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INSURANCE CODE - INS

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

PART 3. LIABILITY, WORKERS' COMPENSATION, AND COMMON CARRIER LIABILITY INSURANCE [11550 - 11895] (*Heading of Part 3 amended by Stats. 1979, Ch. 373.)*

CHAPTER 1. General Regulations [11550 - 11629.88] (*Chapter 1 enacted by Stats. 1935, Ch. 145.)*

ARTICLE 2. Actions on Policies Containing Liability Provisions [11580 - 11589.5] (*Article 2 enacted by Stats. 1935, Ch. 145.)*

11580. A policy insuring against losses set forth in subdivision (a) shall not be issued or delivered to any person in this state unless it contains the provisions set forth in subdivision (b). Such policy, whether or not actually containing such provisions, shall be construed as if such provisions were embodied therein.

(a) Unless it contains such provisions, the following policies of insurance shall not be thus issued or delivered:

(1) Against loss or damage resulting from liability for injury suffered by another person other than (i) a policy of workers' compensation insurance, or (ii) a policy issued by a nonadmitted Mexican insurer solely for use in the Republic of Mexico.

(2) Against loss of or damage to property caused by draught animals or any vehicle, and for which the insured is liable, other than a policy which provides insurance in the Republic of Mexico, issued or delivered in this state by a nonadmitted Mexican insurer.

(b) Such policy shall not be thus issued or delivered to any person in this state unless it contains all the following provisions:

(1) A provision that the insolvency or bankruptcy of the insured will not release the insurer from the payment of damages for injury sustained or loss occasioned during the life of such policy.

(2) A provision that whenever judgment is secured against the insured or the executor or administrator of a deceased insured in an action based upon bodily injury, death, or property damage, then an action may be brought against the insurer on the policy and subject to its terms and limitations, by such judgment creditor to recover on the judgment.

(*Amended by Stats. 1976, Ch. 1145, Sec. 1.*)

11580.01. (a) A policy insuring against legal liability arising from the rendering of professional services by an insured licensed pursuant to the provisions of Division 2 (commencing with Section 500) of the Business and Professions Code, or Chapter 4 (commencing with Section 6000) of Division 3 of the Business and Professions Code, and which generally limits the coverage thereof to liability for only those claims that are first made against the insured while the policy is in force, shall not be issued or delivered to any person in this state unless the application or proposal therefor complies with subdivision (b) and the policy complies with subdivision (c).

(b) The form of application or proposal for any such policy described in subdivision (a) shall recite prominently and conspicuously at the heading thereof that it is an application or proposal for a claims-made policy.

(c) Each such policy described in subdivision (a) shall contain on the face page thereof a prominent and conspicuous legend or statement substantially to the following effect:

NOTICE

"Except to such extent as may otherwise be provided herein, the coverage of this policy is limited generally to liability for only those claims that are first made against the insured while the policy is in force. Please review the policy carefully and discuss the coverage thereunder with your insurance agent or broker."

(*Added by Stats. 1974, Ch. 513.*)

11580.02. A liability insurer may review bills submitted for the defense of its insured, but shall not compensate a reviewer based on any of the following:

- (a) A percentage of the amount by which a bill is reduced for payment.
- (b) The number of claims or the cost of services for which the reviewer has denied authorization or payment.
- (c) An agreement that no compensation will be due unless one or more bills are reduced for payment.

(Added by Stats. 1999, Ch. 883, Sec. 1. Effective January 1, 2000.)

11580.04. Any additional insured endorsement issued by an admitted or nonadmitted insurer for the benefit of a public agency in connection with, collateral to, or affecting any construction contract to which the provisions of subdivision (b) of Section 2782 of the Civil Code apply, shall not provide any duty of indemnity coverage for the active negligence of the additional insured in any case where an agreement to indemnify the additional insured would be invalid under subdivision (b) of Section 2782 of the Civil Code. In any case where a claim or loss encompasses the negligence of the original insured and the active negligence of the additional insured that is not covered because of this section, the insurer's obligation shall be limited to obligations permitted by this section.

Any contract requirement that requires a promisor to procure insurance that is invalid under this section shall be invalid.

(Added by Stats. 1996, Ch. 558, Sec. 1. Effective January 1, 1997.)

11580.05. The Legislature declares that the public policy of this state in regard to provisions authorized or required to be included in policies affording automobile liability insurance or motor vehicle liability insurance issued or delivered in this state shall be as stated in this article, that this article expresses the total public policy of this state respecting the content of such policies, and that no provision of this article or of the Vehicle Code shall apply to policies affording automobile liability insurance or motor vehicle liability insurance in the Republic of Mexico issued or delivered in this state by a nonadmitted Mexican insurer. The Legislature further declares that it is the intent of the Legislature that the requirements set forth in Article 2 (commencing with Section 16450) of Chapter 3 of Division 7 of the Vehicle Code shall apply only to an owner's policy or operator's policy of liability insurance certified as provided in Section 16431 of the Vehicle Code as proof of ability to respond in damages, and that the requirements set forth in Article 4 (commencing with Section 11620) of Chapter 1 of Part 3 of Division 2 of the Insurance Code shall apply only to automobile liability insurance policies issued under the California Assigned Risk Plan. Except as provided above, any other policy issued or delivered in this state affording liability insurance with respect to ownership, maintenance, or use of a motor vehicle shall comply with the requirements set forth in Sections 11580, 11580.1, and 11580.2.

(Amended by Stats. 1976, Ch. 1145.)

11580.06. Except as may be otherwise provided in this article:

- (a) The term "motor vehicle" means any vehicle designed for use principally upon streets and highways and subject to motor vehicle registration under the laws of this state.
- (b) The term "insured" shall include the person or persons to whom any policy subject to this article is issued as named insured and any other person to whom coverage is afforded under the terms of any such policy.
- (c) The term "bodily injury" shall include sickness or disease, including death resulting therefrom.
- (d) The term "automobile" means any self-propelled motor vehicle, with neither more than nor less than four wheels, designed for use principally upon streets and highways and subject to motor vehicle registration under the laws of this state.
- (e) The term "arrest" shall have the same meaning as set forth in Section 834 of the Penal Code.
- (f) The term "operated by" or "when operating" shall be conclusively presumed to describe the conduct of the person sitting immediately behind the steering controls of the motor vehicle. The person shall be conclusively presumed to be the sole operator of the motor vehicle.
- (g) The term "use" when applied to a motor vehicle shall only mean operating, maintaining, loading, or unloading a motor vehicle.
- (h) The word "terms" when used with reference to a policy or endorsement includes the provision of coverage, exclusions, restrictions, conditions, deductions, and limits.
- (i) Unless otherwise provided in this code, the term "leased motor vehicle" means a motor vehicle leased or rented by a lessor licensed to lease motor vehicles under a written contract for a period of six months or longer.

(Amended by Stats. 1994, Ch. 359, Sec. 1. Effective January 1, 1995.)

11580.07. Except when required by a conditional sales vendor, no person or entity who is licensed pursuant to Chapter 5 (commencing with Section 1621) of Part 2 of Division 1 and who holds an appointment by, or transacts insurance with, an insurer which is admitted to issue a policy of automobile liability insurance, as described in Section 16054 of the Vehicle Code, or a motor vehicle liability policy, as described in Section 16450 of the Vehicle Code, or any policy or coverage described in Section 660, shall

require any insured to purchase or maintain automobile collision coverage, as defined in Section 660, for the insured motor vehicle as a condition to the issuance or maintenance of comprehensive coverage for such motor vehicle, unless such policy requires the purchase of both such coverages.

This section shall apply only to those policies and coverages issued or renewed on or after the effective date of this section.

As used in this section, "comprehensive coverage" means coverage for loss or damage to the insured motor vehicle resulting from a cause other than collision or upset.

(Amended by Stats. 1976, Ch. 1079.)

11580.08. With respect to disclosure of the fact of an arrest for any violation of the Vehicle Code or of a city or county ordinance or resolution relating to vehicles or their operators or owner which did not result in a conviction, the issuer, or his agency or employee, of any policy of automobile liability insurance (as described in Section 16056 of the Vehicle Code), any motor vehicle liability policy (as described in Section 16450 of the Vehicle Code), or any policy or coverage described in Section 660, shall not inquire of an applicant whether he has been arrested under such circumstances or to condition the issuance of any such policy on the applicant's making such disclosure.

(Added by Stats. 1975, Ch. 420.)

11580.09. (a) Any policy of automobile liability insurance shall contain a notice stating limits of future coverage. The notice shall be prominently displayed on the first page of the policy or in related documents which are provided to the policyholder.

(b) For the purposes of this section:

(1) "Automobile liability insurance policy" means a policy of automobile liability insurance, and any other policy of automobile insurance that contains as a component automobile liability insurance, but limited to those policies that are defined in Section 660.

(2) "Limits of future coverage" means specified reasons for which the insurer may cancel or refuse to renew the policy or increase the premium for the same coverage.

(3) "Notice" means the specific information specified in paragraph (2) or a clear and concise reference to the exact location of the information in the policy or in related documents provided to the policyholder.

(c) For the purposes of notice of cancellation, the insurer shall list those grounds for valid notice of cancellation as specified in Section 661.

(d) For the purposes of nonrenewal or premium increase, the insurer shall state the reasons for this action which shall include, if applicable, but not be limited to, the following:

(1) Accident involvement by an insured, and whether the insured is at fault in the accident.

(2) A change in, or an addition of, an insured vehicle.

(3) A change in, or addition of, an insured under the policy.

(4) A change in the location of garaging of an insured vehicle.

(5) A change in the use of the insured vehicle.

(6) Convictions for violating any provision of the Vehicle Code or the Penal Code relating to the operation of a motor vehicle.

(7) The payment made by an insurer due to a claim filed by an insured or a third party.

(e) A statement shall be included in the nonrenewal section that some nonrenewals and premium increases may result from reasons that are not specified in subdivision (d) for an insurer that are both lawful and not unfairly discriminatory.

(Added by Stats. 1988, Ch. 1143, Sec. 1. Operative April 1, 1989, by Sec. 2 of Ch. 1143.)

11580.010. (a) Any automobile liability insurer that is responsible for coverage for ordinary, reasonable, and necessary medical transportation services provided to an insured, or on behalf of an insured, to a valid claimant is liable for those charges to the person performing those services. The insurer may discharge this obligation by making payment to the person performing the medical transportation services or to the insured or on behalf of the insured to the claimant.

