
THIRD READING

Bill No: AB 943
Author: Michelle Rodriguez (D)
Amended: 9/4/25 in Senate
Vote: 21

SENATE INSURANCE COMMITTEE: 7-0, 6/25/25
AYES: Rubio, Niello, Becker, Caballero, Jones, Padilla, Wahab

SENATE APPROPRIATIONS COMMITTEE: Senate Rule 28.8

ASSEMBLY FLOOR: 74-0, 5/12/25 - See last page for vote

SUBJECT: Insurance agents: prelicensing education

SOURCE: Association of California Life & Health Insurance Companies/
National Association of Insurance and Financial Advisors – California

DIGEST: This bill eliminates the requirement that certain California Department of Insurance (CDI) license applicants complete 20 hours of pre-licensing coursework, and allows CDI to charge fees for these applicants to complete the remaining 12-hour ethics course certification requirement.

ANALYSIS:

Existing law:

- 1) Requires all applicants for license as a property broker-agent, casualty broker-agent, limited lines automobile insurance agent, personal lines broker-agent, life agent, or accident and health or sickness agent to meet a minimum of 20 hours of pre-licensing study, among other requirements.
- 2) Requires the applicants mentioned above to have 12 hours of ethics instruction in addition to the 20 hours of pre-licensing education required to qualify for the specified licenses.

- 3) States that these applicants must pay a fee of \$75 for filing an application for certification of the pre-licensing education course.
- 4) States that these applicants must pay a fee of \$37 for filing an application to renew certification of a pre-licensing education course.

This bill:

- 1) Removes the requirement that applicants for property broker-agent, casualty broker-agent, limited lines automobile insurance agent, personal lines broker-agent, life agent, and accident and health or sickness agent licenses, complete 20 hours of pre-licensing education coursework.
- 2) States the Insurance Commissioner requires a fee of \$75 for applications for certification, or renewal of certification as a 12-hour ethics course or continuing education provider.
- 3) States the Insurance Commissioner requires a fee of \$75 for applications for certification of a 12-hour ethics course.
- 4) States the Insurance Commissioner requires a fee of \$37 for applications to renew certification of a 12-hour ethics course.
- 5) Contains language to resolve chaptering conflicts with AB 487 (Assembly Insurance Committee).

Related/Prior Legislation

AB 720 (De Leon, Chapter 270, Statutes of 2007). Set the requirement for 20 hours of pre-licensing education for various agent licenses.

FISCAL EFFECT: Appropriation: No Fiscal Com.: Yes Local: No

SUPPORT: (Verified 9/4/25)

Association of California Life & Health Insurance Companies (co- source)
National Association of Insurance and Financial Advisors – California (co-source)
American Council of Life Insurers
Finseca
Insured Retirement Institute
The Western Insurance Agents Association

OPPOSITION: (Verified 9/4/25)

Consumer Federation of California

ARGUMENTS IN SUPPORT:

According to the National Association of Insurance and Financial Advisors-California (NAIFA-CA) and the Association of California Life and Health Insurance Companies (ACLHIC), sponsors of this bill:

“California’s current pre-licensing education requirements for insurance producers create unnecessary barriers to entry, particularly for individuals from economically disadvantaged backgrounds. The rigid 20-hour line-specific instruction mandate places an undue burden on aspiring professionals with limited financial resources and time constraints, restricting opportunities for workforce participation and economic mobility.

Research from the National Association of Insurance Commissioners (NAIC) indicates that mandated pre-licensing hours do not correlate with exam passage rates. Additionally, a review of leading curriculum materials suggests that approximately 35% of the required content is redundant, increasing costs and time commitments without enhancing competency. These inefficiencies hinder new professionals from entering the industry while offering no measurable consumer protection benefits.

AB 943 proposes a more efficient and effective pre-licensing framework by reducing time-based instruction requirements to 12 hours while maintaining rigorous professional and ethical standards through comprehensive testing.”

ARGUMENTS IN OPPOSITION:

According to the Consumer Federation of California (CFC):

“CFC is currently unaware of the rationale for the reduction of pre-licensing education requirements, especially given the nature of California's current insurance marketplace. If anything, pre-licensing education requirements for newly applying insurance agents in various areas ought to be increased, not eliminated.

Since agents still would have to pass relevant licensing exams it would seem that eliminating 20 hours of pre-licensing education would have a detrimental impact on new agent exam passage rates. All that would be left is 12 hours on ethics and the Insurance Code (which includes 1 hour on insurance fraud). That seems insufficient to CFC.”

ASSEMBLY FLOOR: 74-0, 5/12/25

AYES: Addis, Aguiar-Curry, Ahrens, Alanis, Alvarez, Arambula, Ávila Farías, Bains, Bauer-Kahan, Bennett, Berman, Boerner, Bonta, Bryan, Calderon, Caloza, Carrillo, Castillo, Chen, Connolly, Davies, DeMaio, Dixon, Ellis, Flora, Fong, Gabriel, Gallagher, Garcia, Gipson, Jeff Gonzalez, Mark González, Hadwick, Haney, Harabedian, Hart, Hoover, Irwin, Jackson, Kalra, Krell, Lackey, Lowenthal, Macedo, Muratsuchi, Nguyen, Ortega, Pacheco, Papan, Patel, Patterson, Pellerin, Petrie-Norris, Quirk-Silva, Ramos, Celeste Rodriguez, Michelle Rodriguez, Rogers, Blanca Rubio, Sanchez, Schiavo, Schultz, Sharp-Collins, Solache, Soria, Ta, Tangipa, Valencia, Wallis, Ward, Wicks, Wilson, Zbur, Rivas

NO VOTE RECORDED: Elhawary, Lee, McKinnor, Ransom, Stefani

Prepared by: Brandon Seto / INS. / (916) 651-4110
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