

## STATE FUND LOCATIONS

### BAKERSFIELD

Policy (661) 664-4000  
Claims (661) 664-4000

### EUREKA

Policy (707) 443-9721  
Claims (707) 443-9721

### FRESNO

Policy (559) 433-2600  
Claims (559) 433-2700

### LOS ANGELES

Policy (877) 405-4545 toll-free  
Claims (818) 291-7000

### OAKLAND

Policy (510) 577-3000  
Claims (510) 577-3000

### OXNARD

Policy (805) 988-5200  
Claims (805) 988-5300

### REDDING

Policy (530) 223-7135  
Claims (530) 223-7000

### RIVERSIDE

Policy (951) 656-8300  
Claims (951) 656-8300

### SACRAMENTO

Policy (916) 924-5072  
Claims (916) 924-5100

### SAN BERNARDINO

Policy (909) 384-4560  
Claims (909) 384-4500

### SAN DIEGO

Policy (858) 552-7000  
Claims (858) 552-7100

### SAN FRANCISCO

Policy (415) 974-8100  
Claims (415) 974-8200

### SAN JOSE

Policy (408) 363-7600  
Claims (408) 363-7400

### SANTA ANA

Policy (714) 565-5995  
Claims (714) 565-5000

### SANTA ROSA

Policy (707) 573-6400  
Claims (707) 573-6500

### SOUTH ORANGE

Policy (714) 347-5445  
Claims (714) 347-5400

### STOCKTON

Policy (209) 476-2600  
Claims (209) 476-2600



## STATE CONTRACT SERVICES

COMMERCE .....	(323) 727-5600
OXNARD .....	(805) 988-8600
RIVERSIDE .....	(951) 697-7300
ROHNERT PARK .....	(707) 586-5000
SACRAMENTO .....	(916) 567-7500

## CUSTOMER SERVICE CENTER

### Policy Services

(877) 405-4545 toll-free  
(800) 268-3635 toll-free fax

### Certificates of Insurance

(866) 266-2071 toll-free fax

### 24-Hour Claims Reporting Center

(888) 222-3211 toll-free  
(800) 371-5905 toll-free fax

### Fraud Hot Line

(888) 786-7372 toll-free

**STATE**  
COMPENSATION  
INSURANCE  
**FUND**

# facts for the CALIFORNIA employer

*Important information you need  
to know about workers' compensation.*



insurance  
claim  
accidents  
risk  
classified  
Payroll  
return to work  
statewide  
premium



## The fact is...

Accidents happen, and they can happen at work. Workers' compensation insurance protects you, the employer, against losses due to work-related accidents and illnesses. In addition, this insurance provides the injured employee with benefits to compensate for lost wages or decreased ability to work. The California workers' compensation system is a no-fault system, which means an injured worker is entitled to benefits without regard to negligence or fault.

### What is workers' compensation insurance?

Workers' compensation provides benefits to employees who are injured or become ill during the course of or due to employment. In California every employer is required to carry insurance to cover the cost of occupational injuries and illnesses. This insurance requirement is mandatory even if you have only one part-time employee. Companies based out of state with employees hired in California must also have California workers' compensation insurance.

### Is workers' compensation the same as State Disability Insurance?

No. Workers' compensation is only for injuries or illnesses that occur due to employment. State Disability Insurance (SDI) is for injuries or illnesses that are not work-related, and it is a benefit that the Employment Development Department provides.

### How is the workers' compensation premium calculated?

Before 1995 the Workers' Compensation Insurance Rating Bureau (WCIRB) established the rates applied to your premium. Since January 1, 1995, all insurance carriers have been responsible for establishing their own rates. This system of determining rates is called the competitive rating system.

Under competitive rating, State Fund's pricing is based on the classifications, the size of payroll, and the individual risk characteristics of each business. We multiply these base rates for each class code by the employer's payroll. "Understanding Your Quote for Insurance" (form 10502) is available upon request from any State Fund office. The form explains in more detail how we calculate your insurance premium.

