

ASSEMBLY INSURANCE COMMITTEE
2011-2012
LEGISLATIVE SUMMARY

Assembly Bills

AB 53 (Solorio) – Insurance: procurement contracts: minority, women, and disabled veteran business enterprises.

Requires major insurers with written premiums equal to or in excess of \$100,000,000 to submit a report to the commissioner, by July 1, 2013, on its minority, women, and disabled veteran-owned business procurement efforts.

Status: Chapter 414, Statutes of 2012.

AB 55 (Gatto) – Unemployment compensation: employer: motion picture industry.

Removes the January 1, 2012, sunset date that allows a motion picture payroll services company to serve as the employer of motion picture production workers for purposes of payroll tax reporting and employee benefits pursuant to the unemployment insurance and state disability insurance programs.

Status: Chapter 160, Statutes of 2011.

AB 125 (Committee on Insurance) – Insurance guaranteed asset protection.

Clarifies that a deductible required by an automobile insurance policy may be covered by guaranteed automobile protection insurance and related contracts.

Status: Chapter 24, Statutes of 2011.

AB 211 (Cedillo) – Workers' compensation: permanent disability benefits.

Would have provided, for injuries that cause permanent partial disability and occur on or after January 1, 2012, a supplemental job displacement benefit in the form of a voucher for up to \$6,000 to cover various reeducation and skill enhancement expenses which would expire two years after the date the voucher is furnished to the employee or five years after the date of injury.

Status: Vetoed by the Governor.

GOVERNOR'S VETO MESSAGE:

"This bill represents an effort to improve benefits for workers by providing vouchers for those who need additional training in order to return to employment after permanently disabling injuries. I am, however, reluctant to enact piecemeal changes to the Workers' Compensation system in the absence of more comprehensive reform that addresses both the cost and benefits under the system."

AB 226 (Solorio) – Unemployment insurance: reporting requirements: status of funds.

Would have required the Employment Development Department, whenever the Unemployment Fund indicated a negative balance, to include in its status report the estimated impact on employers from changes in federal tax credits and the estimated amount the state is expected to pay in interest charges on any outstanding loan to the federal government.

Status: Ordered to Inactive.

AB 228 (Fuentes) – State Compensation Insurance Fund: out of state risks.

Confers limited authority to the State Compensation Insurance Fund (SCIF) to provide specified California employers workers' compensation coverage for their non-California employees as an accommodation alongside their California-based employees, provided that there is a contractual arrangement between SCIF and a qualified admitted insurer in the other state.

Status: Chapter 670, Statutes of 2011.

AB 274 (Garrick) – Unemployment insurance benefits: claims: right to respond.

Would have required that employers be notified of the circumstances that establish "good cause" under which an employer may get an extension from the director (from the current 10 day period) to submit information to the Employment Development Department regarding a claim for unemployment insurance benefits.

Status: Vetoed by the Governor.

GOVERNOR'S VETO MESSAGE:

"This bill is unnecessary. It directs employers to a technical guide used by the Employment Development Department (EDD) to adjudicate Unemployment Insurance eligibility.

Use of this guide, however, may cause confusion rather than assist employers in understanding what qualifies as "good cause" for responding late to an Unemployment Insurance claim notification. Information about what constitutes good cause is already stated on the existing form sent to employers when a claim is filed."

AB 315 (Solorio) – Surplus line brokers.

Conforms California law governing surplus line insurance to mandatory changes included in the federal Nonadmitted and Reinsurance Reform Act provisions of last year's Dodd-Frank Wall Street Reform and Consumer Protection Act.

Status: Chapter 83, Statutes of 2011.

AB 335 (Solorio) – Workers' compensation: notices.

Requires the Administrative Director of the Division of Workers' Compensation, in consultation with the Commission on Health and Safety and Workers' Compensation, to prescribe reasonable rules and regulations for serving certain notices on an employee. Further requires the administrative director, in consultation with the commission, to develop and make available plain language descriptions of the workers' compensation claims process. Further requires each notice to be written in plain language and to reference the informational material to enable employees to understand the context of the notices.

Status: Chapter 544, Statutes of 2011.

AB 375 (Skinner) – Workers' compensation: 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" include a blood borne infectious disease or

methicillin-resistant *Staphylococcus aureus* that develops or manifests itself during the period of the person's employment with the hospital.

Status: Failed passage on the Senate Floor.

AB 378 (Solorio) – Workers' compensation: pharmacy products.

Regulates the dispensing of compounded medications and other pharmacy goods in the workers' compensation system.

Status: Chaptered 545, Statutes of 2011.

AB 480 (Solorio) – Insurance: solid waste facilities.

Requires the Department of Resources, Recycling, and Recovery to accept the use of a captive insurer for up to 50% of the financial assurance required of an operator of a solid waste landfill.

Status: Chapter 713, Statutes of 2012.

AB 500 (Solorio) – Unemployment Insurance Code: penalties.

