

DEPARTMENT OF FINANCE BILL ANALYSIS

AMENDMENT DATE: Original
POSITION: Neutral
SPONSOR: California Insurance Guarantee Association

BILL NUMBER: AB 2781
AUTHOR: Assembly Insurance

BILL SUMMARY: Insurance: Guarantee Association

This bill would provide two additional years (by extending the sunset date to January 1, 2013) for the California Insurance Guarantee Association (CIGA) to issue up to \$1.5 billion in bonds to pay covered workers' compensations claims. This bill also would prohibit an insurer under order of receivership from qualifying as an insolvent insurer.

FISCAL SUMMARY

The Department of Insurance indicates this bill would have no fiscal impact on the state.

COMMENTS

Existing law establishes the CIGA to pay covered claims of insolvent member insurers.

This bill would extend the sunset date on CIGA's authority to issue up to \$1.5 billion in bonds to pay covered worker's compensation claims and remove from statute the ability of an insurer under order of receivership to qualify as an insolvent insurer.

Code/Department Agency or Revenue Type	SO LA CO RV	PROP 98	FC	(Fiscal Impact by Fiscal Year)			Fund Code
				2010-2011 FC	2011-2012 FC	2012-2013 FC	
0845/Insurance	SO	No		----- No/Minor Fiscal Impact -----			0217
<u>Fund Code</u>	<u>Title</u>						
0217	Insurance Fund						

Analyst/Principal (0221)John Fitzpatrick	Date	Assistant Program Budget Manager Nona Martinez	Date
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Department Deputy Director	Date
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Governor's Office:	By:	Date:	Position Approved _____
			Position Disapproved _____