

AMENDED IN ASSEMBLY APRIL 1, 2013

CALIFORNIA LEGISLATURE—2013–14 REGULAR SESSION

**ASSEMBLY BILL**

**No. 526**

---

---

**Introduced by Assembly Member Melendez  
(Coauthors: Assembly Members Bigelow, Beth Gaines, Garcia,  
Gray, Grove, Hagman, Harkey, Maienschein, Morrell, Wagner,  
and Wilk)**

~~(Coauthor: Senator~~ *Coauthors: Senators Nielsen and Knight*)

February 20, 2013

---

---

An act to amend ~~Section 1386 of the Health and Safety Code, and to add Sections 830 and 831 to Sections 800, 803, and 811 of, and to repeal Section 809 of,~~ the Military and Veterans Code, relating to military service.

LEGISLATIVE COUNSEL'S DIGEST

AB 526, as amended, Melendez. Military service: benefits.

~~Existing law provides certain protections for members of the National Guard ordered into active state service by the Governor or active federal service by the President of the United States for emergency purposes, and for reservists called to active duty, as specified.~~

~~This bill would, in addition, provide protections for these service members in connection with their military service with respect to the deferral of specified obligations or liabilities, including, among others, any payment of property tax or any special assessment, as provided. This bill would require a service member or the service member's designee to deliver to a lender a letter signed under penalty of perjury requesting a deferment of financial obligation. This bill would provide that a deferral of payments shall not be a basis for affecting credit, as specified. This bill would also prohibit penalties from being imposed,~~

~~interest from being charged and accumulated, and foreclosure or repossession of property on which payment has been deferred, as provided.~~

~~This bill would require any entity that was providing any type of health care coverage to a service member, as provided, to reinstate the health care coverage without waiting periods or exclusion of coverage for preexisting conditions and would make a violation of this requirement subject to enforcement under the Knox-Keene Health Care Service Plan Act of 1975, a willful violation of which is a crime. This bill would also make a related, conforming change.~~

*Existing law authorizes, to the extent permitted by federal law, members of the United States Military Reserve and National Guard who are called to active duty as a result of the Iraq or Afghanistan conflicts, to defer payments on mortgages, credit cards, retail installment accounts and contracts, real property taxes and assessments, and vehicle leases for the period of active duty, plus 60 calendar days, or 180 days, whichever is the lesser, as specified. Existing law also requires any entity that was providing any type of health care coverage to a member of the United States Military Reserve or National Guard who is called to active duty as a result of the Iraq or Afghanistan conflicts to reinstate the health care coverage without waiting periods or exclusion of coverage for preexisting conditions, and makes a violation of this requirement subject to enforcement under the Knox-Keene Health Care Service Plan Act of 1975, a willful violation of which is a crime. Existing law also provides that a spouse or legal dependent, or both, of a member is entitled to the benefits accorded to a member, if the member is eligible for those benefits.*

*This bill would extend those deferral provisions and reinstatement of health care coverage provisions to a reservist, as defined, who is called to active duty on and after January 1, 2014, and to a spouse or legal dependent, as specified. This bill would also authorize the deferral of payments on any obligations owed to a utility company. This bill would also require a copy of the activation or deployment orders and any other information that substantiates the duration of the service member's military service to be delivered to an obligor in order for an obligation of a reservist to be deferred, as provided.*

*This bill would expand the scope of an existing crime by requiring a ~~service member~~ reservist to provide information under the penalty of perjury, and by making violations of the reinstatement of health care coverage for reservists requirement subject to enforcement under the*

*Knox-Keene Health Care Service Plan Act of 1975*, thereby imposing a state-mandated local program. This bill would additionally impose a state-mandated local program by imposing new duties upon local tax officials with respect to the deferral of any payment of property tax or any special assessment.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that with regard to certain mandates no reimbursement is required by this act for a specified reason.

