



George Petersen Insurance Agency

News You Can Use

BUSINESS AND ECONOMY

Top 10 California Laws, Regs for 2023

A SLEW OF new laws and regulations that affect California businesses are taking effect for 2023.

Last year was a busy one, with ground-breaking new laws on employee pay disclosures, a law prohibiting discrimination against cannabis-using employees and another expanding the circumstances when employees can take leave to care for a loved one.

The following are the top 10 laws and regulations that employers in the Golden State need to stay on top of.

1. Pay disclosure

This sweeping law in part requires more disclosure of pay information by employers. Until this year, employers had only been required to provide the pay scale for a position upon reasonable request by a job applicant. SB 1162 goes a step further by:

- Requiring employers, upon request by a current employee, to provide the pay scale of the position they are employed in.
- Requiring employers with 15 or more workers to include pay scale in any job postings for open positions.
- Requiring employers to maintain records of job titles and wage rate history for each employee while employed for the company, as well as three years after their employment ceases.

Note: The law defines "pay scale" as the salary or hourly wage range that the employer "reasonably expects" to pay for the position.

Penalties range from \$100 to \$10,000 per violation. This law took effect Jan. 1, 2023.

2. State of emergency and staff

This new law, SB 1044, bars an employer, in the event of a state of emergency or emergency condition, from taking or threatening adverse action against workers who refuse to report to, or leave, a workplace because they feel unsafe.

"Emergency condition" is defined as:

- Conditions of disaster or extreme peril to the safety of persons or property caused by natural forces or a criminal act.
- An order to evacuate a workplace, worksite or worker's home, or the school of a worker's child due to a natural disaster or a criminal act.

SB 1044 also bars employers from preventing employees from using their mobile phones to seek emergency assistance, assess the safety of the situation or communicate with another person to confirm their safety.

The law, which took effect Jan. 1, 2023, does not cover first responders and health care workers.

See 'Law' on page 2

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Continued from page 1

Law Bars 'Discrimination' Against Cannabis-Using Employees

3. Cannabis use and discrimination

This law bars employers from discriminating in hiring, termination or other conditions of employment based on employees using cannabis while off duty.

The bill's author says the legislation is necessary because THC (tetrahydrocannabinol), the active ingredient in marijuana, can stay in a person's system after they are no longer impaired. As a result, drug testing may detect THC in an employee's system even if they used it weeks earlier and it is having no effect on their job performance.

AB 2188 does not require employers to permit employees to be high while working.

The bill would exempt construction trade employees and would not preempt state or federal laws that require employees to submit to drug testing. This law takes effect Jan. 1, 2024.

4. Leaves of absence

The California Family Rights Act and the state's paid sick leave law allow employees to take leave to care for a family member, defined as a spouse, registered domestic partner, child, parent, parent-in-law, grandparent, grandchild or sibling.

The definition has been expanded to include "any individual related by blood or whose association with the employee is equivalent of a family relationship" as of Jan. 1.

5. Contractor workers' comp

Starting July 1, the following contractors must carry workers' compensation coverage regardless of if they have employees or not:

- Concrete (C-8 license),
- Heating and air conditioning (C-20),
- Asbestos abatement (C-22), and
- Tree service (D-49).

Starting Jan. 1, 2026, all licensed contractors must have coverage.

6. OSHA citation postings

Under current law, employers that receive citations and orders from OSHA are required to post them in or near the place the violation occurred, in order to warn employees about a potential hazard.

Starting Jan. 1, 2023, they must post the notice not only in English, but also: Spanish, Chinese (Cantonese, Mandarin), Vietnamese, Tagalog, Korean, Armenian and Punjabi.

7. Permanent COVID standard

Cal/OSHA has a permanent COVID-19 prevention standard that will sunset in 2024. The new standard, which replaces the temporary emergency standard the agency had implemented, should provide more certainty for prevention procedures and practices.

Here are the main takeaways:

- Employers are no longer required to pay employees while they are excluded from work due to COVID-19, or to screen employees daily.
- Employers must still notify and provide paid testing to employees who had a close contact in the workplace.
- Employers can now incorporate written COVID-19 procedures into their Injury and Illness Prevention Programs.

8. CalSavers expanded

SB 1126 requires any person or entity with at least one employee to either provide them with access to a retirement program like a 401(k) plan or enroll them in the state-run CalSavers program.

Prior to this new law only companies with five or more employees that do not offer a retirement plan were required to enroll their workers in CalSavers.

9. Bereavement leave

Employers with five or more workers are required to provide up to five days of bereavement leave upon the death of a family member, that came into effect on Jan. 1.

