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California Links

State Senate

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Insurance

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Governor Signs Longterm Care Insurance & Life Policy Related Bill Sponsored By Insurance Commissioner

This week, Governor Jerry Brown signed [AB 2180](#) (Kalra, Dem-San Jose), sponsored by the California Department of Insurance. The bill makes changes in law to clarify longterm care insurance and accelerated death benefits statutes. Specifically, it expands the required information to be included in disability insurance policies that include an accelerated death benefit to explain the ability of an insured to request a health assessment and to receive a lump sum payment of the accelerated death benefit.

There is no registered opposition to the legislation. It is supported by the Association of California Life & Health Insurance Companies.

California is home to the largest number of seniors age 65 and older in the nation and will grow from about one in 5 persons by 2030 to nearly one in 4 in 2040 and beyond. The expanding aging population will increase the need for longterm care services and may lead to more interest in longterm care insurance as a means to finance those services. Many Californians purchase a life insurance policy that allows them to receive an accelerated death benefit in the event of a qualifying catastrophic or chronic illness. AB 2180 clarifies standards and processes for the certification of an insured's chronic illness, provides standardized terms and procedures for alternate plans of care, and defines certain benefit payment, claim, and application requirements. The bill is effective January 1, 2019.

Governor Signs A Bill On Use Of Job Applicant's Prior Salary

On Wednesday, the Governor signed [AB 2282](#) (Eggman, Dem-Stockton), which makes clarifying changes to existing law regarding the use of a job applicant's prior salary to justify any gender disparity in compensation. Existing law prohibits an employer from paying an employee at wage rates less than the rates paid to employees of the opposite sex or of a different race or ethnicity for substantially similar work, when viewed as a composite of skill, effort, and responsibility, and performed under similar working conditions.

Official Legislative Information

This bill clarifies that an employer may make a compensation decision based on a current employee's existing salary, so long as the wage differential resulting from that compensation decision is justified by factors in current law such as a seniority system, merit system, or system which measures earnings by quantity or quality of production, but not gender. This bill also specifies that the prohibition on asking a job applicant about prior salary does not forbid an employer from asking the applicant about his or her salary expectations for the position being applied for.

There is no registered opposition to the bill. It is sponsored by the California Employment Lawyers Association and supported by the American Civil Liberties Union of California.

California Chamber Of Commerce Announces Positions On November 6 Ballot Initiatives

So far, the California Chamber of Commerce has taken positions on 6 of the 12 propositions that will appear on the November 6 General Election ballot. Other measures will be considered when the CalChamber Board meets in September.

Proposition 3: Water Bond – Support

This \$8.877 billion general obligation bond sponsored by the Natural Heritage Institute finances infrastructure projects and improvements to water safety and quality, watershed and fisheries, habitat protection programs, water conveyance, groundwater sustainability and storage, and surface water storage and dam repairs.

Proposition 5: Property Tax Savings – Support

Sponsored by the California Association of Realtors, Proposition 5 allows homebuyers who are age 55 or older or severely disabled to transfer their tax assessments from their prior home to their new home, no matter the new home's market value; the new home's location in the state; or, the buyer's number of moves.

Proposition 6: Gas Tax Repeal – Oppose

This measure will repeal the Chamber-supported transportation taxes adopted by the Legislature in 2017 (SB 1), including higher gasoline and diesel excise taxes, a new tax on vehicles and a new tax on zero-emission vehicles. Passage of Proposition 6 will reduce spending on state and local transportation projects by \$5 billion a year. The Chamber states that it will eliminate funds already provided to cities and counties to fix potholes, make safety improvements, ease traffic congestion, upgrade bridges, and improve public transportation.

Proposition 8: Private Dialysis Clinic Price Controls – Oppose

The United Healthcare Workers is the sponsor of this attempt to set price controls for privately operated kidney dialysis treatment. The measure is intended to create leverage on

dialysis clinics to unionize their staff. Its passage will increase costs by shifting dialysis treatments from clinics to more expensive venues, such as emergency rooms or hospitals, the Chamber explains.

Proposition 9: Three States Initiative – Oppose

Proposition 9 divides California into 3 new states: Northern California (40 northern and rural counties anchored by the San Francisco Bay Area); California (6 central coast counties, including Los Angeles); and, Southern California (the 12 remaining southern and San Joaquin Valley counties). Congress would have to approve the formation of the 3 new states.

Proposition 10: Repealing Rent Control Limitations – Oppose

This measure proposes to repeal the Costa-Hawkins Rental Housing Act of 1995, which placed limits on locally enacted rent control laws. The measure is sponsored by the Los Angeles AIDS Healthcare Foundation.

To Be Considered by Chamber Board of Directors

- Proposition 1: \$4 billion veterans and affordable housing bond
- Proposition 2: Asks voters to ratify the use of revenues being generated by the 2004 tax increase on individuals with net income over \$1 million (1% on every dollar above \$1 million) for county mental health programs for permanent housing for the homeless in advance of a \$2 billion bond for that purpose
- Proposition 4: \$1.5 billion bond for construction, expansion, and renovation of children’s hospitals
- Proposition 7: Authorizes Legislature to approve year-round daylight saving time by a two-thirds vote if federal government allows
- Proposition 11: Requires on-call meal and rest breaks for private sector ambulance employees
- Proposition 12: Sets new minimum space requirements for veal calves, breeding pigs, and egg-laying hens, including cage-free environment for egg-laying hens starting January 1, 2022. Forbids knowing sale of veal, pork, or eggs derived from animals not confined in accordance with the requirements

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