Industry Bulletin

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CSLB Shares Additional Details Regarding Workers' Compensation Insurance Requirement for Four License Classifications

Sacramento, CA – The Contractors State License Board (CSLB) wants to inform active licensees starting January 1, 2023, renewals will not be processed without proof of workers' compensation insurance for license classifications C-8 (Concrete), C-20 (Warm-Air Heating, Ventilating and Air-Conditioning), C-22 (Asbestos Abatement), and D-49 (Tree Service), regardless of whether the contractor has employees.

As of January 1, 2023, Business & Professions Code Section 7125 will require workers' compensation insurance as a condition for issuing, reinstating, reactivating, renewing, or maintaining a license in one of these classifications. Section 7125 also requires the removal of these classifications from any license that is not in compliance as of July 1, 2023. CSLB understands and will apply these deadlines in the following manner.

If you hold one of these license classifications:

- After January 1, 2023, no license in these classifications will be issued, reinstated, reactivated, or renewed without a valid Certificate of Workers' Compensation Insurance.
- If you have an active license, do not have employees, and are not due to renew until after June 30, 2023, CSLB will not require you to have proof of workers' compensation insurance on file until July 1, 2023.

After June 30, 2023, any licensee holding a C-8, C-20, C-22, or D-49 that does not have a Certificate of Workers' Compensation Insurance on file with CSLB will have that classification removed. Because it may take time to seek and obtain a workers' compensation insurance policy, CSLB strongly recommends that you not wait until this deadline to obtain a policy and file your certificate.

The new workers' compensation insurance requirement for C-8, C-20, C-22, and D-49 licensees is the result of Senate Bill 216 that takes effect January 1, 2023. The only exception in SB 216 is for joint venture licenses, which will still be able to file a certificate of exemption if one of the joint venture license entities has a workers' compensation insurance policy.

SB 216 also requires that all active contractors – with or without employees – have a valid Certificate of Workers' Compensation Insurance by January 1, 2026.

Need to Know How to File a Certificate of Workers' Compensation Insurance with CSLB?

- Information about filing a Certificate of Workers' Compensation with CSLB can be found on the <u>CSLB website</u>.
- Licensees can have their insurance company or broker file the certificate of insurance online with CSLB.

Need to Know More about Workers' Compensation Insurance?

- Contractors can obtain workers' compensation coverage from any licensed insurer.
- The California Department of Insurance has workers' compensation insurance resources on <u>its website</u>.
- The State Compensation Insurance Fund provides workers' compensation coverage to many contractors and offers resources specifically designed for the construction industry. Contractors can obtain an online quote from State Fund on <u>its website</u>.

If licensees in the C-8, C-20, C-22, and D-49 classifications already have a Certificate of Workers' Compensation Insurance on file with CSLB, this is informational only and no further action is needed.

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