

AMENDED IN ASSEMBLY JUNE 2, 2015

AMENDED IN ASSEMBLY APRIL 29, 2015

CALIFORNIA LEGISLATURE—2015–16 REGULAR SESSION

ASSEMBLY BILL

No. 447

Introduced by Assembly Member Maienschein

February 23, 2015

An act to ~~amend Sections 679.71, 679.72, and 679.73 of~~ *add Section 679.74* to the Insurance Code, relating to insurance.

LEGISLATIVE COUNSEL'S DIGEST

AB 447, as amended, Maienschein. Property insurance: discrimination.

Existing law prohibits an admitted insurer licensed to issue policies of residential property insurance from failing or refusing to accept an application for, or issuing a policy to an applicant for, that insurance, except as specified, or from canceling the insurance, under conditions less favorable to the insured than in other comparable cases, except for reasons applicable alike to persons of every sex, race, color, religion, ancestry, national origin, disability, medical condition, genetic information, marital status, or sexual orientation. Existing law provides that sex, race, color, religion, ancestry, national origin, disability, medical condition, genetic information, marital status, or sexual orientation shall not, of itself, constitute a condition or risk for which a higher rate, premium, or charge may be required of the insured.

Existing law also prohibits an application for one of these policies, or an insurance investigation report, from carrying any identification, or any requirement therefor, of the applicant's sex, race, color, religion,

ancestry, national origin, disability, medical condition, genetic information, marital status, or sexual orientation.

This bill ~~would~~ *would, for specified types of real property*, add certain other facts relating to the insured or the insured property to the categories that may not be used by an insurer for the purposes described above, including, under certain circumstances, ~~the method of financing and source of income.~~ *level or source of income and the receipt of government or public assistance.*

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

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

1 SECTION 1. Section 679.74 is added to the Insurance Code,
2 to read:

3 679.74. (a) (1) An admitted insurer that is licensed to issue
4 a policy of insurance upon real property of the type described in
5 paragraph (1) of subdivision (a) of Section 675 or paragraph (1)
6 of subdivision (b) of Section 675.5, when that real property is used
7 for residential purposes, or property of the type described in
8 subdivision (a) of Section 10087, shall not fail or refuse to accept
9 an application for, or to issue a policy to an applicant for, that
10 insurance unless the insurance is to be issued to the applicant by
11 another insurer under the same management and control, or cancel
12 that insurance, based upon the following characteristics:

13 (A) The level or source of income of an individual or group of
14 individuals residing or intending to reside upon the property to
15 be insured, if the individual or group of individuals is not the owner
16 of the real property.

17 (B) The receipt of assistance, intended for housing, from the
18 federal or state government, or from a local public entity, as
19 defined in Section 50079 of the Health and Safety Code, including,
20 but not limited to, federal vouchers issued under Section 8 of the
21 United States Housing Act of 1937 (42 U.S.C. Sec. 1437f), by an
22 individual or group of individuals residing or intending to reside
23 upon the property insured or to be insured.

24 (2) The characteristics listed in subparagraphs (A) and (B) of
25 paragraph (1) shall not constitute a condition or risk for which a
26 higher rate, premium, or charge may be required of the insured

1 *for a policy of insurance upon real property of the type described*
2 *in paragraph (1).*

3 *(b) An application for a policy of insurance upon real property*
4 *of the type described in paragraph (1) of subdivision (a), or an*
5 *insurance investigation report furnished by an insurer to its agents*
6 *or employees for use in determining the insurability of an applicant*
7 *under such a policy, shall not carry any identification, or any*
8 *requirement for identification, of the following characteristics:*

9 *(1) The level or source of income of an individual or group of*
10 *individuals residing or intending to reside upon the property to*
11 *be insured, if the individual or group of individuals is not the owner*
12 *of the real property.*

13 *(2) The receipt of assistance, intended for housing, from the*
14 *federal or state government, or from a local public entity, as*
15 *defined in Section 50079 of the Health and Safety Code, including,*
16 *but not limited to, federal vouchers issued under Section 8 of the*
17 *United States Housing Act of 1937 (42 U.S.C. Sec. 1437f), by an*
18 *individual or group of individuals residing or intending to reside*
19 *upon the property insured or to be insured.*

