

N E W S R E L E A S E

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Labor Commissioner Stresses the Importance of Valid Workers' Compensation Insurance

American Labor Alliance and CompOne USA insurance not valid in California

Oakland—Labor Commissioner Julie A. Su is reminding employers they must maintain valid workers' compensation insurance coverage or its equivalent. Employers who purchased insurance with American Labor Alliance and CompOne USA are advised that the companies are not licensed to sell insurance in California.

"Employers who bought workers' compensation insurance policies from these two firms do not have policies that meet the requirement to provide coverage and must purchase from a licensed company," said Labor Commissioner Su.

The California Department of Insurance (CDI) last week announced the two companies and their parent agency are barred from selling workers' compensation and liability policies, as [they are not properly licensed](#). Information on insurance [companies licensed to sell workers' compensation insurance](#) and an online rate comparison of the top 50 workers' compensation insurers can be accessed on CDI's website.

Failure to maintain valid coverage can result in fines of \$1,500 per worker employed during the period the business was uninsured, and could incur additional penalties up to \$10,000 and jail time. Additional details on [workers' compensation insurance requirements, including FAQs](#), are posted online.

The [Labor Commissioner's Office](#), officially known as the Department of Industrial Relations' Division of Labor Standards Enforcement, inspects workplaces for wage and hour violations, adjudicates wage claims, investigates retaliation complaints, issues licenses and registrations for businesses, enforces prevailing wage rates and apprenticeship standards in public works projects and educates the public on labor laws. The division's [Bureau of Field Enforcement](#) is responsible for investigating and enforcing certain statutes including those that cover group claims of unpaid minimum wage and overtime.

Employees with work-related questions or complaints may contact DIR's Call Center in English or Spanish at 844-LABOR-DIR (844-522-6734).

Members of the press may contact Erika Monterroza or Peter Melton at (510) 286-1161, and are encouraged to [subscribe to get email alerts](#) on DIR's press releases or other departmental updates.

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The [California Department of Industrial Relations](#), established in 1927, protects and improves the health, safety, and economic well-being of over 18 million wage earners, and helps their employers comply with state labor laws. DIR is housed within the [Labor & Workforce Development Agency](#). For general inquiries, contact DIR's Communications Call Center at 844-LABOR-DIR (844-522-6734) for help in locating the appropriate [division or program](#) in our department.