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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 8. Life and Disability Insurance Analysts [1831 - 1849]** ( *Heading of Chapter 8 amended by Stats. 1983, Ch. 962, Sec. 3.5.*  )

**1831.** The following persons are exempt from this chapter:

- (a) Active members of the State Bar of California.
- (b) Any person who has passed all of the qualifying examinations necessary to become an associate of the Society of Actuaries.
- (c) An officer or employee of any bank or trust company who receives no compensation from sources other than the bank or trust company for activities connected with his employment which would otherwise subject him to this chapter.
- (d) Any person employed by an employer who on behalf of his or her employer or any employee of his or her employer transacts life or disability insurance with, but not on behalf of, an insurer; or,

Advises his or her employer or any employee of his or her employer in any manner concerning life or disability insurance; if:

- (1) The employer receives no compensation by reason of such transactions or advice; and
- (2) Such person receives no compensation from any source other than his or her employer for such transactions and advice.

(e) An investment advisor, as defined in Section 25009 of the Corporations Code, when acting in that capacity.

(Amended by Stats. 1983, Ch. 962, Sec. 4.)

**1832.** An employee or officer of any insurer is not eligible for license as a life and disability insurance analyst. A life insurer shall not pay a life and disability insurance analyst any commission directly or indirectly, on any life or disability insurance transacted by and in the capacity as a life and disability insurance analyst.

(Amended by Stats. 1983, Ch. 962, Sec. 5.)

**1833.** A license to act as life insurance analyst shall not be issued to any person not residing in this state, nor to any person who is under 18 years of age at the time of application.

(Amended by Stats. 1971, Ch. 1748.)

**1834.** Such license shall be obtained only on a written application on a form prescribed by the commissioner. The commissioner may decline to act upon an incomplete or defective application until amendments or an amended application are filed with him which complete the prescribed form and are properly executed. He may prescribe the form of such amendments or amended application.

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

**1835.** The applicant shall answer under oath such interrogatories as the commissioner himself or through his deputies propounds on forms prepared by the commissioner.

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

**1836.** A license shall not be issued until the commissioner has satisfied himself upon evidence presented and recorded as to the integrity of the applicant and that the applicant:

- (a) Is of good business reputation and of good general reputation.

(b) Has a thorough knowledge of life or disability insurance.

(c) Has not participated in or been connected with any business transaction which, in the opinion of the commissioner, tends to show unfitness to act in a fiduciary capacity or to maintain the standards of fairness and honesty required of a trustee or other fiduciary.

(d) Has not willfully misstated any material fact in an application to the commissioner for a license or in a document filed in support of such an application, and has not obtained his or her license by concealment or knowing misrepresentation.

(e) Is a fit and proper person to hold the license applied for.

(f) Does not seek the license for the purpose of avoiding or preventing the operation or enforcement of the insurance laws of this state.

(g) Has within 12 months preceding issuance of the license taken and passed the qualification examination provided in this article.

*(Amended by Stats. 1983, Ch. 962, Sec. 6.)*

**1837.** The commissioner may decline to issue a license if an applicant:

(a) Has been refused a license or had a license revoked by any public authority for reasons which indicated lack of honesty or integrity or which showed improper business practice on the part of the applicant.

(b) Has been convicted of a misdemeanor or felony denounced by this code or one of the elements of which involved the misappropriation of money or property.

(c) Has committed an act forbidden by this code.

*(Added by renumbering Section 1887 by Stats. 1959, Ch. 753.)*

**1838.** A license shall not be refused by the commissioner on the basis of Section 1836, excepting subdivision (g), without hearing on notice to the applicant. The proceedings shall be conducted in accordance with Chapter 5 (commencing with Section 11500) of Part 1 of Division 3 of Title 2 of the Government Code, and the commissioner shall have all the powers granted therein.

*(Amended by Stats. 1983, Ch. 962, Sec. 7.)*

**1839.** The commissioner shall conduct or arrange for a written examination, to be given at least twice a year upon questions prepared by the commissioner, as to the qualifications of the applicant to act as a life and disability insurance analyst.

*(Amended by Stats. 1983, Ch. 962, Sec. 7.5.)*

**1840.** The examination shall be of sufficient scope to satisfy the commissioner that the applicant has sufficient knowledge of and is thoroughly familiar with the life and disability insurance laws of this state, and the provisions, terms, and conditions of life and disability insurance contracts written on residents of this state, and has a thorough and complete knowledge of life and disability insurance.

