

AMENDED IN ASSEMBLY APRIL 10, 2000

CALIFORNIA LEGISLATURE—1999–2000 REGULAR SESSION

ASSEMBLY BILL

No. 2251

Introduced by Assembly Member Cox

February 24, 2000

An act to add Sections 702 and 1726 to the Insurance Code, relating to insurance.

LEGISLATIVE COUNSEL'S DIGEST

AB 2251, as amended, Cox. Insurance: sales: Internet: disclosure.

Existing law requires a licensed insurance agent to have printed on specified documents their license number.

This bill would require any person who is licensed as an insurance agent or broker or ~~who~~ *an insurer that* maintains a certificate of authority to transact insurance in this state, and ~~who~~ *advertises for the sale of insurance on the Internet and transacts insurance in this state,* to provide on the Internet website specified identifying information, including an insurance license number *or certificate of authority number.* *The bill would specify when an insurer or person advertising insurance on the Internet is transacting insurance in this state. The bill would require an insurer that advertises on the Internet and is not admitted in California to follow specified provisions relating to advertising by nonadmitted insurers.*

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 702 is added to the Insurance
2 Code, to read:

3 ~~702. Any person, who maintains a certificate of~~
4 ~~authority to transact insurance in this state, that~~
5 ~~advertises for the sale of insurance on the Internet shall~~
6 ~~identify on the Internet website their name as it appears~~
7 ~~on the certificate of authority, their state of residence or~~
8 ~~domicile, their insurance license number and the issuing~~
9 ~~state, and any additional states in which they are licensed~~
10 ~~or admitted to transact insurance business.~~

11 ~~SEC. 2. Section 1726 is added to the Insurance Code,~~
12 ~~to read:~~

13 ~~1726. Any person, who is licensed as an insurance~~
14 ~~agent or broker, that advertises for the sale of insurance~~
15 ~~on the Internet shall identify on the Internet website~~
16 ~~their name as it appears on their insurance license, their~~
17 ~~state of residence or domicile, their insurance license~~
18 ~~number and the issuing state, and any additional states in~~
19 ~~which they are licensed or admitted to transact insurance~~
20 ~~business.~~

21 *702. (a) An insurer that maintains a certificate of*
22 *authority to transact insurance in this state, advertises*
23 *insurance on the Internet, and transacts insurance in this*
24 *state, shall identify all of the following information on the*
25 *Internet website it maintains or is maintained on its*
26 *behalf:*

27 *(1) Its name as it appears on its California certificate*
28 *of authority, and if different, the name approved by the*
29 *commissioner for doing business in this state.*

30 *(2) The address of its domicile and its principal place*
31 *of business.*

32 *(3) The number on its California certificate of*
33 *authority.*

34 *(b) An Internet website maintained by or on behalf of*
35 *an insurer not admitted to transact insurance in this state*
36 *constitutes an advertisement, and the insurer shall*
37 *comply with the requirements of Section 703.1.*



1 (c) An insurer shall be deemed to be transacting
2 insurance in this state when the insurer advertises on an
3 Internet website maintained by or on its behalf, and does
4 any of the following:

5 (1) Provides an insurance premium quote to a
6 California resident.

7 (2) Accepts an application for coverage from a
8 California resident.

9 (3) Communicates with a California resident
10 regarding one or more terms of an agreement to provide
11 insurance or an insurance policy.

12 SEC. 2. Section 1726 is added to the Insurance Code,
13 to read:

14 1726. (a) A person that is licensed in this state as an
15 insurance agent or broker, advertises insurance on the
16 Internet, and transacts insurance in this state, shall
17 identify all of the following information on the Internet
18 website it maintains or is maintained on its behalf:

19 (1) Its name as it appears on its insurance license, and
20 any fictitious name approved by the commissioner.

21 (2) The address of its domicile and principal place of
22 business.

23 (3) Its license number.

24 (b) A person shall be deemed to be transacting
25 insurance in this state when the person advertises on an
26 Internet website maintained by or on its behalf, and does
27 any of the following:

28 (1) Provides an insurance premium quote to a
29 California resident.

30 (2) Accepts an application for coverage from a
31 California resident.

32 (3) Communicates with a California resident
33 regarding one or more terms of an agreement to provide
34 insurance or an insurance policy.

