

AMENDED IN ASSEMBLY MAY 14, 2012

AMENDED IN ASSEMBLY APRIL 23, 2012

AMENDED IN ASSEMBLY APRIL 9, 2012

CALIFORNIA LEGISLATURE—2011–12 REGULAR SESSION

**ASSEMBLY BILL**

**No. 2406**

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**Introduced by Assembly Member Buchanan**

February 24, 2012

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An act to amend Section 1861.10 of the Insurance Code, relating to insurance.

LEGISLATIVE COUNSEL'S DIGEST

AB 2406, as amended, Buchanan. Insurance: rates.

Existing law, the Insurance Rate Reduction and Reform Act (enacted by Proposition 103, as approved by the voters at the November 8, 1988, statewide general election), prohibits a rate from being approved or remaining in effect which is excessive, inadequate, unfairly discriminatory, or otherwise in violation of the applicable provisions of law. Under existing law, an insurer that wishes to change a rate is required to file a complete rate application with the Insurance Commissioner, for which there may be a hearing as prescribed. Existing law authorizes any person to initiate or intervene in any proceeding permitted or established pursuant to these provisions, to challenge actions of the commissioner, and to enforce provisions of the act.

This bill would require the Department of Insurance to post on its Internet Web site, during the period of eligibility, all requests for a finding of eligibility to seek compensation and all findings of eligibility, as defined. The bill would also remove language declared

unconstitutional by the courts and would declare that this change is declaratory of existing law.

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 1861.10 of the Insurance Code is  
2 amended to read:

3 1861.10. Consumer Participation. (a) Any person may initiate  
4 or intervene in any proceeding permitted or established pursuant  
5 to this chapter, challenge any action of the commissioner under  
6 this article, and enforce ~~a~~ any provision of this article.

7 (b) The commissioner or a court shall award reasonable  
8 advocacy and witness fees and expenses to any person who  
9 demonstrates that (1) the person represents the interests of  
10 consumers, and, (2) that he or she has made a substantial  
11 contribution to the adoption of any order, regulation, or decision  
12 by the commissioner or a court. Where such advocacy occurs in  
13 response to a rate application, the award shall be paid by the  
14 applicant.

15 (c) All requests for a finding of eligibility to seek compensation  
16 and all findings of eligibility, as described in Section 2662.2 of  
17 Title 10 of the California Code of Regulations, shall be published  
18 on the Department of Insurance Internet Web site during the  
19 eligibility period.

20 SEC. 2. ~~The amendment~~ removal of former subdivision (c) of  
21 Section 1861.10 of the Insurance Code made by this act does not  
22 constitute a change in, but is declaratory of, existing law.