

STATE OF CALIFORNIA
DEPARTMENT OF INDUSTRIAL RELATIONS
OFFICE OF SELF-INSURANCE PLANS

NOTICE OF MODIFICATION OF TEXT OF PROPOSED REGULATIONS

Subject Matter of Regulations: Administration of Self-Insurance Plans

NOTICE IS HEREBY GIVEN that the Director of the Department of Industrial Relations (hereinafter "Director"), exercising the authority vested in the Director by Labor Code sections 55, 59, and 3702.10, proposes to modify the text of the following proposed amendments to Articles 1 of Chapter 8, Subchapter 2, of Title 8, California Code of Regulations:

Section 15201	Definitions
Section 15214	Cash in Trust
Section 15251	Self Insurer's Annual Report
Section 15300	Estimating and Reporting Work Injury Claims
Section 15400.2	Maintenance of Records
Section 15405	Confidentiality
Section 15430.1	Definitions
Section 15478	Excess Insurance
Section 15481	Annual Actuarial Certification of Losses
Section 15484	Continuing Financial Capacity of Group Self Insurers

PRESENTATION OF WRITTEN COMMENTS AND DEADLINE FOR SUBMISSION OF WRITTEN COMMENTS

Members of the public are invited to present written comments regarding this 15 day Notice of Modification of Text of Proposed Regulations and documents added to the rulemaking file. **Only comments concerning the proposed modification to the text of the regulations or documents added to the rulemaking file will be considered and responded to in the Final Statement of Reasons.**

Written comments should be addressed to:

James A. Ware, Chief
Department of Industrial Relations
Office of Self-Insurance Plans
2265 Watt Avenue, Suite 1
Sacramento, CA 95825

Public comments will be accepted from December 17, 2010 to January 3, 2011.

Written comments may be submitted by facsimile transmission (FAX), addressed to the contact person at (916) 483-1535. Written comments may also be sent electronically (via e-mail), using the following e-mail address: SIPRulemakings@dir.ca.gov

Due to the inherent risks of non-delivery by facsimile transmission, the Director suggests, but does not require, that a copy of any comments transmitted by facsimile transmission also be submitted by regular mail.

Comments sent to other e-mail addresses or other facsimile numbers will not be accepted. Comments sent by e-mail or facsimile are subject to the deadline set forth above for written comments.

AVAILABILITY OF TEXT OF REGULATIONS AND DOCUMENTS ADDED TO THE RULEMAKING FILE

Copies of the modified text with modifications clearly indicated, and documents added to the rulemaking file are currently available for public review during normal business hours of 8:00 a.m. to 5:00 p.m., Monday through Friday, excluding legal holidays, at the Office of Self Insurance Plans, located at 2265 Watt Avenue, Suite 1, Sacramento, California. Please contact the regulations coordinator, Ms. Tina Freese, at (916) 574-0300 to arrange to inspect the rulemaking file.

FORMAT OF PROPOSED MODIFICATIONS

Proposed Text Noticed for First 15-Day Comment Period on Modified Text:

Deletions from all prior versions of the proposed revisions of the regulations text are indicated by ~~double strike through~~.

Newly proposed versions of additions to the regulatory text are indicated by double underline.

SUMMARY OF PROPOSED CHANGES

Article 1. Section 15201. Definitions.

(x) Non substantive additions were made for consistency of terms.

Article 3. Section 15214. Cast in Trust

- (a) and (b) Non substantive changes were made to update banking terminology.
- (c) Change allows for the bank or financial institution issuing and holding the certificate to be the custodian and provides that OSIP be provided with the documentary evidence.

Article 5. Section 15251. Self Insurer's Annual Report

(b)(1)(F) Change allows the annual report of information on employment and wages to come from whatever EDD reporting is utilized or required of the self insured by EDD.

Article 6. Section 15300. Estimating and Reporting Work Injury Claims

(b)(1)(A)(B)(C) Changes allow for clarity and consistency with WCIRB in reporting of medical cost containment programs. The change in date allows for consistency with annual reporting periods.

(b)(7) Non substantive Life Expectancy tables link was updated to the DIR web site

Article 9. Section 15400.2. Maintenance of Records

(b) Change allows for electronic storage of claim files and clarifies retention of original paper files.

Article 9. Section 15405. Confidentiality

(a)(3) Changes to allow the Manager to provide SISF with financial information on self insured groups.

(a)(4) Addition allows a group's financial information be provided to any affiliate or potential employer.

Article 11. Section 15430.1. Definitions

Non substantive changes were made to update banking terminology and correction of typographic error.

Article 13. Section 15478. Excess Insurance

(b) Non substantive change was made to include a word that was previously inadvertently omitted.

Article 13. Section 15481. Annual Actuarial Certification of Losses

(c) Change requires group administrator to provide actuarial report within 100 days of the program year.

Article 13. Section 15484. Continuing Financial Capacity of Group Self Insurers

(a) Change requires the group self insurer to submit an-audited financial statement in addition to audited financial statement

(i) Substantive addition requires the group administrator to file with OSIP the budget for the group's current year together with rates of contributions from members, deviations of rates, all actuarial reports and documents supporting the rates of contribution, and minutes of meetings

(j) Substantive addition requires the group administrator to file changes in the rates of contributors within 30 days of the change.