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AB-1696 Insurance omnibus: developmental services. (2017-2018)

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Assembly Bill No. 1696

CHAPTER 417

An act to repeal and add Section 201.6 of the Corporations Code, to amend Sections 396, 481, 663, 678, 678.1, 730, 1063.7, 1560.12, 1628, 1656, 1661, 1662, 1708, 1712.5, 1725, 4097.13, 10083, 10087, 10089.19, 10089.27, 10164.2, 10231.3, 10509.7, 11542.2, and 12340.6 of, to amend, repeal, and add Section 1725.5 of, and to repeal and add Section 1682 of, the Insurance Code, to amend Section 1095 of the Unemployment Insurance Code, and to amend Section 4514 of the Welfare and Institutions Code, relating to insurance.

[Approved by Governor October 02, 2017. Filed with Secretary of State October 02, 2017.]

LEGISLATIVE COUNSEL'S DIGEST

AB 1696, Committee on Insurance. Insurance omnibus: developmental services.

Existing law divides insurance into various classes, including long-term care insurance, which includes an insurance policy, certificate, or rider advertised, marketed, offered, solicited, or designed to provide coverage for diagnostic, preventive, therapeutic, rehabilitative, maintenance, or personal care services that are provided in a setting other than an acute care unit of a hospital. Existing law, for the purposes of long-term care insurance, defines "alternate plan of care" as a plan of care developed by a licensed health care practitioner that includes a specification of long-term care services required by an insured that are not specifically defined as a covered service under the policy, and specifies that an insurer is not required to include a provision in a long-term care insurance policy that authorizes an alternate plan of care.

This bill, among other things, would clarify that an insurer and an insured may agree to use an alternate plan of care even if there is no provision in the long-term care insurance policy that specifically authorizes one, that neither an insurer nor an insured is obligated to negotiate an alternate plan of care, and that if an insurer does not accept an extra-contractual request for an alternate plan of care, the rejection is not a denial of a claim.

Existing law requires the Insurance Commissioner to conduct an examination of the business and affairs of insurers admitted in this state at least once every 5 years.

This bill would require an admitted insurer to maintain all records necessary to determine the financial condition of the insurer for the current year plus the 5 previous years.

Existing law provides the means by which an insurer may redomesticate its principal place of business to this state or redomesticate to any other state in which it is admitted to transact the business of insurance. Existing law defines "redomestication" as the transfer of an insurer's place of incorporation from another state to this state or from this state to another state. Existing law requires the Secretary of State to file the certificate of redomestication of an insurer for which articles of incorporation have previously been filed if the commissioner has approved the redomestication.

This bill would delete the above-described requirement that the Secretary of State file the certificate of redomestication, would require an insurer redomesticating to this state to file articles of incorporation with the Secretary of State, as prescribed, and would require an insurer redomesticating to another state to file a statement of redomestication with the Secretary of State, as prescribed.

Existing law requires a property broker-agent and a casualty broker-agent to, prior to acting in the capacity of an insurance broker, file and continuously maintain in force the required bond.

This bill would also require a personal lines broker-agent to comply with these requirements and would require that the bond be filed with the commissioner.

Existing law prohibits a person who has failed any Department of Insurance license qualification examination 10 times within the previous 12-month period from enrolling in any further license qualification examinations for a period of 12 months.

This bill would delete the above-described prohibition and would instead prohibit a person from being admitted to more than 10 license qualification examinations of the same type in any 12-month period, as specified. The bill would also specify the types of license qualification examinations covered by these provisions.

Existing law provides requirements for specified licensees to include certain information on business cards, written price quotations, and print advertisements distributed in this state for insurance products.

This bill, commencing January 1, 2019, would exempt, among others, insurance adjusters from these requirements, would add personal lines licensees and limited lines automobile insurance agents to the list of licensees to whom these requirements apply, and would modify the required information, as specified.

Existing law provides that the information obtained in the administration of the Unemployment Insurance Law is for the exclusive use and information of the Director of Employment Development in the discharge of his or her duties and is not open to the public. However, existing law requires the director to permit the use of specified information for specified purposes, and allows the director to require reimbursement for direct costs incurred. Existing law provides that a person who knowingly accesses, uses, or discloses this confidential information without authorization is guilty of a misdemeanor. Existing law establishes the Employment First Policy, which is the policy that opportunities for integrated, competitive employment be given the highest priority for working-age individuals with developmental disabilities, regardless of the severity of their disabilities.

This bill would require the Director of Employment Development to provide any peace officer with the Enforcement Branch of the Department of Insurance with specified information that relates to specific insurance fraud investigations, as provided. The bill would also require the Director of Employment Development to disclose specified information to the State Department of Developmental Services to assist the State Department of Developmental Services in the implementation of the Employment First Policy. By providing this information to the Department of Insurance and the State Department of Developmental Services, this bill would expand the crime related to the unauthorized disclosure of this information, and would impose a state-mandated local program.

Existing law provides that all information and records obtained by the State Department of Developmental Services in the course of providing intake, assessment, and services to persons with developmental disabilities are confidential and may only be disclosed under specified circumstances.

This bill would authorize the disclosure to authorized employees of the Employment Development Department of information and records obtained in the course of providing intake, assessment, and services to persons with developmental disabilities as necessary to enable the Employment Development Department to provide specific information to the State Department of Developmental Services for purposes of the Employment First Policy.

This bill would also make technical, nonsubstantive changes, delete obsolete provisions, and correct cross-references.

This bill would incorporate additional changes to Section 1095 of the Unemployment Insurance Code proposed by AB 1275 to be operative only if this bill and AB 1275 are enacted and this bill is enacted last.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: majority Appropriation: no Fiscal Committee: yes Local Program: yes

THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

SECTION 1. Section 201.6 of the Corporations Code is repealed.

SEC. 2. Section 201.6 is added to the Corporations Code, to read:

201.6. (a) (1) When an insurer has been approved by the Insurance Commissioner pursuant to Section 709.5 of the Insurance Code to redomesticate to this state, the redomesticating insurer shall file with the Secretary of State articles of incorporation that include a provision setting forth all of the following information:

(A) The name and former jurisdiction of the redomesticating insurer.

(B) The redomesticating insurer's Secretary of State file number.

(C) A statement that the redomesticating insurer was authorized to effect the redomestication by the laws under which it formerly was organized.

(D) A statement that the redomesticating insurer has approved a plan of redomestication or other instrument as may be required to effect the redomestication to this state pursuant to the laws under which the redomesticating insurer was organized.

(E) A statement that the Insurance Commissioner has approved the redomestication of the insurer to this state.

(2) The Secretary of State shall not file articles of incorporation containing the information required by paragraph (1) unless a copy of the amended certificate of authority, evidencing the approval of the redomestication by the Insurance Commissioner, is attached thereto.

(b) If a redomesticating insurer is qualified to transact business in this state, by virtue of its filing of articles of incorporation in this state, the redomesticating insurer shall automatically surrender its right to transact intrastate business.

(c) (1) An insurer that has filed articles of incorporation in this state and has been approved by the Insurance Commissioner pursuant to Section 709.5 of the Insurance Code to redomesticate to another jurisdiction, shall file with the Secretary of State a statement of redomestication, on a form prescribed by the Secretary of State, containing all of the following information:

(A) The name of the redomesticating insurer.

(B) The redomesticating insurer's Secretary of State file number.

(C) The jurisdiction of the redomesticated insurer.

(D) The name and street address of the redomesticated insurer's agent for service of process.

(E) A statement that the redomesticating insurer is authorized to effect the redomestication under California law and the jurisdiction to which the insurer is redomesticating.

(F) A statement that the redomesticating insurer has complied with the requirements to redomesticate as required by California law and the jurisdiction to which the insurer is redomesticating.

(G) A statement that the Insurance Commissioner has approved the redomestication of the insurer.

(2) The Secretary of State shall not file the statement of redomestication required by paragraph (1) unless a copy of the amended certificate of authority, evidencing the approval of the redomestication by the Insurance Commissioner, is attached thereto.

SEC. 3. Section 396 of the Insurance Code is amended to read:

396. (a) An insurer shall do either of the following:

(1) Maintain a verifiable process that allows a policyholder to designate in writing or by electronic transmission pursuant to Section 38.6 one additional person to receive notice of lapse, termination, expiration, nonrenewal, or cancellation of a policy for nonpayment of premium. The insurer shall notify the policyholder in writing or by electronic transmission pursuant to Section 38.6 of this right at the time of the application or within 30 days after the inception date of an individual policy described in subdivision (f), and at least every two years thereafter. The notification described in this subdivision shall instruct the policyholder how to request the designation and how to replace or delete a designee. If a policyholder initiates contact with the insurer after the insurer has provided notice and the insurer complies with the policyholder's request to establish or change the additional person to receive the notice described in this section, the insurer shall not be required to maintain additional verification.

(2) Comply with subdivision (b).

(b) An insurer that adopts the following procedure shall be deemed to have complied with subdivision (a).

(1) Unless an applicant for insurance has been provided notice of the right set forth in this section prior to inception of the policy, the insurer shall provide the policyholder, within 30 days after the inception date of an individual policy described in subdivision (f), with notice of the right to designate one person, in addition to the policyholder, to receive notice of lapse, termination, expiration, nonrenewal, or cancellation of a policy for nonpayment of premium. The insurer shall provide each applicant or policyholder with notice in writing or by electronic transmission pursuant to Section 38.6 of the opportunity to make the designation. That notice shall instruct the applicant or policyholder on how he or she is to submit the name and address of one person, in addition to the applicant or policyholder, who is to receive notice of lapse, termination, expiration, nonrenewal, or cancellation of the policy for nonpayment of premium.

(2) If after having been provided notice from the insurer of the right to designate an individual to receive notice of lapse, termination, expiration, nonrenewal, or cancellation for nonpayment of premium, the applicant or policyholder fails to designate an individual within 30 days, the applicant or policyholder shall be conclusively presumed to have declined the opportunity to exercise his or her right at that time.

(3) Notwithstanding subparagraph (C) of paragraph (2) of subdivision (a) of Section 791.13 or any other law, the insurer shall retain and utilize as necessary the contact information provided in the written designation for the lifetime of the policy, and allow the policyholder to update the written designation if the policyholder so requests.

(c) (1) A policyholder retains the right to designate the one additional person to receive notice of lapse, termination, expiration, nonrenewal, or cancellation for nonpayment of premium at any time, at the initiative of the policyholder, regardless of whether the policyholder previously declined to exercise that right. At least every two years, the insurer shall notify the policyholder in writing or by electronic transmission pursuant to Section 38.6, of whichever of the following applies:

(A) If a policyholder has previously provided a designation pursuant to this subdivision, in writing or by electronic transmission pursuant to Section 38.6, the right to change the prior designation by replacing or deleting a person to receive notice of lapse, termination, expiration, nonrenewal, or cancellation for nonpayment of premium.

(B) If the policyholder has not previously designated a person to receive the notice of lapse, termination, expiration, nonrenewal, or cancellation for nonpayment of premium pursuant to this subdivision, the right to designate a person to receive notice of lapse, termination, expiration, nonrenewal, or cancellation for nonpayment of premium.

(2) The notice requirements in subparagraphs (A) and (B) of paragraph (1) may be provided to a policyholder in a single notice and shall not require two separate notices.

(d) When a policyholder pays the premium for an insurance policy through a payroll or pension deduction plan, the requirements contained in paragraph (1) of subdivision (b) need not be met until 60 days after the policyholder is no longer on that deduction payment plan.

(e) An insurance policy shall not lapse or be terminated for nonpayment of premium unless the insurer, at least 10 days prior to the effective date of the lapse, termination, expiration, nonrenewal, or cancellation, gives notice to the individual designated pursuant to subdivision (a) or (b) at the address provided by the policyholder for purposes of receiving the notice of lapse, termination, expiration, nonrenewal, or cancellation for nonpayment of premium. Notwithstanding any other law, notice shall be given by first-class United States mail, postage prepaid, within 10 days after the premium is due and unpaid. This subdivision does not modify requirements for notice to the policyholder of lapse, termination, expiration, nonrenewal, or cancellation set forth in other sections of this code.

(f) This section applies only to policies of private passenger automobile insurance that provide coverage for six months or longer, policies of residential property insurance as described in subdivision (a) of Section 10087 that take effect or that are renewed after the effective date of this section, and policies of individual disability income insurance as described in subdivision (i) of Section 799.01, except if the premiums for the individual disability income policy are paid entirely by the employer.

(g) This section applies to policies that are issued and take effect or that are renewed on or after January 1, 2016.

(h) An individual designated by a policyholder pursuant to this section to receive notice of lapse, termination, expiration, nonrenewal, or cancellation of the policy for nonpayment of premium does not have any rights, whether as an additional insured or otherwise, to any benefits under the policy, other than the right to receive notice as provided by this section.

SEC. 4. Section 481 of the Insurance Code is amended to read:

481. (a) Unless the insurance contract otherwise provides, a person insured is entitled to a return of his or her premium if the policy is canceled, rejected, surrendered, or rescinded, as follows:

(1) To the whole premium, if the insurer has not been exposed to any risk of loss.

(2) When the insurance is made for a definite period of time and the insured surrenders his or her policy, to that proportion of the premium as corresponds with the unexpired time, after deducting from the whole premium any claim for loss or damage under the policy that has previously accrued. The provisions of Section 482 apply only to the expired time.

(b) No contract for individual motor vehicle liability or homeowners' multiple-peril insurance may contain a provision that mandates that the premium for the policy shall be fully earned upon the happening of any contingency except the expiration of the policy itself. This subdivision shall not apply to policy fees or membership fees.