Would have allowed for the forfeiture of Unemployment Insurance compensation benefits if the recipient was convicted of certain offenses in a court of competent jurisdiction of this state, any other state, or the federal government. Would have deleted the requirement that the Employment Development Department provide 10 days notice before filing criminal charges for making false statements related to Unemployment Insurance compensation claims. Would have made numerous changes to the penalties for violations of the Unemployment Insurance Code.

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

AB 584 (Fong) – Workers' compensation: utilization review.

Would have required physicians who are authorized to conduct utilization reviews to be licensed in the state.

Status: Vetoed by the Governor.

GOVERNOR'S VETO MESSAGE:

"This bill would require that the physician conducting utilization review of requests for medical treatment in Workers Compensation claims be licensed in California.

This requirement of using only California-licensed physicians to conduct utilization review in Workers Compensation cases would be an abrupt change and inconsistent with the manner in which utilization review is conducted by health care service plans under the Knox-Keene Act and by those regulated by the California Department of Insurance.

I am not convinced that establishing a separate standard for Workers Compensation utilization review makes sense."

AB 585 (Fong) – Workers' compensation: cancer presumption.

Extends the disputable presumption of cancer as an occupational injury to active firefighting members of a fire department that serve a National Aeronautics and Space Administration installation and who adhere to training standards.

Status: Chapter 550, Statutes of 2011.

AB 624 (John A. Perez) – California Organized Investment Network.

Extends the Community Development Financial Institution investments tax credit until January 1, 2017. Authorizes the Insurance Commissioner to establish a California Organized Investment Network Advisory Board until January 1, 2015.

Status: Chapter 436, Statutes of 2011.

AB 689 (Blumenfield) – Insurance: annuity transactions: suitability.

Requires insurance producers and insurers selling annuities to have reasonable grounds to believe their recommendations are suitable for consumers, and to adopt a regulatory process to enforce this requirement.

Status: Chapter 295, Statutes of 2011.

AB 690 (Solorio) – Portable electronics insurance.

Revises and recasts the laws governing the sale of insurance in connection with portable electronic devices and their accessories and associated services.

Status: Chapter 165, Statutes of 2011.

AB 705 (Blumenfield) – Insurance: risk retention.

Would have prohibited domestic insurers from acquiring foreign investments from or located in foreign jurisdictions designated as state sponsors of terrorism by the United States Secretary of State.

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

AB 736 (Charles Calderon) – Insurance: licenses: fraud prevention.

Would have authorized a person licensed to transact accident and health insurance to be an agent, a broker, or both.

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

AB 793 (Eng) – Insurance producers: reverse mortgages.

Prohibits an insurance broker or agent from participating in, being associated with, or employing any party that participates in, or is associated with, the origination of a reverse mortgage if the broker or agent has a direct financial incentive to issue the reverse mortgage. Also prohibits, with exceptions, individuals transacting insurance from receiving compensation, commission, or direct incentive for providing reverse mortgage borrowers with a noncasualty insurance product that is connected to or a result of the reverse mortgage.

Status: Chapter 223, Statutes of 2011.

AB 804 (Yamada) – Unemployment compensation: disability benefits: paid family leave.

Would have extended eligibility for the state's family leave act temporary disability insurance benefits to grandparents, grandchildren, siblings or parents-in-law.

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

AB 947 (Solorio) – Workers' compensation: temporary disability payments.

Would have authorized up to 240 weeks of temporary disability benefits for workers who, on the advice of a workers' compensation system physician, delayed surgery while less expensive or invasive treatment was tried, would have used up to 104 weeks of temporary disability benefits during that time, and required surgery and post-surgery recovery period exhausted any remaining weeks of temporary disability benefits.

Status: Vetoed by the Governor.

GOVERNOR'S VETO MESSAGE:

"This bill would extend the requirement to pay workers' compensation temporary disability payments for up to 240 weeks in cases where surgery or recovery from surgery occurs after the current 104 week temporary disability limit.

It is vital that injured workers receive adequate compensation to provide for their needs when they are unable to work due to work related injuries. Workers' compensation reforms, however, need to be addressed on a broad and balanced scale -- ensuring workers receive adequate and timely benefits and treatment, while also ensuring that the costs of the system are sustainable."

AB 974 (Portantino) – Workers' compensation: insurance: rates.

Would have provided that workers' compensation insurance rates may not include a price differential for policies sold through brokers as opposed to direct sale by the insurer.

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

AB 999 (Yamada) – Long-term care insurance.

Revises long-term care insurance oversight to enhance consumer information and revise rate calculation requirements.

Status: Chapter 627, Statutes of 2012.

AB 1004 (Hagman) – Insurance: Conservation and Liquidation Office: receivership.

Would have required the Conservation and Liquidation Office to report and publish all specified claims on a quarterly basis through a public filing with the court in which an insurer's liquidation proceeding is pending. Would have required the office to provide specified notice to claimants whose claims have been allowed. Would have required the receiver, the Commissioner, or the Conservation and Liquidation Office, as applicable, upon receipt of notice that an allowed claim has been assigned to another party, to process that claim within 21 days.

