

ASSEMBLY INSURANCE COMMITTEE
2009-2010
LEGISLATIVE SUMMARY

Assembly Bills

AB 41 (Coto) – Insurance: community development investments.

Extends until January 1, 2015, the sunset date on the requirement that insurers provide the Insurance Commissioner with information on community development investments. Requires major insurers to develop, and file with the commissioner no later than July 1, 2011, a "community development investment" policy that expresses the insurer's goals for community development investments. Requires the commissioner to establish a link on its internet website providing public access to each insurer's community development investments information.

Status: Chapter 340, Statutes of 2010.

AB 43 (Blakeslee) – California Earthquake Authority: employees.

Would have removed the 25-person limit on the number of Authority employees subject to civil service provisions, and would have authorized the Authority to contract for the services of a chief mitigation officer. Would have established the responsibilities of the chief mitigation officer.

Status: Vetoed by the Governor.

GOVERNOR'S VETO MESSAGE:

"While I am supportive of the California Earthquake Authority (CEA) contracting for the services of a Chief Mitigation Officer to be responsible for the mitigation activities of the CEA, I cannot support the provision in this bill eliminating the limit on the number of civil service employees that can be employed by the CEA."

AB 76 (Yamada) – Life and Annuity Consumer Protection Fund.

Extends the sunset date of the Life and Annuity Consumer Protection Fund administered by the Department of Insurance from January 1, 2010 to January 1, 2015. Requires the Department of Insurance to annually publish on its website a report that consolidates designated statistics summarizing DOI's life insurance and annuity consumer protection activities and descriptions of departmental education programs for educating consumers about these products, and their purchase, use and related matters of consumer interest.

Status: Chapter 75, Statutes of 2009.

AB 128 (Coto) – Workers' compensation: cancer presumption.

Would have established a life-time workers' compensation cancer presumption for public safety professionals (e.g.: fire firefighters, police officers, highway patrol) with substantial years of service credit. Would have eliminated the five-year cap imposed following the termination of employment on a workers' compensation cancer presumption for tens of thousands of public safety personnel statewide.

Status: Died pursuant to Art. IV, Sec. 10 (c) of the Constitution.

AB 280 (Blakeslee) – California Earthquake Authority: retrofit programs: grants.

Would have authorized the California Earthquake Authority to establish a grant or loan program to retrofit specified "soft-story" buildings. Soft-story buildings are those with a ground floor less stable than upper floors, most often due to commercial or parking spaces on the first floor.

Status: Died pursuant to Art. IV, Sec. 10 (c) of the Constitution.

AB 299 (Committee on Insurance) – Insurance.

Makes a series of technical and noncontroversial changes to laws governing the authority and duties of the Insurance Commissioner and insurance companies to clarify and update existing law.

Status: Chapter 234, Statutes of 2009.

AB 328 (Charles Calderon) – Electronics transactions: exceptions.

Authorizes insurance companies to send certain insurance notices electronically, and authorizes insurance companies to pay claims by electronic funds transfers.

Status: Chapter 433, Statutes of 2009.

AB 361 (Bonnie Lowenthal) – Workers' compensation: treatment authorization.

Precludes an employer from refusing to pay for workers' compensation medical treatment services if the employer has approved those services prior to the time the medical provider treated the claimant.

Status: Chapter 436, Statutes of 2009.

AB 381 (Block) – Unemployment compensation disability benefits: academic employees.

Allows community college districts to elect to provide state disability insurance coverage to academic employees who are permanent, part-time, or temporary; and, to management, confidential, and employees who are not part of a bargaining unit.

Status: Chapter 437, Statutes of 2009.

AB 384 (Ma) – Unemployment compensation: disability benefits: payment of benefits.

Would have deleted the requirement to include an imprinted statement on payments of unemployment compensation and disability benefits. Would have also made technical, nonsubstantive changes to those provisions.

Status: Subsequently changed into a non-insurance bill to address an unrelated subject.

AB 389 (Saldana) – Long-term care insurance.

Modifies the reasonable expected loss ratio of previously issued long-term care insurance policies if the insurer files a rate revision after January 1, 2010.

Status: Chaptered 101, Statutes of 2009.

AB 409 (Garrick) – California Insurance Guarantee Association: insurer insolvency.

Revises the California Insurance Guarantee Association law to clarify that assessments to pay claims of insolvent insurers shall be based upon a uniform percentage applied to the share of direct written premium of participating insurers for the base year, as that share is

initially determined from the insurers' first Annual Financial Statement filing following the base year, and then as updated yearly from subsequent annual Financial Statement filings. This method conforms the statute to long-standing administrative practice.

Status: Chapter 105, Statutes of 2009.

AB 470 (Niello) – Insurance information; confidentiality.

Authorizes an insurance institution, agent, or insurance-support organization to disclose information to an insured's lawyer from an accident report, supplemental report, investigative report or the actual report from a governmental agency which the insured is entitled to obtain under specified provisions of the Vehicle Code or Government Code.

Status: Chapter 112, Statutes of 2009.

AB 483 (Buchanan) – Workers' compensation: Internet Websites.

Requires the Workers' Compensation Insurance Rating Bureau to establish an internet website that identifies whether an employer is insured for its workers' compensation obligations.

Status: Chapter 241, Statutes of 2009.

AB 493 (Tran) – Employment and Benefits Appeals Board.

Would have eliminated the Workers' Compensation Appeals Board, the California Unemployment Insurance Appeals Board, and the California Occupational Safety and Health Appeals Board, and would have transferred their duties to a new board.

Status: Failed passage in the Assembly Insurance Committee.

AB 516 (Niello) – Workers' compensation: temporary disability.

Would have repealed the minimum level of temporary disability benefits which an injured worker can receive.

Status: Failed passage in the Assembly Insurance Committee.

AB 519 (Solorio) – Vehicles: towing fees and access notice.

Establishes and requires a person that charges for towing or storage to post a specified copy of "Towing Fees and Access Notice" that contains specific information regarding a vehicle owner's rights and responsibilities if the vehicle is towed, and requires that it be posted in the office area of the storage facility in plain view of the public and also require that copies be made readily available to the public.

Status: Chapter 566, Statutes of 2010.

AB 586 (Ma) - Workers' compensation: employees of the City and County of San Francisco: leaves of absence.

