



CITY OF

NEWPORT BEACH

City Council Staff Report

June 11, 2019
Agenda Item No. 6

TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL

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TITLE: Resolution No. 2019-50: Adopting a Resolution Pursuant to Labor
Code Section 3600.2; Workers' Compensation

ABSTRACT:

California employers are legally required to provide workers' compensation benefits to their employees to cover work-related injuries. The City of Newport Beach offers coverage for this benefit through a combination of a self-insured retention and excess workers' compensation insurance through California State Association of Counties (CSAC) Excess Insurance Authority (EIA). Due to recent amendments to the California Labor Code involving workers' compensation coverage, the EIA has modified its Memorandum of Coverage (MOC) and requires its covered employers to adopt a resolution in order to maintain excess coverage by the EIA.

RECOMMENDATION:

- a) Determine this action is exempt from the California Environmental Quality Act (CEQA) pursuant to Sections 15060(c)(2) and 15060(c)(3) of the CEQA Guidelines because this action will not result in a physical change to the environment, directly or indirectly; and
- b) Adopt Resolution 2019-50, *A Resolution of the City Council of the City of Newport Beach, California, Made Pursuant to California Labor Code Section 3600.2.*

FUNDING REQUIREMENTS:

There is no fiscal impact related to this item.

DISCUSSION:

State law requires employers to pay for workers' compensation benefits. During the 2018 legislative session, Assembly Bill 1749 was introduced to amend California Labor Code Section 3600.2. Governor Brown signed the bill into law effective January 1, 2019.

The amendment to Labor Code Section 3600.2(b) allows an entity to decide whether to accept a workers' compensation claim filed by a peace officer who, while out-of-state, is injured while engaging in the apprehension or attempted apprehension of law violators or suspected law violators, or protection or preservation of life or property, or the preservation of the peace, if providing compensation serves the public purposes of the employer.

The City currently maintains excess workers' compensation insurance through CSAC EIA. If the City accepts a claim which falls within the parameters identified in Labor Code Section 3600.2(b), the City Council must adopt a resolution prior to the injury occurring in order for the EIA to provide excess coverage for the claim. The attached resolution is presented for City Council adoption and provides that the City will determine at its discretion whether to accept or deny such claims.

ENVIRONMENTAL REVIEW:

Staff recommends the City Council find this action is not subject to the California Environmental Quality Act (CEQA) pursuant to Sections 15060(c)(2) (the activity will not result in a direct or reasonably foreseeable indirect physical change in the environment) and 15060(c)(3) (the activity is not a project as defined in Section 15378) of the CEQA Guidelines, California Code of Regulations, Title 14, Chapter 3, because it has no potential for resulting in physical change to the environment, directly or indirectly.

NOTICING:

The agenda item has been noticed according to the Brown Act (72 hours in advance of the meeting at which the City Council considers the item).

ATTACHMENT:

Attachment A – Resolution No. 2019-50