

**ANNUAL REPORT
TO THE
BOARD OF SUPERVISORS**



**LOS ANGELES COUNTY
COMMISSION ON INSURANCE
2020**

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APPOINTED MEMBERS

First District Appointees

ARI RUIZ, Vice Chairman

ERNEST DIAZ

Second District Appointees

ERIC C. BAUMAN

BOBBY L. BLAKE

Third District Appointees

SCOTT J. SVONKIN, Chairman

LISA MARIE BELSANTI

Fourth District Appointees

DEEPAK B. JHAVERI

FELIX B. LOPEZ

Fifth District Appointees

MARILYN SPARKS

KENNY CHANG

SUBCOMMITTEES

Earthquake Insurance Awareness

Fire Insurance Awareness and Flood Preparedness

Insurance Fraud Awareness

Legislation and Health Insurance

Worker's Compensation

Marketing and Community Outreach

MISSION STATEMENT

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.

ROLES AND RESPONSIBILITIES

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.

HISTORICAL BACKGROUND

The Los Angeles County Commission on Insurance was established on November 12, 1991 with ten members which are nominated by the Board of Supervisors (2 per Supervisor) and selected based on experience or knowledge in the area of consumer insurance which includes automobile liability, homeowners, health and earthquake insurance.

The members are held accountable to the Board and to the communities that they serve and from where they reside. This diverse group of insurance specialist collaborates to inform the Board of Supervisors of significant developments, court cases, and the status of pending legislation concerning consumer insurance matters; included are regular/special reports, recommendations, develop information and recommendations about reducing the costs of insurance, and improve customer education and broaden community awareness regarding insurance issues.

FOCUS

Subcommittees created for specific arteries of insurance:

Earthquake Insurance Awareness

Fire Insurance Awareness and Flood Preparedness

Insurance Fraud Awareness

Legislation and Health Insurance

Worker's Compensation

Marketing and Community Outreach

Earthquake Insurance Awareness

Earthquake insurance is an essential part of the California landscape, it is vital to keep the constituents of Los Angeles County informed on how to protect themselves and secure adequate insurance coverage for their homes to minimizing losses from any natural catastrophe.

In the recent past, this Subcommittee has been collaborating with the California Earthquake Authority (CEA), while maintaining ongoing relationships, stay apprised of changes, and find benefits for the constituents.

Unfortunately, due the COVID-19 pandemic, distribution of the Disaster Survival Handbook and Earthquake Insurance Community Seminar Workshops remain at the fore front along with Earthquake Insurance Awareness Day. Collaborations with the Fourth Supervisorial District coupled together with local townhall educational events are all expected to be as successful as the very first.

COMMISSION RECOMMENDATION / LONG-TERM GOAL:

Continue educating and informing the constituents of Los Angeles County regarding adequate and appropriate insurance coverages, as well as preparedness, which together could minimize losses from disasters. The subcommittee will work to maintain ongoing collaborations with the Los Angeles County Fire Department, the Federal Emergency Management Agency (FEMA), the United States Geological Survey, the California Department on Insurance, the California Earthquake Authority (CEA), and the United States Government Service (USGS).

Fire Insurance Awareness and Flood Preparedness

Los Angeles County experiences a fire-season every year, and during the summer months the risk of fires increases drastically causing devastating damages. Therefore, collaborations and communication with the Los Angeles Fire Department keeps the Commission apprised of communication on emergency preparedness, practices during peak fire-season, informational updates, and year-round reminders.

With much dedication and tireless efforts, participation on a panel sponsored by Senator Anthony Portantino regarding Disaster Preparedness, the Los Angeles County published Emergency Preparedness workbooks were distributed through various community events.

The Subcommittee spoke on behalf of Commission at a various chamber of commerce events and legislative councils. Power point presentations were created to convey a myriad of disaster causing events as well as how the necessity of home policy reviews ensure that reconstruction coverage is adequate.

As a featured panelist with the Santa Clara County Association of Realtors, many of these topics were addressed and participation with the California Department of Insurance Investigative Hearing included the Subcommittee in gathering public input on the impact of devastating events.

COMMISSION RECOMMENDATION / LONG-TERM GOAL:

Despite the pandemic, the Subcommittee looks to having Fire Chief Daryl L. Osby attend a Commission meeting, continue press conferences on Fire Insurance Awareness and slate September of every year as Emergency Preparedness Month. The Subcommittee will continue to track Assembly Bills 1659 and 2167 which addresses wildfires and awareness for climate change and homeowners in high-risk fire areas respectively. Lastly, the Subcommittee looks to schedule a virtual event to discuss Home Hardening Standards and Wildfire Catastrophe Modeling in Ratemaking in the future.

