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California Links

State Senate

State Assembly

**Department of
Insurance**

Insurance Electronic Transmission Bill Passes Legislature

AB 2591 by Assembly Member Matt Dababneh (D-Encino) allows a consumer who opts-in to initiate changes to their automobile insurance policy online, receive non-renewal and cancellation notices for homeowner's and automobile policies electronically, eliminates existing sunset dates for many electronic property/casualty transactions and notices.

In 2000, eSIGN was enacted to establish federal law governing electronic transactions. Generally speaking, UETA (adopted by California in 1999) provides that the law should be construed to facilitate electronic transmissions and that any transaction not specifically exempted from UETA may be conducted electronically. Since that time it has become common practice to buy, sell and manage financial products online. Online banking and investing is routine and has been for many years.

AB 2591 was supported by insurers, agents and brokers to preserve the consumer protections that exist today in the California Civil and Insurance Codes and allow broader use of voluntary e-delivery and e-signature of property and casualty insurance documents. While SB 251 (Calderon), Chapter 369, Statutes of 2013, which authorized consumers to opt-in to receive a narrow range of insurance documents electronically, was a great first step in modernizing California's insurance laws to reflect the technology that is available today. AB 2591 takes the next step. Insurers will now be allowed to electronically add a new driver or new car to an insurance policy without mailing paper copies as well as a host of other services and transactions.

AB 2591 passed the Assembly with a vote of 79-0 and now heads to the Governor. He has until September 30th to sign, veto or allow the bill to become law without his signature.

Autonomous Vehicle Legislation Moves Forward

AB 1592 by Assembly Member Susan Bonilla (D-Concord) passed the Assembly Floor this last week with a vote of 75-3. This bill advances the testing and development of autonomous vehicle technologies in California by authorizing the Contra Costa Transportation Authority (CCTA) to conduct a pilot project to test low-speed, multi-passenger, shared autonomous vehicles that are not equipped with a steering wheel, brake pedal, accelerator or operator. This bill is designed to help expand CCTA's existing transportation technology testing program at GoMentum Station in the former United States Navy weapons station in Concord.

The National Highway Traffic Safety Administration (NHTSA) and our State Department of Motor Vehicles (DMV) are in the process of drafting the final guidelines and standards regulating the testing and operation of autonomous vehicles. AB 1592 is a narrowly crafted bill that carves out an exemption for CCTA and their GoMentum Station program, while not overstepping upcoming federal or state regulations, which are intended to clearly define all standards for autonomous vehicles in California.

"This bill will help enhance public trust prior to full deployment on public roadways and allow California to remain on the forefront of autonomous vehicle innovation and implementation," stated Assembly Member Bonilla

AB 1592 would be the first bill to allow a purely autonomous vehicle, without the presence of a driver, to operate on a public road. The shared autonomous vehicles, which will be tested at GoMentum Station this fall, operate at speeds under 25 miles per hour. The long term goal is to utilize the vehicles to improve mobility by connecting riders to larger mass transit platforms such as regional buses and BART.

AB 1592 now heads to the Governor.

Parental Leave Mandate Passes Legislature

This week the Assembly passed SB 654 by Senator Hannah-Beth Jackson (D-Santa Barbara) with a vote of 44-16. This bill would create a new mandate on top of the existing parental leave requirement.

Current law already requires all employers with at least five employees to provide pregnancy leave for sixteen weeks. California employers with 50 or more employees, must also provide a variety of protected leaves including pregnancy disability leave, military spouse leave, organ donation leave, bone marrow leave, school and child care leave, volunteer firefighting, reserve peace officer, and emergency rescue and personnel leave, and paid sick leave.

SB 654 would now require yet another leave program for employers with 20 or more employees—including part time employees—which would add another six weeks of time off for all parents. This new leave program comes with a new private right of action to sue small employers who can't accurately calculate how much time off they are required to provide.

The California Chamber of Commerce labeled this bill a “job killer” and has stated that it will overwhelm small employers. The Chamber states that California is already recognized by the National Conference of State Legislatures as one of the most family-friendly states given its list of programs and protected leaves of absence, including: paid sick days, school activities leave, kin care, paid family leave program, pregnancy disability leave, and the California Family Rights Act. This list is in addition to the leaves of absence required at the federal level. The Chamber believes that another 6-week leave of absence, targeted specifically at small employers, is simply too much for employers to bear.

This bill now heads to the Governor for consideration.

Earthquake Insurance Bill Goes to Governor

The Legislature passed AB 499 by Assembly Member Ken Cooley (D-Rancho Cordova) with a vote of 80-0. This bill clarifies existing law governing mandatory notices regarding earthquake insurance.

