

April 21, 2020

The Honorable Gavin Newsom
Governor of California
1303 10th Street, Suite 1173
Sacramento, CA 95814

Re: Proposed changes to worker's compensation system due to COVID-19

Dear Governor Newsom:

On behalf of the California agriculture industry, we write to express our concerns regarding the proposal to make fundamental changes to the workers' compensation system. The proposed action, mandating that all employees working outside of the home who contract COVID-19 during the shelter in place order will automatically be covered by workers' compensation, puts undue pressure and responsibility on the employer. It is our understanding that there would be no opportunity to review or rebut the claim and an actual, positive test would not be required.

If all industries are now mandated to pay workers' comp for COVID-19 infections that are claimed to have been contracted at the workplace, with no ability for companies or insurance carriers to investigate the veracity of the claim, the Workers' Compensation Insurance Rating Bureau of California estimates costs in excess of \$33 billion that will be imposed on business. We understand there is an attempt to mitigate this by precluding XMod changes. But that will not help. Business with a deductible, in a captive program or who are self-insured will pay directly and the XMod makes no difference. Regardless of the XMod, rates will go up for all impacted businesses based on frequency and severity, not the XMod. All of this would happen at precisely the wrong time when the economy attempts to restart in the weeks or months ahead.

We would ask instead that you limit the irrebuttable presumption of compensability for "front line" first responders, hospital workers, and those providing direct patient care to infected individuals. All other workers, essential or otherwise, should continue to follow existing workers' comp guidelines and processes.

Governor, we appreciate the leadership you've shown in the face of this terrible virus and you've made bold decisions that have protected the health of millions of Californians. We respectfully ask, therefore, that you apply that same measured and thoughtful approach to workers' compensation given the complexity of what is at stake, including the survival of our economy.

Sincerely,



Richard Matoian
American Pistachio Growers



Ian LeMay
California Fresh Fruit Association

Kay Pricola

Kay Pricola
Imperial Valley Vegetable Growers
Association

D. J. Puglia

Dave Puglia
Western Growers Association

Paul Poister

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Western Plant Health Association

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Ventura County Agriculture Association