

California State Legislature
Assembly Committee on Insurance

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LEGISLATIVE SUMMARY

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Automobile Insurance

AB-487 (Chen) - Automobile insurance.

This bill would increase the deductible allowed for modification of automobile physical damage coverage from \$100 to \$200, thus providing that modification of automobile physical damage coverage by the inclusion of a deductible that does not exceed \$200 is not a cancellation of the coverage or of the policy.

Status: Assembly Insurance Committee

Employment Development Department

AB-8 (Smith) - Unemployment benefits: direct deposit.

This bill would, by July 1, 2021, provide that the recipient of the unemployment compensation benefits has the right to choose whether the benefits payments are directly deposited into a qualifying account or applied to a prepaid debit card.

Status: Assembly Insurance Committee

AB-12 (Seyarto) - Personal information: social security numbers: the Employment Development Department.

This bill requires state agencies, as soon as is feasible, but no later than January 1, 2023, to stop sending any ongoing United States mail to an individual that contains the individual's social security number unless the number is truncated to its last four digits.

Status: Chaptered by Secretary of State, Chapter 509, Statutes of 2021

AB-19 (Santiago) - Unemployment insurance compensation: COVID-19 pandemic: temporary benefits.

This bill would require the Employment Development Department to provide, until July 1, 2022, following the termination of assistance pursuant to the federal Pandemic Unemployment Assistance and the Pandemic Emergency Unemployment Compensation or any other federal or state supplemental unemployment compensation payments for unemployment due to the COVID-19 pandemic, in addition to an individual's weekly benefit amount as otherwise provided for by existing unemployment compensation law, unemployment compensation benefits equivalent to the terminated federal or state supplemental unemployment compensation payments for the remainder of the duration of time the individual is unemployed due to the COVID-19 pandemic, notwithstanding the weekly benefit cap.

Status: Assembly Insurance Committee

AB-23 (Chen) - Benefits: eligibility determination: inmates.

This bill would, beginning July 1, 2021, require the Employment Development Department, as part of its process for determining eligibility for unemployment insurance benefits, cross-check all claimant information with state and county correctional facility inmate data in an effort to detect fraudulent applications.

Status: Assembly Insurance Committee

AB-24 (Waldron) - Unemployment insurance: benefit determination deadlines.

This bill would require the Employment Development Department to provide a claimant with a notification of the computation used to determine their benefits within 30 days of the receipt of the claim and to respond to a challenge by the claimant or the base employer based on the computation or recomputation of benefits within 15 days of the receipt of the protest.

Status: Assembly Insurance Committee

AB-42 (Lackey) - Unemployment insurance: advisory committee on unemployment insurance.

This bill would require the Employment Development Department (EDD) to establish, upon appropriation by the Legislature, an advisory committee to advise EDD on matters within EDD's jurisdiction, including, but not limited to, unemployment insurance. The bill would require the advisory committee to hold open and public meetings in compliance with the Bagley-Keene Open Meeting Act at least once a quarter. The bill would require, commencing on January 1, 2023, the advisory committee to prepare and publicly publish an annual report describing its activities, including, but not limited to, recommendations made by the advisory committee and EDD's response to those recommendations.

Status: Assembly Insurance Committee

AB-56 (Salas) - Benefits: outgoing mail: claim processing: reporting.

This bill requires an annual corrective action plan to be completed by the Employment Development Department (EDD) and be submitted to the Legislature every December 15. If the EDD fails to comply by January 1, 2023, the bill would require, upon appropriation by the Legislature, EDD to provide access to and pay for identity theft monitoring for any individual who receives outgoing United States mail from EDD that contains full social security numbers in violation of the bill's provisions. This bill will require EDD, for purposes of unemployment compensation, upon appropriation by the Legislature, to comply with various reporting and review processes. This bill will require EDD, to report specified information regarding overpayments at least once every 6 months on its internet website, to immediately perform a risk assessment of its deferred workloads, and to develop a workload plan that prioritizes its deferred workloads based on that risk assessment. This bill requires EDD to revise its public dashboards with regard to the number of backlogged claims. The bill also requires EDD to implement a formal policy that establishes a process for tracking and periodically analyzing the reasons why unemployment insurance claimants call for assistance and to regularly analyze this data, to improve its call center.

Status: Chaptered by Secretary of State, Chapter 510, Statutes of 2021

AB-74 (Lorena Gonzalez) - Unemployment and disability benefit payments: direct deposit.

