

DEPARTMENT OF INSURANCE**Legal Division, Corporate Affairs Bureau**

45 Fremont Street, 24th Floor
San Francisco, CA 94105

**NOTICE**

Date: June 16, 2017

To: All Licensees and Other Interested Persons

Subject: Employer's Bond for Certificate of Exemption

The Department of Justice at the request of the California Department of Insurance has adopted section 50.6 to Title 11 of the Code of Regulations Article 19 promulgating a revised employer's bond for certificate of exemption effective upon filing with the California Secretary of State on May 15, 2017. This bond form is effective for immediate use.

A copy of the Notice of Filing and Printing Only, Notice of Publication of Regulations Submission Form 400 and bond form are with this notice, posted on the Department of Insurance Website.

If you have any question regarding this bond form, please contact Jill Jacobi at (415) 538-4426 or at Jill.Jacobi@insurance.ca.gov.

**State of California
Office of Administrative Law**

In re:
Department of Justice

Regulatory Action:

Title 11, California Code of Regulations

Adopt sections:

Amend sections: 50.6

Repeal sections:

NOTICE OF FILING AND PRINTING ONLY

Government Code Section 11343.8

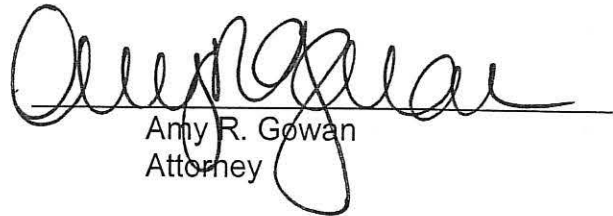
OAL Matter Number: 2017-0424-05

OAL Matter Type: File and Print Only (FP)

The Department of Justice submitted this file and print action revising the surety bond form, Employer's Bond for Certificate of Exemption, for the Department of Insurance.

OAL filed this regulation(s) or order(s) of repeal with the Secretary of State, and will publish the regulation(s) or order(s) of repeal in the California Code of Regulations.

Date: May 15, 2017



Amy R. Gowan
Attorney

For: Debra M. Cornez
Director

Original: Xavier Becerra
Copy: Karen W. Yiu

STD. 400 (REV. 07-2013)

OAL FILE NUMBERS	NOTICE FILE NUMBER Z-	REGULATORY ACTION NUMBER 2017-0424-05FP	EMERGENCY NUMBER
For use by Office of Administrative Law (OAL) only			
NOTICE		REGULATIONS	

2017 APR 24 P 2:50
OFFICE OF
ADMINISTRATIVE LAW

ENDORSED - FILED
in the office of the Secretary of State
of the State of California

MAY 15 2017
1:53 p.m.

AGENCY WITH RULEMAKING AUTHORITY
Department of Justice, for the Department of Insurance

AGENCY FILE NUMBER (if any)

A. PUBLICATION OF NOTICE (Complete for publication in Notice Register)

1. SUBJECT OF NOTICE	TITLE(S)	FIRST SECTION AFFECTED	2. REQUESTED PUBLICATION DATE
3. NOTICE TYPE <input type="checkbox"/> Notice re Proposed Regulatory Action <input type="checkbox"/> Other	4. AGENCY CONTACT PERSON	TELEPHONE NUMBER	FAX NUMBER (Optional)
OAL USE ONLY	ACTION ON PROPOSED NOTICE <input type="checkbox"/> Approved as Submitted <input type="checkbox"/> Approved as Modified <input type="checkbox"/> Disapproved/Withdrawn	NOTICE REGISTER NUMBER	PUBLICATION DATE

B. SUBMISSION OF REGULATIONS (Complete when submitting regulations)

1a. SUBJECT OF REGULATION(S) Department of Insurance bond form	1b. ALL PREVIOUS RELATED OAL REGULATORY ACTION NUMBER(S)
2. SPECIFY CALIFORNIA CODE OF REGULATIONS TITLE(S) AND SECTION(S) (Including title 26, if toxics related)	
SECTION(S) AFFECTED (List all section number(s) individually. Attach additional sheet if needed.)	ADOPT
	AMEND Article 19, section 50.6 Employer's Bond for Certificate of Exemption
TITLE(S) 11, Div. 1, Chapter 2	REPEAL
3. TYPE OF FILING	
<input type="checkbox"/> Regular Rulemaking (Gov. Code §11346)	<input type="checkbox"/> Certificate of Compliance: The agency officer named below certifies that this agency complied with the provisions of Gov. Code §§11346.2-11347.3 either before the emergency regulation was adopted or within the time period required by statute.
<input type="checkbox"/> Resubmittal of disapproved or withdrawn nonemergency filing (Gov. Code §§11349.3, 11349.4)	<input type="checkbox"/> Emergency Readopt (Gov. Code, §11346.1(h))
<input type="checkbox"/> Emergency (Gov. Code, §11346.1(b))	<input type="checkbox"/> Resubmittal of disapproved or withdrawn emergency filing (Gov. Code, §11346.1)
	<input checked="" type="checkbox"/> File & Print
	<input checked="" type="checkbox"/> Other (Specify) <u>Revision of surety bond form</u>
	<input type="checkbox"/> Changes Without Regulatory Effect (Cal. Code Regs., title 1, §100)
	<input type="checkbox"/> Print Only
4. ALL BEGINNING AND ENDING DATES OF AVAILABILITY OF MODIFIED REGULATIONS AND/OR MATERIAL ADDED TO THE RULEMAKING FILE (Cal. Code Regs. title 1, §44 and Gov. Code §11347.1)	
5. EFFECTIVE DATE OF CHANGES (Gov. Code, §§ 11343.4, 11346.1(d); Cal. Code Regs., title 1, §100)	
<input type="checkbox"/> Effective January 1, April 1, July 1, or October 1 (Gov. Code §11343.4(a))	<input checked="" type="checkbox"/> Effective on filing with Secretary of State
	<input type="checkbox"/> \$100 Changes Without Regulatory Effect
	<input type="checkbox"/> Effective other (Specify)
6. CHECK IF THESE REGULATIONS REQUIRE NOTICE TO, OR REVIEW, CONSULTATION, APPROVAL OR CONCURRENCE BY, ANOTHER AGENCY OR ENTITY	
<input type="checkbox"/> Department of Finance (Form STD. 399) (SAM 56660)	<input type="checkbox"/> Fair Political Practices Commission
<input type="checkbox"/> Other (Specify)	<input type="checkbox"/> State Fire Marshal
7. CONTACT PERSON Karen W. Yiu	TELEPHONE NUMBER 510-879-1245
	FAX NUMBER (Optional)
	E-MAIL ADDRESS (Optional)

