

**CHAPTER 8**  
**OFFICE OF THE DIRECTOR**

**SUBCHAPTER 2**  
**ADMINISTRATION OF SELF-**  
**INSURANCE PLANS**

**ARTICLE 1**  
**Definitions**

**§15201. Definitions.**

The following definitions apply in Articles 1 through 13 of these regulations:

(a) Adjusting Location. The office address designated in accordance with Section 15402 of these regulations where:

- (1) The named administrator of the self insurer fulfills his/her function; and
- (2) The original records called for in Article 9 of these regulations are maintained.

In the event that claims are administered at the home of a telecommuting adjuster, the location shall be considered as a separate adjusting location for reporting and audit purposes unless the telecommuting adjuster reports to a California location of the administrator no less than weekly.

(b) Administrative Director. The Administrative Director of the Division of Workers' Compensation within the Department of Industrial Relations.

(c) Administrative Agency. The person or firm that performs the day-to-day claims administration functions of a workers' compensation self insurance program. The administrative agency may be:

- (1) An independent contractor possessing a certificate to administer and designated by a self-insurer to be the administrative agency for all or a portion of its claims; or
- (2) A partnership or corporation possessing a master certificate to self insure, which administers its own claims and the claims of other affiliate or subsidiary self insurers issued affiliate or subsidiary certificates to self insure under the same master certificate

number;

(3) A joint powers authority possessing a master certificate to self insure, which self administers in whole or part the claims of its affiliate public self insurers issued affiliate certificates to self insure under the same master certificate number of the joint powers authority; or

(4) The claims department of an insurance carrier admitted to transact workers' compensation insurance in California, which is exempt from the requirement to possess a certificate to administer under Labor Code Section 3702.1(a).

(d) Administrator. A competent person pursuant to Section 15452 of these regulations, at an adjusting location, who is responsible for day-to-day management of an employer's self-insurance workers' compensation program. The responsibility includes but is not limited to, the making and reviewing of decisions relating to the furnishing of all workers' compensation benefits in accordance with law and the maintenance of the self insurer's claim records.

(e) Affiliate Certificate.

(1) A type of certificate to self insure issued to a private self insurer that has common ownership to another private self insurer holding a master certificate to self insure, but the affiliated certificate holder is not a subsidiary to the master certificate holder; or

(2) A type of certificate to self insure issued to a public self insurer that is a member of a joint powers authority for pooling of workers' compensation liabilities with the master certificate number issued to the joint powers authority.

(3) A type of certificate to self insure issued to a private self insurer that is a member of a group ~~self-insurance plan~~ self-insurer for pooling of workers' compensation liabilities ~~with~~ under the master certificate number issued to the group self insurer.

(f) Alternative Composite Deposit. A security deposit system pursuant to Labor Code Section 3701.8 whereby all eligible private self insurers collectively secure, in whole or in part, aggregate self insured worker's compensation liabilities through the Self Insurer's Security Fund.

(g) Audit. Any examination of self insured workers' compensation claim files performed by or at the request of the Office of Self Insurance Plans pursuant to Labor Code Section 3702.6.

(h) Board of Trustees. In group self insurance, ~~it is~~ the representative body in a group self insurer selected by the group members to be responsible for managing the assets and directing the affairs of the group self insurer corporation and assuring the group self insurer, through the group members, is financially sound and able to meet the workers' compensation liabilities under the statutes and regulations applicable in California.

(i) Cancellation of Surety Bond. An act whereby the surety gives written notice to the Manager, as beneficiary of the workers' compensation self insurance surety bond, that the surety is terminating its contractual obligations under the named bond pursuant to Sections 996.320 and 996.330 of the California Code of Civil Procedure and the liability of the surety bond after the effective date of the cancellation is set forth in Section 996.360 of the California Code of Civil Procedure.

(j) Certificate to Self Insure. A Certificate of Consent to Self-Insure issued to an

employer pursuant to Section 3700(b) of the Labor Code.

(k) Certificate to Administer. A Certificate of Consent to Administer self insured workers' compensation claims issued to an administrative agency, except exempt insurance carriers, pursuant to Labor Code Section 3702.1.

(l) Claim File. A separate case file containing all pertinent documents and matters relating to a specific or companion work-injury claim. The claim file contents are specified in Section 15400 of these regulations.

(m) Claim Log. A manual or electronic listing of workers' compensation claims maintained by the self insurer or administrative agency for the self insurer. The claim log for private self insurers shall list each work injury claim by the calendar year in which the claim was reported to the employer or the claims administrator, whichever first occurred, ~~the~~ The log for public self insurers shall list each work injury claim by the fiscal year in which the claim was reported. The claim log contents are specified in Section 15400.1 of these regulations.

(n) Compensation. Compensation as defined in Labor Code Section 3207.

(o) Contribution. The amount of payments required of each group member in order to fund the compensation and deposit obligations of the group self insurer.

~~(p)~~ (q) Core Group Member. An affiliate member of a private group self insurer as defined by subsection ~~(t)~~ (v) of this section that is one of the affiliate group members that together with other specific members meet the aggregate financial requirements pursuant to Section 15472 of these regulations. Core group members of an existing group self insurer need not be the same Affiliate Group Certificate holders from year to year.

~~(r)~~ (q) Director. The Director of the Department of Industrial Relations.