This bill would require the Employment Development Department, before commencing payment, to provide the option of direct deposit for unemployment compensation benefits and disability benefits to claimants.

Status: This measure was substantially amended outside the jurisdiction of the Assembly Insurance Committee on June 21, 2021.

Chaptered by Secretary of State, Chapter 410, Statutes of 2021

AB-110 (Petrie-Norris) -Fraudulent claims for unemployment compensation benefits: inmates.

This bill requires the Department of Corrections and Rehabilitation to provide the names and social security numbers of current inmates to the Employment Development Department (EDD) for the purpose of preventing payments on fraudulent claims for unemployment compensation benefits, and would require EDD to cross match that information before any payment of unemployment compensation benefits is provided.

Status: Chaptered by Secretary of State, Chapter 511, Statutes of 2021

AB-123 (Lorena Gonzalez) - Paid family leave: weekly benefit amount.

This bill would have increased the wage replacement rate for paid family leave claims commencing after January 1, 2023, but before January 1, 2025 to 65% or 75%; and for claims commencing after January 1, 2025 to 70% or 90%.

Status: Vetoed by Governor

Governor's Veto Message:

To the Members of the California State Assembly:

I am returning Assembly Bill 123 without my signature.

This bill revises formulas for determining benefits under the State Disability Insurance (SDI) program, which includes Disability Insurance (DI) and Paid Family Leave (PFL) programs, beginning January 1, 2023.

My Administration has been a strong advocate for expanding access to DI and PFL programs, and I am proud of the progress we have made in collaboration with the Legislature. In 2019, I signed SB 83 (Chapter 24) which extended the maximum duration of paid family leave benefits from 6 to 8 weeks and AB 406 (Chapter 386) which required PFL applications to be provided in multiple languages. Last year, I signed SB 1383 (Chapter 86) which provided job-protected leave to employees working for employers with five or more employees. This year, I signed AB 138 (Chapter 78) which extended increased wage replacement rates to 2023.

This bill would create significant new costs not included in the 2021 Budget Act and would result in higher disability contributions paid by employees. I look forward to continued partnership with the Legislature to ensure that workers have true access to programs providing family leave.

Sincerely,

Gavin Newsom

AB-274 (Davies) - Unemployment benefits: chip-enabled cards.

This bill would revise the definition of prepaid card or prepaid card account by requiring cards to be chip-enabled.

Status: Assembly Insurance Committee

**AB-360 (Patterson) - Employment Development Department:
Unemployment Insurance Reform Project.**

This bill would establish the Unemployment Insurance Reform Project to be administered by the Director of the Employment Development Department (EDD). Under the bill, EDD would be required to comply with various reporting and review processes. In this regard, the bill would require EDD to report specified information regarding overpayments at least once every 6 months on its internet website, to immediately perform a risk assessment of its deferred workloads, and to develop a workload plan that prioritizes its deferred workloads based on that risk assessment. The bill would require EDD to develop a recession plan so that it is well prepared to provide services during future economic downturns. The bill would require EDD to, by March 1, 2021, revise its public dashboards with regard to the number of backlogged claims, as specified.

Status: Assembly Insurance Committee

**AB-397 (Mayes) - Unemployment insurance: benefits: disqualification:
notice.**

This bill requires the Employment Development Department to provide an individual additional notification prior to disqualifying them from unemployment insurance benefits.

Status: Chaptered by Secretary of State, Chapter 516, Statutes of 2021

AB-400 (Petrie-Norris) - Unemployment insurance: Unemployment Insurance Oversight Advisory Board.

This bill would create an advisory board of legislative and gubernatorial appointees, within the Labor and Workforce Development Agency, to review the Unemployment Insurance operations of the Employment Development Department (EDD) and make recommendations on efficiency, customer service, access to benefits, fraud, strategic planning and operations. It requires the board to issue recommendations quarterly with and requires EDD to respond to the recommendations through annual reports.

Status: Assembly Appropriations Committee

AB-401 (Chiu) - Employment Development Department: language translations.

This bill would expand access to language translations in the Employment Development Department (EDD). This bill would require all standard information employee pamphlets concerning unemployment and disability insurance programs be printed in any written language that is or becomes a Medi-Cal threshold language in any county. Would require all online interface and paper applications for all benefits programs administered by EDD, all documents and all written communications be translated in any written language that is or becomes a Medi-Cal threshold language in any county.

