

2002

2001-2002 Legislative Summary

Assembly Committee on Insurance

Follow this and additional works at: http://digitalcommons.law.ggu.edu/caldocs_assembly



Part of the [Legislation Commons](#)

Recommended Citation

Assembly Committee on Insurance, "2001-2002 Legislative Summary" (2002). *California Assembly*. Paper 378.
http://digitalcommons.law.ggu.edu/caldocs_assembly/378

This Committee Report is brought to you for free and open access by the California Documents at GGU Law Digital Commons. It has been accepted for inclusion in California Assembly by an authorized administrator of GGU Law Digital Commons. For more information, please contact jfischer@ggu.edu.

CALIFORNIA STATE LEGISLATURE

ASSEMBLY COMMITTEE ON INSURANCE

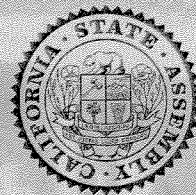
2001–2002

LEGISLATIVE SUMMARY

THOMAS M. CALDERON, CHAIR

Members:

Ken Maddox, Vice-Chair
Russ Bogh
Mike Briggs
John Campbell
Ed Chavez
Manny Diaz
Richard Dickerson
John Dutra
Dario Frommer
Sally Havice
Jerome Horton
Fred Keeley
Paul Koretz
Dennis Mountjoy
Geroge Nakano
Keith Richman
Juan Vargas
Carl Washington



Staff:

Michael S. Mattoch, Chief Consultant
Christine Ebbink, Consultant
Chris Clay, Consultant
Tracy Ainsworth Elwell, Committee Secretary

CHIEF CONSULTANT

Michael S. Mattoch

CONSULTANTS

Christine Ebbink
Christopher Clay

COMMITTEE SECRETARY

Tracy Ainsworth Elwell

STATE CAPITOL

P.O. BOX 942849

SACRAMENTO, CA 94249-0106

Phone (916) 319-2086

Facsimile (916) 319-2186

**Assembly
California Legislature
Committee on Insurance**

THOMAS M. CALDERON
CHAIR

MEMBERS

Thomas M. Calderon, Chair
Ken Maddox, Vice Chair
Russ Bogh
Mike Briggs
John Campbell
Ed Chavez
Manny Diaz
Richard Dickerson
John Dutra
Dario Frommer
Sally Havice
Jerome Horton
Fred Keeley
Paul Koretz
George Nakano
Keith Richman
Darrell Steinberg
Juan Vargas
Carl Washington

November 15, 2002

To All Interested Parties:

The following summary of legislation lists all of the bills that came before the Assembly Insurance Committee during the 2001-2002 legislative year. Each is organized in numerical order and indicates the results for each bill. The summary of each bill is not intended as a definitive or comprehensive statement of the provisions of the bill. Rather, it is intended to provide general information to the reader of the subject that the bill addresses. For more detailed information about any bill, please go to the Assembly's web page at www.assembly.ca.gov and click on "Legislation."

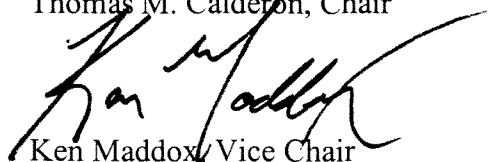
It was an honor to serve as chairman of the Insurance Committee I wish new chair, Juan Vargas all the best in the next session.

For additional information regarding this summary or other activities of the committee, please contact the committee staff at (916) 319-2086.

Respectfully,



Thomas M. Calderon, Chair



Ken Maddox, Vice Chair

**STATE DEPOSITORY
LAW LIBRARY**

FEB 06 2004

GOLDEN GATE UNIVERSITY

ASSEMBLY INSURANCE COMMITTEE

2001-2002

Legislative Summary

AB 176 (Nation) *[Chapter 73 / 2001]*

Provides that a deposit of securities registered with a qualified depository located in a reciprocal state must be made in a bank or savings and loan association authorized to engage in the trust business, or a trust company, that is licensed to do business and located in California, and that is qualified custodian with a specified minimum amount of deposits.

AB 196 (Correa) *[Chapter 833 / 2001]*

Eliminates the requirement that certain law enforcement officers, firefighters, and probation employees bear the burden of proof in establishing a blood-borne infectious disease presumption for the purpose of receiving disability retirement benefits, and expands the scope of the term "injury" to include a blood-borne infectious disease for the purpose of receiving workers' compensation benefits. Extends the compensable injury presumption for hernia, heart trouble, pneumonia, tuberculosis, and meningitis to members of the California Highway Patrol (CHP).

AB 262 (Correa) *[Chapter 589 / 2001]*

Requires the continuation of death benefits payments under the Workers' Compensation Law to a totally dependent minor child of a local safety member or patrol member, as defined, if the member was killed in the line of duty prior to January 1, 1990.

AB 392 (Maddox) *[Chapter 660 / 2001]*

Requires the Commissioners of Real Estate, Corporations, and Insurance to notify each other when taking enforcement or disciplinary action related to specified escrow services, and maintain websites that include a database of individuals who have been subject to such disciplinary actions.

AB 486 (Calderon) *[Chapter 866 / 2002]*

Makes technical, clarifying and substantive changes to AB 749 (Calderon), Chapter 6, Statutes of 2002, the comprehensive workers' compensation bill enacted in February and effective in 2003.

