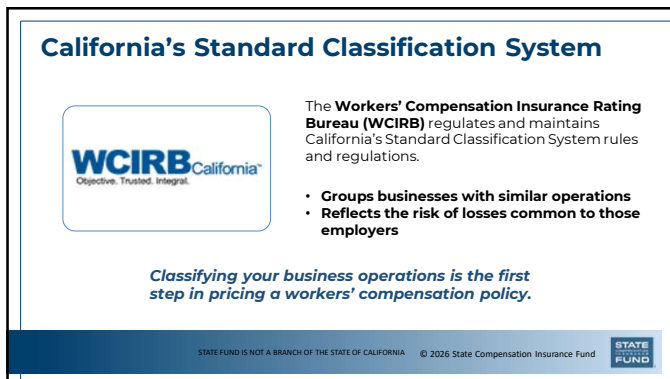




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3

Classifying a Business Operation

How are businesses classified??

- What is the purpose of the business?
- How does the business make money?
- How does the business accomplish their purpose?



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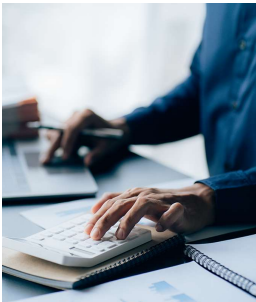
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WCIRB Pure Premium Rates

Each classification code represents a different set of work hazards and duties and therefore has its own unique Pure Premium Rate.

Pure Premium Rates are adjusted by insurance carriers to include their operating expenses.



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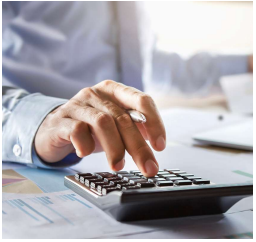
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Base Rates

Your policy premium calculation begins with Base Rates.

- Base Rates are multiplied per \$100 of estimated payroll for each class code.
- Estimated premiums by class code are totaled to develop your **Estimated Base Premium**.



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State Fund Base Rates

State Fund uses multiple risk factors when determining the specific base rates for your policy.

Here are a few examples:

- Claims frequency
- Years in business
- Average annual wages
- Your business' financial health (D&B)



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Experience Modifications

- Merit-based system
- Calculated by WCIRB
- Modifies a qualifying employer's workers' comp premium based on their loss and payroll history
- Expressed as a factor that adjusts premium as either a credit or debit

Your experience mod is applied to your Estimated Base Premium to develop your **Estimated Standard Premium**.



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Experience Rating

- WCIRB examines a **3-year period of losses and payroll** for an employer to see if they qualify
- Employers must meet the **annual threshold to qualify**
- Annual threshold for all qualified employers is calculated each year
- Experience rating is mandatory for those who qualify

Current Eligibility Threshold effective September 1, 2025 is \$10,800.



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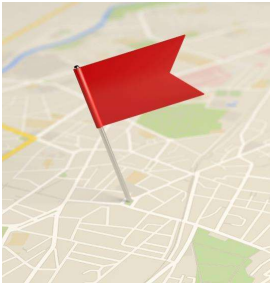
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Territory Modifier

A Territory Modifier is the next step in developing your premium.

- State Fund's territory modifiers are a combination of territory and industry.
- Territory and industry are based on the Governing Location.
- Governing Location is the business's location with the highest payroll exposure.

The territory modifier is applied the **Estimated Standard Premium**.



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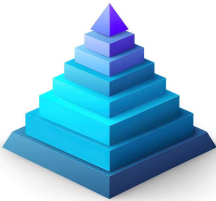
Tier Modifier

Next, a Tier Modifier is applied.

The purpose of the Tier Modifier is to adjust your base rates based on your individual business characteristics, such as:

- Loss History
- Industry
- Number of Locations and Payroll Exposure
- Financial Health (D&B score)

The Tier Modifier is applied the **Estimated Standard Premium**.



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Risk Evaluation

An underwriter may adjust pricing based on a business's unique workplace physical characteristics and safety practices.