Would require, upon a claimant's request, EDD to read a document aloud and orally explain the document to the claimant in their preferred language. Would require a community review process to ensure plain language, readability, and cultural appropriateness. Would require proactive collection of an individual's language preference and requires all communication with EDD be in the individual's preferred language. Would require EDD to report on the preferred written and spoken languages of applicants and claimants and how applications have been resolved, including processing times, denial rates and the basis for denials.

Status: Senate Appropriations Committee

AB-402 (Wicks) -Office of the Claimant Advocate and Stakeholder Advisory Group.

This bill would create the Office of the Claimant Advocate within the Employment Development Department (EDD) for the purpose of protecting Californians' rights in seeking benefits administered by EDD, including unemployment and disability insurance, and creates a Stakeholder Advisory Group within EDD.

Status: Ordered to inactive file on the Senate Floor

AB-548 (Carrillo) - Unemployment compensation benefits: overpayments.

This bill would modify the 30% penalty assessment on overpayment of unemployment compensation benefits to be a one-time penalty, to the extent required by federal law. The bill, with regard to the Employment Development Department's (EDD) findings regarding overpayment, would additionally require EDD to find that a false statement or representation, or the withholding of a material fact, was made with fraudulent intent. The bill would authorize interest to be charged and collected on overpayments, to be calculated at a specified rate, if an individual has been charged an overpayment penalty for Pandemic Unemployment Assistance benefits. The bill would require revenues of that interest to be deposited 50% into the Unemployment Trust Fund and 50% into the Employment Development Department Benefit Audit Fund. The bill would prohibit the director from commencing recovery of overpayments of unemployment compensation benefits until the-termination of the declared COVID-19 state of-emergency.

Status: Assembly Insurance Committee

AB-867 (Kiley) - Family care leave: child deceased in childbirth.

This bill would expand eligibility for benefits under the paid family leave program by expanding bonding leave relating to a child's birth to include leave for a parent who was pregnant with a child, if the child dies unexpectedly during childbirth at 37 weeks or more of pregnancy.

Status: Assembly Insurance Committee

AB-980 (Megan Dahle) - Employment Development Department: claim information.

This bill would require the Employment Development Department to make available, to employers, a list of claimants approved to receive unemployment insurance benefits, via the EDD's online portals.

Status: Assembly Appropriations Committee

AB-1008 (Grayson) - Unemployment insurance: employee status: definition.

This bill, among other things, would exempt from the definition of employment, a seller that sells or demonstrates products in the buyer's business. The bill would also specify that certain types of vehicles used to sell specified tools do not qualify as a retail or wholesale establishment for purposes of these provisions.

Status: Assembly Labor and Employment Committee

AB-1041 (Wicks) - Employment: leave.

This bill would expand the population that an employee can take leave to care for to include a designated person. The bill would define "designated person" to mean a person identified by the employee at the time the employee requests family care and medical leave. The bill would authorize an employer to limit designation of a person, as prescribed. This bill would expand the definition of the term "family member" to include individuals related by blood or whose close association with the employee is the equivalent of a family relationship. This bill would expand eligibility for benefits under the paid family leave program to include individuals who take time off work to care for a seriously ill individual related by blood or whose close association with the employee is the equivalent of a family relationship. The bill would make conforming changes to the definitions of the terms "family care leave" and "family member."

Status: This measure was substantially amended outside the jurisdiction of the Assembly Insurance Committee on April 22, 2021.

Ordered to inactive file on the Senate Floor

AB-1159 (Daly) - Employment Development Department: reports.

This bill would require the Director of the Employment Development Department (EDD) to prepare a report to the Legislature on EDD's automation plans, including recommendations for improvements to be prepared and transmitted annually on or before March 31 of each year instead of biennially.

Status: Assembly Insurance Committee

SB-39 (Grove) - Fraudulent claims: inmates.

This bill would require the California Department of Corrections and Rehabilitation at least every 90 days, to provide the names and social security numbers of current inmates to the Employment Development Department for the purpose of preventing fraudulent unemployment claims.

Status: Assembly Appropriations Committee

SB-58 (Wilk) - Personal information: social security numbers: state agencies: Employment Development Department: fraud prevention.

This bill would prohibit the Employment Development Department (EDD) from sending outgoing US mail containing an individual's social security number (SSN) as soon as feasible, but no later than January 1, 2023. Additionally, this bill would require EDD, on or before January 1, 2022, to identify the fraud prevention efforts it can adjust to improve effectiveness during periods of high demand for benefits and designate a single unit responsible for coordinating fraud prevention and align the unit's duties with best practices for detecting and preventing fraud.

