



**RICARDO LARA**  
CALIFORNIA INSURANCE COMMISSIONER

## NOTICE

**DATE:** February 4, 2022

**TO:** All Admitted Insurers, Insurance Producers, Bail Agents, Independent and Public Adjusters, Pre-licensing Education Providers and Other Interested Parties

**SUBJECT:** **ANNUAL REMINDER** - Required Reporting of Change in Background Information

### Introduction

California Insurance Code (CIC) Section 1729.2 requires all licensees and applicants for licenses issued by the CDI's Producer Licensing Bureau to report any changes in background information to CDI within 30 days of the date the licensee or applicant learns of the change in background information.

The reporting requirements apply to both California resident and non-resident licensees and applicants. Moreover, the reporting of citations and/or traffic violations is required if the citation and/or violation is charged as a felony or results in a felony or misdemeanor conviction. It is the licensee/applicant's responsibility to understand the nature of any criminal charge and/or conviction and report accordingly.

### Consequences for Failure to Timely Report a Change in Background

Failure to report a change in background within 30 days may result in the revocation, suspension, or restriction of a license, along with the assessment of monetary penalties. In addition, failure to report a change in background while a license application is pending may result in the denial of the application, or in the issuance of a restricted license and assessment of monetary penalties

Below are general instructions for reporting a change in background to the California Department of Insurance (CDI) to comply with the change in background reporting requirements.

**Note: If you do not have any background changes to report, no action is required.**

### Background Changes Subject to the Reporting Requirement

- Felony and misdemeanor convictions, including convictions for driving under the influence (DUI), reckless driving, driving on a suspended/revoked license.
- A filing of felony criminal charges in state or federal court.
- Administrative actions regarding any professional or occupational license, including but not limited to actions against an insurance and/or real estate license.

- A licensee's discharge, or attempt to discharge, in a personal or organizational bankruptcy proceeding, an obligation regarding any insurance premiums or fiduciary funds owed to any company, including a premium finance company or managing general agent.
- Any admission, or judicial finding or determination, of fraud, misappropriation or conversion of funds, misrepresentation, or breach of fiduciary duty.

### **How to Report a Change in Background**

To report background changes to CDI, you may use the background change disclosure form available on CDI's website at [this link](#). Additional information regarding background change reporting requirements, as well as the reporting disclosure form, can be found by following the link [here](#) or by typing "background change" in the search box on CDI's homepage at [www.insurance.ca.gov](http://www.insurance.ca.gov).

You may also report background changes electronically to the National Insurance Producer Registry (NIPR) located at <http://www.nipr.com>. On this website, you can access the Attachment Warehouse for Reporting of Actions (ROA) by selecting "Reporting of Actions" under the "Attachments Documents" link. Documents submitted through the ROA service fully satisfy the Background Reporting requirements of Section 1729.2 of the CIC.

All documents must be submitted within 30 days of the background change to avoid an enforcement action on the license and/or assessment of monetary penalties.

### **Documents Required for Reporting a Change in Background**

When reporting a background change, you must include the following supporting documents:

- a comprehensive statement describing the background change;
- certified court documents showing the charges filed, final plea and sentence imposed;
- administrative or disciplinary documents identifying the violations alleged and the final decision; and
- any other information relative to the change.

### **Specific Requirements for Employees of Organizational Licenses**

If any of the changes in the background information involves a licensee or applicant who is listed as an endorsee on a business entity license, the licensee or applicant must also provide the notice of background change to any officer, director, or partner listed on that business entity license or application pursuant to Section 1729.2(a) of the CIC.

If you have questions about the background change reporting requirements you may contact CDI's Licensing Background Bureau at (916) 492-3650.