AB 584 (Cox) *[Chapter 415 / 2001]*

Allows foreign or alien insurers to sell stock to fire and casualty broker-agents without obtaining a permit from the Insurance Commissioner if certain conditions are met.

AB 663 (Vargas) *[Chapter 846 / 2001]*

Defines the term "injury" for workers' compensation claims of local and state government lifeguards to include "skin cancer" and creates a rebuttable presumption that such "injury" arises out of the lifeguard's employment if the "injury" develops or manifests itself during the period of employment.

AB 749 (Calderon) *[Chapter 6 / 2002]*
Increases workers' compensation benefits and establishes reforms in the administration of the workers' compensation system.

AB 931 (Frommer) *[Chapter 336 / 2001]*
Prohibits the Insurance Commissioner from accepting, using, or benefiting from travel reimbursements or payments made to the commissioner or the Department of Insurance from specified entities.

AB 1118 (Corbett) *[Chapter 895 / 2001]*
Appropriates the entire amount of funds not previously appropriated from the California Residential Earthquake Recovery Fund (CRERF), not to exceed \$1.5 million, to the Department of Insurance (DOI), and makes the funds available for expenditure until December 1, 2004.

AB 1176 (Calderon) *[Vetoed]*
Provides that the administrative director of the Division of Workers' Compensation has the sole authority to develop an outpatient surgery facility fee schedule for services not performed under contract. Requires public hearings and a report to the Legislature in that regard. Makes presumptions with respect to a deceased employee who has no person who qualifies as dependent on the support of the deceased employee. Authorizes an employer and a represented employee to settle the employee's right to prospective vocational rehabilitation services with a one-time payment under certain conditions. Provides for a phased-in increase for benefits for employees with injuries causing permanent disability. Provides that this bill will not become operative unless SB 71 (Burton) is also enacted and becomes operative.

AB 1177 (Calderon) *[Chapter 252 / 2001]*
Permits a health care provider or licensed health facility, as specified, and a contracting agent, employer, or carrier to contract for reimbursement rates different from those in the official medical fee schedule.

AB 1178 (Calderon) *[Chapter 51 / 2001]*
Imposes the requirements of the Senior Insurance Law on direct-marketed health insurance products, and also extends by 90 days the July 1, 2001, deadline for compliance with long-term care insurance law.

AB 1179 (Calderon) *[Chapter 240 / 2001]*
Requires an employer or insurer to make available to its workers' compensation bill reviewer all documentation submitted with the billing by a physician or medical provider.

AB 1180 (Calderon) *[Chapter 102 / 2001]*
Requires that an insurer provide a premium and loss history report, and loss experience information for the current policy period with respect to certain policies of commercial insurance and workers' compensation, upon the request of the insured, or the agent, or broker of record, where authorized by the insured, irrespective of nonrenewable.

AB 1183 (Calderon) *[Chapter 296 / 2001]*
Increases the maximum surcharge on insurance premiums from 1% to 2% for the California Insurance Guarantee Association (CIGA), to fund payments to injured workers and other insured losses caused by insolvent insurance companies, for a time period of one year after the effective date of this bill.

AB 1193 (Steinberg) *[Chapter 253 / 2001]*
Prohibits insurers from canceling or refusing to renew a policy of a religious or educational organization or other nonprofit organization organized and operated for religious, charitable, or educational purposes solely on the basis that one or more claims has been made as a result of a hate crime committed against the person or property of the insured during the preceding five years.

AB 1194 (Correa) *[Chapter 229 / 2001]*
Permits physician assistants and nurse practitioners to provide medical treatment of a work-related injury and to cosign a doctor's first report of injury.

AB 1258 (Wiggins) *[Chapter 465 / 2001]*
This bill originally provided that at least one member of the Unemployment Insurance Appeals Board be from organized labor. This bill was substantially amended to authorize from September 11, 2001, until January 1, 2002, upon written findings by the Director of Motor Vehicles and the Executive Officer of the State Air Resources Board, a vehicle rental company, as specified, to rent passenger vehicles in this state that are registered in another state, if the vehicles model years are 2000, 2001, or 2002.

AB 1374 (Wiggins) *[Chapter 791 / 2001]*
Provides that a leave of absence taken by a city, county, or district firefighter while disabled by injury or illness arising out of and in the course of his or her duties does not constitute family care and medical leave nor does it reduce the time authorized for family care and medical leave

AB 1451 (Liu) *[Vetoed]*
Requires the Secretary of the California Health and Human Services Agency to establish and chair a Long-term Care Financing Task Force and requires the task force to report to the Legislature by September 1, 2002, on alternatives to long-term care insurance for individuals to finance long-term care.

AB 1486 (Dutra) *[Chapter 429 / 2002]*
Allows private mortgage insurers to insure home loans up to 103 percent of the fair market value (FMV) of the real estate. This bill applies to first and second mortgages.

AB 1537 (Horton) *[Chapter 255 / 2001]*
Requires all federally recognized Indian tribes in California to provide unemployment insurance coverage to their employees and gives Indian tribes the option of reimbursable financing for the unemployment insurance program.

