

CALIFORNIA LEGISLATURE

Senate Insurance Committee

2023 - 2024 Legislative Bill Summary



Senate Insurance Committee Measures	2
SB-8 (Blakespear) - Firearms liability insurance.	4
SB-263 (Dodd) - Insurance: annuities and life insurance policies.	4
SB-317 (Nguyen) - Insurance brokers and agents.	5
SB-370 (Gonzalez) - California FAIR Plan Association.	5
SB-505 (Rubio) - Property insurance.	6
SB-528 (Rubio) - California Earthquake Authority.	6
SB-577 (Hurtado) - Insurance.	6
SB-743 (Nguyen) - Insurance: false and fraudulent claims.	8
SB-793 (Glazer) - Insurance: privacy notices and personal information.	8
SB-1060 (Becker) - Property insurance underwriting: risk models.	9
SB-1217 (Glazer) - Pet insurance.	9
SB-1229 (Nguyen) - Insurance disclosures.	10
SB-1295 (Rubio) - Automobile insurance: notice of cancellation.	10
SB-1296 (Niello) - Insurance: judicial interpretation.	10
AB-451 (Calderon) - Insurance: license examinations.	11
AB-458 (Jones-Sawyer) - Shared mobility devices: insurance.	11
AB-571 (Petrie-Norris) - Medical malpractice insurance.	12
AB-844 (Gipson) - Zero-emission trucks: insurance.	13
AB-917 (Ortega) - Low-cost automobile insurance program.	14
AB-970 (Luz Rivas) - Insurance: Climate and Sustainability Insurance and Risk Reduction Program.	14
AB-1140 (Committee on Insurance) - Insurance.	15
AB-1505 (Rodriguez) - California Earthquake Authority: closed meetings.	21
AB-1578 (Valencia) - Insurance licensees.	21
AB-1844 (Calderon) - California FAIR Plan Association governing committee.	22
AB-1883 (Calderon) - Insurance: home protection contracts.	22
AB-1933 (Calderon) - Wildfire risk models.	22
AB-2260 (Calderon) - California FAIR Plan Association.	22
AB-2416 (Connolly) - Residential property insurance: wildfire risk.	23
AB-2743 (Pacheco) - Insurance: personal vehicle sharing.	23
AB-2996 (Alvarez) - California FAIR Plan Association.	24

AB-2996 (Alvarez) - California FAIR Plan Association..... 24
AB-3104 (Valencia) - California Travel Insurance Act..... 255

2023 - 2024 Committee Members:

Senator Susan Rubio (***Chair***)

Senator Janet Nguyen (***Vice Chair***)

Senator Marie Alvarado-Gil

Senator Bill Dodd

Senator Brian W. Jones

Senator Roger W. Niello

Senator Anthony J. Portantino

Senate Insurance Committee Measures

SB-8 (Blakespear) - Firearms liability insurance.

Requires a person who owns a firearm to obtain and continuously maintain a homeowner's, renters, or gun liability insurance policy specifically covering losses or damages resulting from the use of that firearm.

Status: Senate-Died - Insurance

SB-263 (Dodd) - Insurance: annuities and life insurance policies.

Existing law generally regulates classes of insurance, including life insurance and annuities. Existing law requires insurers to establish a system to supervise recommendations and set standards and procedures for recommendations for annuity products, which applies to any recommendation to purchase, exchange, or replace an annuity made to a consumer that results in the purchase, exchange, or replacement that was recommended. Existing law requires an insurance producer recommending the purchase or exchange of an annuity to have reasonable grounds for believing that the recommendation is suitable for the consumer, as specified.

This bill would limit application of these provisions to (1) a recommendation of an annuity made before January 1, 2025, that results in the purchase, exchange, or replacement that was recommended and (2) a sale of an annuity made before January 1, 2025, that is not based on a recommendation.

This bill would, with respect to the sales or recommendations of annuities made on or after January 1, 2025, require producers to act in the best interest of the consumer when making a recommendation of an annuity. The bill would require an insurer to establish, maintain, and utilize a system to supervise recommendations for annuities, which would apply to any sale of or recommendation made to a consumer to purchase, exchange, or replace an annuity. The bill would set forth various duties of an insurer and producer to ensure that recommended annuities are in the consumer's best interest, and would specify obligations that ensure a producer has acted in the best interest of a consumer, including the provision of specified information to the consumer. The bill would require a life insurer to provide a buyer's guide to all consumers who purchase an annuity. The bill would authorize the commissioner to require certain actions by, and impose sanctions and penalties on, insurers and their agents for a violation of these provisions.

Existing law requires an insurance producer who is otherwise entitled to engage in the

sale of annuity products to complete an annuity training course approved by the Insurance Commissioner prior to commencing the transaction of annuities.

This bill would apply this training requirement to producers who hold a life insurance line of authority, as specified, and who desire to sell annuities.

This bill would require a life agent, licensed on or after January 1, 2024, who engages in the sale of specified life insurance policies on or after January 1, 2025, to complete specified hours of life insurance training courses before soliciting consumers to sell these life insurance policies. The bill would require any life agent, who engages in the sale of variable life insurance policies, to complete specified hours of training before renewing their license. The bill would apply these training provisions to licenses that are issued or renewed on or after January 1, 2025.