Narrows an exclusion of certain safety officers employed by the City and County of San Francisco from the law that provides full pay for up to one year for the officers if injured on the job.

Status: Chapter 74, Statutes of 2010.

AB 591 (DeLaTorre) -- Individual health care coverage premium rates.

Would have prohibited a health care service plan or health insurer from increasing the premium rate it charged a subscriber or policyholder of an individual contract or policy for a period of 90 days beginning with the date the provision became operative.

Status: Held in the Senate Appropriations Committee.

AB 601 (Garrick) -- Motor vehicle insurance: special assessments.

Extends the sunset on a 30-cent fee per vehicle insured in California until January 1, 2015 to support a variety of consumer protection functions of the Department of Insurance and to support public outreach concerning California's low-cost automobile insurance program.

Status: Chapter 247, Statutes of 2009.

AB 615 (Niello) – Workers' compensation.

Would have required an employer to provide a claim form and a notice of potential eligibility for workers' compensation benefits within one working day of receiving notice or knowledge of an employee's injury that results in lost time beyond the employee's work shift at the time of injury or that results in medical treatment beyond first aid.

Status: Died pursuant to Art. IV, Sec. 10 (c) of the Constitution.

AB 664 (Skinner) – Workers' compensation. Hospital employees: presumption.

Would have established several workers' compensation presumptions for more than 500,000 employees at hospitals statewide, including workers at public, private, and non-profit hospitals.

Status: Died pursuant to Art. IV, Sec. 10 (c) of the Constitution.

AB 679 (Garrick) – Insurance: adverse underwriting decisions.

Would have required an insurance company or agent to provide an applicant or policyholder the reasons for an adverse underwriting decision in writing or to advise him or her orally that he or she has a right to receive the reasons in writing if he or she so requests.

Status: Died pursuant to Art. IV, Sec. 10 (c) of the Constitution.

AB 725 (Jones) – Auto insurance: low-cost automobile insurance.

Would have extended from January 1, 2011, to January 1, 2016, the sunset date of the Low-Cost Automobile Insurance Program, and would have renamed the program.

Status: Vetoed by the Governor.

GOVERNOR'S VETO MESSAGE:

"While I recognize the need to provide low cost automobile insurance to low income drivers, the effectiveness of this program is questionable given the number of policies in effect and low participation rate amongst the uninsured. Since the law this bill is looking to extend does not expire until January 1, 2011, I encourage the author and sponsor to take the next year to examine the results of the program and determine if any changes are needed to the program to ensure its success."

AB 784 (Gaines) – Insurance transactions: nonadmitted insurers.

Would have provided that a nonadmitted insurer that is affiliated with a California domestic insurer shall not be deemed to be transacting insurance in California as long as all California business written by the nonadmitted insurer is transacted by and through a surplus lines broker licensed in California.

Status: Died pursuant to Art. IV, Sec. 10 (c) of the Constitution.

AB 800 (Duvall) – Insurance omnibus.

Makes several licensing-related changes in the Insurance Code, including requiring the filing of license applications by means of electronic service, and adopts changes needed to increase the conformity of California's insurance laws with the producer Licensing Model Act of the National Association of Insurance Commissioners.

Status: Chapter 254, Statutes of 2009.

AB 801 (Duvall) – Workers' compensation: individual identifiable information.

Would have authorized the Department of Insurance to access information from the Workers' Compensation Information System for purposes of investigating and prosecuting insurance fraud.

Status: Died pursuant to Art. IV, Sec. 10 (c) of the Constitution.

AB 802 (Duvall) – Insurance fraud: release of information: other unlawful activity.

Would have required insurers to release to specified government agencies any unlawful activity uncovered in the course of an insurance fraud investigation, when requested.

Status: In the Senate Banking, Finance and Insurance Committee.

AB 812 (DeLaTorre) – Insurance reports.

Originally, the bill would have required the Insurance Commissioner (IC) to modify the form and method in which quarterly statements are filed by insurers with the IC. As amended, would have required health plans and health insurers to report to the California Department of Managed Health Care and the California Department of Insurance the medical loss ratio for each policy issued amended or renewed in California each year.

Status: Died pursuant to Art. IV, Sec. 10 (c) of the Constitution.

AB 816 (Hagman) – Unemployment insurance: Employment Training Fund.

Would have repealed the express authority of the Legislature to appropriate funds from the Employment Training Fund to finance the local assistance portion of the welfare-to-work activities under the CalWORKS Program.

Status: From committee: Filed with the Chief Clerk pursuant to Joint Rule 56.

AB 866 (Niello) – California Earthquake Authority.

Revises the due date of the California Earthquake Authority Annual Report from May 1st of each year to August 1st of each year and provides for its publication on the CEA website.

Status: Chapter 480, Statutes of 2009.

AB 879 (Hernandez) – Workers' compensation: self-insurers: financial audits.

Would have required workers' compensation self-insurers to file an annual audited financial statement and an actuarial analysis with the Office of Self-Insurance Programs within the California Department of Industrial Relations.

Status: Held in Senate Banking, Finance and Insurance Committee.

AB 933 (Fong) – Workers' compensation: medical treatment.

Would have required physicians in the workers' compensation system who conduct utilization review to be licensed in the State of California.

Status: Vetoed by the Governor.

GOVERNOR'S VETO MESSAGE:

"This bill would require a physician conducting utilization review in the workers' compensation system to be licensed in California. Such a requirement would be inconsistent with how utilization review is conducted in other areas of medicine and not in line with best practices nationwide. The proponents of this measure have not demonstrated a need for this disparity in treatment."

AB 948 (Logue) -- Workers' compensation: supplemental job displacement benefits.

Would have provided that a mandatory notice to an injured worker relating to supplemental job displacement benefits can be delayed until such time as work restrictions are known, if these restrictions are not known at the time notice is currently required.

Status: From committee without further action pursuant to Joint Rule 62(a).

AB 954 (Jones) – Insurance Commissioner: regulations.

Would have required the California Department of Insurance to use the Administrative Procedures Act when adopting rules, regulations, or insurance standards recommended by the National Association of Insurance Commissioners, with specified exceptions.

Status: Died pursuant to Art. IV, Sec. 10 (c) of the Constitution.

AB 982 (Tran) – Structured settlements: transfers.

