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Approval of Healthcare Insurance Rate Changes. Initiative Statute.

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State of California

SECRETARY OF STATE

August 23, 2012

TO: ALL COUNTY CLERKS/REGISTRARS OF VOTERS (CCROV 12255)

Pursuant to Section 9033 of the Elections Code, I hereby certify that on August 23, 2012, the certificates received from the County Clerks or Registrars of Voters by the Secretary of State established that the APPROVAL OF HEALTHCARE INSURANCE RATE CHANGES. INITIATIVE STATUTE. (#1541), has been signed by the requisite number of qualified electors needed to declare the petition sufficient. APPROVAL OF HEALTHCARE INSURANCE RATE CHANGES. INITIATIVE STATUTE. (#1541), is, therefore, qualified for the next statewide general election.

APPROVAL OF HEALTHCARE INSURANCE RATE CHANGES. INITIATIVE STATUTE. Requires health insurance rate changes to be approved by Insurance Commissioner before taking effect. Requires sworn statement by health insurer as to accuracy of information submitted to Insurance Commissioner to justify rate changes. Provides for public notice, disclosure and hearing on health insurance rate changes, and subsequent judicial review. Does not apply to employer large group health plans. Prohibits health, auto and homeowners insurers from determining policy eligibility or rates based on lack of prior coverage or credit history. Summary of estimate by Legislative Analyst and Director of Finance of fiscal impact on state and local government: **Increased state administrative costs ranging in the low millions to low tens of millions of dollars annually to regulate health insurance rates, funded with revenues collected from filing fees paid by health insurance companies.** (11-0070)



IN WITNESS WHEREOF, I hereunto set my hand
and affix the Great Seal of the State of California
this 23rd day of August, 2012.