### Does my company's accident record affect my premium?

Yes. Your ability to control workplace accidents can affect your insurance premium. If your safety record is better than the average for your industry, your premium could decrease by a percentage. A worse-than-average loss history could result in an increase in premium. This calculation is called experience modification (ex-mod). If your payroll generates a minimum level set by the Workers' Compensation Insurance Rating Bureau (WCIRB), the WCIRB will automatically begin calculation of an ex-mod for your business.

Employers with a poor loss record or unsafe working conditions may also pay more than basic rates, due to a surcharge applied to their premium.

When you apply for insurance with State Fund, we may perform a risk evaluation of your operations to ensure a fair price representation. Additionally, after you become a State Fund insured, we can inspect your workplace at any time to observe conditions.

### How is having a Return to Work program beneficial for my business?

Most studies indicate that injured employees recover faster when they return to work sooner. The evidence supporting Return to Work (RTW) programs is so compelling that workers' compensation law now includes RTW provisions that allow for monetary reimbursements and/or reduced costs when an eligible employer makes workplace modifications to accommodate the employee's return to modified or alternative work.

Reimbursements to qualified employers may be payable to the employer from the state Division of Workers' Compensation, and can be up to \$1,250 or \$2,500 for workplace modifications, depending on whether the employee is temporarily disabled or permanently disabled.

An RTW program can also achieve cost savings by reducing or eliminating temporary disability (TD) payments, reducing permanent disability (PD) payments by 15 percent (for qualifying employers), and reducing or preventing the Supplemental Job Displacement Benefit (SJDB) voucher for retraining.

## What if my employee is a victim of a crime in the workplace?

Under Labor Code §3553, in the event that an employee is a victim of a crime in the workplace, you must notify your employee of his or her eligibility for workers' compensation for injuries, including psychiatric injuries, that may have resulted from a workplace crime.

You are required by workers' compensation law to provide the notice, either personally or by first-class mail, within one (1) working day of the crime, or within one (1) working day of the date you reasonably should have known of the crime.

## What are workers' compensation benefits and rights?

**Medical care.** Within one day after an employee files a claim form, the law requires the employer to authorize medical treatment as required and limited by the law, until the claim is accepted or rejected, up to a limit of \$10,000 in total. All medical treatment is provided in accordance with the medical treatment utilization schedule.

If State Fund accepts the employee's claim, State Fund will pay all approved medical care that is reasonable, necessary, and supported by evidence-based treatment guidelines. This care may include doctors, hospital services, physical therapy, lab tests, x-rays, medicines, and related reasonable transportation expenses. For injuries on or after January 1, 2004, there are limits on the number of chiropractic, occupational therapy, and physical therapy visits.

State Fund pays for all authorized treatment, so the employee should not receive any bills. The law states that the employee is not responsible for copayments or balance-due bills after we have paid the provider.

**Predesignation of physician.** The employee can predesignate a personal physician. However, effective April 19, 2004, there are new requirements and thresholds for predesignation. State Fund advises employers to provide all new and existing employees with the *New Employee's Guide to Workers' Compensation* brochure (form 15765), which contains the new provisions of the law and includes the new predesignation form.

**Temporary Disability.** The employee receives this payment every two weeks to replace a portion of the wages lost while recovering from the injury. Payments begin after the third calendar day the employee is unable to work. The amount is two-thirds of the employee's weekly earnings, within a minimum and maximum benefit amount, as determined by current law.

**Permanent Disability.** This benefit is money that compensates an employee for any permanent disability suffered as a result of the injury. The amount of

compensation is based upon a formula that takes the factors of the permanent impairment reported by the examining physician(s), as well as the employee's age, occupation, and diminished future earning capacity.

**Vocational rehabilitation and SJDB.** For injuries occurring before January 1, 2004, if the employee is unable to return to his or her job due to a workers' compensation injury, he or she may qualify for vocational rehabilitation benefits. The rehabilitation plan may be as simple as a modification of the current job to accommodate any limitations suffered, or it may involve training for a new job. Our vocational rehabilitation counselors will help the employee obtain any needed services.

For injuries on or after January 1, 2004, if the injury results in permanent disability, and the employee is unable to return to work within 60 days after the last payment of temporary disability, or you do not offer modified or alternative work within 30 days of the end of temporary disability, a non-transferable voucher for education-related costs is payable to a state-approved school. The voucher can range up to \$10,000, depending on the level of permanent disability. This benefit is called a Supplemental Job Displacement Benefit (SJDB). The following table shows the different ranges.

