



WORKERS' COMPENSATION BASICS

WORKERS COMPENSATION

Employer Education Series

Our Presenters

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State Compensation Insurance Fund

- Founded in 1914
- Not-for-profit, public enterprise fund
- Covering more than 100,000 employers
- Committed to providing workers' compensation insurance to all California businesses

Together, we'll keep California working

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What is Workers Compensation?

State-mandated insurance that provides **medical benefits** and **wage replacement** for employees who have job-related injuries or illnesses



It's The Law

California Labor Code § 3700

All California employers must provide workers' compensation benefits to their employees under California Labor Code Section 3700.

If a business employs one or more employees, then it must satisfy the requirement of the law.



Who Is Covered?



California Labor Code § 3351

California law defines "employee" as "every person in the service of an employer under any appointment or contract of hire or apprenticeship, express or implied, oral or written, whether lawfully or unlawfully employed".



Who is Covered?



- ✓ Undocumented workers and minors
- ✓ All elected and appointed paid public officers.
- ✓ All officers and members of boards of directors while rendering actual service for the corporations for pay. **An officer or member of a board of directors may elect to be excluded from coverage.**
- ✓ All working members of a partnership or limited liability company receiving wages irrespective of profits from the partnership or limited liability company. **A general partner of a partnership or a managing member of a limited liability company may elect to be excluded from coverage.**

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Assembly Bills 5 & 2257

- Changed the test on whether a worker is an employee or independent contractor
- Effective for Worker's Compensation purposes on July 1, 2020


[Employment Status Resource Center on StateFundCA.com](http://StateFundCA.com)



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Notifying Your Employees



Post the "Notice to Employees" poster

- Who is your Workers' Compensation Insurance carrier
- Where do I go to get medical treatment for my for work injury
- **It's Mandatory!**

dir.ca.gov (poster DWC7)




Provide new hires with the **New Employee's Guide to Workers' Compensation and Employee's Guide to State Fund's MPN pamphlets**

- It explains their rights and responsibilities

StateFundCA.com (pamphlet e13286)

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When a Work Injury Occurs

Get medical attention for your injured employee immediately

- Call 911 (if needed)
- Provide first aid (if trained staff is available)
- Take or send the injured employee to a **State Fund Medical Provider Network (MPN) facility** if he or she has not predesignated a physician
- Employees who have predesignated can be sent to their personal physician



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State Fund Medical Providers



Medical Access Assistant:
888-782-8338

Search for a medical provider on StateFundCA.com or call/email our Medical Access Assistant to locate an available MPN physician or schedule a medical appointment.

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Report A Claim





- ✓ Give employee **Workers' Compensation Claim Form-DWC 1** **within one working day of knowledge of injury**
- ✓ Give employee a copy of the **Employee's Guide to the State Fund Medical Provider Network** brochure at time of injury
- ✓ File the **Workers' Compensation Claim Form- DWC 1** **within one working day of receipt of this form from the employee**
- ✓ File the **Employer's Report of Occupational Injury or Illness - Form 3067** **within 5 days of knowledge of an injury**

All required claim documents are available on StateFundCA.com

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Report a Claim to State Fund

Call our toll-free Customer Service Center at (888) 782-8338
An expert claims representative will assist you with reporting an injury and locating a Medical Provider Network doctor.

OR Log on to State Fund Online at StateFundCA.com and report the claim electronically


OR Fax completed claims forms to (800) 371-5905

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Timely Claims Reporting

California law requires employers to report within **5 days of knowledge**

For serious injury, illness or death, employer must **report immediately (no longer than 8 hours after the incident)** to the local Cal/OSHA office.



- ✓ Early reporting reduces the probability of forgetting details relating to the accident
- ✓ A delay in reporting can raise claims costs
- ✓ First aid claims need to be reported
- ✓ **Work closely with the claims adjuster and provide any requested documents timely**

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Reporting of First Aid Claims

Effective January 1, 2017, California insurance commissioner approved changes to **require the reporting of all medical-only or "first aid" claims.**

Effective January 1, 2019, California's Workers' Compensation Insurance Rating Bureau (WCIRB) developed a new experience mod formula which **excludes the first \$250** of each claim from the calculation.



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COVID-19 Claims Excluded



Claims directly arising from a diagnosis of COVID-19 with an accident date on or after December 1, 2019 to be excluded from the experience rating calculations of individual employers.

If an employee receives a positive test or diagnosis for COVID-19 and the exposure may have occurred while at work, please **report it right away**.

