

California Continue Education General Requirement Changes for Life and Annuities

Life agents, who sell the following life insurance policies on or after 1/1/2025, must complete specific training requirements.

- a. A life agent licensed on or after 1/1/2024, who sells life insurance policies other than term life with no cash value, must complete 4 hours of training before soliciting individual consumers to sell non term life insurance policies.
- b. A life agent who sells variable life insurance policies must satisfactorily complete 2 hours of training before each license renewal.
 - I. Completion of the 4-hour annuity course required by CA INS § 1749.8 does not satisfy this training requirement.
 - II. The training is in addition to the annuity training required by CA INS § 1749.8(b).
 - III. The training will count toward the resident licensee's CE requirement and may result in completing more than the minimum number of CE hours set forth in CA INS § 1749.81.
- c. The training must:
 - I. be approved by the Commissioner;
 - II. cover topics related to the life insurance policies discussed in (a) and (b) above; and
 - III. cover California law, regulations, and requirements related to those life insurance policies, prohibited sales practices, and unfair trade practices.
- d. Subject matter determined by the Commissioner to be primarily intended to promote the sale or marketing of life insurance policies will not qualify for training requirement credit.
- e. Any course or seminar disapproved under this section will be presumed invalid for credit unless it is approved in writing by the Commissioner.
- f. These requirements apply to licenses that are issued or renewed on or after 1/1/2025.

For annuity transactions before 1/1/2025, the following training requirements apply to producers who transact annuity products.

- a. A producer must have adequate annuity product knowledge and comply with the insurer's standards for product training. Producers may rely on insurer-provided product-specific training standards and materials to comply with this paragraph.
- b. In addition to the insurer-provided product-specific training, producers must complete an approved one-time 8 credit-hour training course prior to transacting annuities and 4 CE hours every 2-year licensing period thereafter.
 - I. Completion of the initial 8-hour training course does not satisfy the 4 CE-hour training requirement.
 - II. The training must cover:
 - (1) the types of annuities and various classifications;
 - (2) identification of the parties to an annuity;
 - (3) how fixed, variable, and indexed annuity contract provisions affect consumers;
 - (4) the application of income taxation of qualified and non-qualified annuities;
 - (5) the primary uses of annuities; and
 - (6) prohibited sales practices, recognition of indicators that the prospective insured may lack memory or judgment to purchase an insurance product, replacement requirements, and disclosure requirements.

III. Training may be completed by classroom or self-study methods.

IV. The training course may not cover:

- (1) marketing information;
- (2) sales techniques; or
- (3) specific information about a particular insurer's products.

V. Insurers must verify that a producer has completed training before allowing the producer to sell annuity products.

VI. The annuities training requirement will count toward CE requirements and may result in completion of more hours than the minimum CE requirements.

For annuity transactions on or after 1/1/2025, the following training requirements apply to producers who transact annuity products.

a. A producer must have adequate annuity product knowledge and comply with the insurer's standards for product training. Producers may rely on insurer-provided product-specific training standards and materials to comply with this paragraph.

b. In addition to the insurer-provided product-specific training, producers must complete an approved one-time 8 credit-hour training course prior to transacting annuities and 4 CE hours every 2-year licensing period thereafter.

I. Producers who hold a life line of authority and who sell annuities must complete the course:

- (1) by 7/1/2025, if already licensed prior to 1/1/2025; or
- (2) prior to selling annuities, if the producer was licensed on or after 1/1/2025.

II. The training must cover:

- (1) the types of annuities and various classifications;
- (2) identification of the parties to an annuity;
- (3) how fixed, variable, and indexed annuity contract provisions affect consumers;
- (4) the application of income taxation of qualified and non-qualified annuities;
- (5) the primary uses of annuities; and
- (6) prohibited sales practices, the recognition of indicators that the prospective insured may lack the short-term memory or judgment to knowingly purchase an insurance product, and fraudulent and unfair trade practices, as well as annuity replacement and disclosure requirements, as provided under California law, including, but not limited to, Article 9.5.

III. Additional topics may be offered in conjunction with the required topics.

IV. The training course may not cover:

- (1) marketing information;
- (2) sales techniques; or
- (3) specific information about a particular insurer's products.

V. Training may be completed by classroom or self-study methods.

VI. Insurers must verify that a producer has completed training before allowing the producer to sell annuity products. An insurer may satisfy its responsibility by obtaining:

- (1) training course completion certificates;
- (2) reports provided by Commissioner-sponsored database systems or vendors; or
- (3) reports from a reasonably reliable commercial database vendor that has a reporting arrangement with approved insurance education providers.