Would have clarified several aspects of the sale or transfer of a structured settlement. A structured settlement relates to tort settlements that are converted to an annuity-like product, with periodic payments that may have tax advantages.

Status: Held in Senate Judiciary Committee.

AB 989 (Block) – Senior insurance: actions against insurers.

Would have authorized any person who is harmed as a result of a violation of the senior insurance laws to bring a civil action for compensatory damages and any other remedies otherwise provided by law.

Status: From committee: Filed with the Chief Clerk pursuant to Joint Rule 56.

AB 1011 (Jones) – Insurance: green incentives.

Makes findings and declarations relating to California's role in greenhouse gas reduction, and includes green investments as community development investments. Requires the

Commissioner, on the department's Internet Web site, to biennially identify those insurers that make investments that qualify as green investments and the aggregate amount of identified insurer investments in green investments. The bill extends the date for repealing those provisions to January 1, 2015.

Status: Chapter 418, Statutes of 2010.

AB 1051 (Fletcher) – Veterans: Pooled Self-Insurance Fund.

Consolidates the Department of Veterans Affairs Home Loan Program's (Program) four insurance reserve funds into the Pooled Self-Insurance Fund (Pooled Fund), and allows the VA to purchase insurance related to the Program from the monies appropriated from the Pooled Fund. Maintains the four reserve funds as sub-funds within the Pooled Fund and requires that any internal sub-fund borrowing be repaid in full within three years.

Status: Chapter 502, Statutes of 2009.

AB 1054 (Coto) – Motor vehicle insurance: rates.

Would have specified that no retrospective adjustment of an approved rate may be ordered if the insurer has complied with the rate approval order of the Insurance Commissioner, and would have provided that credit card expenses incurred by an insurer are not part of an "efficiency standard" adopted by the Insurance Commissioner for rate making purposes.

Status: Died on inactive file.

AB 1093 (Yamada) – Workers' compensation.

Provides that a "personal relationship" or "personal connection" is not established, for purposes of determining a claim for workers' compensation benefits, solely on a third-party aggressor's beliefs regarding race, religious creed, color, national origin, age, gender, disability, sex, or sexual orientation where the employee-victim is believed by the third-party to be a member of one of the protected classes.

Status: Chapter 272, Statutes of 2009.

AB 1117 (Fuentes) – State Compensation Insurance Fund: board.

Clarifies that a board member of the State Compensation Insurance Fund (SCIF) is not disqualified by virtue of a conflict of interest from considering issues before the board due to the fact that the board member is a policyholder or employee of a policyholder of SCIF.

Status: Chapter 136, Statutes of 2009.

AB 1179 (Jones) – Motor vehicle insurance: damage assessments.

Modifies the required content of the Auto Body Repair Consumer Bill of Rights, which the Department of Insurance must then incorporate into future editions, to include information informing consumers that they have a right, including when pursuing an insurance claim for repair of that vehicle, to seek and obtain an independent repair estimate directly from a registered auto body repair shop.

Status: Chapter 141, Statutes of 2009.

AB 1200 (Hayashi) – Motor vehicle insurance: damage assessments.

Allows insurers to provide automobile insurance claimants with specified information regarding the services and benefits available during the claims process.

Status: Chapter 387, Statutes of 2009

AB 1214 (Nava) – Fire insurance: underwriters' corps: liability.

Requires personnel retained by an insurance company to protect structures threatened by a wildfire to check in with, and follow the instructions of, the incident commander in charge of fighting the fire.

Status: Chapter 517, Statutes of 2009

AB 1227 (Feuer) –Workers' compensation: public employees: leaves of absence.

Extends "4850" leave of absence benefits to a broader range of safety officers.

Status: Chapter 389, Statutes of 2009.

AB 1298 (Coto) – Unemployment Insurance Program.

Would have modified the taxable wage base and the tax rates payable on wages used to finance the Unemployment Fund, as well as increased the income disregard amount. Specifically, the bill would increased the taxable wage base from \$7,000 to \$16,600 per employee per year, set the top tax rate at 7.5% rather than 5.4%, and increase the amount that a part-time worker (who is also partially unemployed) may earn to \$200 rather than \$25 per week, without a reduction in unemployment benefits.

Status: Held in the Assembly Insurance Committee.

AB 1413 (Coto) – Fire insurance coverage.

As considered by the Committee, the bill would have provided that a policyholder is entitled to recover the extended or guaranteed replacement amount from an insurer after a total loss regardless of whether the homeowner rebuilds the home on the same site.

Status: The bill was subsequently changed to a non-insurance bill. Vetoed by the Governor.

AB 1447 (John A. Perez) – State Compensation Insurance Fund: audits.

Declared the State Compensation Insurance Fund to be a state agency for purposes of authorizing the Bureau of State Audits to conduct financial and performance audits of SCIF, and requires SCIF to include a specific disclaimer in any advertising.

Status: Vetoed by the Governor .

GOVERNOR'S VETO MESSAGE:

"This bill would clarify that the State Compensation Insurance Fund (SCIF) is a state agency for purposes of the Bureau of State Audits (BSA) and its audit, evaluation, and investigatory jurisdiction and would impose a requirement that all SCIF advertising include a disclaimer indicating it is self-supported and not funded by the State of California.

This bill is unnecessary. Insurance Code Section 11873(b) already explicitly provides that SCIF is subject to audits by the State Auditor. Furthermore, the BSA has performed audits of SCIF several

times in the past three years."

AB 1521 (Jones) –Health care coverage: solicitation.

Would have prohibited the variation of compensation a health care service plan or a health insurer pays to a solicitor for the sale or offer of, or application for, an individual health plan contract or insurance policy that would have depended on the health status, claims experience, industry, or occupation of the individual.

Status: Held in the Senate Appropriations Committee.

AB 1564 (Committee on Insurance) – Workers' compensation.

Would have deleted the provision providing that the labor-management agreement may include a vocational rehabilitation or retraining program and would make conforming changes.

Status: Died pursuant to Art. IV, Sec. 10 (c) of the Constitution.

AB 1565 (Committee on Insurance) – Insurance.

Would have made technical corrections to laws governing insurance including correcting references that govern the manner in which the Insurance Commissioner may withdraw the approval of forms for credit life and disability insurance.

Status: Subsequently changed to a non-insurance bill. Placed on the Revenue and Taxation Committee suspense file.

