

DEPARTMENT OF FINANCE BILL ANALYSIS

AMENDMENT DATE: May 12, 2010
POSITION: Neutral

BILL NUMBER: AB 2396
AUTHOR: J. Solorio

BILL SUMMARY: Workers Compensation Insurance: Rating Organizations

This bill would prohibit (1) the Insurance Commissioner (IC) from designating a rating organization as his or her statistical rating agent unless that rating agents agrees to comply with the Bagley-Keene Open Meeting Act and the California Public Records Act and (2) the designated rating organization from releasing any information or communications pursuant to the Bagley-Keene Open Meeting Act or the California Public Records Act determined to be confidential. This bill also would require any dispute arising between the IC's designated rating organization and any party seeking to enforce the Bagley Keene-Open Meeting Act be resolved in a court of competent jurisdiction, and would provide that the IC shall not be obligated to defend or represent the designated rating organization.

FISCAL SUMMARY

The Department of Insurance indicates any costs associated with this bill would be minor and absorbable.

COMMENTS

Existing law requires the IC to designate a licensed rating organization, as defined, as his or her statistical agent to gather and compile workers' compensation insurers' loss and expense experience statistics. Existing law further provides that all licensed rating organizations are required to report loss and expense experiences of their member workers' compensation insurers to the statistical agent. Subject to reasonable rules approved by the IC, the statistical agent is required to make available those compiled experience statistics to all licensed rating organizations.

This bill would prohibit the IC from designating a rating organization as his or her statistical rating agent unless that rating agents agrees to comply with the Bagley-Keene Open Meeting Act and the California Public Records Act.

This bill would prohibit the designated rating organization from releasing any information or communications pursuant to the Bagley-Keene Open Meeting Act or the California Public Records Act determined to be confidential.

This bill also would require any dispute arising between the IC's designated rating organization and any party seeking to enforce the Bagley Keene-Open Meeting Act be resolved in a court of competent jurisdiction, and would provide that the IC shall not be obligated to defend or represent the designated rating organization.

Analyst/Principal Date Assistant Program Budget Manager Date
(0221)John Fitzpatrick Nona Martinez

Department Deputy Director Date

Governor's Office: By: Date: Position Approved
Position Disapproved

BILL ANALYSIS Form DF-43 (Rev 03/95 Buff)

BILL ANALYSIS/ENROLLED BILL REPORT--(CONTINUED)

AUTHOR

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Code/Department Agency or Revenue Type	SO	(Fiscal Impact by Fiscal Year)							Fund Code
	LA	(Dollars in Thousands)							
	CO	PROP							
	RV	98	FC	2009-2010	FC	2010-2011	FC	2011-2012	
0845/Insurance	SO	No		-----	No/Minor	Fiscal Impact	-----		0217
<u>Fund Code</u>	<u>Title</u>								
0217	Insurance Fund								