DEBRA BOWEN
Secretary of State

1541. Approval of Healthcare Insurance Rate Changes. Initiative Statute.

COUNTY	PETITION	SOS	SOS	RAW	FULL	VALID	INVALID	DUP.	VALID	%
	FILED	REC'D	REC'D							
	W/COUNTY	RAW	FULL CHECK							
1. ALAMEDA	05/21/12	06/11/12	08/13/12	40,975	40,975	28,233	12,742	2,660	28,233	68.9%
2. ALPINE	05/21/12	05/25/12	05/25/12	12	12	10	2	0	10	83.3%
3. AMADOR	05/21/12	05/24/12	07/17/12	663	663	535	128	22	535	80.7%
4. BUTTE	05/21/12	05/24/12	08/21/12	3,288	3,288	2,504	784	78	2,504	76.2%
5. CALAVERAS	05/21/12	05/23/12	08/01/12	896	896	691	205	6	691	77.1%
6. COLUSA	05/21/12	05/25/12	06/19/12	280	280	213	67	2	213	76.1%
7. CONTRA COSTA	05/21/12	05/25/12	08/21/12	22,160	22,160	15,393	6,767	1,176	15,393	69.5%
8. DEL NORTE	05/21/12	06/04/12	07/27/12	1,780	1,780	1,094	686	64	1,094	61.5%
9. EL DORADO	06/01/12	06/01/12		2,326					0	0.0%
10. FRESNO	05/21/12	05/23/12	08/22/12	19,390	19,390	14,104	5,286	813	14,104	72.7%
11. GLENN	05/21/12	05/22/12	06/25/12	305	305	247	58	2	247	81.0%
12. HUMBOLDT	05/21/12	05/29/12	08/23/12	4,692	4,692	3,589	1,103	97	3,589	76.5%
13. IMPERIAL	05/21/12	06/15/12	08/01/12	3,432	3,432	2,455	977	26	2,455	71.5%
14. INYO	05/22/12	06/08/12	06/21/12	203	203	182	21	0	182	89.7%
15. KERN	05/21/12	06/01/12	08/21/12	13,788	13,788	9,464	4,324	423	9,464	68.6%
16. KINGS	05/21/12	06/15/12	07/25/12	1,294	1,294	513	781	0	513	39.6%
17. LAKE	05/21/12	05/25/12		3,066					0	0.0%
18. LASSEN	05/21/12	05/29/12	06/04/12	407	407	329	79	7	329	80.8%
19. LOS ANGELES	05/18/12	05/31/12	08/23/12	246,948	246,948	171,957	74,991	17,661	171,957	69.6%
20. MADERA	05/21/12	05/22/12	08/07/12	2,507	2,507	1,833	609	65	1,833	73.1%
21. MARIN	05/21/12	05/23/12	08/10/12	4,791	4,791	4,112	552	127	4,112	85.8%
22. MARIPOSA	05/22/12	05/22/12	06/04/12	247	247	186	61	7	186	75.3%
23. MENDOCINO	05/21/12	05/24/12	08/14/12	2,813	2,813	2,451	362	73	2,451	87.1%
24. MERCED	05/21/12	06/12/12	08/16/12	4,723	4,723	3,578	1,145	85	3,578	75.8%
25. MODOC	05/21/12	06/08/12	06/08/12	32	32	22	10	0	22	68.8%
26. MONO	05/18/12	06/01/12	06/27/12	315	315	261	54	5	261	82.9%
27. MONTEREY	05/21/12	05/23/12	08/07/12	12,222	12,222	9,797	2,425	436	9,797	80.2%
28. NAPA	05/21/12	05/24/12	08/03/12	4,144	4,144	3,117	1,027	194	3,117	75.2%
29. NEVADA	05/21/12	05/29/12	08/20/12	2,575	2,575	1,955	620	89	1,955	75.9%
30. ORANGE	05/18/12	05/29/12	08/21/12	37,716	37,716	28,374	9,342	1,144	28,374	75.2%
31. PLACER	05/21/12	05/25/12	08/17/12	3,262	3,262	2,562	700	59	2,562	78.5%
32. PLUMAS	05/22/12	05/23/12	06/08/12	434	434	361	73	2	361	83.2%
33. RIVERSIDE	05/18/12	05/26/12		40,851					0	0.0%
34. SACRAMENTO	05/21/12	06/19/12	08/10/12	30,238	30,238	21,082	9,156	1,499	21,082	69.7%
35. SAN BENITO	05/21/12	05/29/12	08/23/12	788	788	614	174	12	614	77.9%
36. SAN BERNARDINO	05/18/12	05/25/12	08/20/12	51,688	51,688	37,963	13,725	2,968	37,963	73.4%
37. SAN DIEGO	05/18/12	05/21/12	08/21/12	54,167	54,167	42,408	11,759	2,568	42,408	78.3%
38. SAN FRANCISCO	05/21/12	05/25/12	08/16/12	21,057	21,057	14,027	7,030	1,884	14,027	66.6%
39. SAN JOAQUIN	05/21/12	06/27/12	08/23/12	10,898	10,898	7,551	3,347	232	7,551	69.3%
40. SAN LUIS OBISPO	05/21/12	05/25/12		5,718					0	0.0%
41. SAN MATEO	05/21/12	05/31/12	08/08/12	7,957	7,957	6,214	1,743	162	6,214	78.1%
42. SANTA BARBARA	05/21/12	05/29/12		7,541					0	0.0%
43. SANTA CLARA	05/21/12	05/24/12	08/06/12	37,317	37,317	26,379	10,938	1,575	26,379	70.7%
44. SANTA CRUZ	05/21/12	05/25/12	07/26/12	6,721	6,721	4,836	1,885	188	4,836	72.0%
45. SHASTA	05/21/12	05/25/12	08/10/12	2,936	2,936	2,203	733	66	2,203	75.0%
46. SIERRA	05/21/12	06/01/12	06/01/12	44	44	31	13	0	31	70.5%
47. SISKIYOU	05/21/12	05/23/12	08/01/12	1,099	1,099	841	258	33	841	76.5%
48. SOLANO	05/21/12	06/08/12	08/20/12	9,562	9,562	6,198	3,367	525	6,198	64.8%
49. SONOMA	05/21/12	05/22/12	08/08/12	18,289	18,289	12,206	6,083	771	12,206	66.7%
50. STANISLAUS	05/21/12	05/25/12	08/16/12	14,366	14,366	10,340	4,026	546	10,340	72.0%
51. SUTTER	05/21/12	05/21/12	07/20/12	1,572	1,572	1,206	366	32	1,206	76.7%
52. TEHAMA	05/21/12	05/23/12	07/18/12	700	700	572	128	9	572	81.7%
53. TRINITY	05/21/12	05/29/12	06/28/12	62	62	41	21	0	41	66.1%
54. TULARE	05/22/12	05/30/12	08/16/12	5,130	5,130	3,642	1,488	72	3,642	71.0%
55. TUOLUMNE	05/21/12	06/08/12	06/28/12	1,465	1,465	1,118	347	29	1,118	76.3%
56. VENTURA	05/21/12	05/31/12	08/18/12	18,989	18,989	14,410	4,579	590	14,410	75.9%
57. YOLO	05/21/12	05/23/12	08/09/12	2,285	2,285	1,392	893	0	1,392	60.9%
58. YUBA	05/21/12	05/21/12	07/19/12	1,491	1,491	1,109	382	27	1,109	74.4%
TOTAL:				794,617	735,115	526,505	208,422	39,111	526,505	71.62%

