

AMENDED IN ASSEMBLY MARCH 26, 2015

CALIFORNIA LEGISLATURE—2015–16 REGULAR SESSION

ASSEMBLY BILL

No. 269

Introduced by Assembly Member Waldron

February 10, 2015

An act to amend Section ~~10095.5~~ 10094 of the Insurance Code, relating to insurance.

LEGISLATIVE COUNSEL’S DIGEST

AB 269, as amended, Waldron. Basic property insurance: California FAIR Plan.

Under existing law, the California FAIR (fair access to insurance requirements) Plan Association is a joint reinsurance association of state insurers that is established to, among other things, assist persons in securing basic property insurance for qualified property for which insurance cannot be obtained through the normal insurance market. ~~Existing law requires the association to establish and maintain a toll-free telephone number through which persons may receive assistance in applying for insurance. Existing law also establishes a governing committee for the association consisting of 9 insurers elected annually. The governing committee also includes nonvoting members including, one representative of insurance agents, one representative of insurance brokers, one representative of surplus line brokers, and one representative of the public, each appointed by the Governor.~~

~~This bill would make technical, nonsubstantive changes to those provisions.~~

This bill would provide that the governing committee shall have 8 members, eliminating one voting member of the governing committee.

This bill would also provide for a second representative of the public, to be appointed by the Governor.

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

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

1 *SECTION 1. Section 10094 of the Insurance Code is amended*
2 *to read:*
3 10094. Within 30 days after the effective date of this chapter,
4 with the approval of the commissioner, all insurers licensed to
5 write and engaged in writing in this state, on a direct basis, basic
6 property insurance or any component thereof in multiperil policies,
7 shall establish an industry placement facility, the California FAIR
8 Plan Association, to formulate and administer a program for the
9 equitable apportionment among~~such~~ *those* insurers of basic
10 property insurance~~which~~ *that* may be afforded persons having an
11 interest in real or tangible personal property who, after diligent
12 effort~~as, as~~ specified in subdivision (a) of Section~~10093~~; 10093,
13 are unable to procure~~such~~ *that* insurance through normal channels
14 from an admitted insurer or a surplus line broker. Each~~such~~
15 insurer, as a condition of its authority to transact~~such~~ *these* kinds
16 of insurance in this state, shall participate in~~such~~ *the* industry
17 placement facility program in accordance with rules to be
18 established by a governing committee consisting of~~nine~~ *eight*
19 insurers elected annually in the manner to be provided in the
20 program. The governing committee shall, in addition, have as
21 nonvoting members one representative of insurance agents, one
22 representative of insurance brokers, one representative of surplus
23 line brokers, and~~one representative~~ *two representatives* of the
24 public, each to be appointed by the Governor. The governing
25 committee may establish separate classifications of written
26 premiums for the purpose of equitable~~distribution~~ *distribution*,
27 but shall not include premiums from automobile or farm risks. The
28 program may also provide, with the approval of the commissioner,
29 for assessment of all members in amounts sufficient to operate the
30 facility, and may establish maximum limits of liability to be placed
31 through the program, reasonable underwriting standards for
32 determining insurability of a risk, and commission to be paid to
33 the licensed producer designated by the applicant.

1 SECTION 1. ~~Section 10095.5 of the Insurance Code is amended~~
2 ~~to read:~~

3 ~~10095.5. (a) The association shall establish and maintain a~~
4 ~~statewide toll-free “800” telephone number through which persons~~
5 ~~may receive assistance in applying for insurance through the plan.~~
6 ~~The association shall cause the number to be published in all~~
7 ~~general distribution telephone directories in California.~~

8 ~~(b) An insurance agent or broker transacting basic property~~
9 ~~insurance shall either assist persons in making application for~~
10 ~~insurance through the plan or provide persons who desire that~~
11 ~~insurance with the toll-free telephone number established pursuant~~
12 ~~to subdivision (a).~~