

Policyholder Instructions on SB 189 for changes applicable to New and Renewal Policies effective on or after July 1, 2018 (Amending California Labor Code Sections 3351 and 3352)

1. Review whether your company officers, directors, partners or managing members, owners or trustees are eligible for exclusion from workers' compensation coverage under changes established by SB189. Effective July 1, 2018, the persons eligible for exclusion are:
 - a. Corporate officers or directors who,
 - 1) Own at least 10% or more of the stock of the corporation, or
 - 2) Own at least 1% of the stock if the officer's or director's parent, grandparent, sibling, spouse, or child owns at least 10% of the stock and that officer or director is covered by a health care service plan or health insurance policy.
 - 3) **Corporations with a 100% sole corporate shareholder will automatically be excluded from coverage, effective July 1, 2018, but may elect coverage pursuant to Labor Code Section 4151(a). The person electing coverage must provide a written request to Republic confirming their election to be covered. If the person is currently covered, coverage will continue unless he or she submits a written request to be excluded.**
 - b. A managing member of a limited liability company or general partner receiving wages from the limited liability company or partnership, irrespective of receiving profits from the limited liability company or partnership.
 - c. A trustee who holds the power to revoke a trust with respect to shares of a corporation held in a trust, or general partnership or limited liability company interests held in a trust.
 - d. An officer or director of a Cooperative Corporation who is covered by a health care service plan or health insurance policy and also covered by a disability insurance policy that is comparable in scope and coverage to a workers' compensation policy as determined by the Insurance Commissioner.
 - e. An owner of a Professional Corporation who renders the professional services for which the professional corporation is organized and who is covered by health insurance.
2. No action is needed if there is no change from a previously accepted Waiver of Coverage.
3. Completed Waivers of Coverage must be signed by **each** excluded person.
 - a. A separate Waiver of Coverage must be submitted to Republic for every eligible owner, trustee, officer, managing member of a limited liability company and/or general partner before that person can be excluded.
 - b. PLEASE NOTE THE STATUTE'S MANDATORY ELIGIBILITY CRITERIA as indicated above.
 - c. If there are multiple entities owned by the person eligible to be excluded, he or she must complete, sign, and submit a Waiver of Coverage for each entity owned, or list all entities owned on one Waiver of Coverage.
4. Send signed Waivers **by email** (preferred method) to AB2883@ri-net.com,

Or mail original to: Republic Indemnity
4500 Park Granada #300
Calabasas, CA 91302
Attention: Policy Services
5. Contact your insurance broker if you have questions or to obtain a Waiver of Coverage form. You may also download Waiver of Coverage forms at republicindemnity.com/Employers/SB189-AB2883.