~~(s)~~ (r) Exoneration of Surety Bond. The discharge of a surety from all past, present and future liability under its workers' compensation self insurance surety bond by the execution of a "Release of Surety", Form A4-24 (Rev. 11/92) by the Manager.

~~(t)~~ (s) First Aid. First Aid as defined in Labor Code Section 5401(a).

~~(u)~~ ~~(v)~~ (t) Group Administrator. The individual or business entity authorized to serve as the representative of a group self insurer and its group members ~~in carrying out to execute the policies of the Board of Trustees of the Group Self Insurer and managing manage~~ the activities of the group self insurer corporation.

~~(v)~~ (u) Group Member. A private employer issued an Affiliate Certificate as a member in a group self-insurance program that has, in turn, been issued a Certificate to Self Insure as a group self insurer.

~~(w)~~ ~~(t)~~ (v) Group Self Insurer. A private, non-profit mutual benefit corporation, a private, non-profit charitable corporation, a private, non-profit public benefit corporation, or a private, non-profit religious corporation created as set forth in Section 15470 of these regulations and pursuant to Part 3 (commencing with Section 7110) of Division 2 of Title 1 of the California Corporations Code. ~~s~~Said corporation shall be established for the sole purpose of operating a group workers' compensation self insurance fund ~~Said self insurance fund program to Said self insurance fund pool the~~ California workers' compensation liabilities ~~for~~ of two or more private employers in the same industry homogeneous grouping pursuant to Section 15473 under the California workers'

~~compensation statutes and regulations.~~ A group self insurer issued a Certificate of Consent to Self Insure pursuant to Labor Code Section 3700(b) and these regulations shall not be deemed to be an insurance company and shall not be subject to regulations governing insurers contained in Title 10, California Code of Regulations, except as otherwise provided by statute and by Title 8, California Code of Regulations.

~~(v)~~ (w) Indemnity Agreement and Power of Attorney. The written agreement executed by each group member or proposed group member of a group self insurer pursuant to Section 15479 of these regulations.

~~(w)~~ (x) Indemnity Claim. A work-injury case which has or may result in any of the following benefits:

- (1) Temporary Disability or salary in lieu thereof
- (2) Permanent Disability
- (3) Life Pension
- (4) Death Benefits
- (5) Vocational Rehabilitation

~~(x)~~ (y) Industry. Employer classification as determined using the first ~~two~~ three digits of the ~~Standard Industrial Classification~~ North American Industry Classification System Code (SIC NAICS Code), provided by the Department of Commerce, Bureau of Management and Budget.

~~(y)~~ (z) Joint Powers Authority. A public entity created by agreement of two or more public agencies pursuant to Division 7, Chapter 5, Article 1, Sections 6500 et seq. of the California Government Code. These regulations apply only to Joint Powers Authorities who have among their purposes for existence, the forming of workers' compensation liability pooling arrangements.

~~(z)~~ (aa) Labor Code. The Labor Code of the State of California.

~~(aa)~~ (bb) Manager. The Manager, Office of Self-Insurance Plans, in the Department of Industrial Relations.

~~(bb)~~ (cc) Medical-Only Claim. A work-injury case which does not result in compensable lost time but results in medical treatment beyond first aid.

Note: Payment of medical examinations pursuant to Labor Code Section 4600 will be considered a medical payment.

~~(cc)~~ (dd) Open Claim. A work-injury case in which it appears that one or more future payments of workers' compensation benefits may be due.

~~(dd)~~ (ee) Release of Surety Bond. Action of Manager of Self Insurance Plans by which a surety is exonerated. A released surety bond does not constitute part of the security deposit of a self insured entity.

~~(ee)~~ (ff) Security Fund. The Self Insurer's Security Fund as established by Labor Code section 3742.

~~(ff)~~ (gg) Self-Insurer. An individual public or private sector employer or joint powers authority or private group of employers that has been issued and lawfully holds a valid

Certificate to Self-Insure its workers' compensation liabilities pursuant to:

(1) The provisions of Section 29(a), Chapter 586, Laws of 1917 and amendments thereto; and/or

(2) Labor Code, Section 3700(b) for private sector employers ~~and~~ or 3700(c) for public sector employers.

~~(gg)~~ (hh) Special Audit. Any audit performed other than that in accordance with Labor Code Section 3702.6.

~~(hh)~~ (ii) Subsidiary Certificate. A type of certificate to self insure issued to a subsidiary of a self-insurer, where the self insurer holds the master certificate to self insure.

~~(ii)~~ (jj) Termination of Surety Bond. See definition of "Cancellation of Surety Bond".

~~(jj)~~ (kk) Work-Injury Claim. An injury that is reported or reportable to the Division of Labor Statistics and Research pursuant to Labor Code Sections 6409, 6409.1 and 6413.

**Note:** Authority cited: Sections 54, 55, 3701.8 and 3702.10, Labor Code. Reference: Sections 59, 129, 3700, 3701, 3701.5, 3701.8, 3702, 3702.3, 3702.5, 3702.6, 3702.10, 3703, 3705, 3740-3747 and 3850, Labor Code; Section 6500, Government Code; and Sections 995.430, 996.320 and 996.330, Code of Civil Procedure; and 5002-5080, Corporations Code.