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

AB 1024 (Hueso) – Insurance: low-cost automobile insurance: sales.

Authorizes insurance agents and brokers to sell low-cost auto insurance through an Internet website, and requires the California Automobile Assigned Risk Plan to create a website for referring consumers to certified agents or brokers for the purchase of low-cost automobile insurance. Requires the Department of Motor Vehicles to update the insert regarding the low-cost automobile insurance program that is included in registration renewals to reflect the online program established by this bill.

Status: Chapter 401, Statutes of 2011.

AB 1063 (Bradford) – Automobile insurance: underinsured motorist coverage.

Would have expanded the scope of underinsured motorist coverage by repealing certain statutory limitations on the scope of coverage.

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

AB 1098 (Carter) – Tracy – the vetoed version was a gut and amend. Look at bill as passed by the Assembly

AB 1106 (Achadjian) – Occupational safety and health: local public entities: penalty moneys: grants.

Would have allowed any county, city, special district, public authority, public agency, or joint powers authority to apply for a refund of civil penalties assessed for violations of occupational safety and health laws if the conditions that violated the laws have been corrected.

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

AB 1129 (Portantino) – This also looks like a gut and amend from when we heard it

Would have authorized the Director of the Employment Development Department to share information with Educational Credit Management Corporation, the U.S. Department of Education's student loan guarantor in California.

Status: Held in Assembly Judiciary and Rules Committee.

AB 1145 (Cedillo) – Workers' compensation: permanent disability benefits.

Would have provided, for injuries that cause permanent partial disability and occur on or after January 1, 2013, for a supplemental job displacement benefit in the form of a voucher for up to \$6,000 to cover various reeducation and skill enhancement expenses which would expire two years after the date the voucher is furnished to the employee or five years after the date of injury, whichever is later.

Status: Vetoed by the Governor.

GOVERNOR'S VETO MESSAGE:

"I commend the author for his hard work on this measure to more effectively re-train injured workers and improve return to work rates. I note that the provisions in this measure are included in the recently enacted comprehensive workers'

compensation reform legislation - - making a second measure unnecessary at this time.

These reforms - backed by both Democrats and Republicans - reduce costs to businesses and protect workers. Further, they will help to avert an imminent crisis of skyrocketing rates that would have hurt both injured workers and businesses."

AB 1155 (Alejo) -- Workers' compensation.

Would have stated the intent of the Legislature to prohibit the use of risk factors and specified characteristics to deny an injured worker his/her rightful benefit when disabled in the workplace. Would have specified that the approximate percentage of a permanent disability of an injured employee caused by other factors not directly arising out of the industrial injury of the employee shall not include consideration of race, religious creed, color, national origin, age, gender, marital status, sex, sexual orientation, or genetic characteristics, in the determination of worker's compensation benefit.

Status: Vetoed by the Governor.

GOVERNOR'S VETO MESSAGE:

"This bill would state that workers' compensation injury determinations shall not include consideration of race, religious creed, color, national origin, age, gender, marital status, sex, sexual orientation, or genetic characteristics.

The courts already recognize that apportioning a disability award to any of these classifications is antithetical to our states' non-discrimination policies. The courts also recognize that apportioning to an actual non-industrial condition that contributes to causing a disability is permissible and required by the principle that apportionment is based on causation.

This bill would not change existing law as interpreted by the courts to date. This bill would, however, generate new litigation over questions of whether it is intended to change existing interpretations. At best, that additional litigation would add to employers' costs for workers' compensation. At worst, this bill could disturb the appropriate interpretation of existing law that is already taking shape in the courts."

AB 1168 (Pan) – Workers' compensation: vocational expert fee schedule.

Requires the Administrative Director of the Division of Workers' Compensation to adopt a fee schedule for services and testimony by vocational experts in the workers' compensation system.

Status: Chapter 555, Statutes of 2011.

AB 1263 (Williams) – State Compensation Insurance Fund: directors and officers: postemployment.

Extends current post-employment lobbying restrictions for State Compensation Insurance Fund Board Members and exempt employees from one year to two years and requires board approval of consulting contracts with former board members or exempt employees.
Status: Chapter 53, Statutes 2011.

AB 1363 (Alejo) – Workers' compensation insurance: rating organizations: statistical agent.

Would have required the Workers' Compensation Insurance Rating Bureau to comply with the open meetings and public records laws that govern public entities in California.
Status: Died pursuant to Art. IV, Sec. 10 (c) of the Constitution.

AB 1416 (Committee on Insurance) – Insurance omnibus.

A Department of Insurance Code Maintenance bill, which updates terminology to make the code consistent, delete erroneous cross-references, and perform other non-controversial code clean-up purposes.
Status: Chapter 411, Statutes of 2011.

AB 1425 (Committee on Insurance) – Insurance.

Standardizes the adoption of future regulations implementing California's life settlement law under standard, rather than emergency, Administrative Procedures Act procedures, repeals an obsolete reporting requirement by the Insurance Commissioner regarding credit insurance agents, and repeals the requirement to adopt emergency regulations in connection with implementing the low-cost automobile insurance program.
Status: Chapter 414, Statutes of 2011.

