

AMENDED IN ASSEMBLY JUNE 9, 2014

AMENDED IN SENATE MARCH 28, 2014

SENATE BILL

No. 1065

Introduced by Senator Monning

February 18, 2014

An act to amend Sections 11629.85 and 13902 of, and to add Section 45.5 to, the Insurance Code, relating to insurance.

LEGISLATIVE COUNSEL'S DIGEST

SB 1065, as amended, Monning. Insurance: reports: electronic submission.

Existing law provides for the regulation of insurers by the Department of Insurance. Existing law directs the Insurance Commissioner to enforce the execution of laws regulating the business of insurance. The existing Insurance Code requires various entities to submit certain reports to specified committees of the Legislature.

This bill ~~would, except as specified,~~ *would authorize certain reports required to be submitted to a committee of the Legislature pursuant to the Insurance Code to be submitted electronically, as specified. The bill would also make other technical, nonsubstantive changes: require any report that is required under the Insurance Code to be submitted to a committee of the Legislature to also be submitted as an electronic or printed copy to the Legislative Counsel.*

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

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

1 SECTION 1. Section 45.5 is added to the Insurance Code, to
2 read:

3 45.5. (a) ~~For purposes of this section, “report” includes~~
4 ~~any study or audit.~~

5 (b) *Any report required under this code to be submitted to a*
6 *committee of the Legislature shall also be submitted as an*
7 *electronic or printed copy to the Legislative Counsel.*

8 (c) *Reports required under Sections 1872.95, 11629.85, and*
9 *13902 may be submitted electronically to a committee of the*
10 *Legislature. This subdivision is not intended to prohibit the*
11 *submission of a report electronically if authorized by any other*
12 *law or the consent of any legislative committee.*

13 (d) (1) ~~If a report required~~ under this code is to be submitted
14 electronically to a committee of the Legislature, it may be
15 submitted electronically in any of the following ways:

16 ~~(1)~~

17 (A) Providing the committee a digital copy of the report
18 delivered by electronic means to a person or account designated
19 to receive reports ~~and in a form acceptable to the committee.~~

20 ~~(2)~~

21 (B) Providing the committee a digital copy of the report stored
22 on permanent media delivered by first-class mail.

23 ~~(3)~~

24 (C) Placing the report on the reporting entity’s Internet Web
25 site so that it is publicly available for a period of no less than three
26 years. If a report is submitted electronically in accordance with
27 ~~this paragraph, subparagraph,~~ the committee shall be provided
28 ~~notice of that the report is available~~ that includes specific
29 instructions on how to access the report and how to request a
30 hardcopy. The notice shall be delivered by first-class mail or by
31 electronic ~~means, means~~ and addressed to the person or account
32 designated to receive reports ~~and in a form acceptable to the~~
33 ~~committee.~~

34 ~~(b) This section shall not apply to reports required under~~
35 ~~Sections 38.5, 10089.13, 10965.9, and 11885, of the Insurance~~
36 ~~Code.~~

37 (2) *Reports and notices submitted electronically shall be*
38 *provided in a standard format accessible by software or other*

1 *means that is available without charge or obligation and is*
2 *acceptable to the committee.*

3 ~~SEC. 2. Section 11629.85 of the Insurance Code is amended~~
4 ~~to read:~~

5 ~~11629.85. (a) On or before March 1 of each year, the~~
6 ~~commissioner shall prepare and propose a plan to the Senate~~
7 ~~Committee on Insurance and the Assembly Committee on~~
8 ~~Insurance setting forth the methods the commissioner intends to~~
9 ~~implement to inform households eligible for the program about~~
10 ~~the availability of low-cost automobile insurance. To be eligible~~
11 ~~for funding through the budget process, the plan shall be reviewed~~
12 ~~by the Senate Committee on Insurance and the Assembly~~
13 ~~Committee on Insurance. The information required under~~
14 ~~subdivision (c) shall also be provided to the Senate Committee on~~
15 ~~Transportation and Housing and the Assembly Committee on~~
16 ~~Transportation.~~

17 ~~(b) The plan shall include, at a minimum, a brief description of~~
18 ~~methods proposed to be used, anticipated costs, sources of revenue,~~
19 ~~goals, targets, objectives, and a justification of the proposed~~
20 ~~methods. The plan shall also explain how the department proposes~~
21 ~~to work in cooperation with the California Automobile Assigned~~
22 ~~Risk Plan, the social service departments in eligible counties, the~~
23 ~~Department of Motor Vehicles, and community-based~~
24 ~~organizations in order to inform eligible households of the~~
25 ~~existence of the program.~~