The California Earthquake Authority (CEA) was formed through legislation in 1995 and 1996 to address an insurance-availability crisis that followed the 1994 Northridge earthquake. After that earthquake, many homeowners found it difficult or impossible to find basic homeowner's insurance. Many others were faced with the prospect of having their

homeowners' insurance non-renewed as insurance companies tried to shed their exposure to earthquake risk. Because state law requires insurers to offer earthquake insurance to their applicants and holders of residential policies, the insurers' retreat from the California market resulted in an availability crisis for both homeowners and earthquake insurance. The California Department of Insurance reported in the summer of 1996, at the height of the crisis, that 95% of the homeowners' insurance market had either stopped, or severely restricted, sales of new homeowners' policies.

After the CEA began operations in December 1996, the California homeowners' insurance market recovered quickly. A Department of Insurance report noted that at the peak of the availability crisis, 82 insurers had restricted the sale of new homeowners' insurance policies. By October 1997, only three insurers were restricting the sale of new policies. Since that time, the requirement to offer earthquake insurance has not been a factor in restricting the availability of homeowners' insurance.

AB 499 eliminates and replaces the presumption of delivery of the mandatory offer of earthquake insurance disclosure form if the applicant for homeowners' insurance does not return a signed acknowledgement of receipt within 60 days of the date it was provided. The new disclosure for this purpose is made consistent with the 30 day presumption for notices sent by insurers. This bill also revises the requirement for a stand-alone notice of changes in the terms and conditions of an earthquake insurance policy at renewal to only require the stand-alone notice if the modifications reduce or substantially differ from the coverage previously provided. The bill also establishes a consistent proof of mailing or delivery presumption for any offer, disclosure, or document required to be delivered under statutes governing the mandatory offer or renewal of earthquake insurance.

AB 499 now heads to the Governor.

Internet Poker Dies Again

AB 2863 by Assemblyman Adam Gray (D-Merced) died on Wednesday. The bill lacked support from two-thirds of the state Assembly members so was not brought up for a vote.

With a potential Internet Poker market topping an estimated \$1 billion in California, it is not surprising that it has been difficult to bring competing gambling interests together to agree on how this market should be divided. In the last eight years, ten bills have been attempted and failed to legalize Internet poker in California because of this friction between interests.

AB 2863 would have allowed seven-year state Internet poker licenses to be granted to card rooms and the 60 Native American tribes that operate casinos, if they are judged “suitable” to participate after background checks by the state Department of Justice. An upfront fee of \$12.5 million per website would be paid to the state as well as a 10% annual fee from gaming revenue. Up to \$60 million for Internet Poker revenue would be paid to horse racing interests.

The bill caused a divide between the powerful Native American tribes that operate casinos and contributed hundreds of thousands of dollars to political campaigns in California.

Gray’s proposal was supported by a coalition of seven tribes that operate casinos, including the Agua Caliente Band of Cahuilla Indians, Pechanga Band of Luiseño Indians and the Barona Band of Mission Indians. They supported the bill, after it was amended in the last month to include a penalty provision that would have kept big, international poker companies including Amaya on the sidelines for at least the first five years.

However, the penalty provision drew opposition this month from another coalition of tribes and card clubs that had been supporting the bill until the changes were made. The opponents included the Morongo Band of Mission Indians, the San Manuel Band of Mission Indians, Commerce Casino, Hawaiian Gardens Casino and Bicycle Casino. These tribes and cardrooms have already entered into a partnership with PokerStars and parent firm Amaya on an Internet poker website in California, and argued that the bill unfairly kept the company out.

California Legislative Black Caucus Elects New Leader

Assembly Member Chris Holden (D-Pasadena) has been elected by his colleagues to chair the California Legislative Black Caucus (CLBC). The newly elected leadership team also includes Assembly Members Shirley Webber (D-San Diego), vice chair; Sebastian Ridley-Thomas (D-Los Angeles), secretary; and Kevin McCarty (D-Sacramento), treasurer.

The CLBC was established in 1967 to provide full inclusion of California’s African American residents in every aspect of California life – from education, employment, housing, health, commerce and government services.

The CLBC has held multiple “Black Minds Matter” informational briefings throughout California with the Education Trust–West Organization to address California’s nearly one million Black Youth, including one hosted by Assembly Member Holden in Pasadena. The briefings brought elected leaders, educators, stakeholders and community leaders together in order to better implement policies that close the opportunity and achievement gap for California’s Black Youth.

The CLBC takes policy positions on numerous bills, advances a two-part policy agenda – an education and black enterprise initiative, and provides scholarships and leadership opportunities for Californian’s Black Youth.

CalChamber Stops 19 Job Killer Bills in 2016

The California Chamber of Commerce has declared victory in stopping 19 of 24 identified job killer bills. There are four CalChamber job killer bills on the Governor’s desk for his consideration still. These include:

SB 654 by Senator Hannah-Beth Jackson (D-Santa Barbara) proposes a new mandate on employers with 20 or more employees by requiring them to offer six weeks of protected leave for baby-bonding.