(c) (1) Any insurance policy that includes a provision to refund premium other than on a pro rata basis, including the assessment of cancellation fees, shall disclose that fact in writing, including the actual or maximum fees or penalties to be applied, which may be stated in the form of percentages of the premium. The disclosure shall be provided prior to, or concurrent with, the application and prior to each renewal to which the policy provision applies. For purposes of this subdivision, an insurer offering workers' compensation insurance, as defined in Section 109, may provide the disclosure with the quote offering insurance to the consumer prior to the consumer accepting the quote in lieu of disclosure prior to, or concurrent with, the application. Disclosure shall not be required if the policy provision permits, but does not require, the insurer to refund premium other than on a pro rata basis, and the insurer refunds premium on a pro rata basis.

(2) If an application is made by telephone, the disclosure shall be mailed to the applicant or insured within five business days.

(3) The disclosure may be made electronically pursuant to Section 38.6 in lieu of being mailed.

(4) This section does not apply to cancellations that are calculated subject to paragraph (2) of subdivision (g) of Section 673.

(d) This section shall not apply to policies of ocean marine insurance. For purposes of this section, "ocean marine insurance" means insurance of vessels or crafts, their cargos, marine builders' risks, marine protection and indemnity, or other risks commonly insured under marine insurance governed by the provisions of Chapter 1 (commencing with Section 1880) of Part 1 of Division 2, and as distinguished from inland marine insurance policies.

(e) The disclosure requirements of subdivision (c) shall be prospective and shall apply only to policies issued or renewed on or after January 1, 2012.

(f) Nothing in this section shall require any additional disclosure of a fee or penalty for early cancellation if that disclosure is required by any other law.

SEC. 5. Section 663 of the Insurance Code, as amended by Section 6 of Chapter 369 of the Statutes of 2013, is amended to read:

663. (a) Before policy expiration, an insurer shall deliver or mail to the named insured, at the address shown on the policy, one of the following:

(1) At least 20 days before expiration, a written or verbal offer of renewal of the policy, contingent upon payment of premium as stated in the offer.

(2) At least 30 days before expiration, a written notice of nonrenewal of the policy, including the statement required by Section 666.

(b) (1) An insurer that delivers a verbal offer to renew that is declined by an insured shall, at least 20 days before expiration of the policy, deliver to or mail to the named insured, at the address shown on the policy, a written confirmation of the offer and rejection.

(2) An insurer that attempts to satisfy subdivision (a) with a verbal offer to renew, but is unable to contact the named insured directly at least 20 days before policy expiration, shall, at least 20 days before policy expiration, deliver to or mail to the named insured, at the address shown on the policy, a written offer to renew the policy, contingent upon payment of premium as stated in the offer.

(c) In the event that an insurer fails to give the named insured either an offer of renewal or notice of nonrenewal as required by this section, the existing policy, with no change in its terms and conditions, shall remain in effect for 30 days from the date that either the offer to renew or the notice of nonrenewal is delivered or mailed to the named insured. A notice to this effect shall be provided by the insurer to the named insured with the policy or the notice of renewal or nonrenewal. Notwithstanding the failure of an insurer to comply with this section, the policy shall terminate on the effective date of any other replacement or succeeding automobile insurance policy procured by the insured, or his or her agent or broker, with respect to any automobile designated in both policies.

(d) The insurer shall not be required to notify the named insured, or any other insured, of nonrenewal of the policy if the insurer has mailed or delivered a notice of expiration or cancellation, on or prior to the 30th day preceding expiration of the policy period.

(e) The offer of renewal pursuant to this section may be provided electronically to the email address shown on the policy if the insurer complies with subdivision (b) of Section 38.6.

(f) This section shall remain in effect only until January 1, 2019, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2019, deletes or extends that date.

SEC. 6. Section 678 of the Insurance Code, as amended by Section 8 of Chapter 369 of the Statutes of 2013, is amended to read:

678. (a) At least 45 days prior to policy expiration, an insurer shall deliver to the named insured or mail to the named insured at the address shown in the policy, either of the following:

(1) An offer of renewal of the policy contingent upon payment of premium as stated in the offer, stating each of the following:

(A) Any reduction of limits or elimination of coverage.

(B) The telephone number of the insurer's representatives who handle consumer inquiries or complaints. The telephone number shall be displayed prominently in a font size consistent with the other text of the renewal offer.

(2) A notice of nonrenewal of the policy. That notice shall contain each of the following:

(A) The reason or reasons for the nonrenewal.

(B) The telephone number of the insurer's representatives who handle consumer inquiries or complaints. The telephone number shall be displayed prominently in a font size consistent with the other text of the notice of nonrenewal.

(C) A brief statement indicating that if the consumer has contacted the insurer to discuss the nonrenewal and remains unsatisfied, he or she may have the matter reviewed by the department. The statement shall include the telephone number of the unit within the department that responds to consumer inquiries and complaints.

(b) In the event an insurer fails to give the named insured either an offer of renewal or notice of nonrenewal as required by this section, the existing policy, with no change in its terms and conditions, shall remain in effect for 45 days from the date that either the offer to renew or the notice of nonrenewal is delivered or mailed to the named insured. A notice to this effect shall be provided by the insurer to the named insured with the policy or the notice of renewal or nonrenewal.

(c) Any policy written for a term of less than one year shall be considered as if written for a term of one year. Any policy written for a term longer than one year, or any policy with no fixed expiration date, shall be considered as if written for successive policy periods or terms of one year.

(d) This section applies only to policies of insurance specified in Section 675.

(e) The offer of renewal pursuant to this section may be provided electronically to the email address shown on the policy if the insurer complies with subdivision (b) of Section 38.6.

(f) This section shall remain in effect only until January 1, 2019, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2019, deletes or extends that date.

SEC. 7. Section 678.1 of the Insurance Code, as amended by Section 10 of Chapter 369 of the Statutes of 2013, is amended to read:

678.1. (a) This section applies only to policies of insurance of commercial insurance that are subject to Sections 675.5 and 676.6.

(b) A notice of nonrenewal shall be in writing and shall be delivered or mailed to the producer of record and to the named insured at the mailing address shown on the policy. Subdivision (a) of Section 1013 of the Code of Civil Procedure shall be applicable if the notice is mailed.

(c) An insurer, at least 60 days, but not more than 120 days, in advance of the end of the policy period, shall give notice of nonrenewal, and the reasons for the nonrenewal, if the insurer intends not to renew the policy, or to condition renewal upon reduction of limits, elimination of coverages, increase in deductibles, or increase of more than 25 percent in the rate upon which the premium is based.

(d) If an insurer fails to give timely notice required by subdivision (c), the policy of insurance shall be continued, with no change in its terms or conditions, for a period of 60 days after the insurer gives the notice.

(e) With respect to policies defined in subdivision (b) of Section 676.6, in addition to the bases for conditional renewal set forth in subdivision (c), an insurer may also condition renewal upon requirements relating to the underlying policy or policies. If the requirements are not satisfied as of (1) the expiration date of the policy, or (2) 30 days after mailing or delivery of that notice, whichever is later, the conditional renewal notice shall be treated as an effective notice of nonrenewal, provided the insurer has sent written confirmation to the first named insured and the producer of record that the conditions were not met and that coverage ceased at the expiration date shown in the expiring policy.

(f) A notice of nonrenewal shall not be required in any of the following situations:

(1) The transfer of, or renewal of, a policy without a change in its terms or conditions or the rate on which the premium is based between insurers that are members of the same insurance group.

(2) The policy has been extended for 90 days or less, if the notice required in subdivision (c) has been given prior to the extension.

(3) The named insured has obtained replacement coverage or has agreed, in writing, within 60 days of the termination of the policy, to obtain that coverage.

(4) The policy is for a period of no more than 60 days and the insured is notified at the time of issuance that it may not be renewed.

(5) The named insured requests a change in the terms or conditions or risks covered by the policy within 60 days prior to the end of the policy period.

(6) The insurer has made a written offer to the insured, within the time period specified in subdivision (c), to renew the policy under changed terms or conditions or at a changed premium rate. As used herein, "terms or conditions" includes, but is not limited to, a reduction in limits, elimination of coverages, or an increase in deductibles.

(g) The notice of conditional renewal described in subdivision (c) may be provided electronically to the email address shown on the policy if the insurer complies with subdivision (b) of Section 38.6.

(h) This section shall remain in effect only until January 1, 2019, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2019, deletes or extends that date.

SEC. 8. Section 730 of the Insurance Code is amended to read:

730. (a) The commissioner, whenever he or she deems necessary or whenever he or she is requested by verified petition, signed by 25 persons interested as shareholders, policyholders, or creditors of any admitted insurer showing that the insurer is insolvent under this code, or upon information that any insurer has violated any provision of Article 7 (commencing with Section 800), shall examine the business and affairs of the insurer. The commissioner shall so examine every domestic insurer before issuing to it a certificate of authority other than a renewal.

(b) The commissioner may conduct an examination under this article of any company as often as the commissioner in his or her discretion deems appropriate but shall, at a minimum, conduct an examination of every insurer admitted in this state not less frequently than once every five years. In scheduling and determining the nature, scope, and frequency of the examinations, the commissioner shall consider the results of financial statement analyses and ratios, changes in management or ownership, actuarial opinions, reports of independent certified public accountants, market analysis results, including consumer complaint analysis, evaluation of ongoing regulatory activities, analysis of data derived from industry surveys or interrogatories, and other criteria as set forth in the Examiner's Handbook or in the Market Regulation Handbook adopted by the National Association of Insurance Commissioners that are in effect when the commissioner exercises discretion under this section.

(c) For purposes of completing an examination of any company under this article, the commissioner may examine or investigate any person, or the business of any person, insofar as the examination or investigation is, in the discretion of the commissioner, necessary or material to the examination of the company.

(d) In lieu of an examination under this article of any foreign or alien insurer admitted in this state, the commissioner may accept an examination report on the company as prepared by the insurance department of the company's state of domicile or port-of-entry state until January 1, 1994. Thereafter, these reports may only be accepted if (1) the insurance department was at the time of the examination accredited under the National Association of Insurance Commissioner's Financial Regulation Standards and Accreditation Program, or (2) the examination is performed under the supervision of an accredited insurance department or with the participation of one or more examiners who are employed by an accredited state insurance department and who, after a review of the examination work papers and report, state under oath that the examination was performed in a manner consistent with the standards and procedures required by their insurance department.

(e) The commissioner may postpone a market conduct examination otherwise required by this article for a period of up to three years if information derived from a market analysis indicates all of the following:

(1) The prior examination of the insurer resulted in no significant negative findings.

(2) The number of consumer complaints received by the insurer is in the lowest quartile of complaints, on a ratio basis, for insurers in that line of business.

(3) The market analysis identifies no other issues of significant concern.

(f) An admitted insurer shall maintain all records necessary to determine its financial condition for the current year plus the five previous years.

SEC. 9. Section 1063.7 of the Insurance Code is amended to read:

1063.7. When a liquidator, domiciliary or ancillary, is appointed in this state for any member insurer, the liquidator shall promptly give notice of his or her appointment and a brief description of the contents of this article and of the nature and functions of the association by prepaid first-class mail, to: (a) all persons known or reasonably expected to have or be interested in claims against the insurer, at the last known address within this state; (b) all insureds of the insurer, at the last known address within this state, accompanied by a notice of the date of termination of insurance; and (c) the board of governors of the association. That notice may, but need not be, combined with the notice provided for in Section 1021. When notice is being provided by an ancillary liquidator, notice is only required to the extent information is available to provide the notice. The ancillary liquidator may also rely on the notice provided by the domiciliary liquidator to satisfy the notice requirements of this section. The liquidator may also require that producers of record of the insurer give prompt written notice of the same information, by first-class mail, to their insureds at the last known address within this state. The liquidator shall also promptly publish the notice pursuant to the requirements of Section 1022 and by publication elsewhere in this state as the court shall direct.

SEC. 10. Section 1560.12 of the Insurance Code is amended to read:

1560.12. (a) Prior to, and for a period of five years following, the effective date of the plan of conversion, no person or group of persons acting in concert shall directly or indirectly offer to acquire or acquire in any manner the beneficial ownership of 5 percent or more of any class of voting securities of a converted insurer or of a person that controls, as defined by subdivision (c) of Section 1215, the converted insurer, without the prior consent of the commissioner. Any application for that approval shall contain information as the commissioner may require and shall be accompanied by a filing fee in an amount equal to the filing fee specified in Section 1215.2.

(b) In the event of any violation of this section, or of any action that, if consummated, would constitute a violation, all voting securities of the converted insurer or of the person acquired by any person in excess of the maximum amount permitted to be acquired by the person pursuant to this subdivision shall be deemed to be nonvoting securities of the converted insurer or of that person. The violation or action may be enforced or enjoined by an appropriate proceeding commenced by the converted insurer, a person, the commissioner, any policyholder or stockholder of the converted insurer, or the person on behalf of the converted insurer or the person in the superior court in the judicial district in which the converted insurer has its home office or in any other court having jurisdiction. The court may issue any order it finds necessary to cure the violation or to prevent the proposed action. In addition to the foregoing, whenever it appears to the commissioner that any person has committed a violation of this section, the commissioner may proceed as provided in Article 14 (commencing with Section 1010) of Chapter 1 to take possession of the property of the converted insurer and to conduct the business thereof.

(c) For the purposes of this section, "beneficial ownership," with respect to voting securities, means the sole or shared power to vote, or direct the voting of, voting securities or the sole or shared power to dispose, or direct the disposition, of voting securities.

(d) For the purposes of this section, "voting security" includes voting stock as defined in Section 1560.02, any preorganization certificate or subscription, including subscription rights issued pursuant to a plan of conversion, or any security convertible, with or without consideration, into voting security, or carrying any warrant or right to subscribe for, or purchase any, voting security, or any such warrant or right.