AB 1426 (Solorio) – Workers' compensation: court administrator.

Eliminates the position of court administrator and distributes the duties to the Workers' Compensation Appeals Board and the Administrative Director of the Division of Workers' Compensation.
Status: Chapter 559, Statutes 2011.

AB 1427 (Solorio) – Worker's compensation insurance: fraud.

Would have repealed an obsolete requirement of the Bureau of State Audits to submit a report on workers' compensation, and replaces a rarely used word in the Insurance Code with a commonly used word.
Status: The bill was subsequently changed to a non-insurance bill.

AB 1454 (Solorio) – Workers' compensation: audiologists.

Would have included doctors of audiology who meet specified requirements among those medical professionals who may be appointed by the Administrative Director of the Division of Workers' Compensation within the as a qualified medical evaluator.
Status: Vetoed by the Governor.

GOVERNOR'S VETO MESSAGE:

"I commend the author for his leadership role in reforming California's Workers' Compensation system.

These reforms - backed by both Democrats and Republicans - reduce costs to businesses and protect workers. Further, they will help to avert an imminent crisis of skyrocketing rates that would have hurt both injured workers and businesses."

AB 1551 (Torres) – Insurance: public safety employees: accidents.

Would have provided an exemption from the duty to report automobile accidents to a private insurer if the accident occurs while a public safety officer is driving his or her personal vehicle at the request or direction of the employer, in the course of the officer's duties, and would shift liability for damages and injuries arising from those accidents to the employers.

Status: The bill was subsequently changed to a non-insurance bill. The contents of AB 1551 as passed by the committee were amended into AB 2298.

AB 1603 (Feuer) – Mortgages and deeds of trust: mortgage servicers: force-placed insurance.

Would have regulated the practice of force-placing replacement homeowner's insurance by mortgage servicers.

Status: Ordered to inactive.

AB 1687 (Fong) – Workers' compensation.

Would have required notice to an employee of the options available to object to a decision made pursuant to a workers' compensation utilization review process that would modify, delay, or deny medical treatment. Would have authorized an award of attorney's fees to an injured employee who successfully challenges an employer's workers' compensation utilization review determination.

Status: Vetoed by the Governor.

GOVERNOR'S VETO MESSAGE:

"The recently enacted landmark comprehensive workers' compensation reform legislation makes this measure unnecessary.

These reforms - backed by both Democrats and Republicans - reduce costs to businesses and protect workers. Further, they will help to avert an imminent crisis of skyrocketing rates that would have hurt both injured workers and businesses."

AB 1708 (Gatto) – Vehicles: electronic verification of financial responsibility and insurance.

Clarifies existing law to allow motorists to present proof of insurance electronically to law enforcement agents upon request. Authorizes auto insurance companies to provide, upon

request of a policyholder, an electronic version of the proof of insurance card required by law.

Status: Chapter 236, Statutes of 2012.

AB 1734 (Hagman) – Insurance: Conservation and Liquidation Office.

Would have required the Conservation and Liquidation Office (CLO) at the Department of Insurance, to publish data identifying the businesses with claims against insurers being liquidated by the CLO.

Status: Held in the Assembly Judiciary Committee.

AB 1747 (Feuer) – Life insurance: nonpayment premium lapse: notice.

Establishes a statutory minimum 60-day grace period for nonpayment of premium on life insurance policies. Requires that life insurers permit policy owners to designate at least one other person to receive notice of a missed payment and prohibits termination of an individual life insurance policy until that notice has been mailed 30 days prior to the effective date of termination for nonpayment of premium.

Status: Chapter 315, Statutes 2012.

AB 1794 (Williams) – Unemployment insurance: use of employer reports: reporting and payroll: enforcement.

Authorizes the Employment Development Department to provide specific new employee information to the Joint Enforcement Strike Force on the Underground Economy, the Contractors State License Board, and the State Compensation Insurance Fund; permits those agencies to share the new hire information for the purposes of auditing, investigating, and prosecuting violations of tax and cash-pay reporting laws; extends the sunset date, to January 1, 2019, of the expanded contractor payroll audit provision; and directs that the specified requirements under the memorandum of understanding regarding the administration and enforcement of the reporting and payroll duties relating to contractors are to be executed on or before July 1, 2013.

Status: Chapter 811, Statutes of 2012.

AB 1845 (Solorio) – Unemployment compensation benefits: overpayment assessments: termination: income tax withholding.

Conforms the state's unemployment insurance program administered by the Employment Development Department to changes in federal law.

Status: Chapter 783, Statutes of 2012.

AB 1949 (Cedillo) – Public employees: annuities and mutual fund custodial accounts.

Would have permitted a school district to restrict the investment products offered in its "403(b)" plan based on a competitive review process.

Status: Held in the Assembly Insurance Committee.

AB 2069 (Solorio) – Workers' compensation: peace officer benefits.

