

AVAILABILITY OF STATEMENT OF REASONS
AND TEXT OF PROPOSED REGULATIONS

The entire rulemaking file is available for inspection and copying throughout the rulemaking process at the Commission office at the above address. As of the date this notice is published in the Notice Register, the rulemaking file consists of the Notice of Proposed Rulemaking, the proposed text of regulations, the Initial Statement of Reasons, and an economic impact assessment/analysis contained in the Initial Statement of Reasons. Copies may be obtained by contacting Tammy Duggan at the address or telephone number provided above.

MODIFICATION OF PROPOSED ACTION

If the Commission proposes to modify the actions hereby proposed, the modifications (other than nonsubstantial or solely grammatical modifications) will be made available for public comment for at least 15 days before they are adopted.

AVAILABILITY OF FINAL STATEMENT
OF REASONS

The Final Statement of Reasons is submitted to the Office of Administrative Law as part of the final rulemaking package, after the public hearing. Upon its completion, copies of the Final Statement of Reasons may be obtained by contacting Tammy A. Duggan at (916) 323-5354.

AVAILABILITY OF DOCUMENTS ON
THE INTERNET

Copies of the Notice of Proposed Rulemaking, the Initial Statement of Reasons, and the text of the regulations in underline and strikeout can be accessed through the Commission's website at www.ctc.ca.gov.

TITLE 10. DEPARTMENT OF
INSURANCE

NOTICE OF PROPOSED ACTION AND NOTICE
OF PUBLIC HEARING REGARDING
COMMERCIAL AUTOMOBILE INSURANCE
PROCEDURE RATES FOR THE CALIFORNIA
AUTOMOBILE ASSIGNED RISK PLAN

REG-2013-00020 November 26, 2013

SUBJECT OF HEARING

California's Insurance Commissioner will hold a public hearing to consider the application of the California Automobile Assigned Risk Plan ("CAARP" or "Plan") for approval of increased rates for the five commercial sub-lines for the Commercial Automobile Insurance Procedure ("CAIP").

AUTHORITY AND REFERENCE TO
ADOPT RATES

The Commissioner will consider the application pursuant to the authority vested in him by Section 11620 of the California Insurance Code. The Commissioner's decision on the application will implement, interpret, or make specific the requirements of Insurance Code Section 11624(e). Government Code § 11340.9(g) applies to this proceeding.

HEARING DATE AND LOCATION

Notice is hereby given that a public hearing will be held to permit all interested persons the opportunity to present statements or arguments, orally or in writing, with respect to the application at the following date, time, and place:

Date: February 6, 2014

Time: 10:00 a.m.

Place: Department of Insurance Hearing Room
300 South Spring Street
Los Angeles, CA 90013

ACCESS TO HEARING ROOM

The facilities to be used for the public hearing are accessible to persons with mobility impairments. Persons with sight or hearing impairments are requested to notify the contact person (listed below) for this hearing in order to make special arrangements, if necessary.

WRITTEN AND/OR ORAL COMMENTS:
AGENCY CONTACT PERSON

All persons are invited to submit written comments to the Insurance Commissioner on the application prior to

the public comment deadline. Comments should be addressed to the contact person for this proceeding:

Michael Riordan, Attorney
California Department of Insurance
Rate Enforcement Bureau
45 Fremont Street, 21st Floor
San Francisco, CA 94105
riordanm@insurance.ca.gov
Telephone: (415) 538-4226
Facsimile: (415) 904-5490

The backup agency contact person for this proceeding will be:

Summer Volkmer, Attorney
California Department of Insurance
Rate Enforcement Bureau
45 Fremont Street, 21st Floor
San Francisco, CA 94105
volkmers@insurance.ca.gov
Telephone: (415) 538-4169

All persons are invited to present oral and/or written testimony at the scheduled public hearing.

DEADLINE FOR WRITTEN COMMENTS

All written materials, unless submitted at the hearing, must be received by the Insurance Commissioner at the address listed above **no later than 5:00 p.m. on February 6, 2014**. Any written materials received after that time will not be considered. Written comments may also be submitted to the contact person by e-mail or facsimile transmission. Please select only one method to submit written comments.

ADVOCACY OR WITNESS FEES

Persons or groups representing the interest of consumers may be entitled to reasonable advocacy fees, witness fees, and other reasonable expenses, in accordance with the provisions of California Code of Regulations, Title 10, Sections 2662.1-2662.6 in connection with their participation in this matter. Interested persons must submit a Petition to Participate, as specified in California Code of Regulations, Title 10, Section 2661.4. The Petition to Participate must be submitted to the Commissioner at the Office of the Public Advisor at the following address:

California Department of Insurance
Office of the Public Advisor
300 Spring Street 12th Floor
Los Angeles, CA 90013
Telephone: (213) 346-6635

A copy of the Petition to Participate must also be submitted to the contact person for this hearing (listed above). For further information, please contact the Office of the Public Advisor.