Status: Chapter 2, Statutes of 2024

SB-317 (Nguyen) - Insurance brokers and agents.

Existing law generally regulates insurance and creates the Department of Insurance, headed by the Insurance Commissioner. Existing law authorizes a licensed life agent to present a proposal for insurance to a prospective policyholder on behalf of a life insurer for which the life agent is not specifically appointed and to transmit an application for insurance to that insurer. Under existing law, if a policy is issued under that application, the insurer authorized the agent to act on its behalf and is responsible for all actions of the agent relating to the policy and application, as if the agent had been duly appointed by the insurer. Existing law requires an insurer to give notice to the Insurance Commissioner of the appointment of the life agent as the insurer's agent within 14 days after the agent submits an application for insurance for which the insurer issues a policy.

This bill would extend the deadline by which an insurer is required to provide notice of that appointment to the commissioner to 15 days.

Status: Senate-Died - Insurance

SB-370 (Gonzalez) - California FAIR Plan Association.

Requires an agent or broker to provide a person seeking basic property insurance coverage with information regarding the California Department of Insurance (CDI) Home Insurance Finder.

Status: Assembly-In Floor Process

SB-505 (Rubio) - Property insurance.

Under existing law, the California fair access to insurance requirements (FAIR) Plan Association is a joint reinsurance association of state insurers that is established to, among other things, assist persons in securing basic property insurance for qualified property for which insurance cannot be obtained through the normal insurance market.

Existing law requires the association to develop and implement a clearinghouse program to help reduce the number of existing FAIR Plan policies and provide the opportunity for admitted insurers to offer homeowners' insurance policies to FAIR Plan policyholders.

This bill, on or after July 1, 2024, would require the association to develop and implement a similar clearinghouse program for commercial policies. The bill would require the association to comply with privacy statutes and regulations, as specified, pertaining to the information collected in both of the clearinghouse programs.

Status: Chapter 180, Statutes of 2023

SB-528 (Rubio) - California Earthquake Authority.

This bill clarifies confusing and outdated sections of the California Earthquake Authority's (CEA) statute regarding potential assessments of the insurance industry, and consolidates a Legislative reporting requirement.

Status: Assembly-In Committee Process - Insurance

SB-577 (Hurtado) - Insurance.

(1) Existing law generally regulates classes of insurance, including life insurance and annuities. Existing law, beginning on January 1, 2025, requires a life agent, licensed on or after January 1, 2024, engaging in the sale of specified life insurance policies on or after January 1, 2025, to complete specified hours of life insurance training courses before soliciting consumers to sell these life insurance policies. Existing law requires a life agent, engaging in the sale of variable life insurance policies, to complete specified hours of training before renewing their license and applies these training provisions to licenses that are issued or renewed on or after January 1, 2025.

This bill would clarify that the above-described training provisions apply to life agents selling individual life insurance policies and individual variable life insurance policies, as specified.

(2) Existing law authorizes service of legal process, notices, or other specified papers to be made in specified circumstances by delivering 2 copies to the commissioner or the commissioner's deputy, accompanied by payment of \$12.

This bill would instead authorize service of legal process, notices, or other specified papers to be made in specified circumstances by delivering 2 copies to the commissioner, the commissioner's deputy, or the commissioner's designated agent for service of process, accompanied by payment of a substituted service fee determined by the commissioner.

(3) Existing law prohibits knowingly employing runners, cappers, steerers, or other persons to procure clients or patients to perform or obtain services or benefits under workers' compensation coverage or a contract of insurance or that will be the basis for a claim against an insured individual or their insurer. Existing law authorizes a district attorney, the Insurance Commissioner, or an interested person to bring a civil action for a violation of that provision. If the district attorney elects not to pursue the matter due to insufficient resources, existing law authorizes the commissioner to proceed with the action. Existing law requires a copy of a complaint filed by an interested person to remain under seal for at least 60 days. Under existing law, an action brought by an interested person may be dismissed only if the court and the district attorney or the commissioner give written consent to the dismissal and their reasons for consenting.

This bill would authorize the commissioner to proceed with an action if the district attorney elects not to pursue the matter for any reason, and would eliminate the requirement that the district attorney or commissioner give their reasons for consenting to dismissal of an action brought by an interested person. The bill would clarify that a complaint filed by an interested person is required to remain under seal for at least 60 days from the date of service on the district attorney and commissioner.

(4) Existing law exempts from requirements for providing insurance set forth in the Insurance Code firefighters', police officers', and peace officers' benefit and relief associations that comply with specified criteria, including, among other things, a requirement that the membership consist solely of peace officers, members of police or fire departments, and emergency medical personnel employed by fire departments, as specified. Existing law prohibits these associations from operating or doing business in the state without a certificate of authority. Existing law requires an association to renew

its certificate of authority on or before July 1, 2019, and every 5 years thereafter.

This bill would, instead, require an association to renew its certificate of authority within 30 days after a change in name or address or before a merger.

(5) Existing law sets forth procedures for a special motion to strike in a civil cause of action arising from an act in furtherance of a person's right of petition or free speech and for offers to compromise before commencement of a civil trial or arbitration. Existing law exempts from these procedures an enforcement action brought in the name of the people of the State of California by the Attorney General, a district attorney, or a city attorney, acting as a public prosecutor.

This bill would additionally exempt from these procedures an enforcement action brought in the name of the people of the State of California by the Insurance Commissioner.

