

AMENDED IN SENATE APRIL 22, 2014

AMENDED IN SENATE APRIL 2, 2014

SENATE BILL

No. 1273

Introduced by Senator Lara
(Coauthor: Senator Correa)

February 21, 2014

An act to amend Sections 11629.7, 11629.71, 11629.72, 11629.73, 11629.745, 11629.75, 11629.76, 11629.77, 11629.81, 11629.84, 11629.85, and 11629.87 ~~of, and to repeal Section 11629.84 of,~~ of the Insurance Code, relating to insurance.

LEGISLATIVE COUNSEL'S DIGEST

SB 1273, as amended, Lara. Insurance: low-cost automobile insurance program.

(1) Existing law establishes within the California Automobile Assigned Risk Plan (CAARP) a low-cost automobile insurance program for all counties in California, until January 1, 2016, in order to provide a means for eligible consumers to buy automobile insurance, as specified. The parameters of the program, include, but are not limited to, value limits for the insured vehicle, initial ratesetting for certain counties, a surcharge for specified high-risk drivers, eligibility, sales commissions set at the rate CAARP pays for private passenger nonfleet risks, cancellation restrictions, and reporting requirements.

This bill would revise and recast the parameters of the program by, among other things, deleting provisions that limit the initial implementation of the program to specified counties and *that* require the Insurance Commissioner to make a need-based assessment as to implementation in all other counties, ~~deleting the repeal date of the program, thereby extending the operation of the program indefinitely,~~

and deleting the limits on the value of an automobile that can be insured through the program. *The bill would extend the repeal date to January 1, 2020.* The bill would also expand the surcharge and eligibility requirements to include drivers with fewer than 3 years of driving history, including a person who operates a motor vehicle with a specified type of driver's license, or drivers who have not been continually licensed for the past 3 years.

(2) Existing law requires an agent or broker, referred to as a producer, to inform every new prospective automobile insurance policyholder who requests specified information that the low-cost automobile insurance policy may be available for qualifying motorists. Under existing law, if a consumer requests more information about the program from a producer who is not certified under the plan, that producer is required to provide the consumer with a toll-free telephone number for the plan as an alternative coverage option for the consumer.

This bill would allow those producers to alternatively provide the consumer with the programs's Internet Web site.

(3) Under existing law, a certified producer who issues a low-cost automobile insurance policy pursuant to the program is entitled to the same commission rate as is paid by the plan for private passenger, nonfleet risks.

This bill would instead entitle those certified producers to an unspecified percentage rate of commission. The bill would require the plan and an insurance carrier to notify producers of pending policy cancellation, allow a consumer to reinstate a policy in lieu of canceling a policy that has been canceled for nonpayment of premium, to accept payment by check or money order, to allow a consumer or producer to make a down payment and installment payments by debit card or credit card either by telephone or through its Internet Web site.

(4) Existing law requires the plan to report to the Legislature annually on the status of the program, and requires the commissioner to make an annual report to specified committees of the Legislature.

This bill would instead require the plan to make the former report to the commissioner and to include specified data in that report, and would require the commissioner to combine the 2 reports and submit the combined report to the Legislature on or before March 15 annually.

(5) Existing law requires, in order to be eligible for funding through the budget process, that the plan be reviewed by specified committees of the Legislature.

This bill would delete that provision.

(6) Existing law requires the plan, *subject to the commissioner's approval*, to establish and maintain an Internet Web site that provides members of the public with an option for either a referral to a list of certified agents or brokers, as specified, or an assignment to a randomly selected certified agent or broker, as specified.

This bill would, instead require the plan's Internet Web site to provide consumers both of those options and the additional option to apply directly on the Internet Web site. The bill would require the plan and an insurance carrier to establish a data system, as specified. The bill would also delete obsolete provisions and make conforming changes.

