

AMENDED IN ASSEMBLY MAY 15, 2000  
AMENDED IN ASSEMBLY MAY 1, 2000  
AMENDED IN ASSEMBLY APRIL 10, 2000

CALIFORNIA LEGISLATURE—1999–2000 REGULAR SESSION

**ASSEMBLY BILL**

**No. 2251**

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**Introduced by Assembly Member Cox**

February 24, 2000

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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 an insurer that maintains a certificate of authority to transact insurance in this state, and 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 a 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. (a) An insurer that maintains a certificate of  
4 authority to transact insurance in this state, advertises  
5 insurance on the Internet, and transacts insurance in this  
6 state, shall identify all of the following information on the  
7 Internet ~~website it maintains~~ *or, regardless of whether*  
8 *the insurer maintains its Internet presence or if the*  
9 *presence is maintained on its behalf:*  
10 (1) Its name as it appears on its California certificate  
11 of authority, and if different, the name approved by the  
12 commissioner for doing business in this state.  
13 (2) The address of its domicile and its principal place  
14 of business.  
15 (3) The number on its California certificate of  
16 authority.  
17 (b) An Internet ~~website~~ *presence* maintained by or on  
18 behalf of an insurer not admitted to transact insurance in  
19 this state constitutes an advertisement, and the insurer  
20 shall comply with the requirements of Section 703.1.  
21 (c) A person who advertises on ~~an Internet website~~  
22 *the Internet* shall be deemed to be transacting insurance  
23 in this state if ~~it~~ *the person* does any of the following:  
24 (1) Provides an insurance premium quote specifically  
25 to a California resident.  
26 (2) Accepts an application for coverage from a  
27 California resident.  
28 (3) Otherwise communicates with a California  
29 resident regarding one or more terms of an agreement to  
30 provide insurance or an insurance policy.  
31 This subdivision shall not apply when a person conveys  
32 a quote, accepts an application, and conducts all  
33 communications with a California resident solely through  
34 a surplus line broker or special lines' surplus line broker  
35 pursuant to California surplus line laws.



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

3 1726. (a) A person ~~that~~ *who* is licensed in this state as  
4 an insurance agent or broker, advertises insurance on the  
5 Internet, and transacts insurance in this state, shall  
6 identify all of the following information on the Internet  
7 ~~website it maintains or~~, *regardless of whether the*  
8 *insurance agent or broker maintains his or her Internet*  
9 *presence or if the presence is maintained on ~~its~~ his or her*  
10 *behalf:*

11 (1) ~~Its name as it appears on its~~ *His or her name as it*  
12 *appears on his or her* insurance license, and any fictitious  
13 name approved by the commissioner.

14 (2) The address of ~~its~~ *his or her* domicile and principal  
15 place of business.

16 (3) ~~Its~~ *His or her* license number.

17 (b) A person shall be deemed to be transacting  
18 insurance in this state when the person advertises on ~~an~~  
19 ~~Internet website maintained by or on its~~ *the Internet,*  
20 *regardless of whether the insurance agent or broker*  
21 *maintains his or her Internet presence or if it is*  
22 *maintained on his or her* behalf, and does any of the  
23 following:

24 (1) Provides an insurance premium quote to a  
25 California resident.

26 (2) Accepts an application for coverage from a  
27 California resident.

28 (3) Communicates with a California resident  
29 regarding one or more terms of an agreement to provide  
30 insurance or an insurance policy.