AB 1729 (Insurance Committee) *[Chapter 29 / 2001]*

Requires the annual report to the Governor and the Legislature of a strike force on the underground economy to be made by June 30 of each year. Also requires that the director provide certain information to school employers from December 15 each year to March 31.

AB 1820 (Strom-Martin) *[Vetoed]*

Extends the tuberculosis and meningitis rebuttable presumptions to volunteer and partly paid firefighters.

AB 1847 (Correa) *[Chapter 870 / 2002]*

Establishes a compensable injury presumption under the Workers' Compensation Law and the disability retirement provisions of state and local retirement systems for exposure to a biochemical substance.

AB 1874 (Horton) *[Chapter 108 / 2002]*

Authorizes the Insurance Commissioner to mail license renewal applications to rental car agents and credit insurance agents.

AB 1902 (Reyes) *[Chapter 703 / 2002]*

Prohibits individuals from selling or offering to sell a child passenger restraint system that was in use by a child during an accident involving a motor vehicle, subject to a fine of \$100.

AB 1932 (Horton) *[Chapter 403 / 2002]*

Extends the period during which the state can reconsider a determination made with respect to disability insurance benefits.

AB 1982 (Bogh) *[Chapter 189 / 2002]*

Requires specified entities that are members of the State Public Employees Retirement System, subject to the County Employees Retirement Law of 1937, or subject to the Los Angeles City Employees Retirement Systems, to make advanced disability payments to employees, as specified.

AB 1985 (Calderon) *[Chapter 873 / 2002]*

Subjects admitted insurers writing only workers' compensation insurance to the Risk-Based Capital requirements; modifies existing law to provide that, rather than prohibiting workers' compensation rates that tend to impair or threaten an insurer's solvency, rates must be adequate to cover an insurer's losses and expenses; and authorizes the Insurance Commissioner to disapprove rates if premiums resulting from the use of those rates or rates as modified would be inadequate to cover an insurer's losses and expenses.

AB 2007 (Calderon) *[Chapter 431 / 2002]*

Expands the California Insurance Guarantee Association (CIGA) Board of Governors membership by 31%; extends the 2% maximum surcharge on insurance premiums payable to CIGA for the purpose of funding payments to injured workers and other insured losses caused by insolvent insurance companies through 2007; and lowers the maximum surcharge to 1%, beginning in 2008 on the condition that SB 2093 is enacted.

- AB 2008 (Correa) *[Chapter 296 / 2002]*
Makes a technical correction to AB 262 (Correa), Chapter 589, Statutes of 2001, which provides for the continuation of death benefits payments to totally dependent minor children in the case of certain local safety and patrol members who were covered by the Public Employee's Retirement System and who were killed in the line of duty.
- AB 2012 (Frommer) *[Chapter 749 / 2002]*
Specifies that a warranty agreement offered by the warrantor of a vehicle protection product in connection with the sale of that product is an express warranty and not automobile insurance if certain requirements are met.
- AB 2125 (McLeod) *[Chapter 876 / 2002]*
Creates a Lyme disease rebuttable presumption under the Workers' Compensation Law for specified peace officers and members of the California Conservation Corps.
- AB 2131 (Bogh) *[Chapter 877 / 2002]*
Provides that if an employee's disability application is denied, the local agency and the employee shall arrange for the employee to repay all advanced disability pension payments.
- AB 2142 (Chavez) *[Chapter 84 / 2002]*
Exempts corporate obligations, partnership obligations, and asset backed securities from the investment requirement that at least 95% of a financial guaranty insurance corporation's outstanding total net liability be investment grade.
- AB 2144 (Insurance Committee) *[Chapter 140 / 2002]*
Requires the California Life and Health Insurance Guarantee Association (CLHIGA) to pay all unpaid premiums due for coverage relating to periods before and after the date of an order for liquidation or rehabilitation if CLHIGA elects to succeed to the rights of an insolvent insurer.
- AB 2149 (Chu) *[Chapter 878 / 2002]*
Permits the state, the Trustees of the California State University to elect to become employers whose employees are eligible for payment of disability benefits from the Unemployment Compensation Disability Fund.
- AB 2192 (Chavez) *[Chapter 879 / 2002]*
Prohibits a licensed rating organization from entering into a contract or agreement that prohibits information service companies in the business of publishing or providing experience rating information from continuing to receive and provide that information.
- AB 2354 (Dutra) *[Chapter 520 / 2002]*
Updates and revises Insurance Code provisions governing the use of derivative products by insurance companies in California.

AB 2410 (Frommer) *[Chapter 1042 / 2002]*
Requires the Employee Development Department, in consultation with the film and movie industry, the Technology, Trade and Commerce Agency and the California Film Commission to research and maintain data on film industry employment.

AB 2771 (Migden) *[Vetoed]*
Prohibits the Employment Development Department from placing additional unemployment insurance work-search or suitable employment requirements on an individual based on the individual's work for a temporary services or leasing employer.

AB 2778 (Calderon) *[Chapter 347 / 2002]*
Allows insurers to make material changes to mutual funds underlying variable annuity contracts without prior approval of the Insurance Commissioner.

AB 2816 (Shelley) *[Chapter 1098 / 2002]*
Requires entities such as temporary employment agencies that enter into a contract to provide a licensed contractor with the services of an individual, to work under the contractor's license and subject to the contractor's supervision, that the agency shall be solely responsible for the individual's workers' compensation, and for reporting certain information regarding the licensed contractor to the insurer. Allows the agency to pass on costs incurred as a result of this bill to the contractor.

