

AMENDED IN SENATE MARCH 28, 2016

SENATE BILL

No. 1424

Introduced by Senator Wieckowski

February 19, 2016

~~An act to amend Section 700 of the Corporations Code, relating to corporations.~~ *An act to amend Section 11580.17 of the Insurance Code, relating to insurance.*

LEGISLATIVE COUNSEL'S DIGEST

SB 1424, as amended, Wieckowski. ~~Shareholder voting.~~ *Insurance.*

Existing law creates the Department of Insurance, headed by the Insurance Commissioner, and prescribes the department's powers and duties. Existing law prohibits the department from prohibiting an insurer from inspecting a motor vehicle prior to issuing collision or comprehensive coverage for the vehicle. Existing law also requires an insurer conducting these inspections to inspect every motor vehicle for which coverage is requested except new motor vehicles and motor vehicles previously insured. Existing law requires the inspection to be done by the insurer or its agent, and to be performed not more than 20 miles from the address where the vehicle is insured.

This bill would allow the above inspection to be performed not more than 25 miles from the address where the vehicle is insured.

~~Existing law, the General Corporation Law, authorizes a corporation to issue one or more classes or series of shares with full, limited, or no voting rights and with such other rights, preferences, privileges and restrictions as are stated or authorized in articles of incorporation of that corporation. Existing law generally provides that each outstanding~~

~~share is entitled to one vote on each matter submitted to a vote of shareholders.~~

~~This bill would make 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 11580.17 of the Insurance Code is*
2 *amended to read:*

3 11580.17. The department shall not prohibit an insurer from
4 electing to inspect physically a motor vehicle for purposes of
5 issuing a policy for collision or comprehensive coverage. The
6 inspection of the motor vehicle shall be at no cost to the insured.
7 The information ascertained from that inspection may only be used
8 to determine the extent of insurability for collision or
9 comprehensive coverage for the motor vehicle. If an insurer elects
10 to conduct an inspection prior to offering comprehensive and
11 collision insurance pursuant to this section, the insurer shall inspect
12 every motor vehicle for which coverage is requested if the vehicle
13 was not previously insured under a policy of comprehensive and
14 collision coverage. An insurer may exempt from this requirement
15 new motor vehicles if a copy of the sales contract is delivered to
16 the insurer within five business days of the purchase of the new
17 motor vehicle. The inspection shall be done by the insurer or its
18 agent, and shall be performed not more than 20 25 miles from the
19 address where the vehicle is insured, and during normal business
20 hours.

21 ~~SECTION 1. Section 700 of the Corporations Code is amended~~
22 ~~to read:~~

23 ~~700. (a) Except as provided in Section 708 and except as may~~
24 ~~be otherwise provided in the articles, each outstanding share,~~
25 ~~regardless of class, shall be entitled to one vote on each matter~~
26 ~~submitted to a vote of shareholders.~~

27 ~~(b) Any holder of shares entitled to vote on any matter may vote~~
28 ~~part of the shares in favor of the proposal and refrain from voting~~
29 ~~the remaining shares or vote them against the proposal, other than~~
30 ~~elections to office, but, if the shareholder fails to specify the~~
31 ~~number of shares the shareholder is voting affirmatively, it will~~

- 1 ~~be conclusively presumed that the shareholder's approving vote~~
- 2 ~~is with respect to all shares the shareholder is entitled to vote.~~

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