Supplemental Job Displacement Benefits (SJDB)	
Permanent Disability Level	SJDB Voucher Amount
Less than 15%	Up to \$4,000
15% to 25%	Up to \$6,000
26% to 49%	Up to \$8,000
50% to 99%	Up to \$10,000

**Death benefit.** If the injury causes death, a benefit is payable to qualified surviving dependents. In addition, burial expenses are covered up to a maximum limit. Note: Death benefits will be paid until the youngest minor child reaches age 18 and will continue even if the aggregate total exceeds the statutory maximum amount. This coverage applies only to injuries on or after January 1, 1990. For injuries on or after January 1, 2003, benefits will be paid to a dependent child for life when physically or mentally incapacitated from earning. Effective January 1, 2004, if no dependents exist, \$250,000 will be paid to the employee's estate.

## What is State Compensation Insurance Fund?

The California Legislature established State Fund in 1914 for two reasons:

- to provide employers with an available market for workers' compensation insurance at the lowest possible cost; and
- to make certain that injured workers receive prompt and complete care for a work-related injury or illness.

Though it was established by the Legislature, State Fund has never been tax-supported. State Fund operates competitively with other insurance carriers while acting as a yardstick for the maintenance of fair premium rates for employers and the fair treatment of injured employees. State Fund offers a high level of service to its policyholders and their injured workers. Our complete professional staff consists of servicing underwriters, claims adjusters, safety specialists, auditors, attorneys, Return to Work consultants, and vocational rehabilitation counselors.

### I want to report a claim as quickly as I can. Is there a service available to allow me to report a claim immediately?

Our policyholders may report an injury immediately through our Claims Reporting Center, which is available 24 hours a day, 7 days a week. To report an injury using this service, simply call us toll-free at (888) 222-3211. We encourage our policyholders to use this service to expedite completion of the Employer's Report of Occupational Injury or Illness (form 3067) directly over the phone, thus avoiding additional paperwork.

### What is first aid?

First aid is defined in Labor Code §5401 as "any one-time treatment, and any follow-up visit for the purpose of observation of minor scratches, cuts, burns and splinters, or other minor industrial injury, which do not ordinarily require medical care." This section further provides "this one-time treatment, and follow-up visit for the purpose of observation, is considered first aid even though provided by a physician or registered professional personnel."

If the employee needs additional care or there is lost time from work beyond the employee's work shift, the injury is no longer considered first aid and an

employee claim form (form 3301/DWC 1) must be provided to the employee and an Employer's Report of Injury (form 3067) is to be completed.

All industrial injuries, including "first-aid" injuries, require the filing of a Doctor's First Report of Occupational Injury or Illness (form 5021). Workers' compensation law mandates that all physicians must complete and submit the Doctor's First Report to the employer's claims administrator within 5 days.

Upon receipt of the Doctor's First Report, State Fund will send a copy to the California Department of Industrial Relations. At that point State Fund will determine whether the injury/illness meets the Labor Code definition of first aid. If it does, the Doctor's First Report will be sent to the employer along with any related medical bills. If an employer does not want to handle payment of first-aid injuries, State Fund will draw up a claim and pay the approved bills.

If you have any questions, please contact your State Fund claims representative.

### How can I obtain a policy with State Fund?

We need to know how many employees you have, their estimated annual payroll, and what kind of work they do. You can complete and return the questionnaire by mail or take it to the State Fund office nearest you. Once we have reviewed the information and assessed your operations, we can process your application. In some cases, we can write your policy while you wait at our office. You may also obtain coverage through your insurance broker.

### Can I get a quote over the phone?

Determining the correct job classifications and rates for premium calculation is not as simple as it may sound. Jobs that appear to be similar may be considered different for classification purposes. State Fund reviews your operations carefully to make sure that your charges are the correct rates. For this reason, we cannot give estimates over the phone.

### Need more information?

You can contact your broker or the State Fund location nearest you for more information about our services. Locations and phone numbers are listed on the back of this brochure.