Underwriters evaluate:

- Business Operations and Risks
- Management Business Practices
- Management Safety Practices

At State Fund, this level of risk evaluation is done on policies with \$50,000 and greater in Estimated Standard Premium.

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What the Underwriter Looks for When Evaluating a Risk

- Specific risk exposures
- Safety programs and training
- Experienced employees
- Timely claims reporting
- Current Return-to-Work program
- Available modified duty when appropriate for injured workers

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Premium Discount

The Premium Discount is a factor applied to your Estimated Modified Premium.

The premium discount is an 11.3% discount on Estimated Modified Premium above \$5,000. The first \$5,000 is not discounted.

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Your Quote

Estimated Base Premium Calculation

Location Number	Number of Employees	Number of Part-Time Employees	Class Code	Description	Base Rate	Estimated Payroll	Estimated Base Premium
1	18	0	9888-1	COLLEGE/UNIVERSITY - WORKSTUDY	1.65	\$999,000.00	\$6,397.50
1	17	2	9921-1	COLLEGE/UNIVERSITY - PROFESSIONAL	10.16	\$574,000.00	\$88,261.60
1	1	0	9920-1	COLLEGE/UNIVERSITY - SUPPORT STAFF	0.20	\$60,000.00	\$120.00
Total Before Modifications						\$1,633,000.00	\$94,779.10

Class Code and Rate Summary

Class Code	Rate	Payroll	Net Rate
9888-1	1.65	\$999,000	1.65
9921-1	10.16	\$574,000	10.16
9920-1	0.20	\$60,000	0.20

The interest rate is the estimated rate based on the actual report received and subject to audit.

All modifiers, factors, adjustments to the Standard Premium are clearly itemized on quote documents.

Quote Summary

Base Premium (LCR of 2.000)	\$94,779.10
Experience Modification	N/A
Estimated Standard Premium	\$94,779.10
Territory Modifier	1.0000
Rate Modifier	1.0000
Schedule Rating Plan Modifier	1.0000
Rating Plan Modifier	1.3340
Estimated Modified Premium	\$126,457.12
Estimated Premium Discount Credit	\$31,678.02
Estimated Annual Premium	\$94,779.10

Modifier Billing Factor

Modifier	Modifier Billing Factor
WCA Surcharge	2.4000%
WCA A Surcharge	0.4120%
WCA B Surcharge	0.1000%
WCA C Surcharge	1.2000%
WCA D Surcharge	0.7000%
WCA E Surcharge	0.7000%
WCA F Surcharge	0.7000%
WCA G Surcharge	0.7000%
WCA H Surcharge	0.7000%
WCA I Surcharge	0.7000%
WCA J Surcharge	0.7000%
WCA K Surcharge	0.7000%
WCA L Surcharge	0.7000%
WCA M Surcharge	0.7000%
WCA N Surcharge	0.7000%
WCA O Surcharge	0.7000%
WCA P Surcharge	0.7000%
WCA Q Surcharge	0.7000%
WCA R Surcharge	0.7000%
WCA S Surcharge	0.7000%
WCA T Surcharge	0.7000%
WCA U Surcharge	0.7000%
WCA V Surcharge	0.7000%
WCA W Surcharge	0.7000%
WCA X Surcharge	0.7000%
WCA Y Surcharge	0.7000%
WCA Z Surcharge	0.7000%

*Premium Discount: Modified Premium is discounted according to the following schedule:
First \$5,000 - 0.00%
Above \$5,000 - 11.3%

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Workers' Comp Policy Surcharges

In California, workers' comp insurance premiums are subject to various surcharges and assessments to fund specific programs.

