

AMENDED IN ASSEMBLY MAY 3, 2012

AMENDED IN ASSEMBLY APRIL 12, 2012

CALIFORNIA LEGISLATURE—2011–12 REGULAR SESSION

ASSEMBLY BILL

No. 2084

Introduced by Assembly Member Solorio

February 23, 2012

An act to amend Section 10270.2 of, and to add Section 10270.2.5 to, the Insurance Code, relating to insurance.

LEGISLATIVE COUNSEL'S DIGEST

AB 2084, as amended, Solorio. Blanket insurance.

Existing law provides that blanket insurance is that form of insurance providing coverage for specified circumstances and insuring by describing all persons within a class of persons defined in a policy issued to a master policyholder, and not by specifically naming the persons covered. Under existing law, the permitted types of blanket insurance are those where the blanket policy is issued to specified entities, including, but not limited to, a volunteer fire company providing benefits to members only in the event of accident incurred while performing actions incident to such membership and a proprietor or sponsor of an organized camping institution providing benefits to campers or persons responsible for their support for death or dismemberment resulting from accident, or for hospital, medical, surgical, or nursing expenses resulting from accident or sickness related to the camper's specified connection with the camping institution.

This bill would revise and recast those above entities to instead include (1) a volunteer or governmental fire department, emergency medical services company, or similar volunteer or governmental organization

providing benefits to members or participants only in the event of accident incurred while performing actions incident to an activity or operation sponsored or supervised by the department, company, or organization and (2) a sports team or camp, as specified, providing benefits to participants, campers, and other specified persons responsible for their support for death or dismemberment resulting from accident, or for hospital, medical, surgical, or nursing expenses resulting from specified accident or sickness related to the participants, campers, or other specified person's connection with the sports team or camp, as specified.

This bill would additionally specify other permitted types of blanket insurance issued to specified entities that include, but are not limited to, (1) an employer providing accident benefits to any group of workers, dependents, or guests, limited by reference to specified hazards incident to activities or operations of the employer, (2) any common carrier or any operator, owner, or lessor of a means of transportation providing accident benefits to any specified group of persons who may become lessees or passengers limited by reference to travel status, and (3) an entertainment production company providing accident benefits to any group of participants, volunteers, audience members, contestants, employees, or independent contractors while engaged in any activity or operation of the entertainment production company. *The bill would authorize the person insured, when the premium is paid for these types of blanket insurance, to request a copy of the policy from the insurer. The bill would define the term "accident benefits" for purposes of these provisions.*

Existing law prohibits a person from transacting any class of insurance business in this state without first being an admitted insurer. Under existing law, admission is secured by procuring a certificate of authority from the Insurance Commissioner. Existing law authorizes the above-described blanket policies, among others, to provide that the cost of the insurance coverage is required to be paid by either the policyholder, or the individuals insured or their parents or guardians, payable through the policyholder. Existing law prohibits a blanket policy from being issued until approved as to substance and form by the commissioner.

This bill would extend these provisions to the newly established permitted types of blanket insurance described above. The bill would also authorize the commissioner to add to the list of entities that may be eligible to purchase blanket insurance for any risk or class of risks,

relating to accident benefits, *as defined*, which may be properly eligible for blanket insurance, ~~as specified~~.

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

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

1 SECTION 1. Section 10270.2 of the Insurance Code is
2 amended to read:

3 10270.2. Blanket insurance is that form of insurance providing
4 coverage for specified circumstances and insuring by description
5 all or nearly all persons within a class of persons defined in a policy
6 issued to a master policyholder, and not by specifically naming
7 the persons covered (by certificate or otherwise, although a
8 statement of the coverage provided may be given, or required by
9 the policy to be given to persons eligible). The permitted types of
10 blanket insurance are those where the blanket policy is issued to
11 any of the following:

12 (a) A volunteer or governmental fire department, emergency
13 medical services company, or similar volunteer or governmental
14 organization providing benefits to members or participants only
15 in the event of accident incurred while performing actions incident
16 to an activity or operation sponsored or supervised by the
17 department, company, or organization.

