

AMENDED IN SENATE JUNE 29, 2015

AMENDED IN ASSEMBLY APRIL 30, 2015

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 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.~~ *authorize the person, at his or her option, to have the hearing held by either the Office of Administrative Hearings, or an administrative law judge appointed by the commissioner to conduct the hearing. If the natural person does not indicate a preference of forum when requesting that hearing, the bill would authorize the commissioner to refer the matter for hearing to either the Office of Administrative*

*Hearings, or to 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.

9 (b) Notwithstanding subdivision (a) of Section 11502 of the  
10 Government Code, when ~~a hearing is requested pursuant to~~  
11 ~~subdivision (a) by a natural person who is subject to this section,~~  
12 ~~the commissioner may select either an administrative law judge~~  
13 ~~appointed pursuant to Section 11502 of the Government Code, or~~  
14 ~~an administrative law judge appointed by the commissioner to~~  
15 ~~conduct the hearing.~~ *natural person requests a hearing pursuant*  
16 *to Section 11506 of the Government Code, he or she may, at his*  
17 *or her option, have the hearing held by either the Office of*  
18 *Administrative Hearings pursuant to Section 11502 of the*  
19 *Government Code, or an administrative law judge appointed by*  
20 *the commissioner to conduct the hearing. If the natural person*  
21 *does not indicate a preference of forum when requesting that*  
22 *hearing, the commissioner may refer the matter for hearing to*

1 *either the Office of Administrative Hearings pursuant to Section*  
2 *11502 of the Government Code, or to an administrative law judge*  
3 *appointed by the commissioner to conduct the hearing.*

4 (c) The commissioner shall include, in the report required  
5 pursuant to Section 12922, in each calendar year from 2017 to  
6 2019, inclusive, the total number of cases in which a hearing was  
7 held, the number of those cases heard by an administrative law  
8 judge appointed by the commissioner, the average number of days  
9 that elapsed between the referral of a case to an administrative law  
10 judge and a proposed decision by that administrative law judge,  
11 and the outcome of the cases.

O