(b) Any insured or claimant who has received payment, which includes charges for medical transportation services, from an insurer for a loss relating to a vehicle is liable for those charges to the person performing those services.

11580.011. (a) As used in this section, "child passenger restraint system" means a system as described in Section 27360 of the Vehicle Code.

(b) Every policy of automobile liability insurance, as described in Section 16054 of the Vehicle Code, shall provide liability coverage for replacement of a child passenger restraint system that was damaged or was in use by a child during an accident for which liability coverage under the policy is applicable due to the liability of an insured.

(c) Every policy of automobile liability insurance that provides uninsured motorist property damage coverage, as described in paragraph (2) of subdivision (a) of Section 11580.26, shall provide coverage for replacement of a child passenger restraint system that was damaged or was in use by a child during an accident for which uninsured motorist property damage coverage under the policy is applicable due to the liability of an uninsured motorist.

(d) Every policy that provides automobile collision coverage, as described in Section 660, or every policy that provides automobile physical damage coverage, as described in Section 660, shall include a child passenger restraint system within the definition of covered property, if the child passenger restraint system was in use by a child during an accident or, if the child passenger restraint system was in the vehicle and it sustained a loss covered by the policy.

(e) Upon the filing of a claim pursuant to a policy described in subdivision (b), (c), or (d), unless otherwise determined, an insurer shall have an obligation to ask whether a child passenger restraint system was in use by a child during an accident or was in the vehicle at the time of a loss that is covered by the policy, and an obligation to replace the child passenger restraint system or reimburse the claimant for the cost of purchasing a new passenger restraint system in accordance with this section if it was in use by a child during the accident or if it sustained a covered loss while in the vehicle.

(f) An insured, upon acquiring a replacement child passenger restraint system, may surrender the child passenger restraint system that was replaced to the nearest office of the Department of the California Highway Patrol.

(Amended by Stats. 2009, Ch. 234, Sec. 13. (AB 299) Effective January 1, 2010.)

11580.1. (a) No policy of automobile liability insurance described in Section 16054 of the Vehicle Code covering liability arising out of the ownership, maintenance, or use of any motor vehicle shall be issued or delivered in this state on or after the effective date of this section unless it contains the provisions set forth in subdivision (b). However, none of the requirements of subdivision (b) shall apply to the insurance afforded under the policy (1) to the extent that the insurance exceeds the limits specified in subdivision (a) of Section 16056 of the Vehicle Code, or (2) if the policy contains an underlying insurance requirement, or provides for a retained limit of self-insurance, equal to or greater than the limits specified in subdivision (a) of Section 16056 of the Vehicle Code.

(b) Every policy of automobile liability insurance to which subdivision (a) applies shall contain all of the following provisions:

(1) Coverage limits not less than the limits specified in subdivision (a) of Section 16056 of the Vehicle Code.

(2) Designation by explicit description of, or appropriate reference to, the motor vehicles or class of motor vehicles to which coverage is specifically granted.

(3) Designation by explicit description of the purposes for which coverage for those motor vehicles is specifically excluded.

(4) Provision affording insurance to the named insured with respect to any owned or leased motor vehicle covered by the policy, and to the same extent that insurance is afforded to the named insured, to any other person using the motor vehicle, provided the use is by the named insured or with his or her permission, express or implied, and within the scope of that permission, except that: (A) with regard to insurance afforded for the loading or unloading of the motor vehicle, the insurance may be limited to apply only to the named insured, a relative of the named insured who is a resident of the named insured's household, a lessee or bailee of the motor vehicle, or an employee of any of those persons; and (B) the insurance afforded to any person other than the named insured need not apply to: (i) any employee with respect to bodily injury sustained by a fellow employee injured in the scope and course of his or her employment, or (ii) any person, or to any agent or employee thereof, employed or otherwise engaged in the business of selling, repairing, servicing, delivering, testing, road-testing, parking, or storing automobiles with respect to any accident arising out of the maintenance or use of a motor vehicle in connection therewith. As used in this chapter, "owned motor vehicle" includes all motor vehicles described and rated in the policy.

(c) In addition to any exclusion provided in paragraph (3) of subdivision (b), the insurance afforded by any policy of automobile liability insurance to which subdivision (a) applies, including the insurer's obligation to defend, may, by appropriate policy provision, be made inapplicable to any or all of the following:

(1) Liability assumed by the insured under contract.

(2) Liability for bodily injury or property damage caused intentionally by or at the direction of the insured.

(3) Liability imposed upon or assumed by the insured under any workers' compensation law.

(4) Liability for bodily injury to any employee of the insured arising out of and in the course of his or her employment.

(5) Liability for bodily injury to an insured or liability for bodily injury to an insured whenever the ultimate benefits of that indemnification accrue directly or indirectly to an insured.

(6) Liability for damage to property owned, rented to, transported by, or in the charge of, an insured. A motor vehicle operated by an insured shall be considered to be property in the charge of an insured.

(7) Liability for any bodily injury or property damage with respect to which insurance is or can be afforded under a nuclear energy liability policy.

(8) Any motor vehicle or class of motor vehicles, as described or designated in the policy, with respect to which coverage is explicitly excluded, in whole or in part.

"The insured" as used in paragraphs (1), (2), (3), and (4) shall mean only that insured under the policy against whom the particular claim is made or suit brought. "An insured" as used in paragraphs (5) and (6) shall mean any insured under the policy including those persons who would have otherwise been included within the policy's definition of an insured but, by agreement, are subject to the limitations of paragraph (1) of subdivision (d).

(d) Notwithstanding paragraph (4) of subdivision (b), or Article 2 (commencing with Section 16450) of Chapter 3 of Division 7 of, or Article 2 (commencing with Section 17150) of Chapter 1 of Division 9 of, the Vehicle Code, the insurer and any named insured may, by the terms of any policy of automobile liability insurance to which subdivision (a) applies, or by a separate writing relating thereto, agree as to either or both of the following limitations, the agreement to be binding upon every insured to whom the policy applies and upon every third-party claimant:

(1) That coverage and the insurer's obligation to defend under the policy shall not apply nor accrue to the benefit of any insured or any third-party claimant while any motor vehicle is being used or operated by a natural person or persons designated by name. These limitations shall apply to any use or operation of a motor vehicle, including the negligent or alleged negligent entrustment of a motor vehicle to that designated person or persons. This agreement applies to all coverage provided by that policy and is sufficient to comply with the requirements of paragraph (2) of subdivision (a) of Section 11580.2 to delete coverage when a motor vehicle is operated by a natural person or persons designated by name. The insurer shall have an obligation to defend the named insured when all of the following apply to that designated natural person:

(A) He or she is a resident of the same household as the named insured.

(B) As a result of operating the insured motor vehicle of the named insured, he or she is jointly sued with the named insured.

(C) He or she is an insured under a separate automobile liability insurance policy issued to him or her as a named insured, which policy does not provide a defense to the named insured.

An agreement made by the insurer and any named insured more than 60 days following the inception of the policy excluding a designated person by name shall be effective from the date of the agreement and shall, with the signature of a named insured, be conclusive evidence of the validity of the agreement.

That agreement shall remain in force as long as the policy remains in force, and shall apply to any continuation, renewal, or replacement of the policy by the named insured, or reinstatement of the policy within 30 days of any lapse thereof.

(2) That with regard to a policy issued to a named insured engaged in the business of leasing vehicles for those vehicles that are leased for a term in excess of six months, or selling, repairing, servicing, delivering, testing, road-testing, parking, or storing automobiles, coverage shall not apply to any person other than the named insured or his or her agent or employee, except to the extent that the limits of liability of any other valid and collectible insurance available to that person are not equal to the limits of liability specified in subdivision (a) of Section 16056 of the Vehicle Code. If the policy is issued to a named insured engaged in the business of leasing vehicles, which business includes the lease of vehicles for a term in excess of six months, and the lessor includes in the lease automobile liability insurance, the terms and limits of which are not otherwise specified in the lease, the named insured shall incorporate a provision in each vehicle lease contract advising the lessee of the provisions of this subdivision and the fact that this limitation is applicable except as otherwise provided for by statute or federal law.

(e) Nothing in this section or in Section 16054 or 16450 of the Vehicle Code shall be construed to constitute a homeowner's policy, personal and residence liability policy, personal and farm liability policy, general liability policy, comprehensive personal liability policy, manufacturers' and contractors' policy, premises liability policy, special multiperil policy, or any policy or endorsement where automobile liability coverage is offered as incidental to some other basic coverage as an "automobile liability policy" within the meaning of Section 16054 of the Vehicle Code, or as a "motor vehicle liability policy" within the meaning of Section 16450 of the Vehicle Code, nor shall this section apply to a policy that provides insurance covering liability arising out of the ownership,

maintenance, or use of any motor vehicle in the Republic of Mexico issued or delivered in this state by a nonadmitted Mexican insurer, notwithstanding that the policy may provide automobile or motor vehicle liability coverage on insured premises or the ways immediately adjoining.

(f) (1) On and after January 1, 1976, no policy of automobile liability insurance described in subdivision (a) shall be issued, amended, or renewed in this state if it contains any provision that expressly or impliedly excludes from coverage under the policy the operation or use of an insured motor vehicle by the named insured in the performance of volunteer services for a nonprofit charitable organization or governmental agency by providing social service transportation. This subdivision shall not apply in any case in which the named insured receives any remuneration of any kind other than reimbursement for actual mileage driven in the performance of those services at a rate not to exceed the following:

(A) For the 1980–81 fiscal year, the maximum rate authorized by the California Victim Compensation and Government Claims Board shall also be known as the “base rate.”

(B) For each fiscal year thereafter, the greater of either (A) the maximum rate authorized by the Department of General Services or (B) the base rate as adjusted by the California Consumer Price Index.

(2) No policy of insurance issued under this section may be canceled by an insurer solely for the reason that the named insured is performing volunteer services for a nonprofit charitable organization or governmental agency consisting of providing social service transportation.

(3) For the purposes of this section, “social service transportation” means transportation services provided by private nonprofit organizations or individuals to either individuals who are senior citizens or individuals or groups of individuals who have special transportation needs because of physical or mental conditions and supported in whole or in part by funding from private or public agencies.

