

Assembly Bill No. 2406

Passed the Assembly May 17, 2012

Chief Clerk of the Assembly

Passed the Senate July 2, 2012

Secretary of the Senate

This bill was received by the Governor this _____ day
of _____, 2012, at _____ o'clock ____M.

Private Secretary of the Governor

CHAPTER _____

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

LEGISLATIVE COUNSEL'S DIGEST

AB 2406, 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.

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

SECTION 1. Section 1861.10 of the Insurance Code is amended to read:

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

(b) The commissioner or a court shall award reasonable advocacy and witness fees and expenses to any person who demonstrates that (1) the person represents the interests of consumers, and, (2) that he or she has made a substantial

contribution to the adoption of any order, regulation, or decision by the commissioner or a court. Where such advocacy occurs in response to a rate application, the award shall be paid by the applicant.

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

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

Approved _____, 2012

Governor