MEMORANDUM

TO: State Bar Insurance Law Subcommittee
FROM: Bill Gausewitz
RE: Regulatory Report
DATE: April 23, 2014

The information below is current as of the date of the report. Additional information about any of these proposals may be obtained from the California Department of Insurance (CDI) web site at http://www.insurance.ca.gov/0250-insurers/0500-legal-info/0200-regulations/proposed-regulations.cfm.

Department of Insurance Regulations Currently Under Review by OAL – There are three Department of Insurance rulemaking files currently under review by the California Office of Administrative Law (OAL). All three are noncontroversial proposals relating to the California Automobile Assigned Risk Program. Final action by OAL is due by May 7, 2014. These proposals are exempt from OAL substantive review pursuant to Government Code § 11340.9. OAL’s only role is to accept the regulations and submit them to the Secretary of State for printing in the California Code of Regulations.

Recently Approved Department of Insurance Regulations – OAL has taken the following actions on CDI in the past 45 days.

- Mental Health Parity: OAL File #2014-0307-02C – Approved by OAL on April 10, 2014. These regulations establish standards for treatment of children with Autism. The regulations have actually been in effect, as emergency regulations, since March 11, 2013. This action by OAL makes these regulations permanent.

Currently Proposed CDI Regulations – The following proposals have been proposed for adoption and are in the public comment stage of the rulemaking process.

- Producer Pre-Licensing Education Standards, CDI # REG2014-00005. Modifies the training standards that must be met by an applicant prior to approval of application for a license as a broker/agent. A hearing on the proposal will occur at 10:00am on May 7 in the Sacramento CDI Office.

- Life Settlement Regulations, CDI # REG2014-00006. A significant revision of the regulations implementing the Insurance Code section 2548, et seq, which establish standards and procedures for life settlements. A life settlement is the process by which a life insurance policy is sold to a third party prior to the death of the insured person. A hearing on this proposal will occur at 10:00am at the CDI office in San Francisco.