

AMENDED IN ASSEMBLY APRIL 13, 2015

CALIFORNIA LEGISLATURE—2015–16 REGULAR SESSION

ASSEMBLY BILL

No. 1232

Introduced by Assembly Member Cristina Garcia

February 27, 2015

An act to amend Section 1667 of the Insurance Code, relating to insurance.

LEGISLATIVE COUNSEL'S DIGEST

AB 1232, as amended, Cristina Garcia. Insurance Commissioner: administrative hearings.

Existing law grants the Insurance Commissioner certain powers and duties. Existing law prohibits the commissioner from denying an insurance agent or broker license to an applicant without an opportunity to be heard. The hearing is required to be conducted in accordance with specified provisions of the Administrative Procedure Act.

This bill would require, if the applicant or permanent licensee is a natural person and ~~the hearing is contested, that the hearing be conducted by an administrative law judge chosen in accordance with specified provisions of the act or appointed by the commissioner.~~ *requests a hearing, the commissioner to select either an administrative law judge appointed pursuant to the act, or an administrative law judge appointed by the commissioner to conduct the hearing.*

Existing law also requires the commissioner to make an annual report to the Governor, the Legislature, and the committees of the Senate and Assembly having jurisdiction over insurance showing, generally, the condition of the insurance business and interests in this state, and other matters concerning insurance, as specified.

This bill would require the commissioner, for 3 calendar years, to include in the report described above specified information regarding those cases in which a hearing was held, including the total number of cases in which a hearing was held and the average number of days that elapsed between the referral of a case to an administrative law judge and a proposed decision by that administrative law judge.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 1667 of the Insurance Code is amended
2 to read:

3 1667. (a) Except as provided in Section 1669, a license shall
4 not be denied without an opportunity for the applicant to be heard
5 in support of his or her application. When a hearing is held, the
6 proceedings shall be conducted in accordance with Chapter 5
7 (commencing with Section 11500) of Part 1 of Division 3 of Title
8 2 of the Government Code, ~~except a hearing with respect to a~~
9 ~~natural person subject to this chapter shall be conducted by an~~
10 ~~administrative law judge for purposes of Sections 11512 and 11517~~
11 ~~of the Government Code, chosen under Section 11502 of the~~
12 ~~Government Code or appointed by the commissioner. Code.~~
13 (b) *Notwithstanding subdivision (a) of Section 11502 of the*
14 *Government Code, when a hearing is requested pursuant to*
15 *subdivision (a) by a natural person who is subject to this chapter,*
16 *the commissioner may select either an administrative law judge*
17 *appointed pursuant to Section 11502 of the Government Code, or*
18 *an administrative law judge appointed by the commissioner to*
19 *conduct the hearing.*

20 (c) *The commissioner shall include, in the report required*
21 *pursuant to Section 12922, in each calendar year from 2017 to*
22 *2019, inclusive, the total number of cases in which a hearing was*
23 *held, the number of those cases heard by an administrative law*
24 *judge appointed by the commissioner, the average number of days*
25 *that elapsed between the referral of a case to an administrative*
26 *law judge and a proposed decision by that administrative law*
27 *judge, and the outcome of the cases.*

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