(e) For the purposes of this section, "offer" includes an offer to buy or acquire, solicitation of an offer to sell, tender offer for, or request or invitation for tenders of a security or interest in a security for value.

SEC. 11. Section 1628 of the Insurance Code is amended to read:

1628. As used in this chapter, an "organization" means any legal entity other than a natural person. If reference is made to a natural person named on an organization license, the reference shall be to a person who is named to exercise the power and

perform the duties under an organization license, pursuant to Section 1656. The natural person named on the organizational license shall meet the qualifications required for the type of license sought by the organization.

SEC. 12. Section 1656 of the Insurance Code is amended to read:

1656. Every applicant for an organizational license shall provide the names of all licensed natural persons who may exercise the power and perform the duties under the license. Applicants for a nonresident organizational license are required to name at least one natural person from a state other than California who may exercise the power and perform the duties under their license. Additional natural persons endorsed to that license may be residents of other states, including California.

SEC. 13. Section 1661 of the Insurance Code is amended to read:

1661. Whenever an organization licensed as a life agent, property broker-agent, casualty broker-agent, personal lines broker-agent, or limited lines automobile insurance agent desires to change, remove, or add to the natural person or persons who are to transact insurance under authority of its license pursuant to Section 1656, it shall immediately file an application or notice on a form prescribed by the commissioner with the commissioner for an endorsement changing its license accordingly. The form shall be submitted by a means of electronic service approved by the commissioner. The commissioner shall require that the prelicensing education standards set forth in Section 1749 be met and that the qualifying examination provided by this code be taken by any natural person named by the organization to exercise its agency or brokerage powers who would be required to take and pass the qualifying examination. That natural person or persons and the organization are in all other respects subject to the provisions of this chapter and the insurance laws.

SEC. 14. Section 1662 of the Insurance Code is amended to read:

1662. A property broker-agent, a casualty broker-agent, and a personal lines broker-agent shall, prior to acting in the capacity of an insurance broker, file with the commissioner and continuously maintain in force the bond required by this article. Any authority to act as broker shall automatically terminate immediately upon there being no bond in force.

SEC. 15. Section 1682 of the Insurance Code is repealed.

SEC. 16. Section 1682 is added to the Insurance Code, to read:

1682. (a) (1) A person shall not be admitted to more than 10 license qualification examinations of the same type in any 12-month period.

(2) If a person is admitted to 10 license qualification examinations of the same type in any 12-month period, that person shall not be admitted to another examination of that type until a 12-month period has passed since that 10th examination.

(3) For purposes of this subdivision, the 12-month period ends at the end of the day immediately preceding the one-year anniversary date of the examination administration in question.

(b) For purposes of subdivision (a), the covered types of license qualification examinations are as follows:

(1) The accident and health agent type examinations, which include both of the following:

(A) The accident and health agent examination.

(B) The life, accident and health agent combination examination.

(2) The bail agent examination.

(3) The casualty broker-agent type examinations, which include all of the following:

(A) The casualty broker-agent examination.

(B) The commercial insurance examination.

(C) The property and casualty broker-agent combination examination.

(4) The commercial insurance type examinations, which include all of the following:

(A) The commercial insurance examination.

(B) The casualty broker-agent examination.

- (C) The property and casualty broker-agent combination examination.
 - (D) The property broker-agent examination.
- (5) The insurance adjuster examination.
- (6) The life and disability analyst examination.
- (7) The life limited to the payment of funeral and burial expense type examinations, which include all of the following:
- (A) The life limited to the payment of funeral and burial expense examination.
 - (B) The life, accident and health agent combination examination.
 - (C) The life-only agent examination.
- (8) The life, accident and health agent combination type examinations, which include all of the following:
- (A) The life, accident and health agent combination examination.
 - (B) The accident and health agent examination.
 - (C) The life limited to the payment of funeral and burial expense examination.
 - (D) The life-only agent examination.
- (9) The life-only agent type examinations, which include all of the following:
- (A) The life-only agent examination.
 - (B) The life, accident and health agent combination examination.
 - (C) The life limited to the payment of funeral and burial expense examination.
- (10) The limited lines automobile type examinations, which include all of the following:
- (A) The limited lines automobile examination.
 - (B) The personal lines broker-agent examination.
 - (C) The property and casualty broker-agent combination examination.
 - (D) The property broker-agent examination.
- (11) The personal lines broker-agent type examinations, which include all of the following:
- (A) The personal lines broker-agent examination.
 - (B) The limited lines automobile examination.
 - (C) The property and casualty broker-agent combination examination.
 - (D) The property broker-agent examination.
- (12) The property broker-agent type examinations, which include all of the following:
- (A) The property broker-agent examination.
 - (B) The commercial insurance examination.
 - (C) The limited lines automobile examination.
 - (D) The personal lines broker-agent examination.
 - (E) The property and casualty broker-agent combination examination.
- (13) The property and casualty broker-agent combination type examinations, which include all of the following:
- (A) The property and casualty broker-agent combination examination.
 - (B) The casualty broker-agent examination.

- (C) The commercial insurance examination.
- (D) The limited lines automobile examination.
- (E) The personal lines broker-agent examination.
- (F) The property broker-agent examination.

(14) The public insurance adjuster examination.

(c) Notwithstanding subdivision (a), a person who has passed any of the following license qualification examinations shall not be admitted to a subsequent administration of that examination, unless that person is required by the commissioner or applicable law to retake the examination.

- (1) The accident and health agent examination.
- (2) The bail agent examination.
- (3) The casualty broker-agent examination.
- (4) The commercial insurance examination.
- (5) The insurance adjuster examination.
- (6) The life and disability analyst examination.
- (7) The life limited to the payment of funeral and burial expense examination.
- (8) The life, accident and health agent combination examination.
- (9) The life-only agent examination.
- (10) The limited lines automobile examination.
- (11) The personal lines broker-agent examination.
- (12) The property broker-agent examination.
- (13) The property and casualty broker-agent combination examination.
- (14) The public insurance adjuster examination.

(d) Except as provided in this article, there is no limitation on the frequency with which a person may take license qualification examinations.

SEC. 17. Section 1708 of the Insurance Code is amended to read:

1708. A licensee may at any time surrender for cancellation any license under which he or she is permitted to act in any of the capacities specified in this chapter. The licensee may make that surrender by written notice thereof delivered to the commissioner.

SEC. 18. Section 1712.5 of the Insurance Code is amended to read:

1712.5. (a) The license of an organization licensed as a property broker-agent, casualty broker-agent, or life agent shall become inoperative upon the removal or termination of the last natural person named thereon, pursuant to Section 1656.

(b) Unless the license is reactivated by the correction of all deficiencies including, if necessary, the adding of a natural person to transact insurance under the authority of the organization's license pursuant to Section 1661, the license shall not be renewed.

SEC. 19. Section 1725 of the Insurance Code is amended to read:

1725. Every license to act as a resident property broker-agent, casualty broker-agent, personal lines broker-agent, and limited lines automobile insurance agent shall be prominently displayed by the holder thereof in his or her office in a manner whereby anyone may readily inspect it and ascertain both its currency and the capacity in which its holder is licensed to act.

SEC. 20. Section 1725.5 of the Insurance Code is amended to read:

1725.5. (a) For purposes of Sections 32.5, 1625, 1626, 1724.5, 1758.1, 1765, 1800, 14020, 14021, and 15006, every licensee shall prominently affix, type, or cause to be printed on business cards, written price quotations for insurance products, and print advertisements distributed exclusively in this state for insurance products, its license number in type the same size as any indicated telephone number, address, or fax number. If the licensee maintains more than one organization license, one of the organization license numbers is sufficient for compliance with this section.

(b) Effective January 1, 2005, for purposes of Sections 32.5, 1625, 1626, 1724.5, 1758.1, 1765, 14020, 14021, and 15006, every licensee shall prominently affix, type, or cause to be printed on business cards, written price quotations for insurance products, and print advertisements distributed in this state for insurance products, the word "Insurance" in type size that is at least as large as the smallest telephone number or 12-point type, whichever is larger.

(c) In the case of transactors, or agent and broker licensees, who are classified for licensing purposes as solicitors, working as exclusive employees of motor clubs, organizational licensee numbers shall be used.

(d) Any person in violation of this section shall be subject to a fine levied by the commissioner in the amount of two hundred dollars (\$200) for the first offense, five hundred dollars (\$500) for the second offense, and one thousand dollars (\$1,000) for the third and subsequent offenses. The penalty shall not exceed one thousand dollars (\$1,000) for any one offense. These fines shall be deposited into the Insurance Fund.

(e) A separate penalty shall not be imposed upon each piece of printed material that fails to conform to the requirements of this section.

(f) If the commissioner finds that the failure of a licensee to comply with the provisions of subdivision (a) or (b) is due to reasonable cause or circumstance beyond the licensee's control, and occurred notwithstanding the exercise of ordinary care and in the absence of willful neglect, the licensee may be relieved of the penalty in subdivision (d).

(g) A licensee seeking to be relieved of the penalty in subdivision (d) shall file with the department a statement with supporting documents setting forth the facts upon which the licensee bases its claims for relief.

(h) This section does not apply to any person or entity that is not currently required to be licensed by the department or that is exempted from licensure.

(i) This section does not apply to general advertisements of motor clubs that merely list insurance products as one of several services offered by the motor club, and do not provide any details of the insurance products.

(j) This section does not apply to life insurance policy illustrations required by Chapter 5.5 (commencing with Section 10509.950) of Part 2 of Division 2 or to life insurance cost indexes required by Chapter 5.6 (commencing with Section 10509.970) of Part 2 of Division 2.

(k) This section shall remain in effect only until January 1, 2019, and as of that date is repealed, unless a later enacted statute that is enacted before January 1, 2019, deletes or extends that date.

SEC. 21. Section 1725.5 is added to the Insurance Code, to read:

1725.5. (a) Every person licensed under Sections 1625, 1625.5, 1625.55, 1626, 1758.1, 1765, 1800, 14020, and 15006, and Chapter 8 (commencing with Section 1831), shall affix, type, or print on business cards, written price quotations for insurance products, and print advertisements distributed exclusively in this state for insurance products, its license number in a type size that is at least as large as any indicated telephone number, address, or fax number or in 12-point type, or in 8-point type for business cards, whichever is larger. If a licensee includes the names of multiple licensed organizations on a business card, written price quotation, or print advertisement distributed exclusively in this state, affixing, typing, or printing the license number of any one of the organizations complies with the requirements of this section.

(b) Every person licensed under Sections 1625, 1625.5, 1625.55, 1626, 1758.1, 1765, 14020, and 15006, and Chapter 8 (commencing with Section 1831), shall affix, type, or print on business cards, written price quotations for insurance products, and print advertisements distributed in this state for insurance products, the word "Insurance" in a type size that is at least as large as the smallest telephone number or in 12-point type, or in 8-point type for business cards, whichever is larger.

(c) A natural person who is a solicitor, as defined in Section 1624, working exclusively as an employee of a motor club agent, or working exclusively for a property broker-agent or casualty broker-agent on behalf of a motor club, shall use the organizational licensee number of his or her employer.

(d) Any person in violation of this section shall be subject to a fine levied by the commissioner in the amount of two hundred dollars (\$200) for the first offense, five hundred dollars (\$500) for the second offense, and one thousand dollars (\$1,000) for the

third and subsequent offenses. The penalty shall not exceed one thousand dollars (\$1,000) for any one offense. These fines shall be deposited into the Insurance Fund.

(e) A separate penalty shall not be imposed upon each piece of printed material that fails to conform to the requirements of this section.

(f) If the commissioner finds that the failure of a licensee to comply with the provisions of subdivision (a) or (b) is due to reasonable cause or circumstance beyond the licensee's control, and occurred notwithstanding the exercise of ordinary care and in the absence of willful neglect, the licensee may be relieved of the penalty in subdivision (d).

(g) A licensee seeking to be relieved of the penalty in subdivision (d) shall file with the department a statement with supporting documents setting forth the facts upon which the licensee bases its claims for relief.

(h) This section does not apply to any person or entity that is not currently required to be licensed by the department or that is exempted from licensure.

(i) This section does not apply to general advertisements of motor clubs that merely list insurance products as one of several services offered by the motor club, and do not provide any details of the insurance products.

(j) This section does not apply to life insurance policy illustrations required by Chapter 5.5 (commencing with Section 10509.950) of Part 2 of Division 2 or to life insurance cost indexes required by Chapter 5.6 (commencing with Section 10509.970) of Part 2 of Division 2.

(k) This section shall become operative on January 1, 2019.

SEC. 22. Section 4097.13 of the Insurance Code is amended to read:

4097.13. (a) Prior to, and for a period of five years following, the effective date of the plan of conversion, no person or group of persons acting in concert shall directly or indirectly offer to acquire or acquire in any manner the beneficial ownership of 5 percent or more of any class of voting securities of a converted insurer or of a person that controls, as defined by subdivision (c) of Section 1215, the converted insurer, without the prior consent of the commissioner. Any application for that approval shall contain information as the commissioner may require and shall be accompanied by a filing fee in an amount equal to the filing fee specified in Section 1215.2.

(b) In the event of any violation of this section, or of any action that, if consummated, would constitute a violation, all voting securities of the converted insurer or of the person acquired by any person in excess of the maximum amount permitted to be acquired by the person pursuant to this subdivision shall be deemed to be nonvoting securities of the converted insurer or of that person. The violation or action may be enforced or enjoined by an appropriate proceeding commenced by the converted insurer, a person, the commissioner, any policyholder or stockholder of the converted insurer, or the person on behalf of the converted insurer or the person in the superior court in the judicial district in which the converted insurer has its home office or in any other court having jurisdiction. The court may issue any order it finds necessary to cure the violation or to prevent the proposed action. In addition to the foregoing, whenever it appears to the commissioner that any person has committed a violation of this section, the commissioner may proceed as provided in Article 14 (commencing with Section 1010) of Chapter 1 of Part 2 of Division 1 to take possession of the property of the converted insurer and to conduct the business thereof.

