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SB-917 Insurance policies. (2017-2018)

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Senate Bill No. 917

CHAPTER 620

An act to add Section 530.5 to the Insurance Code, relating to insurance.

[Approved by Governor September 21, 2018. Filed with Secretary of State September 21, 2018.]

LEGISLATIVE COUNSEL'S DIGEST

SB 917, Jackson. Insurance policies.

Existing law regulates insurance and the business of insurance in the state. Under existing law, an insurer is liable for a loss of which a peril insured against was the proximate cause, although a peril not contemplated by the contract may have been a remote cause of the loss. Under existing law, an insurer is not liable for a loss of which the peril insured was only the remote cause.

This bill would require coverage to be provided if a loss or damage results from a combination of perils, one of which is a landslide, mudslide, mudflow, or debris flow, if an insured peril is the efficient proximate cause of the loss or damage and coverage would otherwise be provided for the insured peril. The bill would require coverage to be provided under the same terms and conditions as would be provided for the insured peril. The bill would state that it does not constitute a change in, but is declaratory of, existing law, and that it does not alter or abrogate any coverage or defenses, either in contract or law, that existed prior to January 1, 2019.

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

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

SECTION 1. Section 530.5 is added to the Insurance Code, to read:

530.5. If a loss or damage results from a combination of perils, one of which is a landslide, mudslide, mudflow, or debris flow, coverage shall be provided if an insured peril is the efficient proximate cause of the loss or damage and coverage would otherwise be provided for the insured peril. Coverage shall be provided under the same terms and conditions as would be provided for the insured peril.

SEC. 2. The addition of Section 530.5 to the Insurance Code by this act does not constitute a change in, but is declaratory of, existing law.

SEC. 3. The addition of Section 530.5 to the Insurance Code by this act does not alter or abrogate any coverage or defenses, either in contract or law, that existed prior to January 1, 2019.