

AMENDED IN ASSEMBLY MARCH 13, 1996

AMENDED IN ASSEMBLY JULY 19, 1995

AMENDED IN SENATE MAY 23, 1995

AMENDED IN SENATE APRIL 18, 1995

SENATE BILL

No. 49

Introduced by Senator Lockyer

December 20, 1994

An act to ~~add Section 3333.5 to the Civil Code, to add Sections 997.5 and 1141.115 to, to add Chapter 5.6 (commencing with Section 117.110) to Title 1 of Part 1 of, and to add Chapter 2.5 (commencing with Section 997) to Title 14 of Part 2 of, the Code of Civil Procedure, to amend Section 68616 of, and to add and repeal Section 68616.1 of, the Government Code, to amend Sections 11580.1 and 11580.2 of, to add Sections 1871.9, 11580.02, 11580.03, 11580.04, 11580.7, and 11580.71 to, and to add Article 6.59 (commencing with Section 790.60) to Chapter 1 of Part 2 of Division 1 to, the Insurance Code, to amend Section 550 of the Penal Code, and to amend Sections 12810, 16056, 16377, 16430, 16451, 17151, 17709, 20002, and 20003 of, and to add Sections 4750.3, 9250.5, and 16006 to, the Vehicle Code, relating to vehicles.~~

LEGISLATIVE COUNSEL'S DIGEST

SB 49, as amended, Lockyer. Vehicles.

Existing law prohibits certain false and fraudulent acts in connection with insurance claims.

This bill would set forth findings and declarations relative to the need for reforms to prevent insurance fraud, make vehicle insurance coverage more affordable, reduce vehicle accident claim litigation, and enhance vehicle safety.

~~(1) Under existing law, in an action to recover damages for an injury, evidence of benefits that the injured party is entitled to receive from collateral sources is generally inadmissible.~~

~~This bill would provide that in a 3rd party action for personal injury arising out of the operation or use of a motor vehicle, the recovery shall be reduced by amounts paid as a medical payment benefit under a policy of motor vehicle insurance. The bill would enact related provisions.~~

~~(2) Existing law establishes a small claims court, which has jurisdiction where the demand does not exceed \$5,000.~~

~~This bill would establish a small claims division for automobile claims involving less than \$10,000. It would apply to claims in excess of \$5,000. The bill would permit representation by attorneys in those cases, subject to various limits.~~

~~(3) Existing law establishes various discovery procedures prior to trial of an action.~~

~~This bill would require the mutual exchange of information in connection with 3rd party claims that seek or contest a claim for money damages arising from a motor vehicle accident.~~

~~The bill would also permit the use of a medical injury profile as evidence in a 3rd party action involving a nonserious bodily injury.~~

~~(4) Existing law provides for judicial arbitration of claims where the amount in controversy does not exceed \$50,000.~~

~~This bill would require judicial arbitration of motor vehicle accident claims involving 3rd party liability for bodily injury if the amount in controversy does not exceed \$50,000. The bill would provide for sanctions in certain instances.~~

~~(5) Existing law requires the adoption of trial court delay reduction rules. Under existing law, parties may agree to a single continuance within 30 days of service of pleadings.~~

~~This bill would permit agreement for a continuance at any time following service of responsive pleadings and prior to the~~



~~status conference. This change would be repealed on July 1, 1998. The bill would also permit a second continuance in certain cases involving motor vehicle accidents until January 1, 2000.~~

~~(6) Existing law does not generally limit fees that health care providers may charge.~~

~~This bill would provide that the charges for health care services that are incurred as a result of an injury arising from a motor vehicle accident may not exceed specified amounts.~~

~~(7) Existing law prohibits certain false and fraudulent acts in connection with insurance claims.~~

~~This bill would provide for a 5-year sentence enhancement and prohibit probation if the false claim, along with previous false claims, involves \$100,000 or more, as specified. It also would make related changes.~~

~~(8) Existing law requires owners and operators of motor vehicles to maintain liability insurance. Existing law requires that insurance be in the amount of \$15,000 for bodily injury to one person, subject to a limit for bodily injury of \$30,000, and in the amount of \$5,000 for property damage.~~

