

Date of Hearing: August 18, 2020

ASSEMBLY COMMITTEE ON APPROPRIATIONS
Lorena Gonzalez, Chair
SB 1255 (Committee on Insurance) – As Amended July 30, 2020

Policy Committee: Insurance Vote: 13-0

Urgency: No State Mandated Local Program: Yes Reimbursable: No

SUMMARY:

This bill contains numerous technical or non-controversial changes to the Insurance Code. Specifically, this bill:

- 1) Authorizes a hearing to suspend or revoke a license, registration or certificate of authority for alleged misconduct perpetrated against a person age 65 or over to be set on the earliest available date if the Office of Administrative Hearings cannot accommodate the hearing within 90 days.
- 2) Authorizes future access to cash withdrawals to be limited to the remaining cash value of a policy.
- 3) Prohibits life and disability income insurers from denying an application based solely on HIV status, and heightens the civil and criminal penalties for negligent, willful, or malicious disclosure of HIV test results.
- 4) Requires the Department of Insurance to conduct a hearing on rates in the large group health insurance market in even numbered years instead of the existing requirement for an annual hearing.
- 5) Extends the deadlines for the publication of recommendations and the supporting actuarial study of the Long Term Care Insurance Task Force.
- 6) Makes various technical, non-substantive changes.

FISCAL EFFECT:

Minor cost savings to CDI related to modifying the large group market public meeting to every other year (Insurance Fund).

COMMENTS:

- 1) **Purpose.** This bill contains the annual omnibus language sponsored by the Department of Insurance. It contains numerous technical or non-controversial changes to the Insurance Code.
- 2) **Related Legislation.** In addition to technical changes, this bill also contains provisions originally contained in SB 961 (Gonzalez) related to protections for individuals with AIDS or an AIDS-related condition who are seeking life or disability income insurance policies. These provisions were added by the Senate in an effort to reduce the volume of legislation to

be considered this year. The provisions are non-controversial updates to existing insurance law on the subject of nondiscrimination.

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