DATE: November 19, 2009

TO: All Insurers Authorized to Transact Workers’ Compensation in California

FROM: John C. Duncan, Director, Department of Industrial Relations

SUBJECT: Fiscal Year 2009/2010 Assessments:
- Workers’ Compensation Administration Revolving Fund (WCARF)
- Uninsured Employers Benefits Trust Fund (UEBTF)
- Subsequent Injuries Benefits Trust Fund (SIBTF)
- Occupational Safety and Health Fund (OSHF)
- Labor Enforcement and Compliance Fund (LECF)
- Workers’ Compensation Fraud Account (FRAUD)

Labor Code Sections 62.5 and 62.6 authorize the Department of Industrial Relations to assess employers for the costs of the administration of the workers’ compensation program. Newly added to Section 62.5 is an additional assessment to support the mandated activities of the Division of Labor Standards and Enforcement (DLSE) program. These assessments provide a stable funding source to allow the courts to resolve claims more quickly, to assure safe and healthy working conditions on the job to prevent injuries from occurring, to help ensure the enforcement of minimum labor standards and the statues covering workers’ compensation insurance coverage, and to improve the overall operation of the system.

Labor Code Sections 62.5 and 62.6 require allocation of the six assessment types between insured and self-insured employers in proportion to payroll for the most recent year available. Enclosed with this letter is an invoice for assessments for your company’s (or companies’) share of the following total assessments and a document showing the methodology used to compute the assessment amounts and the resulting determination of the respective assessment/surcharge factors. The factors are applied to the premium amount as described in the following sections of this letter.

<table>
<thead>
<tr>
<th>Authority</th>
<th>Type</th>
<th>Total Assessment for all Payers</th>
<th>2010 Factors Applied to Premium</th>
</tr>
</thead>
<tbody>
<tr>
<td>Labor Code § 62.5</td>
<td>Workers’ Compensation Administration Revolving Fund Assessment (WCARF)</td>
<td>$233,309,000</td>
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<td>$16,250,000</td>
<td>0.001050</td>
</tr>
</tbody>
</table>
The total assessment is calculated on the basis of the direct workers' compensation premiums reported to the Department of Insurance for Calendar Year 2008 by you or your group of carriers. Your first installment is due on or before January 1, 2010, with the balance due on or before April 1, 2010.

### Assessment Methodology for Single Carriers
If you were a single carrier and not part of an insurer group who reported data to the WCIRB on an individual company basis for 2008, your Total California Direct Written Premium for assessment purposes is the amount reported for calendar year 2008 to the WCIRB, which reflects the premiums charged to policyholders with the exception that it excludes the impact of deductible credits, retrospective rating adjustments, and policyholder dividends.

### Assessment Methodology for Insurer Groups
If you were part of an insurer reporting group who reported data to the WCIRB for 2008, your Total California Direct Written Premium for assessment purposes has been determined as the product of (a) the total 2008 written premium reported to the WCIRB on the aforementioned basis and (b) the ratio of your company’s 2008 California written premium as reported in the 2008 Statutory Annual Statement (these amounts include the effect of deductible credits and retrospective rating adjustments) to the total 2009 Statutory Annual Statement of California written premium reported for your insurer group as a whole.

### HOW YOUR ASSESSMENT AMOUNTS WERE CALCULATED:

**WCARF ASSESSMENT** (Section 5.1 of attached Methodology):

\[(1.111487015^* \times 2008 \text{ Total California Direct Written Premium}) \times 0.015166\]

**UEBTF ASSESSMENT** (Section 5.3 of attached Methodology):

\[(1.111487015^* \times 2008 \text{ Total California Direct Written Premium}) \times 0.001849\]

**SIBTF ASSESSMENT** (Section 5.5 of attached Methodology):

\[(1.111487015^* \times 2008 \text{ Total California Direct Written Premium}) \times 0.001050\]