For questions regarding this spreadsheet please contact:
Secretary of State| Elections Division (916) 657-2166
08/23/2012 1:51 PM



DEBRA BOWEN | SECRETARY OF STATE
STATE OF CALIFORNIA | ELECTIONS

1500 11th Street, 5th Floor | Sacramento, CA 95814 | Tel (916) 657-2166 | Fax (916) 653-3214 | www.sos.ca.gov

January 4, 2012

County Clerk/Registrar of Voters (CC/ROV) Memorandum #12004

TO: All County Clerks/Registrars of Voters and Proponent

FROM:


Katherine Montgomery
Initiative Program Manager

RE: Initiative: 1541, Related to Healthcare

Pursuant to Elections Code section 9004 (c), we transmit herewith a copy of the Title and Summary prepared by the Attorney General on a proposed initiative measure entitled:

**APPROVAL OF HEALTHCARE
INSURANCE RATE CHANGES. INITIATIVE STATUTE.**

The proponent of the above-named measure is:

Jamie Court

#1541

**APPROVAL OF HEALTHCARE
INSURANCE RATE CHANGES. INITIATIVE STATUTE.**

CIRCULATING AND FILING SCHEDULE

1. Minimum number of signatures required: 504,760
California Constitution, Article II, Section 8(b)

2. Official Summary Date: Tuesday, 01/03/12

3. Petitions Sections:
 - a. First day Proponent can circulate Sections for
signatures (Elections Code § 336) Tuesday, 01/03/12

 - b. Last day Proponent can circulate and file with the county.
All sections are to be filed at the same time within each
county. (Elections Codes §§ 9014, 9030(a))..... Friday, 06/01/12

 - c. Last day for county to determine total number of
signatures affixed to petitions and to transmit total
to the Secretary of State (Elections Code § 9030(b))..... Wednesday, 06/13/12

(If the Proponent files the petition with the county on a date prior to
06/01/12, the county has eight working days from the filing of the petition
to determine the total number of signatures affixed to the petition and to
transmit the total to the Secretary of State) (Elections Code § 9030(b).)

 - d. Secretary of State determines whether the total number
of signatures filed with all county clerks/registrars of
voters meets the minimum number of required signatures
and notifies the counties..... Friday, 06/22/12*

 - e. Last day for county to determine total number of qualified
voters who signed the petition, and to transmit certificate
with a blank copy of the petition to the Secretary of State
(Elections Code §§ 9030(d)(e))..... Monday, 08/06/12

* Date varies based on the date of county receipt.

INITIATIVE #1541

Circulating and Filing Schedule continued:

(If the Secretary of State notifies the county to determine the number of qualified voters who signed the petition on a date other than 06/22/12, the last day is no later than the thirtieth working day after the county's receipt of notification). (Elections Code §§ 9030(d)(e).)

- f. If the signature count is more than 555,236 or less than 479,522 then the Secretary of State certifies the petition as qualified or failed, and notifies the counties. If the signature count is between 479,522 and 555,236 inclusive, then the Secretary of State notifies the counties using the random sampling technique to determine the validity of all signatures (EC §9030(f)(g); 9031(a)) Thursday, 08/16/12*

- g. Last day for county to determine actual number of all qualified voters who signed the petition, and to transmit certificate with a blank copy of the petition to the Secretary of State. (Elections Code §§ 9031(b)(c)). Monday, 10/01/12

(If the Secretary of State notifies the county to determine the number of qualified voters who have signed the petition on a date other than 08/16/12, the last day is no later than the thirtieth working day after the county's receipt of notification.) (Elections Code §§ 9031(b)(c).)

