



May 8, 2015

Kelly Olds, CEO
2nd DAA/San Joaquin County Fair
1658 Airport Way
Stockton, CA 95206

Dear Kelly,

At its April 2015 meeting, CFSA's board of directors approved the 2015 annual rates for both the General Liability and Workers' Compensation pool programs. The base rates for the General Liability Program will be increasing by 5% and the Workers' Compensation base rate will remain the same as they were for 2014.

Several factors were taken into consideration by the staff and board in making the 2015 rate decisions. First and foremost, the risk sharing pools at CFSA are healthy. CFSA was able to provide rate reductions and hold those reductions during California fairs' fiscal emergency when state funding support was eliminated in July of 2011.

CFSA was able to use its Adverse Development Fund (reserves) during the 2012, 2013 and 2014 coverage years in an effort to help our members in their time of need. That is the purpose of maintaining such a fund, to smooth out spikes in claims activity. Claims are also capped to mitigate the effect of fraudulent or exaggerated claims.

General Liability claims costs increased significantly in 2014 due to claims from previous years developing adversely over time. This, coupled with our use of the Adverse Development Fund to lower and hold costs in the last three years, has created a need to implement a modest increase in the General Liability base rates.

Modification ratios are still in place to reward good performance by members and may result in no actual fee increase for 2015 for the better performing members. The CFSA Risk Control and Risk Management staff members are collaborating to address losses. Risk control staff is working with fairs that have high modification ratios in efforts to bring those ratios down through training and facility improvements.

While the Workers' Compensation base rate is remaining the same as last year, some members will see an increase in fees from 2014 due to an increase in their 2014 overall payroll (employee payroll plus volunteer hours [calculated at minimum wage]).

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Enclosed you will find your fair's General Liability and Workers' Compensation program fee worksheets which explain how your fair's specific fees were calculated taking into consideration your loss histories for the years 2009-2013 and actual 2014 payroll figures.

In your Workers' Compensation assessment table you will see there is an increase in your Workers' Compensation total fee for 2015. The fair's modification ratio increased from 85% to 90% based on the fair's loss history. Your total 2015 Workers' Compensation fee is \$38,128.55.

In your General Liability assessment table you will see that there is an increase in fees due to the new base rate. Your total 2015 General Liability fee is \$78,375.

In 2015, CFSA also moved to a 12-month billing program while still availing members a discount if fees are paid in a lump sum. You have selected to pay your fees in 12-monthly payments. The **estimated** 2015 fees were based on 2014 base rates, modification ratios, and estimated payroll. The amount you are now being charged has gone through a "true-up" process taking into consideration 2015 base rates, 2015 modification ratios, and actual 2014 payroll figures. Your monthly payments beginning July 1, 2015, will be \$2,518.26 for Workers' Compensation and \$6,857.50 for General Liability.

We have also enclosed a list of "Frequently Asked Questions" about CFSA's two risk sharing pooled programs including a summary of your fair's loss history from 2009-2013.

If you have questions about either pool program's rates or about how your fair's fees were calculated, please contact Charlie Mitchell, CFSA risk manager, at 916/263-6150 or cmitchell@cfsa.org. If you have any questions about your fair's payment options, please contact CFSA Controller Raechelle Gibbons at 916/263-6143 or rgibbons@cfsa.org.

Thank you for your continued support and participation in CFSA's risk-sharing pool programs. We are committed to providing you with exemplary service and look forward to working with you this year and long into the future!

Sincerely,



Becky Bailey-Findley
Executive Director
Enclosures

Fee Assessment
TRUE UP FINAL
Workers' Compensation Fee Calculation for Calendar Year 2015

2nd DAA, San Joaquin County Fair

2014 Medicare Wages	Form W-3 6559	689,076.14
2014 Volunteers	Hours x Minimum Wage (new \$9 for 2015)	80,568.00
Total Payroll	Wages + Volunteers	769,644.14
2015 Base Fee	Total Payroll x 6% Rate	46,178.65
Capped Losses	January 1, 2009 - December 31, 2013	39,125.46
Cumulative Fees Paid	January 1, 2009 - December 31, 2013	277,453.41
Modification Ratio	80% to 160% Per Modification Rate Table	90%
Modified Fee	Base Fee x Modification Rate	41,560.78
2014 Estimated Payroll	From 2014 Fee Worksheet	836,942.74
Actual vs. Estimated	Actual 2014 Payroll - Estimated 2014 Payroll	(67,298.60)
2014 Fee at 6%	(Actual - Estimated) x 6% Rate	(4,037.92)
2014 Modification Ratio	From 2014 Fee Worksheet	85%
2014 Adjustment to Actual	2014 Estimated versus 2014 Actual	(3,432.23)
2015 Total Fee	Modified Fee + or - 2014 Adjustment	38,128.55
2014 Fee	Comparison To Last Year's Fee	36,709.06