With regard to any other mandates, this bill would provide that, if the Commission on State Mandates determines that the bill contains costs so mandated by the state, reimbursement for those costs shall be made pursuant to the statutory provisions noted above.

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

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

1     SECTION 1. Section 800 of the Military and Veterans Code is  
2 amended to read:

3     800. (a) (1) Subject to subdivision (b), in addition to any  
4 other benefits provided by law and to the extent permitted by  
5 federal law, any member of the United States Military Reserve or  
6 the National Guard of this state who is called to active duty after  
7 the enactment of this chapter *and before January 1, 2014*, as a part  
8 of the Iraq and Afghanistan conflicts may defer payments on any  
9 of the following obligations while serving on active duty:

- 10     ~~(1)~~
- 11     (A) An obligation secured by a mortgage or deed of trust.
- 12     ~~(2)~~
- 13     (B) Credit card as defined in Section 1747.02 of the Civil Code.
- 14     ~~(3)~~
- 15     (C) Retail installment contract as defined in Section 1802.6 of
- 16 the Civil Code.
- 17     ~~(4)~~
- 18     (D) Retail installment account, installment account, or revolving
- 19 account as defined in Section 1802.7 of the Civil Code.
- 20     ~~(5)~~

1 (E) Up to two vehicle loans. For purposes of this chapter,  
2 “vehicle” means a vehicle as defined in Section 670 of the Vehicle  
3 Code.

4 ~~(F)~~

5 (F) Any payment of property tax or any special assessment of  
6 in-lieu property tax imposed on real property ~~which~~ that is assessed  
7 on residential property owned by the reservist and used as that  
8 reservist’s primary place of residence on the date the reservist was  
9 ordered to active duty.

10 (2) Subject to subdivision (b), in addition to any other benefits  
11 provided by law and to the extent permitted by federal law, a  
12 reservist who is called to active duty on and after January 1, 2014,  
13 may defer payments on any of the following obligations while  
14 serving on active duty:

15 (A) An obligation secured by a mortgage or deed of trust.

16 (B) Credit card as defined in Section 1747.02 of the Civil Code.

17 (C) Retail installment contract as defined in Section 1802.6 of  
18 the Civil Code.

19 (D) Retail installment account, installment account, or revolving  
20 account as defined in Section 1802.7 of the Civil Code.

21 (E) Up to two vehicle loans. For purposes of this chapter,  
22 “vehicle” means a vehicle as defined in Section 670 of the Vehicle  
23 Code.

24 (F) Any payment of property tax or any special assessment of  
25 in-lieu property tax imposed on real property that is assessed on  
26 residential property owned by the reservist and used as that  
27 reservist’s primary place of residence on the date the reservist  
28 was ordered to active duty.

29 (G) Any obligation owed to a utility company.

30 (b) (1) In order for an obligation or liability of a reservist to  
31 be subject to the provisions of this chapter, the reservist or the  
32 reservist’s designee shall deliver to the ~~lender~~ obligor both of the  
33 following:

34 ~~(1)~~

35 (A) A letter signed by the reservist, under penalty of perjury,  
36 requesting a deferment of financial obligations.

37 (B) A copy of the reservist’s activation or deployment order and  
38 any other information that substantiates the duration of the service  
39 member’s military service.

1 (2) If required by a financial institution, proof that the reservist's  
2 employer does not provide continuing income to the reservist while  
3 the reservist is on active military duty, including the reservist's  
4 military pay, of more than 90 percent of the reservist's monthly  
5 salary and wage income earned before the call to active duty.

6 (c) Upon request of the reservist or the reservist's dependent or  
7 designee and within five working days of that request, if applicable,  
8 the employer of a reservist shall furnish the letter or other  
9 comparable evidence showing that the employer's compensation  
10 policy does not provide continuing income to the reservist,  
11 including the reservist's military pay, of more than 90 percent of  
12 the reservist's monthly salary and wage income earned before the  
13 call to active duty.