(c) For the purposes of this section, "beneficial ownership," with respect to voting securities, means the sole or shared power to vote, or direct the voting of, voting securities or the sole or shared power to dispose, or direct the disposition, of voting securities.

(d) For the purposes of this section, "voting security" includes voting stock as defined in Section 4097.01, any preorganization certificate or subscription, including subscription rights issued pursuant to a plan of conversion, or any security convertible, with or without consideration, into voting security, or carrying any warrant or right to subscribe for, or purchase any, voting security, or any such warrant or right.

(e) For the purposes of this section, "offer" includes an offer to buy or acquire, solicitation of an offer to sell, tender offer for, or request or invitation for tenders of a security or interest in a security for value.

SEC. 23. Section 10083 of the Insurance Code, as amended by Section 1 of Chapter 549 of the Statutes of 2016, is amended to read:

10083. (a) The offer of coverage required by Section 10081 may be made prior to, concurrent with, or within 60 days following the issuance or renewal of a residential property insurance policy. If the offer of coverage is mailed to the named insured or applicant, it shall be mailed to the mailing address shown on the policy of residential property insurance or on the application. The offer may be made electronically pursuant to Section 38.6.

(1) If the offer is made by a nonparticipating insurer as defined in Section 10089.5, the offer of earthquake coverage shall contain all of the following language in at least 10-point boldface type:

"Your residential property insurance policy does not cover earthquake damage to your home or its contents.

To cover earthquake damage to your home and its contents you need to purchase a separate earthquake insurance policy. The coverage provided by an earthquake insurance policy is different from, and typically more limited than, the coverage provided by your residential property insurance policy.

California law requires insurance companies to offer earthquake insurance in conjunction with a residential property insurance policy. If you do not accept the offer of earthquake insurance below within 30 days of the mailing of this notice, your insurance company shall presume that you have not accepted this offer of earthquake insurance.

You may purchase earthquake insurance coverage on the following terms:

(A) Amount of Dwelling/Building Coverage Limit: _____

(B) Deductible: _____

(C) Contents Coverage Limit: _____

(D) Additional Living Expenses Coverage Limit: _____

(E) Estimated Annual Premium: _____

The deductible represents the amount of damage your covered property must incur before the earthquake insurance coverage begins. If your covered loss is less than the applicable deductible, you may not receive any payment.

Contact your insurance agent or your insurance company to obtain details regarding this offer of earthquake insurance and other coverage options."

(2) If the offer is made by a participating insurer as defined by Section 10089.5, the offer of earthquake coverage shall contain all of the following language in at least 10-point boldface type:

"Your residential property insurance policy does not cover earthquake damage to your home or its contents.

To cover earthquake damage to your home and its contents you need to purchase a separate earthquake insurance policy. The coverage provided by an earthquake insurance policy is different from, and typically more limited than, the coverage provided by your residential property insurance policy.

California law requires insurance companies to offer earthquake insurance in conjunction with a residential property insurance policy. If you do not accept the offer of earthquake insurance below within 30 days of the mailing of this notice, your insurance company shall presume that you have not accepted this offer of earthquake insurance.

You may purchase earthquake insurance coverage on the following terms:

(A) Amount of Dwelling/Building Coverage Limit: _____

(B) Deductible: _____

(C) Contents Coverage Limit: _____

(D) Additional Living Expenses Coverage Limit: _____

(E) Estimated Annual Premium: _____

The deductible represents the amount of damage your covered property must incur before the earthquake insurance coverage begins. If your covered loss is less than the applicable deductible, you may not receive any payment.

If you choose not to accept this offer within the 30-day period, you may apply for earthquake coverage at a later date.

Your insurance company contracts with the California Earthquake Authority (CEA) to offer earthquake insurance to its customers. For an additional premium, you can choose CEA coverage options such as higher limits for Contents or Additional Living

Expenses, increased building code upgrade limits, or a lower deductible. You can also choose to buy certain CEA coverages separately.

Contact your insurance agent or your insurance company to obtain details regarding this offer of earthquake insurance and other coverage options.”

(b) If the offer of earthquake coverage made pursuant to Section 10081 is not accepted, the insurer or any affiliated insurer shall be required on an every other year basis to offer earthquake coverage in connection with any continuation, renewal, or reinstatement of the policy following any lapse thereof, or with respect to any other policy that extends, changes, supersedes, or replaces the policy of residential property insurance.

(c) The offer may contain additional provisions not in conflict with, or in derogation of, this section.

(d) The commissioner may approve modifications to the language prescribed in subdivision (a) only if all of the following conditions are met:

(1) The modifications are not in conflict with or in derogation of any provision of this section or Section 10089.

(2) The modifications accurately describe the coverage provided by the policy being offered.

(3) The modifications are strictly limited to necessary changes so that the modified offer is otherwise identical to the offer prescribed in subdivision (a).

(e) Use of the language prescribed by this section, or modified language approved pursuant to subdivision (d), shall constitute compliance with the requirements of Section 10081 by an insurer subject to the requirements.

(f) (1) If an insurer issues or causes to be issued a policy with earthquake coverages other than the coverages specified in subdivisions (a) and (b) of Section 10089, pursuant to a rate application approved by the commissioner in accordance with subdivision (c) of Section 10089, no further or other offer of earthquake coverage as specified in subdivisions (a) and (b) of Section 10089 and no further or other notice of noncoverage is required by the insurer if both of the following apply:

(A) A renewal of that policy is offered.

(B) A written notice is provided with that renewal regarding additional earthquake coverage that is available.

(2) The form of the written notice in paragraph (1) shall be filed with the commissioner at least 30 days before its first use. The form shall not be used if the commissioner disapproves the form of the written notice within that period for being misleading or incomplete.

(g) This section shall remain in effect only until January 1, 2019, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2019, deletes or extends that date.

SEC. 24. Section 10087 of the Insurance Code, as amended by Section 5 of Chapter 549 of the Statutes of 2016, is amended to read:

10087. (a) As used in this chapter, “policy of residential property insurance” shall mean a policy insuring individually owned residential structures of not more than four dwelling units, individually owned condominium units, or individually owned mobilehomes, and their contents, located in this state and used exclusively for residential purposes or a tenant’s policy insuring personal contents of a residential unit located in this state. “Policy of residential property insurance,” as defined, shall not include insurance for real property or its contents used for any commercial, industrial, or business purpose, except a structure of not more than four dwelling units rented for individual residential purposes. A policy that does not include any of the perils insured against in a standard fire policy shall not be included in the definition of “policy of residential property insurance.”

(b) Proof of mailing of any offer, disclosure, or document required to be delivered by this chapter by first-class mail addressed to a named insured or applicant at the mailing address shown on the policy or application, or proof consistent with Section 38.6 that the offer of coverage was sent to the named insured or applicant by electronic transmission, shall create a conclusive presumption that the offer was made or that the disclosure or document was delivered as required. If an offer, disclosure, or document required to be delivered by this chapter is not mailed, but is hand delivered to the insured, the insured’s signed receipt creates a conclusive presumption that the offer was provided or that the disclosure or document was delivered as required.

(c) This section shall remain in effect only until January 1, 2019, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2019, deletes or extends that date.

SEC. 25. Section 10089.19 of the Insurance Code is amended to read:

10089.19. (a) Participating insurers that want to withdraw from the authority may do so on 12 months' written notice to the authority. Insurers that withdraw shall not be entitled to any refund, reimbursement, or reduction of any initial capital contribution obligation or earthquake loss assessments previously paid or accrued with respect to losses incurred prior to the withdrawal. Insurers that withdraw shall offer residential earthquake insurance coverage pursuant to Chapter 8.5 (commencing with Section 10081) to those policyholders for whom they write the underlying residential property insurance upon the first renewal following the insurer's notice to the authority. The authority shall nonrenew all policies of basic residential earthquake insurance issued to policyholders whose provider of residential earthquake insurance has withdrawn from the authority. No participating insurer may withdraw unless every insurer affiliated with that insurer, as defined in subdivision (a) of Section 1215, or under common control with that insurer, defined in subdivision (c) of Section 1215, simultaneously withdraws from the authority.

(b) If a noticed withdrawal would result in participation by insurers whose cumulative residential property insurance market share is less than 65 percent of the total residential property insurance market in California, the commissioner shall make recommendations to the Legislature for the continuation or termination of the authority.

SEC. 26. Section 10089.27 of the Insurance Code is amended to read:

10089.27. (a) Every participating insurer that has in-force residential earthquake insurance policies in the state as of the date of commencement of authority operations shall renew each in-force residential earthquake insurance policy or earthquake coverage provided by endorsement into the authority at the time the policy or endorsement comes up for renewal. The effective date of each policy renewal into the authority shall be the renewal date of the policy as recorded in the records of the insurer and disclosed to the policyholder. The risk of loss under the insurance policy does not transfer to the authority until 12:01 a.m. of the policy renewal date.

(b) (1) All policies of residential earthquake insurance written by any participating insurer shall have been renewed into the authority within one year of the commencement of operations of the authority or the date an insurer elects to participate in the authority, whichever is later, and after that date, no participating insurer shall be permitted to write a policy of insurance that provides coverage within the terms and limits of a policy of basic residential earthquake insurance for any qualifying residential property in the state. Participating insurers may sell residential earthquake insurance products that supplement or augment the basic residential earthquake insurance provided by the authority.

(2) Upon application to the authority demonstrating good cause and approval of the commissioner, a participating insurer may take up to 60 days beyond that one-year period to complete its renewal of earthquake policies into the authority. No extension of time to complete earthquake policy renewals into the authority shall serve to extend the due date by which an insurer is to make its initial capital contribution, as set forth in Section 10089.15. The commissioner shall not approve any extension if the effect of the extension would allow an insurer to selectively transfer earthquake policies with high risks to the authority while retaining policies with lower risks during that interim period.

(3) After policies of residential earthquake insurance are renewed in the authority, insurers shall have no responsibilities or liabilities regarding those policies for losses incurred after the date of renewal of those policies, except for duties and responsibilities to the authority and policyholders under the terms of this chapter.

(4) No insurer may participate in the authority unless every insurer affiliated with that insurer, as defined in subdivision (a) of Section 1215, or under common control with that insurer, as defined in subdivision (c) of Section 1215, also participates in the authority.

SEC. 27. Section 10164.2 of the Insurance Code is amended to read:

10164.2. (a) For a policy of individual life insurance that is surrendered by the policy owner, the insurer shall return to the owner all moneys due in relation to that policy as expeditiously as possible, but in no event more than 45 days from the date the surrender is effective as provided in subdivision (b). However, this section does not supersede the provisions of subdivision (f) of Section 10160 empowering an insurer to defer payment of cash surrender value for up to six months, to the extent that deferral is necessary to assure the solvency of the insurer.

(b) Unless a later date permitted by the policy, but not later than 45 days after the request is received, is requested by the policy owner, a surrender of a life insurance policy is effective on the date the request is received, if the request is made to the insurer or servicing agent authorized by the insurer in writing to receive these requests on the insurer's behalf and contains the elements specified by the insurer in the contract. The insurer may require the request be in writing. The insurer may require some or all of the following elements, but shall not require more:

(1) A statement that makes it clear that the policy owner intends to surrender, in whole or in part, the contract in question.

(2) The policy number of the policy to be surrendered.

(3) The name of the insured on the policy to be surrendered.

(4) The signature of the owner of the policy and, if required by the policy or by a legally binding document of which the insurer has actual notice, the signature of a collateral assignee, irrevocable beneficiary, or other person having an interest in the policy through the legally binding document.

(5) Either the policy itself, or, in lieu of the policy, a statement that the policy has been lost or destroyed.

(c) When the policy owner requests of an insurer or servicing agent information about surrendering a policy, the insurer or servicing agent shall provide, as expeditiously as possible, a written notice setting forth either the requirements of this section or the insurer's requirements, if less.

(d) A policy subject to this section issued on or after January 1, 1997, shall either include language that may be included by endorsement, or be accompanied by a notice setting forth the elements necessary to surrender the policy as required by this section or by the insurer, if less.

(e) Nothing in this section shall be construed to limit an existing statutory right to return a policy for surrender, nor shall it limit a contractual provision that provides a greater right or option to the policy owner.

(f) For a written request, for purposes of this section, "received" means the first day that the written notice is delivered to the address of the insurer or servicing agent authorized by the insurer in writing to receive these requests on the insurer's behalf. An insurer or servicing agent shall maintain a procedure for ensuring that requests for surrender are logged or stamped on the date received, and not on a later date due to the insurer's or servicing agent's internal routing or delivery procedures. If this procedure is not maintained, it shall be conclusively presumed that a request was received on the delivery date shown on an express, certified, or registered mail receipt form of the United States Postal Service or by a commercial carrier, if delivered by commercial carrier, or the earlier of (1) two business days after the request was postmarked by the United States Postal Service or (2) one business day before the date stamped received by the insurer or servicing agent. For purposes of this subdivision, "business day" has the meaning set forth in subdivision (b) of Section 1215. Postmarks generated by postage meters not located at an office of the United States Postal Service are to be disregarded.

(g) This section does not alter a contractual provision governing calculation of cash or surrender or other values. The effective date established by subdivision (b) is intended to establish a date certain on which a policyholder may rely in determining when the 45-day period specified in subdivision (a) begins to run. Subdivision (b) is not intended to advance a date otherwise provided by contract that is triggered by a request to surrender. An insurer may request information in addition to that listed in subdivision (b). However, an insurer's request for additional information does not delay an effective date established by a policyholder's compliance with subdivision (b).

