



Insurance Commissioner Ricardo Lara First Term Sponsored Legislation (2019-2022)

Partnership with the Governor and State Legislature to better protect insurance consumers is a hallmark of Insurance Commissioner Ricardo Lara’s administration of the California Department of Insurance. Commissioner Lara sponsored 53 bills during the 2019-2022 state legislative sessions, of which 39 bills were signed by the Governor.

These measures expand or create new consumer protections that protect vulnerable communities, ensure the public’s safety and security, invest in climate resiliency and mitigation efforts, expand health access for underserved communities, improve recovery for wildfire survivors, and increase consumer access to insurance.



Commissioner Lara joined a press conference at the Capitol in 2022 with Assemblymembers Luz Rivas, Eduardo Garcia, Cristina Garcia, Joaquin Arambula, and Senator Henry Stern to discuss sponsored legislation creating the nation’s first advance warning extreme heat wave ranking system.

BILL BREAKDOWN WITH MAIN POLICY PRIORITIES

This report includes all Commissioner-sponsored bills both introduced and enacted, including during the global pandemic that significantly shifted how the State Legislature conducted its business, leading to fewer sponsored bills passed and enacted in 2020 compared to other years.

39 Sponsored bills signed into law (2019-2022)

- 2019:** 11 bills signed
- 2020:** 6 bills signed
- 2021:** 11 bills signed
- 2022:** 11 bills signed

Authored by 33 legislators representing Northern, Central, and Southern California and many diverse communities across the state.

- **Enhancing Climate Resiliency and Disaster Mitigation**
- **Protecting and Expanding Health Access**
- **Fighting Insurance Fraud and Abuse**
- **Increasing Consumer Protections**
- **Improving Recovery for Wildfire Survivors**
- **Protecting Vulnerable Communities**
- **Ensuring Community and Public Safety**
- **Additional Sponsored Bills that Remained in the State Legislature**

“ Working with the Legislature and Governor have been critical to achieving my Department’s consumer protection mission. Continued partnership is essential to expanding insurance protections for all Californians.

– Commissioner Lara ”



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Enhancing Climate Resiliency and Disaster Mitigation

SB 852 (Senator Bill Dodd, Chapter 266, Statutes of 2022):

Authorizes the creation of Climate Resilience Districts statewide to allow these regional special districts to focus on extreme heat, wildfire, and flooding hazards and provide tools to improve local community preparation, mitigation, and recovery. (This bill was co-sponsored with CivicWell, formerly the Local Government Commission.)

AB 2238 (Assembly Members Luz Rivas, Cristina Garcia, and Eduardo Garcia, Chapter 264, Statutes of 2022):

Directs the California Environmental Protection Agency, in coordination with the Integrated Climate Adaptation and Resiliency Program at the Governor's Office of Planning and Research, the Department of Public Health, and the California Department of Insurance, to develop a statewide extreme heat ranking system based on climate and health impact information, as contained as a recommendation in the Commissioner's Climate Insurance Working Group's Report. This would be the nation's first-ever extreme heat wave ranking system.

Protecting and Expanding Health Access

SB 280 (Senator Monique Limón, Chapter 636, Statutes of 2021):

Removes discriminatory practices in the large group health insurance market by requiring these health insurance policies to cover medically necessary basic health care services such as PrEP and HIV medications, women's reproductive services, obesity care, and organ transplants, among other services.

SB 283 (Senator Lena Gonzalez, Chapter 134, Statutes of 2021):

Strengthens existing law by clarifying how consumers would receive notification of positive HIV tests as well as appropriate resources upon receipt of these test results. An important clean-up measure to Commissioner Lara's previously sponsored "Equal HIV Insurance Act" (SB 1255 in 2020).

SB 784 (Senate Committee on Health, Chapter 157, Statutes of 2019):

Conforms state law to both federal statutory changes and adopted National Association of Insurance Commissioners (NAIC) Model Regulations made to the Medicare program and, specifically, Medicare Supplement policies issued on or after January 1, 2020 in order to ensure compliance with the federal Medicare Access and CHIP Reauthorization Act.

