The following is a report of recent significant regulatory actions by the California Department of Insurance. The information is current as of the date of the report.

**Homeowners Insurance** – On December 29, 2010, the Office of Administrative Law (OAL) approved regulations by the California Department of Insurance (DOI) entitled “Standards and Training for Estimating Replacement Value on Homeowners Insurance.” These regulations go into effect on June 27, 2011. On February 4 the Department issued a “Notice” to insurers, broker-agents, and “interested parties” advising them that after June 27 “prior to estimating the replacement value of structures or explaining the various levels of coverage under a homeowners’ insurance policy, California resident agents and brokers who have not previously completed the homeowners’ insurance valuation training, must do so.

**Title Insurance** – On October 4, 2010, OAL disapproved DOI regulations establishing a limit of $5,000 for a retained liability clause in any contract between a title insurance underwriter and an underwritten title company acting as an agent for that insurer. Commissioner Dave Jones has made no public statement regarding whether or not he will pursue this regulation, which originated during the tenure of Commissioner Poizner. As of February 7, 2011, the DOI has not resubmitted the regulations. DOI has until February 8, 2011, to resubmit a corrected version of the regulation to OAL for re-evaluation or to request an extension of the deadline.

**Minimum Loss Ratio Emergency Regulations** – On January 24, 2011, OAL approved emergency regulations submitted by the DOI to require health insurers to meet the Medical Loss Ratio standard imposed by the federal Patient Protection and Affordable Care Act. These regulations took effect immediately. The effect of these regulations is to allow state regulators to enforce the standard established by the federal health insurance reforms of last year. Emergency regulations are only in effect for 180 days. Commissioner Jones has said that he will propose adoption of these rules
permanently through regular rulemaking, but has not yet begun the process to do so.

**Principally At Fault Regulations** – On February 3, 2011, DOI submitted regulations to OAL modifying the manner in which insurers determine whether a driver was principally liable for an automobile accident. This determination has a significant impact upon auto insurance rates. The regulations alter the types of information that insurers are required to use in making such a determination. In order to allow the information databases upon which insurers rely to be updated, DOI requested that the regulations not take effect until 270 days after they are approved. OAL has until March, 18, 2011, to act on these regulations.