



BULLETIN

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The deadline for Governor Newsom to act on 2025 bills has passed, and while no major workers' compensation reforms were enacted this year, the governor did sign several measures of interest to the workers' compensation community:

Water Company Joint Powers Authorities (JPAs). [AB 428](#) (Rubio) allows investor-owned water corporations to join or form JPAs but requires reinsurance and liability coverage if they join a JPA.

SCIF Investments; Ins. Agent Licenses; Blanket Policies. [AB 487](#) (Assembly Ins. Comtee) removes the 1/1/27 sunset on the authorization for the State Fund Board to make discretionary investments in properties, securities or money market funds and to invest or reinvest up to 20% of its surplus; revises provisions relating to insurance agent license applications; and expands the allowable scope of blanket policies.

Use of AI to Imply Possession of a Health Care Certificate or License. [AB 489](#) (Bonta) allows regulators to enforce title protections against developers and deployers of AI systems that falsely present themselves as licensed or certified health professionals. The bill prohibits the use by AI or GenAI technology of certain terms, letters, or phrases that indicate or imply that advice, care, reports, or assessments provided through AI are provided by a natural person with the appropriate health care license or certificate. Violations are subject to the jurisdiction of the appropriate health care professional board, and each use of a prohibited term, letter, or phrase will be punishable as a separate violation.

Insurance Agent Pre-Licensing. [AB 943](#) (Rodriguez) eliminates the requirement that insurance broker applicants must complete 20 hours of prelicensing for each line of insurance for which a license is sought and the fees for these courses. Applicants will still be required to complete 12 hours of training on ethics (including fraud) and the Insurance Code.

Wage Theft. [AB 1002](#) (Gabriel) targets wage theft by licensed contractors by allowing the Dept of Justice to seek suspension or revocation of their Contractors State License Board (CSLB) licenses for violations.

Controlled Substance Research. [AB 1103](#) (Ward) streamlines the approval process for research on Schedule I and II substances by expediting review of clinical studies involving the administration of these substances to humans, and until 1/1/28, allows members of the state's Research Advisory Panel to fast track evaluations for eligible applications.

Heart Presumption. [AB 1125](#) (Nguyen) extends the Atascadero State Hospital security officer heart presumption to officers and employees at the Dept of Corrections with custodial duties and peace officers at the Dept of State Hospitals.

Firefighter Personal Protective Equipment (PPE). [AB 1181](#) (Haney) requires that by 1/1/27, Cal/OSHA modify its existing safety order regarding firefighter PPE to address national PPE performance standards that are not relevant or applicable to how firefighters use their PPE and that result in use of perfluoroalkyl and polyfluoroalkyl substances, fluoropolymers, flame retardants, and other hazardous substances in firefighting personal protective garments and auxiliary firefighting PPE. Requires a Cal/OSHA report on progress toward implementation of the standards by 7/1/26.

Qualified Medical Evaluator (QME) Templates. [AB 1293](#) (Wallis) requires that by 1/1/27 the DWC Administrative Director develop a medical evaluation request form that parties can use to communicate with a panel QME pursuant to LC §4062.3 in advance of an evaluation, and a QME report form template with all necessary statutory and regulatory requirements for a QME report, though use of a template QME report will not, in and of itself, constitute prima facie evidence that the report is complete, accurate, or meets statutory or regulatory requirements.

Human Trafficking Prevention and Protection. [AB 1362](#) (Kalra) requires that by 7/1/27 contracted foreign labor recruiters register with the state and adhere to rules to prevent exploitation of migrant workers (e.g., prohibiting recruitment fees) and create legal remedies for labor violations. Also extends existing protections to foreign labor contractors recruiting for all temporary work visa programs except recruiters for J-1 exchange visitor visas (used by researchers and students) and talent agency recruiters and requires the Dept of Industrial Relations (DIR) to produce a study by 1/1/28 on how to extend foreign labor contractor registration requirements to certain foreign labor contractors.

Disclosure of Financial Interest in Entities Receiving Referrals. [AB 1398](#) (Valencia) requires interested parties to provide written disclosure of their financial interest, if any, to a 3rd-party payer or other entity to whom a claim for payment is presented for services provided pursuant to a referral and allows prosecutors to charge those accused of participating in kickback schemes with a misdemeanor under LC §139.32 or a felony under PC §550.

ABC Test Exemptions. [AB 1514](#) (Assembly Labor & Employment Comtee) exempts licensed manicurists and commercial fishermen from the ABC test for determining independent contractor status.

