



### Another Year of Rising Excess Insurance & Claims Costs Make Risk Sharing Pool Rate Increases Unavoidable for 2004

In October 2003, a Special Edition of the *fyi* newsletter alerted CFSA's general liability and workers' compensation pool members to the likelihood of base rate increases in 2004. The exact amount of these increases, the article noted, would be determined with help from CFSA's annual actuarial report, which would be ready for CFSA's board of directors to review in May 2004.

The report was received and approved right on schedule.

**Workers' Compensation** The 10 percent increase projected for the workers' compensation base rate last October turned out to be right on the mark. Catalysts for the increase included rising medical costs (up an average of 254 percent since 1992), a 72.26 percent increase in the cost of commercial excess insurance, rising legal and claims handling costs, and new workers' compensation legislation.

It's important to note that even with the increase, which raises the overall base rate from 5.25 percent to 5.75 percent of payroll and volunteer wages, the rate is still less than the state's average of 5.8 percent.

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### Group Liability Coverage is Available Through CFSA for Fairs Promoting Rodeos and Motorized Racing Events

In December, CFSA mailed a short survey to all risk-sharing pool member fairs polling their interest in participating in a new special group purchase general liability program. This program would be designed especially for fairs promoting their own rodeos (including horse shows) and motorized events such as racing and demolition derbies.

In response, 10 fairs reported plans for 15 rodeos and eight horse shows in 2004; 11 fairs reported plans for 10 destruction derbies and five motorized racing events. It was unanimous, all

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### CFSA Welcomes Three New Safety Employees & Bids Good Bye, Good Luck, to a Safety Team Veteran

In April, Audie Spears, a seven year veteran of CFSA's safety team, announced his retirement from CFSA. To fill his shoes, along with the shoes of another specialist planning to retire later this year, and to accommodate CFSA's growing membership, CFSA has hired three new safety specialists.

*Charlie Wiglesworth's* name is probably familiar to many in the fair industry. Before joining CFSA, Charlie was in charge of the maintenance department at the El Dorado County Fair for nearly 30 years. Charlie will assist with CFSA's facility inspection program and will serve as the Safety Department's Maintenance Mania liaison.

*Alan Payne*, a retired United States Air Force colonel, brings 20 years of instructional experience to CFSA.

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**Yours for the Asking: Free Portable Bleachers**  
Larry Baumann, operations manager at the San Diego County Fair, has seven sets of portable, folding bleachers to give away.

To set up the bleachers, which are anchored on a cement slab, simply slide the rows of seats out and install the handrails. Each set is 4 feet wide x 7 feet tall, and seats approximately 83 people. All you'll need is a truck to transport the bleachers to your fair.

For more information or to claim the bleachers, contact Larry at 858/792-4212.

### News & Notes from Purchasing Services

Here's a quick reminder from Karen Gallay, CFSA's purchasing agent: When accepting delivery of merchandise ordered through CFSA, please check that your order is complete and in good condition before signing the carrier's freight bill. All discrepancies need to be reported to Karen and noted on the freight bill for you to receive a credit or replacement items.

Call Karen at 916/263-6191.

### Corobuff and Bordette

Did you know that Corobuff

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"It's kind of fun to do the impossible."

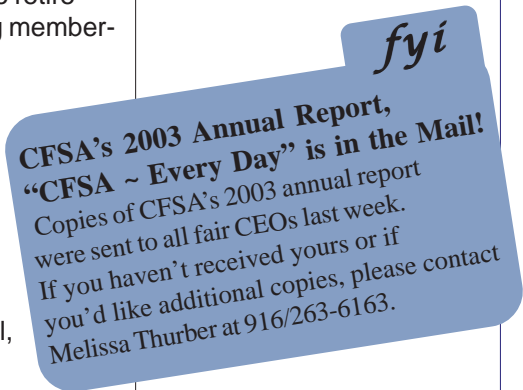
~ Walt Disney



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Let's hear from you!  
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"The art of being wise is the art of knowing what to overlook."

~ William James,  
The Principles of Psychology

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### ***2004 Risk-Sharing Pool Base Rate Increases, continued***

**General Liability** After reviewing the actuarial report, CFSA's board approved staff's recommendation for a 10 percent increase in the general liability pool's overall base rate (down from the 10.8 percent projection last October).

The primary reasons for the increase included the rising cost of commercial excess insurance and the increase in CFSA's self-insured retention (to \$1 million from \$500,000) required by the insurance carrier writing the excess insurance policy.

*Note:* Each fair's workers' compensation and/or general liability actual rate could be more or less than the 10 percent increases discussed here depending on the fair's loss history.

Questions about your fair's base rates? Contact Rick Wood, CFSA's assistant director - finance, at 916/263-6147.

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### ***Rodeos and Motorized Racing, continued***

of the fairs were interested in a group liability program for these specific hazardous events.

Charlie Mitchell, CFSA's risk manager, points out that purchasing additional liability coverage is required for all member fairs promoting rodeos, horse shows, motorized racing and demolition derby-type events, just as an outside promoter would be asked to do. The reason is this: CFSA's pooled liability program isn't structured, or more crucially, funded, to provide primary coverage for these events.

The group purchase general liability coverage, offered exclusively to CFSA risk-pool members, is available for fairtime and interim events. The cost for the coverage is determined by the type of event to be covered. For a price quote, contact Lianne Lewellen, CFSA's risk analyst at 916/263-6145. Questions regarding the new protection program? Contact Charlie, 916/263-6150.

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### ***New Safety Employees, continued***

While in the USAF, serving as director of the US Space Command, Alan received the Defense Department's Superior Service Medal for his work developing a strategic partnership between the USAF and corporate America.

In addition to his regular safety department assignments, Alan will brainstorm with Tom Allen, CFSA's safety manager, on innovative ways to assist CFSA's larger member fairs.

*Michael Major* rounds out the safety team. For the past five years, Mike was a safety officer with the city of San Francisco specializing in workers' compensation and loss control. Prior to that he was a safety officer at a San Francisco shipyard.

Mike is also the Safety Department's second member with a reserve firefighting background ~ Tom Amberson being the first as a reserve firefighter with the Sacramento City Fire Department. Mike has worked with the Alameda County Fire Department since 2001.

### ***Purchasing Services, continued***

and Bordette *are not* flame retardant? They can be treated, however. For more information, contact Karen.

### **Portable LED Signage**

Got signs? These LED signs are mounted on trailers and are available in both one color and full color models. Choose from 4' x 10' and 10' x 12' sizes. Call Karen for more information.

### **Fire Extinguishers**

The newest state contract for fire extinguishers is # 1-02-42-05 and includes a list matching fair locations with extinguisher types. If you have any questions about an extinguisher or its applicability, call Tom Amberson, CFSA safety specialist, at 916/263-6180.

To order an extinguisher, you can contact Karen or use the state contract.

