



RICARDO LARA
CALIFORNIA INSURANCE COMMISSIONER

NOTICE

TO: Education Providers and Other Interested Parties

FROM: Curriculum and Officer Review Bureau, Licensing Services Division

DATE: January 12, 2023

SUBJECT: Revised Ethics Training Includes New Law Requiring Providers to Incorporate Department's One Hour of Study on Insurance Fraud

Revised Ethics Curriculum

The California Department of Insurance (Department) recently approved the Commissioner-appointed Curriculum Board's proposed revisions to the *12-Hour Ethics and California Insurance Code Educational Objectives* (EO) and the *Three-Hour Ethics Training Course Development and Review Guidelines* (Guidelines) to incorporate one hour of study on insurance fraud. Revised ethics EOs and Guidelines are available on the Department's webpages under [Prelicensing Educational and Examination Objectives](#) and [Resident-Provider Continuing Education Courses, Outlines and Materials](#). Instructions to submit a new ethics course or to renew an ethics course are listed on page 4 of this Notice.

Required Ethics One-Hour Study on Insurance Fraud

Effective March 1, 2023, as contained in an enacted Department-sponsored bill, California Insurance Code sections [1749](#), [1749.3](#), [1749.31](#), [1749.32](#), and [1749.33](#) will require the EOs and the Guidelines to incorporate one hour of study on insurance fraud ([Senate Bill 1242](#), Senate Committee on Insurance, Chapter 424, Statutes of 2022). This one-hour insurance fraud training is a part of, and not in addition to, the 12-hour prelicensing ethics and three-hour ethics training requirement stated in the above sections.

Education Providers (Providers) are to reduce their current 12-hour prelicensing education and/or their three-hour ethics course by one hour and incorporate the Department's one-hour "[Agents and Brokers Anti-Fraud Training](#)" course, listed below, to these courses. The revised Guidelines provide direction to Providers who are currently offering a one-hour or two-hour ethics course.

The Department's Enforcement Branch–Fraud Division recently launched a one-hour insurance fraud course called "[Agents and Brokers Anti-Fraud Training](#)" to meet this new ethics requirement.

Providers are required to incorporate the "[Agents and Brokers Anti-Fraud Training](#)" course into new or current ethics courses for license applicants to complete before taking their license examination and for agents and brokers to complete at each license renewal to meet the new ethics requirements.

This training course is available on the Department's webpage [Education Provider Information](#) under the "Courses, Guidelines, Objectives, and Outlines" course listings as item #6. It is available in YouTube, MP4, and PowerPoint formats.

If a different format for this training is required, please call the Department's Curriculum Review Section at (916) 492-3064 or send an email to CDI.Education@insurance.ca.gov.

Important Note: In order to meet this training requirement, the Department is currently offering the "[Agents and Brokers Anti-Fraud Training](#)" course for one hour of continuing education (CE) course credit for those agents and brokers who are close to their license renewal or have already completed their CE requirements. This timeline is to give Providers sufficient time to incorporate the Department's one-hour insurance fraud ethics training into their current ethics courses.

One-Hour Anti-Fraud Training Frequently Asked Questions

1. *How can Providers offer the Department's one-hour anti-fraud training course?*

The "[Agents and Brokers Anti-Fraud Training](#)" course is available on the Department's [Education Provider Information](#) webpage as item #6 in the "Courses, Guidelines, Objectives, and Outlines" course listings. This one-hour training is available via YouTube, MP4, and PowerPoint formats.

2. *Are Providers who currently have an approved ethics 12-hour prelicensing and/or an approved three-hour training course required to reduce their course time to incorporate the Department's one-hour "[Agents and Brokers Anti-Fraud Training](#)" to their courses?*

Yes. Providers will need to incorporate the Department's one-hour anti-fraud training into their existing prelicensing and three-hour ethics training courses. When the ethics course is scheduled for renewal, Providers will need to update their ethics courses to meet the revised ethics curriculum and state where their course includes the Department's one-hour "[Agents and Brokers Anti-Fraud Training](#)".

3. *At renewal, can Providers who add the Department's one-hour "[Agents and Brokers Anti-Fraud Training](#)" renew their updated ethics courses or do they have to submit their ethics courses as a new course filing?*

Providers will be able to renew their existing course(s); however, they must submit their revised material along with the course renewal form.

