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Proposed Initiative Enters Circulation

Prohibits Health Insurance Companies with Specified Financial Reserves from Increasing Rates. Initiative Statute.

SACRAMENTO – Secretary of State Alex Padilla announced the proponents of a new initiative were cleared to begin collecting petition signatures today.

The Attorney General prepares the legal title and summary that is required to appear on initiative petitions. When the official language is complete, the Attorney General forwards it to the proponent and to the Secretary of State, and the initiative may be circulated for signatures. The Secretary of State then provides calendar deadlines to the proponent and to county elections officials. The Attorney General's official title and summary for the measure is as follows:

PROHIBITS HEALTH INSURANCE COMPANIES WITH SPECIFIED FINANCIAL RESERVES FROM INCREASING RATES. INITIATIVE STATUTE. Prohibits health insurance companies (including HMOs and PPOs) with more than 100,000 insured members and financial reserves above specified amounts from increasing consumer rates (including premiums and out-of-pocket costs) for most policies. Requires insurers with reserves above defined amounts to report to the Legislature. Requires asset transfers between insurers and related medical providers to be reported and included in reserve calculations. Prohibits insurers from increasing reimbursement rates for services by related providers to avoid reporting surplus reserves, and authorizes Attorney General to investigate such increases. Summary of estimate by Legislative Analyst and Director of Finance of fiscal impact on state and local government: **Uncertain average annual effects over time on state and local government costs for employee health coverage, ranging from potential net savings in the short run to potentially significant net costs in the long run.** (17-0048.)

The Secretary of State's tracking number for this measure is 1844 and the Attorney General's tracking number is 17-0048.

The proponents of the measure, Mylka Rodriguez and Michael Borges, must collect the signatures of 365,880 registered voters (five percent of the total votes cast for Governor in the November 2014 general election) in order to qualify it for the ballot. The proponents have 180 days to circulate petitions for the measure, meaning the signatures must be submitted to county elections officials no later than July 23, 2018. The proponents can be reached c/o Peder J. V.

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