INFORMATIVE DIGEST/POLICY STATEMENT
OVERVIEW

Pursuant to California Insurance Code Section 11624, the Commissioner establishes rates to be charged to those obtaining commercial automobile coverage through CAIP. Section 11624 provides: "Premium charges for the plan shall not be excessive, inadequate, nor unfairly discriminatory, and shall be actuarially sound so as to result in no subsidy of the plan." Title 10, California Code of Regulations, §2498.5 references the commercial automobile rate manual, which is approved by the Commissioner but not printed in full in the California Code of Regulations.

The Commissioner is holding the hearing referenced above to accept comments on CAARP's recent rate application. CAARP has proposed rate changes for five CAIP sub-lines, amounting to an overall average **16 percent rate increase**. The five sub-lines are

Trucks, Tractor and Trailers;
Taxis, Limousines and Van Pools;
All Buses Combined;
Zone Rated Risks and
Employers Non-Ownership Liability.

Further details appear in the rate application on file with the Commissioner and available for review as set forth below.

COMPARABLE FEDERAL LAW

There are no comparable existing federal regulations or statutes.

LOCAL MANDATE DETERMINATION

The Insurance Commissioner has initially determined that the application will not result in any new program mandates on local agencies or school districts.

MANDATES ON LOCAL AGENCIES OR SCHOOL DISTRICTS OR COSTS WHICH MUST BE REIMBURSED PURSUANT TO GOVERNMENT CODE SECTIONS 17500 THROUGH 17630

The Insurance Commissioner has initially determined that the application will not result in any cost or significant savings to any local agency or school district for which Part 7 (commencing with Section 17500) of Division 4 of the Government Code would require reimbursement, or in other nondiscretionary costs or savings to local agencies.

COST OR SAVINGS TO ANY STATE AGENCY; FEDERAL FUNDING

The Commissioner has determined that the application will result in no cost or savings to any state agency and no cost or savings in federal funding to the state.

SIGNIFICANT STATEWIDE ADVERSE ECONOMIC IMPACT ON BUSINESSES AND THE ABILITY OF CALIFORNIA BUSINESSES TO COMPETE

CAARP is proposing overall rate increases for Trucks, Tractor and Trailers; Taxis, Limousines and Van Pools; All Buses Combined; Zone Rated Risks and Employers Non-Ownership Liability. Although the number of commercial auto applications placed by CAARP is small the proposed rate changes could have a statewide economic impact directly affecting businesses, including the ability of California businesses to compete with businesses in other states. The proposed rate changes could also impact competition or competitiveness. The proposal could also affect the creation or elimination of jobs in California, the creation of new businesses, the elimination of existing businesses, or the expansion of businesses in California. However, California Insurance Code section 11624(e) requires that premium charges for the plan shall be actuarially sound so as to result in no subsidy of the plan by the voluntary market. Therefore, if and to the extent that CAARP is able to demonstrate that certain existing rates are no longer actuarially sound and that rate increases are warranted, the Commissioner is required to approve increased rates. Of course, the Commissioner also recognizes that section 11624(e) requires that rates not be excessive, and the Commissioner will not approve an increase that results in excessive rates.

COST IMPACTS ON PRIVATE PERSONS OR ENTITIES

The Insurance Commissioner has determined that there could be potential cost impacts on businesses directly affected by the proposed rate increases. Although the rate application involves commercial automobile insurance rates, to the extent a rate increase impacts business, it could also impact private persons employed by those businesses. The rate increase could also impact private persons wishing to purchase goods or services from businesses if the price of goods or services is increased to cover the increased cost of insurance coverage.

IMPACT ON HOUSING COSTS

The Insurance Commissioner has initially determined that the application will not affect housing costs.

IMPACT ON SMALL BUSINESS

The proposed rate changes could affect small businesses.

SPECIFIC TECHNOLOGIES OR EQUIPMENT

The application would not mandate the use of specific technologies or equipment.

ALTERNATIVES

The Insurance Commissioner must determine that no reasonable alternative considered by the agency, or that has otherwise been identified and brought to the attention of the agency, would be more effective in carrying out the purpose for which the action is proposed or would be as effective and less burdensome to affected private persons than the proposed action.

PLAIN ENGLISH

The application describing the proposal is in plain English. However, the application itself is based on technical actuarial principles.

TEXT AND INITIAL STATEMENT OF REASONS

The Department has prepared an Initial Statement of Reasons addressing the proposed rate application in addition to the Informative Digest included in this notice. The Initial Statement of Reasons and this Notice of Proposed Action are available for inspection or copying, and will be provided at no charge upon request to the contact person listed above. Further details on CAARP's proposal are on file with the Commissioner and available for review as set forth below.

FINAL STATEMENT OF REASONS

A Final Statement of Reasons will be prepared at the conclusion of this proceeding. Upon written or e-mail request to the contact person listed above, the Final Statement of Reasons will be made available for inspection and copying once it has been prepared. A copy of the Final Statement of Reasons will also be posted on the Department's web site.

