

**ASSEMBLY BILL**

**No. 2474**

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**Introduced by Assembly Member Mullin**

February 19, 2016

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An act to amend Section 12901 of the Insurance Code, relating to insurance.

LEGISLATIVE COUNSEL'S DIGEST

AB 2474, as introduced, Mullin. Insurance Commissioner: conflict of interest.

Existing law establishes the office of the Insurance Commissioner and provides that the commissioner shall be elected by the people in the same time, place, and manner as the Governor not to exceed 2 4-year terms. Existing law requires the commissioner to be a person competent and fully qualified to perform the duties of the office, as specified. Existing law also prohibits the commissioner, any deputy, or employee, during his or her tenure of office, from being be an officer, agent, or employee of an insurer or directly or indirectly interested in any insurer or licensee, except as specified.

This bill would make technical, nonsubstantive changes to those 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 12901 of the Insurance Code is amended  
2 to read:

1 12901. (a) The commissioner shall be a person competent and  
 2 fully qualified to perform the duties of the office. Neither the  
 3 commissioner nor ~~any~~ a deputy or employee ~~shall~~ *shall*, during  
 4 his or ~~their~~ *her* tenure of ~~office~~ *office*, be an officer, ~~agent~~ *agent*,  
 5 or employee of an insurer or directly or indirectly interested in ~~any~~  
 6 *an* insurer or licensee under this code, except ~~(a)~~ (1) as a  
 7 policyholder, or, ~~(b)~~ (2) by virtue of relationship by blood or  
 8 marriage to ~~any~~ a person interested in ~~any~~ *an* insurer or licensee.

9 ~~¶~~  
 10 (b) ~~If the commissioner or any deputy or commissioner, a deputy,~~  
 11 ~~or an employee holds any a license or permit issued under this~~  
 12 ~~code, he or she shall surrender it for cancellation within 10 days~~  
 13 ~~after appointment and qualification. Upon termination of his or~~  
 14 ~~her office or employment such that license or permit shall be~~  
 15 ~~reissued for the balance of the then current license or permit year~~  
 16 ~~without fee or penalty.~~