This leave may be unpaid, but the law allows workers to use existing paid leave available to them, such as accrued vacation days, paid time off or sick leave. Employers are authorized to require documentation to support the request for leave.

10. PFL wage replacement

This law was passed last year, but does not take effect until 2025. Existing California law allows employees to apply for Paid Family Leave and State Disability Insurance, both of which provide partial wage replacement benefits when employees take time off work for various reasons under the California Family Rights Act.

Starting in 2025, low-wage earners (those who earn up to 70% of the state average quarterly wage) will be eligible for a higher percentage of their regular wages under the state's PFL and SDI benefit programs.



AUTO INSURANCE

Expect Long Accident Repair Times, Rental Issues

DUE TO supply chain issues, labor shortages and work backlogs, the time it takes to repair a vehicle has increased substantially in the last year.

What used to take two weeks maximum can now take more than a month, and that leaves some people in a bind with their insurance.

The standard auto insurance policy will typically reimburse for rental car costs for up to 30 days after an accident, as long as the policyholder opted for car rental reimbursement.

But due to longer repair times, some people are exceeding their 30-day rental car coverage and having to pay out of pocket during the excess time it takes fix their vehicle. Depending on what kind of car they are renting, the costs can run into the hundreds or even thousands of dollars.

Repair delays getting worse

5 Days Longer: It took five days longer to repair cars in Spring 2022 than it did in Spring 2021.

Eight-week wait times: More than 13% of shops are scheduling more than eight weeks out. Shops with three months of backlog are not uncommon.

Sources: Enterprise Rent-a-Car and CCC Intelligent Solutions.

What's causing delays

- Delays and backlogs in receiving parts due to global supply chain snarls.
- Shortage of skilled workers with body shop experience.
- Work backlogs with many shops receiving more work than they can handle.

Insurance implications

While most policies limit car rental reimbursement to 30 days, some insurers have different rules. For example, a policy may have a daily and overall dollar limit per claim.

The rental reimbursement rate could be, say, \$35 per day/\$1,050 per claim. Since there is a dollar limit per claim, if you know the car is going to take longer than 30 days to repair, you could opt for a less expensive rental car.

Remember too that rental reimbursement will only cover the cost of the rental, and not the security deposit, fuel and supplemental coverage you may choose to cover the rented vehicle.

You should also check with your insurance carrier whether you will pay for the rental up front and be reimbursed by the insurer, or if the rental company can bill the company directly.

Many insurers have relationships with car rental companies that can often arrange for direct billing.

One exception to the 30-day rule is if the accident was caused by another driver. In that case, the at-fault driver's insurer would pay for the rental vehicle for a reasonable amount of time as the car is being repaired or replaced, which may exceed 30 days.

At the same time, it can take longer to get reimbursed as the other driver's insurance company will need time to verify the claim before approving payment.



NO SURPRISES ACT

New Law Prevents 9 Million Surprise Medical Bills

AS MANY AS 9 million surprise medical bills have been prevented since January due to the impact of the No Surprises Act, according to a new report.

This is the first data that indicates the law, aimed at eliminating surprise medical billing for patients getting emergency treatment, is working. The number of claims subject to protections of the law have far exceeded expectations, the report by AHIP Health Policy & Markets Forum and the Blue Cross Blue Shield Association found.

If you have not made your employees aware of this groundbreaking law, you should, as Americans are tagged with billions of dollars a year in surprise bills when they go out of network, even if they don't know it.

The act

Beginning Jan. 1, the No Surprises Act banned surprise medical billing in most instances. Often these bills come after going to an in-network hospital but either the doctor, the lab or the anesthesiologist was out of network.

Surprise billing is also common in medical emergencies, when an ambulance takes a patient to the closest ER – and frequently at a hospital that's not in their network.

The purpose of the law was to reduce surprise medical billing for insured patients getting emergency treatment.

However, the law provides patients additional rights in some non-emergency situations, as well.

Emergency services

To help control your employees' medical costs, it's a good idea to make sure workers and their families understand how the law works, so they can assert their rights under the act.

The act prohibits in-network hospitals and other providers from

billing patients any out-of-network charges for emergency services. The most the in-network provider can bill the patient for is their plan's maximum in-network cost-sharing amounts.

Patients must still pay their deductible, copays, and coinsurance amounts. Providers cannot bill patients with insurance for anything beyond that.