SB 1255 (Senate Committee on Insurance and Senator Lena Gonzalez, Chapter 184, Statutes of 2020):

Incorporates Commissioner Lara's sponsored SB 961 (Senator Lena Gonzalez, 2020), known as the "Equal HIV Insurance Act," which prohibits a life or disability income insurer from declining an insurance application or enrollment request solely on the basis of a positive HIV test. (This bill was co-sponsored with Equality California.)

AB 570 (Assembly Member Miguel Santiago, Chapter 468, Statutes of 2021):

Known as the "Parent Healthcare Act", increases health coverage access for older adults by enabling persons to enroll their dependent parents and step-parents in their health insurance or health plan coverage.

AB 1104 (Assembly Member Ian Calderon, Chapter 236, Statutes of 2019):

Gives the California Department of Insurance greater ability to protect consumers and provides additional tools to identify possible insolvencies in an annual assessment of long-term care insurance companies.

AB 1209 (Assembly Member Adrin Nazarian, Chapter 625, Statutes of 2019):

Allows consumers that have a hybrid policy (e.g. life insurance policy with an LTCI rider) to borrow against their life insurance even if they are receiving LTCI benefits and requires hybrid LTCI policies to have level premium based rates instead of attained-age based rates. Furthermore, establishes an outright prohibition on the use of attained-age rates for LTCI and hybrid policies, requires consumer disclosures that will help the consumer make a more informed decision, and clarifies that hybrid policies cannot prohibit policy loans and withdrawals simply because the insured receives LTCI benefit payments.

AB 1823 (Assembly Member Isaac Bryan, Chapter 688, Statutes of 2022):

Aligns the definition of student blanket policies with the federal Affordable Care Act, which considers student blanket policies to be individual health insurance, thus ensuring state regulatory oversight and consumer protections applicable to individual health insurance also apply to student blanket coverage, which are student health policies sold through a university or college to enrolled students, including Dreamers and refugee students.

AB 2127 (Assembly Member Miguel Santiago, Chapter 118, Statutes of 2022):

Clarifies and strengthens notice requirements for Medicare-eligible older adults who are seeking to be added as dependents to their adult child's individual health insurance policy or health care service plan contract. An important clean-up measure to Commissioner Lara's previously sponsored "Parent Healthcare Act" (AB 570 in 2021).

AB 2134 (Assembly Members Dr. Akilah Weber and Cristina Garcia, Chapter 562, Statutes of 2022):

Known as the "California Abortion and Reproductive Equity Act" (CARE Act), ensures abortion and contraception services are affordable for and accessible to all patients and to provide financial support for safety net providers of these services. (This bill was co-sponsored with Access Reproductive Justice, Essential Access Health, the National Health Law Program (NHeLP), NARAL Pro-Choice California, and Planned Parenthood Affiliates of California (PPAC)).



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AB 2205 (Assembly Member Wendy Carrillo, Chapter 563, Statutes of 2022): Mandates health insurers and health plans offering coverage through Covered California to report annually to CDI the total amount of segregated abortion funds maintained, including the ending balance of the account and the total dollar amount of claims paid during the reporting year. (This bill was co-sponsored with Planned Parenthood Affiliates of California.)

Fighting Insurance Fraud and Abuse

SB 1040 (Senator Susan Rubio, Chapter 540, Statutes of 2022): Authorizes the Insurance Commissioner to order restitution from persons who sell insurance without the necessary license and misappropriate the premium.

SB 1242 (Senate Committee on Insurance, Chapter 424, Statutes of 2022): Helps bolster anti insurance fraud efforts which are essential to protecting consumers from unnecessary economic loss by further clarifying agent-broker anti-fraud education requirements as well as the process by which alleged fraud is reported to CDI.

