Assembly Bill No. 1565

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Passed the Assembly January 24, 2008

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Chief Clerk of the Assembly

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Passed the Senate August 7, 2008

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Secretary of the Senate

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This bill was received by the Governor this _____ day
of _____, 2008, at _____ o'clock ____м.

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Private Secretary of the Governor

CHAPTER _____

An act to amend Section 676.10 of the Insurance Code, relating to insurance policies.

AB 1565, Lieber. Insurance policies: nonprofit organizations.

Under existing law, an insurer that issues policies to certain nonprofit organizations is prohibited from canceling or refusing to renew the policy, or from imposing an excessive or discriminatory premium solely on the basis that one or more claims has been made against the policy for a loss that is the result of a hate crime or antireproductive-rights crime, as defined.

This bill would add a crime against a place of religious observance or practice, as defined, to those crimes. It would also redefine the term "hate crime" for these purposes.

The people of the State of California do enact as follows:

SECTION 1. Section 676.10 of the Insurance Code is amended to read:

676.10. (a) This section applies to policies covered by Section 675, 675.5, or 676.5 if the insured is a religious organization described in clause (i) of subparagraph (A) of paragraph (1) of subsection (b) of Section 170 of Title 26 of the United States Code, an educational organization described in clause (ii) of subparagraph (A) of paragraph (1) of subsection (b) of Section 170 of Title 26 of the United States Code, or other nonprofit organization described in clause (vi) of subparagraph (A) of paragraph (1) of subsection (b) of Section 170 of Title 26 of the United States Code that is organized and operated for religious, charitable, or educational purposes, or a reproductive health services facility, as defined in subdivision (h) of Section 423.1 of the Penal Code, or its administrative offices.

(b) No insurer issuing policies subject to this section shall cancel or refuse to renew the policy, nor shall any premium be excessive or unfairly discriminatory solely on the basis that one or more claims has been made against the policy during the preceding 60

months for a loss that has been determined by a law enforcement agency to be the result of any of the following:

(1) A hate crime, as defined in Section 422.55 of the Penal Code, committed against the person or property of the insured.

(2) An antireproductive-rights crime, as defined in Section 13776 of the Penal Code, or a violation of subdivision (e) of Section 423.2 of the Penal Code, if the crime results in a covered loss under a policy subject to this section.

(3) A crime against a place of religious observance or practice, defined as either of the following:

(A) A church, gurdwara, mandir, mosque, synagogue, temple, or other place of religious observance or practice that is owned or lawfully controlled by a religious group or entity, or member of a religious group or entity, that meets for religious purposes at that place.

(B) A place primarily used as a place of religious observance or practice where religious observances or practices are regularly conducted with the express consent of the person or entity that owns or lawfully controls the place.

(c) As used in subdivision (b), "religious" is the adjectival form of "religion," as used in Section 422.56 of the Penal Code.

(d) Upon cancellation of or refusal to renew a policy subject to this section after an insured has submitted a claim to the insurer that is the result of a crime described in subdivision (b), the insurer shall report the cancellation or nonrenewal to the commissioner.

(e) A violation of this section shall be an unfair practice subject to Article 6.5 (commencing with Section 790) of Chapter 1 of Division 2.

(f) Nothing in this section shall prevent an insurer subject to this section from taking any of the actions set forth in subdivision (b) on the basis of criteria not otherwise made invalid by this section or any other act, regulation, or law.

Approved _____, 2008

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Governor