AB 1597 (Jones) – Automobile insurance: assigned risk plans: low-cost automobile insurance.

Extends the sunset date of the low-cost automobile insurance program until January 1, 2016, and makes related changes to that law.

Status: Chapter 234, Statutes of 2010.

AB 1603 (Solorio) –Workers' compensation – temporary partial disability.

Would have required that an employee be deemed to be temporarily partially disabled during the period when the employee's disability is permanent and stationary, no more than 60 days have elapsed after the date the employee was informed that his or her disability is permanent and stationary, the employer has not offered the employee regular, modified, or alternative work, or informed the employee that it will not offer the employee regular, modified, or alternative work.

Status: Held in the Assembly Insurance Committee.

AB 1608 (Garrick) –Motor vehicle insurance: special assessment.

Would have required that the amount of a special purpose assessment be determined by the Insurance Commissioner, and that the amount not exceed \$0.30 per insured vehicle. Would have also required that 66.7% of the special purpose assessment be used to fund specified consumer service functions of the Department of Insurance, relating to motor vehicle insurance. The remaining 33.3% of the special purpose assessment would be used to fund the improvement of certain consumer functions of the department, relating to motor vehicle insurance.

Status: Held in the Assembly Insurance Committee.

AB 1696 (Bill Berryhill) – Death benefits: payment duration.

Extends workers' compensation death benefits until the youngest child attains 19 years of age if the child is still attending high school and is receiving the benefits as a child of certain public safety employees killed in the performance of duty.

Status: Chapter 361, Statutes of 2010.

AB 1708 (Villines) Insurance: surplus line brokers.

Requires the total capital and surplus requirement for a nonadmitted insurer to be on the List of Eligible Surplus Lines Insurance (LESLI list) be at least \$45,000,000, and the amount of assets to be used in calculating capital and surplus that consist of cash and other specified types of securities to be at least \$25,000,000. Provides that if a nonadmitted insurer on the LESLI list does not meet the capital and surplus requirements as of January 1, 2011, that insurer would be required to have at least \$30,000,000 of capital and surplus as of December 31, 2011, and at least \$45,000,000 of capital and surplus as of December 31, 2013.

Status: Chapter 362, Statutes of 2010.

AB 1804 (Hagman) Employment Training Fund.

Would have required that moneys in the Employment Training Fund be appropriated only for specified employment training purposes, and would have prohibited the use of those moneys for any other purpose.

Status: Held in the Assembly Appropriations Committee.

AB 1827 (Arambula, Solorio) Workforce development: one-stop career centers.

Would have required the Employment Development Department to provide staffing for unemployment insurance benefits assistance in one-stop career centers.

Status: Held in the Assembly Appropriations Committee.

AB 1837 (Gaines) Insurance transactions: nonadmitted insurers.

Authorizes an insurer domiciled in California to have common directors with an affiliated nonadmitted insurer provided those common directors do not constitute the majority of the voting authority of the nonadmitted insurer and do not perform any management functions for the nonadmitted insurer in California. Authorizes an insurer domiciled in California to perform specified administrative, claims adjusting, and investment management services on behalf of an affiliated nonadmitted insurer that has qualified as an eligible surplus line insurer.

Status: Chapter 581, Statutes of 2010.

AB 1868 (Jones) Insurance life: disability: discretionary clauses.

Would have prohibited the Insurance Commissioner (IC) from approving any disability insurance policy that includes a provision that would reserve discretionary authority to the insurer to determine eligibility for benefits, and would have voided life or disability policies that contain these discretionary clauses.

Status: Vetoed by the Governor.

GOVERNOR'S VETO MESSAGE:

"This bill would prohibit the Insurance Commissioner from approving any disability or life insurance policy if it includes a provision that would reserve discretionary authority to the insurer to determine eligibility for benefits, and voids certain provisions of a policy or agreement if it provides or funds life insurance or disability insurance coverage.

This bill is unnecessary, as the Insurance Commissioner already has the authority to prohibit the use of discretionary clauses."

AB 1871 (Jones) Private passenger motor vehicle insurance coverage: personal vehicle sharing.

Prohibits a private passenger motor vehicle from being classified for insurance purposes as a commercial, for-hire, or permissive use vehicle, solely on the basis of it being used for personal vehicle sharing if the annual revenue received by the vehicle's owner that is generated by personal vehicle sharing does not exceed the annual expenses of owning and operating the vehicle, including, but not limited to, depreciation, interest, lease payments, automobile loan payments, insurance, maintenance, parking, and fuel, and the personal vehicle sharing is conducted pursuant to a personal vehicle sharing Program, as defined.

Status: Chapter 581, Statutes of 2010.

AB 1897 (Jones) State Compensation Insurance Fund.

Would have required that each employee of the fund, at no cost to the employee, obtain an appropriate certificate for transacting workers' compensation insurance as a condition of employment. Would have required the fund, in cooperation with the Insurance Commissioner, to adopt minimum standards of training, experience, and skills that employees are required to possess to perform their duties, and would have required the fund to become an approved education provider for those purposes.

Status: Held in the Assembly Appropriations Committee.

AB 1994 (Skinner) Hospital employees: presumption.

Would have provided, with respect to hospital employees who provide direct patient care in an acute care hospital, that the term "injury" includes a blood-borne infectious disease, neck or back impairment, methicillin-resistant Staphylococcus aureus (MRSA), or H1N1 influenza virus that develops or manifests itself during the period of the person's employment with the hospital.

Status: Held in the Assembly Appropriations Committee.

AB 2002 (Huffman) Reserve requirements.

Removes the 60% reserve requirement for liability insurers and allow the Insurance Commissioner to prescribe the minimum reserve requirement by regulation.

Status: Chapter 61, Statutes of 2010.

AB 2022 (Gaines) Homeowners insurance.

Revises the disclosure notice and the listing of rights that residential property insurers must provide to policyholders.

Status: Chapter 589, Statutes of 2010.

AB 2030 (Yamada) Unemployment: Self-Employment Assistance Program.

Would have reestablished the Self-Employment Assistance Program, to be administered by the Director of the Employment Development Department. Would have provided for a weekly allowance for participants equal to regular unemployment benefits.

Status: Held in the Assembly Appropriations Committee.

