



LOS ANGELES COUNTY

# COMMISSION ON INSURANCE

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KENNETH HAHN HALL OF ADMINISTRATION  
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LOS ANGELES, CALIFORNIA 90012  
<http://lacic.org>



Members:

Chair Scott J. Svonkin, Vice Chair Ari Ruiz,  
Commissioner Eric C. Bauman, Commissioner Lisa Marie Belsanti  
Commissioner Bob L. Blake, Commissioner Ernesto Diaz, Esq.,  
Commissioner Deepak B. Jhaveri, Commissioner Felix B. Lopez and  
Commissioner Marilyn Sparks

Annual Report Fiscal Year 2018-2019

## **I. MISSION**

To act in an advisory capacity to the Board on all matters relating to consumer insurance issues, including automobile liability, homeowners', health and earthquake insurance, and to provide written reports and make policy recommendations to the Board on such matters.

## **II. HISTORICAL BACKGROUND**

The Los Angeles County Commission on Insurance (Commission) was established by the Board of Supervisors (Board) in 1991. The Commission consists of ten members, two nominated by each Supervisor, selected on the basis of experience or knowledge in the area of consumer insurance, which includes automobile liability, homeowners', health and earthquake insurance.

The duties of the Commission are as follows:

1. Keep the Board informed of significant developments, court cases and the status of pending legislation concerning consumer insurance matters, including automobile liability, homeowners', health and earthquake insurance;
2. Submit regular and special reports and recommendations to the Board as it deems appropriate;
3. Develop information and make recommendations on methods for reducing costs of insurance;
4. Develop recommendations, which will improve consumer education and broaden community awareness regarding insurance issues.

In furtherance of the Commission's duties, upon prior specific approval by the Board, the Commission may be authorized to conduct public hearings, to call witnesses and experts, present testimony and participate in insurance matters before Congress, State Legislature, State Insurance Commission, or other appropriate public bodies.

The Commission has long advocated for consumers' protection and awareness pertaining to insurance since the inception of the Commission. In the past, the Commission engaged victims of the 1994 Northridge earthquake in a public hearing to discuss State Senate Bill 1899 and inform them of their rights surrounding the bill.

In 2003, the Commission took further actions in assisting and educating Holocaust survivors about the International Commission on Holocaust Era Insurance Claims, and in conjunction with the State Department of Insurance, advocated for a deadline extension to submit claims for surviving families of victims.

Furthermore, the Commission has worked closely with numerous State Insurance Commissioners, including John Garamendi and Dave Jones, in discussions of initiating California Low Cost Auto Insurance Programs and Homeowners' Bill of Rights and identifying common areas of interest to collaborate in partnership to benefit the residents of the County. The Commission intends to continue building rapport with the State Department of Insurance with current State Insurance Commissioner Ricardo Lara.

### **III. ACCOMPLISHMENTS**

The Commission continued to stay true to its vision by improving consumer education and broadening community awareness regarding insurance issues through the creation of four subcommittees: Fraud Insurance Awareness; Earthquake Insurance Awareness; Fire Insurance and Flood Preparedness, and Legislation and Health Insurance.

#### **Fraud Insurance Awareness Subcommittee**

**Chair: Commissioner Ernesto Diaz**

**Member: Commissioner Bob L. Blake**

On Tuesday, December 4, 2018, Commissioners of the Fraud Insurance Awareness Subcommittee attended the Board meeting where the Board declared December as Fraud Awareness Month. The Commission collaborated with First District Supervisor Hilda L. Solis and joined the District Attorney's Office, Department of Consumer and Business Affairs, Auditor-Controller and Office of Immigrant Affairs to provide education and increase awareness of consumer fraud to its residents. Identity Fraud, Consumer Credit Fraud, Real Estate Fraud, Elder Abuse/Fraud, Workers Compensation Fraud, Health Care Fraud, Auto Transactions Fraud, and Credit/Debt Issues Fraud are the areas of most concern.

Fraud affects everybody by inflating consumer insurance cost, draining law enforcement resources and increasing court cost. The effects are often devastating to the residents of Los Angeles County. Insurance Fraud is monitored by the State Department of Insurance, law enforcement and prosecutors who detect, deter, stop and where possible, prosecute those alleged to be perpetrators of fraud. Everyone can help reduce the incidence of fraud by contacting law enforcement officials, the District Attorney's Office, or a representative of the Board if fraud is suspected.

### **Earthquake Insurance Subcommittee**

**Chair: Commissioner Felix B. Lopez**

**Member: Commissioner Ernesto Diaz**

The Subcommittee invited Glenn Pomeroy, Chief Executive Officer of the California Earthquake Authority (CEA), to its meeting in May 2019 to discuss the status of the CEA with regards to the existence of earthquake insurance. Mr. Pomeroy also provided information about the Earthquake Brace + Bolt Program, and explained how homeowners, through a lottery process, can access grant funds to assist them with seismic retrofitting of their homes.

### **Worker's Compensation Subcommittee**

**Chair: Commissioner Deepak B. Jhaveri**

**Member: Commissioner Ernesto Diaz**

On May 15, 2019, the Subcommittee worked with the Fourth District Cerritos Office to arrange an exclusive Workshop on Worker's Compensation. The panel was comprised of five speakers who informed and educated participants on different aspects of worker's compensation, those that are least understood or misunderstood by most employers. This information provided a better understanding of the matter and also helped with loss prevention, which is one of the factors that is driving employers out of California.

## **IV. ANNUAL WORK PLAN**

### **Earthquake Insurance Subcommittee**

**Chair: Commissioner Felix B. Lopez**

**Member: Commissioner Ernesto Diaz**

The Earthquake Insurance Subcommittee plans to coordinate with Jeanne Holm, Senior Technology Advisor to the Mayor of the City Los Angeles, on the possibility of introducing and educating Los Angeles County residents on the use of the ShakeAlertLA Mobile App. Ms. Holm will assist the Subcommittee with inviting other speakers from participating government agencies, such as the United States Geological Survey (USGS), Federal Emergency Management Agency (FEMA), and first responders.

### **Legislation and Health Insurance Subcommittee**

**Chair: Vice Chair Ari Ruiz**

**Member: Commissioner Eric C. Bauman**

The Subcommittee works with the Chief Executive Office, Legislative Affairs and Intergovernmental Relations on reviewing legislation to make recommendations to the Board on insurance related Bills that will benefit consumers of the County.

### **Fire Insurance Awareness and Flood Preparedness Subcommittee**

**Chair: Commissioner Bob L. Blake**

**Members: Chair, Scott J. Svonkin and Commissioner Deepak B. Jhaveri**

The Subcommittee will work on Fire Insurance Awareness, including curating a tip sheet to share with the community. The Subcommittee anticipates hosting a disaster preparedness campaign. The Subcommittee intends to work with the Board and the State Insurance Commissioner to advocate for victims and educate the community about fire insurance.

## **V. ONGOING LONG-TERM PROJECTS**

Long-Term projects include organizing Town Hall Meetings at all six (6) Field Offices of Supervisor Janice Hahn of the Los Angeles County Board of Supervisors as a pilot project on the various aspects of Emergency Management, which includes speakers from different participating government agencies; and then proceed with disseminating the information and training to the four other Districts, namely:

- Mitigation: CEA (Brace + Bolt Program), ShakeAlertLA;
- Preparedness: ShakeAlertLA, USGS;
- Response: First responders, such as the Fire Department, Los Angeles County and City of Los Angeles Emergency Management Department (on the location of its various evacuation centers);
- Recovery: CEA, FEMA.