Status: Assembly Appropriations Committee

SB-232 (Nielsen) - Employment Development Department: policies and practices.

This bill would require the Employment Development Department (EDD) to implement recommendations of the State Auditor, published in January 2021, related to timely and accurate issuance of unemployment insurance benefits. Specifically, this bill requires EDD, on or before May 31, 2022, to prioritize elements of the Benefit Modernization System IT project that will assist in making payments timely and that may be implemented incrementally. This bill would also require EDD, on or before May 31, 2022, to begin to track and periodically analyze the reasons unemployment insurance claimants call for assistance. Additionally, this bill would require EDD, on or before May 31, 2022, to assess the effectiveness of its call center operations and to monitor data according to specified timelines; require EDD to create model workload projections that account for a potential surge in unemployment insurance claims, and to create staffing plans for such scenarios; require EDD to report to the Legislature annually on the effectiveness of its fraud prevention and detection tools; and, require EDD to designate an exclusive unit that is responsible for coordinating all unemployment insurance fraud prevention and detection.

Status: Assembly Appropriations Committee

SB-390 (Laird) - Employment Development Department: recession plan.

This bill requires the Employment Development Department to develop and implement a recession plan to prepare for an increase in unemployment insurance compensation benefits due to an economic recession.

Status: Chaptered by Secretary of State, Chapter 543, Statutes of 2021

SB-420 (Umberg) - Unemployment insurance: Unemployment Insurance Integrity Enforcement Act.

This bill would create the Unemployment Insurance Integrity Enforcement Program within the Department of Justice (DOJ) and establishes a task force within DOJ that includes the Director of the Employment Development Department.

Status: Assembly Appropriations Committee

SB-700 (Durazo) - Employment Development Department.

This bill would establish that the decisions in Ruben Aldrete Ruiz v. Employment Development Department (Case No. AO-445635) and in Francisco J. Banales v. Employment Development Department (Case No. AO-445581) correctly interpret current law. This bill requires the Employment Development Department (EDD) be bound by the above decisions for all purposes under the Unemployment Insurance (UI) Code, including the determination of benefits or obligations for employees and employers. This bill also requires that EDD apply the California Unemployment Insurance Appeals Board (CUIAB) reasoning and interpretation in all appropriate cases

Status: Ordered to inactive file on Assembly Floor

General Insurance

AB-494 (Mayes) - Insurance Holding Company System Regulatory Act.

This bill amends the Insurance Holding Company System Model Act and Model Regulation provisions to assist in the evaluation of insurance group risk and liquidity stress.

Status: Chaptered by Secretary of State, Chapter 464, Statutes of 2021

AB-743 (Ramos) - Insurance: business interruption: coverage for COVID-19.

This bill would, as it relates, to an insurance policy that provides coverage for business interruption, would create rebuttable presumptions affecting the burden of proof in a case in which the insured alleges that the business interruption was due to the COVID-19 pandemic and occurred during the period of the state of emergency declared by the Governor due to the COVID-19 pandemic. The bill would provide that it applies retroactively to all insurance policies that provide coverage for business interruption that were in full force and effect on and after March 4, 2020.

Status: Assembly Insurance Committee

AB-1511 (Committee on Insurance) - Insurance: omnibus.

This bill aligns mailing requirements for notices of renewal and nonrenewal; makes changes to the leeway law to incentivize insurer investment in renewable energy and community development; clarifies penalties for fraud; and, clarifies the California Insurance Commissioner's authority to suspend or revoke a license; and revises surety bond requirements.

Status: Chaptered by Secretary of State, Chapter 627, Statutes of 2021

AB-1541 (Committee on Insurance) - Insurance: Guarantee Association.

This bill extends for three years the California Insurance Guarantee Association's authority to issue bonds not to exceed \$1.5 Billion in order to cover workers' compensation claims obligations.

Status: Chaptered by Secretary of State, Chapter 305, Statutes of 2021

SB-334 (Durazo) - Detention facilities: contracts.

This bill imposes liability, auto, and umbrella insurance requirements on for-profit, private detention facilities that house criminal and civil detainees, and prohibits them from self-insuring workers' compensation coverage. This bill also provides that an insurer shall require the facility to comply with specified operating standards, and to provide the insurer and Insurance Commissioner with an initial compliance report and annual updates.