(g) Notwithstanding paragraph (4) of subdivision (b), or Article 2 (commencing with Section 16450) of Chapter 3 of Division 7 of, or Article 2 (commencing with Section 17150) of Chapter 1 of Division 9 of, the Vehicle Code, a Mexican nonadmitted insurer and any named insured may, by the terms of any policy of automobile insurance for use solely in the Republic of Mexico to which subdivision (a) applies, or by a separate writing relating thereto, agree to the limitation that coverage under that policy shall not apply to any person riding in or occupying a vehicle owned by the insured or driven by another person with the permission of the insured. The agreement shall be binding upon every insured to whom the policy applies and upon any third-party claimant.

(h) No policy of automobile insurance that provides insurance covering liability arising out of the ownership, maintenance, or use of any motor vehicle solely in the Republic of Mexico issued by a nonadmitted Mexican insurance company, shall be subject to, or provide coverage for, those coverages provided in Section 11580.2.

(Amended by Stats. 2016, Ch. 31, Sec. 176. (SB 836) Effective June 27, 2016.)

11580.15. Subject to the approval of the Insurance Commissioner, every admitted insurer issuing or renewing motor vehicle liability policies as defined in Section 16054 or 16450 of the Vehicle Code shall, at the time of offering to issue or offering to renew any such policy, disclose to the applicant in writing as a freestanding document, which brings attention to the applicant, all discounts, if any, that are available from the insurer for that insurance and for any related insurance provided under that policy. The insurer shall disclose any discounts for good drivers, senior drivers, students, multiple cars, and any other discounts that are available from that insurer. The disclosure shall be required for personal lines of motor vehicle insurance.

Every insurer that sells insurance through licensed agents or brokers shall disclose in writing to the agents and brokers all of the discounts that are required to be disclosed to the applicant under this section, and shall require its agents and brokers to make the disclosures required by this section.

(Amended by Stats. 1991, Ch. 160, Sec. 1.)

11580.17. The department shall not prohibit an insurer from electing to inspect physically a motor vehicle for purposes of issuing a policy for collision or comprehensive coverage. The inspection of the motor vehicle shall be at no cost to the insured. The information ascertained from that inspection may only be used to determine the extent of insurability for collision or comprehensive coverage for the motor vehicle. If an insurer elects to conduct an inspection prior to offering comprehensive and collision insurance pursuant to this section, the insurer shall inspect every motor vehicle for which coverage is requested if the vehicle was not previously insured under a policy of comprehensive and collision coverage. An insurer may exempt from this requirement new motor vehicles if a copy of the sales contract is delivered to the insurer within five business days of the purchase of the new motor vehicle. The inspection shall be done by the insurer or its agent, and shall be performed not more than 20 miles from the address where the vehicle is insured, and during normal business hours.

(Added by Stats. 2000, Ch. 210, Sec. 1. Effective January 1, 2001.)

11580.2. (a) (1) No policy of bodily injury liability insurance covering liability arising out of the ownership, maintenance, or use of any motor vehicle, except for policies that provide insurance in the Republic of Mexico issued or delivered in this state by nonadmitted Mexican insurers, shall be issued or delivered in this state to the owner or operator of a motor vehicle, or shall be issued or delivered by any insurer licensed in this state upon any motor vehicle then principally used or principally garaged in this state, unless the policy contains, or has added to it by endorsement, a provision with coverage limits at least equal to the limits specified in subdivision (m) and in no case less than the financial responsibility requirements specified in Section 16056 of the Vehicle Code insuring the insured, the insured's heirs or legal representative for all sums within the limits that he, she, or they, as the case may be, shall be legally entitled to recover as damages for bodily injury or wrongful death from the owner or operator of an uninsured motor vehicle. The insurer and any named insured, prior to or subsequent to the issuance or renewal of a policy, may, by agreement in writing, in the form specified in paragraph (2) or paragraph (3), (1) delete the provision covering damage caused by an uninsured motor vehicle completely, or (2) delete the coverage when a motor vehicle is operated by a natural person or persons designated by name, or (3) agree to provide the coverage in an amount less than that required by subdivision (m) but not less than the financial responsibility requirements specified in Section 16056 of the Vehicle Code. Any of these agreements by any named insured or agreement for the amount of coverage shall be binding upon every insured to whom the policy or endorsement provisions apply while the policy is in force, and shall continue to be so binding with respect to any continuation or renewal of the policy or with respect to any other policy that extends, changes, supersedes, or replaces the policy issued to the named insured by the same insurer, or with respect to reinstatement of the policy within 30 days of any lapse thereof. A policy shall be excluded from the application of this section if the automobile liability coverage is provided only on an excess or umbrella basis. Nothing in this section shall require that uninsured motorist coverage be offered or provided in any homeowner policy, personal and residents' liability policy, comprehensive personal liability policy, manufacturers' and contractors' policy, premises liability policy, special multiperil policy, or any other policy or endorsement where automobile liability coverage is offered as incidental to some other basic coverage, notwithstanding that the policy may provide automobile or motor vehicle liability coverage on insured premises or the ways immediately adjoining.

(2) The agreement specified in paragraph (1) to delete the provision covering damage caused by an uninsured motor vehicle completely or delete the coverage when a motor vehicle is operated by a natural person or persons designated by name shall be in the following form:

"The California Insurance Code requires an insurer to provide uninsured motorists coverage in each bodily injury liability insurance policy it issues covering liability arising out of the ownership, maintenance, or use of a motor vehicle. Those provisions also permit the insurer and the applicant to delete the coverage completely or to delete the coverage when a motor vehicle is operated by a natural person or persons designated by name. Uninsured motorists coverage insures the insured, his or her heirs, or legal representatives for all sums within the limits established by law, that the person or persons are legally entitled to recover as damages for bodily injury, including any resulting sickness, disease, or death, to the insured from the owner or operator of an uninsured motor vehicle not owned or operated by the insured or a resident of the same household. An uninsured motor vehicle includes an underinsured motor vehicle as defined in subdivision (p) of Section 11580.2 of the Insurance Code."

The agreement may contain additional statements not in derogation of or in conflict with the foregoing. The execution of the agreement shall relieve the insurer of liability under this section while the agreement remains in effect.

(3) The agreement specified in paragraph (1) to provide coverage in an amount less than that required by subdivision (m) shall be in the following form:

"The California Insurance Code requires an insurer to provide uninsured motorists coverage in each bodily injury liability insurance policy it issues covering liability arising out of the ownership, maintenance, or use of a motor vehicle. Those provisions also permit the insurer and the applicant to agree to provide the coverage in an amount less than that required by subdivision (m) of Section 11580.2 of the Insurance Code but not less than the financial responsibility requirements. Uninsured motorists coverage insures the insured, his or her heirs, or legal representatives for all sums within the limits established by law, that the person or persons are legally entitled to recover as damages for bodily injury, including any resulting sickness, disease, or death, to the insured from the owner or operator of an uninsured motor vehicle not owned or operated by the insured or a resident of the same household. An uninsured motor vehicle includes an underinsured motor vehicle as defined in subdivision (p) of Section 11580.2 of the Insurance Code."

The agreement may contain additional statements not in derogation of or in conflict with this paragraph. However, it shall be presumed that an application for a policy of bodily injury liability insurance containing uninsured motorist coverage in an amount less than that required by subdivision (m), signed by the named insured and approved by the insurer, with a policy effective date after January 1, 1985, shall be a valid agreement as to the amount of uninsured motorist coverage to be provided.

(b) As used in subdivision (a), "bodily injury" includes sickness or disease, including death, resulting therefrom; "named insured" means only the individual or organization named in the declarations of the policy of motor vehicle bodily injury liability insurance referred to in subdivision (a); as used in subdivision (a) if the named insured is an individual "insured" means the named insured and the spouse of the named insured and, while residents of the same household, relatives of either while occupants of a motor vehicle

or otherwise, heirs and any other person while in or upon or entering into or alighting from an insured motor vehicle and any person with respect to damages he or she is entitled to recover for care or loss of services because of bodily injury to which the policy provisions or endorsement apply; as used in subdivision (a), if the named insured is an entity other than an individual, "insured" means any person while in or upon or entering into or alighting from an insured motor vehicle and any person with respect to damages he or she is entitled to recover for care or loss of services because of bodily injury to which the policy provisions or endorsement apply. As used in this subdivision, "individual" shall not include persons doing business as corporations, partnerships, or associations. As used in this subdivision, "insured motor vehicle" means the motor vehicle described in the underlying insurance policy of which the uninsured motorist endorsement or coverage is a part, a temporary substitute automobile for which liability coverage is provided in the policy or a newly acquired automobile for which liability coverage is provided in the policy if the motor vehicle is used by the named insured or with his or her permission or consent, express or implied, and any other automobile not owned by or furnished for the regular use of the named insured or any resident of the same household, or by a natural person or persons for whom coverage has been deleted in accordance with subdivision (a) while being operated by the named insured or his or her spouse if a resident of the same household, but "insured motor vehicle" shall not include any automobile while used as a public or livery conveyance. As used in this section, "uninsured motor vehicle" means a motor vehicle with respect to the ownership, maintenance or use of which there is no bodily injury liability insurance or bond applicable at the time of the accident, or there is the applicable insurance or bond but the company writing the insurance or bond denies coverage thereunder or refuses to admit coverage thereunder except conditionally or with reservation, or an "underinsured motor vehicle" as defined in subdivision (p), or a motor vehicle used without the permission of the owner thereof if there is no bodily injury liability insurance or bond applicable at the time of the accident with respect to the owner or operator thereof, or the owner or operator thereof be unknown, provided that, with respect to an "uninsured motor vehicle" whose owner or operator is unknown:

(1) The bodily injury has arisen out of physical contact of the automobile with the insured or with an automobile that the insured is occupying.