14 (d) The deferral period on financial obligations shall be the  
15 lesser of 180 days or the period of active duty plus 60 calendar  
16 days and shall apply only to those payments due subsequent to the  
17 notice provided to a lender as provided in subdivision (b).

18 (e) If a lender defers payments on a closed end credit obligation  
19 or an open-end credit obligation with a maturity date, pursuant to  
20 this chapter, the lender shall extend the term of the obligation by  
21 the amount of months the obligation was deferred.

22 (f) If a lender defers payments on an open-end credit obligation  
23 pursuant to this chapter, the lender may restrict the availability of  
24 additional credit with respect to that obligation during the term of  
25 the deferral.

26 *SEC. 2. Section 803 of the Military and Veterans Code is*  
27 *amended to read:*

28 803. ~~For~~ *(a) Before January 1, 2014, for purposes of this*  
29 *chapter, "reservist" means a member of the United States Military*  
30 *Reserve or National Guard of this state called to active duty as a*  
31 *result of the Iraq conflict pursuant to the Authorization for Use of*  
32 *Military Force Against Iraq Resolution of 2002 (Public Law*  
33 *107-243) or the Afghanistan conflict pursuant to Presidential Order*  
34 *No. 13239.*

35 *(b) On and after January 1, 2014, for purposes of this chapter:*

36 *(1) "Reservist" means either of the following:*

37 *(A) A member of the militia, as defined in Section 120, called*  
38 *or ordered into state military service pursuant to Section 143 or*  
39 *Section 146, or in federal or state military service pursuant to Title*  
40 *10 or Title 32 of the United States Code.*

1 (B) A reservist of the United States Military Reserve who has  
 2 been ordered to full-time federal active duty by the President of  
 3 the United States pursuant to Title 10 of the United States Code.

4 (2) "Military service" means either of the following:

5 (A) Full-time active state service or full-time active federal  
 6 service of a service member who is a member of the militia, as  
 7 described in subparagraph (A) of paragraph (1).

8 (B) Full-time active duty of a service member who is a reservist,  
 9 as described in subparagraph (B) of paragraph (1), for a period  
 10 of 30 consecutive days.

11 SEC. 3. Section 809 of the Military and Veterans Code is  
 12 repealed.

13 ~~809. This chapter shall not apply to any active duty voluntarily~~  
 14 ~~served after the close of the Iraq or Afghanistan conflicts or to any~~  
 15 ~~reservist on active duty as part of the Iraq or Afghanistan conflicts~~  
 16 ~~prior to the effective date of this measure.~~

17 SEC. 4. Section 811 of the Military and Veterans Code is  
 18 amended to read:

19 811. (a) The spouse or legal dependent, or both, of a ~~member~~  
 20 ~~of the United States Military Reserve or National Guard of this~~  
 21 ~~state~~ reservist who is called to active duty, shall be entitled to the  
 22 benefits accorded to a ~~member~~ reservist under this chapter,  
 23 provided that the ~~member~~ reservist is eligible for the benefits.

24 (b) This chapter applies only to an obligation specified in this  
 25 chapter that was incurred prior to the date that a ~~member of the~~  
 26 ~~United States Military Reserve or National Guard of this state~~  
 27 ~~reservist~~ was called to active duty ~~as part of the Iraq and~~  
 28 ~~Afghanistan conflicts.~~

29 SECTION 1. ~~Section 1386 of the Health and Safety Code is~~  
 30 ~~amended to read:~~

31 ~~1386. (a) The director may, after appropriate notice and~~  
 32 ~~opportunity for a hearing, by order suspend or revoke any license~~  
 33 ~~issued under this chapter to a health care service plan or assess~~  
 34 ~~administrative penalties if the director determines that the licensee~~  
 35 ~~has committed any of the acts or omissions constituting grounds~~  
 36 ~~for disciplinary action.~~

37 ~~(b) The following acts or omissions constitute grounds for~~  
 38 ~~disciplinary action by the director:~~

39 ~~(1) The plan is operating at variance with the basic~~  
 40 ~~organizational documents as filed pursuant to Section 1351 or~~

1 1352, or with its published plan, or in any manner contrary to that  
2 described in, and reasonably inferred from, the plan as contained  
3 in its application for licensure and annual report, or any  
4 modification thereof, unless amendments allowing the variation  
5 have been submitted to, and approved by, the director.