SB 839 (Committee on Budget and Fiscal Review) increases the costs of permitting aerospace, recycling, oil and gas, and other critical waste facilities by eliminating permit applicants’ option to be charged a predictable flat permitting fee and instead giving the Department of Toxic Substances Control carte blanche to charge whatever fee it determines.

SB 1150 by Senator Mark Leno (D-San Francisco) increases liability risk and the cost of residential loans by allowing parties not on the original mortgage loan to interfere with appropriate foreclosures and creates a private right of action for violations of overly complex and burdensome requirements.

SB 32 by Senator Fran Pavley (D-Agoura Hills) mandates a reduction in greenhouse gas emissions (GHG) of at least 40% below 1990 levels by 2030 with no consideration of the economic side effects or ongoing oversight for the Legislature.

The California Chamber of Commerce will continue to oppose these bills and request that the Governor veto them.

California Supreme Court Rules against Drug Maker

The California Supreme Court ruled in a 4-3 decision this week that hundreds of out-of-state residents had the right to sue prescription drug manufacturer, Bristol-Myers Squibb. The Court decided that Bristol-Myers is subject to state-court jurisdiction for legal claims from people who suffered bleeding or a stroke after taking its blood thinner Plavix.

This decision clarified the extent to which a drug maker needs to have a presence in California in order to be sued by plaintiffs from other states. In this case, Bristol-Myers is headquartered in New York and has substantial operations in New Jersey. The company does have five offices, with 164 researchers, employs 250 sales representatives and has a government affairs office all within California. The Court determined that this was enough business contact with California for state courts to serve as a venue.

This decision may seem limited in scope, but there are wider implications for the pharmaceutical industry in California. Although the ruling applies only to this particular case, the court may have opened the door to still more people from around the country to file lawsuits in California against various drug makers.

California state courts are viewed as more generous to plaintiffs who bring lawsuits against drug makers and the state is known for having a strong consumer protection act. This explains why Bristol-Myers, and possibly other drug manufacturers, would have preferred lawsuits confined to the other state courts.

The Supreme Court's full decision can be found [here](#).

Legislative Update

There were already nearly 200 bills on Governor Brown's desk on Monday of this week and by Wednesday the Legislature decided the fate of about another 300 bills. Governor Brown

now has until September 30, 2016 to decide whether to sign or veto all of the bills passed by the Legislature or to allow a bill to become law without his signature. The Legislature is now in recess until January of next year.

Assembly Floor

[AB 565 \(Cooley\)](#): Current law provides that insurance under a group life insurance policy may be extended to insure the dependents of each insured employee under the group policy, as specified. Current law defines a dependent for these purposes as including the employee's spouse and all children from birth until 26 years of age, or a child 26 years of age or older who is both incapable of self-sustaining employment by reason of intellectual disability or physical handicap and chiefly dependent upon the employee for support and maintenance, as specified. This bill would that the group or employer can limit optional dependent coverage to an age between 18 and 26. The bill also allows the life insurer to waive premium during the period a covered person cannot work but would not make the insurer liable for disabilities that develop over 60 years old. This bill is designed to more closely align California with notification standard for group life insurance.

Vote: 80-0

Status: This bill is now headed to the Governor.

[AB 797 \(Steinorth\)](#): Current law authorizes a peace officer, humane officer, or animal control officer to take all steps reasonably necessary to remove an animal from a motor vehicle because the animal's safety appears to be in immediate danger of specified harm. This bill would exempt any person from civil liability for property damage or trespass if he or she breaks a car window in order to rescue a pet from a hot car if the person reasonably believes that the animal is in immediate danger as long as the person leaves a note on the vehicle with the persons contact information. Current law requires those persons who remove an animal from a vehicle to take the animal to an animal shelter or other place of safekeeping or, if deemed necessary, to a veterinary hospital for treatment, and to leave a notice in the vehicle that notifies the owner of, among other things, the location where the animal may be claimed.

Vote: 77-0

Status: This bill is now headed to the Governor.

[AB 873 \(Jones\)](#): This bill would delete the existing list of "minor services" that require a business to register with the Bureau of Automotive Repair. Instead, the bill would require the Director of Consumer Affairs to adopt regulations defining what constitutes a minor repair. Under this bill quick oil change shops and others would not have to be licensed by the Bureau of Automotive Repair.

Vote: 79-0

Status: This bill is now headed to the Governor.

[AB 1244 \(Gray\)](#): Requires the Administrative Director (AD) of the Division of Workers' Compensation (DWC) to suspend a medical service provider if he or she is convicted of workers' compensation fraud.