AB 2856 (Chavez) *[Chapter 437 / 2002]*
Authorizes the Insurance Commissioner to issue a limited license to a retail vendor of communications equipment (e.g., cell phones) authorizing the vendor to sell or offer insurance policies in connection with, and incidental to, the sale or lease of communications equipment.

AB 2984 (Insurance Committee) *[Chapter 203 / 2002]*
Enacts insurance sales practice and licensing provisions as required by the federal Gramm-Leach-Bliley Act for the state to retain functional control of the licensing and regulation of depository institutions offering insurance products in this state pursuant to the federal act.

AB 3023 (Insurance Committee) *[Chapter 709 / 2002]*
Authorizes administrative law judges from the Department of Insurance to hear cases involving allegations of unfair competition or unfair practices under the Insurance Code. The bill also ensures that these administrative law judges are insulated from supervision by either the legal branch of the Insurance Department or the Insurance Commissioner.

ASSEMBLY INSURANCE COMMITTEE'S 2001-2002 SENATE BILLS

SB 40 (Alarcon) *[Chapter 409 / 2001]*
Increases maximum weekly Unemployment Insurance benefits and requires the Employment Development Department to conduct a study regarding eligibility for unemployment insurance benefits and an alternative base period; qualifies specified part-time employees for benefits; and

clarifies that penalty amounts given to employees under the federal plant closure law are not considered wages for purposes of benefit reduction.

SB 63 (Scott) *[Chapter 174 / 2001]*
Clarifies that a property casualty licensee does not need to be licensed as a personal lines licensee, clarifies the lines of insurance that a personal lines licensee can sell, and clarifies the "grandfathering" statute governing applicants exempted from an examination for a personal lines license.

SB 71 (Burton) *[Vetoed]*
Increases workers' compensation benefits and establishes reforms in the administration of the workers' compensation system.

SB 80 (Speier) *[Chapter 630 / 2001]*
Makes the officers and employees of the Conservation and Liquidation Office (CLO) subject to the same conflict-of-interest and financial disclosure requirements that would apply if they were employees of the Department of Insurance (DOI) and would require DOI prior to February 1, 2002, to adopt a Conflict of Interest Code, as specified, with respect to those officers and employees.

SB 81 (Speier) *[Chapter 95 / 2001]*
Permits an injured, insured owner of a motor vehicle to recover damages under the uninsured motorist coverage of his/her policy if he/she is struck by his/her own insured car while it is being operated without his/her permission in the course of a criminal activity. The criminal activity must be one to which the injured insured is not a party and must be documented in a police report.

SB 170 (Escutia) *[Chapter 1076 / 2002]*
Establishes civil penalties for the failure to comply with specified data calls required by the Department of Insurance. Imposes a civil penalty of up to \$5,000 for each 30-day period that an insurer is not in compliance. If the failure to comply is willful, the civil penalty shall not exceed \$10,000 for each 30-day period that the insurer is not in compliance.

SB 424 (Burton) *[Chapter 834 / 2001]*
Defines the term "injury" for workers' compensation claims of certain law enforcement personnel to include a lower back impairment. Applies to members of a city, county, or city and county police department, members of the sheriff's office, peace officers employed by the California Highway Patrol (CHP), and peace officers employed by the University of California who have been employed for at least five years as a peace officer on a regular, full-time salary and required to wear a duty belt as a condition of employment.

SB 467 (Scott) *[Chapter 52 / 2002]*
Authorizes the Employment Development Department (EDD) to terminate an employers voluntary plan for coverage of disability benefits with good cause, and authorizes EDD to pay benefits from the Disability Fund to eligible claimants covered by voluntary plans terminated by EDD.

SB 658 (Escutia) *[Chapter 583 / 2001]*

Modifies the standard form of fire insurance policy for California relative to the obligations of the insured and insurer. Requires that all conditions applicable to loss requirements, appraisals, and adjusters contained in standard form fire insurance policies apply to residential property insurance policies, policies providing coverage for loss or damage caused by earthquake, and basic residential earthquake insurance policies.

SB 689 (Perata) *[Vetoed]*

Provides that an insurer may use persistency of automobile insurance coverage as an optional rating factor in determining rates and premiums.

SB 708 (Speier) *[Chapter 727 / 2001]*

Creates new requirements for earthquake insurance adjusters and insurers, expands the earthquake mediation program to include automotive claims, prohibits the Department of Insurance (DOI) from refusing to investigate complaints under specified circumstances, and limits the authority of DOI to enter into settlement agreements referencing the existence of extraordinary circumstances.

SB 1136 (Polanco) *[Chapter 448 / 2001]*

Repeals the sunset clause in four sections of the Insurance Code that establish conditions and limitations on advertising by surplus line brokers, nonadmitted insurers, and special lines surplus line brokers.

SB 1176 (Machado) *[Vetoed]*

Extends the cancer presumption under the Workers' Compensation Law to the following additional categories of peace officers: employees of the Department of Fish and Game, employees of the Department of Parks and Recreation, and investigators of the Department of Toxic Substances Control.