**OSHF ASSESSMENT** (Section 5.7 of attached Methodology):

\[(1.111487015^* \times 2008 \text{ Total California Direct Written Premium}) \times 0.003064\]

**LECF ASSESSMENT** (Section 5.7 of attached Methodology):

\[(1.111487015^* \times 2008 \text{ Total California Direct Written Premium}) \times 0.001924\]

**FRAUD ASSESSMENT** (Section 5.10 of attached Methodology):

\[(1.111487015^* \times 2008 \text{ Total California Direct Written Premium}) \times 0.003986\]

* Ratio of the expected total 2009 premium to the 2008 Total Direct Written Premium of all insurers ($11,900,000,000) + ($10,706,377,886) = 1.111487015
REQUIRED EMPLOYER ASSESSMENTS
All workers' compensation insurance policies you issue with an inception date during the calendar year 2010 must be assessed to recover amounts advanced on behalf of policyholders. Assessable Premium is the premium the insured is charged after all rating adjustments (experience rating, schedule rating, premium discounts, expense constants, retrospective rating, etc.) except for adjustments resulting from the application of deductible plans or the return of policyholder dividends.

The assessment factors to be applied to the estimated annual assessable premium for 2009 policies are shown in the table on the first page. These are the same factors that were used to calculate your attached assessment.

If you have any questions relating to this assessment, please contact Amadeo F. Urbano, Jr., Manager, at (510)286-7083 or Naomi P. Carter, Analyst at (510)286-7087 in the Division of Workers' Compensation, Department of Industrial Relations.

Enclosures
### METHODOLOGY

Labor Code Sections 62.5 and 62.6 require the Department of Industrial Relations to levy the total amounts of the Workers' Compensation Administration Revolving Fund Assessment, Uninsured Employers Benefits Trust Fund Assessment, Subsequent Injuries Trust Fund Assessment, Occupational Safety and Health Fund Assessment, Labor Enforcement and Compliance Fund Assessment and Workers' Compensation Fraud Account Assessment between insured employers and self-insured employers in proportion to payroll paid in the most recent year for which information is available.

#### Step 1: Determine Total Assessments Required for 2009-2010

<table>
<thead>
<tr>
<th>Fund</th>
<th>Total Assessment Required</th>
<th>Fund Balance</th>
<th>DWC 0809 Undercollection</th>
<th>SIP 0809 Undercollection</th>
<th>Under/Over Collection</th>
</tr>
</thead>
<tbody>
<tr>
<td>Workers' Compensation Administration Revolving Fund Assessment (Labor Code § 62.5)</td>
<td>$150,571,821</td>
<td>($49,048,000)</td>
<td>($33,498,352)</td>
<td>($190,827)</td>
<td>$150,571,821</td>
</tr>
<tr>
<td>Uninsured Employers Benefits Trust Fund Assessment (Labor Code § 62.5)</td>
<td>$12,716,372</td>
<td>($15,968,000)</td>
<td>($8,100,831)</td>
<td>($19,797)</td>
<td>$12,716,372</td>
</tr>
<tr>
<td>Subsequent Injuries Benefits Trust Fund Assessment (Labor Code § 62.5)</td>
<td>$7,652,550</td>
<td>($6,527,000)</td>
<td>($2,053,243)</td>
<td>($17,207)</td>
<td>$7,652,550</td>
</tr>
<tr>
<td>Occupational Safety and Health Fund Assessment (Labor Code § 62.5)</td>
<td>$51,426,731</td>
<td>($4,835,000)</td>
<td>($144,810)</td>
<td>($89,460)</td>
<td>$51,426,730</td>
</tr>
<tr>
<td>Labor Enforcement and Compliance Fund Assessment (Labor Code § 62.5)</td>
<td>$32,420,000</td>
<td>$0</td>
<td>$0</td>
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<td>$32,420,000</td>
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Step 2: Determine Payroll Amounts

(2.1) Total payroll for insured employers ................................................................. $449,047,424,680
Source: California Workers' Compensation Insurance Rating Bureau (WCIRB) policy year 2006

