

5 Reasons Why the California State Fund is Now a Work Comp Market of Choice



WORKERS' COMPENSATION

The California State Fund has made key changes for 2020, which should cause you to consider them as a key Workers' Compensation market, rather than one of "last resort".

- 1. Deposit requirements have been eliminated for most policyholders.** This will reduce the out of pocket cost associated with binding and maintaining State Fund coverage by **10% – 30%** for most policyholders with coverage effective dates of January 1, 2020 and after.
- 2. Returning money to policyholders:** State Fund has approved a \$105 million dividend to be paid out to qualifying policyholders in the second half of 2020. Insurers are prohibited by law from promising future dividend pay-outs, but State Fund has announced their Board of Directors are scheduled to consider a future dividend pay-out in February 2020.
- 3. Improvements in Claim service:** State Fund has successfully launched initiatives in specialized claims processing, opioid reduction and Utilization Review that have help drive down the cost of claims. State Fund has also introduced Telehealth Services which allows injured workers to speak to a physician any time of the day or night through an internet connected device.
- 4. Safety Resources and Tools:** Policyholders with State Fund have access to a wealth of resources and tools designed to help employers provide a safe work environment for their employees. Policyholders can participate in State Fund's free safety seminars offered throughout the year or take advantage of many online resources. Online resources include Ask the Expert, Safety Resource Library and guidance on creating an effective Injury and Illness Prevention Program (IIPP).
- 5. Decreased rates.** State Fund's January 1, 2020 rate filing featured an **overall 10% decrease** in collectable premium. In that filing, State Fund identified 65 target classifications and further reduced the base rates of those target classes by an average of 38.5%. You can find the complete list of these classifications and their reduced rates [here](#).

SUBMISSION REQUIREMENTS:

- [ACORD 130](#)
- [Supplemental Application](#)
- Accurate payroll estimates per location
- Detailed description of operations
- Prior 4 years payroll and premium totals
- 4 years of loss runs (valued within 90 days of requested effective date)
- Complete ownership (officer name, title, stock percentage if applicable)
- Licensing information (CSLB, DMV/MCP, PUC, FLC, ICC)