(6) This bill would make technical changes to eliminate outdated references and correct errors.

Status: Chapter 444, Statutes of 2024

SB-743 (Nguyen) - Insurance: false and fraudulent claims.

Existing law requires an insurer, in connection with an insurance application, contract, or provision, who prints, reproduces, or furnishes a form to any person that applies for a policy or seeks to make a change to an existing policy, among other specified actions, to include a prominent statement that it is a crime to knowingly present false and fraudulent information to obtain or amend insurance coverage.

This bill would require an insurer to provide the above statement regarding false and fraudulent information on a form upon which a person applies for a policy, seeks to amend insurance coverage, or furnishes information relating to underwriting criteria affecting premium or eligibility for coverage, under an existing policy, instead of when that person applies for a policy or seeks to make a change to an existing policy.

Status: Chapter 217, Statutes of 2023

SB-793 (Glazer) - Insurance: privacy notices and personal information.

Existing law, the Insurance Information and Privacy Protection Act, establishes privacy standards for the collection, use, and disclosure of information gathered in connection

with insurance transactions by insurance institutions, agents, and insurance-support organizations. The act requires an insurance institution or agent to provide a notice of information to applicants and policyholders in connection with specified insurance transactions. Existing regulations require an insurance licensee to annually provide a clear and conspicuous notice to customers that accurately reflects its privacy policies and practices.

This bill would codify the requirement to annually provide a clear and conspicuous privacy notice to customers. The bill would state that an insurance institution or agent is in compliance with this requirement if specified criteria are met, including informing the consumer of the right to submit a written request to access, correct, amend, or delete their personal information. The bill would authorize the notice to be combined with the notice provided in connection with specified insurance transactions.

Status: Chapter 184, Statutes of 2023

SB-1060 (Becker) - Property insurance underwriting: risk models.

Attempts to address insurers using risk models for underwriting purposes.

Status: Assembly-In Committee Process - Insurance

SB-1217 (Glazer) - Pet insurance.

Existing law generally regulates classes of insurance, including pet insurance. Under existing law, a pet insurance policy marketed, issued, amended, renewed, or delivered to a California resident on or after July 1, 2015, is subject to state regulation of pet insurance. Existing law requires an insurer transacting pet insurance to make specified disclosures to consumers. Existing law defines various terms relating to the regulation of pet insurance.

This bill would require an insurer to disclose if it reduces coverage or increases premiums based on the age of the covered pet or a change in the geographic location of the insured, as well as if it requires a medical examination to effectuate coverage or imposes a waiting period. The bill would authorize the issuance of a pet insurance policy that excludes preexisting conditions or imposes a waiting period, if specified criteria are met. The bill would require coverage to be issued no later than 12:01 a.m. on the 2nd day after receipt of a complete application and valid payment information, except as specified. The bill would set forth requirements for a pet wellness program, as defined, would prohibit the marketing of a wellness program as pet insurance, and would specify when a wellness program is considered a pet insurance policy. The bill

would also update existing definitions and define additional terms, including “orthopedic,” “producer,” and “renewal.”

Status: Chapter 612, Statutes of 2024

SB-1229 (Nguyen) - Insurance disclosures.

This bill will require a property and casualty insurer to disclose to an applicant or insured when it has used artificial intelligence to make decisions on, or make decisions that affect, applications and claims review, as specified.

This bill will declare that it is to take effect immediately as an urgency statute. Makes this chapter inoperative on January 1, 2030 and repeals it as of that date.

Status: Senate-Failed Passage in Committee - Insurance

SB-1295 (Rubio) - Automobile insurance: notice of cancellation.

Under existing law, a notice of cancellation of an automobile insurance policy shall not be effective unless mailed or delivered by the insurer to the named insured, lienholder, or additional interest at least 20 days prior to the effective date of cancellation, and at least 10 days’ notice of cancellation when the reason for cancellation is for nonpayment of premium. For purposes of this provision, nonpayment of premium means failure of the named insured to discharge when due any of their obligations in connection with the payment of premiums on a policy, or any installment of the premium, as specified. Existing case law requires the 10-day notice period for nonpayment to commence after default.

This bill would require that the 10-day notice period for nonpayment commence after nonpayment of premium due by the specified due date and make a cancellation for nonpayment effective, as specified, if the insured has not cured the nonpayment of premium due identified in the notice by the end of the 10-day period.

Status: Chapter 793, Statutes of 2024

SB-1296 (Niello) - Insurance: judicial interpretation.

Under existing law, law is a solemn expression of the will of the supreme power of the state, which is expressed in the state Constitution and in statutes. Existing law sets forth maxims of jurisprudence and provides rules for the interpretation of statutes.

This bill would state that a secondary source on insurance is not the law or public policy of the state, and is not authoritative if, among other things, it conflicts with the state Constitution or statutes.

Status: Senate-In Committee Process - Judiciary

AB-451 (Calderon) - Insurance: license examinations.

Existing law requires the Insurance Commissioner to give, at least once each month, in each of the cities in which they have an office, qualifying examinations for agent licenses. Existing law requires every qualifying examination to be in writing and to be of sufficient scope to satisfy the commissioner that the applicant has sufficient knowledge of, and is reasonably familiar with, the insurance laws of this state and with the provisions, terms, and conditions of the insurance that may be transacted pursuant to the license sought, and that the applicant has a general and fair understanding of the obligations and duties of the holder of that license.