Status: Chaptered by Secretary of State, Chapter 298, Statutes of 2021

SB-655 (Bradford) - Insurers: diversity.

This bill promotes greater diversity in California's insurance industry by increasing the number of California insurance companies that must report to the California Department of Insurance every two years regarding supplier and governing board diversity by lowering the reporting threshold for participation in the supplier diversity and governing board diversity survey to include insurers that write at least \$75 million in California premiums; clarifying what insurance companies must include in that report with respect to their policies or goals to increase board diversity; and, encouraging California insurers participating in the California Organized Investment Network to consider utilizing diverse investment managers.

Status: Chaptered by Secretary of State, Chapter 390, Statutes of 2021

SB-713 (Rubio) - Insurer and State Compensation Insurance Fund investments.

This bill would add flexibility to the leeway law, which governs how insurers may make certain investments, in order to encourage insurers to make more California Organized Investment Network qualified investments. These include investments in renewable energy and community development. This bill also authorizes similar diversification of State Compensation Insurance Fund investments until January 1, 2027, by authorizing limited discretionary authority to make Environmental, Social, or Governance investments in line with existing authorities for other insurers, specifically in properties and securities, and money market mutual funds.

Status: Assembly Rules Committee

Liability Insurance

AB-506 (Lorena Gonzalez) - Liability insurance for youth service organizations.

This bill would require an insurer providing liability insurance coverage to a youth service organization to require the organization to fully comply with specified standards, including that its administrators, employees, and volunteers who are mandated reporters complete a required online mandated reporter training. The bill would require a youth service organization to report to the insurer and the Insurance Commissioner regarding its compliance with the specified standards. The bill would require an insurer to notify the director of a youth service organization and the commissioner if the organization is not in compliance with the specified standards, and would require the insurer to cancel the organization's insurance policy if it fails to remedy the deficiencies within 60 days.

Status: This measure was substantially amended outside the jurisdiction of the Assembly Insurance Committee on April 7, 2021.

Chaptered by Secretary of State, Chapter 169, Statutes of 2021

AB-1393 (Cooley) - Personal liability insurance.

This bill would exempt a policy of comprehensive personal liability insurance written by a non-admitted insurer from containing a provision for coverage against liability for the payment of workers' compensation to household employees.

Status: Assembly Insurance Committee

Life Insurance

AB-1498 (Low) - Insurance: notice of policy cancellation, lapse, or termination.

This bill would, as it relates to insurance policies with coverage in an amount of \$100,000 or more, to provide a notice of cancellation for nonpayment of premiums to be sent by certified mail to the named insured and to any other person designated by the named insured to receive that notice. This bill would also require, for an individual life insurance policy issued prior to January 1, 2013, an insurer to send a notice to a policy owner, on or before January 31, 2022, informing the policy owner of the right to designate at least one person, in addition to the applicant, to receive notice of lapse or termination of a policy for nonpayment of premium. The bill would require the insurer to include with the notice a specified form for the policy owner to make that designation. This bill would require a life insurer to provide notice of termination or lapse of policy by certified mail.

Status: Assembly Insurance Committee

AB-1563 (Committee on Insurance) - Life insurance policy illustrations.

This bill would require life insurers to include in the notices to policy owners that they can submit requests on the insurer's internet website for an in force illustration, if not included in the annual report.

Status: Senate Insurance Committee

SB-283 (Gonzalez) - Life and disability income insurance: HIV tests.

This bill makes changes to the Equal Insurance HIV Act (Act) including prohibiting on and after January 1, 2023, a life or disability insurance insurer from considering an applicant's occupation in determining whether to require an HIV test; prohibiting, on and after January 1, 2023, a life or disability income insurer from limiting benefits payable for a loss caused by or contributed to by HIV or acquired immune deficiency syndrome, and clarifying that the misdemeanor for willful, negligent, or malicious disclosure of HIV test results to a third party is punishable by imprisonment for a period not to exceed 364 days, conforming the Act to the requirements of Penal Code Section 18.5.

Status: Chaptered by Secretary of State, Chapter 134, Statutes of 2021

Pet Insurance

AB-553 (Kamlager) - Pet insurance.

This bill would make changes to pet insurance requirements including requiring a pet insurance policy to provide full coverage for spaying and neutering and any associated veterinary expenses, as well, as requiring a notice of cancellation for a pet insurance policy to be delivered at least 20 calendar days before the effective date of the cancellation, or at least 10 calendar days before the effective date in cases of nonpayment of premiums or fraud.

