

DEPARTMENT OF INSURANCE

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**NOTICE**

TO: Insurers, Agents, Brokers and Other Interested Parties

DATE: December 4, 2008

SUBJECT: New Law Regulating Use of Senior Designations

Legislative Background

On September 26, 2008, Assembly Bill 2150 (Berg, Chapter 327, Statutes of 2008) was signed into law and will take effect on January 1, 2009. This new law, which adds Section 787.1 to the California Insurance Code (CIC), prohibits insurance agents and brokers from using a "senior designation" unless the designation has been approved by the California Department of Insurance (CDI).

A senior designation is defined as any degree, title, credential, certificate, certification, accreditation, or approval, that expresses or implies that a broker or agent possesses expertise, training, competence, honesty, or reliability with regard to advising seniors in particular on finance, insurance, or risk management.

A word, phrase, acronym, or logo constitutes a senior designation if it contains the word "senior," "Medicare," "Medi-Cal," "retire," "mature," "gerontology," or "elder," or any variation or synonym of one of these words within several words of the word "certified," "chartered," "registered," "adviser," "specialist," "consultant," "agent," "broker," "insurance," "planner," "professional," "enrolled," "accredited," "analyst," or "fellow," or any variation or synonym of one of these words. A word, phrase, acronym, or logo may also constitute a senior designation even if it does not contain one of these words.

Use of Senior Designations

Section 787.1 of the CIC establishes several conditions for agents and brokers when using senior designations. The use of a senior designation means utilizing a word, phrase, acronym, or logo, in any oral or written communication from which a sale of insurance to a senior may directly or indirectly result, that states or suggests, alone or in context, that a broker or agent holds a senior designation.

A broker or agent may not use a senior designation in a manner that misleads a person as to the significance of the senior designation. In addition, a broker or agent may not use a senior designation unless:

- (1) The broker or agent has been granted the right to use the designation by the organization that issues the designation and the broker or agent is currently authorized by the organization to use the designation;
- (2) The designation has been approved by the commissioner for use by brokers and agents in the sale of insurance to seniors; and

- (3) The broker or agent has been licensed for at least four years to sell the types of insurance with which the designation is used.

Exemptions from Requirements

An advanced academic degree, such as a Ph.D., M.B.A., or M.S., may be used without meeting these requirements if the degree was awarded by an institution of higher education that has been accredited by an organization that is on the United States Department of Education's list entitled "Accrediting Agencies Recognized for Title IV Purposes."

However, no general exemption exists for a job title. Therefore, an agent may not use a title such as "Senior Insurance Advisor," even if the word "senior" refers to seniority within a producer organization, rather than to senior citizens.

Advertisements Exclusively in California

When a broker or agent uses a senior designation on a business card, price quotation, or advertisement distributed exclusively in California, that writing must contain the words "California" or "CA" next to "Insurance Agent" or "Insurance Broker-Agent" and "License," and these words must be located immediately prior to the agent's or broker's license number, in type that is in the same font and at least the same size as the type used for the senior designation. For example: "John Doe, Registered Senior Consultant, California Insurance Agent License #0A12345."

Agents and Brokers Who Obtained a Senior Designation Before January 1, 2009

A broker or agent holding a designation that was obtained before January 1, 2009, may continue to use that designation until June 30, 2010, if the organization that issued the designation obtains CDI's approval for the designation. In addition, the organization must certify in a letter to the broker or agent that he or she completed at least 75 hours of education in topics relevant to the sale of insurance to seniors. Use of the designation after June 30, 2010 may require satisfaction of additional requirements that are currently being developed by CDI in conjunction with designation issuing organizations.

The new law will be available on CDI's website shortly. A regulation that clarifies and implements the law will also appear on CDI's website within several months. A list of CDI approved senior designations, and some of the more common senior designations that have either not yet been approved or have been disapproved, will also be included on this website on or shortly after December 15th, and will be updated as changes occur. If you need to know before that date whether a designation is approved, you should contact the organization that issued the designation; do not call CDI. Keep in mind that many designations, such as the Chartered Life Underwriter (CLU) and several others, do not meet the definition of a "senior designation" under AB 2150 and do not need to be approved.

If you have any questions, please send an e-mail through the [Producer Licensing Bureau](#) email or call CDI's Producer Licensing Hotline at (800) 967-9331 or (916) 322-3555. Please be sure to include your name, telephone number, license number and e-mail address in all correspondence with CDI.