

## NOTICE OF CALIFORNIA LOCATION REQUIREMENT – OUT-OF-STATE

This notice is to inform you of State Compensation Insurance Fund’s (State Fund) requirement for a verifiable California location.

Per ongoing Rate Filings beginning in 2011, State Fund will underwrite a PEO or staffing agency if there is a verifiable California location where the agency itself conducts business.

A verifiable California location must be a physical California office where the PEO or staffing agency conducts day-to-day business operations with normal and predictable business hours. The California location is where payroll and audit records must be kept and is where a physical audit will be conducted by a State Fund Premium Auditor. The PEO or staffing agency must have at least one administrative employee working from this location.

Please note that a virtual office where executive suites are offered on an “as needed basis only” does not meet the requirement. The PEO or staffing agency must have an office suite solely designated for staffing agency use.

State Fund will offer a 60-day expiring policy (XP) upon verification of a physical location. A Policy Review Visit (PRV) will be conducted 2 weeks after the policy is bound to confirm that the requirements have been met. If it is determined that the PEO’s or staffing agency’s location does not meet State Fund’s requirements for a verifiable California location, the PEO’s or staffing agency’s policy will not be extended.

\*Due to the COVID-19 pandemic and California’s statewide shelter-in-place order, State Fund will require **all out-of-state agencies** to provide a written statement on company letterhead, signed and dated by an owner/principal of the company, confirming that the out-of-state agency intends to hire an administrative employee to work at the out-of-state agency’s California location or employee’s residence until California’s statewide shelter-in-place order is lifted. The written statement must also state that the out-of-state agency plans to maintain its California location with at least one administrative employee as well as normal and predictable business hours when California’s statewide shelter-in-place order is lifted.

**I understand and agree to comply with the above conditions.**

\_\_\_\_\_  
Employer’s Signature

\_\_\_\_\_  
Print Name & Title

\_\_\_\_\_  
Date