AB 2055 (De La Torre) Unemployment insurance: benefits: eligibility: reserve accounts: domestic partners.

Specifies that for purposes of eligibility for benefits and employer's reserve accounts, "domestic partner" also includes a person to whom domestic partnership, as described, is imminent.

Status: Chapter 590, Statutes of 2010.

AB 2058 (Block) Unemployment insurance: retraining benefits.

Establishes the California Training Benefits Program to allow unemployed individuals who qualify for unemployment compensation benefits, extended duration benefits, or federal-state extended benefits under certain conditions to be deemed automatically eligible for the program during a period of training or retraining.

Status: Chapter 591, Statutes of 2010.

AB 2066 (Jones) Annuity sales: seniors.

Would have required insurers and agents to disclose certain information to seniors in connection with annuities, specifies four circumstances that would be presumptively improper to sell an annuity to seniors, and payments to be made in a certain manner to brokers and agents.

Status: Held in the Assembly Insurance Committee without recommendation.

AB 2110 (De La Torre) Health care coverage premium payments: grace periods.

Would have required individual health care service plan contracts and individual health insurance policies issued, amended, or renewed on or after January 1, 2011, to provide a grace period of 50 days for the payment of premiums and would make an enrollee or insured who fails to pay the premium during that period liable for any medical costs incurred during the period, except as specified. The bill would have required plans and insurers to provide specified notice of this grace period upon issuance, amendment, or renewal of an individual contract or policy.

Status: Died on the inactive file.

AB 2111 (Smyth) Service contracts.

Changes the definition of service contract by expanding the items a contract may cover to include accessories of electronic sets or appliances and by excluding a contract to maintain structural wiring associated with communications services. Deletes the \$250 per year limit

on incidental payment of indemnity. Changes the definition of service contract administrator to no longer exclude service contract sellers and insurers admitted to do business in the state and to no longer include an affiliate who performs or arranges specified activities. Authorizes a service contract administrator to be an obligor on a service contract where all service contracts under which the service contract administrator is obligated are insured under a service contract reimbursement insurance policy.

Status: Chapter 543, Statutes of 2010.

AB 2151 (Torres) Insurance: public safety employees: accidents.

Would have provided that no insurer shall, in issuing or renewing a private automobile insurance policy to a peace officer, member of the California Highway Patrol, or firefighter, with respect to his or her operation of a private passenger motor vehicle, increase the premium on that policy for the reason that the insured or applicant for insurance has been involved in an accident while operating his or her private passenger motor vehicle in the performance of his or her duty at the request or direction of the employer.

Status: Vetoed by the Governor.

GOVERNOR'S VETO MESSAGE:

"This bill would provide that peace officers, members of the California Highway Patrol, and firefighters would not be required to report any accidents to their private automobile insurer while operating their personal vehicles at the request and direction of their employer. This bill would further require all state and local agencies employing peace officers or firefighters to pay the costs of any accident and all damages regardless of whether the driver of the vehicle was acting recklessly or with gross negligence.

While there may be reasons for state and local entities to pay the costs of automobile accidents while employees are responding to emergency situations in their private vehicles, this measure would require indemnification in all situations regardless of the driver's fault, which is unwarranted. Moreover, the Internal Revenue Service-established mileage reimbursement rate already covers costs for insurance for employees that use their private vehicles for work purposes. Since this measure will unreasonably shift costs to public employers in a time of fiscal crisis, I am unable to sign this bill."

AB 2188 (Bradford) Unemployment compensation: disability benefits.

Removes the requirement to pay unemployment insurance benefits by check and allows the director of the Employment Development Department to make the payments using electronic technology.

Status: Chapter 378, Statutes of 2010.

AB 2247 (Niello) Workers' compensation: local inmates.

Would have provided that each inmate of a county, city, or city and county jail, industrial farm, or road camp shall be entitled to workers' compensation benefits for injury arising out of, and in the course of, assigned employment and for the death of the inmate if the injury proximately causes the death, subject to limitations.

Status: Held in the Assembly Insurance Committee.

AB 2253 (Coto) Workers' compensation: cancer presumption.

Provides that an existing presumption for a work-related injury shall be extended to specified firefighters and police officers following termination of service for a period of 3 calendar months for each year of service, but not to exceed 120 months in any circumstance, commencing with the last date actually worked in the specified capacity.

Status: Chapter 672, Statutes of 2010.

AB 2269 (Adams) Workers' compensation: injury presumption: heart trouble.

Would have expanded a workers' compensation presumption for peace officers working at Department of Developmental Services Centers and Department of Mental Health psychiatric hospitals.

Status: Held in the Assembly Appropriations Committee.

AB 2327 (Harkey) Affordable housing: risk retention pool.

Authorizes an affordable housing entity, defined to include affordable housing entities that are created under the laws of another jurisdiction or organized under the laws of another state, to join with one or more affordable housing entities in an arrangement providing for the pooling of self-insured claims or losses. The pool would be authorized to be organized as a nonprofit corporation, limited liability company, partnership, or trust, whether organized under the laws of this state or another state or operating in another state.

Status: Chapter 384, Statutes of 2010.

AB 2364 (Nava) Unemployment insurance: benefits: good cause to leave work.

Revises various provisions governing eligibility for unemployment compensation benefits to specify that a claimant is eligible for benefits where he or she left an employer's employ to protect his or her family from domestic violence abuse. This change conforms California law to federal law and makes California eligible for \$559 million federal stimulus funds.

Status: Chapter 678, Statutes of 2010.

AB 2367 (Charles Calderon) Insurance: insurers: financial statements.

Would have required that the notification to each insurer of any changes from the NAIC's statement blanks that the commissioner has determined to be appropriate be made electronically.

Status: Died on the Senate inactive file.

AB 2395 (Anderson) Insurance commissioner: powers and duties: complaints.

Would have required the Commissioner, when investigating complaints, to limit the investigation to those allegations specified in the complaint.

Status: Held in the Assembly Insurance Committee.

AB 2396 (Solorio) Workers' compensation insurance: rating organizations: statistical agents.

Would have required a designated statistical agent to conduct public meetings. Would have specified records of the designated statistical agent that would be public, and would have specified information that the designated statistical agent is not required to make available to the public.

Status: Held in the Assembly Appropriations Committee.

AB 2397 (Solorio) Workers' compensation: public employees: leave of absence.