6 (2) ~~The plan has issued, or permits others to use, evidence of  
7 coverage or uses a schedule of charges for health care services that  
8 do not comply with those published in the latest evidence of  
9 coverage found unobjectionable by the director.~~

10 (3) ~~The plan does not provide basic health care services to its  
11 enrollees and subscribers as set forth in the evidence of coverage.  
12 This subdivision shall not apply to specialized health care service  
13 plan contracts.~~

14 (4) ~~The plan is no longer able to meet the standards set forth in  
15 Article 5 (commencing with Section 1367).~~

16 (5) ~~The continued operation of the plan will constitute a  
17 substantial risk to its subscribers and enrollees.~~

18 (6) ~~The plan has violated or attempted to violate, or conspired  
19 to violate, directly or indirectly, or assisted in or abetted a violation  
20 or conspiracy to violate any provision of this chapter, any rule or  
21 regulation adopted by the director pursuant to this chapter, or any  
22 order issued by the director pursuant to this chapter.~~

23 (7) ~~The plan has engaged in any conduct that constitutes fraud  
24 or dishonest dealing or unfair competition, as defined by Section  
25 17200 of the Business and Professions Code.~~

26 (8) ~~The plan has permitted, or aided or abetted any violation by  
27 an employee or contractor who is a holder of any certificate,  
28 license, permit, registration, or exemption issued pursuant to the  
29 Business and Professions Code or this code that would constitute  
30 grounds for discipline against the certificate, license, permit,  
31 registration, or exemption.~~

32 (9) ~~The plan has aided or abetted or permitted the commission  
33 of any illegal act.~~

34 (10) ~~The engagement of a person as an officer, director,  
35 employee, associate, or provider of the plan contrary to the  
36 provisions of an order issued by the director pursuant to subdivision  
37 (c) of this section or subdivision (d) of Section 1388.~~

38 (11) ~~The engagement of a person as a solicitor or supervisor of  
39 solicitation contrary to the provisions of an order issued by the  
40 director pursuant to Section 1388.~~

1     ~~(12) The plan, its management company, or any other affiliate~~  
2     ~~of the plan, or any controlling person, officer, director, or other~~  
3     ~~person occupying a principal management or supervisory position~~  
4     ~~in the plan, management company, or affiliate, has been convicted~~  
5     ~~of or pleaded nolo contendere to a crime, or committed any act~~  
6     ~~involving dishonesty, fraud, or deceit, which crime or act is~~  
7     ~~substantially related to the qualifications, functions, or duties of a~~  
8     ~~person engaged in business in accordance with this chapter. The~~  
9     ~~director may revoke or deny a license hereunder irrespective of a~~  
10    ~~subsequent order under the provisions of Section 1203.4 of the~~  
11    ~~Penal Code.~~

12    ~~(13) The plan violates Section 510, 2056, or 2056.1 of the~~  
13    ~~Business and Professions Code or Section 1375.7.~~

14    ~~(14) The plan has been subject to a final disciplinary action~~  
15    ~~taken by this state, another state, an agency of the federal~~  
16    ~~government, or another country for any act or omission that would~~  
17    ~~constitute a violation of this chapter.~~

18    ~~(15) The plan violates the Confidentiality of Medical~~  
19    ~~Information Act (Part 2.6 (commencing with Section 56) of~~  
20    ~~Division 1 of the Civil Code).~~

21    ~~(16) The plan violates Section 806 or 831 of the Military and~~  
22    ~~Veterans Code.~~

