

Per California Code of Regulations, title 2, section 548.5, the following information will be posted to CalHR's Career Executive Assignment Action Proposals website for 30 calendar days when departments propose new CEA concepts or major revisions to existing CEA concepts. Presence of the department-submitted CEA Action Proposal information on CalHR's website does not indicate CalHR support for the proposal.

A. GENERAL INFORMATION

1. Date

12/17/2025

2. Department

California Department of Insurance (CDI)

3. Organizational Placement (Division/Branch/Office Name)

Special Counsel to the Commissioner/ Administrative Hearing Bureau (AHB)

4. CEA Position Title

Chief Administrative Law Judge

5. Summary of proposed position description and how it relates to the program's mission or purpose. (2-3 sentences)

The Chief Administrative Law Judge will administratively and operationally oversee the Administrative Hearing Bureau (AHB), which consists of quasi-judicial, legal, and clerical staff. The incumbent will be responsible for ensuring correct interpretation and compliance with the Insurance Code, Administrative Procedures Act, and other applicable statutes and regulations; planning, organizing, and providing strategic leadership to a diverse staff; and, ensuring efficient operations.

6. Reports to: (Class Title/Level)

Deputy Commissioner/Exempt

7. Relationship with Department Director (Select one)

- Member of department's Executive Management Team, and has frequent contact with director on a wide range of department-wide issues.
- Not a member of department's Executive Management Team but has frequent contact with the Executive Management Team on policy issues.

(Explain): Ensures adherence to Insurance Code Section 21.5, whereby the AHB does not report directly to the Insurance Commissioner, nor directly or indirectly to any employee in the CDI's Legal Branch.

8. Organizational Level (Select one)

- 1st
- 2nd
- 3rd
- 4th
- 5th (mega departments only - 17,001+ allocated positions)

B. SUMMARY OF REQUEST

9. What are the duties and responsibilities of the CEA position? Be specific and provide examples.

Under the general direction of the Deputy Commissioner, Special Counsel to the Commissioner, the Chief Administrative Law Judge will administratively and operationally oversee the CDI's AHB which consists of quasi-judicial, legal, and clerical staff. The incumbent will be responsible for providing strategic leadership to the AHB team. The incumbent's oversight encompasses critical functions, including overseeing the implementation of policies and processes, driving strategic planning initiatives, and ensuring the effective management and operational success of the AHB. The incumbent will guide the development and execution of AHB objectives, ensuring alignment with organizational goals and statutory mandates while fostering a collaborative and high-performing team environment.

The duties include, but are not limited to the following:

Provides strategic leadership and operational oversight to a diverse team of professional and technical staff in the AHB. Supervises, mentors, and coaches the Supervising Administrative Law Judge (ALJ) to ensure fulfillment of all supervisory responsibilities. Oversees and ensures the AHB team adjudicates proceedings in compliance with applicable law, rules, and statutory time frames. Develops, establishes, and monitors performance expectations and metrics, and addresses performance gaps. Establishes and evaluates priority assignments, cases, and projects to ensure efficient use of state resources and time. Communicates with members of the public, maintains AHB's hearings docket online, and ensures timely online posting of communications received from hearing parties.

Establishes standards for hearing conduct and evaluates AHB staff in their ability to ensure proceedings are carried out with professionalism and adherence to legal standards, as outlined in the Administrative Procedures Act, beginning with Government Code 11425.10. Reviews the most complex findings and proposed decisions to ensure conformity with due process requirements, applicable regulations, and departmental policies. Receives and reviews proposed decisions from the Supervising ALJ, and submits the decisions to the Insurance Commissioner for final approval. Monitors hearing trends and outcomes, and provides expert advice and strategic policy direction regarding quasi-judicial and legal issues impacting the AHB. Monitor hearings to avoid duplication of efforts and contradictory results, such as those arising from matters sent to the Office of Administrative Hearings.

Collaborates effectively to resolve the most complex and sensitive proceedings, ensuring outcomes are consistent with the law, rules, and statutory time frames. Communicates regularly and ensures transparency with the Office of Special Counsel, the Office of the Public Advisor, and the Legal Branch of CDI. Establishes AHB strategic goals and monitors them to completion. Leads the development and implementation of new policies and procedures to enhance the efficiency and effectiveness of the AHB. Administers existing policies and procedures guiding the operation of the bureau. Ensures AHB staff are thoroughly trained, stays abreast of changes in law and practice, and evaluates staffing needs.

