



Home	Bill Information	California Law	Publications	Other Resources	My Subscriptions	My Favorites
------	------------------	----------------	--------------	-----------------	------------------	--------------

Code: Section:

[Up^](#) [Add To My Favorites](#)

INSURANCE CODE - INS

DIVISION 1. GENERAL RULES GOVERNING INSURANCE [100 - 1879.8] (Division 1 enacted by Stats. 1935, Ch. 145.)

PART 2. THE BUSINESS OF INSURANCE [680 - 1879.8] (Part 2 enacted by Stats. 1935, Ch. 145.)

CHAPTER 1. General Regulations [680 - 1113] (Chapter 1 enacted by Stats. 1935, Ch. 145.)

ARTICLE 11. Deposit of Securities [939 - 956] (Article 11 enacted by Stats. 1935, Ch. 145.)

939. Except as otherwise expressly provided, all deposits of securities with the commissioner shall be subject to the provisions of this article.

(Added by Stats. 1937, Ch. 732.)

940. The commissioner shall accept and hold securities in trust for the policyholders or policyholders and creditors of an insurer and for their benefit, whenever (a) the law of another state or of a foreign country requires such a deposit with an officer of this state as a prerequisite to transacting insurance business in that state or country, or (b) the law of this state requires such a deposit with an officer of this state.

(Amended by Stats. 1965, Ch. 165.)

940.1. The commissioner shall require the payment of fifty-eight dollars (\$58) in lawful money of the United States in advance for receiving and processing securities or deposit schedules for securities deposited pursuant to this article. An additional fee of twenty-nine dollars (\$29) shall be payable for each withdrawal, substitution, or any other change in the securities comprising such deposit. There shall be no other or additional fee for attaching the commissioner's seal to a securities deposit schedule for a deposit under this article.

(Amended by Stats. 1985, Ch. 770, Sec. 5.)

941. Such deposited securities shall not be estimated above their par value nor above their market value, except that preferred stock shall be estimated only at its market value.

(Amended by Stats. 1974, Ch. 588.)

942. The commissioner shall permit a deposit of those securities in the State Treasury, subject to the provisions of Section 11691, if applicable. The securities deposited with the Treasurer shall be maintained in electronic book entry or certificate form as security for policyholders or policyholders and creditors of the insurer to whom they respectively belong. The state is responsible for the custody and safe return of any money or securities so deposited. The Treasurer shall deposit these moneys under the provisions of Sections 16370 and 16375 of the Government Code.

(Amended by Stats. 2009, Ch. 234, Sec. 6. (AB 299) Effective January 1, 2010.)

943. So long as the insurer continues solvent the commissioner shall permit it to collect the interest or dividends on the securities so deposited, and from time to time to withdraw any such securities on depositing other securities in the stead of those to be withdrawn. Such new securities shall be of the same value as those withdrawn and of the character mentioned in this article.

(Enacted by Stats. 1935, Ch. 145.)

944. Securities deposited under the provisions of this article shall not be withdrawn from the State treasury except upon the written order of the insurer making the deposits, with the endorsement of the commissioner thereon, or upon the order of some court of competent jurisdiction.

(Enacted by Stats. 1935, Ch. 145.)

945. If the deposit is of mortgages, it shall be accompanied either by full abstracts of title with the fees for examination of title, or by policies of title insurance or certificates of title issued by an admitted title insurer. The fees for appraisal of the property shall be paid by the insurer making the deposit. In any case where he ascertains that the expense thereof would not be unreasonable or such as to make the deposit impracticable, the commissioner may require a policy of title insurance or a guaranty that the abstract is correct and that it shows title to be in the proper parties, issued by a corporation authorized to issue such policies or guaranties in the State in which the security or some part thereof is located.

(Amended by Stats. 1937, Ch. 732.)

946. If the deposit is of stocks or bonds, it shall be accompanied by the fees necessary for the appraisal thereof, except as otherwise provided by Article 3, Chapter 1, Part 2, Division 1, of this code.

(Amended by Stats. 1963, Ch. 1917.)

948. Whenever an insurer has deposited with the commissioner the requisite security, in conformity with the requirements of this article, the commissioner shall issue to such insurer, under his official seal, a certificate of such deposit for each State or country requiring such certificate. Such certificate shall state the items and amount of securities so deposited, and their value.

(Enacted by Stats. 1935, Ch. 145.)

949. The commissioner shall require the payment of seventy-two dollars (\$72), in advance, as a fee for each certificate issued pursuant to this article.

(Amended by Stats. 2017, Ch. 534, Sec. 17. (AB 1699) Effective January 1, 2018.)

950. Whenever such a depositing insurer has paid, canceled, or reinsured all its unexpired policies outstanding in this State, and all its liabilities under such policies are extinguished, or assumed by other responsible insurers, it may apply to the commissioner for return of its deposit. Such application shall be in writing and verified. If on such application, and from an examination of the books of the insurer and of its officers under oath, the commissioner is satisfied that all of its policies are so paid, canceled, extinguished, or reinsured, he shall deliver up to the insurer the securities deposited.

(Enacted by Stats. 1935, Ch. 145.)

951. Pending such examination the securities requested to be withdrawn may continue subject to withdrawal and substitution as provided by section 943.

(Enacted by Stats. 1935, Ch. 145.)

952. Whenever the laws of any other state or country, by reason of which Section 940 is brought into force, are repealed and abrogated, then any deposit with the commissioner under and by reason of that section shall be delivered up to the depositing insurer.

(Amended by Stats. 1949, Ch. 1358.)

953. Whenever a domestic insurer deposits securities with an officer of this State, in order to enable it to do business in another State pursuant to the laws of such other State, if such insurer thereafter ceases to do business in such other State and files conclusive evidence that all policies written in such other State have expired or been paid, canceled or reinsured, the securities shall on demand be returned to the depositing insurer.

(Enacted by Stats. 1935, Ch. 145.)

954. The commissioner shall make an annual examination of the securities received by him from each insurer. If it appears at any time that the securities deposited by any such insurer amount to less than the sum required for the purposes for which the deposit was made, he shall notify the insurer thereof. Unless the deficiency is made up within thirty days after the notice, the commissioner shall revoke the insurer's certificate of authority, countermand all the certificates issued to the insurer under this article, and give notice thereof to the officers of the several States to whom the certificate has been transmitted.

(Enacted by Stats. 1935, Ch. 145.)

955. All appraisal fees collected by the commissioner under the provisions of this article shall be paid into the State treasury in trust and withdrawn as provided by law for withdrawal of trust funds from the State treasury.

(Enacted by Stats. 1935, Ch. 145.)

956. An account or accounts in one or more banks or savings and loan associations the accounts of which are insured by an agency or instrumentality of the federal government shall be accepted as securities comprising any part of any deposit made with the commissioner.

(Amended by Stats. 1971, Ch. 681.)