



NOTICE OF CALIFORNIA LOCATION REQUIREMENT

This notice is to inform you of State Compensation Insurance Fund's (State Fund) requirement for a verifiable California location.

Per ongoing Rate Filings beginning in 2011, State Fund will underwrite a PEO or staffing agency if there is a verifiable California location where the agency itself conducts business.

A verifiable California location must be a physical California office where the PEO or staffing agency conducts day-to-day business operations with normal and predictable business hours. The California location is where payroll and audit records must be kept and is where a physical audit will be conducted by a State Fund Premium Auditor. The PEO or staffing agency must have at least one administrative employee working from this location.

Please note that a virtual office where executive suites are offered on an "as needed basis only" does not meet the requirement. The PEO or staffing agency must have an office suite solely designated for staffing agency use.

After a policy is bound for a PEO or staffing agency, State Fund will perform a Policy Review Visit (PRV) to verify the California location identified during the underwriting process. If it is determined that the PEO's or staffing agency's location does not meet State Fund's requirements for a verifiable California location, the PEO's or staffing agency's State Fund policy will be subject to rescission.

I understand and agree to comply with the above conditions.

Employer's Signature

Print Name & Title

Date