4. *What is the deadline for Providers to implement this one-hour "[Agents and Brokers Anti-Fraud Training](#)" into their courses?*

Providers are to incorporate the one-hour anti-fraud training to their 12-hour prelicensing and three-hour ethics training courses now.

In addition, Providers may inform their clients that the Department has launched the one-hour "[Agents and Brokers Anti-Fraud Training](#)" to assist agents and brokers who have completed their CE requirement and/or only need to complete this one-hour anti-fraud training requirement.

5. Can Providers develop their own one-hour “[Agents and Brokers Anti-Fraud Training](#)” course?

No. Providers are required to use the Department’s one-hour “[Agents and Brokers Anti-Fraud Training](#)” linked here and throughout this Notice. However, this Notice provides authorization to Providers to use the Department’s “[Agents and Brokers Anti-Fraud Training](#)” course as their standalone one-hour ethics course by submitting a course application along with this Notice.

6. Are Providers who offer a one-hour or two-hour ethics course required to revise their courses to incorporate the Department’s one-hour “[Agents and Brokers Anti-Fraud Training](#)”?

If a Provider’s course material is one or two hours, the Provider has two options:

- (1) Revise the course to incorporate “[Agents and Brokers Anti-Fraud Training](#)”, OR
- (2) Include the following disclaimer:

“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.”

7. Are licensees required to complete the Department’s one-hour “[Agents and Brokers Anti-Fraud Training](#)” if their license has already been renewed?

Yes. On and after March 1, 2023, agents and brokers are required to complete the ethics one hour of study of insurance fraud training prior to each license renewal. Currently, agents and brokers can complete the Department’s “[Agents and Brokers Anti-Fraud Training](#)” to meet this requirement and receive one hour of CE course credit. After March 1, 2025, agents and brokers will be referred to their Providers to complete the ethics training course, which includes the Department’s new ethics one-hour “[Agents and Brokers Anti-Fraud Training](#)”.

8. How can Providers confirm licensees who are taking their ethics courses have completed the Department’s one-hour “[Agents and Brokers Anti-Fraud Training](#)”?

On the Department’s website, the “[Agents and Brokers Anti-Fraud Training](#)” includes an affidavit/certification upon completion of the course, which will be sent to the Department to record the one-hour course completion. Providers who offer ethics training courses are to require their students to complete the certificate at the end of the Department’s one-hour anti-fraud training course. This is the Provider’s confirmation that license applicants or agents or brokers completed this portion of their ethics training course.

Instructions for Ethics Course Renewals and New Course Submissions

Course Renewal

Due to the revisions made to the ethics EOs and Guidelines, Providers must submit their updated course curriculum at the time they renew their courses. The updated ethics courses must incorporate the Department's one-hour "[Agents and Brokers Anti-Fraud Training](#)".

The following are the required items to be submitted to the Department to renew their course(s) to ensure the renewal can be processed in a timely manner:

- 1) A completed provider course renewal letter, LIC 446-38, which is provided online to providers;
- 2) Updated ethics EOs and/or Guidelines;
- 3) A document that cross-references the updated training material to the revised course outline; and,
- 4) A renewal filing fee of \$15 for each ethics course or \$41 for each prelicensing course.

New Ethics 12-Hour, three-hour, and other Ethics Courses

Effective immediately, Providers submitting a new 12-hour, three-hour, or other ethics courses based on the Guidelines must incorporate the Department's one-hour "[Agents and Brokers Anti-Fraud Training](#)". Providers are required to submit the following items to the Department to ensure a timely review of the new course:

- 1) A completed Prelicensing/Continuing Education Program Course Approval Application, [LIC 446-3](#);
- 2) The ethics EOs and/or Guidelines;
- 3) A document that cross-references the training material to the course outline, if it is a prelicensing course; and,
- 4) A filing fee of \$41.

Providers must instruct their students according to the content contained in the revised EOs and Guidelines. The revised EOs and Guidelines include a link to access the Department's one-hour "[Agents and Brokers Anti-Fraud Training](#)", which is available on the Department's webpages under [Prelicensing Educational and Examination Objectives](#) and [Resident - Provider Continuing Education Courses, Outlines and Materials](#).

For any questions regarding this Notice or to receive a copy of the edited versions of the revised ethics EOs and/or Guidelines, please call CDI's Curriculum Review Section at (916) 492 -3064 or send an email to CDI.Education@insurance.ca.gov.