Increasing Consumer Protections

SB 508 (Senator Connie Leyva, Chapter 151, Statutes of 2019): Puts residents of mobile homes, condominiums, and rental housing on equal footing with homeowners when it comes to knowing about their rights under California law by requiring insurers to provide the Residential Property Insurance Disclosure statement and the California Residential Property Insurance Bill of Rights Disclosure.

SB 740 (Senator Holly Mitchell, Chapter 286, Statutes of 2019): Mandates insurers to identify deceased individuals whose deaths may require insurers to pay benefits or proceeds to beneficiaries in accordance with the terms of life insurance policies, annuity contracts, or retained asset accounts. Under this law, insurers are now required to attempt to locate beneficiaries of the deceased individuals and provide appropriate claims forms or instructions to the beneficiaries to make a claim.

SB 1192 (Senator Steve Bradford, Chapter 365, Statutes of 2020): Creates consumer protections for members of police/firefighter/peace officer benefit associations that offer long-term disability or long-term care benefits by having the plan's benefit documentation made available to a member within 30 days of request, requiring a disclosure indicating benefits are not protected against insolvency by an insurance guarantee association, and mandating these associations submit an actuarial opinion to the California Department of Insurance (CDI) every four years certifying that the associations are financially sound.

AB 494 (Assembly Member Chad Mayes, Chapter 464, Statutes of 2021): Amends the Insurance Holding Company System Model Act and Model Regulation provisions of the California Insurance Code to assist in the evaluation of insurance group risk and liquidity stress to better understand insurance company financial risk profile and solvency and help California retain accreditation from the NAIC.

AB 1535 (Assembly Member Wendy Carrillo, Chapter 166, Statutes of 2019): Requires pet insurers to disclose the contact information for the underwriting insurer, the agent or broker, and CDI to consumers that hold pet insurance policies. This law provides consumers with greater transparency and helps streamline the line of communication between pet owners and their pet insurance carriers so that insurers cannot hide behind confusing brand names anymore to avoid claims or complaints.

AB 1538 (Assembly Member Shirley Weber, Chapter 132, Statutes of 2019): Clarifies that consumers have the right to choose a cash payment in lieu of repairing a damaged vehicle under an automobile insurance policy.

AB 1813 (Assembly Committee on Insurance, Chapter 201, Statutes of 2019): Resolves issues identified by the Department to clarify and cleanup obsolete and superseded code sections and ensures the California Insurance Code is in line with technical aspects of the NAIC model laws.

AB 2049 (Assembly Member Ken Cooley, Chapter 71, Statutes of 2020): Incorporates the National Association of Insurance Commissioners (NAIC)-approved revisions to the Credit for Reinsurance Model Law (#785) and Credit for Reinsurance Model Regulation (#786) into state law, making the models consistent with provisions of covered agreements with the European Union and United Kingdom with respect to reinsurance collateral requirements in order to avoid potential federal preemption of California's existing law regarding credit for reinsurance by the Federal Insurance Office and to retain California's state accreditation by the NAIC.

AB 2568 (Assembly Member Ken Cooley, Chapter 393, Statutes of 2022): Creates a "safe harbor" by stating that an individual or firm providing insurance or related services to a state legal cannabis business does not commit a crime under California law solely for providing that insurance or related service.

Improving Recovery for Wildfire Survivors

SB 872 (Senator Bill Dodd, Chapter 261, Statutes of 2020): Removes barriers for future disaster survivors to get critical insurance benefits and streamlines wildfire recovery processes for



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homeowners who suffer from a loss. This law extends Additional Living Expenses (ALE) to homeowners who suffer from causes due to fire damage of essential infrastructure and/or partial loss of home, mandates that the deduction of land value is not applied to replacement cost of a fully destroyed home when the insured replaces the destroyed home by wildfire with a newly purchased property at a new location, allows policyholders, if they choose to report their inventory, to group items and use their own forms rather than use a company's form, gives an automatic 60-day grace period on policy premiums immediately following a Governor-declared disaster, and requires insurers to make an immediate advance payment for ALE for no less than four months of their housing without submitting a lengthy expense itemization list.