Our Claims Response to COVID-19

- Dedicated team to handle all COVID-19 claims
- Work closely with our Medical Provider Network (MPN) to ensure timely testing and quality care
- Close collaboration with our legal department to ensure timely investigations and decisions



Workers' Compensation Benefits

- Medical Benefits
- Temporary Disability
- Permanent Disability
- Supplemental Job Displacement Benefit
- Death Benefits

Need a Quote or a Renewal?

Information Needed To Quote

- ✓ Legal name/DBA of the business and FEIN#
- ✓ Address/location(s)
- ✓ Ownership
- ✓ Description of operations
- ✓ Class codes
- ✓ License
- ✓ Employee count
- ✓ Total payroll
- ✓ Loss History/Loss Runs



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How Is Your Premium Calculated?



Workers' comp insurance **premiums** are calculated according to employees **classifications** (the specific type of work they perform) and the **rate** assigned to each employee classification.

Base Rate per class code / per \$100 of payroll x estimated annual payroll = Base Premium

Example:
 $\$7.52 / \$100 \times \$100,000 = \$7,520$

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What Is an Experience Modification?

An **experience modification** compares the loss or claims history of one company to all other companies in the same industry.

- It is a **factor applied to your premium**
- For those businesses that qualify, **experience rating is mandatory**
- As of September 1, 2021, the qualifying threshold was \$9,500
- As of September 1, 2022, the qualifying threshold is \$9,200



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What Is a Premium Audit?

At the end of your policy period a premium audit is conducted to ensure that you are charged the correct amount of premium for the policy term.

Premium audits also update any details that may affect coverage and rates.



How Are Premium Audits Conducted?



Telephone Audit

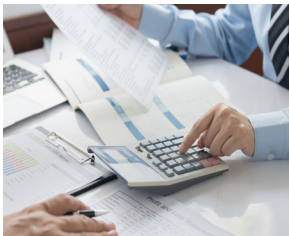
You will receive a letter outlining what you need to submit to complete the audit. Audit documentation can be submitted via mail, fax, email, or online portal.



On Site Physical Audit

You will be contacted by one of our Field Auditors to schedule an appointment to visit your business or your accountant's office to conduct the audit.

What Is Required for an Audit?



Required records include all your payroll bookkeeping records

- Tax returns and forms
- Payroll journals
- Original time cards
- Cash disbursements
- Cash payments

Other records may be required

What Is Considered Payroll?

- Gross wages/salaries
- Commissions and bonuses
- Sick, vacation and holiday pay
- Overtime payments
- Market value of gifts
- Housing (when provided in lieu of wages)
- Employee contributions to pension or retirement plans
- Any substitute for money



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State Fund Safety Services

- **Onsite Loss Prevention Services**
Onsite assistance to analyze the hazards and safety needs of your company.
- **Ergonomics**
Identify and mitigate ergonomic risk factors
- **Industrial Hygiene**
Analyze environmental factors and stresses in the workplace



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Free Safety and Health Resources



Accessing our safety resources is easy!

SAFETY 101 INDUSTRY TOPICS SAFETY UNIVERSITY SHIP BUILDING SKIN CARE RESOURCE LIBRARY NEWS SAFETY MEETINGS

INFO The deadline to file your 300 Log for 2022 with OSHA is March 2, 2023. Also, don't forget to post your 300A (Summary of Work-related Injuries and Illnesses) at your workplace between now and April 30.
[READ MORE HERE](#)

Cal/OSHA COVID-19 Regulation Updates
New COVID-19 regulations are now in place and will remain in effect through 2025. Learn about the changes and how they impact your business.
[READ MORE](#)

- Go to SafeAtWorkCA.com
- Explore our [Safety Resource Center](#)
- "Ask the Expert"
- Contact our [Safety Support Unit](mailto:SafetySupport@scif.com) at SafetySupport@scif.com

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State Fund IIPP BuilderSM



Free to All California Employers
Online tool to help you create a safety program tailored to your business

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State Fund Online Safety UniversitySM



Free Safety Training for State Fund Policyholders

- Easy-to-use learning management dashboard
- Assign training to your employees and track completion
- Access training 24/7 via desktop and laptop.

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COVID-19 Resources for Employers



Safe At Work California

COVID-19 Resources

SafeAtWorkCA.com/coronavirus

- Cal/OSHA COVID-19 Regulations Update
- Build Your COVID-19 Prevention Program
- Control Measures for COVID-19

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Thank you for making State Fund your carrier of choice

Visit us at StateFundCA.com

Customer Support Center:
(888) 782-8338

For safety resources visit
SafeAtWorkCA.com

Safety Support Unit:
(800) 675-2667



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