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 11629.7 of the Insurance Code is
2 amended to read:

3 11629.7. (a) There is established, within the California
4 Automobile Assigned Risk Plan established under Section 11620,
5 a low-cost automobile insurance program for all counties in
6 California.

7 (b) The commissioner, after a public hearing, shall approve or
8 issue a reasonable plan for the equitable apportionment, among
9 insurers required to participate in the California Automobile
10 Assigned Risk Plan established under Section 11620, of persons
11 who are eligible to purchase through the program a low-cost
12 automobile insurance policy, as described in Section 11629.71.
13 The program shall be conducted in conjunction with the California
14 Automobile Assigned Risk Plan established under Section 11620.

15 SEC. 2. Section 11629.71 of the Insurance Code is amended
16 to read:

17 11629.71. A low-cost automobile insurance policy for purposes
18 of the program established under this article shall have all of the
19 following attributes:

20 (a) The policy shall offer coverage in the amount of ten thousand
21 dollars (\$10,000) for bodily injury to, or death of, each person as
22 a result of any one accident and, subject to that limit as to one
23 person, the amount of twenty thousand dollars (\$20,000) for bodily
24 injury to, or death of all persons as a result of any one accident,

1 and the amount of three thousand dollars (\$3,000) for damage to
2 property of others as a result of any one accident.

3 (b) The coverage required by Section 11580.2 shall be made
4 available to the consumer. However, an insurer may charge a
5 premium for that coverage in addition to the premium set forth in
6 Section 11629.72. Notwithstanding the coverage amounts required
7 by Section 11580.2 and Section 16056 of the Vehicle Code,
8 uninsured motorist coverage issued in conjunction with a low-cost
9 automobile policy under the program, with coverage limits at least
10 equal to the limits of liability in the underlying low-cost automobile
11 policy, shall satisfy the requirements of Section 11580.2 and the
12 financial responsibility requirements of Sections 4000.37, 16021,
13 and 16431 of the Vehicle Code.

14 (c) Medical payments coverage shall be made available to the
15 consumer. However, an insurer may charge a premium for that
16 coverage in addition to the premium set forth in Section 11629.72.

17 (d) The policy shall have an initial term of one year, renewable
18 on an annual basis thereafter.

19 (e) The policy shall cover the person named in the policy, and
20 to the same extent that insurance is provided to the named insured,
21 any other person using the automobile, provided the use is with
22 his or her permission, express or implied, and within the scope of
23 that permission, except that the policy shall not cover members of
24 the named insured's household who do not satisfy the requirements
25 of subdivisions (b) to (e), inclusive, of Section 11629.73.

26 SEC. 3. Section 11629.72 of the Insurance Code is amended
27 to read:

28 11629.72. (a) The annual rate offered under the program for
29 each of the counties in California shall be established at a date
30 according to the discretion of the commissioner. ~~A surcharge,~~
31 *Surcharges*, as a percentage of the base rate, shall be added to the
32 base rate and that percentage shall be set at the discretion of the
33 commissioner, if the named insured or a resident of the household
34 of the named insured will be a driver of the automobile covered
35 under the low-cost policy, and is *either or* both of the following:

36 (1) An unmarried male between 19 and 24 years of age.

37 (2) To whom ~~one or more~~ *any* of the following applies:

38 (A) Operates a vehicle with a driver's license issued by the
39 Department of Motor Vehicles pursuant to Section 12801.9 of the
40 Vehicle Code and has fewer than three years of driving history.