23    ~~(17) The plan violates Section 1262.8.~~

24    ~~(e) (1) The director may prohibit any person from serving as~~  
25    ~~an officer, director, employee, associate, or provider of any plan~~  
26    ~~or solicitor firm, or of any management company of any plan, or~~  
27    ~~as a solicitor, if either of the following applies:~~

28    ~~(A) The prohibition is in the public interest and the person has~~  
29    ~~committed, caused, participated in, or had knowledge of a violation~~  
30    ~~of this chapter by a plan, management company, or solicitor firm.~~

31    ~~(B) The person was an officer, director, employee, associate,~~  
32    ~~or provider of a plan or of a management company or solicitor~~  
33    ~~firm of any plan whose license has been suspended or revoked~~  
34    ~~pursuant to this section and the person had knowledge of, or~~  
35    ~~participated in, any of the prohibited acts for which the license~~  
36    ~~was suspended or revoked.~~

37    ~~(2) A proceeding for the issuance of an order under this~~  
38    ~~subdivision may be included with a proceeding against a plan~~  
39    ~~under this section or may constitute a separate proceeding, subject~~  
40    ~~in either case to subdivision (d).~~

1 ~~(d) A proceeding under this section shall be subject to~~  
2 ~~appropriate notice to, and the opportunity for a hearing with regard~~  
3 ~~to, the person affected in accordance with subdivision (a) of Section~~  
4 ~~1397.~~

5 ~~SEC. 2. Section 830 is added to the Military and Veterans~~  
6 ~~Code, to read:~~

7 ~~830. (a) Subject to subdivision (b), in addition to any other~~  
8 ~~benefits provided by law and to the extent permitted by federal~~  
9 ~~law, any service member who is on military service may defer~~  
10 ~~payments during the period specified in subdivision (d) on any of~~  
11 ~~the following obligations:~~

12 ~~(1) An obligation secured by a mortgage or deed of trust.~~

13 ~~(2) A credit card as defined in Section 1747.02 of the Civil~~  
14 ~~Code.~~

15 ~~(3) A retail installment contract as defined in Section 1802.6 of~~  
16 ~~the Civil Code.~~

17 ~~(4) A retail installment account, installment account, or~~  
18 ~~revolving account as defined in Section 1802.7 of the Civil Code.~~

19 ~~(5) Up to two vehicle loans.~~

20 ~~(6) Any payment of property tax or any special assessment of~~  
21 ~~in-lieu property tax imposed on real property that is assessed on~~  
22 ~~residential property owned by the service member and used as that~~  
23 ~~service member's primary place of residence on the date the service~~  
24 ~~member was ordered to military service.~~

25 ~~(7) Any obligation owed to a utility company.~~

26 ~~(b) In order for an obligation or liability of a service member~~  
27 ~~to be subject to this section, the service member or the service~~  
28 ~~member's designee shall deliver to the lender:~~

29 ~~(1) A letter signed by the service member, under penalty of~~  
30 ~~perjury, requesting a deferment of financial obligations.~~

31 ~~(2) If required by a financial institution, proof that the service~~  
32 ~~member's employer does not provide continuing income to the~~  
33 ~~service member while the service member is on military service,~~  
34 ~~including the service member's military pay, of more than 90~~  
35 ~~percent of the service member's monthly salary and wage income~~  
36 ~~earned before the call to military service.~~

37 ~~(c) Upon request of the service member or the service members's~~  
38 ~~dependent or designee and within five working days of that request,~~  
39 ~~if applicable, the employer of a service member shall furnish the~~  
40 ~~letter or other comparable evidence showing that the employer's~~

1 ~~compensation policy does not provide continuing income to the~~  
2 ~~service member, including the service member's military pay, of~~  
3 ~~more than 90 percent of the service member's monthly salary and~~  
4 ~~wage income earned before the call to military service.~~

5 ~~(d) The deferral period on financial obligations shall be both of~~  
6 ~~the following:~~

