

ASSEMBLY BILL

No. 1492

Introduced by Assembly Member Low

February 27, 2015

An act to amend Section 11623.5 of the Insurance Code, relating to insurance.

LEGISLATIVE COUNSEL'S DIGEST

AB 1492, as introduced, Low. Assigned risk plans.

Existing law authorizes groups of insurers not under common ownership or management to form a limited assignment distribution arrangement. Existing law requires each arrangement to have one servicing carrier that writes assigned risk business on behalf of the members of the arrangement in return for consideration from the other participating carriers for not writing the business.

This bill would make technical, nonsubstantive changes to that 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 11623.5 of the Insurance Code is
2 amended to read:
3 11623.5. (a) Groups of insurers not under common ownership
4 or management may form a limited assignment distribution
5 arrangement. Each arrangement shall have one servicing carrier
6 that writes assigned risk business on behalf of the members of the

1 arrangement in return for consideration from the other participating
2 carriers for not writing the business.

3 (b) ~~No~~An insurer may *not* act as a servicing carrier except with
4 the continuing approval of the commissioner.

5 (c) Each servicing carrier shall have a surplus of at least ten
6 million dollars (\$10,000,000).

7 (d) Upon the approval of the commissioner of a servicing carrier
8 under this section, the plan shall make all assignments that
9 otherwise would be made to a participant to the servicing carrier
10 for that participant.

11 (e) The commissioner shall impose a filing fee for the filing
12 necessary to obtain approval pursuant to ~~this section, which~~ *section*.
13 *The* fee shall be limited to that *amount* sufficient to defray the
14 costs of the department in connection with considering the
15 application.