- 1 (B) Has fewer than three years of driving history.
2 (C) Has not been continually licensed to drive for the past three
3 years.
- 4 (b) (1) In addition to existing premium installment options
5 offered by the California Automobile Assigned Risk Plan under
6 Article 4 (commencing with Section 11620), the plan shall also
7 make available to an insured under the program a premium
8 installment option pursuant to which an insured is required to pay
9 not more than 15 percent of the total policy cost upon issuance of
10 the low-cost policy, followed thereafter by six other payments.
- 11 (2) Beginning on January 1, 2015, the commissioner may
12 approve or issue new installment plans in addition to or replacing
13 those offered pursuant to paragraph (1).
- 14 (3) No other premium financing arrangement shall be permitted.
- 15 (c) Rates for policies issued under the program in each county
16 or city and county shall be reviewed and revised as follows:
- 17 (1) Rates shall be sufficient to cover (A) losses incurred under
18 policies issued under the program, and (B) expenses, including,
19 but not limited to, all reasonable and necessary expenses such as
20 the costs of administration, underwriting, taxes, commissions, and
21 claims adjusting, that are incurred due to participation in the
22 program. For purposes of this paragraph, “losses incurred” means
23 claims paid, claims incurred and reported, and claims incurred but
24 not yet reported. In assessing loss reserves, the commissioner shall
25 only allow loss reserves that are estimated from actual losses in
26 the program or comparable data by a licensed statistical agent, as
27 adjusted to reflect coverage provided under the program.
- 28 (2) Rates shall be set so as to result in no projected subsidy of
29 the program by those policyholders of insurers issuing policies
30 under the program who are not participants in the program.
- 31 (3) Rates shall be set with respect to the program so as to result
32 in no projected subsidy by policyholders in one county of
33 policyholders in any of the other counties.
- 34 (4) Commencing on January 1, 2015, and no less than every
35 three years thereafter, the California Automobile Assigned Risk
36 Plan shall submit the loss and expense data, together with a
37 proposed rate and the surcharge authorized by subdivision (a) for
38 the low-cost automobile policy for the program, to the
39 commissioner for approval in accordance with this chapter. The
40 commissioner shall act on the recommendation within 90 days.

1 SEC. 4. Section 11629.73 of the Insurance Code is amended
2 to read:

3 11629.73. A low-cost automobile insurance policy under the
4 program shall only be available for purchase by persons who satisfy
5 the following eligibility requirements:

6 (a) The person shall be in a household with ~~a gross annual~~ *an*
7 *annual gross* household income that does not exceed 250 percent
8 of the federal poverty level, as defined in Part 6.2 (commencing
9 with Section 12693) or as defined in an equivalent manner that is
10 approved by the commissioner.

11 (b) The person shall be no less than 19 years of age and have
12 been continuously licensed to drive an automobile for the previous
13 three years, except that a person who has not been continually
14 licensed to drive or has fewer than three years of driving history
15 may qualify for the surcharge under subdivision (a) of Section
16 11629.72.

17 (c) The person shall have not more than one of either, but not
18 both, of the following within the previous three years:

19 (1) A property damage only accident in which the driver was
20 principally at fault.

21 (2) A point for a moving violation.

22 (d) The person shall not have on record within the previous
23 three years, an at-fault accident involving bodily injury or death.

24 (e) The person shall not have a felony or misdemeanor
25 conviction for a violation of the Vehicle Code on his or her motor
26 vehicle record.

27 (f) The person shall not be a college student claimed as a
28 dependent of another person for federal or state income tax
29 purposes.

30 SEC. 5. Section 11629.745 of the Insurance Code is amended
31 to read:

32 11629.745. (a) An agent or broker (~~hereafter, hereafter~~ referred
33 to as a ~~producer~~) *producer*, who conducts business in a county in
34 which a low-cost automobile insurance policy is available pursuant
35 to this article shall inform every new prospective automobile
36 insurance policyholder who requests a minimum limits or basic
37 limits insurance policy, or coverage to meet California's minimum
38 limits automobile insurance requirements, that the low-cost
39 automobile insurance policy may be available for qualifying
40 motorists. The information may be provided orally if the producer

1 has been contacted by telephone, or in writing, but shall be
2 communicated to the policyholder prior to the application for
3 automobile insurance coverage in the language in which the
4 producer has otherwise communicated with the consumer.