(2) The insured or someone on his or her behalf has reported the accident within 24 hours to the police department of the city where the accident occurred or, if the accident occurred in unincorporated territory then either to the sheriff of the county where the accident occurred or to the local headquarters of the California Highway Patrol, and has filed with the insurer within 30 days thereafter a statement under oath that the insured or his or her legal representative has or the insured's heirs have a cause of action arising out of the accident for damages against a person or persons whose identity is unascertainable and set forth facts in support thereof. As used in this section, "uninsured motor vehicle" shall not include a motor vehicle owned or operated by the named insured or any resident of the same household or self-insured within the meaning of the Financial Responsibility Law of the state in which the motor vehicle is registered or that is owned by the United States of America, Canada, a state or political subdivision of any of those governments or an agency of any of the foregoing, or a land motor vehicle or trailer while located for use as a residence or premises and not as a vehicle, or any equipment or vehicle designed or modified for use primarily off public roads, except while actually upon public roads.

As used in this section, "uninsured motor vehicle" also means an insured motor vehicle where the liability insurer thereof is unable to make payment with respect to the legal liability of its insured within the limits specified therein because of insolvency. An insurer's solvency protection shall be applicable only to accidents occurring during a policy period in which its insured's motor vehicle coverage is in effect where the liability insurer of the tortfeasor becomes insolvent within one year of the accident. In the event of payment to any person under the coverage required by this section and subject to the terms and conditions of the coverage, the insurer making the payment, shall to the extent thereof, be entitled to any proceeds that may be recoverable from the assets of the insolvent insurer through any settlement or judgment of the person against the insolvent insurer.

Nothing in this section is intended to exclude from the definition of an uninsured motor vehicle any motorcycle or private passenger-type four-wheel drive motor vehicle if that vehicle was subject to and failed to comply with the Financial Responsibility Law of this state.

(c) The insurance coverage provided for in this section does not apply either as primary or as excess coverage:

(1) To property damage sustained by the insured.

(2) To bodily injury of the insured while in or upon or while entering into or alighting from a motor vehicle other than the described motor vehicle if the owner thereof has insurance similar to that provided in this section.

(3) To bodily injury of the insured with respect to which the insured or his or her representative shall, without the written consent of the insurer, make any settlement with or prosecute to judgment any action against any person who may be legally liable therefor.

(4) In any instance where it would inure directly or indirectly to the benefit of any workers' compensation carrier or to any person qualified as a self-insurer under any workers' compensation law, or directly to the benefit of the United States, or any state or any political subdivision thereof.

(5) To establish proof of financial responsibility as provided in Section 16054 of the Vehicle Code.

(6) To bodily injury of the insured while occupying a motor vehicle owned by an insured or leased to an insured under a written contract for a period of six months or longer, unless the occupied vehicle is an insured motor vehicle. "Motor vehicle" as used in this paragraph means any self-propelled vehicle.

(7) To bodily injury of the insured when struck by a vehicle owned by an insured, except when the injured insured's vehicle is being operated, or caused to be operated, by a person without the injured insured's consent in connection with criminal activity that has been documented in a police report and that the injured insured is not a party to.

(8) To bodily injury of the insured while occupying a motor vehicle rented or leased to the insured for public or livery purposes.

(d) Subject to paragraph (2) of subdivision (c), the policy or endorsement may provide that if the insured has insurance available to the insured under more than one uninsured motorist coverage provision, any damages shall not be deemed to exceed the higher of the applicable limits of the respective coverages, and the damages shall be prorated between the applicable coverages as the limits of each coverage bear to the total of the limits.

(e) The policy or endorsement added thereto may provide that if the insured has valid and collectible automobile medical payment insurance available to him or her, the damages that the insured shall be entitled to recover from the owner or operator of an uninsured motor vehicle shall be reduced for purposes of uninsured motorist coverage by the amounts paid or due to be paid under the automobile medical payment insurance.

(f) The policy or an endorsement added thereto shall provide that the determination as to whether the insured shall be legally entitled to recover damages, and if so entitled, the amount thereof, shall be made by agreement between the insured and the insurer or, in the event of disagreement, by arbitration. The arbitration shall be conducted by a single neutral arbitrator. An award or a judgment confirming an award shall not be conclusive on any party in any action or proceeding between (i) the insured, his or her insurer, his or her legal representative, or his or her heirs and (ii) the uninsured motorist to recover damages arising out of the accident upon which the award is based. If the insured has or may have rights to benefits, other than nonoccupational disability benefits, under any workers' compensation law, the arbitrator shall not proceed with the arbitration until the insured's physical condition is stationary and ratable. In those cases in which the insured claims a permanent disability, the claims shall, unless good cause be shown, be adjudicated by award or settled by compromise and release before the arbitration may proceed. Any demand or petition for arbitration shall contain a declaration, under penalty of perjury, stating whether (i) the insured has a workers' compensation claim; (ii) the claim has proceeded to findings and award or settlement on all issues reasonably contemplated to be determined in that claim; and (iii) if not, what reasons amounting to good cause are grounds for the arbitration to proceed immediately. The arbitration shall be deemed to be a proceeding and the hearing before the arbitrator shall be deemed to be the trial of an issue therein for purposes of issuance of a subpoena by an attorney of a party to the arbitration under Section 1985 of the Code of Civil Procedure. Title 4 (commencing with Section 2016.010) of Part 4 of the Code of Civil Procedure shall be applicable to these determinations, and all rights, remedies, obligations, liabilities and procedures set forth in Title 4 (commencing with Section 2016.010) of Part 4 of the Code of Civil Procedure shall be available to both the insured and the insurer at any time after the accident, both before and after the commencement of arbitration, if any, with the following limitations:

(1) Whenever in Title 4 (commencing with Section 2016.010) of Part 4 of the Code of Civil Procedure, reference is made to the court in which the action is pending, or provision is made for application to the court or obtaining leave of court or approval by the court, the court that shall have jurisdiction for the purposes of this section shall be the superior court of the State of California, in and for any county that is a proper county for the filing of a suit for bodily injury arising out of the accident, against the uninsured motorist, or any county specified in the policy or an endorsement added thereto as a proper county for arbitration or action thereon.

(2) Any proper court to which application is first made by either the insured or the insurer under Title 4 (commencing with Section 2016.010) of Part 4 of the Code of Civil Procedure for any discovery or other relief or remedy, shall thereafter be the only court to which either of the parties shall make any applications under Title 4 (commencing with Section 2016.010) of Part 4 of the Code of Civil Procedure with respect to the same accident, subject, however, to the right of the court to grant a change of venue after a hearing upon notice, upon any of the grounds upon which change of venue might be granted in an action filed in the superior court.

(3) A deposition pursuant to Chapter 9 (commencing with Section 2025.010) of Title 4 of Part 4 of the Code of Civil Procedure may be taken without leave of court, except that leave of court, granted with or without notice and for good cause shown, must be obtained if the notice of the taking of the deposition is served by either party within 20 days after the accident.

(4) Subdivision (a) of Section 2025.280 of the Code of Civil Procedure is not applicable to discovery under this section.

(5) For the purposes of discovery under this section, the insured and the insurer shall each be deemed to be "a party to the action," where that phrase is used in Section 2025.260 of the Code of Civil Procedure.

(6) Interrogatories under Chapter 13 (commencing with Section 2030.010) of Title 4 of Part 4 of the Code of Civil Procedure and requests for admission under Chapter 16 (commencing with Section 2033.010) of Title 4 of Part 4 of the Code of Civil Procedure

may be served by either the insured or the insurer upon the other at any time more than 20 days after the accident without leave of court.

(7) Nothing in this section limits the rights of any party to discovery in any action pending or that may hereafter be pending in any court.

(g) The insurer paying a claim under an uninsured motorist endorsement or coverage shall be entitled to be subrogated to the rights of the insured to whom the claim was paid against any person legally liable for the injury or death to the extent that payment was made. The action may be brought within three years from the date that payment was made hereunder.

(h) An insured entitled to recovery under the uninsured motorist endorsement or coverage shall be reimbursed within the conditions stated herein without being required to sign any release or waiver of rights to which he or she may be entitled under any other insurance coverage applicable; nor shall payment under this section to the insured be delayed or made contingent upon the decisions as to liability or distribution of loss costs under other bodily injury liability insurance or any bond applicable to the accident. Any loss payable under the terms of the uninsured motorist endorsement or coverage to or for any person may be reduced:

(1) By the amount paid and the present value of all amounts payable to him or her, his or her executor, administrator, heirs, or legal representative under any workers' compensation law, exclusive of nonoccupational disability benefits.

(2) By the amount the insured is entitled to recover from any other person insured under the underlying liability insurance policy of which the uninsured motorist endorsement or coverage is a part, including any amounts tendered to the insured as advance payment on behalf of the other person by the insurer providing the underlying liability insurance.

(i) (1) No cause of action shall accrue to the insured under any policy or endorsement provision issued pursuant to this section unless one of the following actions have been taken within two years from the date of the accident:

(A) Suit for bodily injury has been filed against the uninsured motorist, in a court of competent jurisdiction.

(B) Agreement as to the amount due under the policy has been concluded.

(C) The insured has formally instituted arbitration proceedings by notifying the insurer in writing sent by certified mail, return receipt requested. Notice shall be sent to the insurer or to the agent for process designated by the insurer filed with the department.

(2) Any arbitration instituted pursuant to this section shall be concluded either:

(A) Within five years from the institution of the arbitration proceeding.

(B) If the insured has a workers' compensation claim arising from the same accident, within three years of the date the claim is concluded, or within the five-year period set forth in subparagraph (A), whichever occurs later.

(3) The doctrines of estoppel, waiver, impossibility, impracticability, and futility apply to excuse a party's noncompliance with the statutory timeframe, as determined by the court.

(4) Parties to the insurance contract may stipulate in writing to extending the time to conclude arbitration.

(j) Notwithstanding subdivisions (b) and (i), in the event the accident occurs in any other state or foreign jurisdiction to which coverage is extended under the policy and the insurer of the tortfeasor becomes insolvent, any action authorized pursuant to this section may be maintained within three months of the insolvency of the tortfeasor's insurer, but in no event later than the pertinent period of limitation of the jurisdiction in which the accident occurred.

(k) Notwithstanding subdivision (i), any insurer whose insured has made a claim under his or her uninsured motorist coverage, and the claim is pending, shall, at least 30 days before the expiration of the applicable statute of limitation, notify its insured in writing of the statute of limitation applicable to the injury or death. Failure of the insurer to provide the written notice shall operate to toll any applicable statute of limitation or other time limitation for a period of 30 days from the date the written notice is actually given. The notice shall not be required if the insurer has received notice that the insured is represented by an attorney.

