

ASSEMBLY BILL

No. 1922

Introduced by Assembly Member Daly

February 11, 2016

An act to amend Section 11658 of the Insurance Code, relating to workers' compensation insurance.

LEGISLATIVE COUNSEL'S DIGEST

AB 1922, as introduced, Daly. Workers' compensation policies.

Existing law requires that a workers' compensation insurance policy or endorsement not be issued by an insurer unless the insurer files a copy of the form or endorsement with a rating organization and 30 days have expired from the date the form or endorsement is received by the Insurance Commissioner from the rating organization without notice from the commissioner, unless the commissioner gives written approval of the form or the endorsement prior to that time.

This bill would exempt policies or endorsements offering deductibles to policyholders for all or part of benefits payable under the policy if the estimated nationwide standard premium is \$250,000 or more, and documents that do not alter, amend, or otherwise provide for the payment of compensation or benefits, coverage, or rating under the policy, from filing under the above provisions.

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 11658 of the Insurance Code is amended
- 2 to read:

1 11658. (a) A workers' compensation insurance policy or
2 endorsement shall not be issued by an insurer to any person in this
3 state unless the insurer files a copy of the form or endorsement
4 with the rating organization pursuant to subdivision (e) of Section
5 11750.3 and 30 days have expired from the date the form or
6 endorsement is received by the commissioner from the rating
7 organization without notice from the commissioner, unless the
8 commissioner gives written approval of the form or endorsement
9 prior to that time.

10 (b) If the commissioner notifies the insurer that the filed form
11 or endorsement does not comply with the requirements of law,
12 specifying the reasons for his or her opinion, it is unlawful for the
13 insurer to issue any policy or endorsement in that form.

14 (c) The withdrawal of a policy form or endorsement by the
15 commissioner pursuant to this section shall not affect the status of
16 the policyholder as having secured payment for compensation or
17 affect the substitution of the insurer for the policyholder in workers'
18 compensation proceedings as set forth in the provisions of Chapter
19 4 (commencing with Section 3700) of Part 1 of Division 4 of the
20 Labor Code during the period of time in which the policy form or
21 endorsement was in effect.

22 (d) This section ~~shall~~ *does* not apply to limited policies submitted
23 for approval to the commissioner pursuant to Section 11657.

24 (e) *This section does not apply to policies or endorsements*
25 *offering deductibles to policyholders for all or part of benefits*
26 *payable under the policy if the estimated nationwide standard*
27 *premium is two hundred fifty thousand dollars (\$250,000) or more.*

28 (f) *This section does not apply to documents that do not alter,*
29 *amend, or otherwise provide for the payment of compensation or*
30 *benefits, coverage, or rating under the policy.*