

AMENDED IN SENATE MAY 14, 1997

AMENDED IN SENATE APRIL 8, 1997

SENATE BILL

No. 512

**Introduced by Committee on Insurance (Senators
Rosenthal (Chair), Johnson, Johnston, Leslie, and Peace)**

February 20, 1997

An act to amend Section 510 of the Insurance Code, relating to insurance.

LEGISLATIVE COUNSEL'S DIGEST

SB 512, as amended, Committee on Insurance. Insurance: consumer complaints: disclosure.

Existing law provides that whenever a policy of insurance, a policy of life insurance, a policy of disability insurance, or a certificate of coverage, as specified, is first issued to or delivered to a new insured or a new policyholder in this state, the insurer shall include a written disclosure printed in large, boldface type containing certain information.

This bill would require an insurer to also include in the written disclosure the address and telephone number of the insurer, agent, or broker of record. *The bill would also provide that if the policy or certificate was issued or delivered by an agent or broker, the disclosure shall specifically advise the insured to contact his or her agent or broker for assistance.*

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 510 of the Insurance Code is
2 amended to read:

3 510. Whenever a policy of insurance specified in
4 Section 660 or 675, a policy of life insurance as defined in
5 Section 101, a policy of disability insurance as defined in
6 Section 106, or a certificate of coverage as defined in
7 Section 10270.6, is first issued to or delivered to a new
8 insured or a new policyholder in this state, the insurer
9 shall include a written disclosure containing the name,
10 address, and toll-free telephone number of the unit
11 within the Department of Insurance that deals with
12 consumer affairs. The telephone number shall be the
13 same as that provided to consumers under Section
14 12921.1. The disclosure shall be printed in large, boldface
15 type.

16 The disclosure shall contain the address and telephone
17 number of the insurer, agent, or broker of record, and a
18 statement that the Department of Insurance should be
19 ~~contacted only after the contacts between the~~
20 ~~complainant and the insurer or its agent or other~~
21 ~~representative have failed to produce a satisfactory~~
22 ~~solution to the problem.~~ *contacted only after discussions*
23 *with the insurer, or its agent or other representative, or*
24 *both, have failed to produce a satisfactory resolution to*
25 *the problem. If the policy or certificate was issued or*
26 *delivered by an agent or broker, the disclosure shall*
27 *specifically advise the insured to contact his or her agent*
28 *or broker for assistance.*

29 SEC. 2. In order to prevent any unnecessary waste of
30 resources that might result from insurers' efforts to
31 comply with Section 510 of the Insurance Code as
32 amended by this act, an insurer may continue to use
33 disclosure forms specified in Section 510 of the Insurance
34 Code that were produced or printed prior to January 1,
35 1998, until current supplies are depleted or until
36 December 31, 1998, whichever comes first.

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