(l) As used in subdivision (b), "public or livery conveyance," or terms of similar import, shall not include the operation or use of a motor vehicle by the named insured in the performance of volunteer services for a nonprofit charitable organization or governmental agency by providing social service transportation as defined in subdivision (f) of Section 11580.1. This subdivision shall apply only to policies of insurance issued, amended, or renewed on or after January 1, 1976.

(m) Coverage provided under an uninsured motorist endorsement or coverage shall be offered with coverage limits equal to the limits of liability for bodily injury in the underlying policy of insurance, but shall not be required to be offered with limits in excess of the following amounts:

(1) A limit of thirty thousand dollars (\$30,000) because of bodily injury to or death of one person in any one accident.

(2) Subject to the limit for one person set forth in paragraph (1), a limit of sixty thousand dollars (\$60,000) because of bodily injury to or death of two or more persons in any one accident.

(n) Underinsured motorist coverage shall be offered with limits equal to the limits of liability for the insured's uninsured motorist limits in the underlying policy, and may be offered with limits in excess of the uninsured motorist coverage. For the purposes of this section, uninsured and underinsured motorist coverage shall be offered as a single coverage. However, an insurer may offer coverage for damages for bodily injury or wrongful death from the owner or operator of an underinsured motor vehicle at greater limits than an uninsured motor vehicle.

(o) If an insured has failed to provide an insurer with wage loss information or medical treatment record releases within 15 days of the insurer's request or has failed to submit to a medical examination arranged by the insurer within 20 days of the insurer's request, the insurer may, at any time prior to 30 days before the actual arbitration proceedings commence, request, and the insured shall furnish, wage loss information or medical treatment record releases, and the insurer may require the insured, except during periods of hospitalization, to make himself or herself available for a medical examination. The wage loss information or medical treatment record releases shall be submitted by the insured within 10 days of request and the medical examination shall be arranged by the insurer no sooner than 10 days after request, unless the insured agrees to an earlier examination date, and not later than 20 days after the request. If the insured fails to comply with the requirements of this subdivision, the actual arbitration proceedings shall be stayed for at least 30 days following compliance by the insured. The proceedings shall be scheduled as soon as practicable following expiration of the 30-day period.

(p) This subdivision applies only when bodily injury, as defined in subdivision (b), is caused by an underinsured motor vehicle. If the provisions of this subdivision conflict with subdivisions (a) through (o), the provisions of this subdivision shall prevail.

(1) As used in this subdivision, "an insured motor vehicle" is one that is insured under a motor vehicle liability policy, or automobile liability insurance policy, self-insured, or for which a cash deposit or bond has been posted to satisfy a financial responsibility law.

(2) "Underinsured motor vehicle" means a motor vehicle that is an insured motor vehicle but insured for an amount that is less than the uninsured motorist limits carried on the motor vehicle of the injured person.

(3) This coverage does not apply to any bodily injury until the limits of bodily injury liability policies applicable to all insured motor vehicles causing the injury have been exhausted by payment of judgments or settlements, and proof of the payment is submitted to the insurer providing the underinsured motorist coverage.

(4) When bodily injury is caused by one or more motor vehicles, whether insured, underinsured, or uninsured, the maximum liability of the insurer providing the underinsured motorist coverage shall not exceed the insured's underinsured motorist coverage limits, less the amount paid to the insured by or for any person or organization that may be held legally liable for the injury.

(5) The insurer paying a claim under this subdivision shall, to the extent of the payment, be entitled to reimbursement or credit in the amount received by the insured from the owner or operator of the underinsured motor vehicle or the insurer of the owner or operator.

(6) If the insured brings an action against the owner or operator of an underinsured motor vehicle, he or she shall forthwith give to the insurer providing the underinsured motorist coverage a copy of the complaint by personal service or certified mail. All pleadings and depositions shall be made available for copying or copies furnished the insurer, at the insurer's expense, within a reasonable time.

(7) Underinsured motorist coverage shall be included in all policies of bodily injury liability insurance providing uninsured motorist coverage issued or renewed on or after July 1, 1985. Notwithstanding this section, an agreement to delete uninsured motorist coverage completely, or with respect to a person or persons designated by name, executed prior to July 1, 1985, shall remain in full force and effect.

(q) Regardless of the number of vehicles involved whether insured or not, persons covered, claims made, premiums paid or the number of premiums shown on the policy, in no event shall the limit of liability for two or more motor vehicles or two or more policies be added together, combined, or stacked to determine the limit of insurance coverage available to injured persons.

(Amended by Stats. 2005, Ch. 294, Sec. 23. Effective January 1, 2006.)

11580.23. (a) If a suit for bodily injury has been filed against an uninsured motorist in a court of competent jurisdiction, notice in writing of the suit shall be provided the insurer of the insured plaintiff within a reasonable time after the insured knew or should have known of the uninsured status of the motorist, but in no event shall that notice be required before two years from the date of the accrual of the cause of action on which the claim is based. Failure of the insured or his or her representative to give notice shall not be a basis for denial of the uninsured motorist benefits in the absence of proof of prejudice by the insurer.

(b) The Legislature hereby finds that this section is declarative of existing law. It is the intent of the Legislature to abrogate the holdings in cases such as *State Farm Mutual Auto. Ins. Co. v. Patton*, 194 Cal. App. 3d 626, to the extent that they are inconsistent

with this section. Those decisions are abrogated and shall not apply to any matters not final.

(Amended by Stats. 2003, Ch. 56, Sec. 2. Effective January 1, 2004.)

11580.24. (a) A private passenger motor vehicle insured by its owner pursuant to a policy of insurance subject to Section 11580.1 or 11580.2 shall not be classified as a commercial vehicle, for-hire vehicle, permissive use vehicle, or livery solely because its owner allows it to be used for personal vehicle sharing as long as all of the following circumstances apply:

(1) The personal vehicle sharing is conducted pursuant to a personal vehicle sharing program.

(2) The annual revenue received by the vehicle's owner that was generated by the personal vehicle sharing of the vehicle does not exceed the annual expenses of owning and operating the vehicle, including depreciation, interest, lease payments, auto loan payments, insurance, maintenance, parking, fuel, cleaning, automobile repair, and costs associated with personal vehicle sharing, including, but not limited to, the installation, operation, and maintenance of computer hardware and software, signage identifying the vehicle as a personal sharing vehicle, and any fees charged by a personal vehicle sharing program.

(3) The owner of the private passenger motor vehicle does not knowingly place the vehicle into commercial use, as defined by Section 675.5, by a personal vehicle sharing user while engaged in personal vehicle sharing.

(b) For purposes of this section the following definitions apply:

(1) "Personal vehicle sharing" means the use of private passenger motor vehicles by persons other than the vehicle's owner, in connection with a personal vehicle sharing program.

(2) "Personal vehicle sharing program" means a legal entity qualified to do business in the State of California engaged in the business of facilitating the sharing of private passenger vehicles for noncommercial use by individuals within the state.

(3) "Private passenger motor vehicle" means a vehicle that is insured, or is subject to being insured, under a personal automobile liability insurance policy insuring a single individual or individuals residing in the same household, as the named insured, or meets the requirements of Section 16058 of the Vehicle Code, but does not include a vehicle with fewer than four wheels.

(c) A personal vehicle sharing program shall, for each vehicle that it facilitates the use of, do all of the following:

(1) Provide the registered owner of the vehicle with a Department of Motor Vehicles Form REG 5085 or other suitable proof of compliance with the insurance requirements of this section and the requirements of the California Financial Responsibility Law in Section 1656.2 of the Vehicle Code, a copy of which shall be maintained in the vehicle by the vehicle's registered owner during any time when the vehicle is operated by any person other than the vehicle's owner pursuant to a personal vehicle sharing program.

(2) Collect, maintain, and make available to the vehicle's owner, the vehicle owner's primary automobile liability insurer on file with the Department of Motor Vehicles, and to any other government agency as required by law, at the cost of the personal vehicle sharing program, verifiable electronic records that identify the date, time, initial and final locations of the vehicle, and miles driven when the vehicle is under the control of a person other than the vehicle's owner pursuant to a personal vehicle sharing program.

(3) Not knowingly permit the vehicle to be operated for commercial use by a personal vehicle sharing user while engaged in personal vehicle sharing.

(4) Use only private passenger vehicles.

(5) Facilitate the installation, operation, and maintenance of computer hardware and software and signage, necessary for a vehicle to be used in a personal vehicle sharing program, including payment of the cost of damage or theft of that equipment and any damage caused to the vehicle by the installation, operation, and maintenance of that equipment.

(d) Notwithstanding any other law or any provision in a private passenger motor vehicle owner's automobile insurance policy, in the event of a loss or injury that occurs during any time period when the vehicle is under the operation and control of a person, other than the vehicle owner, pursuant to a personal vehicle sharing program, or otherwise under the control of a personal vehicle sharing program, the personal vehicle sharing program shall assume all liability of the owner and shall be considered the owner of the vehicle for all purposes. Nothing in this section limits the liability of the personal vehicle sharing program for its acts or omissions that result in injury to any persons as a result of the use or operation of a personal vehicle sharing program.

(e) A personal vehicle sharing program shall continue to be liable pursuant to subdivision (d) until both of the following occur:

(1) The private passenger motor vehicle is returned to a location designated by the personal vehicle sharing program.

(2) The earliest of one of the following occurs:

(A) The expiration of the time period established for the particular use of the vehicle.

(B) The intent to terminate the personal vehicle sharing use is verifiably communicated to the personal vehicle sharing program.

(C) The vehicle's owner takes possession and control of the vehicle.

(f) The personal vehicle sharing program shall assume liability for a claim in which a dispute exists as to who was in control of the vehicle when the loss occurred giving rise to the claim, and the vehicle's private passenger motor vehicle insurer shall indemnify the personal vehicle sharing program to the extent of its obligation under the applicable insurance policy, if it is determined that the vehicle's owner was in control of the vehicle at the time of the loss.

(g) If the owner of the vehicle is named as a defendant in a civil action for a loss or injury that occurs during any time period when the vehicle is under the operation and control of a person other than the vehicle's owner pursuant to a personal vehicle sharing program, or otherwise under the control of a personal vehicle sharing program, the personal vehicle sharing program shall have the duty to defend and indemnify the vehicle's owner, subject to the provisions of subdivisions (d) and (f).

