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**STATE OF CALIFORNIA  
DEPARTMENT OF INSURANCE**

300 Capitol Mall, 17th Floor  
Sacramento, CA 95814

**RH06092874 December 28, 2006**

**ADDENDUM TO FINAL STATEMENT OF REASONS**

**California Code of Regulations, Title 10, Sections 2651.1, 2653.6, 2661.1, 2661.3, 2662.1, 2662.3, and 2662.5**

**UPDATE OF INITIAL STATEMENT OF REASONS**

California Insurance Code section 1861.10 clearly contemplates compensation to persons who represent consumers and make substantial contributions to the resolution of specified proceedings. As amended, section 2661.3 (g) mandates a timely determination of a party's intervenor status in such proceedings so that the party may be assured that it will be eligible to seek compensation if it makes a substantial contribution as intended by Proposition 103. If a proceeding is resolved without a hearing, it may be resolved within a matter of several weeks after a petition for hearing is submitted. A person seeking intervenor status is entitled to know as soon as possible whether or not its petition to intervene will be granted. Based upon its experience in granting intervenor status, the Department has determined that fifteen days is the minimum amount of time in which it can reasonably review and make a decision concerning a petitioner's intervenor status when a petition for a hearing was concurrently submitted.<sup>1</sup> At the same time, the affected insurer and any other party must have time to respond to the petition if it chooses to do so. Therefore, it has proposed to limit the time to make a determination on intervenor status to fifteen days. In addition, it has proposed to amend section 2661.3 (f) to shorten the time to file responses and replies to petitions to intervene so as to stay within this new fifteen day time frame. In all other respects, the Initial Statement of Reasons included in this rulemaking file continues to fully and accurately reflect the views of the Department of Insurance. Therefore, it is incorporated herein by this reference.

There have been no changes in applicable laws or to the effect of the proposed regulations from the laws and effects described in the Notice of Proposed Regulatory Action.

**LOCAL MANDATE DETERMINATION**

The proposed regulation does not impose any mandate on local agencies or school districts.

**ALTERNATIVES DETERMINATION**

The Commissioner has determined that no alternative would be more effective in carrying out the purpose for which this regulation is proposed or would be as effective and less burdensome to affected private persons than the proposed regulation.

**SUMMARY OF AND RESPONSE TO PUBLIC COMMENT**

The Commissioner's summary of and response to the public comment is separately included in this rulemaking file and incorporated herein by this reference.

<sup>1</sup> The time frame needed for a review and decision by an administrative law judge after a hearing has been granted was determined under prior rulemaking to be 20 days and an amendment to that time frame was not considered. When a matter is set for hearing, by definition any resolution will require more time. Thus, there is not the same need for a more expedited decision on a petition to intervene.

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