18 (b) A college, school, or other institution of learning, a school
19 district or districts or school jurisdictional unit, or to the head,
20 principal, or governing board of any such educational unit who or
21 which shall be deemed the policyholder; providing benefits to
22 students without necessarily any restriction as to activity, time, or
23 place, or to teachers or employees while performing actions
24 incident to special duties, such as at camps, at summer playgrounds,
25 or during tours or excursions; and providing benefits to such
26 students, teachers, or employees, and spouses and dependents of
27 such students, teachers, and employees, for death or
28 dismemberment resulting from accident or for hospital, medical,
29 surgical, drug, or nursing expenses resulting from accident or
30 sickness.

31 (c) Asports team, camp, or sponsor, or proprietor thereof, who
32 shall be deemed the policyholder, providing benefits to sports team
33 participants ~~or~~, campers, employees, officials, ~~or~~ supervisors, or

1 persons responsible for their support for death or dismemberment
2 resulting from accident, or for hospital, medical, surgical, or
3 nursing expenses resulting from accident to those participants,
4 campers, employees, officials,~~or~~ supervisors, or persons
5 responsible for their support, or arising out of sickness of those
6 participants, campers, employees, officials,~~or~~ supervisors, or
7 persons responsible for their support, provided the accident or the
8 first manifestation of such sickness occurs while those participants,
9 campers, employees, officials,~~or~~ supervisors, or persons
10 responsible for their support are in or on the buildings or premises
11 of the sports team or camp, or being transported between their
12 homes and the sports team or camp, or while at any other place as
13 an incident to sports team-sponsored or camp-sponsored activities
14 or while being transported to, from, or between those places.

15 (d) To a newspaper, farm paper, magazine, or other periodical
16 publication, which shall be deemed the policyholder, providing
17 benefits for independent contractors, such as carriers, newsboys,
18 dealers, distributors, wholesalers, or others engaged in the sale,
19 distribution, collecting for, or other activities pertaining to; the
20 marketing and delivery of such publications, including attendance
21 at a coaching school or participation as a member of a trip
22 organized, supervised, and sponsored as a reward for meritorious
23 service, on account of loss resulting from accident or sickness,
24 such benefit to be payable to such independent contractors or to
25 their parents, guardians, or other persons responsible for their
26 support.

27 When the premium for the insurance is paid by the person
28 insured, he *or she* may, upon request, obtain from the insurer in
29 certificate form a copy of the policy.

30 (e) Any religious, charitable, recreational, educational, athletic
31 or civic organization, or branch thereof, which shall be deemed
32 the policyholder, providing benefits to any group of members,
33 employees, or participants for death or dismemberment or for
34 hospital, medical, surgical, or nursing expenses all resulting from
35 accident incurred incident to specific hazards pertaining to any
36 activity or activities or operations sponsored or supervised by or
37 on the premises of such policyholder.

38 (f) To a policy issued on application of an employer, a majority
39 of the employees in this state of an employer, or both, to pay the
40 benefits afforded by a voluntary plan of unemployment

1 compensation disability insurance. Notwithstanding the provisions
2 of Section 10113, such policies may incorporate by reference any
3 of the appropriate provisions of Part 2 (commencing with Section
4 2601) of Division 1 of the Unemployment Insurance Code and the
5 authorized regulations of the Director of Employment
6 Development.

7 (g) An employer, who shall be deemed the policyholder,
8 providing accident benefits to any group of workers, dependents,
9 or guests, limited by reference to specified hazards incident to
10 activities or operations of the policyholder. *When the premium for*
11 *the insurance is paid by the person insured, he or she may, upon*
12 *request, obtain from the insurer in certificate form a copy of the*
13 *policy.*

14 (h) Any common carrier or any operator, owner, or lessor of a
15 means of transportation, who shall be deemed the policyholder,
16 providing accident benefits to any group of persons who may
17 become lessees or passengers limited by reference to their travel
18 status on that common carrier or that means of transportation.
19 *When the premium for the insurance is paid by the person insured,*
20 *he or she may, upon request, obtain from the insurer in certificate*
21 *form a copy of the policy.*