Develops and administers the AHB budget, conducts budget reviews and preparation to ensure operating within budget allocations. . Follows the merit-selection process to hire staff, conducts onboarding and off-boarding, oversees performance management within AHB, and ensures staff adherence to CDI policies.

Represents the department as requested at conferences, meetings with stakeholders, and manages outside contract counsel, including expert consultants.

B. SUMMARY OF REQUEST (continued)

10. How critical is the program's mission or purpose to the department's mission as a whole? Include a description of the degree to which the program is critical to the department's mission.

- Program is directly related to department's primary mission and is critical to achieving the department's goals.
- Program is indirectly related to department's primary mission.
- Program plays a supporting role in achieving department's mission (i.e., budget, personnel, other admin functions).

Description: The AHB supports the Insurance Commissioner's adjudicatory authority by providing a neutral forum for conducting fair, expeditious, and independent evidentiary hearings and mediations. Evidentiary hearings at the AHB are conducted by an ALJ in accordance with the provisions of the Administrative Procedures Act, the California Insurance Code and Title 10 of the California Code of Regulations (CCR). The AHB ensures consumer protection by overseeing hearings related to the insurance industry within California. There are over 15 types of hearings overseen by AHB staff, with topics ranging from automobile rate change proposals, to unlawful activities by unlicensed people or entities, to administrative decisions of the California Fair Access to Insurance Requirements (FAIR) Plan.

AHB's decisions and proposals guide the interpretation of Title 10, Insurance Code and directly impact the insurance industry and insurance consumers within California. Further, precedential decisions established by AHB further define and guide the competitiveness and sustainability of the insurance market within the state.

B. SUMMARY OF REQUEST (continued)

11. Describe what has changed that makes this request necessary. Explain how the change justifies the current request. Be specific and provide examples.

On September 21, 2023, the Governor issued executive order N-13-23, which requested the Insurance Commissioner to take prompt regulatory action to strengthen and stabilize California's insurance market. In response to this order, the Insurance Commissioner created the Sustainable Insurance Strategy (SIS), including the release of Bulletin 2024-7 on August 9, 2024, among many other Department regulatory actions. This Bulletin committed staff at the CDI to initiate organizational and programmatic changes in order to expedite the department's rate application review process, further assist insurers in getting the rate changes deemed justifiable by the CDI, and continue to make insurance available and affordable to all Californians. The AHB serves a vital role in meeting the objectives of the Governor's executive order, and the Insurance Commissioner's SIS by providing evidentiary hearings and proposed decisions, as needed and upon the Insurance Commissioner's request.

Given the full implementation of the Insurance Commissioner's Sustainable Insurance Strategy, there is heightened and on-going interest by the Governor, the State Legislature, the U.S. Congress especially the California congressional delegation, insurance policyholders, consumer groups, the press, other states' insurance regulators, and the regulated insurance industry on this strategy, including expeditious dispensing of any matters directly referred to AHB by the Insurance Commissioner and subsequent hearings called by AHB in furtherance of that delegated authority.

Additionally, the Insurance Commissioner issued a directive providing AHB the authority to perform duties related to issues arising pursuant to Article 10 of Division 1, Part 2, Chapter 9 of the California Insurance Code (Proposition 103). This directive established specific time frames for the AHB to conduct administrative and noncompliance hearings, review proposed stipulations and settlements, review intervenor requests for compensation, and submit proposed decisions to the Commissioner for review, adoption, amendment, or rejection. In addition to the authority granted related to Proposition 103, the Commissioner further directed the AHB to conduct administrative hearings on licensing application requests pursuant to Insurance Code Section 1033, and to propose decisions to the Commissioner within a specified time frame.

The creation of the CEA would provide direct managerial oversight of AHB, including addressing any process delays and preventing backlogs, establishing internal processes to ensure adherence to statutory timelines, and holding staff accountable. The creation of the CEA will allow for policy development and trend analysis within the AHB, without slowing down the needed work of the program. Establishing this position will allow the Supervising Administrative Law Judge to focus on presiding over hearings assigned to the AHB, as well as supervising subordinate ALJs and support staff. Further, the CEA position will have the applicable knowledge to oversee the AHB and ensure adherence to Insurance Code Section 21.5, whereby the AHB does not report directly to the Insurance Commissioner, nor directly or indirectly to any employee in the CDI's Legal Branch.