20 *(c) In the case of real property of the type described in*
21 *paragraph (1) of subdivision (a) of Section 675, paragraph (1) of*
22 *subdivision (b) of Section 675.5, or subdivision (a) of Section*
23 *10087 that is used for both residential and commercial purposes,*
24 *the insurer, or its agent or employee, may consider the source of*
25 *income of a nonresidential tenant of the property in determining*
26 *the insurability of an applicant.*

27 **SECTION 1.** ~~Section 679.71 of the Insurance Code is amended~~
28 ~~to read:~~

29 ~~679.71. (a) An admitted insurer, licensed to issue any policy~~
30 ~~of insurance covered by this chapter, shall not fail or refuse to~~
31 ~~accept an application for, or to issue a policy to an applicant for,~~
32 ~~that insurance (unless the insurance is to be issued to the applicant~~
33 ~~by another insurer under the same management and control), or~~
34 ~~cancel that insurance, under conditions less favorable to the insured~~
35 ~~than in other comparable cases, except for reasons applicable alike~~
36 ~~to persons of every characteristic listed or defined in subdivision~~
37 ~~(b) or (e) of Section 51 of the Civil Code; nor shall any of those~~
38 ~~characteristics, of themselves, constitute a condition or risk for~~
39 ~~which a higher rate, premium, or charge may be required of the~~
40 ~~insured for that insurance.~~

1 ~~(b) In the limited case of a policy of insurance for real property~~
2 ~~designed for human habitation, the following shall also be~~
3 ~~considered characteristics for the purposes of subdivision (a):~~

4 ~~(1) The method of financing for the property insured or to be~~
5 ~~insured:~~

6 ~~(2) The level or source of income of an individual or group of~~
7 ~~individuals residing or intending to reside upon the property insured~~
8 ~~or to be insured:~~

9 ~~(3) The receipt of assistance, intended for housing, from the~~
10 ~~federal or state government, or from a local public entity, as defined~~
11 ~~in Section 50079 of the Health and Safety Code, including, but~~
12 ~~not limited to, federal vouchers issued under Section 8 of the~~
13 ~~United States Housing Act of 1937 (42 U.S.C. Sec. 1437f), by an~~
14 ~~individual or group of individuals residing or intending to reside~~
15 ~~upon the property insured or to be insured:~~

16 ~~SEC. 2. Section 679.72 of the Insurance Code is amended to~~
17 ~~read:~~

18 ~~679.72.—(a) An application for insurance specified in this~~
19 ~~chapter or insurance investigation report furnished by an insurer~~
20 ~~to its agents or employees for use in determining the insurability~~
21 ~~of an applicant shall not carry any identification, or any~~
22 ~~requirement therefor, of any characteristic listed or defined in~~
23 ~~subdivision (b) or (c) of Section 51 of the Civil Code with respect~~
24 ~~to the applicant.~~

25 ~~(b) In the limited case of a policy of insurance for real property~~
26 ~~designed for human habitation, the following shall also be~~
27 ~~considered characteristics for the purposes of subdivision (a):~~

28 ~~(1) The method of financing for the property insured or to be~~
29 ~~insured:~~

30 ~~(2) The level or source of income of an individual or group of~~
31 ~~individuals residing or intending to reside upon the property insured~~
32 ~~or to be insured:~~

33 ~~(3) The receipt of assistance, intended for housing, from the~~
34 ~~federal or state government, or from a local public entity, as defined~~
35 ~~in Section 50079 of the Health and Safety Code, including, but~~
36 ~~not limited to, federal vouchers issued under Section 8 of the~~
37 ~~United States Housing Act of 1937 (42 U.S.C. Sec. 1437f), by an~~
38 ~~individual or group of individuals residing or intending to reside~~
39 ~~upon the property insured or intending to be insured:~~

1 ~~SEC. 3. Section 679.73 of the Insurance Code is amended to~~
2 ~~read:~~
3 ~~679.73. This chapter shall not prohibit the use in an application~~
4 ~~for insurance specified in this chapter of a question asking for the~~
5 ~~birthplace of an applicant if that question is used only to identify~~
6 ~~the applicant and not to discriminate against the applicant.~~

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