Would have provided that the employees and the employer through the collective bargaining process may mutually agree to extend the leave of absence known as "4850 time" beyond the one year period of disability, but that the extension may only be for a maximum of one additional year.

Status: Vetoed by the Governor.

GOVERNOR'S VETO MESSAGE:

"This bill would amend Labor Code section 4850 to provide that an injured employee and his or her employer may mutually agree to extend the employee's leave of absence without loss of salary in lieu of temporary disability payments or maintenance allowance payments beyond the one year period of disability.

I appreciate and value the duties of public servants who perform difficult and dangerous tasks that risk their lives. However, as we have seen with the current pension crisis, there is often an inclination to add special benefits and compensation to unsustainable levels. I am unwilling to facilitate this lack of fiscal responsibility by creating potentially new costs for public entities administering the public's money."

AB 2404 (Hill) Insurance.

Requires that any insurance policy that includes a provision to refund a premium other than on a pro rata basis, including the assessment of cancellation fees, disclose that fact in writing, including the actual or maximum fees or penalties applied, which will be permitted to be stated in the form of percentages of the premium. The disclosure will be required to be made prior to, or concurrent with, the application and prior to each renewal, as provided. The disclosure would not be required if the policy provision permits, but does not require, the insurer to refund a premium other than on a pro rata basis, and the insurer refunds the premium on a pro rata basis.

Status: Chapter 387, Statutes of 2010.

AB 2411 (Jones) Pet insurance.

Would have provided for the regulation of pet insurance. Would have, in connection with the sale of a new, amended, or renewed pet insurance policy on or after July 1, 2011, required pet insurers to reasonably disclose to the consumer, if the policy excludes

coverage on the basis of a preexisting condition or other disorder, any policy provision that limits coverage in this manner, and whether the insurer reduces coverage or increases premiums based on claims experience in any subsequent policy period.

Status: Vetoed by the Governor.

GOVERNOR'S VETO MESSAGE:

"This bill would provide for the regulation of pet insurance by the Department of Insurance and require various disclosures from pet insurers.

Existing law provides for the regulation of various types of insurance by the Department of Insurance, including pet insurance. As such, this bill is not necessary."

AB 2423 (Niello) Department of Industrial Relations: funds: employer surcharges and assessments.

Would have stated the intent of the Legislature to enact legislation that would have require the Department of Industrial Relations to convene an advisory committee consisting of employers, injured workers, doctors, and other stakeholders when setting the assessments and surcharges in compliance with Sections of the Labor Code.

Status: Held in the Assembly Insurance Committee.

AB 2433 (Ruskin) Unemployment insurance: use of information for tax purposes.

Authorizes the Director of the Employment Development Department to release to the State Board of Equalization, specified employment tax information in his or her possession that will assist in the administration of tax programs.

Status: Chapter 129, Statutes of 2010.

AB 2490 (Jones) Workers' compensation insurance: dispute resolution: arbitration clauses.

Would have required that any agreement, other than a settlement agreement resolving a particular dispute, between an employer, whose principal place of business is in California, and a workers' compensation insurer concerning resolution of disputes, including, but not limited to, an arbitration clause arising out of a workers' compensation policy or endorsement, shall be part of the form or endorsement filed with the rating organization, should be provided to the employer contemporaneously with any written quote that offers to provide insurance coverage, and shall contain provisions to resolve disputes that arise in this state in a California forum and under California law.

Status: Vetoed by the Governor.

GOVERNOR'S VETO MESSAGE:

"This bill is unnecessary because there is no evidence to demonstrate that a problem exists. In my view, the bill risks reducing the competitive market for workers' compensation California now enjoys

due to our reforms. The broad language in the bill leaves open the potential for costly regulatory interpretation that will impact the cost of workers' compensation insurance. The high deductible contract negotiations the bill seeks to impact are conducted by sophisticated participants on both sides of the table that are well versed in all aspects of workers' compensation and other insurance products. Therefore, I am not convinced the issue addressed by the bill will result in keeping workers' compensation costs down which is the most significant concern to California employers."

AB 2535 (Blakeslee) Insurance: California Earthquake Authority.

Would have required the California Earthquake Authority (CEA), upon request, to make available in electronic form nonproprietary materials and documents its Governing Board uses in the determination of whether to open CEA participation to additional insurers who are not currently participating insurers.

Status: Died on the Senate inactive file..

AB 2538 (Niello) Unemployment insurance: eligibility for benefits: notification.

Authorizes the director to serve a tax lien levy by first-class mail instead of certified mail. Requires that, if the levy is made on a deposit or credits or personal property in the possession or under the control of a bank or savings and loan association, the notice of levy shall be delivered or mailed to the centralized processing unit or location designated by that bank or savings and loan association where the credits or other property is held. Authorizes the department to serve notice to an address for a bank or savings and loan association by magnetic media, electronic transmission, or other electronic technology.

Status: Chapter 392, Statutes of 2010.

AB 2577 (Knight) Employment: taxes and contributions: aerospace industry.

Would have exempted employers from withholding taxes for remuneration paid to nonresidents of California who are employed in the aerospace industry on a temporary basis.

Status: Held in the Assembly Insurance Committee.

AB 2593 (Bradford) Workers' compensation: official medical fee schedule.

Would have provided that for pharmacy services and drugs that are not otherwise covered by a MediCal fee schedule payment for facility services, the maximum reasonable fees shall be the lowest of the average wholesale price minus 17%, the federal upper limit, or the maximum allowable ingredient costs, plus a professional fee for dispensing that is no less than \$7.25 per prescription.

Status: Held in the Assembly Insurance Committee.

AB 2625 (Villines) Workers' compensation.

Would have expanded the scope of the workers' compensation "carve-out" law to include the State of California.

Status: Held in the Assembly Insurance Committee.

AB 2717 (Skinner) Insurance: agents and brokers: senior designation use.

Requires that the Insurance Commissioner approve a senior designation only if the organization that issues the designation satisfies specified requirements, including, but not limited to, accreditation standards, education and examination requirements, and having minimum standards and procedures regarding disciplining the organization's designees for improper or unethical conduct.

Status: Chapter 606, Statutes of 2010.

AB 2745 (Ammiano) Motor vehicle insurance: discrimination: geographic area.

