STEVE COOLEY
LOS ANGELES COUNTY DISTRICT ATTORNEY

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May 2, 2006

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
Los Angeles, California 90012

Dear Supervisors:

AUTHORIZE THE DISTRICT ATTORNEY TO APPLY FOR GRANT FUNDING FROM THE CALIFORNIA STATE DEPARTMENT OF INSURANCE FOR THE LIFE AND ANNUITY CONSUMER PROTECTION PROGRAM (ALL DISTRICTS) (4 VOTES)

IT IS RECOMMENDED THAT YOUR BOARD:

1) Authorize the District Attorney to submit a grant application to the California Department of Insurance (CDI) for the Life and Annuity Consumer Protection Program (LACPP).

2) Adopt the attached Resolution authorizing the Los Angeles County District Attorney to submit an application for grant funding and, as an agent for the County, to accept and execute a grant award agreement from the CDI in the event the proposal is selected for funding. This also includes authorization to approve any extensions or amendments to the grant award that do not affect net County cost.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The LACPP was established through AB 2316 and went into effect in January 2005 as California Insurance Code Section 10127.17. The LACPP establishes a fund to be used exclusively for protecting consumers of life insurance and annuity products in the State of California, by both the CDI and local district attorneys.

The CDI has invited the District Attorney's Office to participate in the application process for a LACPP grant to enhance the prosecution of life and annuity financial abuse. The District Attorney's Office will use available funding to target the prosecution of Elder Abuse cases involving annuity and life insurance fraud.

An executed Resolution is required by CDI as part of the grant application.

Implementation of Strategic Plan Goals

Authorizing the District Attorney to apply for LACPP grant funds supports the County's Strategic Plan Goal No. 4, Fiscal Responsibility, by obtaining an available revenue source at the State level.

FISCAL IMPACT/FINANCING

The CDI is accepting grant applications for a two year grant cycle beginning July 1, 2006 through June 30, 2008. Should the District Attorney receive a grant award, it is estimated that program costs would be fully offset.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The funds for the LACPP are generated by a $1 fee assessed on all new individual life and annuity products sold to California residents beginning January 1, 2005. The fee is assessed on policies with a value of $15, 000 or more. The assessment for the first year totaled approximately one million dollars. The CDI expects the 2006 assessment to generate approximately the same amount of funds. The LACPP allows 50% of the funds to be distributed to district attorneys, which means the total distribution amount for the first year of the grant funding cycle will be approximately $500,000 statewide.

Under the direction of the Insurance Commissioner, the CDI administers the LACPP, and distribution of funds to district attorneys for the investigation and prosecution of life insurance and annuity financial abuse by insurance licensees or persons holding themselves out to be insurance licensees, or any person purporting to be engaged in the business of insurance.

The Resolution has been approved as to form by County Counsel.

IMPACT ON CURRENT SERVICES

If the District Attorney's Office is awarded grant funding, it will not propose any attorney staff augmentation. Therefore, the District Attorney's Office will not be subject to your Board Motion of December 15, 1998, requiring clearance with the Alternate Public Defender, Probation, Public Defender, and Sheriff's Department.

CONCLUSION

Following Board approval, the Executive Officer-Clerk of the Board is requested to have one copy of the adopted Board letter and two (2) copies of the executed Resolution, containing original signatures, available for pick up. Please call Ms. Rowena Solorzano of the Contracts and Grants Unit at (213) 202-7668 or Ms. Mozzell Brown at (213) 202- 7612 as soon as the copies are available.

Very truly yours,

STEVE COOLEY
District Attorney

mmb

Enclosures

c: Chief Administrative Officer
County Counsel

BOARD OF SUPERVISORS

COUNTY OF LOS ANGELES

RESOLUTION

Authorizing the District Attorney to submit a Life and Annuity Consumer Protection Program grant application to the California Department of Insurance.

WHEREAS, the County of Los Angeles Board of Supervisors desires to undertake a certain program designated Life and Annuity Consumer Protection Program to be funded in part from funds made available through Life and Annuity Consumer Protection Program – Section 10127.17 CIC and administered by the California Department of Insurance.

NOW, THEREFORE, BE IT RESOLVED, that the District Attorney of the County of Los Angeles is authorized, on its behalf to submit an application to the California Department of Insurance and is authorized to execute on behalf of the Board of Supervisors the Grant Award Agreement including any extensions or amendments thereof.

BE IT FURTHER RESOLVED that the grant funds received hereunder shall not be used to supplant expenditures previously authorized or controlled by this body.

I hereby certify that the foregoing is a true copy of the resolution adopted by the Board of Supervisors of the County of Los Angeles in a meeting thereof held on the _____ day of _____, 2006 by the following:

Vote

Ayes:

Noes:

Absent:

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IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the Board of Supervisors of the County of Los Angeles this _____ day of _____, 2006.

County of Los Angeles

By_____
Mayor, Board of Supervisors

VIOLET VARONA-LUKENS,
Executive Officer-Clerk of the
Board of Supervisors of the
County of Los Angeles

By_____
Deputy

APPROVED AS TO FORM
BY COUNTY COUNSEL:

RAYMOND G. FORTNER, JR.

By_____