



**RICARDO LARA**  
CALIFORNIA INSURANCE COMMISSIONER

## **BULLETIN 2020-7**

**TO: All Insurance Companies Licensed to Sell Long-Term Care Insurance Products in California**

**FROM: Insurance Commissioner Ricardo Lara**

**DATE: May 29, 2020**

**RE: Principle-Based Reserving - Long-Term Care Annual Aggregate Assessment**

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Assembly Bill 1104 (Chapter 236, Statutes of 2019) amended California Insurance Code (CIC) Section 1067.11 effective January 1, 2020. CIC Section 1067.11(4)(j) authorizes the Insurance Commissioner to annually assess a company that issues or renews long-term care policies in an amount up to one million dollars (\$1,000,000) based on the insurers' pro rata share of the costs that the Department incurs reviewing, analyzing, and reporting on disclosure reports submitted pursuant to subdivisions (h) and (i), but not to exceed reasonable regulatory costs.

The Department has established an aggregate annual assessment for Fiscal Year (FY) 2019-20 of \$516,800, as well as the assessment tiers shown in the table below. The Department will invoice companies for FY 2019-20 based on this final tier table.

<b>Insurer's 2018 Annual Premium</b>	<b>Annual Assessment Per Company</b>
\$250,000,001+	\$158,000
100,000,001 - 250,000,000	59,000
50,000,001 - 100,000,000	43,000
40,000,001 - 50,000,000	24,500
30,000,001 - 40,000,000	19,500
20,000,001 - 30,000,000	12,000
10,000,001 - 20,000,000	7,000
5,000,001 - 10,000,000	4,200
1,000,001 - 5,000,000	1,600
<1,000,001	0

For questions regarding the calculation of the assessment, please contact Crista Hill at [Crista.Hill@insurance.ca.gov](mailto:Crista.Hill@insurance.ca.gov) or (916) 492-3390. For billing related questions, please contact the Accounting Services Bureau at [arbilling@insurance.ca.gov](mailto:arbilling@insurance.ca.gov) or (916) 492-3242.