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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 14.5. Stop Order Power of the Commissioner [1065.1 - 1065.7] (Article 14.5 enacted by Stats. 1965, Ch. 1579.)

1065.1. Whenever the commissioner has reasonable cause to believe, and determines, after a public hearing, that any person specified in Section 1010 is conducting its business and affairs in such a manner as to threaten to render it insolvent, or that it is in a hazardous condition, or is conducting its business and affairs in a manner which is hazardous to its policyholders, creditors or the public, or that it has committed or engaged in, or is committing or engaging in, any act, practice, or transaction which under any provision of this code would constitute ground rendering the person subject to conservation or liquidation proceedings, he may make and serve upon the person such order or orders as shall be reasonably necessary to correct, eliminate or remedy such conduct, condition or ground.

The commissioner shall serve notice of any hearing required by this article upon the person, stating the time and place therefor, and the conduct, condition or ground upon which the commissioner would make his order. The hearing shall occur not less than 20 nor more than 30 days after notice is served upon the person.

(Added by Stats. 1965, Ch. 1579.)

1065.2. (a) Whenever it appears to the commissioner that any conduct, condition or ground set forth in Section 1065.1 exists, and that irreparable loss and injury to the property and business of a person specified in Section 1010 has occurred or may occur unless the commissioner acts immediately, the commissioner may, without notice, and before hearing, issue and cause to be served upon such person an order requiring such person to forthwith cease and desist from engaging further in the acts, practices or transactions which are causing such conduct, condition or ground to exist.

(b) At the same time an order is served pursuant to subdivision (a) of this section, the commissioner shall issue and also serve upon the person a notice of hearing to be held at a time and place fixed therein which shall not be less than 20 or more than 30 days after the service thereof. The notice shall contain a statement of the conduct, condition or ground which the commissioner deems violative of the provisions of Section 1065.1.

(c) At any time prior to the commencement of a hearing as provided in Section 1065.1 or subdivision (b) of this section, the person may waive the hearing and have judicial review of the order by means of any remedy afforded by law without first exhausting administrative remedies or procedures.

(Added by Stats. 1965, Ch. 1579.)

1065.3. If, after hearing as provided by Section 1065.1 or subdivision (b) of Section 1065.2, any of the statements as to conduct, conditions, or grounds in the notice are found to be true, the commissioner shall make an order or orders as may be reasonably necessary to correct, eliminate, or remedy the conduct, conditions, or grounds. As part of the order or orders, the commissioner may also order the person to whom the order is directed to fully reimburse the commissioner for the commissioner's costs in investigating, examining, and prosecuting the matter. An order of reimbursement shall be enforced as provided in Section 1065.5.

(Amended by Stats. 1999, Ch. 782, Sec. 1. Effective January 1, 2000.)

1065.4. Any person subject to an order or proceeding pursuant to this article shall be entitled to judicial review of the order or proceeding by means of any remedy afforded by law. Proceedings for judicial review shall be commenced within 60 days from the making and service of any order issued pursuant to Sections 1065.1 or 1065.3.

(Added by Stats. 1965, Ch. 1579.)

1065.5. If any person violates or fails to comply with any order of the commissioner or any part thereof which as to such person has become final and is still in effect, the commissioner may, after a hearing, notice of which shall be given in accordance with the provisions of Section 1065.1, at which it is determined that a violation of such order has been committed, further order that:

(a) Such person shall forfeit and pay to the State of California a sum not to exceed one hundred dollars (\$100) per day for each and every day that such violation or failure to comply shall continue, but in no event to exceed a maximum amount of five thousand dollars (\$5,000). Such liability shall be enforced in an action brought in any court of competent jurisdiction by the commissioner in the name of the people of the State of California; and that

(b) Proceedings be commenced to revoke or suspend any license or certificate of authority held by such person under this code, in accordance with the procedures provided therefor.

(Added by Stats. 1965, Ch. 1579.)

1065.6. The powers vested in the commissioner by this article shall be additional to any and all other powers and remedies vested in the commissioner by law, and nothing herein shall be construed as requiring that the commissioner shall employ the powers conferred herein instead of or as a condition precedent to the exercise of any other power or remedy vested in the commissioner.

(Added by Stats. 1965, Ch. 1579.)

1065.7. Any order or notice of the commissioner hereunder may be served on any person, in the same manner and with the same effect as provided for in civil actions in a superior court of this state.

(Added by Stats. 1965, Ch. 1579.)