Existing law, until January 1, 2024, requires the examination for a life agent or accident and health or sickness agent license be provided in English and Spanish.

Existing law also requires the commissioner to evaluate the Spanish exam and report the results, and specified information, to the Legislature.

This bill would require the examination for a license for a life agent, accident and health or sickness agent, property broker-agent, and casualty broker-agent to be provided in English, Spanish, Simplified Chinese, Vietnamese, Korean, and, commencing July 1, 2024, Tagalog.

This bill would require the commissioner to report specified information, including the number of people taking the non-English exams, and first-time pass rate.

Status: Chapter 136, Statutes of 2023

AB-458 (Jones-Sawyer) - Shared mobility devices: insurance.

Existing law requires a shared mobility service provider, as defined, to enter into an agreement with, or obtain a permit from, the city or county with jurisdiction over the area of use before distribution of a shared mobility device, as defined. Existing law requires that agreement or permit to require that the shared mobility service provider maintains a specified amount of commercial general liability insurance with, among other things, limits not less than \$5,000,000 aggregate for all occurrences during the policy period. Existing law also requires that agreement or permit to require the shared mobility

service provider to offer or make available, or confirm that the user of a shared mobility device maintains, insurance coverage for bodily injury or death suffered by a pedestrian when the injury or death involves, in whole or in part, the negligent conduct of the shared mobility device user, as specified.

This bill would provide that insurance coverage offered, made available, or confirmed under the above-described provisions is not a group insurance policy. The bill would also provide that the requirement on shared mobility service providers to offer, make available, or confirm insurance coverage for bodily injury or death suffered by a pedestrian involving the negligent conduct of the user does not prohibit an aggregated cap on that insurance coverage, and does not limit or supersede the requirement that the commercial general liability insurance maintained by the shared mobility service provider has limits not less than \$5,000,000 aggregate for all occurrences during the policy period.

Status: Chapter 440, Statutes of 2023

AB-571 (Petrie-Norris) - Medical malpractice insurance.

Existing law generally regulates classes of insurance, including liability insurance. Existing law defines “liability insurance” to include, among other things, insurance coverage against the legal liability of the insured, and against loss, damage, or expense incident to a claim arising out of the death or injury of any person as the result of negligence or malpractice in rendering professional services by any person who holds a certificate or license issued pursuant to the Medical Practice Act or the Osteopathic Initiative Act, or a license as a community clinic or health facility, as specified.

This bill would prohibit an insurer from refusing to issue or renew or terminating professional liability insurance for health care providers, as specified, and from imposing a surcharge or increasing the premium or deductible solely based on any prohibited bases for discrimination, including a health care provider offering or performing abortion, contraception, gender-affirming health care, or care related to those health care services that are lawful in this state but unlawful in another state.

The bill would prohibit an insurer from denying coverage for liability for damages arising from offering or performing abortion, contraception, gender-affirming health care, or care related to those health care services, if those services are within the scope of the insured’s license, the services are lawful in the state where they are offered or performed, and the policy would otherwise cover liability for damages arising from performing or rendering other professional services within the insured’s scope of license.

Status: Chapter 256, Statutes of 2023

AB-844 (Gipson) - Zero-emission trucks: insurance.

Existing law establishes the Air Quality Improvement Program, administered by the State Air Resources Board, for the purposes of funding projects related to, among other things, the reduction of criteria air pollutants and improvement of air quality. As part of the funding plan for the Air Quality Improvement Program, existing law requires the state board to include a 3-year investment strategy for zero- and near-zero-emission heavy-duty vehicles and equipment commensurate with meeting state greenhouse gas emissions reduction goals.

Existing law provides for the regulation of insurance by the Department of Insurance, which is under the control of the Insurance Commissioner.

This bill would require the department to implement specific data collections on the availability and affordability of insurance for heavy-duty trucks and truck fleets. The bill would require the department to issue a bulletin on or before February 1, 2024, to initiate the first data collection, and would require admitted insurers to respond on or before May 1, 2024. The bill would require the surveys and data calls to include specified information, including, among other things, whether an insurance company offers insurance for zero-emission truck options. The bill would require the information to be submitted to the commissioner and to be confidential, as specified. The bill would require the commissioner to publish the information in the aggregate, and would prohibit the identification of an individual respondent or insurer, except as specified. The bill would require the commissioner to establish and maintain a link on the department's internet website that provides public access to this aggregate information.

This bill would require the department, in consultation with the State Air Resources Board, to create a consumer-focused online insurance information resource tool for the public to use to readily find information and insurance options for battery-powered, hydrogen-powered, or other zero-emission advanced truck technology to provide a "one-stop" for the public. The bill would also require the department, in consultation with the state board, to create a strategy, on or before January 1, 2025, to address insurance gaps for new heavy-duty truck technologies, as specified.

Existing constitutional provisions require that a statute that limits the right of access to the meetings of public bodies or the writings of public officials and agencies be adopted with findings demonstrating the interest protected by the limitation and the need for protecting that interest.

This bill would make legislative findings to that effect.

Status: Chapter 347, Statutes of 2023

AB-917 (Ortega) - Low-cost automobile insurance program.

