

AMENDED IN ASSEMBLY APRIL 17, 1997

CALIFORNIA LEGISLATURE—1997–98 REGULAR SESSION

**ASSEMBLY BILL**

**No. 1553**

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**Introduced by Committee on Insurance (Figueroa (Chair),  
Alby (Vice Chair), Baldwin, Cunneen, Escutia, Floyd,  
Gallegos, Honda, Leach, and Villaraigosa)**

March 5, 1997

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An act to add Section 12995 to the Insurance Code, relating to insurance.

LEGISLATIVE COUNSEL'S DIGEST

AB 1553, as amended, Committee on Insurance. Insurance fees: late fees.

Existing law sets forth various fees that may be charged by the Department of Insurance relative to the performance of various services by the department.

This bill would provide that certain uncontested departmental billings for authorized services or assessments that are not paid to the department within ~~30~~ 45 days of the invoice date shall be subject to a late fee charge, unless waived or modified by the department, as specified.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

*The people of the State of California do enact as follows:*

1 SECTION 1. Section 12995 is added to the Insurance  
2 Code, to read:

1 12995. Notwithstanding any other provision of this  
 2 code, all uncontested departmental billings for services or  
 3 assessments authorized herein, which are not paid within  
 4 ~~30~~ 45 days of the invoice date, shall be subject to a late fee  
 5 charge, unless waived or modified by the department.  
 6 The late fee ~~shall be assessed at 10 percent of the amount~~  
 7 ~~due or at a ten dollar (\$10) minimum, whichever is~~  
 8 ~~greater.~~ charge shall be 1½ percent per month of the  
 9 balance due. This late charge shall be compounded  
 10 monthly.

11 (b) Payment shall be postmarked by the due date to  
 12 avoid a late charge. Contested billings for which the  
 13 original amount is paid to the department after the ~~30~~ 45  
 14 day period shall be subject to the late fee charge, unless  
 15 waived or modified by the department. *Reasons for the*  
 16 *contestability shall be set forth in writing to the*  
 17 *department prior to the due date.*

18 (c) All late fees charges collected pursuant to this  
 19 section shall be deposited into the Insurance Fund and  
 20 available for support of the department.

21 (d) This section shall not apply to the Insurance  
 22 Department Schedule of Fees and Charges pursuant to  
 23 Section 12978.