Salary Continuation Benefits. [SB 8](#) (Ashby) adds Sacramento County park rangers to the list of first responders entitled to 4850 salary continuation benefits in lieu of TD.

Stonecutting Shop Worker Silica Protections. [SB 20](#) (Menjivar) adds protections for workers in stonecutting shops from exposure to respirable crystalline silica.

Pharmacy Benefit Managers (PBMs). [SB 41](#) (Wiener) requires PBMs to be licensed by the Dept of Insurance and prohibits spread pricing arrangements and steering patients toward affiliated pharmacies. The bill also requires PBMs to pass on all rebates to payers or patients, bars them from making exclusivity deals with drugmakers, limits how they charge certain fees, and prohibits them from making untrue, deceptive, or misleading statements.

Cancer Presumption. [SB 230](#) (Laird) expands the cancer presumption in LC §3212.1 that covers police, firefighters, and firefighters at Dept of Defense and NASA facilities, to firefighters at commercial airports regulated by the FAA. The bill also extends the LC §3212.15 PTSD presumption given to Defense Dept and NASA firefighters to firefighters at airports regulated by the FAA, and in some cases, adds firefighters at other federal locations to the presumptions in LC §§3212 (hernia, heart trouble and pneumonia), 3212.15, 3212.6 (tuberculosis), 3212.8 (bloodborne illness and MRSA), 3212.85 (biological and chemical agents), and 3212.9 (meningitis). Effective for injuries on or after 1/1/26.

Contractor Workers' Comp Exemptions. [SB 291](#) (Grayson) exempts contractors (except roofing contractors) who don't have employees, haven't been cited for operating without workers' comp, and who don't work on construction projects valued at over \$2,000 from having to carry workers' comp. The bill requires that by 1/1/27 the CSLB establish a process to obtain evidence to verify that contractors claiming a workers' comp exemption actually have no employees. The bill creates a minimum civil penalty of \$10,000 per violation for sole owner licensees found to have employed workers without insurance and \$20,000 per violation for partnerships or limited liability companies employing workers without insurance, with penalties of up to \$30,000 for subsequent violations.

First Responder Death Benefits. [SB 447](#) (Umberg) enhances first responder death benefits by extending the time that employers must provide health benefits for minor dependents by 5 years. When a first responder job-related death is caused by external violence or physical force, their employers must provide health benefits to their spouse unless the spouse elects to receive a lump-sum survivor benefit. Minor dependents continue to receive benefits under the spouse's coverage, but if there is no surviving spouse, dependent health care coverage will now extend from age 21 to age 26.

Subrogation Rights of First Responder Employers. [SB 487](#) (Grayson) limits subrogation rights of first responder employers by declaring that a peace officer or firefighter is entitled to at least 2/3 of a 3rd-party defendant's liability insurance policy limit if the employee establishes that total damages exceeded the net recovery available after satisfaction of the employer's claim and the total liability insurance limits are not sufficient to fully compensate the employer and employee. The bill also declares that the employer's right to reimbursement or subrogation is subordinate to the minimum recovery threshold for employees; that the subrogation rights of a first responder's employer are limited to the portion of the recovery not allocated to the injured worker; that the employer has no right to assert a credit or offset against future work comp benefits; and that a release or settlement is not valid or binding unless it provides that the injured worker shall receive a payment not less than 2/3 of the limits on the 3rd-party's insurance policy.

Civil Penalties for Unlicensed Contractors. [SB 779](#) (Archuleta) establishes a minimum fine of \$1,500 for unlicensed contracting, filing a false certification of exemption, or operating without required work comp coverage; and authorizes the CSLB to increase the minimum penalties in increments of \$1,000 every 5 years.

Reclassifying Construction Industry Trucking Company Owners/Operators. [SB 809](#) (Durazo) creates an amnesty program so construction industry trucking companies can reclassify owner/operators as employees if they implement a system in which drivers are paid separately for hours they work and use of their trucks. Relieves eligible contractors of liability for civil penalties for misclassifying drivers as independent contractors if they settle with the Labor Commissioner by 1/1/29, agreeing to properly classify drivers who perform construction work for them as employees and other specific provisions, including paying all wages, benefits, and taxes owed.

Liens to Recover Money Owed to the Uninsured Employers Benefits Trust (UEBT). [SB 847](#) (Reyes) allows DIR to attach a lien to property that an illegally uninsured employer tried to hide after a work accident so it can try to recover money owed to the UEBT fund if the property is ever sold or refinanced.

To view these bills or others from the 2025 legislative session, visit the California Legislative Information page [here](#).

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