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**BULLETIN** #06-12

## **New 2007 Law Requires All Roofing Contractors with Active Licenses to Have Workers' Compensation Coverage**

*New requirements take effect on January 1, 2007*

**Sacramento** – The deadline is quickly approaching for a new law that impacts all contractors holding the Roofing (C-39) classification. Under the provisions of Assembly Bill (AB) 881 there are new licensing requirements for all 6,000 licensees with an active Roofing (C-39) classification. If a contractor holds the Roofing (C-39) classification, action must be taken as outlined below or the right to perform roofing work in California will be suspended until the contractor complies with the new law.

Beginning January 1, 2007, all active licensees holding the Roofing (C-39) classification must have either a valid Certification of Workers' Compensation Insurance or a valid Certification of Self-Insurance on file with the Contractors State License Board (CSLB). AB 881 amended Section 7125 of the Business and Professions Code to require that all Roofing (C-39) contractors carry workers' compensation coverage effective January 1, 2007, regardless of whether or not they have employees. Failure to have one of the required certifications on file with the CSLB will result in:

1. The removal of the Roofing (C-39) classification from a license with multiple classifications; or
2. The suspension of a license where the sole classification is the Roofing (C-39) classification

**No exemptions to the Workers' Compensation Insurance requirement will be granted effective January 1, 2007.**

**NOTE:** Inactive Roofing (C-39) contractors will not be subject to this requirement as long as the license remains inactive. In order to return to active status, they would need to have one of the required certifications on file with the Board.

In addition, AB 881 adds Section 11665 to the Insurance Code, requiring insurers who issue workers' compensation insurance to Roofing (C-39) contractors to perform an annual payroll audit for the contractor. The insurer may impose a surcharge on the policyholder for the audit.

The new workers' compensation insurance requirements imposed by AB 881 will remain in effect until January 1, 2011.

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If you have questions about these requirements, please contact your workers' compensation insurance provider or the Contractors State License Board's Workers' Compensation Unit.

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