Insurance Fraud Awareness

Insurance Fraud includes many areas such as Identity Fraud, Consumer Credit Fraud, Real Estate Fraud, Elder Abuse/Fraud, Worker's Compensation Fraud, Health Care Fraud, Auto Transactions Fraud, and Credit/Debit Issues Fraud, all of which remain areas of concern.

This Subcommittee maintained communication and collaborations with the Office of the District Attorney, Department of Consumer and Business Affairs, Auditor-Controller, and Department of Immigrant Affairs which provided educational information and increased awareness of consumer fraud to the constituents.

COMMISSION RECOMMENDATION / LONG-TERM GOAL:

The subcommittee will work with the Chief Executive Office to again include a Fraud Awareness Month tagline link to Los Angeles County Payroll Notices, and maintain communications with the Supervisorial Offices regarding virtual presentations and Press Conferences for Fraud Awareness Month.

Legislation and Health Insurance

The Subcommittee reviewed the developments with legislation regarding Senate Bill 1159 which presumes essential workers that contracted COVID- 19 are eligible for workers compensation. Also reviewed was Assembly Bill 2257 which makes some changes to Assembly Bill 5 on the reclassification of contractors and would allow them to gain workplace benefits like health insurance and worker's compensation.

COMMISSION RECOMMENDATION / LONG-TERM GOAL:

The Subcommittee will continue their out-reach efforts to have a representative from the California Fair Plan speak before the Commission on new rules for agents and consumers. They will explore and discuss possible actions for new insurance bills related to COVID-19 and Business Interruption Policies that include various travel interruption related to the current pandemic. Collaborations with the California Department of Insurance, and a request that the Board's legislative agenda include Safety Bollards or any safety protection for public commercial establishments will also remain slated.

Worker's Compensation

The Subcommittee created a Workshop in 2019 called: "Understanding Worker's Compensation" – What You Don't Know Can Hurt You. The workshop included a panel of industry experts on the subject presented an interactive workshop with power-point presentation and information packed kits were made available to participants. Topics discussed comprised of – The Difference Between Employee and Independent Contractor; What is required to Post at your workplace; Information given to employees at the time of hire when they report an injury; How to reduce work injuries and minimize losses; The meaning of 'No-Fault' system and 'Exclusive Remedy'; and Worker's Compensation from its' evolution to resolution.

This workshop was very successful and was attended by Lynda Johnson, Deputy to Fourth District Supervisor Janice Hahn. The subcommittee was inspired by this workshop and attempted to schedule a 2nd Workshop in May 2020, however, due to the COVID-19 pandemic this already planned workshop was postponed.

COMMISSION RECOMMENDATION / FUTURE GOAL:

The Subcommittee felt a strong need to educate business owners about worker's compensation and provide information about the distinctions between Employee and Independent Contractor. Therefore, its' their intention to conduct similar workshops virtually. Logistics are being coordinated with panelist discussions to ensure all the aspects of worker's compensation are addressed.

Marketing and Community Outreach

This Subcommittee was recently introduced to encourage constituent involvement and apprise them of the Commission work and upcoming events. Discussions have taken place on out-reach to consumer groups and other organizations.

COMMISSION RECOMMENDATION / FUTURE GOAL:

As a result of the nationwide COVID-19 pandemic, the Subcommittee will invest its' efforts to combat the Coronavirus and its' impacts by engaging the public as a supplement resources of information to collaborate with the Department of Public Health and invite a representative to provide updates regarding any outbreaks and public responses to the status. Also, on their list is to reach out to those commission agenda subscribers to attend virtual commission meetings.

CONCLUSION:

Thank you to all the Commission members, our staff, and the Board of Supervisors, for all you have done this year as we navigated the challenges presented by the historic nationwide COVID-19 pandemic.

It has been my honor to serve as Chairman to this Commission for 23 years and am proud to have been a part of the collaborative work that this critical commission has done this year to bring increased access to a myriad of insurance related issues to the residents of Los Angeles County.

With our teamwork and dedication, we can continue our efforts to meet virtually and add to our commission's history of consumer protection and education for the constituents of Los Angeles County.

Please stay safe, wear your mask and social distance. We are in this together.

Respectfully,

A handwritten signature in black ink that reads "Scott J. Svonkin". The signature is fluid and cursive, with the first letters of each word being capitalized and prominent.

Scott J. Svonkin, Chairman
Los Angeles County
Commission on Insurance

c: Board of Supervisors