SEC. 28. Section 10231.3 of the Insurance Code is amended to read:

10231.3. (a) For the purposes of this section, the following definitions apply:

(1) An "alternate plan of care" means a plan of care developed by a licensed health care practitioner that includes a specification of long-term care services required by an insured that are not specifically defined as covered services under the policy.

(2) An "alternate-plan-of-care provision" means a provision in a policy, rider, endorsement, or amendment that allows benefits for services specified in an alternate plan of care.

(3) "Licensed health care practitioner" means a physician, registered nurse, licensed social worker, or other individual whom the United States Secretary of the Treasury may prescribe by regulation.

(4) "Plan of care" means a written description of the insured's needs and a specification of the type, frequency, and providers of all formal and informal long-term care services required by the insured and the cost, if any.

(b) An alternate-plan-of-care provision shall provide for all of the following:

(1) An alternate plan of care may be proposed by the insured or the insurer. Adoption, amendment, or replacement of an alternate plan of care shall be agreed to by the insured, the insurer, and a licensed health care practitioner that is independent of the insurer. Consent or agreement to an alternate plan of care shall be free and mutual.

(2) The maximum benefit available under the contract shall not change based on an insured utilizing an alternate plan of care, but that benefit will be reduced by the amount of any benefits paid under an alternate plan of care.

(3) Coverage for services under an alternate plan of care shall be in addition to, not in lieu of, coverage for services that are specifically defined as covered services under the policy. The insured may switch between services that are specifically defined

as covered services under the policy and services under the alternate plan of care and back if there is agreement from the licensed health care practitioner and the insurer.

(c) Nothing in this section shall be construed to require an insurer to include a provision authorizing an alternate plan of care. However, an insurer and an insured may agree to use an alternate plan of care even if there is no provision in the policy that specifically authorizes one. Nothing in this section is intended to obligate either party to negotiate an alternate plan of care. If an insurer does not accept an extra-contractual request for an alternate plan of care, the rejection is not a denial of a claim.

(d) This section shall apply to policies issued on or after January 1, 2017.

SEC. 29. Section 10509.7 of the Insurance Code is amended to read:

10509.7. (a) If in the solicitation of a direct response sale, an insurer does not propose the replacement, and a replacement is involved, the insurer shall send to the applicant with the policy a replacement notice as described in subdivision (d) of Section 10509.4 or other substantially similar form approved by the commissioner. In those instances the insurer may delete the last sentence and the reference to signatures from the form without having to obtain approval of the form from the commissioner.

(b) If the insurer proposed the replacement it shall do the following:

(1) Provide to applicants or prospective applicants with or as part of the application a replacement notice as described in subdivision (d) of Section 10509.4.

(2) Request from the applicant with or as part of the application, a list of all existing life insurance or annuities to be replaced and properly identified by name of insurer and insured.

(3) Comply with the requirements of paragraph (2) of subdivision (b) of Section 10509.6, if the applicant furnishes the names of the existing insurers, and the requirements of subdivision (c) of Section 10509.6, except that it need not maintain a replacement register.

SEC. 30. Section 11542.2 of the Insurance Code is amended to read:

11542.2. (a) Prior to, and for a period of five years following, the effective date of the plan of conversion, no person or group of persons acting in concert shall directly or indirectly offer to acquire or acquire in any manner the beneficial ownership of 5 percent or more of any class of voting securities of a converted insurer or of a person that controls, as defined by subdivision (c) of Section 1215, the converted insurer, without the prior consent of the commissioner. Any application for that approval shall contain information as the commissioner may require and shall be accompanied by a filing fee in an amount equal to the filing fee specified in Section 1215.2.

(b) In the event of any violation of this section, or of any action that, if consummated, would constitute a violation, all voting securities of the converted insurer or of the person acquired by any person in excess of the maximum amount permitted to be acquired by the person pursuant to this subdivision shall be deemed to be nonvoting securities of the converted insurer or of that person. The violation or action may be enforced or enjoined by an appropriate proceeding commenced by the converted insurer, a person, the commissioner, any policyholder or stockholder of the converted insurer, or the person on behalf of the converted insurer or the person in the superior court in the judicial district in which the converted insurer has its home office or in any other court having jurisdiction. The court may issue any order it finds necessary to cure the violation or to prevent the proposed action. In addition to the foregoing, whenever it appears to the commissioner that any person has committed a violation of this section, the commissioner may proceed as provided in Article 14 (commencing with Section 1010) of Chapter 1 of Part 2 of Division 1 to take possession of the property of the converted insurer and to conduct the business thereof.

(c) For the purposes of this section, "beneficial ownership," with respect to voting securities, means the sole or shared power to vote, or direct the voting of, voting securities or the sole or shared power to dispose, or direct the disposition, of voting securities.

(d) For the purposes of this section, "voting security" includes voting stock as defined in Section 11535.1, any preorganization certificate or subscription, including subscription rights issued pursuant to a plan of conversion, or any security convertible, with or without consideration, into voting security, or carrying any warrant or right to subscribe for, or purchase any, voting security, or any such warrant or right.

(e) For the purposes of this section, "offer" includes an offer to buy or acquire, solicitation of an offer to sell, tender offer for, or request or invitation for tenders of a security or interest in a security for value.

SEC. 31. Section 12340.6 of the Insurance Code is amended to read:

12340.6. (a) "Controlled escrow company" means any person, other than a title insurer or underwritten title company, whose principal business is the handling of escrows of real property transactions in connection with which title policies are issued, which person, if an artificial person, directly or indirectly, is controlled by, controls, or is under common control with a title insurer, or controls, is controlled by, or is under common control with an underwritten title company, or, if a natural person, is employed by, or controlled by, a title insurer or by an underwritten title company. As used in this section, the term "control" has the meaning set forth in subdivision (c) of Section 1215.

(b) Except for Article 6 (commencing with Section 12404), this section does not apply to any person or entity doing business under any law of this state or the United States relating to banks or savings and loan associations.

SEC. 32. Section 1095 of the Unemployment Insurance Code is amended to read:

1095. The director shall permit the use of any information in his or her possession to the extent necessary for any of the following purposes and may require reimbursement for all direct costs incurred in providing any and all information specified in this section, except information specified in subdivisions (a) to (e), inclusive:

(a) To enable the director or his or her representative to carry out his or her responsibilities under this code.

(b) To properly present a claim for benefits.

(c) To acquaint a worker or his or her authorized agent with his or her existing or prospective right to benefits.

(d) To furnish an employer or his or her authorized agent with information to enable him or her to fully discharge his or her obligations or safeguard his or her rights under this division or Division 3 (commencing with Section 9000).

(e) To enable an employer to receive a reduction in contribution rate.

(f) To enable federal, state, or local governmental departments or agencies, subject to federal law, to verify or determine the eligibility or entitlement of an applicant for, or a recipient of, public social services provided pursuant to Division 9 (commencing with Section 10000) of the Welfare and Institutions Code, or Part A of Subchapter IV of the federal Social Security Act (42 U.S.C. Sec. 601 et seq.), when the verification or determination is directly connected with, and limited to, the administration of public social services.

(g) To enable county administrators of general relief or assistance, or their representatives, to determine entitlement to locally provided general relief or assistance, when the determination is directly connected with, and limited to, the administration of general relief or assistance.

(h) To enable state or local governmental departments or agencies to seek criminal, civil, or administrative remedies in connection with the unlawful application for, or receipt of, relief provided under Division 9 (commencing with Section 10000) of the Welfare and Institutions Code or to enable the collection of expenditures for medical assistance services pursuant to Part 5 (commencing with Section 17000) of Division 9 of the Welfare and Institutions Code.

(i) To provide any law enforcement agency with the name, address, telephone number, birth date, social security number, physical description, and names and addresses of present and past employers, of any victim, suspect, missing person, potential witness, or person for whom a felony arrest warrant has been issued, when a request for this information is made by any investigator or peace officer as defined by Sections 830.1 and 830.2 of the Penal Code, or by any federal law enforcement officer to whom the Attorney General has delegated authority to enforce federal search warrants, as defined under Sections 60.2 and 60.3 of Title 28 of the Code of Federal Regulations, as amended, and when the requesting officer has been designated by the head of the law enforcement agency and requests this information in the course of and as a part of an investigation into the commission of a crime when there is a reasonable suspicion that the crime is a felony and that the information would lead to relevant evidence. The information provided pursuant to this subdivision shall be provided to the extent permitted by federal law and regulations, and to the extent the information is available and accessible within the constraints and configurations of existing department records. Any person who receives any information under this subdivision shall make a written report of the information to the law enforcement agency that employs him or her, for filing under the normal procedures of that agency.

(1) This subdivision shall not be construed to authorize the release to any law enforcement agency of a general list identifying individuals applying for or receiving benefits.

(2) The department shall maintain records pursuant to this subdivision only for periods required under regulations or statutes enacted for the administration of its programs.

(3) This subdivision shall not be construed as limiting the information provided to law enforcement agencies to that pertaining only to applicants for, or recipients of, benefits.

(4) The department shall notify all applicants for benefits that release of confidential information from their records will not be protected should there be a felony arrest warrant issued against the applicant or in the event of an investigation by a law enforcement agency into the commission of a felony.

(j) To provide public employee retirement systems in California with information relating to the earnings of any person who has applied for or is receiving a disability income, disability allowance, or disability retirement allowance, from a public employee retirement system. The earnings information shall be released only upon written request from the governing board specifying that the person has applied for or is receiving a disability allowance or disability retirement allowance from its retirement system. The request may be made by the chief executive officer of the system or by an employee of the system so authorized and identified by name and title by the chief executive officer in writing.

(k) To enable the Division of Labor Standards Enforcement in the Department of Industrial Relations to seek criminal, civil, or administrative remedies in connection with the failure to pay, or the unlawful payment of, wages pursuant to Chapter 1 (commencing with Section 200) of Part 1 of Division 2 of, and Chapter 1 (commencing with Section 1720) of Part 7 of Division 2 of, the Labor Code.

(l) To enable federal, state, or local governmental departments or agencies to administer child support enforcement programs under Part D of Title IV of the federal Social Security Act (42 U.S.C. Sec. 651 et seq.).

(m) To provide federal, state, or local governmental departments or agencies with wage and claim information in its possession that will assist those departments and agencies in the administration of the Victims of Crime Program or in the location of victims of crime who, by state mandate or court order, are entitled to restitution that has been or can be recovered.

(n) To provide federal, state, or local governmental departments or agencies with information concerning any individuals who are or have been:

(1) Directed by state mandate or court order to pay restitution, fines, penalties, assessments, or fees as a result of a violation of law.

(2) Delinquent or in default on guaranteed student loans or who owe repayment of funds received through other financial assistance programs administered by those agencies. The information released by the director for the purposes of this paragraph shall not include unemployment insurance benefit information.

(o) To provide an authorized governmental agency with any and all relevant information that relates to any specific workers' compensation insurance fraud investigation. The information shall be provided to the extent permitted by federal law and regulations. For the purposes of this subdivision, "authorized governmental agency" means the district attorney of any county, the office of the Attorney General, the Contractors' State License Board, the Department of Industrial Relations, and the Department of Insurance. An authorized governmental agency may disclose this information to the State Bar of California, the Medical Board of California, or any other licensing board or department whose licensee is the subject of a workers' compensation insurance fraud investigation. This subdivision shall not prevent any authorized governmental agency from reporting to any board or department the suspected misconduct of any licensee of that body.

(p) To enable the Director of Consumer Affairs, or his or her representatives, to access unemployment insurance quarterly wage data on a case-by-case basis to verify information on school administrators, school staff, and students provided by those schools who are being investigated for possible violations of Chapter 8 (commencing with Section 94800) of Part 59 of Division 10 of Title 3 of the Education Code.

(q) To provide employment tax information to the tax officials of Mexico, if a reciprocal agreement exists. For purposes of this subdivision, "reciprocal agreement" means a formal agreement to exchange information between national taxing officials of Mexico and taxing authorities of the State Board of Equalization, the Franchise Tax Board, and the Employment Development Department. Furthermore, the reciprocal agreement shall be limited to the exchange of information that is essential for tax administration purposes only. Taxing authorities of the State of California shall be granted tax information only on California residents. Taxing authorities of Mexico shall be granted tax information only on Mexican nationals.

(r) To enable city and county planning agencies to develop economic forecasts for planning purposes. The information shall be limited to businesses within the jurisdiction of the city or county whose planning agency is requesting the information, and shall not include information regarding individual employees.

(s) To provide the State Department of Developmental Services with wage and employer information that will assist in the collection of moneys owed by the recipient, parent, or any other legally liable individual for services and supports provided pursuant to Chapter 9 (commencing with Section 4775) of Division 4.5 of, and Chapter 2 (commencing with Section 7200) and Chapter 3 (commencing with Section 7500) of Division 7 of, the Welfare and Institutions Code.

(t) To provide the State Board of Equalization with employment tax information that will assist in the administration of tax programs. The information shall be limited to the exchange of employment tax information essential for tax administration purposes to the extent permitted by federal law and regulations.

(u) This section shall not be construed to authorize or permit the use of information obtained in the administration of this code by any private collection agency.

(v) The disclosure of the name and address of an individual or business entity that was issued an assessment that included penalties under Section 1128 or 1128.1 shall not be in violation of Section 1094 if the assessment is final. The disclosure may also include any of the following:

(1) The total amount of the assessment.

(2) The amount of the penalty imposed under Section 1128 or 1128.1 that is included in the assessment.

(3) The facts that resulted in the charging of the penalty under Section 1128 or 1128.1.

(w) To enable the Contractors' State License Board to verify the employment history of an individual applying for licensure pursuant to Section 7068 of the Business and Professions Code.