(h) Notwithstanding any other law or any provision in a vehicle owner's automobile liability insurance policy, while a private passenger motor vehicle is used by a person other than its owner pursuant to personal vehicle sharing facilitated through a personal vehicle sharing program, all of the following shall apply:

(1) The insurer of that vehicle on file with the Department of Motor Vehicles may exclude any and all coverage afforded pursuant to its policy.

(2) The primary and excess insurer or insurers of the owners, operators, and maintainers of the private passenger motor vehicle used in a personal vehicle sharing program shall have the right to notify an insured that it has no duty to defend or indemnify any person or organization for liability for any loss that occurs during use of the vehicle in a personal vehicle sharing program.

(i) A policy of insurance that is subject to Section 11580.1 or 11580.2 shall not be canceled, voided, terminated, rescinded, or nonrenewed solely on the basis that the private passenger motor vehicle has been made available for personal vehicle sharing pursuant to a personal vehicle sharing program that is in compliance with this section.

(Amended by Stats. 2024, Ch. 244, Sec. 1. (AB 2743) Effective January 1, 2025.)

11580.241. (a) A personal vehicle sharing program shall, for each vehicle that it facilitates the use of, do all of the following:

(1) Provide both of the following during all times that the vehicle is engaged in personal vehicle sharing:

(A) (i) Insurance coverages for the vehicle and operator at a minimum of forty-five thousand dollars (\$45,000) for bodily injury or death for one person, ninety thousand dollars (\$90,000) for bodily injury or death for all persons, and fifteen thousand dollars (\$15,000) for property damage.

(ii) On and after January 1, 2031, the personal vehicle sharing program shall not provide liability coverage less than three times the minimum insurance requirements for private passenger vehicles set forth in Section 16056 of the Vehicle Code.

(B) The ability for the vehicle owner and operator to obtain or purchase additional insurance in excess of the minimum mandatory coverage and limits pursuant to subparagraph (A), including comprehensive and collision coverages or contractual protections.

(2) Provide the vehicle owner and any person that operates the vehicle pursuant to a personal vehicle sharing program with a written disclosure of all of the following:

(A) The terms and conditions contained in this section, including any applicable insurance requirements, coverages, coverage gaps, protections, limits, and exclusions.

(B) The minimum mandatory coverage and limits that the personal vehicle sharing program is required to provide to owners and operators pursuant to Section 16056 of the Vehicle Code.

(C) The coverages and limits provided by the personal vehicle sharing program.

(D) The requirement that the personal vehicle sharing program provide the vehicle owner and any person that operates the vehicle pursuant to a personal vehicle sharing program with the option to purchase or obtain additional limits, coverages, or protections.

(3) Disclose all of the following in writing to the vehicle owner:

(A) That the vehicle owner may have chosen higher limits, different coverages, or both, on their personal automobile insurance policy than those being provided by the personal vehicle sharing program, and, if so, that they have the option to purchase or obtain higher limits or optional coverages or protections.

(B) That their personal automobile insurance may expressly exclude coverage for a vehicle while it is being operated pursuant to a personal vehicle sharing program in accordance with subdivision (h) of Section 11580.24.

(C) That if their personal automobile insurer does not expressly exclude coverage for vehicle sharing, it may still deny coverage for an accident occurring during vehicle sharing if the annual revenue from the personal vehicle sharing program to the vehicle owner exceeds the vehicle owner's annual expense of owning and operating the vehicle, as provided in subdivision (a) of Section 11580.24.

(b) (1) A person who violates this section is liable to the state for a civil penalty, to be determined by the commissioner, not to exceed five thousand dollars (\$5,000) for each violation or, if the violation was willful, a civil penalty not to exceed ten thousand dollars (\$10,000) for each violation.

(2) The duties and obligations imposed by this act are cumulative with any other duties or obligations imposed under any other law, and shall not be construed to relieve any party from a duty or obligation imposed under any other law.

(c) A penalty imposed pursuant to subdivision (b) is appealable by means of any remedy provided by Section 12940 or by the Administrative Procedure Act (Chapter 5 (commencing with Section 11500) of Part 1 of Division 3 of Title 2 of the Government Code).

(d) (1) If the commissioner has reason to believe that a person has engaged or is engaging in this state in a violation of this section, and that a proceeding by the commissioner would be in the interest of the public, the commissioner shall issue and serve upon that person an order to show cause. The order to show cause shall contain a statement of the charges, a statement of that person's potential liability under this section, and a notice of a hearing. The hearing shall be held at a time and place fixed in the notice, which shall not be less than 30 days after the service of the notice, for the purpose of determining whether or not the commissioner shall issue an order to that person to pay the penalty imposed by subdivision (b) and to cease and desist those methods, acts, or practices that violate this section.

(2) If the charges noticed pursuant to paragraph (1) are confirmed by a preponderance of the evidence, the commissioner shall issue and cause to be served upon the person an order requiring that person to pay the penalty imposed pursuant to subdivision (b) and to cease and desist from engaging in those methods, acts, or practices found to be in violation of this section.

(3) The hearing shall be conducted in accordance with the Administrative Procedure Act (Chapter 5 (commencing with Section 11500) of Part 1 of Division 3 of Title 2 of the Government Code), except that the hearings may be conducted by an administrative law judge in the administrative law bureau of the department when the proceedings involve a common question of law or fact with another proceeding arising under this code that may be conducted by the administrative law bureau's administrative law judges. The commissioner and the appointed administrative law judge shall have all the powers granted under the Administrative Procedure Act.

(4) The person shall be entitled to have the proceedings and the order reviewed by means of any remedy provided by Section 12940 or by the Administrative Procedure Act (Chapter 5 (commencing with Section 11500) of Part 1 of Division 3 of Title 2 of the Government Code).

(Added by Stats. 2024, Ch. 244, Sec. 2. (AB 2743) Effective January 1, 2025.)

11580.25. No motor vehicle insured pursuant to a policy of insurance issued under Section 11580.1 or 11580.2 shall be classified as a common carrier, livery, or for-hire vehicle solely for the reason that the named insured is performing volunteer services for a nonprofit charitable organization or governmental agency consisting of providing social service transportation as defined in subdivision (f) of Section 11580.1.

(Added by Stats. 1980, Ch. 1320, Sec. 3. Effective September 30, 1980.)

11580.26. (a) Except where a named insured has agreed pursuant to Section 11580.2 to delete the coverages provided by that section, no policy of bodily injury liability insurance covering liability arising out of the ownership, maintenance, or use of any motor vehicle, except where the policy provides insurance in the Republic of Mexico issued or delivered in this state by nonadmitted Mexican insurers, and except a policy insuring a commercial vehicle as defined in Section 260 of the Vehicle Code, shall be issued or delivered in this state to the owner or operator of a motor vehicle, or shall be issued or delivered by any insurer licensed in this state upon any motor vehicle then principally used or principally garaged in this state, unless a named insured has been offered the following coverage:

(1) Where the policy of motor vehicle liability insurance includes collision coverage as defined in subdivision (d) of Section 660, coverage which provides that the deductible amount, if any, to be paid by the named insured under the collision coverage shall be payable by the insurer in the event of collision involving a vehicle owned by the named insured and insured under the policy, and an uninsured motor vehicle.

(2) Where the policy of motor vehicle liability insurance does not include collision coverage as defined in subdivision (d) of Section 660, coverage for property damage to the insured motor vehicle, but not including personal property contained therein, caused by the owner or operator of an uninsured motor vehicle. As used in this subdivision, "property damage" means payment for loss or damage to the insured motor vehicle resulting from collision, not to exceed its actual cash value or three thousand five hundred dollars (\$3,500), whichever is less, for which loss or damage the insured is legally entitled to recover from the owner or operator of an uninsured motor vehicle. Property damage does not include compensation for loss of use of the motor vehicle. As used in this subdivision, the term "insured motor vehicle" means the motor vehicle described in the underlying insurance policy of which the uninsured motorist property damage coverage or endorsement applies.

(b) Every payment by an insurer under either coverage provided in paragraphs (1) and (2) of subdivision (a) shall be payable under the terms and conditions set forth in the policy, and shall be made only where the collision involves actual, direct physical contact between the insured and the uninsured motor vehicle and the owner or operator of the uninsured motor vehicle is identified or the uninsured motor vehicle is identified by its license number, provided that the insured or someone on his or her behalf shall have reported the accident within 10 business days to his or her insurer or their agent and, provided further, that it is also determined by the insured and insurer or, in the event of disagreement, by arbitration conducted by a single neutral arbitrator, when the insured has formally instituted arbitration proceedings within one year from the date of the accident, that the insured is legally entitled to recover the amount of the payments for property damage from the owner or operator of the uninsured motor vehicle. No cause of action shall exist against either an insured or insurer from exercising the right to request arbitration of a claim under this section or Section 11580.2.

(c) Any named insured, prior to or subsequent to the issuance or renewal of a policy, may elect not to accept the type of coverage provided by this section or the insurer and any named insured may agree in writing to waive this coverage when a motor vehicle is used or operated by a person or persons designated by name. That election shall be binding upon every insured to whom the policy or endorsement provisions apply while the policy is in force and shall continue to be so binding, with respect to any continuation or renewal of the policy, or with respect to any other policy which extends, changes, supersedes, or replaces the policy issued to the named insured by the same insurer or with respect to reinstatement of the policy within 30 days of any lapse thereof. A policy shall be excluded from the application of this section if the only coverage, with respect to the use of any motor vehicle, is limited to the contingent liability arising out of the use of nonowned motor vehicles or if the automobile liability coverage is provided only on an excess or umbrella basis.

(d) An insurer paying a claim under any coverage required by this section shall be entitled to be subrogated to the rights of the insured to whom the claim was paid against any person legally liable for the damage to the insured motor vehicle to the extent that payment was made. The action may be brought within three years from the date that payment was made pursuant to this section.

In the event of a covered loss to a vehicle that is insured for the coverage described in paragraph (2) of subdivision (a) and also insured for collision coverage, the collision coverage shall pay for the covered loss and the insurance described in paragraph (2) of subdivision (a) shall only pay any deductible not covered by the collision coverage not to exceed three thousand five hundred dollars (\$3,500).