*(Amended by Stats. 1983, Ch. 962, Sec. 8.)*

**1841.** Every individual and organization licensee, and every applicant for such a license, under this chapter shall file with the commissioner in writing the true name of the individual or organization, and also all fictitious names under which he or she conducts or intends to conduct his or her business, and after licensing shall file with the commissioner any change in or discontinuance of those names. The commissioner may, in writing, disapprove the use of any true or fictitious name (other than the bona fide natural name of an individual) by any licensee on any ground set forth in Section 1724.5. A licensee may not use a true or fictitious name after being notified by the commissioner in writing that the use is contrary to this section. If the commissioner determines that there are facts in mitigation in connection with the continued use of the name, the commissioner may permit its use for a specified reasonable period of time if, in connection therewith, he or she imposes such conditions as will protect the public and achieve the purposes of this section. Any such permission, and any such conditions, shall be in writing.

*(Repealed and added by Stats. 1983, Ch. 962, Sec. 9.5.)*

**1842.** (a) The provisions of Chapter 5 (commencing with Section 1621) concerning the license period and the procedure and time for filing applications for renewal of licenses and for filing notices of intention to keep licenses in force applicable to life agents are applicable to licenses authorized by this chapter except that participation in the applications or notices by an admitted insurer is not required.

(b) The fee for filing an application for the issuance or renewal of a license to act as a life and disability insurance analyst or a notice of intention to keep the license in force is two hundred eighty-three dollars (\$283). As respects life and disability insurance analysts all references in Section 1718 to fees shall be deemed to be this fee. The fee for filing application to take the qualifying examination for life and disability insurance analyst is one hundred forty-one dollars (\$141) and the fee for filing the first application to take the qualifying examination must be paid at the same time the application for issuance of the license is paid. The fees specified in this

section shall be paid in advance, and shall be determined by multiplying the number of natural persons to be licensed, or to be named on or added to a license, by the amounts specified in this section as to each license, multiplied by the number of license years in the period of the license applied for, or the remaining period of the existing license counting any initial fractional license year of the period as one year for that purpose.

*(Amended by Stats. 2017, Ch. 534, Sec. 50. (AB 1699) Effective January 1, 2018.)*

**1842.1.** (a) An organization may hold a license to act as a life and disability insurance analyst. An organization is not eligible for license under this chapter if its articles of incorporation or association or agreement of copartnership forbid it to act in the capacity for which a license is sought.

(b) Only the following natural persons are eligible to be named under an organizational license under this chapter:

(1) Any general partner or employee of a copartnership.

(2) Any member, officer, or employee of an association.

(3) Any officer or employee of the corporation.

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

*(Added by Stats. 1983, Ch. 962, Sec. 11.)*

**1843.** The provisions of Sections 780, 781, 782 and 784, Article 6.5 (commencing with Section 790) of Chapter 2, and Article 13 (commencing with Section 1737) of Chapter 5 are applicable to licensees and applicants for license under this chapter.

*(Amended by Stats. 1983, Ch. 962, Sec. 12.)*

**1844.** Any person who acts, offers to act, or assumes to act, as a life and disability insurance analyst when not licensed by the commissioner as provided by this article, or after the license granted to him or her has been suspended or revoked, unless proceedings are pending in the courts to review the act of the commissioner, is guilty of a misdemeanor, punishable by a fine of not more than one thousand dollars (\$1,000) or by imprisonment for not more than one year or by both such fine and imprisonment.

*(Amended by Stats. 1983, Ch. 962, Sec. 12.3.)*

**1845.** Any person who acts, offers to act or assumes to act as a life and disability insurance analyst in violation of Section 1844 is guilty of a public nuisance and may be enjoined from so doing pursuant to Section 12928.6.

*(Amended by Stats. 1983, Ch. 962, Sec. 12.5.)*

**1846.** A licensee or applicant for a license under this article shall notify the commissioner, in writing, of any changes in the address from which he intends to conduct his business.

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

**1848.** A person licensed pursuant to this chapter shall not charge a fee for any service which is customarily associated with the solicitation of insurance sales or the servicing of insurance contracts written by the licensee or contracts for which the licensee is receiving compensation from the insurer. A licensee shall not receive any fee unless that fee is based upon a written agreement signed by the party to be charged.

The agreement shall include a statement that information and services concerning insurance policies may be obtained directly from the insurer without cost, a statement outlining the services to be performed for which a fee is to be charged, and the fee to be charged. Additionally, if the licensee is also licensed pursuant to Chapter 5 (commencing with Section 1621), there shall be a statement in the agreement indicating that the licensee is so licensed and, as such, receives commissions for the sale of products. A copy of every such agreement shall be retained by the licensee for not less than three years after the services have been fully performed.

*(Added by Stats. 1983, Ch. 962, Sec. 13.)*

**1849.** The department may, from time to time, publish rules and regulations regarding the initial and continuing qualifications to obtain the life and disability insurance analyst license. No person shall be eligible for a life and disability insurance analyst license

unless for five years preceding the date of the examination, he or she has been licensed as both a life-only and accident and health licensee pursuant to paragraphs (1) and (2) of subdivision (a) of Section 1626.

*(Amended by Stats. 2008, Ch. 300, Sec. 15. Effective January 1, 2009.)*