SB 1222 (Romero) *[Chapter 835 / 2001]*

Creates a disputable presumption that a hernia, heart trouble, pneumonia, cancer, tuberculosis, or meningitis developing or manifesting itself with respect to specified state public safety personnel arises out of and in the course of employment of service.

SB 1351 (Chesbro) *[Vetoed]*

Extends the leave-of-absence in lieu of temporary disability benefits for injured public safety employees ("4850 time") to injured county welfare fraud investigators or inspectors, who are peace officers as specified in the Penal Code, and to investigators in the San Luis Obispo County District Attorney's Office.

SB 1395 (Machado) *[Vetoed]*

Creates a skin cancer rebuttable presumption under the worker's compensation law for specified peace officers.

SB 1407 (Burton) *[Chapter 893 / 2002]*
Requires the Insurance Commissioner to receive a report prepared by the licensed rating organization on the potential underreporting of workers' compensation exposure in the taxicab industry by May 1, 2003.

SB 1427 (Escutia) *[Chapter 742 / 2002]*
Extends the sunset date of the low-cost auto insurance pilot program; effective March 1, 2003, reduces the price of low-cost auto insurance policies; modifies the eligibility requirement; requires agents to inform potential low-cost auto insurance policyholders of the availability of low-cost auto insurance if the consumer requests a minimum or basic limits policy; and requires the Insurance Commissioner to annually prepare a plan for the Legislature on how the Insurance Commissioner intends to inform eligible households of the availability of low-cost auto insurance.

SB 1609 (Soto) *[Vetoed]*
Creates a disputable presumption that a blood-borne infectious disease developing or manifesting itself with respect to health care workers, arises out of and in the course of employment for the purposes of workers' compensation and disability retirement.

SB 1661 (Kuehl) *[Chapter 901 / 2002]*
Creates, within the state disability insurance program, a family temporary disability insurance program to provide up to six weeks of wage replacement benefits to workers who take time off work to care for a seriously ill child, spouse, parent, domestic partner, or to bond with a new child.

SB 1713 (Peace) *[Vetoed]*
Declares the intent of the Legislature to enact legislation to extend disability and leave of absence benefits to employees of the Youth and Adult Correctional Agency and employees of the State Department of Mental Health who are assigned to a correctional facility and have peace officer status.

SB 1974 (Polanco) *[Chapter 358 / 2002]*
Allows the Insurance Commissioner to approve the publication of insurance policies and associated materials in a language other than English if certain conditions are met.

SB 2011 (Burton) *[Chapter 905 / 2002]*
Specifies that the trial courts are legally uninsured in the same way the state, as an employer, is legally uninsured for worker's compensation.

SB 2093 (Speier) *[Chapter 899 / 2002]*
Permits the Department of Insurance to recover administrative expenses incurred relating to the closing of insolvent underwritten title insurers.

SB 2 (3rd Ex. Sess) (Alarcon)

[Chapter 4 / 2002]

Applies the increases in unemployment benefits that were enacted in 2001 and became effective January 1, 2002, retroactively to any claims for the period covering September 11, 2001, and thereafter.

BILLS NOT SENT TO THE GOVERNOR:

The following bills, if enacted, would:

AB 5 (Calderon)

Restrict insurers in their use of a driver's credit rating as a criterion in making automobile insurance underwriting decisions. *In Senate Insurance.*

AB 129 (Pacheco)

Require an applicant for employment, upon the request of an employer, to disclose whether he or she has ever been determined to have committed any unlawful acts or been convicted of violating unlawful acts relating to workers' compensation fraud. *In Assembly Insurance. Died in Committee*

AB 372 (Nation)

Make several substantive changes to existing law pertaining to the regulation of service contracts and home warranty contracts. *Died pursuant to Art IV, Sec. 10(c) of the Constitution.*

AB 507 (Havice)

This bill originally extended to Los Angeles County custody assistants the provision entitling certain peace officers and other specified public employees, who are disabled by injury or illness arising out of and in the course of their duties, to a leave of absence without loss of salary up to one year, in lieu of temporary disability payments. This bill was substantially amended to allow the board of investments of the Los Angeles County Retirement System to adopt certain funding plans at the request of the board of supervisors. *In the Assembly.*

AB 512 (John Campbell)

Require the annual report submitted by the California Automobile Assigned Risk Plan regarding the status of the Los Angeles County Low-Cost Automobile Insurance Pilot Program to include the percentage of low-cost automobile insurance purchasers who have previously purchased auto insurance within the last two years. *Died pursuant to Art IV, Sec. 10(c) of the Constitution.*

AB 519 (Richman)

Require the administrative director of the Division of Workers' Compensation to adopt an official payment schedule for outpatient surgeries performed pursuant to the workers' compensation laws of this state. *Died pursuant to Art IV, Sec. 10(c) of the Constitution.*

AB 541 (Maddox)

Provide that a person is not qualified to purchase a Good Driver Discount policy if he or she has been incarcerated for a period in excess of 30 days during the three-year period immediately preceding the effective date of the insurance policy. *Died pursuant to Art IV, Sec. 10(c) of the Constitution.*

AB 588 (Washington)