Extends to the children and spouses of a Sheriff's Special Officer of the County of Orange the right to receive educational scholarships and health benefits should he/she die or be totally disabled in the line of duty.

Status: Chapter 819, Statutes of 2012

AB 2072 (Eng) – Workers’ compensation: acupuncturists.

Would have required the Commission on Health and Safety and Workers' Compensation to report to the Legislature by December 31, 2013, on whether acupuncturists, whether or not they have obtained qualified medical evaluator status, possess the knowledge, skills and abilities to conduct disability evaluations in the workers' compensation system.

Status: Held in the Assembly Appropriations Committee.

AB 2084 (Solorio) – Blanket insurance.

Expands the types of blanket insurance that may be offered by California admitted insurers.

Status: Chapter 321, Statutes of 2012.

AB 2138 (Blumenfield) – Health insurance fraud: annual fee.

Grants the Insurance Commissioner the authority to raise the special purpose assessment that funds investigations and prosecution of fraudulent disability insurance claims up to 20 cents annually per insured.

Status: Chapter 444, Statutes of 2012.

AB 2160 (Blumenfield) – Insurance: Iranian investments.

Deems an investment by a domestic insurer in specified companies as a nonadmitted asset for the purposes of meeting the insurer’s capital requirements. The targeted investment activities involve companies included on the list of companies prepared by the Department of General Services (DGS) pursuant to the Iran Contracting Act of 2010.

Status: Chapter 479, Statutes of 2012.

AB 2219 (Knight) – Contractors’ workers’ compensation insurance coverage.

Deletes the sunset date, thereby extending indefinitely the existing law requiring roofing contractors who hold a C-39 classification to maintain workers’ compensation insurance, whether or not they have employees, and makes additional changes to law regarding C-39 contractors.

Status: Chapter 389, Statutes of 2012.

AB 2244 (Conway) – Workers’ compensation: supplemental job displacement benefits.

Would have amended existing workers’ compensation laws to require employers to compensate their employees for injuries sustained during the course of employment. Would have provided that if an injury caused permanent disability and the injured employee did not return to work for the employer within 60 days of the termination of temporary disability, the injured employee would have been eligible for supplemental job displacement benefits in the form of a nontransferable voucher for education-related retraining or skill enhancement.

Status: Never referred to committee. Read first time.

AB 2264 (Knight) – Insurance fraud: release of information: other unlawful activity.

Would have provided civil immunity for private insurance fraud investigators when they report unlawful activity not related to insurance fraud in the course of an investigation.

Status: Held in the Assembly Insurance Committee.

AB 2298 (Solorio) - Insurance: public safety employees: accidents.

Prohibits an insurer from increasing auto insurance premiums for a peace officer, member of the California Highway Patrol or firefighter if that individual was involved in an accident while operating his/her private motor vehicle while in the performance of his/her duty, and provides that the employer will assume all liability that results from such an accident.

Status: Chapter 823, Statutes of 2012.

AB 2301 (Committee on Insurance) – California Insurance Guarantee Association: definitions.

Conforms California statutes governing insolvent insurers to existing practices in cases involving multi-state insurer insolvencies.

Status: Chapter 57, Statutes of 2012.

AB 2302 (Committee on Insurance) – Workers' compensation: studies.

Would have repealed obsolete statutory requirements regarding studies on the workers' compensation system.

Status: Ordered to inactive.

AB 2303 (Committee on Insurance) – Insurance omnibus.

Annual Assembly Insurance Committee omnibus bill which conforms state law to federal insurance law, makes technical changes to the state Insurance Code, and makes changes to various insurance licensing laws.

Status: Chapter 786, Statutes of 2012.

AB 2310 (Morrell) – Unemployment insurance benefits: governmental pension and retirement payments.

Would have required Unemployment Compensation Insurance (UI) benefits to be reduced if the claimant receives a government pension.

Status: Held in the Assembly Insurance Committee.

AB 2354 (Solorio) – Travel insurance.

Updates the definition of travel insurance and shifts the licensing and regulatory compliance responsibilities from travel retailers to limited lines travel insurance agents.

Status: Chapter 257, Statutes of 2012.

AB 2373 (Norby) – Independent contractor: definition.

Would have amended the definition of “independent contractor” to state that whether a person is an independent contractor is determined by considering various factors. Would have amended various other statutory codes to incorporate this definition of independent contractor.

Status: Held in the Assembly Labor and Employee Committee

AB 2451 (John A. Perez) – Workers' compensation: firefighters.

Would have provided that certain proceedings related to the collection of death benefits of firefighters and peace officers may be commenced within, but no later than, 480 weeks from the date of injury, and in no event more than one year after the date of death.

Status: Vetoed by the Governor.

GOVERNOR'S VETO MESSAGE:

"California faces fiscal challenges unparalleled since the Great Depression. While much progress has been made to reduce our structural deficit, balance our budget, reform workers' compensation and rein in spiraling pension costs - - much work remains.