5 (b) If the consumer requests more information about the low-cost
6 program the producer shall do either of the following:

7 (1) If the producer is California Automobile Assigned Risk Plan
8 certified, provide the consumer with an explanation in an
9 information pamphlet produced by the California Automobile
10 Assigned Risk Plan and approved and provided by the Department
11 of Insurance of the qualifications, cost and coverage provided by
12 the policy. If the consumer qualifies for the low-cost policy and
13 wishes to purchase the policy, the California Automobile Assigned
14 Risk Plan certified producer shall provide the application and,
15 upon completion, submit the application, supporting documents,
16 and the applicant’s certification to the California Automobile
17 Assigned Risk Plan. The submittal of the California Automobile
18 Assigned Risk Plan application may be in addition to any other
19 coverage offered or applied for through the producer.

20 (2) If the producer is not California Automobile Assigned Risk
21 Plan certified, the producer shall provide the consumer with the
22 toll-free telephone number for the California Automobile Assigned
23 Risk Plan or the program’s Internet Web site address as an option
24 to coverage offered by the producer.

25 SEC. 6. Section 11629.75 of the Insurance Code is amended
26 to read:

27 11629.75. (a) A certified producer shall provide to an applicant
28 for a low-cost automobile insurance policy under this article a
29 notice relating to coverage under the policy. The notice shall be
30 provided in a separate document at the time of application, and
31 include the following statement in 14-point boldface type:

32
33
34

“NOTICE

35 INSURANCE COVERAGE PROVIDED IN THE POLICY YOU
36 ARE BUYING CONTAINS REDUCED LIABILITY
37 COVERAGE FOR PERSONAL INJURIES OR PROPERTY
38 DAMAGE RESULTING FROM THE OPERATION OF THE
39 INSURED VEHICLE. IF LOSSES FROM AN AUTOMOBILE
40 ACCIDENT EXCEED THE COVERAGE PROVIDED BY THIS

1 POLICY, YOU CAN BE HELD PERSONALLY LIABLE AND
2 RESPONSIBLE FOR THOSE LOSSES.
3 THIS POLICY PROVIDES LIABILITY COVERAGE FOR
4 INJURIES OR DEATH CAUSED TO OTHER PERSONS IN
5 THE TOTAL AMOUNT OF TEN THOUSAND DOLLARS
6 (\$10,000) PER PERSON IN ANY ONE ACCIDENT, AND UP
7 TO A TOTAL AMOUNT OF TWENTY THOUSAND DOLLARS
8 (\$20,000) FOR ALL PERSONS IN ANY ONE ACCIDENT. THE
9 POLICY ALSO PROVIDES UP TO A TOTAL AMOUNT OF
10 THREE THOUSAND DOLLARS (\$3,000) IN LIABILITY
11 COVERAGE FOR PROPERTY DAMAGE IN ANY ONE
12 ACCIDENT. IF YOU WANT MORE INSURANCE COVERAGE,
13 YOU MUST REQUEST A DIFFERENT POLICY.
14 THIS POLICY ALSO DOES NOT COVER DAMAGE TO YOUR
15 OWN VEHICLE, LOSSES RESULTING FROM YOUR BODILY
16 INJURY OR DEATH, OR COVERAGE FOR LOSSES CAUSED
17 BY AN UNINSURED OR UNDERINSURED DRIVER.
18 HOWEVER, THESE OTHER COVERAGES MAY BE
19 AVAILABLE AT EXTRA COST THROUGH OTHER
20 INSURERS.
21 THIS POLICY MAY ALSO CONTAIN UNINSURED
22 MOTORIST BODILY INJURY COVERAGE IN THE TOTAL
23 AMOUNT OF TEN THOUSAND DOLLARS (\$10,000) PER
24 PERSON IN ANY ONE ACCIDENT AND UP TO A TOTAL
25 AMOUNT OF TWENTY THOUSAND DOLLARS (\$20,000)
26 FOR ALL PERSONS IN ANY ONE ACCIDENT, IF YOU SO
27 CHOOSE. IN ADDITION, THIS POLICY MAY ALSO
28 CONTAIN MEDICAL PAYMENTS COVERAGE IN THE
29 AMOUNT OF ONE THOUSAND DOLLARS (\$1,000) PER
30 PERSON IN ANY ONE ACCIDENT, IF YOU SO CHOOSE.
31 THIS POLICY DOES NOT COVER ANY OTHER DRIVER IN
32 YOUR HOUSEHOLD WHO:
33 (a) IS UNDER 19 YEARS OF AGE; OR
34 (b) HAS LESS THAN 3 YEARS OF CONTINUOUSLY
35 LICENSED DRIVING EXPERIENCE (UNLESS THE POLICY
36 INCLUDES A SURCHARGE FOR THIS DRIVER); OR
37 (c) HAS MORE THAN ONE OF EITHER, OR BOTH, OF THE
38 FOLLOWING:
39 —A PROPERTY DAMAGE ONLY ACCIDENT IN WHICH
40 THE DRIVER WAS PRINCIPALLY AT FAULT.