Would have redefined geographic area as a portion of this state of not less than 15 square miles defined by description in the rating manual of an insurer or in the rating manual of a rating bureau of which the insurer is a member or subscriber.

Status: Held in the Assembly Insurance Committee.

AB 2746 (Blakeslee) California Earthquake Authority: mitigation officer.

Authorizes the CEA to contract for the services of a chief mitigation officer, and requires the chief mitigation officer to file financial disclosure statements with the Fair Political Practices Commission. Requires the board to establish the duties of, and give direction to, the chief mitigation officer to support and enhance the CEA's efforts to create and maintain specified mitigation activities. Authorizes the CEA to accept grants and gifts of property and services for the Earthquake Loss Mitigation Fund or the related residential retrofit program from federal, state, and local government sources and private sources.

Status: Chapter 609, Statutes of 2010.

AB 2749 (Logue) Workers' compensation: lien claims.

Would have prohibited lien claims for expenses incurred by or on behalf of the injured employee and to the extent that the employee is entitled to reimbursement for medical-legal expenses, from being filed after 6 months from the date on which the Workers' Compensation Appeals Board or workers' compensation administrative law judge issued a final decision, finding, order, or award on the merits of the claim, after 5 years from the date of the injury for which the services were provided, or after one year from the date the services were provided, whichever is later.

Status: Held in the Assembly Insurance Committee.

AB 2778 (Committee on Insurance) Unemployment insurance: voluntary plans.

Allows the Director of the Employment Development Department to approve a voluntary plan that is administered by a small-business-3rd-party administrator, that administers voluntary disability plans on behalf of its clients through December 31, 2014.

Status: Chapter 399, Statutes of 2010.

AB 2779 (Committee on Insurance) Workers' compensation: lien claims.

Would have provided that under workers' compensation law, a compounded drug dispensed on or after November 1, 2010, shall be reimbursable only if certain conditions, including the condition that all active ingredients in the compounded drug are ingredients in drug products that have been approved by the federal Food and Drug Administration and all other ingredients are listed by the United States Pharmacopeia are satisfied.

Status: Died on the Senate inactive file.

AB 2780 (Solorio) Workers' compensation: individually identifiable information.

Authorizes the State Department of Health Care Services to obtain and use individually identifiable information for the purposes of seeking recovery of Medi-Cal costs incurred by the state for treatment provided to injured workers that should have been incurred by employers and insurance carriers pursuant to existing authority of the Director of Health Care Services to recover the value of the benefits for which another person or carrier is liable.

Status: Chapter 611, Statutes of 2010.

AB 2781 (Committee on Insurance) Insurance: Guarantee Association.

Permits the California Insurance Guarantee Association to issue bonds for an additional two years beyond the current sunset date to January 1, 2013, but would not change the total amount of bonds that CIGA could issue.

Status: Chapter 140, Statutes of 2010.

AB 2782 (Committee on Insurance) Insurance omnibus.

Makes various changes to California laws including licensing-related changes to align California law with the National Association of Insurance Commissioners (NAIC) Producer Licensing Model Act (PLMA).

Status: Chapter 140, Statutes of 2010.

AB X3 23 (Coto) – Unemployment insurance: extended benefits.

Establishes eligibility for unemployed people for an additional 20 weeks of federally-funded extended unemployment insurance benefits.

Status: Chapter 22, Statutes of 2009.

AB X3 29 (Coto) – Unemployment insurance.

Establishes an "alternative base period" that allows recent earnings to count in determining eligibility for unemployment insurance benefits, requires the Employment Development Department to send employers prompt information on the maximum Unemployment Insurance payable to each claimant, and allows employers and Unemployment Insurance claimants to participate in Unemployment Insurance Appeals Board hearings by telephone.

Status: Chapter 23, Status of 2009.

AJR 1 (Blakeslee) – Earthquake damage: mitigation planning.

States the Legislature's support for the development of mitigation efforts across the state by federal, state, and local governmental entities, in cooperation with private enterprises and individuals, to protect against earthquake damage.

Status: Chapter 64, Statutes of 2009.

AJR 42 (Solorio) – Medicare Secondary Payer Enhancement Act of 2010.

Requests the Congress and the President of the United States to enact the Medicare Secondary Payer Enhancement Act of 2010.

Status: Chapter 92, Statutes of 2009.

SENATE BILLS

SB 98 (Calderon) -- Life insurance: life settlement contracts and viatical settlements.

Establishes a comprehensive licensing program for persons who transact life settlement contracts, makes it unlawful to issue or market the purchase of a new life insurance policy for the purpose of settling the policy, generally prohibits individuals from entering into a life settlement during the initial two years of a policy, authorizes the Insurance Commissioner to disapprove life settlement forms, requires specified disclosures to consumers, including a notice of possible alternatives to life settlements, and prohibits predatory practices such as false and misleading statements.

Status: Chapter 343, Statutes of 2009.

SB 119 (Wyland) –Professional liability insurance: insurers: bad faith.

Extends the sunset date on a law that provides immunity from liability for insurers that issue professional liability insurance to health care providers for statements made in the notice of nonrenewal.

Status: Chapter 30, Statutes of 2009.

SB 145 (DeSaulnier) –Workers' compensation.

Would have prohibited discrimination on the basis of specified protected classes for purposes of apportioning permanent disability, and would have clarified the law governing compensability where criminal violence is committed against an employee in the workplace.

Status: Vetoed by the Governor.

GOVERNOR'S VETO MESSAGE:

"This bill would prevent a workers' compensation claim from being denied or impacted by an apportionment determination because the employee's injury or death was related to the employee's race, religious creed, color, national origin, age, gender, marital status, sex, or genetic characteristics. This measure, like Senate Bill 1115 (2008), which I previously vetoed, would significantly undermined the state's workers' compensation apportionment reforms of 2004. In addition, although this measure purports to address instances where a workers' compensation claim was improperly denied when a hate crime was committed against an employee, this issue has been addressed by Assembly Bill 1093, which I signed last year."

SB 156 (Wright) – Insurance: fraud prevention and detection.

Authorizes the Insurance Commissioner to convene meetings with representatives of insurers to discuss suspected or completed acts of insurance fraud.

Status: Chapter 305, Statutes of 2010.

SB 186 (DeSaulnier) –Workers' compensation: medical treatment: predesignation of physician.

