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INSURANCE CODE - INS

DIVISION 2. CLASSES OF INSURANCE [1880 - 12880.8] (*Division 2 enacted by Stats. 1935, Ch. 145.*)

PART 2. LIFE AND DISABILITY INSURANCE [10110 - 11549] (*Part 2 enacted by Stats. 1935, Ch. 145.*)

CHAPTER 1.5. Health Coverage Contract Notification [10199 - 10199.9] (*Chapter 1.5 added by Stats. 1990, Ch. 949, Sec. 2.*)

ARTICLE 3. Administration and Enforcement [10199.5 - 10199.9] (*Article 3 added by Stats. 1990, Ch. 949, Sec. 2.*)

10199.5. The commissioner may, as conditions warrant, pursuant to Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code, adopt reasonable regulations, and amendments and additions thereto, as are necessary to administer this chapter.

(*Added by Stats. 1990, Ch. 949, Sec. 2.*)

10199.6. (a) The commissioner shall have the administrative authority to assess penalties against insurers, nonprofit hospital service plans, administrators, and insurance producers, and other entities engaged in the business of insurance or other persons or entities for violations of this chapter.

(b) Upon a showing of a violation of this chapter in any civil action, a court may also assess the penalties described in this chapter.

(c) The commissioner may suspend or revoke the license or licenses issued to any production agent or administrator found, after notice and hearing, to have violated this chapter or a regulation adopted pursuant to the authority of this chapter. Notice of hearing shall be accomplished and a hearing conducted in accordance with Chapter 5 (commencing with Section 11500) of Part 1 of Division 3 of Title 2 of the Government Code, and the commissioner shall have all of the powers granted therein.

(*Added by Stats. 1990, Ch. 949, Sec. 2.*)

10199.7. (a) Any production agent, administrator, or other person or entity engaged in the business of insurance, other than an insurer, who violates this chapter is liable for administrative penalties of not less than two hundred fifty dollars (\$250) for the first violation.

(b) Any production agent, administrator, or other person or other entity engaged in the business of insurance, other than an insurer, who engages in practices prohibited by this chapter a second or subsequent time, or who commits a knowing violation of this chapter, is liable for administrative penalties of not less than one thousand dollars (\$1,000) and not more than two thousand five hundred dollars (\$2,500) for each violation.

(c) Any insurer who violates this chapter is liable for administrative penalties of not less than two thousand five hundred dollars (\$2,500) for the first violation.

(d) Any insurer who violates this chapter with a frequency that indicates a general business practice, or commits a knowing violation of this chapter, is liable for administrative penalties of not less than ten thousand dollars (\$10,000) and not more than one hundred thousand dollars (\$100,000) for each violation.

(*Added by Stats. 1990, Ch. 949, Sec. 2.*)

10199.8. In addition to any other penalty provided by law or the availability of any administrative procedure, if an insurer, after notice and hearing, is found to have violated this chapter, or regulations adopted pursuant to this chapter, or knowingly permits any person to do so, the commissioner, in accordance with the procedures provided in Section 704, may suspend the insurer's certificate of authority to transact disability insurance. Section 740.7 shall apply in any proceeding conducted pursuant to this section.

(*Added by Stats. 1990, Ch. 949, Sec. 2.*)

10199.9. This chapter applies to all master group policies and master group nonprofit hospital service plan contracts providing hospital, medical, or surgical benefits, regardless of policy or contract situs, coverage under which is solicited in any manner in this state.

(Added by Stats. 1990, Ch. 949, Sec. 2.)