- *Policy surcharges are paid directly to the State of California*
- *Surcharges are subject to change annually*

FUND	2026 SURCHARGES
WCARF - Workers' Compensation Administration Revolving Fund	1.50%
WCFA - Workers' Compensation Fraud Assessment Fund	0.46%
UEBTF - Uninsured Employers Benefit Trust Fund	0.10%
SIBTF - Subsequent Injuries Benefits Trust Fund	2.04%
OSHF - Occupational Safety and Health Fund	0.57%
LECF - Labor Enforcement and Compliance Fund	0.53%
CIGA - California Insurance Guarantee Association	0.0%
Total of All Assessments	5.19%

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State Fund Billing Plans



Minimum Premium Policies

- **Annual Payment**
 - Pay 100% of the minimum premium at inception of the policy
 - Annual or semi-annual payroll reporting

Policies with Base Premium less than \$5,000

- **Stipulated Billing**
 - Pay quarterly premium upon receipt of stipulated bill
 - Semi-annual payroll reporting

Policies with Base Premium of \$5,000 or More

- **Monthly Payroll Reporting and Payment**
 - Report payroll and pay premium monthly
- **OR Stipulated Billing**
 - Pay monthly premium upon receipt of stipulated bill
 - Semi-annual payroll reporting

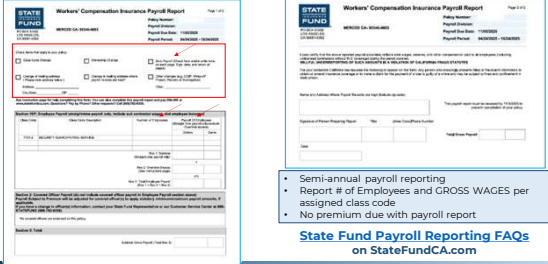
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Stipulated Billing Plan-Payroll Reporting



- Semi-annual payroll reporting
- Report # of Employees and GROSS WAGES per assigned class code
- No premium due with payroll report

[State Fund Payroll Reporting FAQs](#)
on [StateFundCA.com](#)

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[illegible]

Monthly Payroll Reporting

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Workers' Compensation Insurance Payroll Report

Page 1 of 1

Policy Number: 00000000000000000000
 Payroll Period: 05/01/2024 - 05/31/2024
 Payroll Due Date: 06/07/2024

Worked:

Total Hours Worked (Box 1)	Total Hours Paid (Box 2)	Total Hours Unpaid (Box 3)
0.00	0.00	0.00

Total:

Total Hours Worked (Box 1)	Total Hours Paid (Box 2)	Total Hours Unpaid (Box 3)
0.00	0.00	0.00

Signature of Employer/Bookkeeper: C. Bookkeeper
Title: Bookkeeper
Phone: 555-555-5555

STATE COMPENSATION INSURANCE FUND

Workers' Compensation Insurance Payroll Report

Page 1 of 1

Policy Number: 00000000000000000000
 Payroll Period: 05/01/2024 - 05/31/2024
 Payroll Due Date: 06/07/2024

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Total Hours Worked (Box 1)	Total Hours Paid (Box 2)	Total Hours Unpaid (Box 3)
0.00	0.00	0.00

Total:

Total Hours Worked (Box 1)	Total Hours Paid (Box 2)	Total Hours Unpaid (Box 3)
0.00	0.00	0.00

Signature of Employer/Bookkeeper: C. Bookkeeper
Title: Bookkeeper
Phone: 555-555-5555

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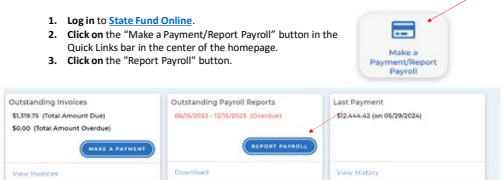
For assistance, call Customer Support Center at (888) 782-8338

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STATE COMPENSATION INSURANCE FUND

Monthly Payroll Reporting - State Fund Online

1. Log in to [State Fund Online](#).
2. Click on the "Make a Payment/Report Payroll" button in the Quick Links bar in the center of the homepage.
3. Click on the "Report Payroll" button.



