

DEPARTMENT OF FINANCE BILL ANALYSIS

AMENDMENT DATE: April 22, 2008
POSITION: Neutral

BILL NUMBER: SB 1693
AUTHOR: D. Cox

BILL SUMMARY: Foreign Electric Cooperative Reciprocals

This bill establishes the requirements that must be met by a foreign electric cooperative reciprocal in order to be approved by the Insurance Commissioner to do business in California. This bill would also establish annual reporting requirements.

A foreign electric cooperative reciprocal includes electric and telephone cooperatives, owned and directed by its members, that provide insurance contracts amongst themselves and are located/established in a state other than California.

FISCAL SUMMARY

According to the California Department of Insurance, this bill would have a minor and absorbable cost to their department. This bill also allows a filing fee to be established by the Commissioner that would presumably cover the costs.

COMMENTS

This bill is proposed to establish a process to regulate foreign electric cooperative reciprocals while making it easier for rural electric and telephone cooperatives in California to obtain insurance.

| Code/Department Agency or Revenue Type | (Fiscal Impact by Fiscal Year) | | | | | | | | Fund Code |
|--|--------------------------------|------|----|-----------|----------|---------------|-------|-----------|--------------|
| | SO | PROP | | | FC | | | FC | |
| | LA | 98 | FC | 2007-2008 | FC | 2008-2009 | FC | 2009-2010 | |
| 0845/Insurance | SO | No | | ----- | No/Minor | Fiscal Impact | ----- | | 0217 |
| <u>Fund Code</u> | <u>Title</u> | | | | | | | | |
| 0217 | Insurance Fund | | | | | | | | |

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| Analyst/Principal (0222) R. Baker | Date | Program Budget Manager Todd Jerue | Date |
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| Department Deputy Director | Date |
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| Governor's Office: | By: | Date: | Position Approved _____ |
| | | | Position Disapproved _____ |

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