

ASSEMBLY BILL

No. 397

**Introduced by Assembly Member Monning
(Principal coauthor: Assembly Member Bill Berryhill)**

February 14, 2011

An act to add Section 7125.5 to the Business and Professions Code, relating to workers' compensation insurance.

LEGISLATIVE COUNSEL'S DIGEST

AB 397, as introduced, Monning. Workers' compensation insurance: contractors.

Existing law requires private employers to secure the payment of compensation by obtaining and maintaining workers' compensation insurance or to self-insure as an individual employer or as one employer in a group of employers. The Contractors' State License Law requires every licensed contractor to have on file at all times with the Contractors' State License Board a current and valid Certificate of Workers' Compensation Insurance or Certification of Self-Insurance, or a statement certifying that he or she has no employees and is not required to obtain or maintain workers' compensation insurance coverage.

This bill would require, at the time of renewal, an active contractor licensee with an exemption for workers' compensation insurance on file with the board to either recertify the licensee's exemption or to provide a current and valid Certificate of Workers' Compensation Insurance or Certificate of Self-Insurance. The bill would also provide for retroactive license renewal, as specified, for otherwise acceptable license renewal applications when the applicant provides the required

documentation within 30 days after notification by the board of the renewal rejection.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 7125.5 is added to the Business and
2 Professions Code, to read:

3 7125.5. (a) At the time of renewal, all active licensees with
4 an exemption for workers' compensation insurance on file with
5 the board, submitted pursuant to subdivision (b) of Section 7125,
6 shall either recertify the licensee's exemption by completing a
7 recertification statement on the license renewal form, as provided
8 by the board, or shall provide a current and valid Certificate of
9 Workers' Compensation Insurance or Certificate of Self-Insurance,
10 whichever is applicable.

11 (b) The license shall not be renewed unless a licensee with an
12 exemption for workers' compensation insurance on file with the
13 board recertifies the exemption status or provides a current and
14 valid Certificate of Workers' Compensation Insurance or Certificate
15 of Self-Insurance in conjunction with the license renewal.

16 (c) If the documentation required by subdivision (a) is not
17 provided with the license renewal but is received within 30 days
18 after notification by the board of the renewal rejection, the registrar
19 shall grant a retroactive renewal pursuant to Section 7141.5 back
20 to the date of the postmark of the otherwise acceptable renewal.
21 A renewal that is still incomplete for any reason after 30 days after
22 notification of rejection shall not be eligible for retroactive renewal
23 under this subdivision.

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