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**Bill Information** 

California Law

**Publications** 

Other Resources

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SB-1064 Structural pest control: workers' compensation insurance coverage. (2021-2022)



Date Published: 08/27/2022 04:00 AM

## Senate Bill No. 1064

## CHAPTER 190

An act to add Section 8693 to the Business and Professions Code, relating to structural pest control.

[ Approved by Governor August 26, 2022. Filed with Secretary of State August 26, 2022. ]

## LEGISLATIVE COUNSEL'S DIGEST

SB 1064, Newman. Structural pest control: workers' compensation insurance coverage.

Existing law establishes the Structural Pest Control Board, within the Department of Consumer Affairs, and requires the board to license and regulate structural pest control operators, as specified. Existing law makes a violation of provisions regulating structural pest control operators a misdemeanor.

Existing law, the Contractors' State License Law, provides for the licensing and regulation of contractors by the Contractors State License Board within the Department of Consumer Affairs. Existing law requires every licensed contractor, or applicant for licensure, to have on file at all times with the Contractors State License Board a current and valid Certificate of Workers' Compensation Insurance or Certification of Self-Insurance, or a statement certifying that they have no employees and are not required to obtain or maintain workers' compensation insurance, and specifies various rules that apply to certain license classifications. Existing law requires the insurer, including the State Compensation Insurance Fund, to report to the registrar of contractors the name, license number, policy number, dates that coverage is scheduled to commence and lapse, and cancellation date if the policy is canceled for specified reasons. Existing law provides that willful or deliberate disregard and violation of workers' compensation insurance laws constitutes a cause for disciplinary action.

This bill would, similar to the provision governing contractors, prohibit the Structural Pest Control Board from issuing, reinstating, or continuing to maintain any structural pest control operator company registration unless the applicant or existing company has filed a current and valid Certificate of Workers' Compensation Insurance as evidence of current and valid Workers' Compensation Insurance coverage, or a statement certifying that they have no employees and are not required to obtain or maintain workers' compensation insurance. The bill would also require the insurer, including the State Compensation Insurance Fund, to report to the registrar of the Structural Pest Control Board the company name, registration number, policy number, dates that coverage is scheduled to commence and lapse, and cancellation date if the policy is canceled for specified reasons. The bill would provide that willful or deliberate disregard and violation of workers' compensation insurance laws constitutes a cause for disciplinary action, and that a violation of these provisions is not a misdemeanor, as specified.

Vote: majority Appropriation: no Fiscal Committee: yes Local Program: no

## THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

**SECTION 1.** Section 8693 is added to the Business and Professions Code, to read:

- **8693.** (a) The board shall not issue, reinstate, or continue to maintain any company registration under this chapter unless the applicant or existing company has filed a current and valid Certificate of Workers' Compensation Insurance as evidence of current and valid Workers' Compensation Insurance coverage. A Certificate of Workers' Compensation Insurance shall be issued and filed, electronically or otherwise, by an insurer duly licensed to write workers' compensation insurance in this state. If reciprocity conditions exist, as provided in Section 3600.5 of the Labor Code, the registrar shall require the information deemed necessary to ensure compliance with this section.
- (b) This section does not apply to a registered company that has no employees provided that a statement is filed with the board on a form prescribed by the registrar prior to the issuance, reinstatement, or continued maintenance of a company registration, certifying that the registered company does not employ any person in any manner so as to become subject to the workers' compensation laws of California or is not otherwise required to provide for workers' compensation insurance coverage under California law.
- (c) (1) The insurer, including the State Compensation Insurance Fund, shall report to the registrar the following information for any policy required under this section: company name, registration number, policy number, dates that coverage is scheduled to commence and lapse, and cancellation date if applicable.
  - (2) A workers' compensation insurer shall also report to the registrar a registered company whose workers' compensation insurance policy is canceled by the insurer if all of the following conditions are met:
    - (A) The insurer has completed a premium audit or investigation.
    - (B) A material misrepresentation has been made by the insured that results in financial harm to the insurer.
    - (C) No reimbursement has been paid by the insured to the insurer.
- (d) (1) Willful or deliberate disregard and violation of workers' compensation insurance laws constitutes a cause for disciplinary action by the registrar against the registered company and the qualifying manager or managers.
  - (2) The provisions of Section 8553 shall not apply to any violation of this section.