Removes the sunset date on the law that authorizes a worker to predesignate his or her personal treating physician as the treating physician in the event of a workplace injury.

Status: Chapter 565, Statutes of 2009.

SB 291 (Calderon) – Insurance reserves.

Authorizes a mortgage guaranty insurer to request a waiver of a statutory formula that requires the insurer to cease writing new business if a bright-line statutory ratio is crossed.

Status: Chapter 574, Statutes of 2009.

SB 313 (DeSaulnier) –Workers' compensation: penalty assessments.

Increases the per-employee penalty for the lack of workers' compensation coverage from \$1,000 to \$1,500. Requires the Director of the Department of Industrial Relations to issue a penalty assessment order, as specified. Restructures the laws governing penalties to be assessed on employers that do not comply with the law mandating that every employer provide, either through insurance or an approved self-insurance program, workers' compensation benefits for its employees.

Status: Chapter 640, Statutes of 2009.

SB 396 (Calderon) –Insurance Commissioner: reports.

Would have required an existing report on agent licensure activity (within the Department of Insurance's Annual Report) to include information on the number of first-time examinees who passed the exam and their overall pass rate by category of license and also the total number of examinations and mean examination score for all examinees by license category, and if the overall pass rate is less than 65 percent for a specific license category then the Insurance Commissioner shall calculate the pass rate of examinees by demographic information including ethnicity/race, gender, and level of education.

Status: Vetoed by the Governor.

GOVERNOR'S VETO MESSAGE:

"This bill is unnecessary. The Insurance Commissioner has the ability to report the information required in this bill under current law."

SB 397 (Calderon) –Life insurance.

Would have exempted the sale of certain life insurance policies for funeral and burial expenses from the requirement that the agent provide the senior with 24 hour advance notice prior to their initial meeting when certain disclosures are made.

Status: Vetoed by the Governor.

GOVERNOR'S VETO MESSAGE:

"During the previous two legislative sessions, I have vetoed similar legislation that would have granted an exemption from the current requirement that seniors be given 24-hour notice in advance of any

attempt to meet in a senior's home to discuss the sale of a burial or funeral policy. I stated my belief that this notice requirement creates an important "bright line" test that insurance agents know not to cross and is a sound consumer protection practice.

Although this measure provides additional notice requirements to attempt to protect against fraud, I remain unconvinced of the need to deviate from the current 24-hour notice requirement. Asking an agent to wait one day before meeting in someone's home is a minor request in order to protect seniors against fraud."

SB 683 (Calderon) – Workers' compensation: group self-insurers: audits.

Would have required each self insured group to annually file with the director of the Office of Self Insured Plans an annual audit of the financial accounts and records of the group by an independent, certified public accountant. The annual audit would have been made available to the Director. No individual self insured member's audited financial or claim information would have been included in this disclosure to the guarantee fund or been made available to the public.

Status: Died in the Assembly Insurance Committee.

SB 968 (Negrete McLeod) – Unemployment insurance: training and retraining benefits.

Would have restructured the California Training Benefits Program to allow an unemployed individual to automatically become eligible for training and retraining benefits if specified criteria apply, or if the Director of Employment Development makes a determination of eligibility.

Status: Died in the Assembly Appropriations Committee.

SB 1211 (Romero) – Unemployment insurance: benefits: eligibility: overpayments: elected officials.

Requires the Director of Employment Development to find an overpayment of unemployment benefits if the individual is an elected official whose claim was based solely on income received as an elected official. Permits the Director of the Employment Development Department, in addition to filing a civil action against the liable person for the overpayment amount, to initiate summary judgment proceedings against such a person to recover these overpayment amounts.

Status: Chapter 222, Statutes of 2010.

SB 1242 (Calderon) –Insurance: life settlements.

Would have provided several clean-up provisions to the recently enacted life settlement regulatory law.

Status: Held in the Assembly Appropriations Committee.

SB 1244 (Walters) – Employment: taxes and contributions: limited liability company.

Conforms state unemployment insurance law to federal regulations related to Limited Liability Companies (LLC). Specifies that the definition of "employee" does not include

any member of a limited liability company that is treated as a partnership for federal income tax purposes.

Status: Chapter 522, Statutes of 2010.

SB 1405 (Committee on Banking Finance and Insurance) – Life insurance: premium refunds.

Requires insurers to refund premiums and fees within 30 days of the cancellation of a life insurance policy of less than \$10,000.

Status: Chapter 184, Statutes of 2010.

SB 1406 (Committee on Banking Finance and Insurance) – Earthquake insurance: coverage offer.

Would have stated that existing law shall be construed as authorizing an insurer for up to 60 days after issuing or renewing a policy of residential property insurance, to focus on claims and its resources on services to existing policyholders in the event of an earthquake and to temporarily defer the mandatory offer.

Status: Vetoed by the Governor.

GOVERNOR'S VETO MESSAGE:

"This bill states that existing law shall be construed as authorizing an insurer for up to 60 days after issuing or renewing a policy of residential property insurance, to focus on claims and its resources on services to existing policyholders in the event of an earthquake and to temporarily defer the mandatory offer.

This bill does not change the responsibility or timeframes for insurers that offer property insurance and it does not make any substantive change to existing law."

SB 1407 (Committee on Banking Finance and Insurance) – Insurance: State Compensation Insurance Fund: investments.

Expands SCIF's choices for the investment of excess moneys by allowing the board to invest or reinvest in additional investments in the same manner as provided for private insurance carriers, including, interest bearing obligations issued by a nonaffiliate institution, all deposits and debt obligations of banks or savings and loan associations whose accounts are insured by an agency or instrumentality of the federal government, and bonds issued by any county, municipality, or school district in this state.

Status: Chapter 651, Statutes of 2010.

SB 1408 (Committee on Banking Finance and Insurance) – Insurance: California Life and Health Insurance Guarantee Association Act

Revises and recasts provisions of the act, including, the powers and duties of the association, coverage eligibility, the conditions and procedures for payment of a claim, association reporting requirements, and other related changes. Makes various technical and conforming changes.

Status: Chapter 334, Statutes of 2010.

SB 1472 (Leno) – Unemployment insurance: shared work.

Would have required the Employment Development Department to develop and implement an outreach plan designed to provide information and inform employers in this state of the shared work program.

Status: Died on the Senate floor.