

**DEPARTMENT OF INSURANCE**

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**BULLETIN NO.**        **2013-3**

**DATE:**                December 16, 2013

**TO:**                    All Admitted Insurers and Other Interested Parties

**SUBJECT:**            Notification of Fee Increase

In accordance with Insurance Code Section 12978, we are providing notification that the California Department of Insurance is increasing fees by 10 percent for all insurance producers, bail agents, insurance adjusters, and insurers operating in the State of California effective March 17, 2014. As an example, an insurance agent or broker will see an increase of only \$14 for each biennial license or renewal, which amounts to just \$7 per year.

Pursuant to Insurance Code Section 12978, the Department has the responsibility to set fees that provide sufficient revenue to support the Department's budget and meet critical workload demands to protect California's insurance consumers as well as ensure the solvency of the Insurance Fund. The Department works diligently to create operational efficiencies and control costs while improving service levels; however, Fees and License revenue has not kept pace with the cost of doing business. Expenditures in recent years, most outside of the Department's control, continue to outpace revenue growth. For example, employee compensation and statewide administrative costs have increased. Additionally, several newly enacted legislative mandates have increased the Department's workload and required additional resources. Therefore, this increase, only the second in a decade, is necessary to ensure revenues are sufficient to support expenditures. As always, the Department will continue to monitor the Insurance Fund in order to ensure its financial integrity.

Attached is the new fee schedule for your reference. If you have any questions, please contact our Producer Licensing Bureau at (800) 967-9331.

**PLEASE BE SURE THIS INFORMATION IS DISSEMINATED TO ALL YOUR APPOINTED AGENTS IN CALIFORNIA.**

ERIKA SPERBECK  
Deputy Commissioner  
Administration & Licensing Services Branch

Attachment