Vote: 79-0

Status: This bill is now headed to the Governor

[AB 1580 \(Gatto\)](#): This bill would require a consumer credit reporting agency to place a security freeze for a protected consumer, defined as an individual who is under 16 years of age at the time a request for the placement of a security freeze is made, an incapacitated person or a protected individual for whom a guardian or conservator has been appointed, or a person under the jurisdiction of a county welfare department or county probation department who has been placed in a foster care setting and is under 16 years of age at the time a request for a security freeze is made, upon that consumer's representative's request and compliance with certain requirements.

Vote: 80-0

Status: This bill is now headed to the Governor.

[AB 1643 \(Gonzalez\)](#): This bill would prohibit apportionment in cases of physical injury based on pregnancy, menopause, osteoporosis, and carpal tunnel syndrome and would require that breast cancer not be less than the comparable impairment rating for prostate cancer.

Vote: 24-14

Status: This bill is now headed to the Governor.

[AB 1668 \(Calderon\)](#): This bill would permit a manufacturer of an investigational drug, biological product, or device to make available an investigational drug, biological product, or device to certain eligible patients.

Vote: 77-2

Status: This bill is now headed to the Governor.

[AB 1676 \(Campos\)](#): Current law generally prohibits an employer from paying an employee at wage rates less than the rates paid to employees of the opposite sex in the same establishment for equal work on jobs the performance of which requires equal skill, effort, and responsibility, and which are performed under similar working conditions. Current law establishes exceptions to that prohibition, including, among others, where the payment is made based on any bona fide factor other than sex, such as education, training, or experience. This bill would specify that prior salary cannot, by itself, justify any disparity in compensation under the bona fide factor exception to the above prohibition. By changing the definition of an existing crime, this bill would impose a state-mandated local program.

Vote: 71-4

Status: This bill is now headed to the Governor.

[AB 1682 \(Stone\)](#): This bill would prohibit a provision in a settlement agreement that prevents the disclosure of factual information related to the action in a civil action with a factual foundation establishing a cause of action for civil damages for an act that may be prosecuted as a felony sex offense and would additionally make these provisions applicable to a cause of action for civil damages for an act of childhood sexual abuse or sexual exploitation of a minor or an act of sexual assault against an elder or dependent adult, as specified. The bill would prohibit a court from entering an order in any of these types of civil actions that restricts disclosure of this information.

Vote: 80-0

Status: This bill is now headed to the Governor.

[AB 1687 \(Calderon\)](#): This bill would prohibit a commercial online entertainment employment service provider that enters into a contractual agreement to provide specified

employment services to an individual paid subscriber from publishing information about the subscriber's age in an online profile of the subscriber and would require the provider, within 5 days, to remove from public view in an online profile of the subscriber certain information regarding the subscriber's age on any companion Internet Web site under the provider's control if requested by the subscriber.

Vote: 61-15

Status: This bill is now headed to the Governor.

[AB 1723 \(Dodd\)](#): Current law requires a debt collector that receives a copy of a police report filed by the debtor alleging that the debtor is the victim of an identity theft crime and a written statement in which the debtor claims to be the victim of identity theft to cease collection activities until completion of a review. This bill, the Identity Theft Resolution Act, would require the debt collector, upon receipt of the police report and written statement described above, if it furnished adverse information about the debtor to a consumer credit reporting agency, to notify the consumer credit reporting agency that the account is disputed, and initiate a review, as specified, within 10 business days.

Vote: 79-0

Status: This bill is now headed to the Governor.

[AB 1785 \(Quirk\)](#): This bill would prohibit a person from driving a motor vehicle while holding and operating a handheld wireless telephone or a wireless electronic communication device, as defined. The bill would authorize a driver to operate a handheld wireless telephone or a wireless electronic communications device in a manner requiring the use of the driver's hand only under specified conditions. By changing the definition of a crime, the bill would impose a state-mandated local program.

Vote: 52-20

Status: This bill is now headed to the Governor.

[AB 1807 \(Bonta\)](#): This bill would allow a licensee of the Bureau of Real Estate to petition the Real Estate Commissioner to remove his or her notice of disciplinary action from the Bureau's Internet Web site because the information is no longer necessary to prevent a credible risk to the public.

Vote: 78-0

Status: This bill is now headed to the Governor.

[AB 1823 \(Bonilla\)](#): This bill would request the University of California (UC) to create a Board of Trustees of the California Cancer Clinical Trials Program, as specified, which would provide grants to increase patient access to eligible cancer clinical trials in underserved or disadvantaged communities, as specified. Allows the UC to decline to establish or participate in, and to terminate, the program.

Vote: 80-0

Status: This bill is now headed to the Governor.

[AB 1831 \(Low\)](#): This bill would require health care service plans and health insurers to provide coverage for early refills of prescription topical ophthalmic products.

Vote: 80-0

Status: This bill is now headed to the Governor.