This measure seeks to redress a problem whose scope is not fully knowable. Proponents cite the case of the firefighter who dies a lingering and painful death from cancer and note that if that death occurs even one day past an arbitrary statute of limitation - originally established in 1913 - the surviving dependent family members are denied substantial death benefits.

Meanwhile opponents decry any expansion of this nearly 100 year old limitation as wildly fiscally imprudent, opening the doors to fiscal ruin and damnation of our efforts to restore fiscal sanity to our state.

What is needed is rational, thoughtful consideration of balancing the serious fiscal constraints faced at all levels of government against our shared priority to adequately and fairly compensate the families of those public safety heroes who succumb to work-related injuries and disease.

Unfortunately, little more than anecdotal evidence is available to base such deliberations upon. If deaths due to cancer for firefighters and peace officers approximate, let alone exceed, those of the general population, we can surmise the potential impact of doubling the statute of limitations. It could increase costs to the state by tens of millions of dollars and at the local level by hundreds of millions. Alternatively, there is little credible evidence that the circumstance this measure intends to address occurs other than rarely, yet tragically. In the later circumstance the costs would be modest and reasonable.

I understand that the National Institute for Occupational Safety and Health is in the midst of one of the largest studies of firefighters and risks of death from cancer and other job related disease ever conducted. It is my sincere hope that this study, as well as data collected through our comprehensive reform of the workers' compensation system, will provide a basis to make a more informed policy and research based decision on this question in the

future.

In the interim, I cannot expose state and local governments to the serious fiscal risks enactment of this measure may entail. I reserve the option to revisit this question upon the availability of more thorough research and study of this matter and direct my Department of Industrial Relations to take all steps necessary to ensure that the State collects, maintains and studies the relevant data and third party research upon which to make informed policy decisions on this matter in the future."

AB 2589 (Bradford) – Automobile insurance: underinsured motorist coverage: survey.

Would have required the California Research Bureau to conduct a survey relating to underinsured motorist insurance coverage and report its findings to the Legislature

Status: Held in the Senate Rules Committee.

AB 2627 (Allen) – Benefits payment: direct deposit.

Would have authorized the Employment Development Department (EDD) to administer the state unemployment insurance and the disability compensation programs and to distribute those benefits by direct deposit not linked to an EDD issued debit card.

Status: Held in Assembly Insurance Committee.

AB 2659 (Blumenfield) - Shared Work Program.

Would have authorized the Employment Development Department to administer the state unemployment insurance and the disability compensation programs and to distribute those benefits.

Status: Substantially amended out of the Assembly Insurance Committee.

SENATE BILLS

SB 127 (Emmerson) -- Official medical fee schedule: physician services.

Would have required the Administrative Director of the Division of Workers' Compensation to annually adopt the Current Procedural Terminology codes, descriptors, and modifiers published by the American Medical Association.

Status: Vetoed by the Governor.

GOVERNOR'S VETO MESSAGE:

"This bill would require the Administrative Director of the Division of Workers' Compensation, in order to keep the Official Medical Fee Schedule for physician services appropriately updated, to annually adopt the Current Procedural Terminology codes, descriptors, and modifiers published by the American Medical Association.

Updating these codes without updating other components of the fee schedule, such as the relative values and conversion factors, would

produce neither a more efficient nor accurate physician fee schedule. The bill is a piecemeal approach which would lead to additional costs and increased disputes. It also would detract from updating the fee schedule in its entirety which the Division of Workers' Compensation is currently doing."

SB 131 (Gaines) – Insurance: surplus line brokers: statement of business transacted.

Clarifies the allocation of Department of Insurance reporting requirements under the surplus lines law when multiple brokers are involved in a single surplus lines transaction by permitting delegation of the responsibility by mutual agreement among the brokers as a recognized option.

Status: Chapter 302, Statutes of 2011.

SB 220 (Price) – Life insurance: group policies.

Authorizes dependent children to be eligible for coverage under group life insurance policies up to age 26.

Status: Chapter 126, Statutes of 2011.

SB 457 (Calderon) – Workers' compensation: liens.

Requires the Workers' Compensation Appeals Board to determine, on the basis of liens filed, reimbursement for benefits paid or services provided by a self-insured employee welfare benefit plan, notwithstanding the Official Medical Fee Schedule, when an award is made for reimbursement for self-procured medical costs for the effects of an injury or illness arising out of and in the course of employment. This bill states that its provisions do not modify in any way the rights of any health care provider to file and prosecute a lien.

Status: Chapter 564, Statutes of 2011.

SB 596 (Price) – Insurance: disclosures.

Consolidates the notice of the California Earthquake Authority coverage with the notice of available discounts for earthquake coverage into a single mailing, and revises the contents of the insurance claim related written notice.

Status: Chapter 240, Statutes of 2011.

SB 599 (Kehoe) – Life insurance: retained-asset account.

