681.5. (a) No person shall cheat on, subvert, or attempt to subvert, any licensing examination given by the department, including, but not limited to, engaging in, soliciting, or procuring any of the following:

(1) Any communication between one or more examinees and any other person, other than a proctor or examination official, while the examination is in progress.

(2) The taking of all or a part of the examination by a person other than the applicant.

(3) Possession or use at any time during the examination or while the examinee is on the examination premises of any device, material, or document that is not expressly authorized for use by examinees during the examination, including, but not limited to, notes, crib sheets, textbooks, and electronic devices.

(4) Failure to follow any examination instruction or rule related to examination security.

(5) The provision of false, fraudulent, or materially misleading information concerning education, experience, or other qualifications as part of, or in support of, any application for admission to any examination.

(b) Any person who willfully violates this section is guilty of a misdemeanor punishable by a fine not exceeding ten thousand dollars (\$10,000) or by imprisonment in a county jail not exceeding one year.

(c) The commissioner shall bar any candidate caught willfully cheating under this section from taking any license examination and from holding an active license under any provision of this code for a period of five years.

(Added by Stats. 2005, Ch. 312, Sec. 3. Effective January 1, 2006.)

1682. (a) (1) A person shall not be admitted to more than 10 license qualification examinations of the same type in any 12-month period.

(2) If a person is admitted to 10 license qualification examinations of the same type in any 12-month period, that person shall not be admitted to another examination of that type until a 12-month period has passed since that 10th examination.

(3) For purposes of this subdivision, the 12-month period ends at the end of the day immediately preceding the one-year anniversary date of the examination administration in question.

(b) For purposes of subdivision (a), the covered types of license qualification examinations are as follows:

(1) The accident and health or sickness agent type examinations, which include both of the following:

(A) The accident and health or sickness agent examination.

(B) The life and accident and health or sickness agent combination examination.

(2) The bail agent examination.

(3) The casualty broker-agent type examinations, which include all of the following:

(A) The casualty broker-agent examination.

(B) The commercial insurance examination.

(C) The property and casualty broker-agent combination examination.

(4) The commercial insurance type examinations, which include all of the following:

(A) The commercial insurance examination.

(B) The casualty broker-agent examination.

(C) The property and casualty broker-agent combination examination.

(D) The property broker-agent examination.

(5) The insurance adjuster examination.

(6) The life and disability analyst examination.

(7) The life limited to the payment of funeral and burial expense type examinations, which include all of the following:

(A) The life limited to the payment of funeral and burial expense examination.

- (B) The life and accident and health or sickness agent combination examination.
 - (C) The life agent examination.
- (8) The life and accident and health or sickness agent combination type examinations, which include all of the following:
- (A) The life and accident and health or sickness agent combination examination.
 - (B) The accident and health or sickness agent examination.
 - (C) The life limited to the payment of funeral and burial expense examination.
 - (D) The life agent examination.
- (9) The life agent type examinations, which include all of the following:
- (A) The life agent examination.
 - (B) The life and accident and health or sickness agent combination examination.
 - (C) The life limited to the payment of funeral and burial expense examination.
- (10) The limited lines automobile type examinations, which include all of the following:
- (A) The limited lines automobile examination.
 - (B) The personal lines broker-agent examination.
 - (C) The property and casualty broker-agent combination examination.
 - (D) The property broker-agent examination.
- (11) The personal lines broker-agent type examinations, which include all of the following:
- (A) The personal lines broker-agent examination.
 - (B) The limited lines automobile examination.
 - (C) The property and casualty broker-agent combination examination.
 - (D) The property broker-agent examination.
- (12) The property broker-agent type examinations, which include all of the following:
- (A) The property broker-agent examination.
 - (B) The commercial insurance examination.
 - (C) The limited lines automobile examination.
 - (D) The personal lines broker-agent examination.
 - (E) The property and casualty broker-agent combination examination.
- (13) The property and casualty broker-agent combination type examinations, which include all of the following:
- (A) The property and casualty broker-agent combination examination.
 - (B) The casualty broker-agent examination.
 - (C) The commercial insurance examination.
 - (D) The limited lines automobile examination.
 - (E) The personal lines broker-agent examination.
 - (F) The property broker-agent examination.
- (14) The public insurance adjuster examination.

(c) Notwithstanding subdivision (a), a person who has passed any of the following license qualification examinations shall not be admitted to a subsequent administration of that examination, unless that person is required by the commissioner or applicable law to retake the examination.

- (1) The accident and health or sickness agent examination.
- (2) The bail agent examination.
- (3) The casualty broker-agent examination.
- (4) The commercial insurance examination.
- (5) The insurance adjuster examination.
- (6) The life and disability analyst examination.
- (7) The life limited to the payment of funeral and burial expense examination.
- (8) The life and accident and health or sickness agent combination examination.
- (9) The life agent examination.
- (10) The limited lines automobile examination.
- (11) The personal lines broker-agent examination.
- (12) The property broker-agent examination.
- (13) The property and casualty broker-agent combination examination.
- (14) The public insurance adjuster examination.

(d) Except as provided in this article, there is not a limitation on the frequency with which a person may take license qualification examinations.

(Amended by Stats. 2020, Ch. 184, Sec. 17. (SB 1255) Effective January 1, 2021.)

1683. An applicant shall schedule or reschedule the applicant's qualifying examination using an electronic service approved by the commissioner. If an applicant fails to appear at the time and place set for the examination, the applicant shall be deemed to have failed the examination. If the applicant fails the qualifying examination, the commissioner shall give the applicant written notice thereof.

(Amended by Stats. 2021, Ch. 133, Sec. 12. (SB 272) Effective July 23, 2021.)

1684. Except as otherwise provided in this article, whenever reference is made in this article to an applicant for a license, such reference includes each natural person who applies to be named on the license of an organization, and wherever reference is made to a person who has been licensed in a specified capacity, such reference shall also apply to a person named to act in such capacity under the license of an organization.

(Added by Stats. 1959, Ch. 4.)