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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 10A. Firemen's, Policemen's, or Peace Officers' Benefit and Relief Associations [11400 - 11407]** ( *Chapter 10A added by Stats. 1935, Ch. 161. )*

**11400.** Firemen's, policemen's or peace officers' benefit and relief associations now existing, or that may be formed hereafter for the purpose of aiding their members or dependents of their members in case of sickness, accident, distress, or death, shall be subject to this chapter, to the extent not preempted by the federal Employee Retirement Income Security Act of 1974 (ERISA). An association that operates strictly in accordance with this chapter shall not be subject to any other provision of this code or to any law of this state relating to insurance, whether now existing or hereafter enacted, except when expressly designated in that law.

(*Amended by Stats. 2020, Ch. 365, Sec. 1. (SB 1192) Effective January 1, 2021.*)

**11401.** (a) An association shall not operate or do business in this state without a certificate of authority. The commissioner shall issue a certificate of authority to any association unless the commissioner determines, after examination, that it does not comply with the provisions of this chapter. The filing fee for the application for the certificate of authority shall be one thousand four hundred ten dollars (\$1,410).

(b) An association shall renew its certificate of authority within 30 days after a change in name or address or before a merger.

(c) (1) The commissioner may revoke the certificate of authority for an association that failed to renew its certificate of authority in compliance with subdivision (b), after giving reasonable written notice mailed to the last address of the association registered with the department.

(2) The commissioner may revoke the certificate of authority for an association that has a dissolved, suspended, or otherwise inactive status according to the records of the Secretary of State, after giving reasonable written notice mailed to the last address of the association registered with the department.

(3) To obtain a reissue of a certificate of authority revoked pursuant to this subdivision, an association shall apply to the commissioner pursuant to subdivision (a).

(*Amended by Stats. 2024, Ch. 444, Sec. 6. (SB 577) Effective January 1, 2025.*)

**11401.5.** (a) (1) Each association that holds a certificate of authority pursuant to this chapter and that issues long-term disability or long-term care policies or contracts shall submit to the commissioner the opinion of a qualified actuary as to whether the reserves and related actuarial items that support the policies or contracts issued pursuant to this chapter, including policies and contracts issued by entities established by these associations that provide benefits described in this chapter, are expected to be adequate to satisfy contractual provisions, are based on reasonable assumptions, and are based on actuarial standards of practice published by the American Academy of Actuaries and the Actuarial Standards Board. An association that holds a certificate of authority pursuant to this chapter shall file its opinion no later than July 1, 2021, and that opinion shall have been completed no earlier than December 31, 2019. Thereafter, an association shall submit a new actuary opinion to the commissioner within no more than four years from the date of its last opinion on file with the commissioner.

(2) An association is considered to have issued a long-term care or disability policy or contract if it self-funds all or part of the resulting obligation. An association that markets long-term policies or contracts issued by an insurer that is admitted by the department to offer insurance products in the state is exempt from this reporting requirement.

(3) An association seeking a certificate of authority pursuant to this chapter shall file an opinion, to the extent feasible, that establishes that it would have adequate resources to provide benefits described in this chapter as required to satisfy its proposed

contractual obligations.

(b) The opinion required by subdivision (a) shall include supporting memoranda from the same qualified actuary as to whether the reserves and related actuarial items held in support of the policies and contracts, when considered in light of the assets held by the association with respect to the reserves and related actuarial items, including, but not limited to, the investment earnings on the assets and the considerations anticipated to be received and retained under the policies and contracts, shall make adequate provision for the association's obligations under the policies and contracts, including, but not limited to, the benefits and any administrative and operating expenses associated with the policies and contracts.

(c) The opinion required by subdivision (a) shall be governed by the following provisions:

(1) It shall include supporting memoranda consistent with actuarial standards of practice published by the American Academy of Actuaries and the Actuarial Standards Board.