(2.2) Payroll for self-insured employers ...................................................................... $171,539,093,653

(2.2.1) 2007-08 Fiscal Year for Public Sector ......................................................... $89,936,044,699
(2.2.2) 2008 for Private Sector .................................................................................... $82,143,048,954

* Source: Department of Industrial Relations, Office of Self-Insurance Plans (excludes State of California)

(2.3) Payroll for State of California (including SCIF)** .............................................. $15,376,486,891

** Source: (Department of Personnel Administration, Fiscal Year 2008-09)

(2.4) Total payroll for self-insured employers ............................................................ $186,915,580,544

(2.5) Total combined payroll ....................................................................................... $635,963,005,224
(Insured and self-insured employers)

Step 3: Calculate Proportional Payroll for Insured and Self-Insured Employers

(3.1) Insured Employers:
Insured Employer Payroll = Methodology Section (2.1) = $449,047,424,680
Total Combined Payroll = Methodology Section (2.5) = $635,963,005,224
Proportion = $449,047,424,680 / $635,963,005,224 = 70.61%

(3.2) Self-Insured Employers:
Self-Insured Employer Payroll = Methodology Section (2.4) = $186,915,580,544
Total Combined Payroll = Methodology Section (2.5) = $635,963,005,224
Proportion = $186,915,580,544 / $635,963,005,224 = 29.39%

1. (2.2) Total Payroll for Self-Insured Employers = Σ of Methodology Section (2.2.1) and Methodology Section (2.2.2)
2. (2.4) Total Payroll for Self-Insured Employers = Σ of Methodology Section (2.2) and Methodology Section (2.3)
3. (2.5) Total Combined Payroll = Σ of Methodology Section (2.1) and Methodology Section (2.4)
Step 4: Determine the Total Assessments for Insured and Self-Insured Employers

### Workers’ Compensation Administration Revolving Fund Assessment

**Calculation for Insured Employers:**

1. \( (\text{WCARF Assessment}) \times 70.61\% = 150,571,821 \times 70.61\% = 106,318,763 \)
2. INCREASED by credits due individual insurers which undercollected against previous advances [CCR § 15609].
   - $40,655,400
3. INCREASED by insurer undercollection 0809 [pursuant to CCR § 15606(f)].
   - $33,498,352

**Resulting Final Insured Employers Workers’ Compensation User Funding Assessment:**

- $180,472,515

**Calculation for Self-Insured Employers:**

1. \( (\text{WCARF Assessment}) \times 29.39\% = 150,571,821 \times 29.39\% = 44,253,058 \)
2. INCREASED by the Self-Insurer undercollection from prior year.
   - $190,827

**Resulting Final Self-Insured Employers Workers’ Compensation User Funding Assessment:**

- $44,443,885

### Uninsured Employers Benefits Trust (UEBT) Fund Assessment

**Calculation for Insured Employers:**

1. \( (\text{UEBT Assessment}) \times 70.61\% = 12,716,372 \times 70.61\% = 8,979,030 \)
2. INCREASED by credits due individual insurers which undercollected against previous advances [CCR § 15609].
   - $4,922,785
3. INCREASED by the Insurer undercollection for 0809 [pursuant to CCR § 15606(f)].
   - $8,100,831

**Resulting Final Insured Employers UEBT Fund Assessment:**

- $22,002,646

**Calculation for Self-Insured Employers:**

1. \( (\text{UEBT Assessment}) \times 29.39\% = 12,716,372 \times 29.39\% = 3,737,342 \)
2. INCREASED by the Self-Insurer undercollection from prior year.
   - $19,797

**Resulting Final Self-Insured Employers UEBT Fund Assessment:**

- $3,757,139

### Subsequent Injuries Benefits Trust (SIBT) Fund Assessment

**Calculation for Insured Employers:**

1. \( (\text{SIBT Assessment}) \times 70.61\% = 7,652,550 \times 70.61\% = 5,403,466 \)
2. INCREASED by credits due individual insurers which undercollected against previous advances [CCR § 15609].
   - $5,037,324
3. INCREASED by the Insurer undercollection for 0809 [pursuant to CCR § 15606(f)].
   - $2,053,243

