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## **NOTICE - Revised**

**TO:** Individual and Agency Producers, Independent and Public Insurance Adjusters, and Other Interested Parties

**FROM:** Licensing Services Division, Producer Licensing Bureau

**DATE:** December 22, 2022

**RE:** New Law Requires Licensees to Include Their License Number on Emails

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### **Background**

In 1995, the Legislature added section [1725.5](#) to the California Insurance Code (Cal. Ins. Code) to require various types of insurance licensees to print their license numbers on business cards, written price quotations for insurance products, and print advertisements distributed exclusively in this state for insurance products. That law took effect in 1997.

### **Requirement for License Number on Emails**

At that time, the use of emails to transact insurance was rare, but today it is a common practice. [Senate Bill \(SB\) 1242](#) (Committee on Insurance, Chapter 424, Statutes of 2022) added subsection (c) to Cal. Ins. Code section [1725.5](#) to modernize the requirements. Subsection (c) requires the specified licensees to include their license numbers on emails involving an activity for which a license is required so consumers can confirm that the person maintains an active license with the California Department of Insurance.

Starting January 1, 2023, the new Cal. Ins. Code section 1725.5(c) will take effect and require specific resident and non-resident insurance producers, independent insurance adjusters, public insurance adjusters, and analysts include their license number on emails.

This Notice answers some of the most common questions about the new law.

## General Questions

### 1. ***Which types of individual and organization\* insurance licenses does the law apply to?***

- Property broker-agents (Cal. Ins. Code section [1625](#))
- Casualty broker-agents (Cal. Ins. Code section [1625](#))
- Life agents (Cal. Ins. Code section [1626](#))
- Variable life and variable annuity (Cal. Ins. Code section [1758.1](#))
- Accident and health or sickness agents (Cal. Ins. Code section [1626](#))
- Personal lines agents (Cal. Ins. Code section [1625.5](#))
- Limited lines automobile insurance agents (Cal. Ins. Code section [1625.55](#))
- Surplus lines brokers (Cal. Ins. Code section [1765](#))
- Independent insurance adjusters (Cal. Ins. Code section [14020](#))
- Public insurance adjusters (Cal. Ins. Code section [15006](#))
- Life and disability insurance analysts (Cal. Ins. Code sections [1831 through 1849](#))

### 2. ***Does the law apply to all emails?***

The law applies to every email, regardless of where the emails are sent from or to, that involves an activity for which a person must hold one of the above types of license.

### 3. ***Are clerical activities that are exempt from licensure impacted by this law?***

No. Title 10 of the California Code of Regulations sections [2193 through 2193.3](#), which govern the clerical activities that are exempt from licensure, are not impacted by this new requirement. Section 1725.5(c) applies to emails that “involve an activity for which a license is required.”

### 4. ***Does the license number need to be a minimum size?***

Yes. The license number must be in a type size that is no smaller than the largest of any street address, email address, or telephone number of the licensee. For example, if an email includes a 10-point street address, an 11-point email address, and a 12-point telephone number, then the license number must be at least 12-point.

### 5. ***Does the license number need to be in a specific location on the email?***

Yes. The license number of an individual licensee must appear adjacent to or on the line below the individual’s name or title. The license number of an organization must appear adjacent to or on the line below the organization’s name.

\*Cal. Ins. Code section [1628](#) defines “organization” as meaning any legal entity other than a natural person. The term “organization” includes corporations, partnerships, Limited Liability Companies, and unincorporated associations that hold a license.

6. ***Would it be acceptable to have the National Producer Number on emails? If the response is “no,” would a hyperlink be acceptable under the individual’s name that links to a website listing the license numbers for every state where the licensee is licensed to work (including California)?***

No to both questions. Per [SB 1242](#), Cal. Ins. Code section 1725.5(c) is amended to read:

A person licensed under section [1625](#), [1625.5](#), [1625.55](#), [1626](#), [1758.1](#), [1765](#), [14020](#), or [15006](#), or [Chapter 8](#) (commencing with Section 1831), shall include the person’s *license number* in “the emails the person sends that involve an activity for which a license is required” [Italics added]. Cal. Ins. Code section [1725.5](#) applies to individuals and organizations who hold those specific California insurance licenses.

7. ***If an individual licensee sends an email while working for a licensed agency/organization, and both the individual’s and the agency’s/organization’s names appear on the email, which license number should be included on the email – the individual’s or the agency’s?***

Both license numbers are to be included if both the individual’s and the agency’s/organization’s names appear in the email. Cal. Ins. Code section 1725.5(c) states, in part, *the person’s license number* shall be in a type size that is no smaller than the largest of any telephone number, street address, or email address of *the person included in the email* [Italics added].

Cal. Ins. Code section [19](#) states: “Person” means any person, association, organization, partnership, business trust, limited liability company, or corporation.

8. ***If an individual licensee sends an email while working for two or more licensed agencies, but only one of the agencies is involved in the transaction to which the email relates, does the license number of the other agency also need to be included on that email?***

An email must include the individual’s license number and the license number of every agency whose name appears on an email.

### **Independent Insurance Adjusters Questions**

9. ***Does an independent adjuster sponsored (employee) in California, who works under the authority of a Qualified Manager (QM) of an organization, have to list the qualified manager’s license number or the organization license number or both?***

Both.

**10. When listing the QM and the organization's license numbers, is there a requirement for the employee to include the names and license numbers for the QM and organization?**

Yes.

Email signature examples:

John Doe, Claims Adjuster (or title provided by QM)  
Jane Doe, Qualified Manager, CA license #2A00000  
Adjuster Insurance Services, CA license #2B00000

If the independent insurance adjuster employee is also a license agent:

John Doe, Claims Adjuster (or title provided by QM), CA license #2C00000  
Adjuster Insurance Services, CA license #2B00000

Please direct questions to the Producer Licensing Bureau by Live Chat at [Agents & Brokers Overview](#), email at [cdilicensing@insurance.ca.gov](mailto:cdilicensing@insurance.ca.gov), or telephone at (800) 967-9331.

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