1 —A POINT FOR A MOVING VIOLATION; OR
2 (d) HAS IN THE PREVIOUS 3 YEARS AN AT-FAULT
3 ACCIDENT INVOLVING BODILY INJURY OR DEATH; OR
4 (e) HAS A FELONY OR MISDEMEANOR CONVICTION
5 FROM A VIOLATION OF THE VEHICLE CODE ON HIS OR
6 HER MOTOR VEHICLE RECORD.”

7

8 (b) When the certified producer establishes delivery of the
9 disclosure form specified in subdivision (a) by obtaining the
10 signature of the applicant or insured, there shall be a conclusive
11 presumption that the certified producer has complied with the
12 disclosure requirements of this section.

13 SEC. 7. Section 11629.76 of the Insurance Code is amended
14 to read:

15 11629.76. (a) For a low-cost automobile insurance policy
16 issued pursuant to the program, certified producers shall be entitled
17 to a commission rate of ____ percent.

18 (b) Notwithstanding subdivision (a), the commissioner may at
19 any time establish a commission for a low-cost automobile
20 insurance policy issued pursuant to the program and may make
21 the commission effective on any policy originated within an entire
22 year, or any portion of a year, as is needed to provide an incentive
23 to certified producers to sell low-cost automobile insurance to
24 eligible applicants. The commissioner shall not establish a
25 commission pursuant to this subdivision if the commissioner
26 determines that setting the commission rate will result in a lower
27 commission than the commission paid by the California
28 Automobile Assigned Risk Plan for private passenger, nonfleet
29 risks under Article 4 (commencing with Section 11620).

30 (c) No other fees of any kind may be charged or collected
31 pursuant to this section and the sale of a low-cost policy under this
32 article shall not be conditioned on the purchase of any other product
33 or service.

34 SEC. 8. Section 11629.77 of the Insurance Code is amended
35 to read:

36 11629.77. (a) A low-cost automobile insurance policy issued
37 pursuant to the program shall be canceled only for the following
38 reasons:

39 (1) Nonpayment of premium.

1 (2) Fraud or material misrepresentation affecting the policy or
2 the insured.

3 (3) The purchase of additional automobile liability insurance
4 coverage in violation of subdivision (a) of Section 11629.78.

5 (4) The purchase or maintenance of automobile liability
6 insurance coverage other than a low-cost policy for any additional
7 vehicles in the insured’s household, in violation of subdivision (b)
8 of Section 11629.78.

9 (b) The California Automobile Assigned Risk Plan and an
10 insurance carrier shall notify producers of pending policy
11 cancellations. The plan and an insurance carrier shall allow a
12 consumer to reinstate, in lieu of canceling, all policies that have
13 been canceled for nonpayment of premium. The plan and an
14 insurance carrier shall accept payment by check or money order,
15 and shall allow a consumer or producer to make a down payment
16 and installment payments by debit card or credit card, either by
17 telephone or through its Internet Web site.

