

State Fund Locations

HOME OFFICE • SAN FRANCISCO • (415) 565-1234
1275 Market Street, San Francisco, CA 94103

STATE
COMPENSATION
INSURANCE
FUND

CENTRAL VALLEY

BAKERSFIELD

Policy (661) 664-4000
Claims (661) 664-4000

FRESNO

Policy (559) 433-2600
Claims (559) 433-2700

REDDING

Policy (530) 223-7000
Claims (530) 223-7000

SACRAMENTO

Policy (916) 924-5072
Claims (916) 924-5100

STOCKTON

Policy (209) 476-2600
Claims (209) 476-2600

LOS ANGELES & TRI-COUNTY

GLENDALE

Claims (818) 291-7000

MONTEREY PARK

Policy (323) 266-5000

OXNARD

Policy (805) 988-5200
Claims (805) 988-5300

GREATER BAY AREA

BAY AREA

Policy (661) 523-5100
Claims (661) 523-5200

EUREKA

Policy (707) 443-9721
Claims (707) 443-9721

SAN JOSE

Policy (408) 363-7600
Claims (408) 363-7400

SANTA ROSA

Policy (707) 573-6400
Claims (707) 573-6500

SOUTHERN

INLAND EMPIRE

Policy (909) 384-4560
Claims (951) 656-8300

ORANGE COUNTY

Policy (714) 565-5995
Claims (714) 565-5000

SAN DIEGO

Policy (858) 552-7000
Claims (858) 552-7100

Customer Service Center

POLICY SERVICES

Toll-Free (877) 405-4545
Toll-Free Fax (800) 268-3635

CERTIFICATES OF INSURANCE

Toll-Free Fax (866) 266-2071

24-HOUR CLAIMS REPORTING CENTER

Toll-Free (888) 222-3211
Toll-Free Fax (800) 371-5905

FRAUD HOTLINE

Toll-Free (888) 786-7372

Understanding your policy

Surcharges

Protecting the system that protects California workers and employers.



Statutory programs help safeguard your benefits.

With the passage of industry-reform measures, the state of California established seven programs to make the workers' compensation system more effective:

CIGA	California Insurance Guarantee Association–1969
WCA	Workers' Compensation Administration (Revolving Fund)–1989
WCFA	Workers' Compensation Fraud Assessment–1992
UEBT	Uninsured Employers Benefits Trust Fund–2003
SIBT	Subsequent Injuries Benefits Trust Fund–2003
OSHF	Occupational Safety and Health Fund–2008
LEC	Labor Enforcement and Compliance Fund–2009

Today these programs continue functioning to protect the workers' compensation industry from carrier insolvency (through CIGA), excessive administrative costs (through WCA), fraud (through WCFA), illegally uninsured employers (through UEBT), subsequent injuries (through SIBT), and substandard labor conditions (through LEC).

The purpose of CIGA is to guarantee benefits to workers if their employer's insurance carrier becomes insolvent. The WCA Revolving Fund helps to defray the administrative costs of claims resolution. The WCFA program ensures benefits for workers with bona fide work-related injuries by funding the investigation and prosecution of those who defraud the system. The UEBT Fund provides a safety net for injured employees of illegally uninsured employers. The SIBT Fund assists workers who have suffered serious injury and who are suffering from previous and serious permanent disabilities or physical impairments. The OSHF provides funding to the Division of Occupational Safety and Health to provide health and safety services. The LEC surcharge funds the Division of Labor Standards Enforcement to ensure that labor standards are being met.

Each program requires funding in order to perform its workers' compensation duties. By law, all California insurance carriers must participate in each program and share the financial commitment by collecting a statutory surcharge (a legally required added charge) from policyholders. Thus, the funding for CIGA, WCA, WCFA, UEBT, SIBT, OSHF, and LEC comes from program-specific surcharges that appear on all applicable policy-billing statements.

CIGA provides stability.

What is CIGA?

Created by the California Legislature, the California Insurance Guarantee Association (CIGA) makes certain that injured individuals receive benefits if their insurance carrier becomes insolvent. CIGA settles the unpaid claims of insolvent insurers operating in the state of California and offering any line of insurance.

Who participates in CIGA?

Section 1063 of the California Insurance Code requires all authorized California insurers to participate in CIGA. Through CIGA, the entire insurance industry assumes responsibility for a defunct carrier's obligations to its claimants.

What is the source of funding for CIGA?

Under the California Insurance Code, CIGA must finance itself by surcharging each of its members. The current effective CIGA rate applied to your policy is two percent of the direct written premium, less dividends paid, and appears on all applicable bills as "CIGA Surcharge."

The WCA Revolving Fund cuts costs.

What is the Workers' Compensation Administration Revolving Fund?

