



Risk Pool Benefits Facilitate Decision to Hold 2010's General Liability & Workers' Compensation Risk Pool Base Fees the same as in 2009

It's during tough economic times (and hard commercial insurance markets) like businesses are experiencing now that the benefits of belonging to a self insurance pool program really stand out.

It's interesting to note that CFSA was formed in 1986 when a hard commercial market was making it difficult for California's fairs to purchase general liability and workers' compensation coverage. CFSA's first assignment: To develop and manage general liability and workers' compensation risk sharing pools for California's fairs.

And the program is working! Today, thanks to CFSA's prudent program management and the fairs' enhanced focus on safety, both the General Liability and Workers' Compensation pools are in a very solid position to minimize the effects of the current hard market on pool members.

Commercial insurers serve their shareholders, pooled programs serve their pool members.

A Brief Pool Program Primer. When investments made by commercial insurers can't produce the investment income needed to offset rising claims costs (and provide dividends to shareholders), insurers pass these costs on to policy holders. At the same time, it's also possible that deductibles would be increased and coverages decreased.

Pooled programs such as CFSA's maintain pool reserves from which all claims and related costs are paid. Thanks in part to the pool members' focus on safety and reducing claims costs, CFSA's General Liability and Workers' Compensation pools have achieved confidence levels of 90 percent (up from a low of 70 percent in 2004). This means the pools, in all

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F&E Team Brings California Fair Fun, Facts and a Spin of the Wheel to Girl Scout Ag Adventure Day

Every year the California Women in Agriculture host "Girl Scout Ag Adventure Day" and this year's event was at Cal Expo on Saturday, May 15. F&E was there with an activity-filled booth staffed by Diana Paluszak, Lisa Drury and David Hillis, along with Sandy Woods and Robin Hauck from the Nevada County Fair. Their goal was to help the scouts learn more about California's fairs and to have fun while doing it!

How did it go? According to Lisa, theirs was "the best booth, if I do say so myself." All agreed the booth's success was due to their "Wheel of Fortune" game (complete with a Wheel supplied by the California State Fair) and all the great prizes they'd picked up at WFA's "garage sale." Instead of answering questions about 17th century literary characters, wheel spinners were quizzed about California's fairs. Right or wrong, the scouts' efforts were rewarded with notebooks, WFA knapsacks and the most popular prize: stuffed Rottweiler pups.

David remarked that many families were surprised to learn there are 78 fairs in California. To help them know when and where the fairs are, booth visitors received a fair date list.

Want to host a scout day at your fair? Call Christina Rueck, F&E's legislative analyst at 916/263-2946 for tips.

Animals + Fair Patrons = E-coli Risk. The Solution? Soap, Water, Hand Washing!

If you haven't heard, a settlement was recently reached in an e-coli-related lawsuit in Fresno. This settlement brings with it a strong reminder of the responsibility all fairs have in reminding fair patrons who get up-close and-personal with animals to wash their hands when leaving barns and animal areas.

Using guidelines from the *Compendium of Measures to Prevent Disease Associated with Animals in Public Settings*, CFSA's safety specialists have assisted pool member fairs with the setup and layout of signage and hand washing stations since 2005. Tom Allen, CFSA's safety manager, recommends that all fair managers familiarize themselves on the *Compendium*, which was in the

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Huell Howser Brings his "California Gold" Cameras to California's Fairs

John Quiroz from F&E was determined to come up with a statewide marketing campaign to highlight California's fairs. While watching the Public Broadcasting Service's (PBS's) series "California's Gold," hosted by creator Huell Howser, he wondered if the show had ever highlighted a fair in California. He researched past shows and discovered the answer was no.

With F&E Director Michael Treacy's approval, John contacted Howser in spring 2009 with his idea about a fair special that would focus on the importance of all of California fairs.

After sending countless emails, letters and making many phone calls, John was contacted in June 2009. Howser was sold on the idea! F&E partnered with Stephen Chambers (WFA) and

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"I don't have any bad habits. They might be bad habits for other people, but they're all right for me."

~ Eubie Blake (American composer, lyricist and pianist)



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Let's hear from you!
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"Q. Why did the cowboy buy a dachshund?

A. Someone told him to get a long little doggy."

~ Author Unknown

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**Reserve Thursday,
July 22 for WFA Meetings
& an Open House**

When fair people get together, who knows what great ideas will emerge?

Find out first hand by attending WFA's upcoming meetings and open house:

Service Member Meeting

Cal Expo Board Room
9:30 a.m. - 10:30 a.m.