22 (i) An entertainment production company, who shall be deemed
23 the policyholder, providing accident benefits to any group of
24 participants, volunteers, audience members, contestants, employees,
25 or independent contractors while engaged in any activity or
26 operation of the policyholder. *When the premium for the insurance*
27 *is paid by the person insured, he or she may, upon request, obtain*
28 *from the insurer in certificate form a copy of the policy.*

29 (j) A bank or other financial institution, a parent holding
30 company of a bank or other financial institution, or to the trustee,
31 trustees, or agent designated by one or more banks, financial
32 institutions, or parent holding company of a bank or other financial
33 institution providing accident benefits to debtors, guarantors,
34 purchasers, credit card holders, checking account holders,
35 mortgagors, and other customers. *When the premium for the*
36 *insurance is paid by the person insured, he or she may, upon*
37 *request, obtain from the insurer in certificate form a copy of the*
38 *policy.*

39 A “blanket policy” is any disability policy of the nature herein
40 described sold to any of the entities described in subdivision (a),

1 (b), (c), (d), (e), (f), (g), (h), (i), or (j), of this section and providing
2 coverage for any group of persons within permitted categories
3 defined in the policy. Policies referred to in subdivision (f) shall
4 comply with the provisions of this section specifically referring
5 thereto. Policies referred to in subdivision (a), (b), (c), (d), (e), (g),
6 (h), (i), or (j) may provide that the cost of the insurance coverage
7 shall be borne by either the policyholder, or the individuals insured
8 or their parents or guardians, payable through the policyholder. In
9 the absence of a policy provision excluding coverage for otherwise
10 covered individuals who have not individually enrolled with the
11 policyholder and undertaken to pay all or a specified portion of
12 the premium allocable to such individual, such policy shall provide
13 the described insurance for all who fall within the categories of
14 covered individuals defined in the policy. Such policy may, but is
15 not required to, contain provisions requiring a minimum number
16 of participating persons or a minimum percentage of participation
17 before the policy is effective. In the absence of such a provision,
18 coverage shall not be denied any individual otherwise eligible on
19 those grounds.

20 No policies described in subdivision (a), (b), (c), (d), (e), (g),
21 (h), (i), or (j), of this section shall be issued until approved as to
22 substance and form by the commissioner. The commissioner may
23 after notice and hearing promulgate such reasonable rules and
24 regulations, relating to the substance, form, and issuance of such
25 policies, as are necessary or desirable to preserve, insofar as
26 applicable, standards as respects substance, form, and issuance
27 comparable to the standards in such respects prescribed by this
28 chapter and applicable to other types of disability policies, and to
29 further the purpose or purposes for which such policies are to be
30 issued.

31 No policies described in subdivision (f) shall be issued until
32 approved as to form by the commissioner. The commissioner may
33 after notice and hearing promulgate such reasonable rules and
34 regulations, relating to the form and issuance of such policies, as
35 do not affect the substance of the coverage, and as are necessary
36 or desirable to preserve, insofar as applicable, standards as respects
37 form and issuance comparable to the standards in such respects
38 prescribed by this chapter and applicable to other types of disability
39 policies, and to further the purpose or purposes for which such
40 policies are to be issued. Notwithstanding the provisions of Section

1 10113, such policies may incorporate by reference any of the
2 appropriate provisions of Part 2 (commencing with Section 2601)
3 of Division 1 of the Unemployment Insurance Code and the
4 authorized regulations of the Director of Employment
5 Development.

6 SEC. 2. Section 10270.2.5 is added to the Insurance Code, to
7 read:

8 10270.2.5. (a) In addition to the permitted types of blanket
9 insurance issued to entities described in Section 10270.2, the
10 commissioner may, in his or her discretion, add other entities that
11 may be eligible to purchase blanket insurance for any risk or class
12 of risks; relating to accident benefits which may be properly
13 eligible for blanket insurance. ~~The discretion of the commissioner~~
14 ~~may be exercised on an individual risk basis or class of risks~~
15 ~~relating to accident benefits, or both.~~

16 (b) *For purposes of this section and Section 10270.2, the term*
17 *“accident benefits” means those benefits that are payable as a*
18 *result of an unintended and unexpected occurrence that produces*
19 *loss, damage, or injury.*