

STATE OF CALIFORNIA  
DEPARTMENT OF INSURANCE  
45 Fremont Street, 21<sup>st</sup> Floor  
San Francisco, California 94105

REG-2009-00018

September 11, 2009

PROPOSED PLAN OF OPERATIONS TEXT<sup>1</sup>

CALIFORNIA LOW COST AUTOMOBILE INSURANCE PROGRAM

[Amend the Introduction to read as follows]:

INTRODUCTION

AVAILABILITY OF APPLICATIONS, FORMS, AND MANUALS

Application forms to be used when applying to the California Low Cost Automobile Assigned Risk Plan Insurance Program are available at no charge from AIPSO—Mail Order Management Department by calling (401) 942-9799. The following materials are available at no charge:

- LCA Application (Form AIP 126 Rev ~~04/06-2~~ 3/09) (NOTE: The application form for hard copy or online use is the same.)
- Policy Change Request—Certification Form (Form AIP 127 Rev ~~12/10/07~~ 3/09)

[The remainder of this section remains unchanged]

[Amend Section 1 to read as follows]:

Sec. 1. DEFINITIONS

[The following definitions are amended]:

“Application” means the current California Low Cost Automobile Insurance Program form AIP 126E ~~(7/2000)~~ (Rev. 3/09), including the electronic application form produced by the Electronic Application Submission Interface, which all applicants must complete, a copy of which is incorporated herein by reference.

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<sup>1</sup> The proposed changes amend the California Automobile Insurance Low Cost Program Plan of Operations approved by the Commissioner. Deletions appear in ~~striketrough~~ and additions appear in underline. Words that appear in [brackets] reflect instructions to help the reader to ascertain the specific portion of the Plan of Operations for which a change has been proposed.

“Policy Change Request—Certification Form” means the form which must be completed (Form AIP-127 (12/10/07) Rev. 3/09), a copy of which is incorporated herein by reference. By completing the form, the insured may request a policy change and certify that he or she either continues to be eligible for coverage through the Program or is ineligible for reason(s) indicated on the form.

[Amend Section 28 to read as follows]:

Sec. 28. APPLICATION FOR ASSIGNMENT, DESIGNATION OF INSURER,  
EVIDENCE OF INSURANCE, AND EFFECTIVE DATE OF INSURANCE,  
AND EFFECTIVE DATE OF COVERAGE

D. Plan Submission to the Designated Insurer

The Manager shall forward to the assigned insurer the application, a copy of the notice of the effective date of coverage, and the deposit premium same to be credited by the insurer against the policy premium.

Upon receipt of the application and deposit premium from the Plan and prior to issuance of a policy, the assigned insurer shall review the application and documentation to confirm that the risk is eligible in accordance with Plan rules. If the applicant is found ineligible for coverage within 20 calendar days following the Plan assignment date shown on the notice of effective date of coverage, both the application and premium deposit shall be returned at the same time to the producer with written notice to that effect within 20 calendar days following the Plan assignment date. Coverage is void from inception. If the risk is found ineligible for coverage due to an outstanding premium balance owed on a prior Low Cost Auto Insurance Policy, the procedures in Section 26.F.2 shall apply.