(x) To provide any peace officer with the Division of Investigation in the Department of Consumer Affairs information pursuant to subdivision (i) when the requesting peace officer has been designated by the chief of the Division of Investigation and requests this information in the course of and as part of an investigation into the commission of a crime or other unlawful act when there is reasonable suspicion to believe that the crime or act may be connected to the information requested and would lead to relevant information regarding the crime or unlawful act.

(y) To enable the Labor Commissioner of the Division of Labor Standards Enforcement in the Department of Industrial Relations to identify, pursuant to Section 90.3 of the Labor Code, unlawfully uninsured employers. The information shall be provided to the extent permitted by federal law and regulations.

(z) To enable the Chancellor of the California Community Colleges, in accordance with the requirements of Section 84754.5 of the Education Code, to obtain quarterly wage data, commencing January 1, 1993, on students who have attended one or more community colleges, to assess the impact of education on the employment and earnings of students, to conduct the annual evaluation of district-level and individual college performance in achieving priority educational outcomes, and to submit the required reports to the Legislature and the Governor. The information shall be provided to the extent permitted by federal statutes and regulations.

(aa) To enable the Public Employees' Retirement System to seek criminal, civil, or administrative remedies in connection with the unlawful application for, or receipt of, benefits provided under Part 3 (commencing with Section 20000) of Division 5 of Title 2 of the Government Code.

(ab) To enable the State Department of Education, the University of California, the California State University, and the Chancellor of the California Community Colleges, pursuant to the requirements prescribed by the federal American Recovery and Reinvestment Act of 2009 (Public Law 111-5), to obtain quarterly wage data, commencing July 1, 2010, on students who have attended their respective systems to assess the impact of education on the employment and earnings of those students, to conduct the annual analysis of district-level and individual district or postsecondary education system performance in achieving priority educational outcomes, and to submit the required reports to the Legislature and the Governor. The information shall be provided to the extent permitted by federal statutes and regulations.

(ac) To provide the Agricultural Labor Relations Board with employee, wage, and employer information, for use in the investigation or enforcement of the Alatorre-Zenovich-Dunlap-Berman Agricultural Labor Relations Act of 1975 (Part 3.5 (commencing with Section 1140) of Division 2 of the Labor Code). The information shall be provided to the extent permitted by federal statutes and regulations.

(ad) (1) To enable the State Department of Health Care Services, the California Health Benefit Exchange, the Managed Risk Medical Insurance Board, and county departments and agencies to obtain information regarding employee wages, California employer names and account numbers, employer reports of wages and number of employees, and disability insurance and unemployment insurance claim information, for the purpose of:

(A) Verifying or determining the eligibility of an applicant for, or a recipient of, state health subsidy programs, limited to the Medi-Cal program, provided pursuant to Chapter 7 (commencing with Section 14000) of Part 3 of Division 9 of the Welfare and Institutions Code, and the Access for Infants and Mothers Program, provided pursuant to Part 6.3 (commencing with Section 12695) of Division 2 of the Insurance Code, when the verification or determination is directly connected with, and limited to, the administration of the state health subsidy programs referenced in this subparagraph.

(B) Verifying or determining the eligibility of an applicant for, or a recipient of, federal subsidies offered through the California Health Benefit Exchange, provided pursuant to Title 22 (commencing with Section 100500) of the Government Code, including federal tax credits and cost-sharing assistance pursuant to the federal Patient Protection and Affordable Care Act (Public Law 111-148), as amended by the federal Health Care and Education Reconciliation Act of 2010 (Public Law 111-152), when the verification or determination is directly connected with, and limited to, the administration of the California Health Benefit Exchange.

(C) Verifying or determining the eligibility of employees and employers for health coverage through the Small Business Health Options Program, provided pursuant to Section 100502 of the Government Code, when the verification or determination is directly connected with, and limited to, the administration of the Small Business Health Options Program.

(2) The information provided under this subdivision shall be subject to the requirements of, and provided to the extent permitted by, federal law and regulations, including Part 603 of Title 20 of the Code of Federal Regulations.

(ae) To provide any peace officer with the Investigations Division of the Department of Motor Vehicles with information pursuant to subdivision (i), when the requesting peace officer has been designated by the Chief of the Investigations Division and requests this information in the course of, and as part of, an investigation into identity theft, counterfeiting, document fraud, or consumer fraud, and there is reasonable suspicion that the crime is a felony and that the information would lead to relevant evidence regarding the identity theft, counterfeiting, document fraud, or consumer fraud. The information provided pursuant to this subdivision shall be provided to the extent permitted by federal law and regulations, and to the extent the information is available and accessible within the constraints and configurations of existing department records. Any person who receives any information under this subdivision shall make a written report of the information to the Investigations Division of the Department of Motor Vehicles, for filing under the normal procedures of that division.

(af) Until January 1, 2020, to enable the Department of Finance to prepare and submit the report required by Section 13084 of the Government Code that identifies all employers in California that employ 100 or more employees who receive benefits from the Medi-Cal program (Chapter 7 (commencing with Section 14000) of Part 3 of Division 9 of the Welfare and Institutions Code). The information used for this purpose shall be limited to information obtained pursuant to Section 11026.5 of the Welfare and Institutions Code and from the administration of personal income tax wage withholding pursuant to Division 6 (commencing with Section 13000) and the disability insurance program and may be disclosed to the Department of Finance only for the purpose of preparing and submitting the report and only to the extent not prohibited by federal law.

(ag) To provide, to the extent permitted by federal law and regulations, the Student Aid Commission with wage information in order to verify the employment status of an individual applying for a Cal Grant C award pursuant to subdivision (c) of Section 69439 of the Education Code.

(ah) To enable the Department of Corrections and Rehabilitation to obtain quarterly wage data of former inmates who have been incarcerated within the prison system in order to assess the impact of rehabilitation services or the lack of these services on the employment and earnings of these former inmates. Quarterly data for a former inmate's employment status and wage history shall be provided for a period of one year, three years, and five years following release. The data shall only be used for the purpose of tracking outcomes for former inmates in order to assess the effectiveness of rehabilitation strategies on the wages and employment histories of those formerly incarcerated. The information shall be provided to the department to the extent not prohibited by federal law.

(ai) To enable federal, state, or local government departments or agencies, or their contracted agencies, subject to federal law, including the confidentiality, disclosure, and other requirements set forth in Part 603 of Title 20 of the Code of Federal Regulations, to evaluate, research, or forecast the effectiveness of public social services programs administered pursuant to Division 9 (commencing with Section 10000) of the Welfare and Institutions Code, or Part A of Subchapter IV of Chapter 7 of the federal Social Security Act (42 U.S.C. Sec. 601 et seq.), when the evaluation, research, or forecast is directly connected with, and limited to, the administration of the public social services programs.

(aj) To enable the California Workforce Development Board, the Chancellor of the California Community Colleges, the Superintendent of Public Instruction, the Department of Rehabilitation, the State Department of Social Services, the Bureau for Private Postsecondary Education, the Department of Industrial Relations, the Division of Apprenticeship Standards, and the Employment Training Panel to access any relevant quarterly wage data necessary for the evaluation and reporting of their respective program performance outcomes as required and permitted by various state and federal laws pertaining to performance measurement and program evaluation under the federal Workforce Innovation and Opportunity Act (Public Law 113-128); the workforce performance metrics dashboard pursuant to paragraph (1) of subdivision (i) of Section 14013; the Adult Education Block Grant Program consortia performance metrics pursuant to Section 84920 of the Education Code; the economic and workforce development program performance measures pursuant to Section 88650 of the Education Code; and the California Community Colleges Economic and Workforce Development Program performance measures established in Part 52.5 (commencing with Section 88600) of Division 7 of Title 3 of the Education Code.

(ak) (1) To provide any peace officer with the Enforcement Branch of the Department of Insurance with both of the following:

(A) Information provided pursuant to subdivision (i) that relates to a specific insurance fraud investigation involving automobile insurance fraud, life insurance and annuity fraud, property and casualty insurance fraud, and organized automobile insurance fraud. That information shall be provided when the requesting peace officer has been designated by the Chief of the Fraud Division of the Department of Insurance and requests the information in the course of, and as part of, an investigation into the commission of a crime or other unlawful act when there is reasonable suspicion to believe that the crime or act may be connected to the information requested and would lead to relevant information regarding the crime or unlawful act.

(B) Employee, wage, employer, and state disability insurance claim information that relates to a specific insurance fraud investigation involving health or disability insurance fraud when the requesting peace officer has been designated by the Chief of the Fraud Division of the Department of Insurance and requests the information in the course of, and as part of, an investigation into the commission of a crime or other unlawful act when there is reasonable suspicion to believe that the crime or act may be connected to the information requested and would lead to relevant information regarding the crime or unlawful act.

(2) To enable the State Department of Developmental Services to obtain quarterly wage data of consumers served by that department for the purposes of monitoring and evaluating employment outcomes to determine the effectiveness of the Employment First Policy, established pursuant to Section 4869 of the Welfare and Institutions Code.

(3) The information provided pursuant to this subdivision shall be provided to the extent permitted by federal statutes and regulations.

SEC. 32.5. Section 1095 of the Unemployment Insurance Code is amended to read:

1095. The director shall permit the use of any information in his or her possession to the extent necessary for any of the following purposes and may require reimbursement for all direct costs incurred in providing any and all information specified in this section, except information specified in subdivisions (a) to (e), inclusive:

(a) To enable the director or his or her representative to carry out his or her responsibilities under this code.

(b) To properly present a claim for benefits.

(c) To acquaint a worker or his or her authorized agent with his or her existing or prospective right to benefits.

(d) To furnish an employer or his or her authorized agent with information to enable him or her to fully discharge his or her obligations or safeguard his or her rights under this division or Division 3 (commencing with Section 9000).

(e) To enable an employer to receive a reduction in contribution rate.

(f) To enable federal, state, or local governmental departments or agencies, subject to federal law, to verify or determine the eligibility or entitlement of an applicant for, or a recipient of, public social services provided pursuant to Division 9 (commencing with Section 10000) of the Welfare and Institutions Code, or Part A of Subchapter IV of the federal Social Security Act (42 U.S.C. Sec. 601 et seq.), when the verification or determination is directly connected with, and limited to, the administration of public social services.

(g) To enable county administrators of general relief or assistance, or their representatives, to determine entitlement to locally provided general relief or assistance, when the determination is directly connected with, and limited to, the administration of general relief or assistance.

(h) To enable state or local governmental departments or agencies to seek criminal, civil, or administrative remedies in connection with the unlawful application for, or receipt of, relief provided under Division 9 (commencing with Section 10000) of the Welfare and Institutions Code or to enable the collection of expenditures for medical assistance services pursuant to Part 5 (commencing with Section 17000) of Division 9 of the Welfare and Institutions Code.

(i) To provide any law enforcement agency with the name, address, telephone number, birth date, social security number, physical description, and names and addresses of present and past employers, of any victim, suspect, missing person, potential witness, or person for whom a felony arrest warrant has been issued, when a request for this information is made by any investigator or peace officer as defined by Sections 830.1 and 830.2 of the Penal Code, or by any federal law enforcement officer to whom the Attorney General has delegated authority to enforce federal search warrants, as defined under Sections 60.2 and 60.3 of Title 28 of the Code of Federal Regulations, as amended, and when the requesting officer has been designated by the head of the law enforcement agency and requests this information in the course of and as a part of an investigation into the commission of a crime when there is a reasonable suspicion that the crime is a felony and that the information would lead to relevant evidence.

The information provided pursuant to this subdivision shall be provided to the extent permitted by federal law and regulations, and to the extent the information is available and accessible within the constraints and configurations of existing department records. Any person who receives any information under this subdivision shall make a written report of the information to the law enforcement agency that employs him or her, for filing under the normal procedures of that agency.

(1) This subdivision shall not be construed to authorize the release to any law enforcement agency of a general list identifying individuals applying for or receiving benefits.

(2) The department shall maintain records pursuant to this subdivision only for periods required under regulations or statutes enacted for the administration of its programs.

(3) This subdivision shall not be construed as limiting the information provided to law enforcement agencies to that pertaining only to applicants for, or recipients of, benefits.

(4) The department shall notify all applicants for benefits that release of confidential information from their records will not be protected should there be a felony arrest warrant issued against the applicant or in the event of an investigation by a law enforcement agency into the commission of a felony.

(j) To provide public employee retirement systems in California with information relating to the earnings of any person who has applied for or is receiving a disability income, disability allowance, or disability retirement allowance, from a public employee retirement system. The earnings information shall be released only upon written request from the governing board specifying that the person has applied for or is receiving a disability allowance or disability retirement allowance from its retirement system. The request may be made by the chief executive officer of the system or by an employee of the system so authorized and identified by name and title by the chief executive officer in writing.

(k) To enable the Division of Labor Standards Enforcement in the Department of Industrial Relations to seek criminal, civil, or administrative remedies in connection with the failure to pay, or the unlawful payment of, wages pursuant to Chapter 1 (commencing with Section 200) of Part 1 of Division 2 of, and Chapter 1 (commencing with Section 1720) of Part 7 of Division 2 of, the Labor Code.

(l) To enable federal, state, or local governmental departments or agencies to administer child support enforcement programs under Part D of Title IV of the federal Social Security Act (42 U.S.C. Sec. 651 et seq.).

(m) To provide federal, state, or local governmental departments or agencies with wage and claim information in its possession that will assist those departments and agencies in the administration of the Victims of Crime Program or in the location of victims of crime who, by state mandate or court order, are entitled to restitution that has been or can be recovered.

(n) To provide federal, state, or local governmental departments or agencies with information concerning any individuals who are or have been:

(1) Directed by state mandate or court order to pay restitution, fines, penalties, assessments, or fees as a result of a violation of law.

