

**NOTICE TO ALL INSURERS ADMITTED TO WRITE OR WRITING WORKERS' COMPENSATION COVERAGES IN CALIFORNIA, AND ALL COOPERATIVE CORPORATIONS ORGANIZED PURSUANT TO THE COOPERATIVE CORPORATION LAW AS SET FORTH IN THE CORPORATIONS CODE, REGARDING CHANGES IN DEFINITIONS OF EMPLOYEE AND EXCLUSIONS TO THE DEFINITION OF EMPLOYEE (OFFICERS, MEMBERS OF BOARDS OF DIRECTORS, PARTNERS, MANAGING MEMBERS, REVOCABLE TRUSTS, OWNERS OF A PROFESSIONAL SERVICE CORPORATION, SOLE SHAREHOLDERS)**

This is a reminder that SB 189, which became effective beginning on January 1, 2018, made certain changes to the definition of employee, and exclusions from the definition of employee, as set forth in Labor Code sections 3351 and 3352. Certain provisions of SB 189 go into effect on July 1, 2018. For details, please refer to the following link:

[http://www.insurance.ca.gov/0250-insurers/0300-insurers/0200-bulletins/bulletin-notices-commiss-opinion/upload/SB\\_189\\_NOTICE\\_FAQS\\_AND\\_SAMPLE\\_WAIVERS.pdf](http://www.insurance.ca.gov/0250-insurers/0300-insurers/0200-bulletins/bulletin-notices-commiss-opinion/upload/SB_189_NOTICE_FAQS_AND_SAMPLE_WAIVERS.pdf).

**NOTICE TO COOPERATIVE CORPORATIONS REGARDING CHANGE TO DEFINITION OF "EMPLOYEE" UNDER LABOR CODE §3352(a)(19)**

Effective July 1, 2018, an officer or member of the board of directors of a cooperative corporation organized pursuant to the Cooperative Corporation Law as set forth in the Corporations Code may waive coverage by executing a document, in writing and under penalty of perjury, waiving his or her workers' compensation rights and stating that he or she is covered by a health care service plan or health insurance policy, and a disability insurance policy that is comparable in scope and coverage to a workers' compensation policy. The Insurance Commissioner shall determine whether a disability policy is comparable in scope and coverage to a workers' compensation policy.

The Department of Insurance has issued a legal opinion pursuant to California Insurance Code section 12921.9 regarding what coverages must be included in a disability policy for such policy to be comparable in scope and coverage to a California workers' compensation policy and sufficient to permit officers and directors of cooperative corporations to waive workers' compensation coverage pursuant to California Labor Code section 3352(a)(19). The letter is available on our website and at the following link:

[http://www.insurance.ca.gov/0250-insurers/0300-insurers/0200-bulletins/bulletin-notices-commiss-opinion/upload/GC\\_Letter\\_Opinion\\_SB\\_189.pdf](http://www.insurance.ca.gov/0250-insurers/0300-insurers/0200-bulletins/bulletin-notices-commiss-opinion/upload/GC_Letter_Opinion_SB_189.pdf).

You can contact us regarding questions pertaining to cooperative corporations by sending an email to [cooppolicyquestions@insurance.ca.gov](mailto:cooppolicyquestions@insurance.ca.gov). For questions regarding other workers' compensation insurance issues, you can contact us by sending an email to [workcompquestions@insurance.ca.gov](mailto:workcompquestions@insurance.ca.gov). Please be aware that we cannot provide legal advice concerning how this law will impact any particular individual or circumstance.