- h. Secretary of State certifies whether the petition has been signed by the number of qualified voters required to declare the petition sufficient (Elections Code §§ 9031(d), 9033)..... Friday, 10/05/12*

*Date varies based on the date of county receipt.

IMPORTANT POINTS

- California law prohibits the use of signatures, names and addresses gathered on initiative petitions for any purpose other than to qualify the initiative measure for the ballot. This means that the petitions cannot be used to create or add to mailing lists or similar lists for any purpose, including fundraising or requests for support. Any such misuses constitutes a crime under California law. Elections Code § 18650; *Bilofsky v. Deukmejian* (1981) 124 Cal.App.3d 825, 177 Cal.Rptr. 621; 63 Ops.Cal.Atty.Gen. 37 (1980).
- Please refer to Elections Code §§ 100, 101, 104, 9008, 9009, 9013, 9021, and 9022 for appropriate format and type consideration in printing, typing and otherwise preparing your initiative petition for circulation and signatures. Please send a copy of the petition after you have it printed. This copy is not for our review or approval, but to supplement our file.
- Your attention is directed to the campaign disclosure requirements of the **Political Reform Act of 1974**, Government Code section 81000 et seq.
- When writing or calling state or county elections officials, provide the official title of the initiative which was prepared by the Attorney General. Use of this title will assist elections officials in referencing the proper file.
- When a petition is presented to the county elections official for filing by someone other than the proponent, the required authorization shall include the name or names of the persons filing the petition.
- When filing the petition with the county elections official, please provide a blank petition for elections official use.

KAMALA D. HARRIS
Attorney General

State of California
DEPARTMENT OF JUSTICE



1300 I STREET, SUITE 125
P.O. BOX 944255
SACRAMENTO, CA 94244-2550

Public: (916) 445-9555
Telephone: (916) 445-4752
E-Mail: Ashley.Johansson@doj.ca.gov

January 3, 2012

The Honorable Debra Bowen
Secretary of State
Office of the Secretary of State
1500 11th Street, 5th Floor
Sacramento, CA 95814

Attention: Ms. Katherine Montgomery
Elections Analyst

Dear Secretary Bowen:

Pursuant to Elections Code section 9004, you are hereby notified that on this day we sent our title and summary for the following proposed initiative to the proponent:

- 11-0070, "Insurance Rate Public Justification and Accountability Act"

A copy of that title and summary and text of the proposed initiative is enclosed. Please contact me if you have questions. Thank you.

Sincerely,

ASHLEY JOHANSSON
Initiative Coordinator

For KAMALA D. HARRIS
Attorney General

cc: James C. Harrison, Remcho, Johansen & Purcell

FILED
In the office of the Secretary of State
of the State of California

VIA
JAN 03 2012 EMAIL
5:37 PM

Debra Bowen, Secretary of State
By Deputy Secretary of State

The Attorney General of California has prepared the following title and summary of the chief purpose and points of the proposed measure:

APPROVAL OF HEALTHCARE INSURANCE RATE CHANGES. INITIATIVE

STATUTE. Requires health insurance rate changes to be approved by Insurance Commissioner before taking effect. Requires sworn statement by health insurer as to accuracy of information submitted to Insurance Commissioner to justify rate changes. Provides for public notice, disclosure and hearing on health insurance rate changes, and subsequent judicial review. Does not apply to employer large group health plans. Prohibits health, auto and homeowners insurers from determining policy eligibility or rates based on lack of prior coverage or credit history. Summary of estimate by Legislative Analyst and Director of Finance of fiscal impact on state and local government: **Increased state administrative costs ranging in the low millions to low tens of millions of dollars annually to regulate health insurance rates, funded with revenues collected from filing fees paid by health insurance companies. (11-0070)**

11-0070

RECEIVED

NOV 08 2011

INITIATIVE COORDINATOR
ATTORNEY GENERAL'S OFFICE

November 3, 2011

VIA MESSENGER

Office of the Attorney General
1300 "I" Street
Sacramento, CA 95814

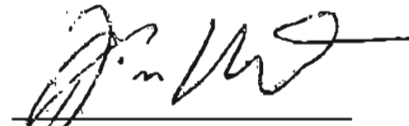
Attention: Dawn McFarland

Re: Insurance Rate Public Justification and Accountability Act

Dear Ms. McFarland:

I am a proponent of the "Insurance Rate Public Justification And Accountability Act" which has been submitted to your office for preparation of a title and summary. I am registered to vote at [redacted]

Sincerely,



Jamie Court

(00156405)

Insurance Rate Public Justification and Accountability Act

Section 1. Findings and Purpose.

