

State Compensation Insurance Fund

BUDGET NO. 8420

REPORT NO. 1

LABOR CODE- LAB

DIVISION 4. WORKERS' COMPENSATION AND INSURANCE [3200. - 6002.]

(Heading of Division 4 amended by Stats. 1979, Ch. 373.)

PART 1. SCOPE AND OPERATION [3200. - 4418.]

(Part 1 enacted by Stats. 1937, Ch. 90.)

CHAPTER 4. Compensation Insurance and Security [3700. - 3823.]

(Chapter 4 enacted by Stats. 1937, Ch. 90.)

ARTICLE 2. Uninsured Employers Fund [3710. - 3732.]

(Heading of Article 2 added by Stats. 1980, Ch. 852.)

3716.1.

(a) In any hearing, investigation, or proceeding, the Attorney General, or attorneys of the Department of Industrial Relations, shall represent the director and the state. Expenses incident to representation of the director and the state, before the appeals board and in civil court, by the Attorney General or Department of Industrial Relations attorneys, shall be reimbursed from the Workers' Compensation Administration Revolving Fund. Expenses incident to representation by the Attorney General or attorneys of the Department of Industrial Relations incurred in attempts to recover moneys pursuant to Section 3717 of the Labor Code shall not exceed the total amounts recovered by the director on behalf of the Uninsured Employers Benefits Trust Fund pursuant to this chapter.

(b) The director shall assign investigative and claims' adjustment services respecting matters concerning uninsured employers injury cases. The director or his or her representative may make these service assignments within the department, or he or she may contract for these services with the State Compensation Insurance Fund, except insofar as these matters might conflict with the interests of the State Compensation Insurance Fund. The administrative costs associated with these services shall be reimbursed from the Workers' Compensation Administration Revolving Fund and the nonadministrative costs from the Uninsured Employers Benefits Trust Fund, except when a budget impasse requires advances as described in subdivision (c) of Section 62.5. To the extent permitted by state law, the director may contract for audits or reports of services under this section.

(c) Commencing November 1, 2004, the State Compensation Insurance Fund and the director shall report annually to the fiscal committees of both houses of the Legislature and the Director of Finance, regarding any of the following:

- (1) The number of uninsured employers claims paid in the previous fiscal year, the total cost of those claims, and levels of reserves for incurred claims.
- (2) The administrative costs associated with claims payment activities.
- (3) Annual revenues to the Uninsured Employers Benefits Trust Fund from all of the following:
 - (A) Assessments collected pursuant to subdivision (c) of Section 62.5.
 - (B) Fines and penalties collected by the department.

(C) Revenues collected pursuant to Section 3717.

(4) Projected annual program and claims costs for the current and upcoming fiscal years.

(Amended by Stats. 2003, Ch. 228, Sec. 29. Effective August 11, 2003.)

Bill	Lead Authors	Subject	Latest Bill Version	Last History Action	Status	Fiscal Committee	Vote Required
AB-1756	Committee on Budget	State government.	Chaptered 08/11/2003	08/11/2003 - Chaptered by Secretary of State - Chapter 228, Statutes of 2003.	-		

COMMENTS/RECOMMENDATIONS:

SCIF no longer administers the claims payments identified in this report.

REPORT NO. 2

LABOR CODE

DIVISION 4. WORKERS' COMPENSATION AND INSURANCE [3200. - 6002.]

(Heading of Division 4 amended by Stats. 1979, Ch. 373.)

PART 2. COMPUTATION OF COMPENSATION [4451. - 4856.]

(Part 2 enacted by Stats. 1937, Ch. 90.)

CHAPTER 2. Compensation Schedules [4550. - 4856.]

(Chapter 2 enacted by Stats. 1937, Ch. 90.)

ARTICLE 5. Subsequent Injuries Payments [4751. - 4755.]

(Article 5 enacted by Stats. 1937, Ch. 90.)

4755.

(a) The State Compensation Insurance Fund may draw from the State Treasury out of the Subsequent Injuries Benefits Trust Fund for the purposes specified in Section 4751, without at the time presenting vouchers and itemized statements, a sum not to exceed in the aggregate fifty thousand dollars (\$50,000), to be used as a cash revolving fund. The revolving fund shall be deposited in any banks and under any conditions as the Department of Finance determines. The Controller shall draw his or her warrants in favor of the State Compensation Insurance Fund for the amounts so withdrawn and the Treasurer shall pay these warrants.

(b) Expenditures made from the revolving fund in payments on claims for any additional compensation and for adjusting services are exempted from the operation of Section 16003 of the Government Code. Reimbursement of the revolving fund for these expenditures shall be made upon presentation to the Controller of an abstract or statement of the expenditures. The abstract or statement shall be in any form as the Controller requires.

(c) The director shall assign claims adjustment services and legal representation services respecting matters concerning subsequent injuries. The director or his or her representative may make these service assignments within the department, or he or she may contract for these services with the State Compensation Insurance Fund, for a fee in addition to that authorized by Section 4754, except insofar as these matters might conflict with the interests of the State Compensation Insurance Fund. The administrative costs associated with these services shall be reimbursed from the Workers' Compensation Administration Revolving Fund, except when a budget impasse requires advances as provided in subdivision (d) of Section 62.5. To the extent permitted by state law, the director may contract for audits or reports of services under this section.

(d) Commencing November 1, 2004, the State Compensation Insurance Fund and the director shall report annually to the fiscal committees of both houses of the Legislature and the Director of Finance, regarding all of the following:

- (1) The number of subsequent injuries claims paid in the previous fiscal year, the total costs of those claims, and the levels of reserves on incurred claims.
- (2) The administrative costs associated with claims payment activities.
- (3) Annual revenues to the Subsequent Injuries Benefits Trust Fund from both of the following:
 - (A) Assessments collected pursuant to subdivision (d) of Section 62.5.
 - (B) Other revenues collected by the department.
- (4) Projected annual program and claims costs for the current and upcoming fiscal years.

(Amended by Stats. 2003, Ch. 228, Sec. 37. Effective August 11, 2003.)

Bill	Lead Authors	Subject	Latest Bill Version	Last History Action	Status	Fiscal Committee	Vote Required
AB-1343	Floyd	Workers' compensation: additional compensation for subsequent injury.	Enrolled 09/07/1999	01/03/2000 - Consideration of Governor's veto pending. Consideration of Governor's veto stricken from file.	-		
AB-1756	Committee on Budget	State government.	Chaptered 08/11/2003	08/11/2003 - Chaptered by Secretary of State - Chapter 228, Statutes of 2003.	-		

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