Specify that the laws prohibiting controlled escrow companies, title insurers, and other specified persons engaged in the business of furnishing evidence of title to real property from engaging in specified activities shall not be interpreted to prohibit commercial speech protection by the California Constitution. *Died pursuant to Art IV, Sec. 10(c) of the Constitution*

AB 683 (Calderon)

Exempts surplus line brokers from paying the 3% gross premium tax on the investment component of a "finite risk" insurance policy for environmental remediation. *Died pursuant to Art IV, Sec. 10(c) of the Constitution*

AB 940 (Keeley)

Increase the size of the California Earthquake Authority from three to five members. Add the Chairperson of the Assembly Judiciary Committee and the Chairperson of the Legislative Audit Committee to receive reports of the authority of payment of claims by the authority relative to a seismic event. *In Senate Judiciary.*

AB 1109 (Maddox)

Expands the definition of "common trade or business" for the purposes of association or trade group workers' compensation insurance policies to include specified types of manufacturing facilities. *Died pursuant to Art IV, Sec. 10(c) of the Constitution.*

AB 1175 (Calderon)

Declare the intent of the Legislature to authorize a three-year pilot program to encourage small employers to provide health insurance for the working uninsured, and to exempt insurers from certain requirements in order to provide an opportunity to demonstrate that relief from these requirements results in increased health care coverage for the working uninsured. *In Assembly Insurance.*

AB 1181 (Calderon)

Require the Insurance Commissioner to make specific written findings of fact and conclusions of law when imposing a civil penalty upon a person for engaging in unfair methods of competition or unfair or deceptive acts or practices in the business of insurance. Require the commissioner to include written findings of fact and consultations of law with the report that is issued and served upon a person for engaging in specified prohibited acts. *In Assembly Judiciary*

AB 1182 (Calderon)

Expand the authority of the California Earthquake Authority to enter into reinsurance agreements and capitol market contracts. *Rescinded.*

AB 1293 (Hollingsworth)

This bill originally authorized insurance companies to send evidence of financial responsibility to the Department of Motor Vehicles and to law enforcement agencies electronically. This bill was substantially amended to clarify what constitutes a violation of federal law regarding school district prohibition of on-campus access to the military for recruiting purposes. *In Senate Appropriations.*

AB 1384 (Cox)

Prohibit the Insurance Commissioner from accepting travel reimbursements or payments, except under certain conditions, from specified entities and individuals. *In Senate Insurance.*

AB 1446 (Maddox)

Prohibit the application of the state's workers' compensation system to injuries and occupational disease that are subject to the federal Longshore and Harbor Workers' Compensation Act and regulations promulgated under the act, until proceedings for the recovery of benefits under the act or those regulations have been instituted and exhausted. *Died pursuant to Art IV, Sec. 10(c) of the Constitution.*

AB 1488 (Chavez)

Allow an insurer to use persistency of automobile insurance coverage with that insurer, an affiliate, or another insurer as an optional rating factor in determining rates and premiums. *In Senate Insurance.*

AB 1727 (Insurance Committee)

Establish provisions regulating retail sales practices, solicitations, advertising, and offers of any insurance product or annuity to a consumer by a depository institution, or any person engaged in those activities at the office of a depository institution or on behalf of a depository institution. Revise the provisions governing the confidentiality of certain documents, materials, and other information in the possession of the Insurance Commissioner or the Department of Insurance. Revise licensing provisions with regard to production agencies, surplus line brokers, and reinsurance intermediaries, and would also revise requirements for certain licensees within those categories. *Died pursuant to Art IV, Sec. 10(c) of the Constitution.*

AB 1728 (Insurance Committee)

Provide that the Bureau of Fraudulent Claims within the Department of Insurance shall be known as the Fraud Division of the Department of Insurance. Repeal certain legislative declarations and findings concerning insurance fraud. *Died pursuant to Art IV, Sec. 10(c) of the Constitution.*

AB 1730 (Insurance Committee)

This bill originally deleted specified exceptions from state law that governs the use and acceptance of electronic records and electronic signatures with respect to transactions in this state. This bill was substantially amended to make a technical, nonsubstantive change to the provision in existing law which provides that stipulations that are necessary to make a contract reasonable, or conformable to usage, are implied, with respect to matters which the contract manifests no contrary intention. *Died pursuant to Art IV, Sec. 10(c) of the Constitution.*

AB 1731 (Insurance Committee)

Delete the provision under Proposition 103 authorizing insurers to submit applications. *Died pursuant to Art IV, Sec. 10(c) of the Constitution.*

AB 1732 (Insurance Committee)

Repeal the Industrial Loan Law and enact the Insurance Premium Finance Law, pursuant to which the Insurance Commissioner would license and regulate insurance premium financing corporations, which are in the business of advancing money directly or indirectly to an insurer or insurance producer at the request of an insured pursuant to the terms of a premium finance agreement. *Died at Desk.*

AB 1733 (Insurance Committee)

Provide that in the absence of case law applying or interpreting a statute governing title insurers, the Insurance Commissioner shall use the past official actions, rules, practices, correspondence, documents, or other working procedures of the Department of Insurance in order to interpret and apply that statute. *Died pursuant to Art IV, Sec. 10(c) of the Constitution.*

AB 1761 (Papan)

Apply the increases in unemployment benefits that were enacted in 2001 and that became effective January 1, 2002, retroactively to any claims for the period covering July 1, 2001, and thereafter. *In Assembly Appropriations.*