PAYMENT PLANS

Any questions please call Raechelle Gibbons at 916-263-6143 or email address: rgibbons@cfsa.org

 1

Lump-Sum Payment:

Original Estimated Workers' Compensation Fee

Workers' Compensation Fee \$0.00

Less payment discount \$0.00

SUBTOTAL 2015 FINAL WORKERS' COMPENSATION FEE W/DISCOUNT \$0.00

 2

12 Monthly Installment Payments:

Original Estimated Workers' Compensation Fee based on 2013 W-3 Wages \$46,038.00

2015 Final Workers' Compensation Fee \$38,128.55

FIRST 6 MONTH INSTALLMENTS JANUARY-JUNE 2015 \$3,836.50

ADJUSTED 6 MONTH INSTALLMENTS JULY-DECEMBER 2015 \$2,518.26

(12 equal payments are due the 25th of each month beginning January '15 thru December '15)

Fee Assessment
TRUE UP FINAL
General Liability Fee Calculation for Calendar Year 2015

2nd DAA, San Joaquin County Fair

Your Base Fee (2015)	Same for each Fair in your class (Includes 5% Increase)	82,500.00
Losses	Losses from 2009 - 2013	60,323.52
Capped Losses	Capped Losses from 2009 - 2013	47,138.95
Fees Paid	Fees Paid from 2009 - 2013	367,125.00
2015 Modification Ratio	Modification Ratio	95%
2015 Liability Fee	Base Fee x Modification Rate	78,375.00
2014 Liability Fee	For comparison only	74,456.25
2014 Modification Ratio	For comparison only	95%
2015 Auto Fee	Optional Auto Liability Insurance	0.00

PAYMENT PLANS

Any questions please call Raechelle Gibbons at 916-263-6143 or email address: rgibbons@cfsa.org

1

Lump-Sum Payment:

Original Estimated General Liability Fee

General Liability Fee \$0.00

Less payment discount \$0.00

TOTAL LUMP SUM FEE AS OF JANUARY 25, 2015 \$0.00

2

12 Monthly Installment Payments:

Original Estimated General Liability Fee \$74,460.00

2015 Final General Liability Fee \$78,375.00

FIRST 6 MONTH INSTALLMENTS JANUARY-JUNE 2015 \$6,205.00

ADJUSTED 6 MONTH INSTALLMENTS JULY-DECEMBER 2015 \$6,857.50

(12 payments are due the 25th of each month beginning January '15 thru December '15)

California Fair Services Authority
Fiscal Year Incident Summary

01/01/2014 - 12/31/2014

SUMMARY OF LIABILITY CLAIMS - San Joaquin County Fair - 2nd DAA
 Valued as of 12/31/2014

Fiscal Year	Open	Closed	Total Claims	Paid This Period	Incurred This Period	Paid	Outstanding	Incurred	Recovery	Net Incurred
1989	0	3	3	0.00	0.00	2,342.40	0.00	2,342.40	0.00	2,342.40
1990	0	7	7	0.00	0.00	5,115.82	0.00	5,115.82	0.00	5,115.82
1991	0	10	10	0.00	0.00	3,858.58	0.00	3,858.58	0.00	3,858.58
1992	0	2	2	0.00	0.00	822.60	0.00	822.60	0.00	822.60
1993	0	11	11	0.00	0.00	13,105.31	0.00	13,105.31	0.00	13,105.31
1994	0	6	6	0.00	0.00	5,087.25	0.00	5,087.25	0.00	5,087.25
1995	0	4	4	0.00	0.00	13,975.52	0.00	13,975.52	0.00	13,975.52
1996	0	1	1	0.00	0.00	5,749.14	0.00	5,749.14	0.00	5,749.14
1997	0	3	3	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1999	0	2	2	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2000	0	1	1	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2001	0	6	6	0.00	0.00	9,977.28	0.00	9,977.28	0.00	9,977.28
2002	0	5	5	0.00	0.00	10,421.90	0.00	10,421.90	0.00	10,421.90
2003	0	18	18	0.00	0.00	290,665.65	0.00	290,665.65	0.00	290,665.65
2004	0	7	7	0.00	0.00	2,952.36	0.00	2,952.36	0.00	2,952.36
2005	0	4	4	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2006	0	1	1	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2007	0	1	1	0.00	0.00	1,480.75	0.00	1,480.75	0.00	1,480.75
2008	0	1	1	0.00	0.00	7,417.05	0.00	7,417.05	0.00	7,417.05
2009	0	4	4	0.00	0.00	57,561.11	0.00	57,561.11	0.00	57,561.11
2010	0	1	1	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2011	0	1	1	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2012	0	1	1	0.00	0.00	1,485.90	0.00	1,485.90	0.00	1,485.90
2013	0	1	1	0.00	-1,723.49	1,276.51	0.00	1,276.51	0.00	1,276.51
Grand Total:	0	101	101	0.00	-1,723.49	433,295.13	0.00	433,295.13	0.00	433,295.13