AB 2756 (Assembly Member Monique Limón and Assembly Member Richard Bloom, Chapter 263, Statutes of 2020): Incorporates Commissioner Lara's sponsored AB 2436 (Assembly Member Richard Bloom, 2020) to strengthen consumer protections by requiring insurance companies, upon issuing or renewing a residential property that does not cover the peril of fire, to prominently disclose on the declarations page of the homeowner's policy that their policy does not cover the peril of fire; and when a residential property insurance policy is being issued that doesn't cover the peril of fire, this law requires a signed acknowledgment from the policyholder that they are aware of this non-coverage with their policy. Additionally, this law requires insurance companies to specifically identify the limits being reduced or coverage being eliminated when a policy is being renewed and to notify the policyholder of the elimination of coverage for the previously covered peril of fire. Lastly, this law helps cover the cost of building codes that are in effect at the time of loss or rebuild and require fire policies, issued, or renewed on or after July 1, 2021, to include a minimum of 10% of primary dwelling limits (or "Coverage A") as an additional amount available for replacement costs of the policyholder's structure.

Expanding Diversity, Equity, Inclusion, and Transparency

SB 272 (Senator John Laird, Chapter 133, Statutes of 2021): Increases inclusivity within California law by updating language within the Insurance Code licensing provisions to remove references to masculine pronouns (for example, "he") or masculine and feminine pronouns (for example, "he or she") with gender neutral language to ensure inclusion of nonbinary individuals.

SB 534 (Senator Steve Bradford, Chapter 249, Statutes of 2019): Encourages competitive business procurement and governing board opportunities for all people by continuing the Insurance Supplier Diversity Survey, expanding diverse business categories to include LGBT-owned and veteran-owned businesses.

SB 655 (Senator Steve Bradford, Chapter 390, Statutes of 2021): Increases equity, diversity, and transparency in California's insurance market by codifying reporting requirements for historically underrepresented groups on insurance company governing boards, lowering the existing California premium reporting threshold as it relates to insurance company governing board and supplier diversity, and defining the term "Diverse Investment Managers", a new definition for CDI's California Organized Investment Network (COIN) program.

AB 1099 (Assembly Member Ian Calderon, Chapter 186, Statutes of 2019): Extends CDI's California Organized Investment Network (COIN) Advisory Board until January 1, 2029, reauthorizes the Community Investment data call for July 1, 2021, and adds definitions related to the COIN program, including investments made in reservation-based communities and rural areas. This law allows this important CDI program to continue its mission in investing into California's underserved communities and helping the economic development of the state.

AB 1511 (Assembly Committee on Insurance, Chapter 627, Statutes of 2021): Incorporates Commissioner Lara's sponsored SB 713 (Senator Susan Rubio, 2021) to support positive environmental and social impact investments in communities throughout California by providing insurance companies with the increased ability to broaden their COIN qualified investment holdings and allowing the State Compensation Insurance Fund to invest in environmental, social, and governance investments, including the COIN program.

Protecting Vulnerable Communities

AB 2658 (Assembly Member Autumn Burke, Chapter 288, Statutes of 2020): Protects a domestic worker from domestic employer retaliation, including firing, if they refuse to work in hazardous conditions caused by wildfires. It also prevents an employer from ordering an employee, including a household domestic service worker, to remain in or enter a mandatory evacuation zone as a result of wildfires or a local public health order pursuant to Penal Code Section 409.5, including as a result of COVID-19. This law protects domestic workers by making it a crime for the employer to direct an employee to remain in or enter an area that has been closed off from individuals by COVID-19 related orders issued from local public health officers, which will help decrease the spread of COVID-19 and ensure the health and public safety of workers and their families.

SB 570 (Senator Susan Rubio, Chapter 274, Statutes of 2019): Extends the California Low Cost Auto Insurance Program thus continuing this important auto liability insurance program for underserved consumers in need of affordable car insurance coverage as well as expands eligibility to students if they reside at the same address where they are claimed as a dependent.



