

**PUBLIC UTILITIES COMMISSION**

505 VAN NESS AVENUE  
SAN FRANCISCO, CA 94102-3288



Dear Permit Applicant:

California Labor Code Sections 3351 and 3352 require Corporations, Limited Liability Corporations (LLCs) and Partnerships to maintain a workers' compensation insurance policy for their employees, including officers, managing members and general partners, with certain exceptions. Assembly Bill No. 2883 revised those exceptions as follows:

- **Corporations**

Officers or members of the board of directors must own at least 15% of the issued and outstanding stock of the corporation. The Statement of Information filed with the California Secretary of State and the Driver Statement (see attached form PL 739-A) must state the ownership levels for each officer or director, if the officer or director is also a driver. The ownership information listed on the Driver Statement must be identical to the information filed with the Secretary of State in the Statement of Information. Any officer or director owning less than 15% of the stock of the corporation must be covered by workers' compensation insurance.

- **Limited Liability Company**

Managing Members can opt out of workers' compensation insurance by executing a written waiver of his or her rights under the laws governing workers' compensation by stating under penalty of perjury that he or she is a qualifying Managing Member (form TL-706K-LLC). Members other than Managing Members are employees and must be covered by workers' compensation. In order to comply with this requirement, all LLC's must file a current Statement of Information with the California Secretary of State specifying the name of and title of each Managing Member and Members.

- **General Partnership**

An individual who is a General Partner of a partnership can opt out workers' compensation insurance by executing a written waiver of his or her rights under the laws governing workers' compensation by stating under penalty of perjury that he or she is a qualifying General Partner. Any other Partners are employees and must be covered by workers' compensation. To comply with this requirement, all General Partnerships must file an updated Partnership Agreement (see attached) specifying the required information and title of each General Partner/Partner.

To receive a permit for any type of application (new, renewal, refile or transfer) the applicant must provide the necessary documents as stated above. Failure to comply with this Labor Code requirement may result in the suspension, subsequent revocation or denial of your authority.

Transportation License Section