[AB 1841 \(Irwin\)](#): This bill would require the California Department of Technology to on or before July 1, 2018, in conjunction with the Office of Emergency Services, to update the Technology Recovery Plan of the State Administrative Manual to ensure the inclusion of cybersecurity strategy incident response standards for each state agency to secure its critical infrastructure controls and critical infrastructure information.

Vote: 80-0

Status: This bill is now headed to the Governor.

[AB 1843 \(Stone\)](#): This bill would prohibit employers from using as a condition of employment, or from asking applicants to disclose, any information related to an applicant's arrest, detention or involvement in any other specified process under the jurisdiction of juvenile court law, provided that it did not result in a conviction. This bill also would exclude juvenile court processes, programs, and actions from the definition of conviction and from disclosure or consideration as a condition employment. Also, this bill would expand the prohibition on the exposure or possession of juvenile offender record information.

Vote: 41-36

Status: This bill is now headed to the Governor.

[AB 1899 \(Calderon\)](#): This bill would require, until January 1, 2024, the California Department of Insurance to provide the license examinations for life, life-only, and accident and health licensees in Spanish.

Vote: 77-3

Status: This bill is now headed to the Governor.

[AB 1922 \(Daly\)](#): This bill would codify a definition of ancillary agreement for purposes of a workers' compensation insurance policy; provide that the requirement to file ancillary agreements with the Insurance Commissioner (IC) prior to issuance does not apply to an ancillary agreement between an insurer and a California employer in conjunction with a workers' compensation policy or endorsement that contains a deductible obligation equal to or greater than \$250,000 if the employer meets three out of four specified criteria and the agreement does not change the benefits or coverages under the workers' compensation policy; provide that the exemption from filing ancillary agreements does not apply to agreements issued to a co-employment arrangement or negotiated, managed or administered in whole or in part by a managing general agent; require the insurer to provide the IC a copy of an exempt ancillary agreement within 30 days of issuance; require the exempt ancillary agreement to include language stating that it has not been filed with the rating organization or filed with, or approved by the IC; requires insurers that intend to use dispute resolution or arbitration agreements to resolve disputes arising in California out of an ancillary agreement or collateral and security agreement to disclose to the employer that choice of law and choice of venue or forum may be a jurisdiction other than California and that these terms are negotiable; apply only to ancillary agreements issued or renewed on or after January 1, 2017; and sunset the changes made by the bill on January 1, 2022.

Vote: 79-0

Status: This bill is now headed to the Governor.

[AB 1932 \(Obernalte\)](#): Current law establishes a motorcyclist safety program, administered by the Commissioner of the California Highway Patrol. Existing law authorizes the commissioner to adopt standards for course content, contact hours, curriculum, instructor training and testing, and instructional quality control for a novice rider training course and a premier motorcyclist safety training program. This bill would authorize a

motorcyclist safety training program that is licensed as a traffic violator school to administer a motorcyclist training course, and would authorize the course to include instruction specific to the safe and lawful operation of motorcycles in addition to the curriculum prescribed by the department for traffic violator schools.

Vote: 79-0

Status: This bill is now headed to the Governor.

[AB 1974 \(Gallagher\)](#): Current law requires the county recorder, upon payment of proper fees and taxes, to record any instrument, paper, or notice that is authorized or required to be recorded, provided that the instrument, paper, or notice meets certain standards. This bill would require the documents described above that are rerecorded to be executed and acknowledged or verified as new documents, unless otherwise exempted, as specified, presented solely to correct a rerecording sequence, or presented solely to make a minor correction, as defined, with a corrective affidavit.

Vote: 80-0

Status: This bill is now headed to the Governor.

[AB 2077 \(Burke\)](#): This bill would prohibit Medi-Cal benefits from being terminated until at least 20 days after the county sends the notice of action terminating Medi-Cal eligibility if the individual is eligible to enroll in a qualified health plan through Covered California, to the extent federal financial participation is available. This bill establishes application processing timelines for counties for individuals who were enrolled in Covered California and who are determined newly eligible for Medi-Cal through the application processing system known as the California Healthcare Eligibility, Enrollment and Retention System.

Vote: 79-0

Status: This bill is now headed to the Governor.

[AB 2143 \(Irwin\)](#): Current law requires the county recorder in each county to complete a yearly statistical report on a specified form of documents recorded and filed. This bill would require the report to also include information regarding electronically submitted documents, and would require documents to be counted and reported in the same manner without regard to method of transmission. This bill contains other related provisions and other current laws.

Vote: 78-0

Status: This bill is now headed to the Governor.

