

ASSEMBLY BILL

No. 565

Introduced by Assembly Member Cooley

February 24, 2015

An act to amend Section 10191 of the Insurance Code, relating to insurance.

LEGISLATIVE COUNSEL'S DIGEST

AB 565, as introduced, Cooley. Insurance contracts.

Existing law authorizes the Insurance Commissioner to promulgate, from time to time as conditions warrant, after notice and hearing, reasonable rules and regulations, and amendments and additions to those rules and regulations, as are necessary or advisable in order to establish and maintain a procedure for the filing and approval of specified documents prior to their issuance, delivery, or use in this state.

This bill would make technical, nonsubstantive changes to this provision.

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 10191 of the Insurance Code is amended
2 to read:
3 10191. (a) The commissioner may, from time to time as
4 conditions warrant, after notice and hearing, promulgate—~~such~~
5 reasonable rules and regulations, and amendments and additions
6 ~~thereto~~, to those rules and regulations, as are necessary or
7 advisable, to establish and maintain a procedure for the filing and

1 approval of documents, as defined in this section, prior to their
 2 issuance, delivery, or use in this state, in lieu of the requirements
 3 of submission, filing, or approval for the documents presently
 4 provided in Section 10205, 10205.5, 10205.6, 10225, 10270,
 5 10270.1, 10270.57, 10270.9, 10270.91, 10270.92, 10270.93, 10290,
 6 10292, 11066, 11069, ~~11513, 11513.1, 11513.2, 11515,~~ or 11658.
 7 For purposes of this section, “document” includes, but is not limited
 8 to, every form of contract, insurance policy, application, rider,
 9 endorsement, amendment, insert policy page, certificate, or other
 10 evidence or notice of insurance, fill-in material, schedules of rates
 11 and classifications of risks, and any modification to any document,
 12 which is subject to the requirements of any of the ~~enumerated~~
 13 ~~sections.~~ *sections described in this subdivision.*

14 (b) Any ~~such~~ rule or regulation shall be promulgated in
 15 accordance with the procedure provided in Chapter 3.5
 16 (commencing with Section 11340) of Part 1 of Division 3 of Title
 17 2 of the Government Code.

18 (c) In promulgating any ~~such~~ rule or regulation, the
 19 commissioner may give consideration to the following
 20 circumstances:

21 (1) Whether all ~~such~~ documents, the submission, filing, or
 22 approval of which is governed by any of the ~~foregoing enumerated~~
 23 ~~sections,~~ *sections described in subdivision (a),* or only a portion
 24 ~~thereof of those documents~~ described in the rule or regulation, shall
 25 be subject ~~thereto.~~ *to the rule or regulation.*

26 (2) Whether certain documents or portions ~~thereof of those~~
 27 ~~documents~~ should be regulated in respect of submission, filing, or
 28 approval in a fashion differing from similar requirements applicable
 29 to other documents.

30 (3) Whether varying procedures may be made applicable among
 31 admitted insurers in respect of the submission, filing or approval
 32 predicated, in whole or in part, upon ~~such~~ *the following* factors ~~as:~~
 33 (A) the age and size of the submitting insurer, (B) the period of its
 34 licensing in this state for the class or classes of insurance
 35 represented by the documents, (C) the nature and number of prior
 36 submissions of similar documents and the disposition ~~thereof of~~
 37 ~~those prior submissions~~ by the commissioner, (D) and similar
 38 criteria ~~which~~ *that* is relevant to a determination that the submitting
 39 insurer has demonstrated compliance with all applicable statutes,

1 rules, and regulations relating to documents comprising prior
2 submissions.

3 (d) In promulgating any—~~such~~ rules and regulations, the
4 commissioner shall, so far as practical, describe or define certain
5 provisions: (1)—~~which~~ *that* the commissioner will authorize without
6 review when accompanied by a certification prescribed by him or
7 her by rule, and (2)—~~which~~ *that* the commissioner will under no
8 circumstances approve.

9 (e) The commissioner shall establish a period of time, not shorter
10 than one year, during which any change in the provisions—~~which~~
11 *that* pursuant to subdivision (d), he or she has provided he or she
12 will under no circumstances approve, will not apply to policies
13 filed prior to the effective date of the change.

14 (f) Except as otherwise provided in this—~~section~~ *section*, any
15 document approved by the commissioner pursuant to rules and
16 regulations authorized by this section may have its approval
17 withdrawn in accordance with subdivision (d) of Section 10291.5
18 or Section 12957, whichever is applicable.