Pro. Dev. Committee Meeting

Cal Expo Board Room
1:00 p.m. - 3:00 p.m.

WFA Board Meeting

Cal Expo Board Room
3:30 p.m. - 4:30 p.m.

WFA Open House

Cal Expo Satellite
Wagering Clubhouse
5:00 p.m. - 7:00 p.m.

2010 Pool Base Rates, continued . . .

probability, will be sufficient to cover losses in nine out of 10 years. A 90 percent confidence margin is the highest confidence level possible.

2010 Pool Program Rates. During CFSA's last board meeting, CFSA staff recommended and the directors approved a motion to keep base rates the same as in 2009 for both the General Liability and the Workers' Compensation pool programs.*

Rick Wood, CFSA's assistant director - finance, notes that General Liability Pool fees collected for 2010 will actually represent a 1.44 percent *savings* for pool members compared to 2009 due to the fairs' improved loss histories.

The Workers' Compensation Program has proven to be more of a challenge, he notes. "Rising medical costs, poor investment returns and eroding employer-friendly legislation are all leading the commercial market to seek double digit premium increases" this year.

In response to these issues and in keeping with CFSA's long-range goal of maintaining stable rates, instead of raising the Workers' Compensation Pool rate in 2010, CFSA's directors have authorized the use of pool reserves to cover the projected increase in fair claims costs. The Workers' Compensation base rate will remain the same as it was in 2009 and 2008. As you may remember, CFSA lowered the program's base rate from 6 percent (2005 - 2007) to 5.5 percent in 2008.

If you have any questions about your fair's fees, please contact Rick Wood at 916/263-6147.

*When reviewing your fair's General Liability and/or Workers' Compensation invoice, you may see an increase or decrease in cost compared to 2009. General Liability differences stem from your fair's individual loss history and reflect a methodology that rewards fairs for lower than industry average loss histories while assessing higher fees to fairs with higher than average loss histories (based on a five year history that excludes the most recently completed year to allow for a better loss development). Workers' Compensation differences are due to an increase or decrease in wages reported for 2009 or a change in your modification rate based on your fair's individual loss history between January '04 and December '08.

It's Fair Season. What's the California Construction Authority Doing Now?

As a fair manager, do you ever get the question, "So what do you do when there isn't a fair going on?" The public is usually surprised to find out what it takes to produce an annual fair or to manage a year-round event center. It's the same with CCA. Have you ever wondered what CCA does during fair season when their fairground work stops? Or does it...

It's a week before fair opening and a water main breaks turning your carnival lot into an acre of mud. Oh, and your carnival arrives in two days for set up. Or, it's the day before opening day and PG&E decides to shut off power to the fairgrounds - for the entire day - so they can change out a transformer in the city.

Did you know you can call CCA? Even though CCA may not be working on-site on a construction project, they are still actively involved with fairs at fairtime assisting with safety concerns, emergency repairs, unexpected supply needs, ADA-related questions, inspections from outside regulatory agencies, and much more. You know these are all the types of things that could significantly impact fair operations.

So, welcome to fair season - when the unexpected happens and fair buildings, infrastructure, parking lots, grounds, equipment and staffs take on an extraordinary amount of work and stress. Remember that CCA is available and ready to help as needs arise. CCA's team understands the fair business, IMMEDIATE timing issues and the types of uses your facilities need to support. Is CCA on your fairtime emergency contact numbers list? They should be! **916/263-6100.**

Hand Washing, continued . . .

materials F&E recently sent to all fairs. Managers should also make sure that employees working in and around animals are trained on how to protect themselves and fair patrons from animal-borne diseases. (Tom notes that this training is a new CalOSHA requirement.)

Questions? Contact Tom at 916/263-6186 or your fair's safety specialist.

Howser, continued . . .

Patrick Desmond (Blue Ribbon Foundation) and a plan of action was developed.

Filming for the 12-part series began last February and ends in October. Eleven fairs will be featured with a twelfth episode a compilation of different fairs. The first episode is scheduled to air on 11 PBS stations in spring 2011; however, Huell is considering airing some of the shows this fall.

To date, Howser has traveled to the Riverside, San Diego, Calaveras, Alameda and El Dorado county fairs. Although he isn't able to visit every fair in California, Howser's mission is to promote all of the fairs.

F&E is excited to see the fruition of John's idea and hopes the series will bring even more visitors to the fairs now and in years to come!