Requires that all life insurance benefits be paid in the form of a lump-sum payment to the beneficiary or by another settlement option that is clearly described in the claim form. If the beneficiary does not choose one of the available settlement options, a retained-asset account would be authorized to be the default option only if the claim form provides a prominent disclosure, as prescribed, that in the absence of a choice by the beneficiary, payment of policy benefits would be made through establishment of a retained-asset account on the beneficiary's behalf. Any life insurance benefits settlement an insurer offers or recommends, other than for a lump-sum payment, would be required to conform to specified conditions. Authorizes the Insurance Commissioner to adopt regulations specifying reasonable requirements for the form of agreements entered into and written disclosures provided by these provisions.

Status: Chapter 423, Statutes of 2011.

SB 615 (Calderon) – Multiple employer welfare arrangements: benefits.

Prohibits multiple employer welfare arrangements from offering, marketing, representing, or selling any product, contract, or discount arrangement as a minimum essential coverage or as compliant with Essential Health Benefits as defined by the federal Patient Protection and Affordable Care Act, unless it meets the applicable requirements.

Status: Chapter 266, Statutes of 2012.

SB 621 (Calderon) – Insurance: life: disability discretionary clauses.

Invalidates any provision in a life insurance or disability insurance policy that provides discretionary authority to the insurer to determine eligibility for benefits or coverage.

Status: Chapter 425, Statutes of 2011.

SB 684 (Corbett) – Workers' compensation insurance: dispute resolution: arbitration clauses.

Requires an insurer that intends to use a dispute resolution or arbitration agreement to resolve disputes arising in California out of a workers' compensation insurance policy or endorsement issued to a California employer, to disclose to the employer, contemporaneously with any written quote that offers to provide insurance coverage, that choice of law and choice of venue or forum may be a jurisdiction other than California and that these terms are negotiable between the insurer and the employer. Requires that the employer sign the disclosure, as evidence of receipt, when the employer accepts the offer of coverage. Also authorizes the dispute resolution or arbitration agreement to be negotiated before any dispute arises. These provisions will apply to workers' compensation policies issued or renewed on or after July 1, 2012.

Status: Chapter 566, Statutes of 2011.

SB 691 (Lieu) – Unemployment insurance: use of information.

Permits information sharing between the Employment Development Department (EDD) and the Contractors' State License Board to assist with its workers' compensation fraud investigations. Requires the Director of EDD to provide the Agricultural Labor Relations Board with information in EDD's possession including employee, wage, and employer information for use in the investigation or enforcement of the Agricultural Labor Relations Act.

Status: Chapter 832, Statutes of 2012.

SB 711 (Rubio) – Insurance: guarantee associations.

Would have extended the time for bonds to be issued on behalf of the California Insurance Guarantee Association to pay claims of insolvent workers compensation insurers, and codified an insurance law regarding the California Life and Health Insurance Guarantee Association.

Status: The bill was subsequently changed to a non-insurance bill.

SB 712 (Committee on Insurance) – Insurance.

Requires every admitted property and casualty insurer, to annually submit a Statement of Actuarial Opinion with supporting documents and an Actuarial Opinion Summary, and

exempts from public disclosure, required under the California Public Records Act, all actuarial reports, work papers, or opinion summaries submitted in support of the Statement of Actuarial Opinion, and such records would not be subject to subpoena or discovery, or be admissible in evidence in any private party civil action. Extends, from January 1, 2013 to January 1, 2023, the time for bonds to be issued on behalf of the California Insurance Guarantee Association to pay the claims of insolvent workers' compensation insurers.
Status: Chapter 426, Statutes of 2011.

SB 713 (Calderon) – Insurance: proceeds: disclosure.

Establishes the Life Insurance Proceeds Disclosure Act of 2011, which requires life insurers to provide disclosures regarding death settlement payment options, including retained asset accounts, to policyholders and beneficiaries, as specified. Requires the insurer to provide to the beneficiary a supplemental contract disclosing the rights of the beneficiary and obligations of the insurer.
Status: Chapter 130, Statutes of 2011.

SB 715 (Calderon) – Annuity transactions.

Would have required adoption of more stringent procedures to assess suitability of proposed annuity sales for customers, including requiring insurers to establish a system to supervise the suitability of annuity sale recommendations. Would have established mandatory standards, procedures and processes, for insurers and producers, for assessing suitability and monitoring annuity sales recommendations made to consumers so that the insurance needs and financial objectives of consumers at the time of the transaction are appropriately addressed.
Status: Vetoed by the Governor.

GOVERNOR'S VETO MESSAGE:

"I have just signed AB 689, a bill virtually identical to the one before me. Another won't be needed.

I am returning Senate Bill 715 without my signature."

SB 777 (Lieu) – Workers' compensation insurance: coverage program.

Would have required that the final determination of the reasonableness of a request to share information in order to investigate possible workers' compensation insurance fraud be decided by the Director of the Department of Industrial Relations and the agency or organization in possession of the information.
Status: Ordered to inactive.

SB 826 (Leno) – Workers' compensation: data reporting requirement: administrative penalties.