[AB 2230 \(Chu\)](#): Current law provides that hours worked in excess of 12 hours in one day as well as hours worked in excess of 8 hours on any 7th day of work are to be compensated at the rate of no less than twice the regular rate of pay of an employee. Current law exempts from these provisions an individual employed as a teacher at a private elementary or secondary academic institution if specified requirements are met, including, among others, that the employee earns a monthly salary equivalent to no less than 2 times the state minimum wage for full-time employment. This bill would suspend that earnings standard until July 1, 2017. Beginning July 1, 2017, the bill would establish a new threshold for the exemption from overtime for private school teachers

Vote: 80-0

Status: This bill is now headed to the Governor.

[AB 2366 \(Dababneh\)](#): Current law requires every long-term care policy to contain a provision that, in the event the insurer develops new benefits or benefit eligibility or new policies with new benefits or benefit eligibility not included in the previously issued policy, the insurer shall grant specified current policyholders certain rights, namely notifying the policyholders of the new benefits or benefit eligibility or new policy within 12 months and offering the new benefits or benefit eligibility to those policyholders, as specified. The insurer is required to file the notice to current policyholders with the Department of Insurance at the same time as the new policy or rider. This bill would require the insurer to notify the policyholder of the availability of the new benefits or benefit eligibility or the new policy within 12 months of the date that the new policy series is made available for sale in this state. The bill would limit new benefits or benefit eligibility to including coverage for new long-term care services or providers that are material in nature.

Vote: 80-0

Status: This bill is now headed to the Governor.

[AB 2566 \(Nazarian\)](#): Current law relating to property transfers prohibits the acknowledgment of an instrument unless the officer taking it has satisfactory evidence that the person making the acknowledgment is the individual who is described in and who executed the instrument. Current law provides that an officer may reasonably rely on several

forms of specified identification. This bill, instead of that provision pertaining to a passport issued by a foreign government, would authorize the acceptance of a valid passport from the applicant's country of citizenship, or a valid consular identification document issued by a consulate from the applicant's country of citizenship, as proof of identity

Vote: 74-2

Status: This bill is now headed to the Governor.

[AB 2588 \(Chu\)](#): This bill would make comprehensive revisions to the Insurance Adjuster Act relative to qualifications for an independent insurance adjuster's license.

Vote: 50-29

Status: This bill is now headed to the Governor.

[AB 2623 \(Gordon\)](#): Current law requires each state agency and certain designated state entities to annually report to the Department of Technology a summary of its actual and projected information technology and telecommunications costs, as specified. This bill would additionally require these state agencies and entities to annually report to the department, beginning on or before February 1, 2017, a summary of their actual and projected information security costs.

Vote: 79-0

Status: This bill is now headed to the Governor.

[AB 2693 \(Dababneh\)](#): Current law authorizes the legislative body of a public agency to determine that it would be convenient, advantageous, and in the public interest to designate an area within which authorized public agency officials and property owners may enter into voluntary contractual assessments to finance certain improvements. This bill would also prohibit a public agency from permitting a property owner to participate in a program pursuant to these provisions unless the property owner satisfies certain conditions and the property owner is given the right to cancel the contractual assessment at any time prior to midnight on the 3rd business day after certain events occur without penalty or obligation, consistent with certain requirements.

Vote: 80-0

Status: This bill is now headed to the Governor.

[AB 2724 \(Gatto\)](#): This bill would require a person who manufactures an unmanned aircraft for sale in this state to include with the unmanned aircraft a copy of FAA safety regulations applicable to unmanned aircraft and, if the unmanned aircraft is required to be registered with the FAA, a notification of that requirement. The bill would require an unmanned aircraft equipped with global positioning satellite mapping capabilities to also be equipped with geo-fencing technological capabilities that prohibit the unmanned aircraft from flying within any area prohibited by local, state, or federal law. This bill also includes an insurance mandate for the unmanned aircraft.

Vote: 47-24

Status: This bill is now headed to the Governor.

[AB 2728 \(Atkins\)](#): This bill would extend the sunset date on the advisory board to the California Organized Investment Network (COIN) program within the California Department of Insurance (CDI) and the Community Development Financial Institution (CDFI) tax credit, adds categories of COIN qualified investments, and declares that that Legislature intends that future data calls will be established once the current reporting requirement has been fulfilled.

Vote: 80-0

Status: This bill is now headed to the Governor.

[AB 2763 \(Gatto\)](#): This bill would, for purposes of the Passenger Charter-party Carriers' Act, define a personal vehicle as a vehicle that is used by a participating driver to provide prearranged transportation services for compensation, with a passenger capacity of eight persons or less, including the driver, that is owned, leased, rented for a term that does not exceed 30 days, as specified, or otherwise authorized for use by the participating driver, meets all inspection and other safety requirements imposed by the commission, and is not a taxicab or a limousine.

Vote: 79-1

Status: This bill is now headed to the Governor.

