

**Introduced by Committee on Banking, Finance and Insurance
(Senators Calderon (Chair), Cogdill, Correa, Cox, Florez, Kehoe,
Liu, Lowenthal, Padilla, Price, and Runner)**

February 19, 2010

An act to amend Section 1067.01 of the Insurance Code, relating to insurance.

LEGISLATIVE COUNSEL'S DIGEST

SB 1408, as introduced, Committee on Banking, Finance and Insurance. Insurance: California Life and Health Insurance Guarantee Association Act.

Existing law requires the formation of the California Life and Health Insurance Guarantee Association to provide coverage for persons for direct, nongroup life, health, annuity, and supplemental policies or contracts of insurance, except as specified, in case of failure in the performance of contractual obligations under policies and contracts because of the impairment or insolvency of the member insurer that issued the policies or contracts.

This bill would make clarifying and conforming changes in provisions declaring the purpose of this law.

Vote: majority. Appropriation: no. Fiscal committee: no.
State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 1067.01 of the Insurance Code is
- 2 amended to read:
- 3 1067.01. (a) The purpose of this article is to protect, subject
- 4 to certain limitations, the persons specified in Section 1067.02

1 against failure in the performance of contractual obligations,
2 *arising* under life and health insurance policies and annuity
3 contracts specified in Section 1067.02, because of the impairment
4 or insolvency of the member insurer that issued the policies or
5 *annuities and other* contracts.

6 (b) To provide this protection, an association of insurers is
7 created to pay benefits and to continue coverages as limited herein,
8 and members of the association are subject to assessment to provide
9 funds to carry out the purposes of this article.

O