

Assembly Bill No. 447

CHAPTER 432

An act to add Section 679.74 to the Insurance Code, relating to insurance.

[Approved by Governor October 2, 2015. Filed with
Secretary of State October 2, 2015.]

LEGISLATIVE COUNSEL'S DIGEST

AB 447, 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, for specified types of real property, add certain other characteristics 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 level or source of income and the receipt of government or public assistance by an individual or group of individuals residing or intending to reside upon the property, as specified.

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

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

679.74. (a) An admitted insurer that is licensed to issue a policy of insurance upon real property of the type described in paragraph (1) of subdivision (a) of Section 675 or paragraph (1) of subdivision (b) of Section 675.5, when that real property is used for residential purposes, or property of the type described in subdivision (a) of Section 10087, shall not fail or refuse to accept an application for, or to issue a policy to an applicant for, that insurance unless the insurance is to be issued to the applicant by another

insurer under the same management and control, or cancel that insurance, based upon the following characteristics:

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

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

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

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

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

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

(d) Nothing in this section prohibits an insurer from failing or refusing to accept an application for, issuing, or canceling or failing to renew, a policy of insurance covered by this chapter as a result of underwriting or assessment of factors other than those characteristics listed in subdivision (a), or as otherwise prohibited by law.