Existing law establishes, within the California Automobile Assigned Risk Plan, a low-cost automobile insurance program for all counties in California.

Existing law, until January 1, 2025, requires the California Automobile Assigned Risk Plan to report to the Insurance Commissioner on an annual basis on the status of the program and, on or before March 15 of each year, requires the commissioner to prepare and propose a plan in a report to the Legislature setting forth the commissioner's methods to inform households eligible for the program about the availability of low-cost automobile insurance. Existing law, on or before March 15 of each year, requires the commissioner to submit a combined report to the Legislature.

This bill would, instead, require the commissioner to submit the combined report to the Legislature on or before March 15, 2024, and on or before March 15 every 5 years thereafter. The bill would, instead, require the commissioner to submit the annual report on the methods to inform households eligible for the program to the Legislature on or before March 15, 2024, March 15, 2025, and March 15, 2026, and every 5 years thereafter. The bill would require this annual report to be posted on specified internet websites beginning with the report due on or before March 15, 2024. The bill would remove the January 1, 2025, sunset date, thereby extending the operation of the California Automobile Assigned Risk Plan indefinitely, and would make conforming changes.

Status: Chapter 350, Statutes of 2023

AB-970 (Luz Rivas) - Insurance: Climate and Sustainability Insurance and Risk Reduction Program.

Requires the California Department of Insurance (CDI), upon appropriation, to establish and administer the Climate and Sustainability Insurance and Risk Reduction Program.

Status: Assembly-Vetoed

Governor's Veto Message:

To the Members of the California State Assembly:

I am returning Assembly Bill 970 without my signature.

This bill requires the California Department of Insurance, upon appropriation, to establish and administer the Climate and Sustainability Insurance and Risk Reduction Program and creates eight climate insurance pilot projects to reduce physical risks from flooding and extreme heat in communities with high risks and low insurance uptake.

While I support the author's goal to expand insurance options in communities where climate risks are currently underinsured, this bill creates a significant state reimbursable mandate and new cost pressures in the millions of dollars that should be considered in the annual budget process.

In partnership with the Legislature, we enacted a budget that closed a shortfall of more than \$30 billion through balanced solutions that avoided deep program cuts and protected education, health care, climate, public safety, and social service programs that are relied on by millions of Californians. This year, however, the Legislature sent me bills outside of this budget process that, if all enacted, would add nearly \$19 billion of unaccounted costs in the budget, of which \$11 billion would be ongoing.

With our state facing continuing economic risk and revenue uncertainty, it is important to remain disciplined when considering bills with significant fiscal implications, such as this measure.

For this reason, I cannot sign this bill.

Sincerely,

Gavin Newsom

AB-1140 (Committee on Insurance) - Insurance.

(1) Existing law requires an owner or operator of a motor vehicle, or an owner of a vehicle used to transport passengers for hire not regulated by the Public Utilities Commission, to maintain liability insurance coverage for the named insured and any other person using the vehicle with permission in the amount of \$15,000 for the bodily injury or death of any one person, \$30,000 for the bodily injury or death of all persons, and \$5,000 for damage to the property of others resulting from any one accident.

Commencing on January 1, 2025, existing law would increase those minimum coverage amounts to \$30,000 for the bodily injury or death of any one person, \$60,000 for the bodily injury or death of all persons, and \$15,000 for damage to the property of others resulting from any one accident, and would again increase those amounts, as specified, on January 1, 2035.

This bill would limit application of the above-described increases for minimum liability insurance coverage to those policies and bonds that are issued or renewed on or after January 1, 2025, and on or after January 1, 2035, as applicable.

(2) Existing law creates the Department of Insurance, headed by the Insurance Commissioner, and generally regulates the business of insurance in the state. Existing law requires, biennially on July 1 of each even-numbered year after July 1, 2020, each admitted insurer with California premiums written of \$75,000,000 or more to report to the commissioner on its minority, lesbian, gay, bisexual, and transgender (LGBT), veteran, and disabled veteran-owned business procurement efforts and its governing board and board diversity efforts during the previous 2 years. Existing law requires the commissioner to establish and appoint an Insurance Diversity Task Force with at least 13, but not more than 15, members, including 2 members who are representatives of a minority business enterprise and a member who is a representative of an LGBT business enterprise.

This bill would include persons with disabilities, as defined, as part of each admitted insurer's procurement and diversity efforts that it reports to the commissioner biennially. The bill would require a member of the Insurance Diversity Task Force to be a member who is a representative of a persons with disabilities business enterprise, as defined.

(3) Existing law prescribes the commissioner's powers and duties, including various duties to regulate the business of insurance in this state and to enforce the execution of those laws. Existing law provides for the issuance of various licenses under the jurisdiction of the commissioner.

Existing law requires specified businesses and corporations to file certain business-related information with the Secretary of State and to pay specified filing fees. Existing law authorizes the Secretary of State to suspend the powers, rights, and privileges of a corporation if the corporation fails to perform specified acts.

This bill would make inactive the license of a licensee that is suspended by the Secretary of State. The bill would prohibit the licensee from conducting any activity for which a license issued by the commissioner is required until the licensee is no longer

suspended by the Secretary of State.

(4) Existing law requires the commissioner to submit to the Department of Justice fingerprint images and related information as specified by statute for specified applicants applying for a license, including a surplus line broker and a car rental agent. Existing law also requires the commissioner to give monthly qualifying examinations in each of the cities in which the commissioner has an office.