Status: Assembly Insurance Committee

Property Insurance

AB-1158 (Petrie-Norris) - Alcoholism or drug abuse recovery or treatment facilities: recovery residence: insurance coverage.

This bill requires that an alcoholism or drug abuse recovery or treatment facility (RTF) licensed by the Department of Health Care Services that serves more than six residents must maintain specified insurance coverages, including commercial general liability insurance and employer's liability insurance and that a licensee that serves six or fewer residents must maintain general liability insurance coverage. This bill also requires that any government entity that contracts with a privately owned Recovery Resident or RTF to provide treatment services for more than six residents, require the contractors to, at all times, maintain specified insurance coverage, including commercial general liability insurance and employer's liability insurance and to include the government entity as an additional insured. This bill requires any government entity that contracts with an RTF to provide treatment services for six or fewer residents to require the contractor, at all times, to maintain general liability insurance coverages, which includes the government entity as an additional insured.

Status: Chaptered by Secretary of State, Chapter 443, Statutes of 2021

AB-1439 (Levine) - Property insurance discounts.

This bill would require a residential or commercial property insurance policy issued, amended, or renewed on or after January 1, 2022, to include a discount if a local government of the jurisdiction where the insured property is located funds a local wildfire protection or mitigation program.

Status: Assembly Insurance Committee

AB-1522 (Levine) - The Catastrophic Wildfire Insurance Act.

This bill would create the California Wildfire Insurance Authority to serve as a marketplace for catastrophic wildfire insurance. The bill would require the authority to be formed as a nonprofit entity that is privately funded and publicly managed. The bill would require the Department of Insurance to promulgate regulations to govern the approval and regulation of catastrophic wildfire insurance policies and would prohibit, on and after January 1, 2023, a policy of residential or commercial property insurance from being issued, amended, or renewed by an insurer unless the named insured is offered coverage for loss or damage caused by a catastrophic wildfire. The bill would require an insurer to provide a discount of up to 20% on catastrophic wildfire insurance policy premiums to a residential or commercial property owner who hardens their property and would authorize the policy to contain a deductible. This bill would establish the Catastrophic Wildfire Insurance Fund to provide a stable and ongoing source of reimbursement to participating insurers. The bill would require the fund to be administered as a state-administered reinsurance program and would require the fund to reimburse all participating insurers for losses totaling over \$100,000,000 that are incurred each year due to claims filed on catastrophic wildfire insurance policies. This bill would establish the California Wildfire Protection Program to provide home inspections for residential property owners who own homes located in high fire risk areas, and to provide recommendations on how to harden those homes to protect against wildfires

Status: Assembly Insurance Committee

AB-1564 (Committee on Insurance) - Small business guide to commercial insurance.

This bill would require the Commissioner of the Department of Insurance, starting July 1, 2023, and at least every five years following, to complete a revision of the small business guide to commercial insurance.

Status: Assembly Appropriations Committee

SB-11 (Rubio) - The California FAIR Plan Association: basic property insurance: exclusions.

This bill authorizes the Fair Access to Insurance Requirements Plan to sell commercial coverage to farms.

Status: Chaptered by Secretary of State, Chapter 128, Statutes of 2021

SB-72 (Rubio) - Property insurance: wildfire risk information reporting.

This bill would require the production of two reports related to wildfire risk and insurance losses. One report requires the Department of Insurance to submit annual reports making recommendations for vegetation management project areas, based on a geographic analysis of nonrenewal data on policies of residential property insurance and the perceived risks of the industry. The other report requires the California FAIR Plan to commission a study, to be submitted to the Legislature and specified state agencies, on how concentration risks affect the FAIR Plan's policies in high fire risk areas.

Status: Assembly Appropriations Committee

Workers' Compensation

AB-334 (Mullin) - Workers' compensation: skin cancer.

This bill would grant certain peace officers of the Department of Fish and Wildlife and the Department of Parks and Recreation the presumption that skin cancer is a work related condition for purposes of making a workers' compensation claim, unless the presumption is rebutted.

Status: Ordered to inactive file on Senate Floor

AB-399 (Salas) - Workers' compensation.

