

DEPARTMENT OF INSURANCE

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**NOTICE**

TO: Life Agents, Accident/Health Agents, Education Providers and Other Interested Parties

DATE: July 24, 2013

SUBJECT: Life and Disability Insurance Analyst License

What Is A Life and Disability Insurance Analyst and Who Needs this License?

As defined in Section 32.5 of the California Insurance Code, a Life and Disability Insurance Analyst is a person who for a fee paid by anyone other than an insurer, advises any person insured under or named as a beneficiary of, or having an interest in, a life or disability insurance contract in any matter concerning that contract or his or her rights in respect to the contract.

For instance, a person charging a fee to a consumer for reviewing an existing whole life insurance policy to determine whether the policy is worthwhile to keep in force is acting as a Life and Disability Insurance Analyst. Another example would be a person charging a fee to a consumer for ongoing monitoring of a life insurance policy for a trust or similar arrangement would be performing the duties of a Life and Disability Insurance Analyst.

Holding a license as a life and accident/health insurance agent does not entitle a person to act as a Life and Disability Insurance Analyst. To perform these activities, individuals must also obtain the Life and Disability Insurance Analyst license, unless meeting the definition of a person exempted from these licensing requirements as stated in Section 1831 of the California Insurance Code.* Also, Section 1832 of the California Insurance Code does not allow a Life and Disability Insurance Analyst to receive a commission from an insurer when the person is already receiving a fee from a consumer for reviewing the same existing life or disability insurance policy.

License Requirements

To qualify for a Life and Disability Insurance Analyst, individuals must be California residents; for at least the past five years must be licensed as both a life and accident/health agent; and successfully pass a qualifying license examination specific to the activities performed by Life and Disability Insurance Analysts. Additional information on the licensing requirements for this license is available on the department's website at: <http://www.insurance.ca.gov/0200-industry/0050-renew-license/0200-requirements/life-disability.cfm>

New and Improved Examination Preparation Materials

To better prepare candidates to successfully pass the qualifying examination for the Life and Disability Insurance Analyst license, the department, with assistance from the Commissioner's appointed Curriculum Board, recently developed a comprehensive examination content outline that details the material that will be covered in the examination.

The examination content outline contains Examination Objectives which consist of study material that includes California life and disability laws; the provisions, terms and conditions of a life and disability insurance contract; the types of these contracts being issued in California; and topics on life and disability insurance. Additionally, every topic and subtopic detailed in the Examination Objectives shows the assigned number of questions in that subject area that will be included in the examination. The new Objectives are now available at the following link on the department's web site: <http://www.insurance.ca.gov/0200-industry/0030-see-pre-lic/0100-requirements/prelicensing-educational-objectives.cfm>

For any other inquiries, please e-mail the department's Producer Licensing Bureau at <https://interactive.web.insurance.ca.gov/pli/servlet/InformationRequest> or you may contact the Producer Licensing Bureau's Education Section at (916) 492-3064.

*Section 1831 of the California Insurance Code exempts the following persons from licensure as a Life and Disability Insurance Analyst: active members of the State Bar of California; any person who has passed all of the qualifying examinations necessary to become an associate of the Society of Actuaries; 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; 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; and finally, an investment advisor, as defined in Section 25009 of the Corporations Code, when acting in that capacity.