(2) Delinquent or in default on guaranteed student loans or who owe repayment of funds received through other financial assistance programs administered by those agencies. The information released by the director for the purposes of this paragraph shall not include unemployment insurance benefit information.

(o) To provide an authorized governmental agency with any and all relevant information that relates to any specific workers' compensation insurance fraud investigation. The information shall be provided to the extent permitted by federal law and regulations. For the purposes of this subdivision, "authorized governmental agency" means the district attorney of any county, the office of the Attorney General, the Contractors' State License Board, the Department of Industrial Relations, and the Department of Insurance. An authorized governmental agency may disclose this information to the State Bar of California, the Medical Board of California, or any other licensing board or department whose licensee is the subject of a workers' compensation insurance fraud investigation. This subdivision shall not prevent any authorized governmental agency from reporting to any board or department the suspected misconduct of any licensee of that body.

(p) To enable the Director of Consumer Affairs, or his or her representatives, to access unemployment insurance quarterly wage data on a case-by-case basis to verify information on school administrators, school staff, and students provided by those schools who are being investigated for possible violations of Chapter 8 (commencing with Section 94800) of Part 59 of Division 10 of Title 3 of the Education Code.

(q) To provide employment tax information to the tax officials of Mexico, if a reciprocal agreement exists. For purposes of this subdivision, "reciprocal agreement" means a formal agreement to exchange information between national taxing officials of Mexico and taxing authorities of the State Board of Equalization, the Franchise Tax Board, and the Employment Development

Department. Furthermore, the reciprocal agreement shall be limited to the exchange of information that is essential for tax administration purposes only. Taxing authorities of the State of California shall be granted tax information only on California residents. Taxing authorities of Mexico shall be granted tax information only on Mexican nationals.

(r) To enable city and county planning agencies to develop economic forecasts for planning purposes. The information shall be limited to businesses within the jurisdiction of the city or county whose planning agency is requesting the information, and shall not include information regarding individual employees.

(s) To provide the State Department of Developmental Services with wage and employer information that will assist in the collection of moneys owed by the recipient, parent, or any other legally liable individual for services and supports provided pursuant to Chapter 9 (commencing with Section 4775) of Division 4.5 of, and Chapter 2 (commencing with Section 7200) and Chapter 3 (commencing with Section 7500) of Division 7 of, the Welfare and Institutions Code.

(t) To provide the State Board of Equalization with employment tax information that will assist in the administration of tax programs. The information shall be limited to the exchange of employment tax information essential for tax administration purposes to the extent permitted by federal law and regulations.

(u) This section shall not be construed to authorize or permit the use of information obtained in the administration of this code by a private collection agency.

(v) The disclosure of the name and address of an individual or business entity that was issued an assessment that included penalties under Section 1128 or 1128.1 shall not be in violation of Section 1094 if the assessment is final. The disclosure may also include any of the following:

(1) The total amount of the assessment.

(2) The amount of the penalty imposed under Section 1128 or 1128.1 that is included in the assessment.

(3) The facts that resulted in the charging of the penalty under Section 1128 or 1128.1.

(w) To enable the Contractors' State License Board to verify the employment history of an individual applying for licensure pursuant to Section 7068 of the Business and Professions Code.

(x) To provide a peace officer with the Division of Investigation in the Department of Consumer Affairs information pursuant to subdivision (i) when the requesting peace officer has been designated by the chief of the Division of Investigation and requests this information in the course of and as part of an investigation into the commission of a crime or other unlawful act when there is reasonable suspicion to believe that the crime or act may be connected to the information requested and would lead to relevant information regarding the crime or unlawful act.

(y) To enable the Labor Commissioner of the Division of Labor Standards Enforcement in the Department of Industrial Relations to identify, pursuant to Section 90.3 of the Labor Code, unlawfully uninsured employers. The information shall be provided to the extent permitted by federal law and regulations.

(z) To enable the Chancellor of the California Community Colleges, in accordance with the requirements of Section 84754.5 of the Education Code, to obtain quarterly wage data, commencing January 1, 1993, on students who have attended one or more community colleges, to assess the impact of education on the employment and earnings of students, to conduct the annual evaluation of district-level and individual college performance in achieving priority educational outcomes, and to submit the required reports to the Legislature and the Governor. The information shall be provided to the extent permitted by federal statutes and regulations.

(aa) To enable the Public Employees' Retirement System to seek criminal, civil, or administrative remedies in connection with the unlawful application for, or receipt of, benefits provided under Part 3 (commencing with Section 20000) of Division 5 of Title 2 of the Government Code.

(ab) To enable the State Department of Education, the University of California, the California State University, and the Chancellor of the California Community Colleges, pursuant to the requirements prescribed by the federal American Recovery and Reinvestment Act of 2009 (Public Law 111-5), to obtain quarterly wage data, commencing July 1, 2010, on students who have attended their respective systems to assess the impact of education on the employment and earnings of those students, to conduct the annual analysis of district-level and individual district or postsecondary education system performance in achieving priority educational outcomes, and to submit the required reports to the Legislature and the Governor. The information shall be provided to the extent permitted by federal statutes and regulations.

(ac) To provide the Agricultural Labor Relations Board with employee, wage, and employer information, for use in the investigation or enforcement of the Alatorre-Zenovich-Dunlap-Berman Agricultural Labor Relations Act of 1975 (Part 3.5

(commencing with Section 1140) of Division 2 of the Labor Code). The information shall be provided to the extent permitted by federal statutes and regulations.

(ad) (1) To enable the State Department of Health Care Services, the California Health Benefit Exchange, the Managed Risk Medical Insurance Board, and county departments and agencies to obtain information regarding employee wages, California employer names and account numbers, employer reports of wages and number of employees, and disability insurance and unemployment insurance claim information, for the purpose of:

(A) Verifying or determining the eligibility of an applicant for, or a recipient of, state health subsidy programs, limited to the Medi-Cal program, provided pursuant to Chapter 7 (commencing with Section 14000) of Part 3 of Division 9 of the Welfare and Institutions Code, and the Access for Infants and Mothers Program, provided pursuant to Part 6.3 (commencing with Section 12695) of Division 2 of the Insurance Code, when the verification or determination is directly connected with, and limited to, the administration of the state health subsidy programs referenced in this subparagraph.

(B) Verifying or determining the eligibility of an applicant for, or a recipient of, federal subsidies offered through the California Health Benefit Exchange, provided pursuant to Title 22 (commencing with Section 100500) of the Government Code, including federal tax credits and cost-sharing assistance pursuant to the federal Patient Protection and Affordable Care Act (Public Law 111-148), as amended by the federal Health Care and Education Reconciliation Act of 2010 (Public Law 111-152), when the verification or determination is directly connected with, and limited to, the administration of the California Health Benefit Exchange.

(C) Verifying or determining the eligibility of employees and employers for health coverage through the Small Business Health Options Program, provided pursuant to Section 100502 of the Government Code, when the verification or determination is directly connected with, and limited to, the administration of the Small Business Health Options Program.

(2) The information provided under this subdivision shall be subject to the requirements of, and provided to the extent permitted by, federal law and regulations, including Part 603 of Title 20 of the Code of Federal Regulations.

(ae) To provide any peace officer with the Investigations Division of the Department of Motor Vehicles with information pursuant to subdivision (i), when the requesting peace officer has been designated by the Chief of the Investigations Division and requests this information in the course of, and as part of, an investigation into identity theft, counterfeiting, document fraud, or consumer fraud, and there is reasonable suspicion that the crime is a felony and that the information would lead to relevant evidence regarding the identity theft, counterfeiting, document fraud, or consumer fraud. The information provided pursuant to this subdivision shall be provided to the extent permitted by federal law and regulations, and to the extent the information is available and accessible within the constraints and configurations of existing department records. Any person who receives any information under this subdivision shall make a written report of the information to the Investigations Division of the Department of Motor Vehicles, for filing under the normal procedures of that division.

(af) Until January 1, 2020, to enable the Department of Finance to prepare and submit the report required by Section 13084 of the Government Code that identifies all employers in California that employ 100 or more employees who receive benefits from the Medi-Cal program (Chapter 7 (commencing with Section 14000) of Part 3 of Division 9 of the Welfare and Institutions Code). The information used for this purpose shall be limited to information obtained pursuant to Section 11026.5 of the Welfare and Institutions Code and from the administration of personal income tax wage withholding pursuant to Division 6 (commencing with Section 13000) and the disability insurance program and may be disclosed to the Department of Finance only for the purpose of preparing and submitting the report and only to the extent not prohibited by federal law.

(ag) To provide, to the extent permitted by federal law and regulations, the Student Aid Commission with wage information in order to verify the employment status of an individual applying for a Cal Grant C award pursuant to subdivision (c) of Section 69439 of the Education Code.

(ah) To enable the Department of Corrections and Rehabilitation to obtain quarterly wage data of former inmates who have been incarcerated within the prison system in order to assess the impact of rehabilitation services or the lack of these services on the employment and earnings of these former inmates. Quarterly data for a former inmate's employment status and wage history shall be provided for a period of one year, three years, and five years following release. The data shall only be used for the purpose of tracking outcomes for former inmates in order to assess the effectiveness of rehabilitation strategies on the wages and employment histories of those formerly incarcerated. The information shall be provided to the department to the extent not prohibited by federal law.

(ai) To enable federal, state, or local government departments or agencies, or their contracted agencies, subject to federal law, including the confidentiality, disclosure, and other requirements set forth in Part 603 of Title 20 of the Code of Federal Regulations, to evaluate, research, or forecast the effectiveness of public social services programs administered pursuant to Division 9 (commencing with Section 10000) of the Welfare and Institutions Code, or Part A of Subchapter IV of Chapter 7 of the

federal Social Security Act (42 U.S.C. Sec. 601 et seq.), when the evaluation, research, or forecast is directly connected with, and limited to, the administration of the public social services programs.

(aj) To enable the California Workforce Development Board, the Chancellor of the California Community Colleges, the Superintendent of Public Instruction, the Department of Rehabilitation, the State Department of Social Services, the Bureau for Private Postsecondary Education, the Department of Industrial Relations, the Division of Apprenticeship Standards, and the Employment Training Panel to access any relevant quarterly wage data necessary for the evaluation and reporting of their respective program performance outcomes as required and permitted by various state and federal laws pertaining to performance measurement and program evaluation under the federal Workforce Innovation and Opportunity Act (Public Law 113-128); the workforce performance metrics dashboard pursuant to paragraph (1) of subdivision (i) of Section 14013; the Adult Education Block Grant Program consortia performance metrics pursuant to Section 84920 of the Education Code; the economic and workforce development program performance measures pursuant to Section 88650 of the Education Code; and the California Community Colleges Economic and Workforce Development Program performance measures established in Part 52.5 (commencing with Section 88600) of Division 7 of Title 3 of the Education Code.

(ak) (1) To provide any peace officer with the Enforcement Branch of the Department of Insurance with both of the following:

(A) Information provided pursuant to subdivision (i) that relates to a specific insurance fraud investigation involving automobile insurance fraud, life insurance and annuity fraud, property and casualty insurance fraud, and organized automobile insurance fraud. That information shall be provided when the requesting peace officer has been designated by the Chief of the Fraud Division of the Department of Insurance and requests the information in the course of, and as part of, an investigation into the commission of a crime or other unlawful act when there is reasonable suspicion to believe that the crime or act may be connected to the information requested and would lead to relevant information regarding the crime or unlawful act.

(B) Employee, wage, employer, and state disability insurance claim information that relates to a specific insurance fraud investigation involving health or disability insurance fraud when the requesting peace officer has been designated by the Chief of the Fraud Division of the Department of Insurance and requests the information in the course of, and as part of, an investigation into the commission of a crime or other unlawful act when there is reasonable suspicion to believe that the crime or act may be connected to the information requested and would lead to relevant information regarding the crime or unlawful act.

(2) To enable the State Department of Developmental Services to obtain quarterly wage data of consumers served by that department for the purposes of monitoring and evaluating employment outcomes to determine the effectiveness of the Employment First Policy, established pursuant to Section 4869 of the Welfare and Institutions Code.

(3) The information provided pursuant to this subdivision shall be provided to the extent permitted by federal statutes and regulations.

(al) To enable the Department of Veterans Affairs to receive quarterly wage data pursuant to the requirements of Section 714 of the Military and Veterans Code. The information shall be provided to the extent permitted by federal law.

SEC. 33. Section 4514 of the Welfare and Institutions Code is amended to read:

4514. All information and records obtained in the course of providing intake, assessment, and services under Division 4.1 (commencing with Section 4400), Division 4.5 (commencing with Section 4500), Division 6 (commencing with Section 6000), or Division 7 (commencing with Section 7100) to persons with developmental disabilities shall be confidential. Information and records obtained in the course of providing similar services to either voluntary or involuntary recipients prior to 1969 shall also be confidential. Information and records shall be disclosed only in any of the following cases:

(a) In communications between qualified professional persons, whether employed by a regional center or state developmental center, or not, in the provision of intake, assessment, and services or appropriate referrals. The consent of the person with a developmental disability, or his or her guardian or conservator, shall be obtained before information or records may be disclosed by regional center or state developmental center personnel to a professional not employed by the regional center or state developmental center, or a program not vendored by a regional center or state developmental center.

(b) When the person with a developmental disability, who has the capacity to give informed consent, designates individuals to whom information or records may be released, except that this chapter shall not be construed to compel a physician and surgeon, psychologist, social worker, marriage and family therapist, professional clinical counselor, nurse, attorney, or other professional to reveal information that has been given to him or her in confidence by a family member of the person unless a valid release has been executed by that family member.