C. ROLE IN POLICY INFLUENCE

12. Provide 3-5 specific examples of policy areas over which the CEA position will be the principle policy maker. Each example should cite a policy that would have an identifiable impact. Include a description of the statewide impact of the assigned program.

The AHB was created legislatively in 2001 to ensure that hearings arising under the Insurance Code, involving common questions of law or fact, would be conducted within the Department. Specifically, Insurance Code section 790.03 violations are amongst the most serious in the insurance arena as they involve unfair methods of competition, and unfair and deceptive acts or practices in the business of insurance. The incumbent in this position is charged with ensuring the continual oversight of these matters, and reporting any trends to the Insurance Commissioner. In conjunction with the aforementioned duties, the CEA will develop policies, incorporating precedential decisions, and advise executive leadership of regulatory shortcomings.

Additionally, under CCR Title 10, Section 2653.5, the incumbent will also be charged with the operational oversight of rate hearings in support of the Insurance Commissioner's primary responsibility and department policy to protect California consumers from insurance rates that are excessive, inadequate or unfairly discriminatory. When the department and insurers disagree on rate change requests, they may go to rate hearings, which are overseen by an ALJ. The incumbent has significant discretion in ensuring that such hearings are conducted in accordance with all applicable statutes and regulations. To the extent that legal issues arise that are unforeseen within current law, the incumbent is charged with the responsibility of raising this issue to executive management. As noted even by consumer advocates, the involvement of an ALJ from within the department is required for their technical expertise and deep insurance law knowledge. In this position, the CEA is the chief policy decision maker for the successful oversight of rate hearings, and will manage and oversee AHB's work in this regard.

Further, in the past year, the Insurance Commissioner instituted the SIS to address the insurance crisis within California. In recent years, property insurance companies have retreated from providing availability to California consumers, especially in some of the most vulnerable populations, such as those in high wildfire risk areas. In looking at avenues to streamline the current rate approval process, the Insurance Commissioner has initiated processes to strengthening and shortening the rate application approval timeline, which includes the time it takes for the department to conduct a rate hearing, if necessary. The CEA will be responsible for ensuring AHB meets these timelines to expeditiously conduct rate hearings and issue decisions to avoid further harm to California consumers.

Overall, the CEA will be responsible for developing policy proposals and management guidelines, and evaluating existing regulations to ensure that AHB meets policy goals. The implementation of these policies and achievement of these goals will have a statewide impact on California consumers and ensure the completion of work that is essential to the Department.

C. ROLE IN POLICY INFLUENCE (continued)

13. What is the CEA position's scope and nature of decision-making authority?

The CEA's scope and nature of decision making is broad and independent, and will advise on larger policy issues as well as work with executive office staff for the strategic advancement of the AHB processes.

The State Legislature has given the Insurance Commissioner the authority to conduct evidentiary hearings on a wide variety of insurance related matters. The AHB supports the Insurance Commissioner's adjudicatory authority by providing a neutral forum for conducting fair and independent evidentiary hearings and mediations. Evidentiary hearings at the AHB are conducted by ALJ in accordance with the provisions of the Administrative Procedures Act, the California Insurance Code and Title 10 of the CCR. The ALJs are independent of the Insurance Commissioner and the attorneys that appear before the AHB. Specifically, the ALJs cannot be supervised directly by the Insurance Commissioner or supervised directly or indirectly by an employee in the department's legal branch pursuant to Insurance Code section 21.5 (b).

The CEA will oversee and implement policies surrounding the AHB; utilize data to effectively make major decisions involving policy, personnel, budgets; and develop innovative ways for AHB to meet its mission of providing timely due process hearings.

14. Will the CEA position be developing and implementing new policy, or interpreting and implementing existing policy? How?

The CEA will be responsible for developing and implementing new policies for the AHB as the regulations surrounding Proposition 103 are reformed under the Commissioner's SIS. As these regulations are updated to define what constitutes a complete rate application, so is the need for policies and procedures to be developed and implemented within the AHB which conducts evidentiary hearings on a wide variety of insurance related matters.

Simultaneously, the CEA's purview will also include oversight of AHB's interpretation and implementation of existing policy to ensure consistency in decision-making and adherence to statutory deadlines.