

# SUMMARY OF PROTECTION WORKERS' COMPENSATION RISK SHARING PROGRAM

The State of California Labor Code requires that all employers must provide Workers' Compensation benefits to their employees.

Program highlights include:

- ♦ CFSA's risk sharing program provides primary protection of up to \$500,000 each accident for every claim of occupational injury, illness and disease under the Workers' Compensation and Employers Liability Protections. This program is described in detail in the Memorandum Stating the Terms and Conditions of the Workers' Compensation Risk Sharing Program Administered by the California Fair Services Authority.
- ♦ CFSA is a member of CSAC Excess Insurance Authority's Excess Workers' Compensation Program, which pays claims in excess of \$500,000 each accident, up to Statutory limit for workers' compensation benefits and up to \$5,000,000 each accident for Employers Liability.
- ♦ All employees are covered, including volunteers who work for no compensation as long as the fair board has passed a resolution so stating and the fair reports the hours of such volunteers.
- ♦ Protection for community service workers is provided only when there is a valid contract between the County and the fair and the fair reports hours of such workers to CFSA.
- ♦ Protection pays for all medical costs for occupational illness, injury or disease caused by or aggravated by conditions of employment.
- ♦ Protection pays temporary disability benefits while recovering from job-related occupational injury, illness or disease.
- ♦ Protection pays permanent disability benefits based on the degree of permanent disability.
- ♦ Protection pays a fixed amount of \$6,000 for supplemental job displacement benefits if an injured employee is unable to return to their usual and customary job duties and if the fair is unable to provide modified or alternate work. This is for injuries on or after January 1, 2013.
- ♦ Protection pays dependent death benefits if an employee dies as a result of occupational injury, illness or disease caused by employment.
- ♦ All classes of benefits are set by statute; changes occur from time to time through the legislative process.
- ♦ There are penalties imposed on employers by the Labor Code for serious and willful misconduct, willful negligence and unsafe working conditions in addition to discrimination against injured workers (Labor Code section 132A) not covered by this program. Coverage for defense of these allegations is included, however, the payment of any award for penalties is the fair's responsibility. Neither CFSA's Program nor the excess policy pays those penalties.
- ♦ Employers Liability is included under the Program to provide defense and/or payment should an employer be found negligent in a compensable injury.
- ♦ Protection under the Program is limited to fair operations only.
- ♦ Fairs must comply with conditions in the Joint Exercise of Powers Agreement and with Operating Memoranda issued by CFSA Board of Directors.
- ♦ Fees for protection are based on a fair's payroll with modification based on a fair's loss history.

If you have specific questions regarding the Workers' Compensation Program administered by CFSA, please call Cindy Hehner, CFSA's workers' compensation administrator, at (916) 263-6172.