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SB 972 (Senator Lena Gonzalez, Chapter 489, Statutes of 2022): Reduces barriers and brings thousands of entrepreneurial sidewalk food vendors into a more equitable and well-regulated food economy while maintaining critical health and food safety regulation. (This bill was co-sponsored with the California Street Vendors Campaign, comprised of Inclusive Action for the City, Public Counsel, Community Power Collective, the Western Center on Law and Poverty, and the Coalition for Humane Immigrant Rights of Los Angeles.)

Ensuring Community and Public Safety

SB 334 (Senator María Elena Durazo, Chapter 298, Statutes of 2021): Requires any insurance company providing insurance coverage to private for-profit prisons and detention facilities to be an admitted insurance carrier authorized to do business in California, specifies that the private for-profit prisons and detention facilities meet and maintain specific insurance requirements, and mandates insurance companies to terminate coverage if private for-profit prisons and detention centers do not comply with specified local, state, and federal standards. (This bill was co-sponsored with the California Immigrant Policy Center and the Coalition for Humane Immigrant Rights (CHIRLA)).

AB 506 (Assembly Member Lorena Gonzalez, Chapter 169, Statutes of 2021): Requires youth organizations to implement child abuse prevention measures and requires administrators, employees, and regular volunteers of youth organizations to take training on child abuse and neglect identification and reporting.

AB 1158 (Assembly Member Cottie Petrie-Norris, Chapter 443, Statutes of 2021): Requires a recovery residence that contracts with a government entity or an alcohol or drug abuse recovery or treatment facility that is licensed by the government to maintain minimum insurance coverage levels.

AB 2043 (Assembly Member Reggie Jones-Sawyer, Chapter 768, Statutes of 2022): Strengthens CDI's ability to regulate the bail industry, protect the public, and prevent future violations of law that threaten public safety by expanding CDI's oversight of bail fugitive recovery persons, colloquially known as "bounty hunters", by requiring these individuals to obtain a license from CDI which would include the passage of an examination and of a fingerprint-based background check done by both the California Department of Justice and the Federal Bureau of Investigation before they can begin work in California, among other requirements.

AB 1347 (Assembly Member Reggie Jones-Sawyer, Chapter 444, Statutes of 2021): Eliminates the bail bond and immigration bond industry's practice of charging add-on premiums through "renewal fees."

Additional Sponsored Bills that Remained in the State Legislature

2019

AB 1616 (Assembly Member Evan Low): Would have encouraged insurance innovation in California.

AB 1679 (Assembly Member Tom Daly): Would have increased the annual assessments for CDI's Automobile Insurance Fraud Program and the Organized Automobile Fraud Activity Interdiction Program.

ACR 98 (Assembly Member Buffy Wicks): Would have urged specified state departments and the Attorney General to use their authority to ensure that health care service plans and health insurers subject to their authority comply with the federal Paul Wellstone and Pete Domenici Mental Health Parity and Addiction Equity Act.

SB 290 (Senator Bill Dodd): Would have authorized the Governor, Insurance Commissioner, and Treasurer to enter into an insurance policy that pays out when California has unexpected costs for disaster response.

2020

AB 2367 (Assembly Members Lorena Gonzalez and Monique Limón): Would have required insurance companies to write or renew policies for existing homes in communities that meet a new statewide standard for fire-hardening and also authorized the Insurance Commissioner to require insurance companies to offer financial incentives for homeowners to do the work to make their homes more fire-safe.

AB 2453 (Assembly Member Adrin Nazarian): Would have removed a specified exclusion for life insurance policies that accelerate benefits for long term care and, with respect to those policies, have required the procedures to also take into consideration the applicant's goals or needs with respect to life insurance, and to take into consideration the advantages and disadvantages of the proposed insurance coverage compared to those of a stand alone long term care insurance policy.

SB 1002 (Senator Jerry Hill): Would have clarified that public adjusters cannot take a percentage of insurance proceeds that an insurer paid to an insured prior to the public adjuster entering into a written contract with the insured.

