

WCIRB Bulletin

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Summary of 2014 California Legislation – Bills Signed by the Governor

The California Legislature recessed for the year on August 31, 2014 and the Governor had until September 30, 2014 to sign or veto any bill passed by the Legislature. Following is a summary of the workers' compensation bills that were signed by the Governor that may be of interest.

Assembly Bill No. 1035

Under existing law, proceedings to obtain death benefits for firefighters and peace officers must be commenced within one year of the date of death but no more than 240 weeks from the date of injury. This bill, until January 1, 2019, extends the time period to commence proceedings to collect death benefits from 240 weeks from the date of injury to no later than 420 weeks from the date of injury, not to exceed one year after the date of death, if the proceedings are brought by, or on behalf of, a person who was a dependent on the date of death. This provision applies only to specified injuries causing death, including cancer, tuberculosis, or a blood-borne infectious disease or methicillin-resistant *Staphylococcus aureus* (MRSA) skin infection. It also applies only to specified peace officers and active firefighters.

Assembly Bill No. 1746

Current law provides for expedited hearings for workers' compensation cases in which the employee is represented by an attorney and the issues in dispute are employment related or whether the injury arose out of the employment (AOE) or in the course of employment (COE). This bill provides that an expedited conference may also be scheduled if the employee is employed by an illegally uninsured employer.

Assembly Bill No. 1897

This bill requires a client employer to share with a labor contractor all civil legal responsibility and civil liability for the payment of wages and the failure to obtain workers' compensation coverage for all workers supplied by that labor contractor to the client employer. The bill also prohibits the client employer from shifting to the labor contractor legal duties or responsibilities under workplace safety provisions with respect to the workers supplied by the labor contractor.

The bill defines a client employer as a business entity that obtains or is provided workers to perform labor within its usual course of business from a labor contractor. It excludes from the definition of a client employer (1) a business with less than 25 employees, (2) a business with five or fewer workers supplied by labor contractors to the client employer at any given time, and (3) the state or any political subdivisions of the state. A labor contractor is defined as an individual or entity that supplies, either with or without a contract, a client employer with workers to perform labor within the client employer's usual course of business. The bill exempts from the definition of a labor contractor specified nonprofits, labor organizations or hiring halls, motion picture payroll services and "a third party who is a party to an employee leasing arrangement as defined by Rule 4 of Section V of the California Workers' Compensation Experience Rating Plan – 1995 (Section 2353.1 of Title 10 of the California Code of

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Regulations), as it read on January 1, 2014, except those arrangements described in subrule d of Rule 4 of Section V, if the employee leasing arrangement contractually obligates the client employer to assume all civil legal responsibility and civil liability under this act.” The bill also requires the labor contractor and the client employer to provide to a state agency verification that they have met all state laws. In addition, the bill authorizes the Labor Commissioner, the Division of Occupational Safety and Health, and the Employment Development Department to draft regulations to implement this statute.

The WCIRB is still evaluating the impact of this bill and will be providing additional information regarding this bill in a subsequent Bulletin.

Assembly Bill No. 2230

This bill provides that the premium charged by the California Insurance Guarantee Association (CIGA) to all insurers admitted to transact insurance in the state for each category of insurance is 2% of the net direct written premium, unless there are outstanding bonds for a specific category of insurance in which case the assessment would not exceed 1% of the net direct written premium for any category of insurance for which the bond proceeds are being used to pay claims and expenses. The bill prohibits, once all the bonds currently issued to fund CIGA as a result of the insolvency of workers' compensation insurers are redeemed, further initial special bond assessments being levied or made. The bill requires that any premium adjustments applicable to the special bond assessments continue to be made and determined, and that any credits or charges that result from the premium adjustments be credited or charged to the workers' compensation assessments that the insurers are otherwise required to pay CIGA.

Assembly Bill No. 2732

This bill increases the length of the form sent to the injured worker to request Independent Medical Review when a utilization review decision denies, modifies or delays treatment. The bill specifies that reimbursement of a lien filing fee or a lien activation fee that is ordered if certain conditions are met is to be paid by the employer of the injured worker. The bill authorizes the assignment of a medical or hospital lien if the assignment was completed prior to January 1, 2013 or it was required by a contract that became enforceable and irrevocable prior to January 1, 2013. The bill adds to the list of authorized liens reasonable medical-legal expenses incurred by or on behalf of the employee. This bill also deletes references to vocational rehabilitation services.