



## CFSA Board of Directors Approves 2002 Rates for Workers' Compensation and General Liability Coverages

Members of CFSA's workers' compensation and general liability pools will be interested to know CFSA's board has approved staff's recommendations for 2002's rates. The workers' compensation base rate of 4.95 percent will remain in effect for the sixth consecutive year, and the same general liability fee structure used in 2001 will continue to apply in 2002.

### The details: Workers' Compensation

Workers' compensation costs are definitely soaring in the commercial market. In fact, many California employers are seeing increases between 18 and 24 percent, and this is before any increases associated with recently passed legislation are added.

Although CFSA's workers' compensation pool is starting to feel the effects of higher costs, conservative reserving policies and a couple revisions to the modification ratio structure will enable CFSA to hold the base rate at 4.95 percent (lowered from 5.7 percent in 1997) for the sixth year in a row.

The revisions to the modification ratio structure will:

- 1) cap the first 10 losses exceeding \$25,000 during the five year period 1996 - 2000 at \$25,000 and cap every claim thereafter that exceeds \$25,000 at a maximum of \$50,000 before applying the modification ratio. (There was no cap on workers' comp losses prior to 1999.) Capping losses allows the modification ratio to reward and penalize fairs more for their frequency of claims than on the severity of claims.
- 2) grant an additional 5 percent discount to fairs with no losses from 1996 - 2000 and add an additional 5 percent penalty to fairs with loss ratios exceeding 70 percent (the loss ratio equals capped losses divided by fees paid).

Rick Wood, CFSA's chief financial officer, notes that many fairs will be seeing an increase in fees due to an increase in their fair's individual payroll. We saw an average payroll increase of 3 percent among pool members for 2001.

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### Insurance Information Alert

#### CFSA Responds to Motorized Event General Liability Limit Concerns with a Temporary Fix

CFSA has heard from the fairs that some motorized event promoters have been unable to obtain the minimum required \$3,000,000 general liability coverage when renewing their existing insurance coverages. (The \$3,000,000 minimum was established in 2001 for promoters of all types of motorized events held on fairgrounds, including auto or motorcycle races, truck rodeos, tractor/truck pulls, destruction derbies, mud bogs, mud racing, go cart racing, car crunches

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### Hotel and Registration Details for April Fair Compu-Share Users Group Meeting Finalized

Have you registered yet? The Fair Compu-Share Users Group meeting is just a few weeks away, Monday and Tuesday, April 29 and 30. The meeting, led by Compu-Share representatives, will be held at Cal Expo's Satellite Wagering Facility in Sacramento, 8:00 a.m. to 4:30 p.m. both days. Registration is \$150 per person, and breakfast and lunch are included.

This meeting will be especially helpful to managers and accounting personnel who already use or who are interested in using Compu-Share's

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### CFSA Welcomes Two New Employees and Congratulates Another on a "Safe" Career Move

There are two new additions to CFSA's Finance department, Liz Lopez and Larry Martin.

Liz, who began this week, *Continued on back...*

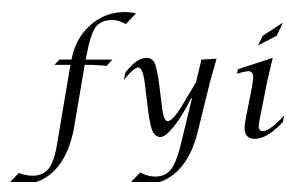
### 2002 Employee Rights Posters Still Available in Limited Quantities

Karen Gallay, CFSA's Purchasing Agent, reports that she has only a few more 2002 Employee Rights poster sets available for purchase. These posters, priced at \$11.50 per set, are available in English and Spanish. To order, please call Karen at 916/263-6191.

**CFSA's Aerostar Van Sold**  
Karen also reports that the Aerostar van CFSA offered for sale has been sold.

"I know that there are people in this world who do not love their fellow man, and I hate people like that."

~ Tom Lehrer



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Let's hear from you!  
Contact *fyi* at:  
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"Research is what I'm doing when I don't know what I'm doing"  
~ Werner Von Braun  
(1912-1977)

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### **CFSA Board of Directors Approves 2002 Rates, con't...**

(Actual payroll dollars reported to CFSA for 2001 were more than \$2.4 million higher than originally estimated.)

#### **The details: General Liability**

A rate increase of 7 percent implemented in 2001 for higher than estimated losses in 1997, 1999 and 2000, allowed CFSA to reserve losses for 2001 at the actuary's "expected" or 55 percent confidence margin. Now, a year later, the general liability pool is on target to cover estimated losses for 2002, predicted to be only slightly higher than in 2001.

Rick reminds fairs that some may see increases or decreases in their overall rate based on their own individual loss histories as compared to the industry average.

If you have any questions about how your fees were calculated or about the programs in general, please call Rick Wood at 916/263-6147.

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### **Compu-Share Users Group Meeting, con't...**

accounting software and its latest enhancements. During this meeting, the focus will be on the Activity-GL system and the new Activity-AP system, slated for field testing this summer.

To register, follow the directions included with the registration forms your fair's accounting department should have received last week. For hotel accommodations, contact the Radisson Hotel on Leisure Lane in Sacramento at 800/333-3333 or 916/922-2020, or the Vagabond Executive Inn on Arden Way at 800/793-2030 or 916/929-5600. Be sure to ask for the government rate.

If you have any questions about the meeting, please call Sue Leavitt at 916/263-6188 or Rick Wood at 916/263-6147.

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### **Insurance Alert, con't...**

and motorized thrill shows.)

CFSA realizes that the unavailability of the coverage is caused by changes in the commercial market, and isn't the fault of the promoters.

CFSA also recognizes this as a temporary situation, and as such, is giving conditional approval of insurance coverage for motorized events with only \$2,000,000 in limits, subject to a commitment on the part of the promoter to purchase the required \$3,000,000 in coverage as soon as it becomes available. (The general liability limit has not been reduced to \$2,000,000.)

CFSA has been in direct contact with the insurance brokers in question and they have assured CFSA that higher limits of at least \$3,000,000 will be available soon. (CFSA's conditional approval will cease being offered when insurance brokers inform CFSA that the higher limit is available.)

CFSA is here to help you and your fair facility users when an insurance coverage issue arises — all you have to do is call. For more information about insurance coverage for motorized events, please refer to your Red Book Insurance Information Alert dated March 12, 2002, or contact Charlie Mitchell at 916/263-6150.

### **Meet CFSA's Newest Staff Members, con't...**

is a California native now living in Marysville. As an Accounting Clerk I, she's learning the ropes in Accounts Payable. Before coming to CFSA, she worked at Kelley and Swain, an employee benefit administration company in Folsom.

Larry Martin, also an Accounting Clerk I, already has several weeks at CFSA under his belt. Larry grew up in Southern California and moved to Sacramento to play center on Sacramento City College's basketball team. (And in answer to your question: 6'4".) Currently helping fairs with their payroll duties, Larry previously worked for the Newspaper Network, a media buying company.

Omar DeGuzman, who's been with CFSA for nearly two years, recently transferred from the Finance department into Safety.

In his first assignment as a Safety Specialist trainee, Omar helped colleagues produce Maintenance Mania 2002. In the future, among other things, Omar will be sharing his knowledge on hazardous materials handling with the fairs.

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### **Maintenance Mania 2002 Welcomes More Than 150 Participants**

Tom Allen, CFSA's Safety Program Administrator, reports that the recent Maintenance Mania 2002 sessions were a rousing success. The event was presented by CFSA, the California Construction Authority, the Department of Health Services, and the Water Quality Board.