7 ~~(1) Ninety days prior to the date the service member was ordered~~  
8 ~~to military service.~~

9 ~~(2) The lesser of 180 days or the period of military service plus~~  
10 ~~60 calendar days and shall apply only to those payments due~~  
11 ~~subsequent to the notice provided to a lender as provided in~~  
12 ~~subdivision (b).~~

13 ~~(e) If a lender defers payments on a closed-end credit obligation~~  
14 ~~or an open-end credit obligation with a maturity date pursuant to~~  
15 ~~this section, the lender shall extend the term of the obligation by~~  
16 ~~the number of months the obligation was deferred.~~

17 ~~(f) If a lender defers payments on an open-end credit obligation~~  
18 ~~pursuant to this section, the lender may restrict the availability of~~  
19 ~~additional credit with respect to that obligation during the term of~~  
20 ~~the deferral.~~

21 ~~(g) (1) Notwithstanding subdivisions (e) and (f), any mortgage~~  
22 ~~payments delayed pursuant to this section are due and payable~~  
23 ~~upon the earlier of the following:~~

24 ~~(A) The sale of the property or other event specified in the~~  
25 ~~documents creating the obligation permitting the lender to~~  
26 ~~accelerate the loan, other than a deferral of payments authorized~~  
27 ~~by this section.~~

28 ~~(B) Further encumbrance of the property.~~

29 ~~(C) The maturity of the obligation as defined under the terms~~  
30 ~~of the documents creating the obligation or, if applicable, as~~  
31 ~~extended pursuant to subdivision (e).~~

32 ~~(2) Nothing in this subdivision relieves a service member with~~  
33 ~~a mortgage subject to an impound account for the payment of~~  
34 ~~property taxes, special assessments, mortgage insurance, and hazard~~  
35 ~~insurance from making monthly payments of an amount that is at~~  
36 ~~least sufficient to pay these amounts, unless the borrower and~~  
37 ~~lender agree to a lesser amount.~~

38 ~~(3) Nothing in this section shall preclude a service member from~~  
39 ~~making payments toward the mortgage payments deferred prior~~  
40 ~~to the occurrence of any of the events in subdivision (a).~~

1 ~~(h) During the period specified in subdivision (d), the service~~  
2 ~~member may defer the payment of principal and interest on the~~  
3 ~~specified obligations. No penalties shall be imposed on the~~  
4 ~~nonpayment of principal or interest during this period. No interest~~  
5 ~~shall be charged or accumulated on the principal or interest on~~  
6 ~~which the payment was delayed. No foreclosure or repossession~~  
7 ~~of property on which payment has been deferred shall take place~~  
8 ~~during this period.~~

9 ~~(i) Subject to subdivisions (e) and (f), a stay, postponement, or~~  
10 ~~suspension under this section of the payment of any tax, fine,~~  
11 ~~penalty, insurance premium, or other civil obligation or liability~~  
12 ~~of a service member who is on military service shall not provide~~  
13 ~~the basis for affecting credit ratings, denial or revocation of credit,~~  
14 ~~or a change by the lender in the terms of an existing credit~~  
15 ~~arrangement.~~

16 ~~(j) (1) The holder of a loan or retail installment sales contract~~  
17 ~~with respect to which the debtor has purchased prepaid credit~~  
18 ~~disability insurance shall give notice to the debtor not less than 30~~  
19 ~~days before the expiration date of the insurance that the debtor~~  
20 ~~will not be protected during the period between that expiration~~  
21 ~~date and the deferred maturity date of the loan or contract unless~~  
22 ~~the insurance is extended. The debtor may, at his or her option,~~  
23 ~~direct the holder to add the amount of the additional premium to~~  
24 ~~the unpaid balance of the loan or contract.~~