Requires the Administrative Director (AD) of the Division of Workers' Compensation to assess an administrative penalty against a claims administrator for a violation of data reporting requirements. Requires the AD to promulgate a schedule of penalties providing

for an assessment of no more than \$5,000 against a claims administrator in any single year, calculated by violation type and excluding threshold rates of violations. Requires the AD to publish an annual report disclosing the compliance rates of claims administrators and would authorize the AD to publish the identity of claims administrators for this purpose.
Status: Chapter 568, Statutes of 2011.

SB 863 (De Leon) – Workers' compensation.

Enacts major comprehensive reforms to the workers' compensation system.
Status: Chapter 363, Statutes of 2012.

SB 923 (De Leon) – Workers' compensation: official medical fee schedule: physician services.

Would have required the Administrative Director of the Division of Workers' Compensation to adopt a resource-based relative value scale for physician services.
Status: The bill was subsequently changed to a non-insurance bill.

SB 959 (Lieu) – Workers' compensation: provider reimbursement: implantable medical devices, hardware, and instrumentation.

Repeals the additional, separate reimbursement in excess of the Official Medical Fee Schedule, for implantable medical devices, hardware, and instrumentation for spinal surgeries, also known as “spinal pass-through.”
Status: Ordered to inactive.

SB 1105 (Lieu) – Workers' compensation: liens.

Requires the Workers' Compensation Appeals Board to allow a lien for loss-of-time benefits paid by a self-insured employee welfare benefit plan.
Status: Chapter 712, Statutes of 2012.

SB 1164 (Emmerson) – Insurance.

Extends the sunset date, from January 1, 2013 to January 1, 2016, of a limited immunity for professional liability insurers that issue non-renewal notice statements to healthcare provider policyholders that specify the reason for the nonrenewal.
Status: Chapter 131, Statutes of 2012.

SB 1170 (Leno) – Senior insurance.

Expands consumer protections governing the sale of insurance to seniors, and adds specific protections for senior veterans.
Status: Chapter 653, Statutes of 2012.

SB 1177 (Leno) – Restitution for crime victims.

Provides that, in cases where an employer is convicted of a crime against an employee, a payment to the employee or the employee's dependent that is made by the employer's workers' compensation insurance carrier shall not be used to offset the amount of a court's restitution order unless the court finds substantial evidence that all premiums for that insurance coverage have been paid in full accordance with the law.
Status: Chapter 868, Statutes of 2012.

SB 1184 (Corbett) – Senior insurance: veterans benefits.

Prohibits an insurance agent from providing assistance to a senior in obtaining veterans benefits through government programs, unless the agent maintains procedural safeguards designed to ensure that the agent or broker transacting insurance has no direct financial incentive to refer the policyholder or purchaser to any government benefits program.

Status: Chapter 222, Statutes of 2012.

SB 1212 (Calderon) – Insurance: electronic transmission.

Would have authorized insurers, if certain conditions, including voluntary policyholder opt-in, are met, to electronically provide offers of coverage or renewal of certain motor vehicle and property-casualty policies.

Status: Held in the Assembly Judiciary Committee.

SB 1216 (Lowenthal) – Reinsurance: professional reinsurers.

Conforms California law to the National Association of Insurance Commissioners' Credit for Reinsurance Model Law.

Status: Chapter 277, Statutes of 2012.

SB 1291 (Evans) – Unemployment benefits: training: teacher credentialing.

Permits teachers participating in credential preparation programs in math, science, and special education to automatically qualify for the California Training Benefits Program.

Status: Chapter 278, Statutes of 2012.

SB 1448 (Calderon) – Insurance.

Conforms California law to the recently revised Insurance Holding Company System Regulatory Act drafted by National Association of Insurance Commissioners.

Status: Chapter 282, Statutes of 2012.

SB 1449 (Calderon) – Life insurance and annuities.

Permits life insurance policies to include premium and surrender charge waivers triggered by specified medical conditions, disability, and unemployment.

Status: Chapter 567, Statutes of 2012.

SB 1450 (Calderon) – Mortgage guaranty insurance.

Eliminates, as of January 1, 2008, requirements that limit the percentage of coverage a mortgage guaranty insurer may provide for the class of insurance that insures against financial loss by reason of nonpayment of principal, interest, and other sums under any evidence of indebtedness secured by a mortgage, deed of trust, or other instrument constituting a first lien or charge on a residential building or a condominium unit or buildings designed for occupancy by not more than four families.

Status: Chapter 105, Statutes of 2012.

SB 1451 (Calderon) – Insurance.

Explicitly exempts policy loans from existing law that prohibits a fraternal benefit society's officers, directors, agents, employees from loaning, borrowing, or making arrangements for

the loan of funds of the society. In addition, this bill allows a society to lend funds to an agent for the specific purpose of starting a business that sells the society's insurance products.

Status: Held in the Assembly Insurance Committee.

SB 1513 (Negrete McLeod) – State Compensation Insurance Fund: investments.

Expands, until January 1, 2025, the investment options available to the State Compensation Insurance Fund (SCIF) to include preferred and common equity and additional fix asset investments, and allows SCIF to participate in the Federal Home Loan Bank of San Francisco.

Status: Chapter 839, Statutes of 2012.