This bill would require the commissioner to submit fingerprint images and related information for applicants applying for a license as a self-service storage agent, a variable life and variable annuity agent, and a vehicle service contract provider. The bill would, instead, require the commissioner to administer qualifying license examinations at test centers designated by the commissioner and online, as specified.

(5) Existing law generally regulates the business of insurance in the state, including the conduct of insurance licensees. Existing law requires a specified licensee to include their license number in a type size, as specified, on business cards, written price quotations, and print advertisements and in an email that involves an activity for which a license is required. Existing law makes a person in violation of these provisions subject to a fine levied by the commissioner, as specified.

This bill would make those provisions applicable to bail licensees.

(6) Existing law authorizes the commissioner, after a hearing, to revoke the license, or issue an order suspending the license for a period, as specified, of a person to transact life settlements business if the commissioner concludes that it is contrary to the interests of the public for the licensee to continue.

This bill would authorize the commissioner, without a hearing, to suspend or revoke the license of a broker of life settlement contracts if the broker has been convicted of a felony, a specified misdemeanor, or had a previously issued professional, occupational, or vocational license suspended or revoked for cause within the preceding 5 years on grounds that would preclude the granting of a license by the commissioner.

(7) Existing law authorizes interindemnity, reciprocal, or interinsurance contracts to be entered into by physicians and surgeons, with respect to certain types of claims, including, but not limited to, bodily injury or property damage arising out of the conduct and of the operations of the member's professional practice occurring on the member's premises, in addition to medical malpractice claims. Existing law requires each participating member to enter into and receive an executed copy of a trust agreement

that governs the collection and disposition of all funds of the interindemnity arrangement. Existing law requires the members to receive specified notifications and ballots by first-class mail.

This bill would allow the members to be also notified by electronic transmission as well as allow for electronic ballots.

(8) Existing law requires that prior to incurring an obligation under a vehicle service contract, an obligor file with the Insurance Commissioner, and receive the commissioner's approval to use, a copy of an insurance policy covering 100% of the obligor's vehicle service contract obligations. In lieu of complying with this provision, existing law allows the obligor or its parent company to establish to the commissioner's satisfaction that it possesses a net worth of \$100,000,000. Existing law authorizes an obligor to have on file with the commissioner only one active policy from one insurer at any time.

This bill would, instead, require the obligor to have on file only one active policy from one insurer at any time. The bill would specify that the obligor, unless exempted, is required to comply with either provision, but not both.

(9) Existing law authorizes the commissioner to impose a monetary penalty on a person, or an individual who aids or abets the person, who has acted in a capacity for which a license, registration, or certificate of authority from the commissioner was required but not possessed. Existing law prohibits the commissioner from imposing this monetary penalty on the person or individual who has held a specified license or registration within the prior 5 years, including as an insurance agent, broker, or solicitor, surplus line broker, a bail licensee, or life and disability insurance analyst.

This bill would delete this prohibition, thereby authorizing the commissioner to assess a monetary penalty against these licensees.

(10) Existing law authorizes the Director of Employment Development to approve a settlement of a civil employment tax matter in dispute involving a reduction of tax in settlement of \$7,500 or less, and imposes specified procedures for settlements, including approval by the Attorney General, the administrative law judge, or the California Unemployment Insurance Appeals Board under certain conditions. For a settlement of any civil employment tax matter dispute involving a reduction of tax or penalties in settlement, existing law authorizes the director, and the administrative law judge or the appeals board, to approve settlements not exceeding \$5,000 without prior submission to the Attorney General. Existing law authorizes the director to recommend

to the appeals board a settlement of a civil employment tax matter dispute involving a reduction in tax exceeding \$7,500, and requires the recommended proposed settlement to be submitted to the Attorney General, as specified.

This bill would increase the dollar limits of those settlements to \$11,500 for purposes of the above-described provisions, thereby authorizing the director to approve settlements that are \$11,500 or less with or without approval from the Attorney General, and, beginning on January 1, 2025, would require the Employment Development Department to compute annual adjustments of that \$11,500 limitation by using a detailed calculation that considers the California Consumer Price Index.

(11) Existing law requires an insurer to file financial statements with the commissioner. For purposes of those financial statements, existing law authorizes a domestic insurer to take a credit for reinsurance when the reinsurance is ceded to an assuming insurer if specified requirements are met, including assurances from the assuming insurer that, among other assurances, the assuming insurer is not presently participating in any solvent scheme of arrangement, as defined, which involves ceding insurers in this state, and shall agree to provide security in an amount equal to 100% of the assuming insurer's liabilities to the ceding insurer if the assuming insurer enters into a solvent scheme of arrangement.

This bill would specify that the assuming insurer shall provide its security consistent with the terms of the scheme.

(12) Existing law establishes a Fraud Division within the Department of Insurance to investigate fraudulent claims. Existing law requires an insurer or licensed rating organization to notify the local district attorney's office and the Fraud Division of the Department of Insurance when the insurer or licensed rating organization knows or reasonably believes it knows the identity of a person or entity that committed a fraudulent act relating to a workers' compensation insurance claim or policy or reasonably believes that the fraudulent act was not reported to an authorized governmental agency.