[AB 2799 \(Chau\)](#): This bill would, commencing on July 1, 2017, prohibit the operator of an Internet Web site, online service, online application, or mobile application that is used

primarily for preschool or prekindergarten purposes, as defined, and was designed and marketed for preschool and prekindergarten purposes, to knowingly engage in specified activities with respect to their site, service, or application, including, among other things, engaging in targeted advertising, using specified information to amass a profile about a pupil except in furtherance of preschool or prekindergarten purposes, and selling or disclosing a pupil's information, as specified.

Vote: 80-0

Status: This bill is now headed to the Governor.

[AB 2881 \(Committee on Judiciary\)](#): Current law requires the publication of notice in set boundaries known as judicial districts in different contexts, including in connection with lien sales and sales pursuant to a mortgage or deed of trust. Current law provides for the preservation of judicial districts following the unification of municipal and superior courts. This bill would repeal provisions regarding the preservation of judicial districts, described above, and would establish public notice districts as the place for the publication of notice. The bill would also make conforming revisions to statutes requiring publication of notice in former judicial districts.

Vote: 80-0

Status: This bill is now headed to the Governor.

[AB 2884 \(Committee on Judiciary\)](#): Current law defines “policy,” to mean, among others, an automobile liability, automobile physical damage, or automobile collision policy insuring a single individual or individuals residing in the same household, as the named insured, and under which the insured vehicles designated under are of specified types including a motor vehicle, as specified, and any other 4-wheel motor vehicle with a load capacity of 1,500 pounds or less, for the purposes of various requirements for a notice of cancellation of a policy. Current law provides that the requirements for a notice of cancellation of a policy do not apply to any policy issued under an automobile assigned risk plan, any policy insuring more than 4 vehicles, and any policy covering, among other things, garage, automobile sales agency, or public parking place operation hazards. This bill would, among other things, remove the exemption for any policy insuring more than 4 automobiles.

Vote: 80-0

Status: This bill is now headed to the Governor.

Senate Floor

[AB 2197 \(Garcia\)](#): This bill would permit classified school employees to be eligible to collect unemployment insurance benefits between school years with or without a reasonable assurance of being employed in the next academic year.

Vote: 25-13

Status: This bill is now headed to the Governor.

[SB 438 \(Hill\)](#): The California Emergency Services Act would require the Office of Emergency Services to develop in collaboration with specified entities a comprehensive statewide earthquake early warning system in California through a public-private partnership. The act would require the office to identify funding for the system through single or multiple sources of revenue, and require those sources to exclude the General Fund and to be limited to federal funds, funds from revenue bonds, local funds, and funds from private sources. This bill would discontinue the requirement that the funding sources for the system exclude the General Fund and be limited to federal funds, funds from revenue bonds, local funds, and funds from private sources.

Vote: 39-0

Status: This bill is now headed to the Governor.

[SB 465 \(Hill\)](#): This bill would require the Contractors State Licensing Board (CSLB) to enter into an interagency agreement with state or local agencies, as necessary, to ensure that specified disciplinary information relating to a contractor is timely reported to the board; require a licensee to report to the CSLB the occurrence of any conviction of any felony or crime; require the California Building Standards Commission to convene a specified working group and recommend any statutory changes or changes to the California Building Standards Code; and, require the CSLB to report the results of a study to determine if the CSLB's ability to protect the public would be enhanced by specified regulations.

Vote: 79-0

Status: This bill is now headed to the Governor.

[SB 488 \(Block\)](#): This bill would revise and recast numerous provisions of the Public Insurance Adjusters Act. Among other things, the bill would expand the categories of persons exempt from the act to include, among others, a person who negotiates or settles claims arising under a life or health insurance policy or an annuity contract and a person who settles subrogation claims between insurers. The bill redefines the definition of disaster, imposes a new fee limitation, specifies certain timeframes for solicitations and provides for continuing education or public insurance adjusters.

Vote: 39-0

Status: This bill is now headed to the Governor.

[SB 661 \(Hill\)](#): This bill would enact the Dig Safe Act of 2016 to modify laws governing excavations near subsurface installations.

Vote: 35-3

Status: This bill is now headed to the Governor.

[SB 773 \(Allen\)](#): This bill would request the University of California (UC) to conduct a study on motor vehicle registration fraud and post the results on its website by January 1, 2018.

Vote: 39-0

Status: This bill is now headed to the Governor.

[SB 807 \(Gaines\)](#): This bill would further limit the exposure to civil liability of an emergency responder, defined as a paid or an unpaid volunteer or private entity acting within the scope of authority implicitly or expressly provided by a public entity or a public employee to provide emergency services, for damage to an unmanned aircraft or unmanned aircraft system, if the damage was caused while the emergency responder was performing specific emergency services and the unmanned aircraft or unmanned aircraft system was interfering with the provision of those emergency services.

Vote: 39-0

Status: This bill is now headed to the Governor.