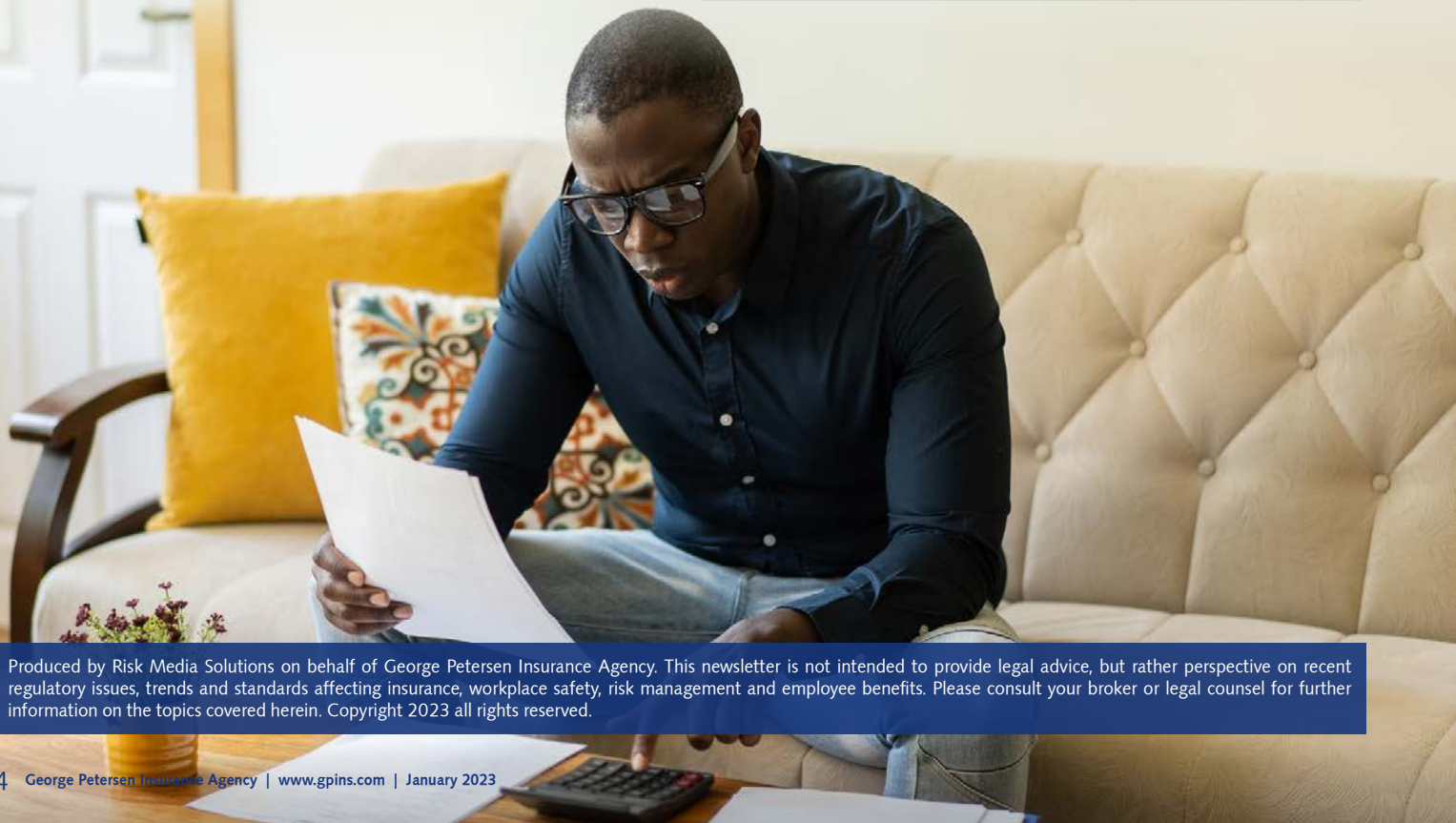
Waiving rights

Some providers may ask your employees to sign a document that waives their rights under the law. However, the law prohibits waivers for any of these services:

- Emergency care
- Unforeseen urgent medical needs during non-emergency care
- Ancillary services
- Hospitalist charges
- Assistant surgeon charges
- Out-of-network provider services when no in-network

Tips for covered employees

- You are not required to waive your rights under the No Surprises Act.
- You are not required to use out-of-network providers. You can seek non-emergency care in-network.
- Your plan must cover emergency services without requiring preauthorization.
- Your plan must cover emergency services by out-of-network providers.
- Your plan must apply any amounts you pay for emergency or out-of-network services towards your deductible and out-of-pocket limits.
- If you think you've been wrongly sent a surprise medical bill, visit: www.cms.gov/nosurprises.



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