This bill would impose new requirements on a medical provider network, including, among other things, requiring a participating provider to participate at each location at which they treat patients for 8 or more hours per week, on a monthly average. The bill would prohibit a vendor, provider, or group within the medical provider from being preferentially cited on an authorization or certification and would require the administrative director to impose a fine of \$10,000 per authorization or certification that preferentially directs care within a medical provider network. This bill would require the administrative director of the Division of Workers' Compensation to maintain a written record of compliance and approval for all plans and modifications and to approve the plan or modification in writing and with attestation of compliance. The bill would require the administrative director to fine a medical provider network \$50,000 per occurrence, and to fine a carrier utilizing a medical network \$50,000, if the administrative director determines that a medical provider network failed to meet the access standard for a given specialty and denied an injured worker the right to seek care outside of the medical provider network. This bill would require the administrative director to adopt a medical fee schedule establishing reasonable minimum fees paid for medical services other than physician services, drug and pharmacy services, health care facility fees, home care facility fees, home health care, and all other treatment care, services, and goods. The bill would prohibit an insurance carrier, agent, or third party contracting entity from contracting with providers of medical services for rates less than the official medical fee schedule adopted by the administrative director.

Status: Assembly Insurance Committee

AB-404 (Salas) - Workers' compensation: medical-legal expenses: fee schedule.

This bill would require the administrative director of the Division of Workers' Compensation to review the medical-legal fee schedule every two years and, if necessary, to update the schedule to provide a cost of living increase for Qualified Medical Evaluators.

Status: Senate Appropriations Committee

AB-415 (Robert Rivas) - Employment: workers' compensation.

This bill would establish a workers' compensation presumption for fire department mechanics and service technicians employed by public entities who develop cancer while working with known carcinogens on the job. This bill would apply to "fire mechanics" and "fire equipment mechanics" who are employees of a city, county, city and county, district or other municipal corporation or political subdivision, such as a fire department, that are regularly exposed to active fires or health hazards directly resulting from firefighting operations.

Status: Assembly Insurance Committee

AB-772 (Ramos) - Workers' compensation: domestic terrorism.

This bill would clarify that an employer is not limited in its ability to insure against an act of domestic terrorism or to provide benefits in excess of those required by existing law following an act of terrorism.

Status: Assembly Insurance Committee

AB-872 (Wood) - Leave of absence: firefighters.

This bill would have authorized enhanced temporary disability benefits pursuant to Labor Code Section 4800 (commonly referred to as "4850 time") for rank-and-file and supervisory firefighters employed by CAL FIRE whose principal duties include active fire suppression or prevention services.

Status: Vetoed by Governor

Governor's Veto Message:

To the Members of the California State Assembly:

I am returning Assembly Bill 872 without my signature.

This bill would extend a special form of workers' compensation, "4850 time", to rank-and-file and supervisory firefighters at the Department of Forestry and Fire Protection. This bill would result in these employees receiving higher take home pay than they would have if not injured by raising disability payments from full net to full gross salary.

Currently, state firefighters have access to Enhanced Industrial Disability Leave (EIDL) which provides full net salary for one year for any industrial injury or illness or up to three years if the injury is burn related.

State firefighters' importance to California is only growing because of the increasing prevalence of wildfires they fight each year. I have and will continue to devote more resources to this workforce to ensure they have the benefits and equipment they need to carry out their critical task.

However, an extension of "4850" time to this class of employees should be addressed through the bargaining process where consideration of how best to allocate limited resources for this crucial state function is viewed holistically. My Administration looks forward to this discussion and working on this issue at the bargaining table.

Sincerely,

Gavin Newsom

AB-991 (Ward) - Workers' compensation: presumed injuries.

This bill would expand presumptions for hernia, pneumonia, heart trouble, cancer, tuberculosis, blood borne infectious disease, methicillin-resistant Staphylococcus aureus skin infection, and meningitis-related illnesses and injuries to a lifeguard employed on a year-round, full-time basis by the City of San Diego. The bill would increase the period of time after termination of employment that a lifeguard employed on a year-round, full-time basis by the City of San Diego can file a claim for skin cancer. The bill would expand the presumptions for illness or injury related to post-traumatic stress disorder or exposure to biochemical substances, as defined, to a lifeguard employed by the City of San Diego Fire-Rescue Department.

Status: Assembly Insurance Committee

AB-1148 (Daly) - Workers' compensation insurance reporting.

This bill would require the Insurance Commissioner to review and evaluate the website of a licensed rating organization every five years, beginning in 2023, to assess whether the website is achieving its purpose.

Status: Senate Labor, Public Employment and Retirement Committee

AB-1465 (Reyes) - Workers' compensation: medical provider networks study.