This bill would delete the notification requirement for when the insurer or licensed rating organization reasonably believes the fraudulent act was not reported to an authorized governmental agency. The bill would also make a technical change to correct an erroneous reference in a related provision.

(13) Existing law creates the California Automobile Assigned Risk Plan to provide automobile insurance to those persons who would not otherwise be able to procure it,

and requires the plan to issue policies affording coverage, with exceptions, in the amount of \$15,000 for bodily injury to, or death of, each person as a result of any one accident and, subject to that limit as to one person, the amount of \$30,000 for bodily injury to, or death of, all persons as a result of any one accident, and the amount of \$5,000 for damage to property of others as a result of any one accident.

This bill would require a plan, for a policy or bond issued or renewed on or after January 1, 2025, to issue policies affording coverages, with exceptions, in the amount of \$30,000 for bodily injury to, or death of, each person as a result of any one accident and, subject to that limit as to one person, the amount of \$60,000 for bodily injury to, or death of, all persons as a result of any one accident, and the amount of \$15,000 for damage to property of others as a result of any one accident. The bill would also require a plan, for a policy or bond issued or renewed on or after January 1, 2035, to issue policies affording coverages, with exceptions, in the amount of \$50,000 for bodily injury to, or death of, each person as a result of any one accident and, subject to that limit as to one person, the amount of \$100,000 for bodily injury to, or death of, all persons as a result of any one accident, and the amount of \$25,000 for damage to property of others as a result of any one accident.

(14) Existing law establishes the California Partnership for Long-Term Care Program, administered by the State Department of Health Care Services, to link private long-term care insurance policies and health care service plan contracts that cover long-term care with the In-Home Supportive Services Program and the Medi-Cal program. Existing law requires a long-term care insurance policy or a health care service plan contract to contain certain provisions certified by the department, including protection against loss of benefits due to inflation. Existing law requires an insurer, if a premium increases, to offer the policyholder or certificate holder options to reduce coverage and lower the premium that would maintain partnership certification. Existing law requires a premium increase notification to include specified options, including additional options to reduce the daily benefit.

This bill would prohibit a premium rate schedule increase from exceeding a cumulative total of 40% over any 3-year period, and would require the amount of the increase to be spread equally over each of the 3 years. The bill would also require an insurer to send a premium increase notification each of the 3 years. The bill would require a premium increase notification to include these specified options, including additional options to reduce the daily benefit, if the Department of Insurance approves a premium rate schedule increase on or after January 1, 2023.

Status: Chapter 204, Statutes of 2023

AB-1505 (Rodriguez) - California Earthquake Authority: closed meetings.

The Bagley-Keene Open Meeting Act requires, with specified exceptions for authorized closed sessions, that all meetings of a state body be open and public and all persons be permitted to attend any meeting of a state body. Existing law establishes the California Earthquake Authority (CEA), administered under the authority of the Insurance Commissioner and governed by a 3-member governing board, to transact insurance in this state as necessary to sell policies of basic residential earthquake insurance. Under existing law, the CEA's governing board is advised by an appointed advisory panel.

This bill would provide, as an exception to the Bagley-Keene Open Meeting Act that the CEA's governing board or advisory panel is authorized to hold closed sessions when addressing the development of rates, reinsurance, and strategy when discussion in open session concerning those matters would prejudice the position of the CEA. The bill would authorize the CEA's governing board or advisory panel, at any regular or special meeting, to meet in a closed session as described above upon a 2/3 vote of the members present at the meeting taken after first providing an opportunity for members of the public to be heard on the issue of the appropriateness of meeting in closed session. The bill would require, after a closed session is held as described above, the CEA's governing board or advisory panel to reconvene in open session prior to adjournment and report, among other things, that a closed session was held. If the duration of a closed session is longer than 2 hours, the bill would require the CEA's governing board or advisory panel to provide reasonable notice to the public, as specified, before reconvening in open session.

Existing constitutional provisions require that a statute that limits the right of access to the meetings of public bodies or the writings of public officials and agencies be adopted with findings demonstrating the interest protected by the limitation and the need for protecting that interest.

This bill would make legislative findings to that effect.

Status: Chapter 301, Statutes of 2024

AB-1578 (Valencia) - Insurance licensees.

Existing law generally regulates the business of insurance in the state, including the conduct of insurance licensees. Existing law requires a specified licensee to include their license number in an email that involves an activity for which a license is required. Existing law requires the license number of an organizational licensee in an email to be

included adjacent to or on the line below the organization's name.

This bill, instead, would require the license number of an organizational licensee to appear adjacent to or on the line below the organization's name if the email is sent from the organization and not an individual licensee, and the communication involves an activity for which a license is required.

Status: Chapter 280, Statutes of 2023

AB-1844 (Calderon) - California FAIR Plan Association governing committee.

Allows the Speaker of the Assembly and the Chairperson of the Senate Committee on Rules to serve as nonvoting, ex officio members of the Fair Access to Insurance Requirements (FAIR) Plan Governing Committee, and would authorize each to name a designee to serve in their place.

Status: Senate-In Committee Process - Insurance

AB-1883 (Calderon) - Insurance: home protection contracts.

Implements an additional licensure process and other requirements related to the sale of home protection contracts.

Status: Senate-In Committee Process - Insurance

AB-1933 (Calderon) - Wildfire risk models.