[SB 881 \(Hertzberg\)](#): This bill would make changes to existing law relating to suspended licenses for individuals who have failed to pay (FTP) a traffic fine or failed to appear (FTA) in court.

Vote: 39-0

Status: This bill is now headed to the Governor.

[SB 997 \(Lara\)](#): This bill would revise the list of acceptable non-state and foreign-issued documents that notaries public may reasonably rely upon as evidence to prove a person's identity when acknowledging a written instrument.

Vote: 39-0

Status: This bill is now headed to the Governor.

[SB 1078 \(Jackson\)](#): This bill would prohibit arbitrators in consumer arbitration cases from accepting certain work assignments or offers of employment during the course of an arbitration and would require them to make additional disclosures about solicitations for work received during the course of an ongoing arbitration.

Vote: 24-13

Status: This bill is now headed to the Governor.

[SB 1091 \(Liu\)](#): This bill would establish a statutory framework for "alternate plan of care" provisions in long-term care insurance policies.

Vote: 39-0

Status: This bill is now headed to the Governor.

[SB 1135 \(Monning\)](#): This bill would require a health care service plan contract or a health insurance policy that is issued, renewed, or amended on or after January 1, 2017, to provide information to enrollees and insureds regarding the standards for timely access to health care services and other specified health care access information, including information

related to receipt of interpreter services in a timely manner, no less than annually, and would make these provisions applicable to Medi-Cal managed care plans.

Vote: 28-11

Status: This bill is now headed to the Governor.

[SB 1160 \(Mendoza\)](#): This bill reforms utilization review (UR) and contains a provision governing liens. A broad array of workers' compensation stakeholders have been meeting with the Department of Workers' Compensation (DWC).

This bill changes include adding a provision in the Labor Code that prohibits, subject to exceptions, prospective UR in the first 30 days of a claim if the treatment is being provided by an employer-directed provider, or a pre-designated physician. The exceptions include surgery, medications not covered by the soon to be implemented workers' compensation formulary, psychological treatment, imaging (other than x-ray), durable medical equipment exceeding \$250, and home health care services.

Any treatment provided within those first 30 days must be reported by the provider to the employer or claims administrator, and a failure to do so constitutes grounds to revoke the "no UR" rule from that provider. Retrospective UR is allowed for the purposes of ensuring that the provider is complying with evidence-based medicine standards, and if a pattern or practice of failing to do so is discovered there would be grounds to remove the provider from the medical provider network (MPN).

SB 1160 also requires UR organizations to obtain accreditation, requires prospective UR decisions relating to formulary drugs after the first 30 days of a claim be conducted within 5 days after the claims administrator receives the request, and requires the Administrative Director of the Department of Workers' Compensation to develop a mandatory electronic system for sharing documents necessary to conduct UR.

SB 1160 also requires a lien filer to specify in a lien the basis upon which the lien is authorized, adds specific data requirements that must be included in any lien filed, and provides that in the event a lien filer is charged with workers' compensation fraud, all liens are stayed pending resolution of the charges. This bill also clarifies the existing rule that liens are not assignable by a provider. Since 2012, when the last reforms were passed, there has been a growing problem of providers looking to financiers who will pay them now in

exchange for assigning the lien rights to the financiers. This bill establishes a clear barrier to this practice through clarification of current law.

Vote: 35-13

Status: This bill is now headed to the Governor

[SB 1241 \(Wieckowski\)](#): This bill would allow a consumer or an employee to void a choice-of-venue or choice-of-law provision in a purchase or employment contract, entered into after January 1, 2017, that would either require the consumer or employee to adjudicate a legal claim outside of California or require the consumer or employee to waive their protections under California law.

Vote: 24-13


Status: This bill is now headed to the Governor.

[SB 1302 \(McGuire\)](#): This bill would require the California FAIR (fair access to insurance requirements) Plan Association to establish and maintain an Internet Web site at which a person may receive information and assistance in applying for insurance through the plan and would require the association to include the toll-free telephone number and the Internet Web site address on all communications with an applicant or an insured. This bill also requires insurers, agents and brokers to provide website information for the FAIR Plan to consumers looking for insurance coverage.

Vote: 39-0

Status: This bill is now headed to the Governor.

[SB 1451 \(Mendoza\)](#): Current law requires the board of directors of the State Compensation Insurance Fund to appoint a president, a chief financial officer, a chief operating officer, a chief information technology officer, a chief investment officer, a chief risk officer, a chief medical officer, chief actuarial officer, a chief claims operations officer, a chief of internal affairs, and a general counsel. This bill would authorize the board to appoint additional executive and management positions deemed appropriate by the board. The bill would limit the number of additional appointed positions to 8 senior management employees in the areas of underwriting, technology, claims, finance, and actuary, and no more than 2 of those positions may be filled with licensed attorneys.



Vote: 38-1

Status: This bill is now headed to the Governor.