This bill would require the Commission on Healthy and Safety and Workers' Compensation to submit a study to, among others, the Legislature related to delays and access to care issues in medical provider networks.

Status: Senate Labor, Public Employment and Retirement Committee

AB-1562 (Committee on Insurance) - Workers' compensation: reports.

This bill would make several changes related to how the Commission on Health and Safety and Workers' Compensation provides copies of various reports on the workers' compensation system.

Status: Assembly Appropriations Committee

SB-284 (Stern) - Workers' compensation: firefighters and peace officers: post-traumatic stress.

This bill would expand an existing industrial injury rebuttable presumption for a diagnosis of a post-traumatic stress disorder to additional firefighters, public safety dispatchers, public safety telecommunicators, and emergency response communication employees.

Status: Ordered to inactive file on Assembly Floor

SB-335 (Cortese) - Workers' compensation: liability.

This bill would make several changes to the workers' compensation system in the public and private sectors. Specifically, this bill: Lowers the time period for an employer to reject liability for an injury from 90 days to 45 days. Requires that for presumptive injuries covered under Labor Code Sections 3212 to 3213.2, if liability for a claim is not rejected within 30 days, the injury is considered compensable. Increases the amount of medical treatment that an employer must immediately authorize for an alleged injury from \$10,000 to \$17,000. Requires that if liability for a claim of COVID-19-related illness is not rejected within 30 days, the illness is presumed compensable. Requires that if payment of compensation has been unreasonably delayed or refused for a presumptive injury under Labor Code Sections 3212 to 3213.2, that the full amount of the order, decision, or award to be increased by 10% (i.e. would apply to the entire provision of benefits). These provisions would apply to all injuries, without regard to whether the injury occurs before, on, or after the operative date of the bill.

Status: Failed passage in the Assembly Insurance Committee

SB-788 (Bradford) - Workers' compensation: risk factors.

This bill would have prohibited the reduction (or apportionment) of permanent disability benefits on the basis of race, religious creed, color, national origin, age, gender, marital status, sex, sexual identity, sexual orientation, or genetic characteristics.

Status: Vetoed by Governor

Governor's Veto Message:

To The Members of the California State Senate:

I am returning Senate Bill 788 without my signature.

This bill would preclude a physician from using certain characteristics as the basis for apportionment of permanent disability.

Current law states that physicians shall not apportion the percentage of permanent disability awarded based on the gender, race, or other personal characteristic of the employee and provides protection from the inappropriate application of apportionment law. Instead, physicians are required to apportion the disability award based solely upon the employee's own medical history and medical evidence.

While I support efforts to combat bias within the medical profession, this bill creates confusion with well-settled law, which is likely to result in increased litigation and subsequent delays to much-needed benefits to workers. Ongoing efforts by the Division of Workers' Compensation to implement mandatory continuing education of medical-legal evaluators related to current anti-bias laws and apportionment training is better suited to achieve the intent of this bill.

Sincerely,

Gavin Newsom

**Assembly Insurance Committee
and
Joint Legislative Audit Committee**

Oversight Hearing

**Employment Development Department (Report No. 2020-128/628.1) &
Federal COVID-19 Funding – Unemployment Insurance (Report No. 2020-628.2)**

Wednesday, February 3, 2021
9:30 a.m. – 12:00 p.m.
State Capitol, Assembly Chamber
Sacramento, California

- I. Welcome and Opening Remarks**
 - Assemblymember Tom Daly, *Chair, Assembly Insurance Committee*
 - Assemblymember Rudy Salas, *Chair, Joint Legislative Audit Committee*
 - Senator John Laird, *Vice-Chair, Joint Legislative Audit Committee*

- II. Overview of Audit Findings and Recommendations**
 - Elaine M. Howle, *CPA, California State Auditor*
 - Bob Harris, *Audit Principal*

- III. Comments and Perspective from Impacted Parties**
 - Eduardo Martinez, *Legislative Director, California Labor Federation, AFL-CIO*
 - Robert Moutrie, *Policy Advocate, California Chamber of Commerce*

- IV. Update and Response from the Employment Development Department**
 - Rita Saenz, *Director*
 - Carol Williams, *Chief Deputy Director, Operations*
 - Nancy Farias, *Chief Deputy Director, External Affairs, Legislation, and Policy*
 - Kevin Matulich, *Deputy Director, Legislative Affairs*

- V. Public Comment**

Committee hearing documents located at: <https://ains.assembly.ca.gov/committeehome>