(2) If the association fails to provide an opinion and supporting memoranda to the commissioner that meets the requirements of this section, the commissioner shall notify the association of the deficiencies in the filing, and shall make a specific request that identifies the issues that should be addressed in an amended filing. The requests shall be consistent with actuarial standards of practice published by the American Academy of Actuaries and the Actuarial Standards Board.

(d) Documents, materials, or other information, including the opinion with supporting memoranda, submitted pursuant to this section that are in the possession or control of the Department of Insurance and that are obtained by, created by, or disclosed to the commissioner or any other person pursuant to this section, are recognized by this state as being proprietary and to contain trade secrets. Those documents, materials, or other information shall be confidential by law and privileged, shall not be subject to disclosure by the commissioner pursuant to the California Public Records Act (Division 10 (commencing with Section 7920.000) of Title 1 of the Government Code), and shall not be subject to subpoena or discovery from the commissioner or admissible into evidence, in a private civil action if obtained from the commissioner. The commissioner shall not otherwise make those documents, materials, or other information public without the prior written consent of the association.

*(Amended by Stats. 2021, Ch. 615, Sec. 313. (AB 474) Effective January 1, 2022. Operative January 1, 2023, pursuant to Sec. 463 of Stats. 2021, Ch. 615.)*

**11401.6.** An association that self-funds all or part of the benefits provided under this chapter shall include the following language, or other language approved by the commissioner, in all contracts that are not regulated by the department, and in certificates evidencing coverage under those contracts, in capital letters and in a minimum of 12-point type:

"ALL OR A PORTION OF THE BENEFITS PROVIDED BY THIS CONTRACT ARE NOT SUBJECT TO REGULATION BY THE CALIFORNIA DEPARTMENT OF INSURANCE, AND THE CONTRACT IS NOT GUARANTEED BY THE CALIFORNIA LIFE AND HEALTH INSURANCE GUARANTEE ASSOCIATION."

*(Added by Stats. 2020, Ch. 365, Sec. 3. (SB 1192) Effective January 1, 2021.)*

**11401.7.** Each association that holds a certificate of authority pursuant to this chapter and that issues long-term disability or long-term care policies or contracts shall, upon written request from a member, make available to that member the contract for benefits, certificate evidencing coverage thereunder, or other plan document that describes the benefits being provided to that member, within 30 days of the request.

*(Added by Stats. 2020, Ch. 365, Sec. 4. (SB 1192) Effective January 1, 2021.)*

**11402.** Such association may be incorporated or unincorporated, but if incorporated it shall neither issue nor be authorized to issue shares of stock.

*(Added by Stats. 1935, Ch. 161.)*

**11403.** The membership of such association shall consist solely of the following or any combination thereof:

(a) Members of police departments of municipal or public corporations or districts.

(b) Members of fire departments of municipal or public corporations or districts.

(c) Peace or law enforcement officers who are regular and salaried officers or employees of the state or of a single county or other political subdivision or public or municipal corporation.

(d) Persons who are emergency medical services personnel and employed by a fire department of a city, county, or district.

(e) Persons who at the time of becoming members of such association were qualified pursuant to subdivisions (a), (b), (c), or (d) of this section.

*(Amended by Stats. 1986, Ch. 467, Sec. 1.)*

**11404.** Such association shall not pay, promise or agree to pay, either directly or indirectly, any consideration of any nature for the solicitation or procuring of members or applications for membership.

*(Added by Stats. 1935, Ch. 161.)*

**11405.** The trustees, directors or governing body of such association, by whatever name their office is known or designated, shall be elected by the membership of the association.

*(Added by Stats. 1935, Ch. 161.)*

**11406.** Moneys or property directly or indirectly contributed to such association by its members shall not be paid out as benefits to any persons other than its members, their dependents, or beneficiaries nominated in writing by them.

*(Added by Stats. 1935, Ch. 161.)*

**11407.** Such association shall be supported mainly by contributions from its members, whether in the form of fees, dues, assessments, or otherwise, and by donations made to it from time to time.

*(Added by Stats. 1935, Ch. 161.)*