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**INSURANCE CODE - INS**

**DIVISION 2. CLASSES OF INSURANCE [1880 - 12880.8]** ( *Division 2 enacted by Stats. 1935, Ch. 145.*  )

**PART 3. LIABILITY, WORKERS' COMPENSATION, AND COMMON CARRIER LIABILITY INSURANCE [11550 - 11895]** ( *Heading of Part 3 amended by Stats. 1979, Ch. 373.*  )

**CHAPTER 4. The State Compensation Insurance Fund [11770 - 11886.2]** ( *Chapter 4 enacted by Stats. 1935, Ch. 145.*  )

**ARTICLE 2. Rates [11820 - 11822]** ( *Article 2 enacted by Stats. 1935, Ch. 145.*  )

**11820.** Subject to the provisions of Article 2 (commencing with Section 11730) of Chapter 3, the board of directors shall establish the rates to be charged by the State Compensation Insurance Fund for insurance issued by it. These rates shall be fixed with due regard to the physical hazards of each industry, occupation, or employment.

(*Amended by Stats. 2002, Ch. 6, Sec. 14. Effective January 1, 2003.*)

**11821.** Within each class of business insured such rates shall be fixed, so far as practicable, in accordance with the following elements:

- (a) Bodily risk or safety, or other hazard of the plant, premises or work of each insured employer.
- (b) The manner in which the work is conducted.
- (c) A reasonable regard for the accident experience and history of each such insured.
- (d) A reasonable regard for the insured's means and methods of caring for injured persons.

Such rates shall take no account of the extent to which the employees in any particular establishment have or have not persons dependent upon them for support.

(*Enacted by Stats. 1935, Ch. 145.*)

**11822.** The rates fixed by the board of directors shall be that percentage of the payroll of any employer which, in the long run and on the average, will produce a sufficient sum, when invested in a way as to realize the maximum return consistent with safe and prudent management practices:

- (a) To carry all claims to maturity. The rates shall be based upon the "reserve" and not upon the "assessment" plan.
- (b) To meet the reasonable expenses of conducting the business of the fund.
- (c) To produce a reasonable surplus to cover the catastrophe hazard.

(*Amended by Stats. 2002, Ch. 6, Sec. 15. Effective January 1, 2003.*)