

POLICIES, RULES & REGULATIONS

OF

SOUTHERN CALIFORNIA PAINTERS & ALLIED TRADES EMPLOYERS GROUP ("SCPATEG")

The following policies, rules and regulations are adopted to support the continuation of SCPATEG as a Safety Group of Employers as contemplated in Section 11656.6 of the California Insurance Code.

Upon request of SCPATEG or its designated representative, a workers' compensation insurance carrier covering an SCPATEG employer, shall provide coverage information including, but not limited to, loss ratio, experience modification, claim frequency, and other information that is required under said section 3201.5.

Any employer with the following performance numbers may be required to meet and confer with a person or committee designated by SCPATEG for the purpose of analyzing the employer's historical loss information:

- a. four year cumulative average loss ratio of over 80%
- b. experience modification of 120% or greater
- c. if loss ratio and experience modification information is unavailable or incomplete, claim frequency and severity information may be used in its place
- d. if frequency of claims exceeds industry standards by classification.

SCPATEG or its designated representative may require a representative of the employer's workers' compensation carrier to participate in the meet and confer session.

The meet and confer session will be designed to analyze the employer's historical loss information to determine whether the loss ratio is in a downward trend or an upward trend. Based on the results of the analysis SCPATEG may: allow the employer to renew as a SCPATEG participant; place the employer in a probationary status and advise the employer of the criteria it must meet in order to be removed from probation; or advise the employer that it will not be allowed to renew within the SCPATEG.

For all injuries that are reported to an SCPATEG employer by an employee, such employer shall, within one day after the reported injury, provide the appropriate Workers' Compensation Claim Form to the employee and forward the Employer's Report of Industrial Injury to the workers' compensation carrier with a copy of any Workers' Compensation claim form

Employers that violate these standards will be initially referred by SCPATEG to its designee for the purpose of correcting the identified problem(s). Failure to achieve an acceptable correction to the identified problem(s), will require the employer and/or the employer's workers' compensation insurance carrier to meet and confer with the SCPATEG designee for the purpose of determining if formal punitive action by SCPATEG should be taken, which could be a summary written warning, notice of being placed on probation, or notice of non-renewal as a SCPATEG participant.