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**From:** Francesconi, Mike@CDFA <mike.francesconi@cdfa.ca.gov>  
**Sent:** Monday, May 18, 2020 11:51 AM  
**To:** Anater, Kenneth@CDFA; Ferrero, Gregory@CDFA; Francesconi, Mike@CDFA; Quiroz, John@CDFA; Kume, Joji@CDFA; Mitchell, Kalia@CDFA; Pelle, Sarah@CDFA; Goss, Sofia@CDFA; Fick, Sue@CDFA  
**Subject:** Insurance Coverage Limits - New Requirements  
**Attachments:** D2020-02 - Insurance Coverage Limits Final 5.18.20.pdf

Good Afternoon Fair Managers,

Please find the attached, Circular letter D2020-02, in regards to General Liability Insurance coverage limits for all DAAs.

Please ensure that this information is shared with the fair board at the next regularly scheduled board meeting listed as an item of correspondence.

For future reference, you may view and download the F&E Circular Letters at  
<https://www.cdfa.ca.gov/FairsAndExpositions/> which are located under the "Correspondence" tab.

Sincerely,

Mike

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CALIFORNIA DEPARTMENT OF

FOOD & AGRICULTURE

Karen Ross, Secretary

May 18, 2020

D2020-02

To: All DAA CEOs and Board Presidents

Subject: Insurance Coverage Limits – New Requirements

During these challenging times, protection of the fairgrounds, fair staff, and patrons is of utmost importance. This letter outlines new requirements regarding General Liability (GL) insurance coverage limits for all DAAs. The California Department of Food and Agriculture (CDFA) is responsible for providing oversight to the California Fair network, including ensuring the integrity of the Fairs and Exposition Fund (Fund). In order to limit potential impacts to the Fund from the trend of multi-million-dollar jury verdicts in public entity lawsuits, CDFA has determined the need to mandate GL insurance coverage minimums. When DAAs are underinsured the financial risk to the DAA, CDFA and the Fund is increased. The new limits must be made effective the next time each policy is renewed.

Additionally, DAAs may only obtain insurance coverage through the California Fair Services Authority (CDSA) or through the Department of General Services Office of Risk and Insurance Management (ORIM). CDSA and ORIM will make sure all insurance policies are secured from insurance companies with a high rating (i.e., a minimum AM Best rating of A-, VII) to ensure the ability of the insurance carrier to pay any claim that may result.

The following minimum GL insurance coverage limits have been identified after consultation with CDSA, ORIM and representatives from Alliant Insurance Services (insurance brokerage service used by both ORIM and CDSA).

#### Minimum Insurance GL Coverage Limits:

Twenty-five million (\$25,000,000) per occurrence in GL insurance, including

- a. Bodily injury and property damage (non-fair-owned property)
- b. Personal injury
- c. Public official errors and omissions (coverage must be limited to **Public Officials**; it cannot include officers of nonprofit corporations)
- d. Employment practices liability (caused by an alleged or actual wrongful act including sexual harassment, wrongful termination, and discrimination)



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In addition, DAAs shall ensure that, if available, coverage should include the following categories of activities and events:

- 1) Disease transmission (i.e., E-Coli)
- 2) Terrorism; Athletic Events
- 3) Civil Rights (i.e., First Amendment; Freedom of Expression; Americans with Disability Act)

If you have any questions, please contact:

John Quiroz, Branch Chief – Fairs and Exposition Branch at [John.Quiroz@cdfa.ca.gov](mailto:John.Quiroz@cdfa.ca.gov)  
Tom Amberson, Risk Department Manager– CFSA at [Tamberson@cfsa.org](mailto:Tamberson@cfsa.org)  
Carrie Willson, Staff Services Manager DGS – ORIM [Carrie.Willson@dgs.ca.gov](mailto:Carrie.Willson@dgs.ca.gov)

Sincerely,



John Quiroz  
Branch Chief

cc:    Rebecca Desmond, Executive Director, California Fairs Services Authority  
          Virginia Bolman, Chief, DGS Office of Risk and Insurance Management