

BROKER ADVISORY

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**CALIFORNIA REVISIONS TO THE INCLUSION/EXCLUSION RULES FOR  
DIRECTORS, OFFICERS, PARTNERS AND LLC MEMBERS**

California Assembly Bill 2883 amended the requirements for determining inclusion or exclusion of Directors, Officers, Partners and Members of Limited Liability Companies (“LLCs”) under Workers’ Compensation policies in effect January 1, 2017 (new, in-force and renewals).

Specifically, the new law **includes** within the WC Act **all** officers, directors, partners, and members of LLCs, and provides that the following individuals may exclude themselves with a written waiver:

- Directors and Officers of Corporations, if they own 15% or more of the issued and outstanding stock of the Corporation;
- General Partners of Partnerships; and
- Managing-Members of LLCs.

California has promulgated waiver forms to be used when an individual opts to exclude himself or herself from coverage. Waiver forms are sent with this Advisory.

The Waiver is effective on the date of receipt and acceptance by the carrier, and remains in effect until the individual provides the carrier with a written withdrawal of the waiver.

**NOTE SPECIFIC TO IN-FORCE POLICIES AND RENEWALS:**

**For any policy that is in effect on 1/1/17 or later, whether in-force or a renewal, any existing endorsement that excluded a Director, Officer, General Partner or Managing-Member will be removed effective 1/1/17.**

The policy will not be endorsed to exclude any Director, Officer, General Partner or LLC Managing-Member unless and until AIG receives a fully executed Waiver form from an individual who is eligible to exclude himself or herself.

If an individual is eligible to exclude himself or herself and does not do so, that individual will be included for coverage and his or her payroll will be included in the final premium developed upon Final Audit.

A policyholder notice which includes the Waiver form will be endorsed onto each policy in effect 1/1/17, whether in force or renewal.

If you have any questions, please contact your Underwriter.

**California Corporate Officers/Directors - Waiver**

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Insured Name: \_\_\_\_\_

Insurer: \_\_\_\_\_

Policy Number: \_\_\_\_\_

**CORPORATE OFFICERS/DIRECTORS - WAIVER OF WORKERS' COMPENSATION COVERAGE**

Pursuant to California Labor Code section 3352(p), I hereby certify, under penalty of perjury, that I am an officer or director of the above-named insured, which is a quasi-public or private corporation, and that I own at least 15 percent (15%) of the issued and outstanding stock of the above-named insured corporation. As a qualifying officer or director, I elect to be excluded from the corporation's workers' compensation insurance policy with the above-referenced insurer. I understand and agree that this written waiver will be effective upon the date of receipt and acceptance by the corporation's insurer and it shall remain in effect until I provide the insurer with a written withdrawal of this waiver. I understand and agree that by signing this waiver, I will not be entitled to coverage under the insured's workers' compensation policy with the above-referenced insurer if an employment-related injury occurs.

\_\_\_\_\_  
PRINT OFFICER'S/DIRECTOR'S FULL NAME

\_\_\_\_\_  
TITLE

\_\_\_\_\_  
OFFICER/DIRECTOR SIGNATURE

\_\_\_\_\_  
DATE

**NOTE TO EMPLOYER:** The exclusion will be endorsed to the policy upon our receipt and acceptance of a signed and properly completed form. The person electing exclusion must sign this form. Company representatives may not sign on behalf of the individual. One exclusion per form. Submit additional forms if needed.

Submit forms to your broker/agent and they will request endorsement on your behalf

**California General Partners and LLC Managing Members - Waiver**

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Insured Name: \_\_\_\_\_

Insurer: \_\_\_\_\_

Policy Number: \_\_\_\_\_

**GENERAL PARTNERS AND LLC MANAGING MEMBERS - WAIVER OF WORKERS' COMPENSATION COVERAGE**

Pursuant to California Labor Code section 3352(q), I hereby certify, under penalty of perjury, that I am a general partner (if the insured is a partnership) or a managing member (if the insured is a limited liability company) of the above-named insured. As a qualifying general partner or managing member, I elect to be excluded from the insured's workers' compensation insurance policy with the above-referenced insurer. I understand and agree that this written waiver will be effective upon the date of receipt and acceptance by the partnership's or limited liability company's insurer and it shall remain in effect until I provide the insurer with a written withdrawal of this waiver. I understand and agree that by signing this waiver, I will not be entitled to coverage under the insured's workers' compensation insurance policy with the above-referenced insurer if an employment-related injury occurs.

\_\_\_\_\_  
PRINT GENERAL PARTNER'S/  
MANAGING MEMBER'S FULL NAME

\_\_\_\_\_  
TITLE

\_\_\_\_\_  
GENERAL PARTNER/MANAGING MEMBER  
SIGNATURE

\_\_\_\_\_  
DATE

**NOTE TO EMPLOYER: The exclusion will be endorsed to the policy upon our receipt and acceptance of a signed and properly completed form. The person electing exclusion must sign this form. Company representatives may not sign on behalf of the individual. One exclusion per form. Submit additional forms if needed.**

Submit forms to your broker/agent and they will request endorsement on your behalf