18 (c) A policy shall be nonrenewed only for the following reasons:

- 19 (1) A substantial increase in the hazard insured against.
- 20 (2) The insured no longer meets the applicable eligibility
21 requirements. In this regard, the eligibility of an insured shall be
22 recertified by the California Automobile Assigned Risk Plan after
23 the first year of eligibility, and annually thereafter by the insurer
24 that issued the policy.

25 SEC. 9. Section 11629.81 of the Insurance Code is amended
26 to read:

27 11629.81. (a) The California Automobile Assigned Risk Plan
28 shall report to the commissioner on an annual basis, and at those
29 additional times as it deems prudent, on the status of the program.
30 The report shall include data regarding new policies, renewed
31 policies, and policy cancellations or nonrenewals.

32 (b) The department shall combine the report pursuant to
33 subdivision (a) with the report required by Section 11629.85 and
34 submit the combined report to the Legislature on or before March
35 15 of each year.

36 (c) A report submitted pursuant to subdivision (b) shall be
37 submitted in compliance with Section 9795 of the Government
38 Code.

39 ~~SEC. 10. Section 11629.84 of the Insurance Code is repealed.~~

1 SEC. 10. Section 11629.84 of the Insurance Code is amended
2 to read:

3 11629.84. This article shall remain in effect only until ~~January~~
4 ~~1, 2016~~, January 1, 2020, and as of that date is repealed, unless a
5 later enacted statute, that is enacted before ~~January 1, 2016~~,
6 January 1, 2020, deletes or extends that date.

7 SEC. 11. Section 11629.85 of the Insurance Code is amended
8 to read:

9 11629.85. (a) ~~On~~ *Notwithstanding Section 10231.5 of the*
10 *Government Code*, on or before March 15 of each year, the
11 commissioner shall prepare and propose a plan in a report to the
12 Legislature setting forth the methods the commissioner intends to
13 implement to inform households eligible for the program about
14 the availability of low-cost automobile insurance.

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

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

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

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

32 (3) Impediments to success of the program that can reasonably
33 be overcome by revision to the strategies adopted by the
34 department.

35 (4) A detailed explanation of the department's use for the
36 program of funds assessed pursuant to Section 1872.81 for the
37 previous fiscal year.

38 (5) For the previous calendar year, a list of the total low-cost
39 auto premium for each county in which the program was available.

40 (d) The program is successful if the following occur:

1 (1) The program generated sufficient premiums to cover losses
2 incurred under policies issued under the program, and expenses
3 incurred by the program, as calculated pursuant to subdivision (c)
4 of Section 11629.72.

5 (2) The program served the public purpose of offering access
6 to automobile insurance to otherwise underserved communities in
7 the program areas.

8 (3) The program offered access to automobile insurance to
9 previously uninsured motorists seeking affordable coverage in the
10 program areas.

11 (4) The program’s outreach efforts lead uninsured motorists to
12 contact a producer, and the driver obtains any auto insurance policy
13 that complies with California law.

14 (e) Any written or oral advertisements, including, but not limited
15 to, paid or unpaid commercial or noncommercial advertising, by
16 the department with reference to the low-cost automobile insurance
17 program shall reference the department and shall not reference the
18 commissioner by name or office, or include the commissioner’s
19 voice, image, or likeness. The department shall not participate with
20 any nongovernmental entity that produces or intends to produce
21 advertisements or educational material that include the name of
22 the commissioner or his or her voice, image, or likeness, and that
23 are intended to make eligible households aware of the existence
24 of low-cost automobile insurance.

25 (f) A report submitted pursuant to subdivision (a) shall be
26 submitted in compliance with Section 9795 of the Government
27 Code.

