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INSURANCE CODE - INS

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

PART 6. INSURANCE COVERING LAND [12340 - 12661] (*Part 6 enacted by Stats. 1935, Ch. 145.*)

CHAPTER 1. Title Insurance [12340 - 12418.4] (*Chapter 1 enacted by Stats. 1935, Ch. 145.*)

ARTICLE 6.7. Hearings, Procedure, and Judicial Review [12414.13 - 12414.19] (*Article 6.7 added by Stats. 1973, Ch. 1130.*)

12414.13. Any person aggrieved by any rate charged, rating plan or rating system followed or adopted by a title insurer, underwritten title company, or controlled escrow company may request such person or entity to review the manner in which the rate, plan, system, or rule has been applied with respect to insurance or services afforded him. Such request may be made by his authorized representative, and shall be written. If the request is not granted within 30 days after it is made, the requestor may treat it as rejected. Any person aggrieved by the action of any such person or entity in refusing the review requested, or in failing or refusing to grant all or part of the relief requested, may file a written complaint and request for hearing with the commissioner, specifying the grounds relied upon. If the commissioner has information concerning a similar complaint he may deny the hearing. If he believes that probable cause for the complaint does not exist or that the complaint is not made in good faith he shall deny the hearing. Otherwise, and if he finds that the complaint charges a violation of Article 5.5 (commencing with Section 12401) and that the complainant would be aggrieved if the violation is proved, he shall proceed as provided in Section 12414.14.

(*Added by Stats. 1973, Ch. 1130.*)

12414.14. If after examination of a title insurer, an underwritten title company, or a controlled escrow company, or upon the basis of other information, or upon sufficient complaint as provided in Section 12414.13, the commissioner has good cause to believe that such person or entity, or any rate, rating plan or rating system made or used by any such person or entity does not comply with the requirements and standards of Article 5.5 (commencing with Section 12401) he shall, unless he has good cause to believe such noncompliance is willful, give notice in writing stating therein in what manner and to what extent such noncompliance is alleged to exist and specifying therein a reasonable time, not less than 10 days nor more than 30 days thereafter, in which such noncompliance may be corrected. Notices under this section shall be confidential as between the commissioner and the parties unless a hearing is held under Section 12414.15.

(*Added by Stats. 1973, Ch. 1130.*)

12414.15. If the commissioner has good cause to believe such noncompliance to be willful, or if within the period prescribed by the commissioner in the notice required by Section 12414.14 the title insurer, underwritten title company, or controlled escrow company does not make such changes as may be necessary to correct the noncompliance specified by the commissioner or establish to the satisfaction of the commissioner that such specified noncompliance does not exist, then the commissioner may hold a public hearing in connection therewith, provided that within a reasonable period of time, which shall be not less than 10 days before the date of such hearing, he shall mail written notice specifying the matters to be considered at such hearing to such title insurer, underwritten title company, or controlled escrow company. Such notice shall conform to the requirements for an accusation as prescribed by Section 11503 of the Government Code. If no notice has been given as provided in Section 12414.14, such notice shall state therein in what manner and to what extent noncompliance is alleged to exist. The hearing shall not include any additional subjects not specified in the notices required by Section 12414.14 or this section.

(*Added by Stats. 1973, Ch. 1130.*)

12414.16. If after a hearing pursuant to Section 12414.15 the commissioner finds:

(a) That any rate, rating plan or rating system violates the provisions of Article 5.5 (commencing with Section 12401), he may issue an order to the person or entity which has been the subject of the hearing specifying in what respects such violation exists and stating when, within a reasonable period of time, the further use of such rate or rating system by such person or entity in the business of title insurance made thereafter shall be prohibited.

(b) That the violation which has been the subject of hearing was willful, he may suspend or revoke, in whole or in part, the certificate of authority of such title insurer or the license of such underwritten title company or controlled escrow company with respect to the transaction of the business of title insurance which has been the subject matter of the hearing.

(Added by Stats. 1973, Ch. 1130.)

12414.17. In addition to other penalties provided in this code, the commissioner may suspend or revoke, in whole or in part, the authority of any person or entity to engage in the business of title insurance upon the failure of any such person or entity to comply within the time limited by such order or any extension thereof which the commissioner may grant, with an order of the commissioner lawfully made by him pursuant to Section 12414.16 and effective pursuant to Section 12414.19.

(Added by Stats. 1973, Ch. 1130.)

12414.18. Except as otherwise provided in this chapter, all proceedings in connection with the denial, suspension, or revocation of a license or certificate of authority under this chapter shall be conducted in accordance with the provisions of Chapter 5 (commencing with Section 11500) of Part 1 of Division 3 of Title 2 of the Government Code, and the commissioner shall have all the powers granted to him therein.

(Added by Stats. 1973, Ch. 1130.)

12414.19. Any finding, determination, rule, ruling, or order made by the commissioner under Article 5.5 (commencing with Section 12401), Article 5.7 (commencing with Section 12402), Article 6.7 (commencing with Section 12414.13), and Article 6.9 (commencing with Section 12414.20) of this chapter shall be subject to review by the courts of the state and proceedings on review shall be in accordance with the provisions of the Code of Civil Procedure. In such proceedings on review, the court is authorized and directed to exercise its independent judgment on the evidence and unless the weight of the evidence supports the findings, determination, rule, ruling, or order of the commissioner, the same shall be annulled.

Notwithstanding any other provision of law to the contrary, a petition for review of any such finding, determination, rule or order, may be filed at any time before the effective date thereof. No such finding, determination, rule, or order shall become effective before the expiration of 20 days after notice and a copy thereof are mailed or delivered to the person or entity affected, and any finding, determination, rule, or order of the commissioner so submitted for review shall not become effective for a further period of 15 days after the petition for review is filed with the court. The court may stay the effectiveness thereof for a longer period.

(Amended by Stats. 1974, Ch. 436.)