

[Commissioner Poizner Files Suit Against Office of Administrative Law](#)

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On November 9, 2010, [California Insurance Commissioner](#) Steve Poizner issued a [Press Release](#) announcing that he is filing a lawsuit challenging the [California Office of Administrative Law's](#) (OAL) October 11, 2010, determination that the Commissioner's efforts to stop insurers from investing in Iran constituted "underground regulations."

In a Petition for Writ of Mandate, to be filed in the [Los Angeles Superior Court](#), the Commissioner contests the OAL's analysis of the issues and seeks to clarify his authority to address insurance company investments in contracts in Iran.

Attorney General Jerry Brown is representing the Commissioner in the lawsuit.

In his Petition for Writ of Mandate, the Commissioner alleges three causes of action based on specific conduct engaged in by the Commissioner that the OAL determined amounted to "underground regulations." These include the Commissioner's:

1. creation of a List of companies doing business in Iranian energy, nuclear, banking and defense sectors and the determination that these companies are subject to financial risk;
2. creation of a Form requiring California licensed insurance companies to notify the Commissioner whether they would agree voluntarily not to invest in such companies in the future;
3. directive to California licensed insurance companies to file financial statements identifying Iran related investments and treating those investments as "non-admitted."

The Commissioner defends his actions under his authority pursuant to [Ins. Code 12921.5](#) to "disseminate information concerning the insurance laws of this State for the assistance and information of the public," his examination powers under Ins. Code [729](#), [730](#), [733](#), [734](#) and [736](#) and under Ins. Code [923](#), his authority to

"make changes from time to time in the form of the statements and the number and method of filing reports as seem to him or her best adapted to elicit from the insurers a true exhibit of their condition." ([Poizner v. Office of Administrative Law](#))

Earlier, on November 1, 2010, notwithstanding the OAL's determination, the [Commissioner issued a reminder letter](#) to all California licensed insurance companies that they need to comply with the supplemental filing requirements for Iran related investments no later than November 15, 2010.

[Barger & Wolen](#) will continue to follow further developments in this matter.

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