(e) As used in this section, "uninsured motor vehicle" means any motor vehicle with respect to the ownership, maintenance, or use of which there is no property damage liability insurance or bond applicable at the time of the accident, or there is applicable insurance or bond but the company writing the insurance or bond denies coverage thereunder or refuses to admit coverage thereunder, except conditionally or with reservation, or a motor vehicle used without the permission of the owner thereof if there is no property damage liability insurance or bond applicable at the time of the accident with respect to the owner or operator thereof. A motor vehicle which has at least the minimum property damage liability limits required pursuant to Section 16056 of the Vehicle Code shall not be held to be an uninsured motor vehicle even when the property damage liability limits are not sufficient to compensate for all property damage caused by the owner or operator of the vehicle. As used in this section, "uninsured motor vehicle" shall not include a motor vehicle owned or operated by any insured or any resident of the named insured's household or self-insured within the meaning of the financial responsibility provisions of the state in which the motor vehicle is registered or which is owned by the United States of America, Canada, a state or political subdivision of any government, or an agency of any of the foregoing, or a land motor vehicle or trailer operated on rails or crawler treads or while located for use as a residence for premises and not as a vehicle, or a farm-type tractor or equipment designed for use principally off public roads, except while actually upon public roads. As used in this section, "uninsured motor vehicle" also means an insured motor vehicle where the liability insurer thereof is unable to make payment with respect to the legal liability of its insured within the limits specified therein because of insolvency. An insurer's solvency protection shall be applicable only to accidents occurring during a policy period in which its insured's motor vehicle coverage is in effect where the liability insurer of the tortfeasor becomes insolvent within one year of the accident. In the event of payment to any person under the coverage required by this section and subject to the terms and conditions of the coverage, the insurer making the payment shall,

to the extent thereof, be entitled to any proceeds which may be recoverable from the assets of the insolvent insurer through any settlement or judgment of the person against the insolvent insurer.

(f) The offer of coverage required by this section shall be made only for policies issued or renewed on or after July 1, 1984.

(g) Any insurer whose insured has made a claim under either coverage provided in paragraphs (1) and (2) of subdivision (a), and that claim is pending, shall, at least 30 days before the expiration of the applicable statute of limitation, notify its insured in writing of the statute of limitation applicable to the property damage. Failure of the insurer to provide the written notice shall operate to toll any applicable statute of limitation until 30 days after the date the written notice is actually given. The notice shall not be required if the insurer has received notice that the insured is represented by an attorney.

(Amended by Stats. 1988, Ch. 1471, Sec. 3.)

11580.3. When an insured entitled to recovery under uninsured motorists' coverage is a minor, an arbitration award upon the minor's claim is deemed to be a compromise and is governed by Part 8 (commencing with Section 3300) of Division 4 of the Probate Code; provided, however, that the court may disapprove the award only on the grounds specified in Section 1286.2 of the Code of Civil Procedure.

(Amended by Stats. 1988, Ch. 113, Sec. 12. Effective May 25, 1988. Operative July 1, 1988, by Sec. 23 of Ch. 113.)

11580.4. In any action or arbitration proceeding to determine whether an insured shall be entitled to recovery of damages under uninsured motorist coverage, the certificate of the Department of Motor Vehicles that the owner or operator of the motor vehicle alleged to have been an uninsured motor vehicle at the time of the accident has not established financial responsibility, as provided in Section 16020 of the Vehicle Code, shall be admissible in evidence to create a rebuttable presumption that such vehicle was an uninsured motor vehicle at the time of the accident.

(Amended by Stats. 1974, Ch. 1409.)

11580.5. No award made in an arbitration proceeding instituted pursuant to Section 11580.2 shall be deemed to be res judicata or collateral estoppel in any court action which may be pending or brought by the insured against the owner or operator of an uninsured motor vehicle.

(Added by Stats. 1967, Ch. 1654.)

11580.6. Where a policy of liability insurance covering the ownership, maintenance, or use of a motor vehicle or aircraft contains a provision indicating that coverage is extended to accidents, occurrences, and loss arising in Mexico, the policy shall contain an additional provision, either on the face of the policy or by an endorsement attached thereto stating as follows:

WARNING

Unless you have automobile or aircraft insurance written by a Mexican insurance company, you may spend many hours or days in jail, if you have an accident in Mexico. Insurance coverage should be secured from a company licensed under the laws of Mexico to write such insurance in order to avoid complications and some other penalties possible under the laws of Mexico, including the possible impoundment of your automobile or aircraft.

(Amended by Stats. 1968, Ch. 511.)

11580.8. The Legislature declares it to be the public policy of this state to avoid so far as possible conflicts and litigation, with resulting court congestion, between and among injured parties, insureds, and insurers concerning which, among various policies of liability insurance and the various coverages therein, are responsible as primary, excess, or sole coverage, and to what extent, under the circumstances of any given event involving death or injury to persons or property caused by the operation or use of a motor vehicle.

The Legislature further declares it to be the public policy of this state that Section 11580.9 of the Insurance Code expresses the total public policy of this state respecting the order in which two or more of such liability insurance policies covering the same loss shall apply, and such public policy is not to be changed or modified by any provision of the Vehicle Code except in those express cases where the requirements of Article 2 (commencing with Section 16450) of Chapter 3 of Division 7 of the Vehicle Code apply with regard to a policy of liability insurance certified as provided in Section 16431 of the Vehicle Code.

(Added by Stats. 1970, Ch. 300.)

11580.9. (a) Where two or more policies affording valid and collectible automobile liability insurance apply to the same motor vehicle in an occurrence out of which a liability loss shall arise, and one policy affords coverage to a named insured engaged in the business of selling, repairing, servicing, delivering, testing, road-testing, parking, or storing motor vehicles, then both of the following shall be conclusively presumed:

(1) If, at the time of loss, the motor vehicle is being operated by any person engaged in any of these businesses, or by his or her employee or agent, the insurance afforded by the policy issued to the person engaged in the business shall be primary, and the insurance afforded by any other policy shall be excess.

(2) If, at the time of loss, the motor vehicle is being operated by any person other than as described in paragraph (1), the insurance afforded by the policy issued to any person engaged in any of these businesses shall be excess over all other insurance available to the operator as a named insured or otherwise.

(b) Where two or more policies apply to the same loss, and one policy affords coverage to a named insured who in the course of his or her business rents or leases motor vehicles without operators, it shall be conclusively presumed that the insurance afforded by that policy to a person other than the named insured or his or her agent or employee, shall be excess over and not concurrent with, any other valid and collectible insurance applicable to the same loss covering the person as a named insured or as an additional insured under a policy with limits at least equal to the financial responsibility requirements specified in Section 16056 of the Vehicle Code. The presumption provided by this subdivision shall apply only if, at the time of the loss, the involved motor vehicle either:

(1) Qualifies as a "commercial vehicle." For purposes of this subdivision, "commercial vehicle" means a type of vehicle subject to registration or identification under the laws of this state and is one of the following:

(A) Used or maintained for the transportation of persons for hire, compensation, or profit.

(B) Designed, used, or maintained primarily for the transportation of property.

(2) Has been leased for a term of six months or longer.

(c) Where two or more policies are applicable to the same loss arising out of the loading or unloading of a motor vehicle, and one or more of the policies is issued to the owner, tenant, or lessee of the premises on which the loading or unloading occurs, it shall be conclusively presumed that the insurance afforded by the policy covering the motor vehicle shall not be primary, notwithstanding anything to the contrary in any endorsement required by law to be placed on the policy, but shall be excess over all other valid and collectible insurance applicable to the same loss with limits up to the financial responsibility requirements specified in Section 16056 of the Vehicle Code. In that event, the two or more policies shall not be construed as providing concurrent coverage, and only the insurance afforded by the policy or policies covering the premises on which the loading or unloading occurs shall be primary and the policy or policies shall cover as an additional insured with respect to the loading or unloading operations all employees of the owner, tenant, or lessee while acting in the course and scope of their employment.

(d) Except as provided in subdivisions (a), (b), and (c), where two or more policies affording valid and collectible liability insurance apply to the same motor vehicle or vehicles in an occurrence out of which a liability loss shall arise, it shall be conclusively presumed that the insurance afforded by that policy in which the motor vehicle is described or rated as an owned automobile shall be primary and the insurance afforded by any other policy or policies shall be excess.

(e) Any insurance policy which, under the terms of subdivisions (a) to (d), inclusive, applies as excess coverage may provide with respect to any primary policy or to any loss to which primary insurance is not valid and collectible in whole or in part, that the excess policy shall apply only to the extent necessary to provide the insured with the coverage limits specified in Section 16056 of the Vehicle Code.

(f) The presumptions stated in subdivisions (a) to (d), inclusive, may be modified or amended only by written agreement signed by all insurers who have issued a policy or policies applicable to a loss described in these subdivisions and all named insureds under these policies.

(g) Where two or more personal policies affording valid and collectible liability insurance apply to the same motor vehicle in an occurrence out of which a loss shall arise, and one policy, as defined in subdivision (a) of Section 660, is primary, either by its terms or by operation of law, and one or more of the personal policies providing liability insurance, as defined in Section 108, are excess, either by their terms or by operation of law, then the following shall apply:

(1) Each insurer shall pay its share of the defense costs. Each insurer's share of the defense costs shall be the percentage of the total defense costs equal to the amount of damage paid by that insurer as a percentage of total damages paid by all insurers whose policies apply to that motor vehicle.

(2) The term "defense costs" means, for purposes of this subdivision, reasonable attorney's fees and expenses, investigation expenses, expert witness fees, and costs allowable under Section 1033.5 of the Code of Civil Procedure.

(h) Notwithstanding subdivision (b), when two or more policies affording valid and collectible automobile liability insurance apply to a power unit and an attached trailer or trailers in an occurrence out of which a liability loss shall arise, and one policy affords coverage to a named insured in the business of a trucker, defined as any person or organization engaged in the business of transporting property by auto for hire, then the following shall be conclusively presumed: If at the time of loss, the power unit is being operated by any person in the business of a trucker, the insurance afforded by the policy to the person engaged in the business of a trucker shall be primary for both power unit and trailer or trailers, and the insurance afforded by the other policy shall be excess.