The Workers' Compensation Reform Act of 1989 contains several provisions designed to speed the resolution of claims, including the reorganization and increased functioning of the Division of Workers' Compensation. The Reform Act created the Workers' Compensation Administration Revolving Fund to help defray the administrative cost of implementing some of these provisions.

What is the source of financing for the WCA Revolving Fund?

All insured and self-insured employers must contribute a small surcharge amount to the Revolving Fund. In the case of insured employers, the amount is a percentage of premium. For self-insured employers, the amount is a percentage of benefits paid during the most recent fiscal year. Determined each year by the Director of the Department of Industrial Relations (DIR), the surcharge percentage may vary from year to year. The surcharge amount for this fund appears on all applicable bills for your policy as "WCA."

The WCFA fights fraud.

What are the penalties described in California's anti-fraud laws?

California's anti-fraud laws make it a felony for anyone to knowingly make a false or fraudulent statement or to submit a false report or any other document for the purpose of obtaining or denying workers' compensation benefits or obtaining a workers' compensation policy of insurance at less than the proper cost. Anyone caught committing workers' compensation fraud will be prosecuted. If convicted, the person can face up to five years in prison and/or a fine up to \$150,000 or double the value of the fraud, whichever is greater.

What is the purpose of the WCFA surcharge?

The passage of Senate Bill 1218 created the Workers' Compensation Fraud Assessment to fund the investigation and prosecution of workers' compensation fraud. All policies in California must show a small surcharge amount for fighting fraud. Further funding comes from fines collected from convictions.

Who determines the amount collected?

The Fraud Assessment Commission, appointed by the Governor, determines the dollar amount necessary to fund fraud investigation and prosecution during each current fiscal year. On or before September 1 of each year, the Commission notifies the Department of Industrial Relations of the projected amount required to fight fraud. After the Director of the DIR approves a total amount, a percentage is calculated

By law, all California insurance carriers must participate in each program...

Under California law it is unlawful for an insurer to promise the future payment of dividends under an unexpired workers' compensation insurance policy or to misrepresent the conditions for dividend payment. Dividends are payable only pursuant to conditions determined by the Board of Directors or other governing board of the company following policy expiration. It is a misdemeanor for any insurer or officer or agent thereof, or any insurance broker or solicitor, to promise the payment of future workers' compensation dividends. Past dividend performance is no guarantee of an insurers' future dividend performance.

and levied upon employers. A minimal amount is then added to your premium. The surcharge amount for your policy appears on all applicable bills as "WCFA."

The UEBT and SIBT help qualifying employees.

When did the UEBT and SIBT go into effect?

In 2003 the Legislature enacted Assembly Bill 227, creating funding for the Uninsured Employers Benefits Trust Fund and the Subsequent Injuries Benefits Trust Fund. The UEBT Fund pays for benefits to injured employees of illegally uninsured employers. The SIBT Fund pays for benefits to workers who have suffered serious injury and who are suffering from previous and serious permanent disabilities or physical impairments. The UEBT and SIBT surcharges apply to all policies with a starting date on or after January 1, 2004.

All insured and self-insured employers must contribute a small surcharge amount to the funds. For insured employers, the amount is a percentage of premium. For self-insured employers, the amount is a percentage of benefits paid during the most recent fiscal year. The surcharge percentages, determined by the Director of the DIR, may vary from year to year. The surcharge amounts for these funds appear on all applicable bills for your policy as "UEBT" and "SIBT."





OSHF provides health and safety services.

Who benefits from the OSHF surcharge?

The Occupational Safety and Health Fund (OSHF) was established to help fund the existing Targeted Inspection Program and designed to provide specialized ongoing services for high hazard employers. This program identifies employers in hazardous industries with the highest incidence of preventable occupational injuries and illnesses and workers' compensation losses.

Cal-OSHA provides consultative assistance to these employers to eliminate preventable injuries and illnesses and workers' compensation losses, and inspects the employers on a random basis to verify that they have made appropriate changes in their safety and health programs.

OSHF funds are also used to develop appropriate educational materials and model programs to aid California employers in maintaining a safe and healthful workplace.

LEC ensures labor standards are being met.

How did the Labor Enforcement and Compliance (LEC) Fund surcharge come about?

The LEC surcharge was established by State Assembly Bill ABX4-12 in 2009. This surcharge funds activities of the Division of Labor Standards Enforcement (DLSE), an agency that works to ensure that employers comply with labor regulations in areas such as working conditions and wage and hour standards.

Who does this surcharge benefit?

The LEC surcharge benefits both employers and employees. Funds from the surcharge go to the Division of Labor Standards Enforcement (DLSE), a state program that protects employees from unlawful working conditions and ensures that employers have required workers' compensation coverage. The DLSE's efforts protect employers who comply with the law from those who may gain an unfair competitive advantage by failing to adhere to labor standards at the expense of their employees.

If you have any questions about these charges, please contact our Customer Service Center at (877) 405-4545 or your local State Fund office.

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