8. I certify that the attached copy of the regulation(s) is a true and correct copy of the regulation(s) identified on this form, that the information specified on this form is true and correct, and that I am the head of the agency taking this action, or a designee of the head of the agency, and am authorized to make this certification.

SIGNATURE OF AGENCY HEAD OR DESIGNEE

DATE

Karen Yiu
TYPED NAME AND TITLE OF SIGNATORY
Karen W. Yiu, Deputy Attorney General

April 20, 2017

For use by Office of Administrative Law (OAL) only

State of California

Department of Insurance

Employer's Bond for Certificate of Exemption

Form 50.6 (Rev 4/2017)

California Code of Regulations Title 11 section 50.6

Corporate Affairs Bureaus I & II
45 Fremont Street 24th Floor
San Francisco, CA 94105
Information 415-538-4000
www.insurance.ca.gov

State of California
Department of Insurance
EMPLOYER'S BOND FOR CERTIFICATE OF EXEMPTION
(California Insurance Code Sec. 10494.7)

Bond No.: _____
Premium: \$ _____

KNOW ALL BY THESE PRESENTS:

That we _____, as Principal, whose address for service
is _____,
Street Address City

_____, and _____,
State Zip Code

an admitted surety insurer, whose address for service is _____,
Street Address City

State Zip Code

duly licensed to transact the class of surety insurance in the State of California, as surety, are held and firmly bound unto the People of the State of California, in the sum of _____ dollars, (\$ _____), lawful money of the United States of America, for the payment whereof well and truly to be made, we bind ourselves, our heirs, executors, successors and assigns, jointly and severally, firmly by these presents.

THE CONDITION OF THE FOREGOING OBLIGATION IS that,

In accordance with the provisions of California Insurance Code sections 10494.6 and 10494.7, the Principal as employer has elected to maintain a supplemental plan for furnishing disability insurance benefits to dependents of employees as described under the above referenced sections, under which plan the employer agrees to assume fifty percent (50%) of the cost of maintaining the supplemental plan, and employer further agrees to guarantee the benefits if the contributions required for supplementary benefits are not sufficient to pay the cost of same.

NOW, THEREFORE, if the said Principal shall satisfy all of the provisions of California Insurance Code sections 10494.5, 10494.6, and 10494.7 and shall pay all obligations under said entire plan, then this bond is to be null and void; otherwise to remain in full force and effect.

It is understood and agreed that:

1. This bond may be amended, by agreement between the parties hereto and the Insurance Commissioner of the State of California, as to the identity of the principal herein named;
2. The Surety does by these presents, undertake and agree that the obligation of the bond shall cover and extend to all past, present, existing and potential liability of said Principal without regard to specific injuries, date or dates of injuries, happenings or events.
3. The penal sum of this bond may be increased by agreement between the parties hereto without impairing the obligation incurred under this bond for the over-all coverage of the said principal for all past, present, existing and potential liability without regard to specific injury, date or dates of injuries happenings or events to the extent, in the aggregate, of the penal sum as increased.
4. This bond shall be continuous until terminated on expiration of thirty (30) days after filing by surety with the Insurance Commissioner of notice of cancellation and at the same time serving a similar notice on the principal. At the expiration of thirty (30) days after the filing of said notice of termination, or upon the filing and acceptance of a new bond, whichever event first occurs, this bond is canceled and the surety is relieved of all liability which otherwise thereafter would arise hereunder. Cancellation pursuant to this provision shall not relieve the Surety of liability arising hereunder prior thereto.
5. Notices hereunder may be given to the Commissioner at the San Francisco office of the Department of Insurance.
6. On recovery in any action against Principal or Surety or both hereunder claimant shall be entitled to receive from Principal or Surety or both reasonable-attorneys' fees.

This bond is executed by the Surety to comply with and the bond shall be subject to the provisions of Article 4 of Chapter 5, Part 2, Division 2 of the California Insurance Code (commencing with section 10490) and to the provisions of Chapter 2 (commencing with section 995.010) of Title 14 of Part 2 of the California Code of Civil Procedure.

By executing this bond, Principal and Surety agree any action on this bond shall be instituted and prosecuted in the counties of the State of California, with service by U.S.

mail as prescribed in the California Code of Civil Procedure sections 417.10 and 417.20 and this bond shall be governed by the laws of the State of California.

Signed and sealed this _____ day of _____, 20_____.

Principal
By _____

Name

Title

(SEAL)
(if Principal is a corporation)

Surety
By _____

Name

Title

By _____

Name

Title

(SEAL)

Note: For instructions as to execution by principal and surety and for form of corporation acknowledgement, and for form of acknowledgement by individual employer, see California Code of Regulations, title 11, section 50.10.