California Fair Services Authority
Fiscal Year Claim Summary
 01/01/2014 - 12/31/2014

SUMMARY OF WORKERS' COMPENSATION CLAIMS - San Joaquin County Fair - 2nd DAA
 Valued as of 12/31/2014

Fiscal Year	Open	Closed	Total Claims	Paid This Period	Incurred This Period	Paid	Outstanding	Incurred	Recovery	Net Incurred
1988	0	19	19	0.00	0.00	21,387.24	0.00	21,387.24	0.00	21,387.24
1989	0	22	22	0.00	0.00	33,403.18	0.00	33,403.18	0.00	33,403.18
1990	0	19	19	0.00	0.00	112,178.85	0.00	112,178.85	15.00	112,163.85
1991	0	26	26	0.00	0.00	30,322.94	0.00	30,322.94	0.00	30,322.94
1992	0	21	21	0.00	0.00	76,809.49	0.00	76,809.49	0.00	76,809.49
1993	0	14	14	0.00	0.00	17,445.70	0.00	17,445.70	0.00	17,445.70
1994	0	19	19	0.00	0.00	19,372.89	0.00	19,372.89	0.00	19,372.89
1995	0	14	14	0.00	0.00	4,438.33	0.00	4,438.33	0.00	4,438.33
1996	1	14	15	5,342.40	411.93	79,872.21	17,292.06	97,164.27	0.00	97,164.27
1997	0	18	18	0.00	0.00	23,099.56	0.00	23,099.56	0.00	23,099.56
1998	0	19	19	0.00	0.00	19,693.14	0.00	19,693.14	0.00	19,693.14
1999	0	15	15	0.00	0.00	21,900.56	0.00	21,900.56	0.00	21,900.56
2000	0	18	18	0.00	0.00	132,235.67	0.00	132,235.67	1,532.59	130,703.08
2001	1	11	12	1,845.04	521.92	82,376.74	6,252.67	88,629.41	0.00	88,629.41
2002	0	17	17	0.00	0.00	29,691.70	0.00	29,691.70	0.00	29,691.70
2003	0	8	8	0.00	0.00	6,036.97	0.00	6,036.97	0.00	6,036.97
2004	1	8	9	50.48	8,010.75	127,519.91	7,960.27	135,480.18	0.00	135,480.18
2005	1	2	3	206.53	509.13	153,452.69	42,153.61	195,606.30	0.00	195,606.30
2006	0	5	5	0.00	0.00	20,124.75	0.00	20,124.75	0.00	20,124.75
2008	0	4	4	0.00	0.00	938.30	0.00	938.30	0.00	938.30
2009	0	2	2	0.00	0.00	215,949.93	0.00	215,949.93	0.00	215,949.93
2010	0	1	1	0.00	0.00	174.95	0.00	174.95	0.00	174.95
2011	0	1	1	0.00	0.00	748.71	0.00	748.71	0.00	748.71
2012	0	2	2	0.00	0.00	647.81	0.00	647.81	0.00	647.81
2013	2	0	2	1,525.33	0.00	6,652.89	4,863.89	11,516.78	0.00	11,516.78
2014	1	1	2	18,273.90	34,982.34	18,273.90	16,708.44	34,982.34	0.00	34,982.34
Grand Total:	7	300	307	27,243.68	44,436.07	1,254,749.00	95,230.94	1,349,979.94	1,547.59	1,348,432.35