28 SEC. 12. Section 11629.87 of the Insurance Code is amended
29 to read:

30 11629.87. (a) Subject to the approval of the commissioner,
31 the California Automobile Assigned Risk Plan shall establish and
32 maintain an Internet Web site that shall provide members of the
33 public with an option for each of the following:

34 (1) Referral to a list of certified agents or brokers with an office
35 in the same geographic area as the consumer who may be contacted
36 to purchase a low-cost automobile insurance policy. This list shall
37 contain the name, address, telephone number, and, if available,
38 the email address and Internet Web site of those agents or brokers.

39 (2) Assignment to a randomly selected certified agent or broker
40 in the same geographic area as the consumer who can be accessed

1 online to process and accept an application to purchase a low-cost
2 automobile insurance policy. The assigned agent or broker shall
3 be subject to the conditions specified in Section 11629.86.

4 (3) The ability to apply directly on the Internet Web site.

5 (b) The plan may, with the approval of the department, authorize
6 the use, for a designated period of time, of the department-owned
7 Internet Web site domain name <http://www.mylowcostauto.com>,
8 or any other relevant domain names controlled by the Department
9 of Insurance, for the purposes of this section and Section 11629.86.

10 (c) The plan shall ensure that the Internet Web site does all of
11 the following:

12 (1) Provides all disclosures and other information required by
13 law that would otherwise be provided by a producer.

14 (2) Effectively educates consumers about the eligibility
15 requirements, the benefits, and the limits of the low-cost
16 automobile insurance policy.

17 (3) Describes or establishes a process to collect any documents
18 that are necessary for determining qualification for the policy.

19 (4) Establishes a process to electronically certify the information
20 provided by the consumer.

21 (5) Maintains safeguards to ensure that consumer information
22 transmitted through that Internet Web site is secure.

23 (6) Provides the physical address of the producer and the
24 telephone number and e-mail of the producer.

25 (7) Provides the contact information for the Consumer Services
26 Division of the department.

27 (8) Adheres to any other rules and regulations adopted by the
28 Department of Insurance to promote the purposes of this section
29 and Section 11629.86.

30 (9) Notifies the consumer that if he or she does not qualify for
31 the low-cost automobile insurance policy that other policies may
32 be available from producers or insurers. Directs the consumer to
33 the department's auto insurance premium comparison Internet
34 Web page.

35 (d) The Internet Web site shall not be made available to the
36 public until the commissioner has made a determination that it
37 adequately provides all of the necessary information a consumer
38 would need in order to apply to purchase the policy.

- 1 (e) The Internet Web site shall be constructed to authorize the
2 consumer to forward the application, supporting documents, and
3 the consumer’s certification to the plan.
- 4 (f) The Internet Web site shall accept payment by credit or debit
5 card or other form of electronic payment the department determines
6 to be appropriate. It shall also provide a mechanism for payment
7 by check.
- 8 (g) The Internet Web site shall be made available in English
9 and Spanish and in as many additional languages as feasible. The
10 English and Spanish language sites shall be made available to the
11 public as soon as possible, irrespective of whether other versions
12 are finalized.
- 13 (h) The plan may request, and the department may include in
14 its plan submitted pursuant to Section 11629.85, that up to one
15 hundred thousand dollars (\$100,000) from the department’s
16 existing consumer outreach fund be made available for the
17 development of the Internet Web site. Electronic signatures shall
18 have the same effect as pen-on-paper signatures for the purposes
19 of this program. The staff answering the plan’s toll-free telephone
20 number may transfer the consumer directly to a producer who may
21 sell a policy to the consumer.
- 22 (i) The plan and an insurance carrier shall establish a data system
23 whereby renewed policies, policy cancellations, and nonrenewals
24 can be tracked, both by aggregate numbers and by individual
25 consumer. The department shall have access to both the aggregate
26 and individual consumer data for research and outreach purposes.