(i) For purposes of this article, a certificate of self-insurance issued pursuant to Section 16053 of the Vehicle Code or a deposit of cash made pursuant to Section 16054.2 of the Vehicle Code or a bond in effect pursuant to Section 16054 of the Vehicle Code or a report of governmental ownership or lease filed pursuant to Section 16051 of the Vehicle Code shall be considered a policy of automobile liability insurance. However, this subdivision does not establish or provide the basis for any other form of liability for or upon a self-insurer or other person or entity holding, issuing, or establishing any form of security as described herein.

(Amended by Stats. 2006, Ch. 345, Sec. 1. Effective January 1, 2007.)

11580.10. Any liability insurer issuing or renewing an automobile liability policy or a motor vehicle liability policy within the meaning of subdivision (a) of Section 16054 of the Vehicle Code shall provide written notice to the named insured of the policy identification number that may be used for verifying financial responsibility for purposes of Section 16028 of the Vehicle Code. This notice may be provided in a written binder, if any, or in the policy documents provided upon issuance or renewal of the policy. The insurer shall provide at least two copies of the notice to the insured and shall, upon request and payment of the reasonable cost thereof, provide additional copies.

(Amended by Stats. 1989, Ch. 1124, Sec. 1. Effective September 30, 1989.)

11581. Upon any proceeding supplementary to execution, such judgment debtor may be required to exhibit any policy carried by him, insuring him against the liability for the loss or damage for which judgment was obtained.

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

11582. No settlement made under a motor vehicle liability insurance policy of a claim against any insured thereunder arising from any accident or other event insured against for damage to or destruction of property owned by another person shall be construed as an admission of liability by the insured, or the insurer's recognition of such liability, with respect to any other claim arising from the same accident or event.

(Added by Stats. 1965, Ch. 296.)

11583. No advance payment or partial payment of damages made by any person, or made by his insurer under liability insurance as defined in subdivision (a) of Section 108, as an accommodation to an injured person or on his behalf to others or to the heirs at law or dependents of a deceased person because of an injury or death claim or potential claim against any person or insured shall be construed as an admission of liability by the person claimed against, or of that person's or the insurer's recognition of such liability, with respect to such injured or deceased person or with respect to any other claim arising from the same accident or event. Any such payments shall, however, constitute a credit and be deductible from any final settlement made or judgment rendered with respect to such injured or deceased person which does not expressly take into account such advance payments. Any person, including any insurer, who makes such an advance or partial payment, shall at the time of beginning payment, notify the recipient thereof in writing of the statute of limitations applicable to the cause of action which such recipient may bring against such person as a result of such injury or death, including any time limitations within which claims are required to be made against the state or any local public entity when such payments are made on behalf of such public entities. Failure to provide such written notice shall operate to toll any such applicable statute of limitations or time limitations from the time of such advance or partial payment until such written notice is actually given. That notification shall not be required if the recipient is represented by an attorney.

(Amended by Stats. 1985, Ch. 792, Sec. 5.)

11584. No policy of insurance issued or delivered in this state covering any loss, expense or liability arising out of the ownership, maintenance, or use of an aircraft shall exclude or deny coverage because the aircraft is operated in violation of federal or civil air regulations, or any state law or local ordinance, nor shall any policy exclude or deny coverage which the insured is obligated to provide according to law.

This section does not prohibit the use of specific exclusions or conditions in any such policy which relates to any of the following:

(1) Certification of an aircraft in a stated category by the Federal Aviation Administration.

(2) Certification of a pilot in a stated category by the Federal Aviation Administration.

(3) Establishing requirements for pilot experience.

(4) Establishing limitations on the use of the aircraft.

(5) Any person licensed under Division 6 (commencing with Section 11401) of the Agricultural Code with respect to his operation of an aircraft for the purpose of applying pest control materials or substances by dusting, spraying or any other manner whereby such materials or substances are applied through the medium of aircraft.

(Amended by Stats. 1979, Ch. 993.)

11585. (a) No policy of insurance for residential property located within California shall be issued or delivered, and no existing policy of insurance for residential property located within California shall be renewed, unless the policy complies with the requirements of subdivision (b).

(b) If the policy includes any liability insurance, or if a liability insurance policy is issued in connection with the policy, the policy shall cover liability incurred by the insured in connection with the use of the residential property for a polling place for any state or local election, under the same terms and conditions as for other liability covered by the policy.

(Added by Stats. 1987, Ch. 815, Sec. 1.)

11586. (a) On and after the effective date of this section, each insurer licensed to issue automobile liability insurance or common carrier liability insurance, and selling or offering for sale automobile liability insurance or common carrier liability insurance to a transit district organized under Part 3 (commencing with Section 30000) of Division 10 of the Public Utilities Code, shall, as a condition of obtaining or retaining a license to transact business in this state, offer uninsured motorist coverage identical in all respects to that set forth in Section 11580.2 with regard to private passenger motor vehicles, except that the insurer and such transit district, as the case may be, may not agree to waive such coverage.

(b) No insurer subject to subdivision (a) shall refuse to issue uninsured motorist coverage to any such transit district which applies to it therefor.

(c) Each insurer subject to this section may charge such premium rate for providing uninsured motorist coverage to such transit district as will be sufficient for it to meet the costs of providing such coverage.

(Added by Stats. 1971, Ch. 1514.)

11588. No insurer authorized to do business in this state and to provide professional liability insurance to persons lawfully engaged in the practice of medicine or osteopathic medicine, health plans, and to partnerships or corporations lawfully engaged in the operation of hospitals, sanitariums, clinics, or other health care facilities, shall refuse to issue or renew insurance at rates which are not excessive or unfairly discriminatory as defined in Section 1852 to those persons, partnerships or corporations, solely on the grounds that those persons, partnerships or corporations have entered, or intend to enter, into valid written agreements with patients or prospective patients for the arbitration of cases or controversies arising out of the professional or business relationships between those persons, partnerships or corporations and said patients.

(Amended by Stats. 1993, Ch. 226, Sec. 12. Effective January 1, 1994.)

11589. No insurer who provides professional liability insurance for physicians and surgeons or dentists shall increase the premium for such insurance, impose a surcharge with respect to such insurance, or otherwise require additional compensation for such insurance, or institute or increase a deductible amount payable by the insured, because a notice of intention to commence an action has been given pursuant to Section 364 of the Code of Civil Procedure, unless a complaint has been served on the physician and surgeon or dentist with respect to such action.

(b) For the purposes of this section, "professional liability insurance" means insurance against liability for damages caused by any act or omission of a physician and surgeon or dentist in rendering professional services within this state issued by any insurer, including, but not limited to, a joint underwriting association, cooperative corporation or reciprocal or interinsurance exchange.

(Added by Stats. 1979, Ch. 988.)

11589.1. (a) (1) An insurer shall not refuse to issue or renew, nor shall terminate, professional liability insurance for a health care provider in this state, solely based on any prohibited bases for discrimination set forth in subdivision (d).

(2) With respect to policies issued in this state and that provide professional liability coverage for damages arising from services offered or performed in multiple states, if a health care provider offers or performs the services described in paragraph (1) of subdivision (d) in a state where those services are unlawful, nothing in this section shall be construed to prohibit an insurer from terminating, or refusing to issue or renew, a health care provider's professional liability coverage in that state where the unlawful services are offered or performed.

(b) An insurer shall not increase premium, impose a surcharge or other additional compensation or cost, or institute or increase a deductible amount or other cost sharing payable by an insured, solely based on any prohibited bases for discrimination set forth in subdivision (d). Nothing in this section shall be construed to supersede, modify, or otherwise affect in any way the provisions of Article 10 (commencing with Section 1861.01) of Chapter 9 of Part 2 of Division 1 and implementing regulations, as applicable.

(c) An insurer providing professional liability insurance for health care providers in this state shall not deny coverage for liability for damages arising from offering or performing abortion, contraception, gender-affirming health care, or care related to those health care services, if those services are within the scope of the insured's license, the services are lawful in the state where they are

offered or performed, and the policy would otherwise cover liability for such damages arising from performing or rendering other professional services within the insured's scope of license.

(d) For purposes of this section, "prohibited bases for discrimination" include all of the following:

- (1) A health care provider offers or performs abortion, contraception, gender-affirming health care, or care related to those health care services, that are lawful in this state, including, but not limited to, those that may be unlawful in another state.
- (2) Another state's laws create potential or actual liability for abortion, contraception, gender-affirming health care, or care related to those health care services offered or performed in this state.
- (3) Legal or administrative action taken in another state against a health care provider concerning abortion, contraception, gender-affirming health care, or care related to those health care services, results or resulted in a judgment, conviction, or disciplinary action against the provider, if those health care services, as provided, are or would be lawful and consistent with the applicable standard of care in this state.

(e) This section applies to professional liability insurance marketed, offered, issued, amended, or renewed in this state for health care providers in this state.

(f) For purposes of this section, the following definitions shall apply:

- (1) "Health care provider" means a person licensed under Division 2 (commencing with Section 500) of the Business and Professions Code to perform or render health care services in this state.
- (2) "Offer or perform" means to offer, perform, provide, prescribe, dispense, furnish, or otherwise render health care items or services, as well as to aid or assist in the rendering of those items or services.
- (3) "Professional liability insurance" means insurance against liability for damages caused by any act or omission of a person licensed to provide health care services in rendering professional services within this state issued by any insurer, including, but not limited to, a joint underwriting association, cooperative corporation, or reciprocal or interinsurance exchange.

(Added by Stats. 2023, Ch. 256, Sec. 1. (AB 571) Effective January 1, 2024.)

11589.5. No insurer who provides professional liability insurance for persons licensed under the provisions of Part 1 (commencing with Section 10000) of Division 4 of the Business and Professions Code shall exclude from coverage under that policy liability arising from the breach of the duty of the licensee arising under Article 2 (commencing with Section 2079) of Chapter 3 of Title 6 of Part 4 of Division 3 of the Civil Code. Notwithstanding the foregoing, an insurer may exclude coverage against liability arising out of a dishonest, fraudulent, criminal, or malicious act, error, or omission committed by, at the direction of, or with the knowledge of the insured.

For the purposes of this section, "professional liability insurance" means insurance against liability for damages caused by any act or omission of a real estate licensee in rendering professional services in this state.

(Added by Stats. 1985, Ch. 223, Sec. 3.)