

AMENDED IN ASSEMBLY MAY 1, 2013

AMENDED IN ASSEMBLY APRIL 8, 2013

CALIFORNIA LEGISLATURE—2013–14 REGULAR SESSION

ASSEMBLY BILL

No. 468

Introduced by Assembly Member Chesbro
(Principal coauthors: Assembly Members Alejo, Levine, and Stone)
(Coauthor: Assembly Member Atkins)

February 19, 2013

An act to add Section 16031 to the Insurance Code, and to repeal Chapter 1.5 (commencing with Section 4210) of Part 2 of Division 4 of the Public Resources Code, relating to ~~insurance~~; *insurance*, and *declaring the urgency thereof, to take effect immediately.*

LEGISLATIVE COUNSEL'S DIGEST

AB 468, as amended, Chesbro. Insurance: Disaster Management, Preparedness, and Assistance Surcharge.

Existing law required, by September 1, 2011, the State Board of Forestry and Fire Protection to adopt emergency regulations to establish a fire prevention fee of not more than \$150 for the necessary fire prevention activities of the state that benefit the owners of structures within a state responsibility area.

This bill would repeal the fire prevention fee. The bill would create the Disaster Management, Preparedness, and Assistance Fund in the State Treasury. The bill would require insureds to pay a special purpose surcharge, the Disaster Management, Preparedness, and Assistance Surcharge, on each commercial and residential fire and multiperil insurance policy issued or renewed on or after January 1, 2014, equivalent to 4.8% of the premium written on residential fire and

multiperil insurance or the property exposure for commercial policies in California. Moneys from this surcharge would be deposited in the fund and be appropriated by the Legislature for the purposes of funding emergency activities of the Office of Emergency Services, the Department of Forestry and Fire Protection, and the Military Department, as well as local governments for disaster planning and response. The bill would also require every admitted insurance company in the state to collect the surcharge and separately identify the surcharge on each affected insurance policy.

This bill would declare that it is to take effect immediately as an urgency statute.

Vote: ~~majority~~^{2/3}. 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 16031 is added to the Insurance Code,
 2 to read:
 3 16031. (a) The Disaster Management, Preparedness, and
 4 Assistance Fund is hereby created in the State Treasury. Funds
 5 received by the Office of Emergency Services pursuant to this
 6 section shall be deposited into this fund. Funds deposited into this
 7 fund shall be appropriated by the Legislature for the purposes of
 8 funding emergency activities of the Office of Emergency Services,
 9 the Department of Forestry and Fire Protection, and the Military
 10 Department, as well as to local governments for disaster planning
 11 and response.
 12 (b) Insureds shall pay a special purpose surcharge on each
 13 commercial and residential fire and multiperil insurance policy
 14 issued or renewed on or after January 1, 2014, equivalent to 4.8
 15 percent of the premium written on residential fire and multiperil
 16 insurance or the property exposure for commercial policies in
 17 California. The Disaster Management, Preparedness, and
 18 Assistance Surcharge shall only be applied to new business and
 19 renewal transactions. No adjustment shall be made for midterm
 20 increases or decreases in exposure or coverage. The amount of the
 21 surcharge shall be calculated to the nearest dollar. Notwithstanding
 22 any other law, failure to collect the surcharge from insureds prior
 23 to January 1, 2015, shall not result in a penalty, fine, or other
 24 liability.

1 (c) Every admitted insurer in this state shall collect the surcharge
2 fee specified in subdivision (b), which shall be separately identified
3 on each policy, with respect to residential fire and multiperil
4 insurance and the property portion of commercial policies.

5 (d) Funds received as a result of the surcharge imposed on
6 insureds as a percentage of premiums written on residential fire
7 and multiperil insurance and property exposure for commercial
8 insurance policies shall be remitted by the admitted insurers to the
9 Office of Emergency Services, or other state agency designated
10 to collect the surcharge on behalf of the Office of Emergency
11 Services, within 45 days following the end of each calendar quarter.

12 SEC. 2. Chapter 1.5 (commencing with Section 4210) of Part
13 2 of Division 4 of the Public Resources Code is repealed.

14 SEC. 3. *This act is an urgency statute necessary for the*
15 *immediate preservation of the public peace, health, or safety within*
16 *the meaning of Article IV of the Constitution and shall go into*
17 *immediate effect. The facts constituting the necessity are:*

18 *In order to make necessary statutory changes to improve the*
19 *state's ability to respond to potentially devastating and deadly*
20 *emergencies at the earliest time possible, it is necessary that this*
21 *act take effect immediately.*