Requires the California Department of Insurance (CDI) to report to the Assembly Committee on Insurance and the Senate Committee on Insurance regarding wildfire risk models, on or before, January 1, 2026, and annually thereafter.

Status: Senate-In Committee Process - Insurance

AB-2260 (Calderon) - California FAIR Plan Association.

Requires the California Fair Access to Insurance Requirements (FAIR) Plan to provide specified information to the Insurance Commissioner, Senate Committee on Insurance and the Assembly Committee on Insurance.

Status: Senate-In Committee Process - Insurance

AB-2416 (Connolly) - Residential property insurance: wildfire risk.

This bill requires the department, on or before January 1, 2030, and every five years thereafter, to consider whether or not to update its regulations to include additional building hardening measures for property-level mitigation efforts and communitywide wildfire mitigation programs. As part of this consideration, the bill would require the department to consult with specified agencies to identify additional building hardening measures to consider, as well as to develop and implement a public participation process during the evaluation.

Senate Floor Amendments of 8/23/24 delete the specific examples of building materials from the intent language of the bill.

Status: Senate-In Floor Process

AB-2743 (Pacheco) - Insurance: personal vehicle sharing.

Existing law generally regulates classes of insurance, including automobile liability insurance. Existing law prohibits classifying a private passenger motor vehicle as a commercial vehicle, for-hire vehicle, permissive use vehicle, or livery solely because its owner allows it to be shared, if specified criteria are met, including if the annual revenue received by the vehicle's owner generated by the personal vehicle sharing of the vehicle does not exceed the annual expenses of owning and operating the vehicle.

Existing law requires a personal vehicle sharing program, for each vehicle that it facilitates the use of, among other things, to provide insurance coverages for the vehicle and operator of the vehicle that are equal to or greater than the insurance coverages maintained by the vehicle owner, but no less than 3 times the minimum coverage amounts for private passenger vehicles.

Existing law requires an owner or operator of a motor vehicle, or an owner of a vehicle used to transport passengers for hire not regulated by the Public Utilities Commission, to maintain liability insurance coverage for the named insured and any other person using the vehicle with permission in the amount of \$15,000 for the bodily injury or death of any one person, \$30,000 for the bodily injury or death of all persons, and \$5,000 for damage to the property of others resulting from any one accident. Existing law increases these minimum amounts to \$30,000, \$60,000, and \$15,000, respectively, on January 1, 2025.

This bill would require a personal vehicle sharing program to provide, instead, insurance

coverages for the vehicle and operator at a minimum of \$45,000 for bodily injury or death for one person, \$90,000 for bodily injury or death for all persons, and \$15,000 for property damage, and, on and after January 1, 2031, to provide liability coverage at least 3 times the minimum insurance requirements for private passenger vehicles. The bill would require a personal vehicle sharing program to disclose to a vehicle owner and any person that operates the vehicle specified information, including the minimum mandatory coverage and limits that the personal vehicle sharing program is required to provide and the coverages and limits provided. The bill would require a personal vehicle sharing program to disclose in writing specified information to the vehicle owner, including that the vehicle owner's personal automobile insurance may expressly exclude coverage for the vehicle while it is being operated pursuant to a personal vehicle sharing program. A violation of these requirements would make a person liable for a specified civil penalty.

Status: Chapter 244, Statutes of 2024

AB-2996 (Alvarez) - California FAIR Plan Association.

This bill is an urgency measure that authorizes the California Infrastructure and Economic Development Bank (IBank), upon the request of the California Fair Access to Insurance Requirements Plan Association (FAIR Plan) to issue bonds to finance the costs of claims, to increase liquidity, and claims-paying capacity of the FAIR Plan, and to refund bonds previously issued for that purpose. Requires the FAIR Plan, with the approval of the Insurance Commissioner, to assess all members to pay all loan payments and the costs and expenses relating to a loan agreement with IBank, as well as to assess all members to repay a line of credit and its related costs and expenses.

Senate Floor Amendments of 8/23/24 specify that the FAIR Plan can request IBank bonds if granted prior approval from the Insurance Commissioner and made conforming changes to the assessments by FAIR Plan on members to pay bonds, loan agreements, or lines of credits with IBank.

Status: Senate-In Floor Process

AB-2996 (Alvarez) - California FAIR Plan Association.

This bill is an urgency measure that authorizes the California Infrastructure and Economic Development Bank (IBank), upon the request of the California Fair Access to Insurance Requirements Plan Association (FAIR Plan) to issue bonds to finance the costs of claims, to increase liquidity, and claims-paying capacity of the FAIR Plan, and to refund bonds previously issued for that purpose. Requires the FAIR Plan, with the

approval of the Insurance Commissioner, to assess all members to pay all loan payments and the costs and expenses relating to a loan agreement with IBank, as well as to assess all members to repay a line of credit and its related costs and expenses.

Senate Floor Amendments of 8/23/24 specify that the FAIR Plan can request IBank bonds if granted prior approval from the Insurance Commissioner and made conforming changes to the assessments by FAIR Plan on members to pay bonds, loan agreements, or lines of credits with IBank.

Status: Senate-In Floor Process

AB-3104 (Valencia) - California Travel Insurance Act.

Implements the California Travel Insurance Act to revise and recast the requirements for the transaction of travel insurance.

Status: Senate-In Committee Process - Insurance