The screenshot shows the State Fund Online homepage. At the top, there is a navigation bar with 'Home', 'About Us', 'Contact Us', and 'Help'. Below this is a 'Quick Links' section with three buttons: 'Make a Payment/Report Payroll', 'View History', and 'Download'. The 'Make a Payment/Report Payroll' button is highlighted with a red arrow. Below the 'Quick Links' section, there are three columns of information. The first column, 'Outstanding Invoices', shows a total amount due of \$3,379.75 and a total amount overdue of \$0.00, with a 'Make a Payment' button. The second column, 'Outstanding Payroll Reports', shows a date range of 06/15/2023 - 02/15/2024 and a 'Download' button. The third column, 'Last Payment', shows a payment of \$2,444.42 on 05/29/2024, with a 'View History' button. A red arrow points to the 'Report Payroll' button in the second column.

Outstanding Invoices	Outstanding Payroll Reports	Last Payment
\$3,379.75 (Total Amount Due) \$0.00 (Total Amount Overdue)	06/15/2023 - 02/15/2024 (Overdue)	\$2,444.42 (on 05/29/2024)
MAKE A PAYMENT	REPORT PAYROLL	View History

[How to Register for State Fund Online on StateFundCA.com](#)

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Monthly Payroll Reporting - State Fund Online

Fill out the number of employees and **payroll amounts** for each class codes listed.

Reporting Period: 12/01/2022 - 01/31/2023

Classification Code	Description	Employees	Payroll	Payroll Amount
0001	Administrative/Professional	075	00	00.00
0002	General Labor	100	00	00.00
0003	Other	000	00	00.00
Total Employees		175	00	00.00
Total Payroll			00	00.00

Review total payroll. Click "CONTINUE".

Payroll Summary

Payroll Summary	Total Payroll
Payroll Summary	00.00

Verify your payroll then click on the box affirming the accuracy of the amount.

Verify Payroll Summary

Classification Code	Description	Employees	Payroll	Payroll Amount
0001	Administrative/Professional	075	00	00.00
0002	General Labor	100	00	00.00
0003	Other	000	00	00.00
Total Employees		175	00	00.00
Total Payroll			00	00.00

By checking this box, I am certifying that the above reported payroll accurately reflects the total wages, salaries, and other compensation payable to employees including allocated contractor or consultant payroll for coverage during the period covered.

Make any adjustments or corrections to your payroll as a result of your payroll record correction.

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Premium Payments- State Fund Online

Website Transfer Acknowledgement

By clicking "I agree", I am certifying that the above reported payroll accurately reflects the total wages, salaries, and other compensation payable to employees including allocated contractor or consultant payroll for coverage during the period covered.

Make any adjustments or corrections to your payroll as a result of your payroll record correction.

3. Next, read and accept the "Website Transfer Acknowledgement".

Input an email address where you'd like your receipt sent.

Click "CONTINUE" and you'll be sent to our payment vendor, One Inc., where you can make your payment.

4. Choose between paying with a credit/debit card or a direct withdrawal from a bank account.

Click on the corresponding button labeled for that choice.

NOTE: One Inc. charges a 2.99% processing fee for credit and debit transactions. There is no charge for paying from a bank account.

Next, fill out the requested data for either your credit/debit card or your bank account. Click on "REVIEW".

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Premium Payments- State Fund Online

ONE INC. Your payment is complete!

By clicking "I agree", I am certifying that the above reported payroll accurately reflects the total wages, salaries, and other compensation payable to employees including allocated contractor or consultant payroll for coverage during the period covered.

Make any adjustments or corrections to your payroll as a result of your payroll record correction.

5. The next screen allows you to confirm your payment. This screen includes the processing fee if a credit or debit card is used.

Once you review the payment details, click the "PAY" button showing the amount.

6. The "Your payment is complete!" screen will pop up once your payment is processed.

You'll have the option to send the receipt via email, print, or download it. Click on "CLOSE" to close the window.

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We're More Than Workers' Comp Insurance



- Fast, reliable claims handling
- Advanced fraud protection
- Free education and training resources
- Best-in-class safety and health services
- Local and regional underwriting expertise
- Financial strength and longstanding commitment to California
- Serving California businesses for over 100 years
- Not-for-profit status and customer-first focus

Together we'll keep California working.

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Customer Support Center:
(888) 782-8338

For safety resources visit
SafeAtWorkCA.com

Safety Support Unit:
(800) 675-2667



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