AB 1808 (Richman)

Establish a Qualified Workers' Compensation Physician (QWCP) certification program and requires a physician who treats injured workers to be certified as a QWCP. *In Assembly Insurance.*

AB 1809 (Richman)

Require all medical services provided to an injured worker to be subject to an official medical fee schedule promulgated by the Administrative Director of the Division of Workers' Compensation based on the Medicare resource-based relative value scale. *In Assembly Insurance.*

AB 1810 (Richman)

Require that any advertisement soliciting persons to purchase workers' compensation insurance include a statement regarding the criminal penalties for making fraudulent workers' compensation claims. Delete the provisions establishing the Workplace Health and Safety Revolving Fund. Provide for the deposit of the civil and administrative penalties in the Workers' Compensation Administration Revolving Fund, delete the employer assessment, and provide funding for the Commission on Health and Safety and Workers' Compensation from this fund, upon appropriation by the Legislature. Repeal the requirement that the workers' compensation judge or the appeals board choose between the proposed permanent disability rating of the employer or the employee if both have obtained evaluations of the employee's permanent impairment and limitations from a qualified medical evaluator and either party contests the comprehensive medical evaluation of the other party. Require the use of generic drugs and require the Administrative Director of the Division of Workers' Compensation to adopt by July

1, 2003, and revise no less frequently than biennially, an official pharmaceutical fee schedule. *In Assembly Insurance.*

AB 1978 (Diaz)

Authorize an insurer to offer a discount on the premium for comprehensive personal liability insurance in the amount of the premium for workers' compensation coverage if the insured makes specified representations and agrees to reimburse the insurer for the payment of any workers' compensation payments. *In Assembly Insurance.*

AB 2096 (Dutra)

Excludes individuals performing services as manufactured home salespersons from the definition of employee under the Unemployment Insurance Code. *In Assembly Insurance.*

AB 2169 (Chavez)

Modify, in the case of an annuity contract providing for flexible considerations, the interest rate applicable to the computation of the minimum nonforfeiture amount payable at any time at or prior to the commencement of any annuity payments from 3% to 1 1/2% for contracts issued between January 1, 2003 to December 31, 2004. *In Senate Insurance.*

AB 2183 (Cohn)

This bill originally required the Administrative Director of the Division of Workers' Compensation to ensure that the inpatient fee schedule take into consideration the reasonable costs for providing services utilizing technical equipment and biological implants. This bill was substantially amended to require that a claim for workers' compensation be accepted by a claims administrator only if the claim contains specified information. This bill would also permit both the claimant and the employer to submit reports written by physicians who need not have examined the claimant but who engaged in a formal review and analysis of medical records and reports contained in a workers' compensation claim file provided that each of these reports meets certain criteria. *In Assembly Insurance.*

AB 2492 (Dickerson)

Extend the workers' compensation lower back impairment presumption to additional peace officers. *In Assembly Appropriations.*

AB 2586 (Daucher)

Codify the existing workers' compensation regulations which provide that if a claims administrator denies liability for the payment of all workers' compensation benefits for any claim, except a claim for death benefits, the claims administrator shall advise the claimant of the denial, the reasons for it, and the claimant's remedies no later than 14 days after the determination to deny liability has been made. *In Assembly Insurance.*

AB 2611 (Richman)

Propose numerous changes in how the workers' compensation system is administered; how health care providers are qualified and trained; how injuries are determined, rated, apportioned; and how benefits are distributed. *In Assembly Insurance.*

AB 2725 (Washington)

Require that a notice of cancellation or non-renewal of liability insurance obtained by carriers providing "social services transportation services" shall be effective only if it is based on (1) nonpayment of premium, (2) fraud or (3) material misrepresentation. Require that the policy premium rate for this type of insurance may not increase from year to year by more than the percentage change in the Consumer Price Index, thereby modifying the rate approval requirements of Proposition 103. *In Assembly Insurance.*

AB 2765 (Reyes)

This bill originally increased the membership of the Commission on Health and Safety and Workers' Compensation from eight to 12 members, four of whom would represent health care members. This bill was substantially amended to make it an infraction to be knowingly present at an illegal motor vehicle speed contest or speed exhibition on a public street for the purpose of watching the contest or exhibition, or watching preparations for it. *In Assembly Transportation.*

AB 2911 (Vargas)

Create in the Department of Insurance a regulatory scheme for highly capitalized companies that offer home service contracts. *In Senate Insurance.*

AB 2921 (Shelley)

Authorize unemployment compensation benefits for an individual who leaves work because of a trade dispute, if specified conditions are met. *In Assembly Insurance.*

AB 2946 (Horton)

Revise the annual contribution formula for mortgage guaranty insurers' required annual contribution to the contingency reserve and makes other related changes. *In Assembly Insurance.*

AB 2959 (Horton)

Require agents or representatives representing insurers in an insurer group, as defined, to provide good driver coverage at the lowest rates applicable within the insurer group. *In Assembly Insurance.*

SB 523 (Alpert)