25 ~~(2) The holder of an open-ended loan or retail installment~~  
26 ~~account with respect to which the debtor has purchased credit~~  
27 ~~disability insurance with premiums payable monthly together with~~  
28 ~~the installment payments on the loan or the account shall give~~  
29 ~~notice to the debtor that the debtor will not be protected by the~~  
30 ~~insurance during the period specified in subdivision (d) unless the~~  
31 ~~debtor elects to continue payment of premiums during that period.~~  
32 ~~The debtor may, at his or her option, direct the holder to add the~~  
33 ~~amount of those premiums to the unpaid balance of the account.~~

34 ~~(k) During the period specified in subdivision (d), the service~~  
35 ~~member may defer payments for leased vehicles without breach~~  
36 ~~of the lease or the foreclosure or repossession of the vehicle. If a~~  
37 ~~lender defers payments pursuant to this subdivision, the lender~~  
38 ~~shall extend the term of the lease by the number of months the~~  
39 ~~lease was deferred.~~

1 ~~(l) In those instances where a financial obligation covered by~~  
2 ~~this section is sold, any requirement to defer payments as specified~~  
3 ~~in this section transfers to the purchaser of the obligation.~~

4 ~~(m) For purposes of this section, both of the following~~  
5 ~~definitions shall apply:~~

6 ~~(1) "Mortgage" means an obligation secured by a mortgage or~~  
7 ~~deed of trust, and is limited to an obligation secured by a mortgage~~  
8 ~~or deed of trust for residential property owned by the service~~  
9 ~~member and used as that service member's primary place of~~  
10 ~~residence on the date the service member was ordered to military~~  
11 ~~service.~~

12 ~~(2) "Vehicle" means a vehicle as defined in Section 670 of the~~  
13 ~~Vehicle Code.~~

14 ~~SEC. 3. Section 831 is added to the Military and Veterans~~  
15 ~~Code, to read:~~

16 ~~831. (a) Any entity that was providing any type of health care~~  
17 ~~coverage, including, but not limited to, health care service plans,~~  
18 ~~specialized health care service plans, and health insurance to a~~  
19 ~~service member at the time the service member was ordered to~~  
20 ~~military service, shall reinstate the health care coverage without~~  
21 ~~waiting periods or exclusion of coverage for preexisting conditions.~~

22 ~~(b) Pursuant to Section 1386 of the Health and Safety Code, the~~  
23 ~~Director of the Department of Managed Health Care has the~~  
24 ~~authority to enforce this section concerning any person or entity~~  
25 ~~subject to regulation under Chapter 2.2 (commencing with Section~~  
26 ~~1340) of Division 2 of the Health and Safety Code, and may impose~~  
27 ~~any applicable penalties provided for under that chapter.~~

28 ~~(c) Pursuant to subdivision (a) of Section 12921 of the Insurance~~  
29 ~~Code, the Insurance Commissioner has the authority to enforce~~  
30 ~~this section concerning any person or entity subject to regulation~~  
31 ~~under the Insurance Code, and may impose any applicable penalties~~  
32 ~~provided for under the Insurance Code.~~

33 ~~(d) The enforcement and penalty provisions of the act that added~~  
34 ~~this subdivision shall apply only to service members ordered to~~  
35 ~~military service on or after January 1, 2014.~~

36 ~~SEC. 4.~~

37 ~~SEC. 5. No reimbursement is required by this act pursuant to~~  
38 ~~Section 6 of Article XIII B of the California Constitution for certain~~  
39 ~~costs that may be incurred by a local agency or school district~~  
40 ~~because, in that regard, this act creates a new crime or infraction,~~

1 eliminates a crime or infraction, or changes the penalty for a crime  
2 or infraction, within the meaning of Section 17556 of the  
3 Government Code, or changes the definition of a crime within the  
4 meaning of Section 6 of Article XIII B of the California  
5 Constitution.

6 However, if the Commission on State Mandates determines that  
7 this act contains other costs mandated by the state, reimbursement  
8 to local agencies and school districts for those costs shall be made  
9 pursuant to Part 7 (commencing with Section 17500) of Division  
10 4 of Title 2 of the Government Code.

O