ACCESS TO RULEMAKING FILE

Any interested person may inspect a copy of or direct questions about CAARP's application, the statement of reasons, and any supplemental information contained in the rulemaking file by contacting the contact person listed above. **By prior appointment**, the rulemaking file is available for inspection at 45 Fremont Street, 21st Floor, San Francisco, California 94105, between the hours of 9:00 a.m. and 4:30 p.m. Monday through Friday.

AUTOMATIC MAILING

A copy of this Notice, including the Informative Digest, is being sent to all persons on the Insurance Commissioner's mailing list.

AVAILABILITY OF DOCUMENTS ON THE INTERNET

Documents concerning this proceeding are available on the Department's website. To access them, go to <http://www.insurance.ca.gov>. On the right-hand column of the page, click the drop-down menu under the

heading 'For Insurers.' In this section, scroll down until you see the subheading 'Regulations.' Below this subheading, click on the 'Proposed Regulations' link and then click on the 'Search for Proposed Regulations' link. When the 'Search or Browse for Documents for Proposed Regulations' screen appears, you may choose to find the documents either by conducting a search or by browsing for them by name.

To search, enter "REG-2012-00021" (the Department's regulation file number for these regulations) in the 'Search for' field. Alternatively, search using as your search term the California Insurance Code number of a code section that the regulations implement (for instance, "11624"), or search by keyword ("commercial auto," for example). Then, click on the 'Submit' button to display links to the various filing documents.

To browse, click on the 'Browse All Regulations' button near the bottom of the screen. A list of the names of regulations for which documents are posted will appear. Find in the list the 'Statistical Plan Enforcement Remedies' link, and click it. Links to the documents associated with these regulations will then be displayed.

AVAILABILITY OF MODIFIED TEXT OF REGULATIONS

If the Department amends the application with changes that are sufficiently related to the original application, the Department will make the full text of the amended rates, with the changes clearly indicated, available to the public for at least 15 days before the date the Department adopts the amended rates.

TITLE 16. BOARD FOR PROFESSIONAL ENGINEERS, LAND SURVEYORS, AND GEOLOGISTS

NOTICE IS HEREBY GIVEN that the Board for Professional Engineers, Land Surveyors, and Geologists (Board) is proposing to take the action described in the Informative Digest. The Board does not intend to hold a hearing in this matter. If an interested party wishes that a hearing be held, he or she must make the request in writing to the Board no later than 5 p.m. on January 13, 2014. The Board, upon its own motion or at the instance of any interested party, may thereafter adopt the proposals substantially as described below or may modify such proposals if such modifications are sufficiently related to the original text.

With the exception of technical or grammatical changes, the full text of any modified proposal will be available for 15 days prior to its adoption from the person designated in the Notice as the contact person and will be mailed to those persons who submit written or

oral testimony related to this proposal or who have requested notification of any changes to the proposal.

Written comments, including those sent by mail, facsimile, or e-mail to the addresses listed under Contact Person in this Notice, must be received by the Board at its office no later than 5:00 p.m. on January 27, 2014.

Authority and Reference: Pursuant to the authority vested in sections 7818 and 7851 of the Business and Professions Code, and to implement, interpret or make specific sections 7846 and 7887 of said code, the Board is considering changes to Division 29 of Title 16 of the California Code of Regulations (CCR) as follows:

INFORMATIVE DIGEST

California Business and Professions Code section 7818 authorizes the Board to adopt, amend and repeal regulations as may be reasonably necessary to enable the Board to implement laws relating to the practice of geology and geophysics.

The Board's intent is to ensure that all regulations are clear, relevant, unambiguous, and functional in accordance with the Board's 2011-2014 Strategic Plan.

Senate Bill 822 (Chapter 319, Committee on Business, Professions and Economic Development, Statutes of 2013) which will become effective on January 1, 2014, adds Business and Professions Code section 7851 and amends section 7887 of the Geologist and Geophysicists Act. Section 7851 establishes a retired license status for Professional Geologists and Geophysicists. Section 7887(i) establishes the authority to set a retired license status fee. Business and Professions Code section 7851 indicates that the Board shall issue a retired license to a geologist or geophysicist upon application and payment of a fee if the individual has been licensed by the Board for at least 5 years within California and at least 20 years within the United States (or its territories), and the license has not been disciplined or is not pending disciplinary action. After an individual obtains a retired license, they cannot engage in any activity that requires an active geologist or geophysicist license; and they may use the following titles: "retired professional geologist" or "professional geologist, retired," or "retired professional geophysicist" or "professional geophysicist, retired." The individual will not have to renew the retired license, and in order for the individual to restore the license back to an active status, he or she will have to pass the examination(s) required for initial licensure. Business and Professions Code section 7887(i) has been amended to read: "The fee for a retired license shall be fixed at not more than 50 percent of the fee for filing an application for licensure as a geologist or a geophysicist in effect on the date of application for a retired license."