~~This bill would reduce those amounts to \$10,000, \$20,000, and \$3,000, respectively. It would permit insureds to waive the property damage coverage if they are good drivers and purchase minimum coverage, but would require medical payment coverage. This bill would also provide that policies include binding arbitration of 3rd-party disputes concerning property damage or nonserious bodily injury unless waived.~~

~~(9) Existing law provides for payment under uninsured motorist coverage where the owner or operator is unknown only if the injury arose out of physical contact between the uninsured vehicle and the insured or with an automobile which the insured is occupying.~~

~~This bill would provide for payment in that circumstance only if the bodily injury has arisen out of action of the motorist that caused physical contact between property of that motorist and the insured or with an automobile which the insured is occupying.~~

~~(10) Existing law does not authorize motor vehicle liability and casualty insurers to require insureds and other claimants~~



~~for motor vehicle repair costs to have those repairs performed at a repair facility under contract to the insurer.~~

~~This bill would authorize policies issued by these insurers to require insureds and other claimants for repair of motor vehicle damage in this state to have those repairs done at repair facilities designated by, and under contract with, the insurer, as specified. The bill would limit monetary liability of insurers to the cost of repairs at a repair facility under contract with the insurer.~~

~~(11) This bill would require the Department of Motor Vehicles to require, upon registration of a motor vehicle, evidence satisfactory to the department that the owner of the motor vehicle is in compliance with the financial responsibility laws.~~

~~(12) Existing law imposes registration and license fees for the privilege of operating upon the public highways in this state any vehicle of a type that is subject to registration under the Vehicle Code, except as specified. These fees are collected by the Department of Motor Vehicles and deposited to the credit of the Motor Vehicle Account in the State Transportation Fund.~~

~~This bill would impose an additional \$1 registration fee upon every vehicle subject to registration, except as specified. The bill would require all of the additional fees collected to be used, upon appropriation by the Legislature, to reimburse the department for its costs incurred in implementing the provision specified above relating to verifying that the owner of a motor vehicle is in compliance with the financial responsibility laws.~~

~~(13) Under existing law, the Department of Motor Vehicles may refuse to issue or renew a driver's license to any person who is a negligent operator. The determination of whether a person is a negligent operator is based on the number of traffic violation points the person acquires within a specified period. Under existing law, certain traffic violations are given a value of 2 points and others one point.~~

~~The bill would provide that a violation of the provision requiring the wearing of a seatbelt does not result in a violation point count.~~



~~(14) Existing law requires various reports to be made by persons involved in motor vehicle accidents.~~

~~This bill would require certain reports to the person's insurer and to the insurer for a person against whom a claim will be made.~~

~~(15) Existing law requires persons involved in accidents to present their driver's license and other information on request, in certain instances.~~

~~This bill would require that presentation without request, and would require presentation of proof of financial responsibility. Since a violation would be a crime, the bill would create a state-mandated local program. The bill would require a willful violation in order for the violation to be a crime.~~

~~The bill would require the Department of Motor Vehicles to include information concerning these requirements in its "Drivers Information Handbook," and to test for knowledge of these requirements.~~

~~(16) The bill would set forth findings and declarations.~~

~~(17) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement, including the creation of a State Mandates Claims Fund to pay the costs of mandates that do not exceed \$1,000,000 statewide and other procedures for claims whose statewide costs exceed \$1,000,000.~~

~~This bill would provide for costs relating to crimes that no reimbursement is required by this act for a specified reason. For other costs, it would provide that, if the Commission on State Mandates determines that this bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to those statutory procedures.~~

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

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

1 SECTION 1. ~~Section 3333.5 is added to the Civil Code,~~
2



1 SECTION 1. The Legislature finds and declares that
2 reforms need to be enacted to prevent insurance fraud,
3 enhance vehicle safety, make it more affordable for all
4 Californians to purchase required vehicle insurance
5 coverage, and reduce the number of litigated vehicle
6 accident claims.

7
8
9
10
11
12
13

**All matter omitted in this version of the
bill appears in the bill as amended in the
Assembly, July 19, 1995 (JR 11)**