This bill originally required the Employment Development Department, upon approving a claim for training extension benefits, to make a computation, and notify each of the claimants base period employers, as to the maximum amount of training extension benefits potentially payable during the benefit year and the weekly training extension benefit amount. This bill was substantially amended to qualify the San Diego Children's Convalescent Hospital for a supplemental Medi-Cal payment for a capital project. *In the Senate.*

SB 574 (Alarcon)

Authorize the Insurance Commissioner to require insurers to annually report information regarding all community development investments and certain philanthropic grants made in California. *In Assembly Insurance.*

SB 706 (Speier)

Eliminate unearned premium from the definition of the California Earthquake Authority's available capital and would add a definition of "unearned premium reserve." *In Assembly Appropriations.*

SB 834 (Escutia)

Require insurers who sell homeowner's insurance, commercial insurance, or fire policies to annually submit to the Insurance Commissioner a record of loss experience, per exposure, for each geographic area, for examination, and a community service statement for each ZIP Code served by the insurer. *In Assembly Insurance.*

SB 1128 (Kuehl)

Provide that an unemployment insurance eligibility determination of whether a person is an employee or an independent contractor shall incorporate the principles of a California Supreme Court decision. Declare and find that various labor laws are part of an overall social insurance program. *In Assembly Insurance.*

SB 1309 (Johannessen)

Increase the reserve requirement that must be maintained by insurance companies that provide life or disability insurance for Cal-Vet Farm and Home Loan participants from 20% to 25%. *In Assembly Appropriations.*

SB 1648 (Speier)

Prohibit an insurer from acquiring any ownership interest in an auto body repair shop. *In the Assembly.*

SB 1678 (Polanco)

Define the measure of indemnity in fire insurance under an open policy; specify the measure of recovery on an open policy that requires payment of actual cash value; and specify the measure of indemnity on an open policy that requires payment of replacement cost for a loss up to the policy limit. Prohibit omissions from the standard form fire insurance policy unless its provisions are equal to, or more favorable to the insured as the standard form fire insurance policy. *In Assembly Insurance.*

SB 1705 (Burton)

Permits the Industrial Medical Council to appoint acupuncturists as qualified medical evaluators for the purpose of determining workers' compensation disability, but requires that acupuncturists meet certain requirements. *In Assembly Insurance.*

SB 1763 (Ortiz)

Requires any specified property or liability insurance policy that is issued, amended or renewed after January 1, 2003, to cover mold as an ensuing peril but allows an insurer to exclude mold as a covered peril if the insurer states the exclusion clearly, explicitly and in readily understandable terms. *In Assembly Insurance.*

SB 1861 (Alarcon)

Authorize the Insurance Commissioner to require insurers to annually report information regarding all community development investments and certain philanthropic grants made in California. *In Assembly Insurance.*

SB 1972 (Polanco)

Permit individuals to place a low cost insurance policy with a non-admitted insurer domiciled in Mexico through a special lines surplus line insurance broker for the sole purpose of covering the costs of shipment and burial of a deceased insured to Mexico. *In the Assembly.*

Subject Index

Alien insurers	AB 584
Appliance and repair dealers	AB 372
California Earthquake Authority	AB 940, AB 1182, SB 706
California Insurance Guarantee Association	AB 1183, AB 2007
Employment	AB 2410
Escrow agents	AB 392
Health Care	SB 1609
Insolvency	SB 2093
Insurers	AB 2354, SB 170, SB 834
Hate crimes	AB 1193
Insurance	AB 1178, AB 1180, AB1728, AB 1730, AB 1731, AB 1732, AB 2012, AB 2144, AB 2169, AB 2778, AB 2959, AB 2856, AB 2984, SB 63, SB 80, SB 574, SB 658, SB 708, SB 1136, SB 1309, SB 1613, SB 1648, SB 1678, SB 1861, SB 1972, SB 1974
Automobile	AB 5, AB 512, AB 1488, AB 1902, SB 689, SB 1427
Disability	SB 467, SB 1661
Financial Guarantee	AB 2142
License renewal	AB 1874
Long term care	AB 1451
Mold	SB 1763
Mortgage Guarantee	AB 1486, AB 2946
Motor vehicle	AB 541, SB 81
Title	AB 588, AB 1733
Seismic safety	AB 1118
Social services transportation	AB 2725
Surplus line broker	AB 683
Unfair practices	AB 1181, AB 3023
Insurance Commissioner	AB 931, AB 1384, AB 1727
Medi-Cal	SB 523
Service contracts	AB 2911
Unemployment insurance	AB 1258, AB 1537, AB 1729, AB 1761, AB 1932, AB 2096, AB 2149, AB 2771, AB 2921, AJR 42, SB 523, SB 40, SB 1128, SBX3 2
Worker's Compensation	AB 129, AB 176, AB 196, AB 262, AB 486, AB 507, AB 519, AB 663, AB 749, AB 1109, AB 1176, AB 1177, AB 1179, AB 1194, AB 1374, AB 1446, AB 1808,

AB 1809, AB 1810, AB 1820,
AB 1847, AB 1978, AB 1982,
AB 1985, AB 2008, AB 2125,
AB 2131, AB 2183; AB 2192,
AB 2492, AB 2586, AB 2611,
AB 2765, AB 2816, SB 71, SB 424,
SB 1176, SB 1222, SB 1351,
SB1395, SB 1407, SB 1609,
SB 1705, SB 1713, SB 2011,