(c) To the extent necessary for a claim, or for a claim or application to be made on behalf of a person with a developmental disability for aid, insurance, government benefit, or medical assistance to which he or she may be entitled.

(d) If the person with a developmental disability is a minor, dependent ward, or conservatee, and his or her parent, guardian, conservator, limited conservator with access to confidential records, or authorized representative, designates, in writing, persons to whom records or information may be disclosed, except that this chapter shall not be construed to compel a physician and surgeon, psychologist, social worker, marriage and family therapist, professional clinical counselor, nurse, attorney, or other professional to reveal information that has been given to him or her in confidence by a family member of the person unless a valid release has been executed by that family member.

(e) For research, if the Director of Developmental Services designates by regulation rules for the conduct of research and requires the research to be first reviewed by the appropriate institutional review board or boards. These rules shall include, but need not be limited to, the requirement that all researchers shall sign an oath of confidentiality as follows:

“

Date

As a condition of doing research concerning persons with developmental disabilities who have received services from ____ (fill in the facility, agency or person), I, ____, agree to obtain the prior informed consent of persons who have received services to the maximum degree possible as determined by the appropriate institutional review board or boards for protection of human subjects reviewing my research, or the person's parent, guardian, or conservator, and I further agree not to divulge any information obtained in the course of the research to unauthorized persons, and not to publish or otherwise make public any information regarding persons who have received services so those persons who received services are identifiable.

I recognize that the unauthorized release of confidential information may make me subject to a civil action under provisions of the Welfare and Institutions Code.

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Signed

(f) To the courts, as necessary to the administration of justice.

(g) To governmental law enforcement agencies as needed for the protection of federal and state elective constitutional officers and their families.

(h) To the Senate Committee on Rules or the Assembly Committee on Rules for the purposes of legislative investigation authorized by the committee.

(i) To the courts and designated parties as part of a regional center report or assessment in compliance with a statutory or regulatory requirement, including, but not limited to, Section 1827.5 of the Probate Code, Sections 1001.22 and 1370.1 of the Penal Code, and Section 6502 of this code.

(j) To the attorney for the person with a developmental disability in any and all proceedings upon presentation of a release of information signed by the person, except that when the person lacks the capacity to give informed consent, the regional center or state developmental center director or designee, upon satisfying himself or herself of the identity of the attorney, and of the fact that the attorney represents the person, shall release all information and records relating to the person except that this article shall not be construed to compel a physician and surgeon, psychologist, social worker, marriage and family therapist, professional clinical counselor, nurse, attorney, or other professional to reveal information that has been given to him or her in confidence by a family member of the person unless a valid release has been executed by that family member.

(k) Upon written consent by a person with a developmental disability previously or presently receiving services from a regional center or state developmental center, the director of the regional center or state developmental center, or his or her designee, may release any information, except information that has been given in confidence by members of the family of the person with developmental disabilities, requested by a probation officer charged with the evaluation of the person after his or her conviction of a crime if the regional center or state developmental center director or designee determines that the information is relevant to the evaluation. The consent shall only be operative until sentence is passed on the crime of which the person was convicted. The confidential information released pursuant to this subdivision shall be transmitted to the court separately from the probation report and shall not be placed in the probation report. The confidential information shall remain confidential except for purposes of sentencing. After sentencing, the confidential information shall be sealed.

- (l) Between persons who are trained and qualified to serve on "multidisciplinary personnel" teams pursuant to subdivision (d) of Section 18951. The information and records sought to be disclosed shall be relevant to the prevention, identification, management, or treatment of an abused child and his or her parents pursuant to Chapter 11 (commencing with Section 18950) of Part 6 of Division 9.
- (m) When a person with a developmental disability dies from any cause, natural or otherwise, while hospitalized in a state developmental center, the State Department of Developmental Services, the physician and surgeon in charge of the client, or the professional in charge of the facility or his or her designee, shall release the patient's medical record to a medical examiner, forensic pathologist, or coroner, upon request. Except for the purposes included in paragraph (8) of subdivision (b) of Section 56.10 of the Civil Code, a medical examiner, forensic pathologist, or coroner shall not disclose any information contained in the medical record obtained pursuant to this subdivision without a court order or authorization pursuant to paragraph (4) of subdivision (c) of Section 56.11 of the Civil Code.
- (n) To authorized licensing personnel who are employed by, or who are authorized representatives of, the State Department of Public Health, and who are licensed or registered health professionals, and to authorized legal staff or special investigators who are peace officers who are employed by, or who are authorized representatives of, the State Department of Social Services, as necessary to the performance of their duties to inspect, license, and investigate health facilities and community care facilities, and to ensure that the standards of care and services provided in these facilities are adequate and appropriate and to ascertain compliance with the rules and regulations to which the facility is subject. The confidential information shall remain confidential except for purposes of inspection, licensing, or investigation pursuant to Chapter 2 (commencing with Section 1250) and Chapter 3 (commencing with Section 1500) of Division 2 of the Health and Safety Code, or a criminal, civil, or administrative proceeding in relation thereto. The confidential information may be used by the State Department of Public Health or the State Department of Social Services in a criminal, civil, or administrative proceeding. The confidential information shall be available only to the judge or hearing officer and to the parties to the case. Names that are confidential shall be listed in attachments separate to the general pleadings. The confidential information shall be sealed after the conclusion of the criminal, civil, or administrative hearings, and shall not subsequently be released except in accordance with this subdivision. If the confidential information does not result in a criminal, civil, or administrative proceeding, it shall be sealed after the State Department of Public Health or the State Department of Social Services decides that no further action will be taken in the matter of suspected licensing violations. Except as otherwise provided in this subdivision, confidential information in the possession of the State Department of Public Health or the State Department of Social Services shall not contain the name of the person with a developmental disability.
- (o) To any board that licenses and certifies professionals in the fields of mental health and developmental disabilities pursuant to state law, when the Director of Developmental Services has reasonable cause to believe that there has occurred a violation of any provision of law subject to the jurisdiction of a board and the records are relevant to the violation. The information shall be sealed after a decision is reached in the matter of the suspected violation, and shall not subsequently be released except in accordance with this subdivision. Confidential information in the possession of the board shall not contain the name of the person with a developmental disability.
- (p) (1) To governmental law enforcement agencies by the director of a regional center or state developmental center, or his or her designee, when (1) the person with a developmental disability has been reported lost or missing or (2) there is probable cause to believe that a person with a developmental disability has committed, or has been the victim of, murder, manslaughter, mayhem, aggravated mayhem, kidnapping, robbery, carjacking, assault with the intent to commit a felony, arson, extortion, rape, forcible sodomy, forcible oral copulation, assault or battery, or unlawful possession of a weapon, as provided in any provision listed in Section 16590 of the Penal Code.
- (2) This subdivision shall be limited solely to information directly relating to the factual circumstances of the commission of the enumerated offenses and shall not include any information relating to the mental state of the patient or the circumstances of his or her treatment unless relevant to the crime involved.
- (3) This subdivision shall not be construed as an exception to, or in any other way affecting, the provisions of Article 7 (commencing with Section 1010) of Chapter 4 of Division 8 of the Evidence Code, or Chapter 11 (commencing with Section 15600) and Chapter 13 (commencing with Section 15750) of Part 3 of Division 9.
- (q) To the Division of Juvenile Facilities and Department of Corrections and Rehabilitation or any component thereof, as necessary to the administration of justice.
- (r) To an agency mandated to investigate a report of abuse filed pursuant to either Section 11164 of the Penal Code or Section 15630 of this code for the purposes of either a mandated or voluntary report or when those agencies request information in the course of conducting their investigation.
- (s) When a person with developmental disabilities, or the parent, guardian, or conservator of a person with developmental disabilities who lacks capacity to consent, fails to grant or deny a request by a regional center or state developmental center to

release information or records relating to the person with developmental disabilities within a reasonable period of time, the director of the regional or developmental center, or his or her designee, may release information or records on behalf of that person provided both of the following conditions are met:

(1) Release of the information or records is deemed necessary to protect the person's health, safety, or welfare.

(2) The person, or the person's parent, guardian, or conservator, has been advised annually in writing of the policy of the regional center or state developmental center for release of confidential client information or records when the person with developmental disabilities, or the person's parent, guardian, or conservator, fails to respond to a request for release of the information or records within a reasonable period of time. A statement of policy contained in the client's individual program plan shall be deemed to comply with the notice requirement of this paragraph.

(t) (1) When an employee is served with a notice of adverse action, as defined in Section 19570 of the Government Code, the following information and records may be released:

(A) All information and records that the appointing authority relied upon in issuing the notice of adverse action.

(B) All other information and records that are relevant to the adverse action, or that would constitute relevant evidence as defined in Section 210 of the Evidence Code.

(C) The information described in subparagraphs (A) and (B) may be released only if both of the following conditions are met:

(i) The appointing authority has provided written notice to the consumer and the consumer's legal representative or, if the consumer has no legal representative or if the legal representative is a state agency, to the clients' rights advocate, and the consumer, the consumer's legal representative, or the clients' rights advocate has not objected in writing to the appointing authority within five business days of receipt of the notice, or the appointing authority, upon review of the objection has determined that the circumstances on which the adverse action is based are egregious or threaten the health, safety, or life of the consumer or other consumers and without the information the adverse action could not be taken.

(ii) The appointing authority, the person against whom the adverse action has been taken, and the person's representative, if any, have entered into a stipulation that does all of the following:

(I) Prohibits the parties from disclosing or using the information or records for any purpose other than the proceedings for which the information or records were requested or provided.

(II) Requires the employee and the employee's legal representative to return to the appointing authority all records provided to them under this subdivision, including, but not limited to, all records and documents or copies thereof that are no longer in the possession of the employee or the employee's legal representative because they were from any source containing confidential information protected by this section, and all copies of those records and documents, within 10 days of the date that the adverse action becomes final except for the actual records and documents submitted to the administrative tribunal as a component of an appeal from the adverse action.

(III) Requires the parties to submit the stipulation to the administrative tribunal with jurisdiction over the adverse action at the earliest possible opportunity.

(2) For the purposes of this subdivision, the State Personnel Board may, prior to any appeal from adverse action being filed with it, issue a protective order, upon application by the appointing authority, for the limited purpose of prohibiting the parties from disclosing or using information or records for any purpose other than the proceeding for which the information or records were requested or provided, and to require the employee or the employee's legal representative to return to the appointing authority all records provided to them under this subdivision, including, but not limited to, all records and documents from any source containing confidential information protected by this section, and all copies of those records and documents, within 10 days of the date that the adverse action becomes final, except for the actual records and documents that are no longer in the possession of the employee or the employee's legal representatives because they were submitted to the administrative tribunal as a component of an appeal from the adverse action.

(3) Individual identifiers, including, but not limited to, names, social security numbers, and hospital numbers, that are not necessary for the prosecution or defense of the adverse action, shall not be disclosed.

(4) All records, documents, or other materials containing confidential information protected by this section that have been submitted or otherwise disclosed to the administrative agency or other person as a component of an appeal from an adverse action shall, upon proper motion by the appointing authority to the administrative tribunal, be placed under administrative seal

and shall not, thereafter, be subject to disclosure to any person or entity except upon the issuance of an order of a court of competent jurisdiction.

(5) For purposes of this subdivision, an adverse action becomes final when the employee fails to answer within the time specified in Section 19575 of the Government Code, or, after filing an answer, withdraws the appeal, or, upon exhaustion of the administrative appeal or of the judicial review remedies as otherwise provided by law.

(u) To the person appointed as the developmental services decisionmaker for a minor, dependent, or ward pursuant to Section 319, 361, or 726.

(v) To a protection and advocacy agency established pursuant to Section 4901, to the extent that the information is incorporated within any of the following:

(1) An unredacted facility evaluation report form or an unredacted complaint investigation report form of the State Department of Social Services. This information shall remain confidential and subject to the confidentiality requirements of subdivision (f) of Section 4903.

(2) An unredacted citation report, unredacted licensing report, unredacted survey report, unredacted plan of correction, or unredacted statement of deficiency of the State Department of Public Health, prepared by authorized licensing personnel or authorized representatives described in subdivision (n). This information shall remain confidential and subject to the confidentiality requirements of subdivision (f) of Section 4903.

(w) When a comprehensive assessment is conducted or updated pursuant to Section 4418.25, 4418.7, or 4648, a regional center is authorized to provide the assessment to the regional center clients' rights advocate, who provides service pursuant to Section 4433.

(x) For purposes of this section, a reference to a "medical examiner, forensic pathologist, or coroner" means a coroner or deputy coroner, as described in subdivision (c) of Section 830.35 of the Penal Code, or a licensed physician who currently performs official autopsies on behalf of a county coroner's office or a medical examiner's office, whether as a government employee or under contract to that office.

(y) To authorized personnel who are employed by the Employment Development Department as necessary to enable the Employment Development Department to provide the information required to be disclosed to the State Department of Developmental Services pursuant to subdivision (ak) of Section 1095 of the Unemployment Insurance Code. The Employment Development Department shall maintain the confidentiality of any information provided to it by the Department of Developmental Services to the same extent as if the Employment Development Department had acquired the information directly.

SEC. 34. Section 32.5 of this bill incorporates amendments to Section 1095 of the Unemployment Insurance Code proposed by both this bill and Assembly Bill 1275. That section shall only become operative if (1) both bills are enacted and become effective on or before January 1, 2018, (2) each bill amends Section 1095 of the Unemployment Insurance Code, and (3) this bill is enacted after Assembly Bill 1275, in which case Section 32 of this bill shall not become operative.

SEC. 35. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs that may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, eliminates a crime or infraction, or changes the penalty for a crime or infraction, within the meaning of Section 17556 of the Government Code, or changes the definition of a crime within the meaning of Section 6 of Article XIII B of the California Constitution.