

Senate Bill No. 2084

CHAPTER 392

An act to amend Section 9080.3 of the Insurance Code, relating to insurance.

[Approved by Governor August 24, 1998. Filed with Secretary of State August 24, 1998.]

LEGISLATIVE COUNSEL'S DIGEST

SB 2084, Costa. Fraternal fire insurers: religious organizations.

Existing law governing fraternal fire insurers, among other things, authorizes certain religious organizations to write fire insurance for its members and its churches. Existing law prohibits those religious organizations from writing fire insurance in excess of \$30,000 on any one risk and in excess of \$180,000 in any one city block within an incorporated city without reinsuring the excess over those amounts.

This bill would change the amounts not subject to reinsurance from \$30,000 to 10% of the organization's capital and surplus as shown in its last statement on file with the commissioner, on any one risk, and from \$180,000 to 20% of the organization's capital and surplus as shown in its last statement on file with the commissioner, in any one city block.

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

SECTION 1. Section 9080.3 of the Insurance Code is amended to read:

9080.3. Any religious organization engaged in the business of writing fire insurance solely for its members and its churches on the effective date of this section, and which has been doing so continuously in California since January 1, 1925, is subject to all applicable provisions of this chapter.

Any religious organization described in this section shall not write insurance:

(a) In excess of 10 percent of its capital and surplus as shown in its last statement on file with the commissioner, on any one risk, or in excess of 20 percent of its capital and surplus as shown in its last statement on file with the commissioner in any one city block within an incorporated city without immediately reinsuring the excess over those amounts.

(b) On business property within any incorporated city.

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