



School Insurance News Round Up **(September 20, 2007)**

LEGISLATIVE UPDATE (by *Nancy LaCasse, School Services of California*): The clock is ticking for the Governor to take action on hundreds of bills sent to him by the Legislature before it adjourned the 2007 Regular Session in the wee hours of August 13. The Governor has until October 14 to sign, veto, or allow a bill to become law without his signature. Additionally, a special session has been called by the Governor to address health care reform and water issues, and if an agreement is reached, the Legislature will be called back to Sacramento to vote on bills to implement the agreement.

During the course of the year, SELF weighed in on bills impacting liability on schools and bills to weaken Workers' Compensation reforms.

A last minute compromise was reached between employer groups and labor on AB 338 (Coto), which would have allowed temporary disability payments for most injuries to be increased from 104 weeks to 156 weeks and allowed these benefits to be paid within five years of the date of injury. In the compromise deal, the bill will make no change to the maximum of 104 weeks of benefit payments, but does allow injured workers more time to exhaust the 104 weeks. Changes to the minimum temporary disability benefits were also taken out of the bill.

Additionally, almost all of the bills SELF opposed were amended during the last week of the legislative session.

AB 1212 (Núñez), opposed by SELF, which would have increased the permanent disability rating schedule, was completely amended and no longer affects Workers' Compensation.

AB 70 (Jones), regarding flood liability, was amended and makes flood liability exposure to local governments less onerous, however the bill is still opposed by CAJPA and others because of the precedent it sets.

AB 1073 (Nava), was amended and now states that the 24-visit cap on chiropractic, physical therapy, and occupational therapy treatments in the Workers' Compensation system does not apply to these services if they are provided pursuant to a utilization schedule adopted by the Administrative Director (AD) of the Division of Workers' Compensation. The amendments provide that physical medicine services may be provided outside the 24-visit cap based on utilization standards that may be adopted by the AD.

As expected, the two major Workers' Compensation bills supported by labor and opposed by SELF, CAJPA and others, made it to the Governor's desk. SB 936 (Perata), would increase, over a period of three years, the number of weeks of benefit payments to permanently disabled workers for specified percentages of permanent disability. At the end of the three-year period, the number of weeks for each level of permanent disability is doubled.

The other, SB 942 (Migden), which would make major changes in how employers reinstate employees who have been disabled from work as a result of injury or illness in the workplace and makes it a misdemeanor for an employer to refuse to reinstate an employee to his or her pre-injury position in certain situations. The bill would provide that it would be a violation for an employer to require an employee to

perform additional physical duties that were not required of the employee prior to his or her injury or illness as a condition for returning to employment.

BILL UPDATE:

SELF is submitting letters to the Governor asking for a veto of most of the bills noted below:

[AB 70 \(Jones\) Flood Liability](#)

SELF Position: OPPOSE

Status: To the Governor

[AB 338 \(Coto\): Workers' Compensation: Permanent Disability](#)

SELF Position: WATCH

Status: To the Governor

[AB 1073 \(Nava\): Workers' Compensation: Medical Treatment Utilization Schedule](#)

SELF Position: OPPOSE

Status: To the Governor

[AB 1212 \(Núñez\): Workers' Compensation: Permanent Disability](#)

SELF Position: NEUTRAL

Status: No Longer Applies to Workers' Compensation

[SB 936 \(Perata\): Workers' Compensation: Permanent Disability Ratings](#)

SELF Position: OPPOSE

Status: To the Governor

[SB 942 \(Migden\): Workers' Compensation: Employee Reinstatement](#)

SELF Position: OPPOSE

Status: To the Governor

NEWS UPDATE: *(Note: This update incorporates articles for the period through September 20, 2007)*

- **Workers' Compensation Insurance Rating Bureau Proposes Rate Increase**

Workers' Compensation Insurance Rating Bureau of California (WCIRB) Proposes 4.2% Increase in Pure Premium Rates

On September 20, 2007, the WCIRB submitted a pure premium rate filing to the California Insurance Commissioner recommending a 4.2% increase in advisory pure premium rates with respect to new and renewal policies as of the first anniversary rating date of a risk on or after January 1, 2008. The filing also contains proposed amendments to the *California Workers' Compensation Uniform Statistical Reporting Plan - 1995*, the *Standard Classification System*, *Miscellaneous Regulations for the Recording and Reporting of Data* and the *California Workers' Compensation Experience Rating Plan - 1995*.

Though not subject to the Insurance Commissioner's approval, the WCIRB included amendments to the *California Large Risk Deductible Plan*, the *California Small Deductible Plan* and the *California Retrospective Rating Plan* for California Department of Insurance review. Changes to these advisory plans will become effective on policies incepting on or after January 1, 2008.

A public hearing on the matters contained in the WCIRB's filing will be held Tuesday, October 23, 2007, at 9:30 AM in the 22nd Floor Hearing Room at 45 Fremont Street, San Francisco, California.

The complete filing and all related documents may be viewed and downloaded from the [Regulatory Filings](#) section of the website. **Source: WCIRB September 20, 2007**