26 ~~(c) The plan shall also include all of the following:~~

27 ~~(1) The commissioner's determination regarding whether the~~
28 ~~program has been successful, based on the criteria specified in~~
29 ~~subdivision (d), and an explanation regarding that success or lack~~
30 ~~thereof.~~

31 ~~(2) In cooperation with the California Automobile Assigned~~
32 ~~Risk Plan, structural characteristics of the program that may require~~
33 ~~statutory revision in order for the program to succeed or to improve~~
34 ~~upon existing success.~~

35 ~~(3) Impediments to success of the program that can reasonably~~
36 ~~be overcome by revision to the strategies adopted by the~~
37 ~~department.~~

38 ~~(4) A detailed explanation of the department's use for the~~
39 ~~program of funds assessed pursuant to Section 1872.81.~~

1 ~~(5) For the previous calendar year, a list of the total low-cost~~
2 ~~auto premium for each county in which the program was available.~~
3 ~~(d) The program is successful if the following occur:~~
4 ~~(1) The program generated sufficient premiums to cover losses~~
5 ~~incurred under policies issued under the program, and expenses~~
6 ~~incurred by the program, as calculated pursuant to subdivision (c)~~
7 ~~of Section 11629.72.~~
8 ~~(2) The program served the public purpose of offering access~~
9 ~~to automobile insurance to otherwise underserved communities in~~
10 ~~the program areas.~~
11 ~~(3) The program offered access to automobile insurance to~~
12 ~~previously uninsured motorists seeking affordable coverage in the~~
13 ~~program areas.~~
14 ~~(4) The program’s outreach efforts lead uninsured motorists to~~
15 ~~contact a producer, and the driver obtains any auto insurance policy~~
16 ~~that complies with California law.~~
17 ~~(e) Any written or oral advertisements, including, but not limited~~
18 ~~to, paid or unpaid commercial or noncommercial advertising, by~~
19 ~~the department with reference to the low-cost automobile insurance~~
20 ~~program shall reference the department and shall not reference the~~
21 ~~commissioner by name or office, or include the commissioner’s~~
22 ~~voice, image, or likeness. The department shall not participate with~~
23 ~~any nongovernmental entity that produces or intends to produce~~
24 ~~advertisements or educational material that include the name of~~
25 ~~the commissioner or his or her voice, image, or likeness, and that~~
26 ~~are intended to make eligible households aware of the existence~~
27 ~~of low-cost automobile insurance.~~
28 ~~SEC. 3. Section 13902 of the Insurance Code is amended to~~
29 ~~read:~~
30 ~~13902. (a) Any insurance pool, established pursuant to this~~
31 ~~division, may be organized as a nonprofit corporation, limited~~
32 ~~liability company, partnership, or trust, whether organized under~~
33 ~~the laws of this state or another state or operating in another state.~~
34 ~~(b) Any insurance pool established pursuant to this division~~
35 ~~shall have initial pooled resources of not less than two million five~~
36 ~~hundred thousand dollars (\$2,500,000) in the form of cash or cash~~
37 ~~equivalents.~~
38 ~~(c) Any insurance pool established pursuant to this division~~
39 ~~shall maintain adequate reinsurance to protect against its risks.~~

1 ~~(d) Any insurance pool established pursuant to this division~~
2 ~~shall furnish a copy of the pool's annual audited financial statement~~
3 ~~and most recent actuarial review, by first-class mail or by any other~~
4 ~~method of delivery, including electronic transmission, to the~~
5 ~~Assembly Committee on Housing and Community Development,~~
6 ~~the Assembly Committee on Insurance, the Senate Committee on~~
7 ~~Insurance, and the Senate Committee on Transportation and~~
8 ~~Housing within 180 days of the close of the pool's fiscal year. If,~~
9 ~~in the period of time since the last submittal required by this~~
10 ~~subdivision, any of the following has occurred, the transmittal~~
11 ~~letter accompanying the annual audited financial statement and~~
12 ~~most recent actuarial review shall so indicate and shall provide a~~
13 ~~brief description of each matter:~~

14 ~~(1) There has been a change to the pool's plan of financing,~~
15 ~~management, or operation, including any material amendment to~~
16 ~~any of those plans.~~

17 ~~(2) A claims audit report has been filed with any regulatory~~
18 ~~body with respect to the pool.~~

19 ~~(3) A report of examination issued by any regulatory body with~~
20 ~~respect to the pool has been received.~~

21 ~~(4) There has been a material change in the scope of the~~
22 ~~regulation of the pool by other states in which the pool operates.~~