Health insurance, home insurance and auto insurance are mandatory for Californians due to economic necessity or the force of law. In such cases, government has an obligation to guarantee that the insurance is affordable, available, competitive and fair.

The purpose of this measure is to ensure fair and transparent rates for health, home and auto insurance by: (1) requiring health insurance companies to publicly disclose and justify their rates, under penalty of perjury, before the rates can take effect; (2) prohibiting unfair pricing for health, auto and home insurance based on prior coverage and credit history; and (3) requiring health insurance companies to pay a fee to cover the costs of administering these new laws so that this initiative will cost taxpayers nothing.

Section 2. Public Scrutiny and Review of Insurance Rates.

Section 1861.17 is added to Article 10 of Chapter 9 of Part 2 of Division 1 of the Insurance Code to read:

Sec. 1861.17. (a) Sections 1861.03(a) and (b) and 1861.04 through 1861.14 shall apply to health insurance, notwithstanding Sections 1851(e) and 10181-10181.13, Sections 1385.01-1385.13 of the Health and Safety Code, or any other provision of law. Health insurance rates proposed after November 6, 2012 shall be approved by the commissioner prior to their use, and health insurance rates in effect on November 6, 2012 are subject to refund under this section. Applications for health insurance rates shall be accompanied by a statement, sworn under penalty of perjury by the chief executive of the company, declaring that the contents are accurate and comply in all respects with California law.

(b) There shall be a transitional period during which the commissioner may permit, on a conditional basis and subject to refund as required by subdivision (c), rates for new health insurance that have not been approved pursuant to section 1861.05, provided (i) that the rates have an implementation date on or before January 1, 2014 and (ii) that the new health insurance has not previously been marketed in California and contains provisions mandated by federal law, or state law in effect as of January 1, 2012.

(c) In a proceeding pursuant to the authority of Section 1861.10(a), including a proceeding under Sections 1861.03 or 1861.05, where it is determined that a company charged health insurance rates that are excessive or otherwise in violation of this article, the company shall be required to pay refunds with interest, notwithstanding any other provision of law and in addition to any other penalty permitted by law.

(d) With respect to health, automobile and homeowners insurance, the absence of prior insurance coverage, or a person's credit history, shall not be a criterion for determining eligibility for a policy or contract, or generally for rates, premiums or insurability.

(e) Notwithstanding any other provision of law, the commissioner is granted the powers necessary to carry out the provisions of this section, including any and all authority for health care service plan rate review granted to the Department of Managed Health Care by Section 1385.01 et seq. of the Health and Safety Code.

(f) Health insurance companies shall pay the filing fees required by Section 12979, which, notwithstanding Section 13340 of the Government Code, are continuously appropriated to cover any operational or administrative costs arising from this section. The commissioner shall annually report to the public all such expenditures and the impact of this section.

(g) For purposes of this section:

(1) "Health insurance" means a policy or contract issued or delivered in California (i) as defined in Section 106(b) or (ii) a health care service plan, as defined by Section 1345(f) of the Health and Safety Code.

(2) "Rate" means the charges assessed for health insurance or anything that affects the charges associated with health insurance, including but not limited to benefits, premiums, base rates, underwriting relativities, discounts, co-payments, coinsurance, deductibles, premium financing, installment fees and any other out of pocket costs of the policyholder.

(3) The following shall not be subject to this section: A large group health insurance policy or contract as defined by Section 10181(a) or Section 1385.01(a) of the Health and Safety Code, or a policy or contract excluded under Section 10181.2 or Section 1385.02 of the Health and Safety Code, as those provisions were in effect on January 1, 2011.

Section 3. Technical Matters.

This Act shall be liberally construed and applied in order to fully promote its underlying purposes, and shall not be amended, directly or indirectly, by the Legislature except to further its purposes by a statute passed in each house by rollcall vote entered in the journal, two-thirds of the membership concurring, or by a statute that becomes effective only when approved by the electorate. If any provision of this Act or the application thereof to any person or circumstances is held invalid or unenforceable, it shall not affect other provisions or applications of the Act which can be given effect without the invalid or unenforceable provision or application, and to this end the provisions of this Act are severable.