SB 1222 (Senator María Elena Durazo): Would have required any insurance company providing insurance coverage to private for-profit prisons and detention facilities to be an admitted insurance carrier authorized to do business in California and that the private for-profit prisons and detention facilities meet and maintain specific



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insurance requirements in order to continue to operate in the state. Additionally, would have mandated insurance companies to terminate coverage if private for-profit prisons and detentions centers do not comply with specified local, state, and federal standards.

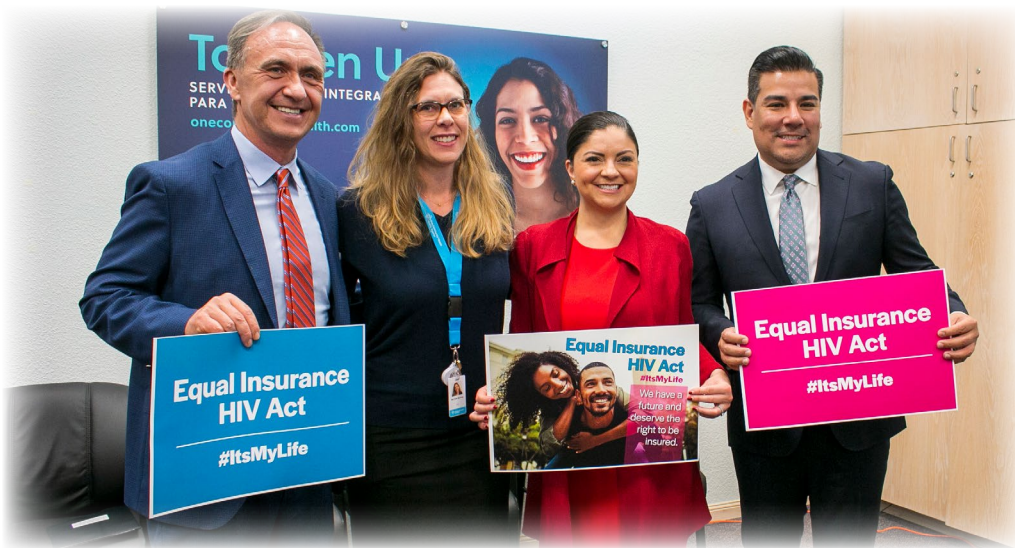
2021

AB 553 (Assembly Member Sydney Kamlager): Would have required pet insurance companies to join the combined efforts of shelters, animal owners, pet breeders, and veterinarians to tackle the problems caused by dog and cat overpopulations by requiring pet insurance policies to fully cover spaying and neutering and any associated veterinary expenses. Additionally, would have aligned pet insurance with other types of insurance in California by requiring cancellation notices for pet insurance policies to be mailed at least 20 days prior to the cancellation date, or 10 days prior when a policy is cancelled for fraud or non-payment of premium by the policyholder.

2022

SB 262 (Senators Bob Hertzberg and Nancy Skinner): Would have created a fairer pretrial justice system in California. (This bill was co-sponsored with the Anti-Recidivism Coalition, Californians for Safety and Justice, and the Western Center on Law and Poverty.)

AB 2029 (Assembly Member Buffy Wicks): Would have required a disability insurance policy or health care service plan contract that is issued, amended, or renewed on or after January 1, 2023, to provide coverage for the diagnosis and treatment of infertility and fertility services, would have revised the definition of infertility, and removes the exclusion of in vitro fertilization (IVF) from coverage, and would have forbid discrimination in fertility/infertility coverage, including for same-sex couples and domestic partners. (This bill was co-sponsored with the American Society for Reproductive Medicine, the Alliance for Fertility Preservation, Equality California, and RESOLVE: The National Infertility Association.)



Commissioner Lara co-sponsored legislation in 2020 to end life insurance discrimination based on HIV status authored by Senator Lena Gonzalez, pictured with current Assemblymember Rick Chavez Zbur and nonprofit community health center leader Michelle Monroe.



Have more questions?

For questions regarding legislation, please contact the Legislative Office:

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