**Resulting Final Insured Employers SIBT Fund Assessment:**

- $12,494,033
California Department of Industrial Relations

2009-2010 Workers' Compensation Administration Revolving Fund Assessment,
Uninsured Employers Benefits Trust Fund Assessment,
Subsequent Injuries Benefits Trust Fund Assessment,
Occupational Safety and Health Fund Assessment,
Labor Enforcement and Compliance Fund Assessment and
Workers' Compensation Fraud Account Assessment

Calculation for Self-Insured Employers:

\[ \text{(SIBTF Assessment)} \times 29.39\% = \$7,652,550 \times 29.39\% \]
\[ \text{= } \$2,249,084 \]
\[ \text{INCREASED by the Self-Insurer undercollection from prior year.} \]
\[ \text{(4.6) Resulting Final Self-Insured Employers SIBTF Fund Assessment.} \]
\[ \text{= } \$2,266,291 \]

Occupational Safety and Health Fund (OSHF) Assessment

Calculation for Insured Employers:

\[ \text{OSHF Assessment} \times 70.61\% = \$51,426,731 \times 70.61\% \]
\[ \text{= } \$36,312,415 \]
\[ \text{No credits due individual insurers which undercollected against previous advances [CCR § 15609].} \]
\[ \text{= } \$0 \]
\[ \text{INCREASED by the insurer undercollection for 0809 [pursuant to CCR § 15606(f)].} \]
\[ \text{(4.7) Resulting Final Insured Employers SIBTF Fund Assessment.} \]
\[ \text{= } \$36,457,225 \]

Calculation for Self-Insured Employers:

\[ \text{(OSHF Assessment)} \times 29.39\% = \$51,426,731 \times 29.39\% \]
\[ \text{= } \$15,114,316 \]
\[ \text{INCREASED by the Self-Insurer undercollection from prior year.} \]
\[ \text{(4.8) Resulting Final Self-Insured Employers SIBTF Fund Assessment.} \]
\[ \text{= } \$15,203,776 \]

Labor Enforcement and Compliance Fund (LECF) Assessment

Calculation for Insured Employers:

\[ \text{OSHF Assessment} \times 70.61\% = \$32,420,000 \times 70.61\% \]
\[ \text{= } \$22,891,762 \]
\[ \text{No credits due individual insurers which undercollected against previous advances [CCR § 15609].} \]
\[ \text{= } \$0 \]
\[ \text{NO Insurer over/undercollection for 0809 [pursuant to CCR § 15606(f)].} \]
\[ \text{(4.9) Resulting Final Insured Employers SIBTF Fund Assessment.} \]
\[ \text{= } \$22,891,762 \]

Calculation for Self-Insured Employers:

\[ \text{(OSHF Assessment)} \times 29.39\% = \$32,420,000 \times 29.39\% \]
\[ \text{= } \$9,528,238 \]
\[ \text{No Self-Insurer over/undercollection from prior year.} \]
\[ \text{(4.10) Resulting Final Self-Insured Employers SIBTF Fund Assessment.} \]
\[ \text{= } \$9,528,238 \]

Workers' Compensation Fraud Account Assessment

Calculation for Insured Employers:

\[ \text{(Fraud Assessment)} \times 70.61\% = \$34,556,481 \times 70.61\% \]
\[ \text{= } \$24,400,331 \]
\[ \text{INCREASED by credits due individual insurers which undercollected against previous advances [pursuant to CCR § 15609].} \]
\[ \text{= } \$15,659,485 \]
\[ \text{INCREASED by the insurer undercollection 0809 [pursuant to CCR § 15606(f)].} \]
\[ \text{(4.11) Resulting Final Insured Employers Workers' Compensation Fraud Account Assessment.} \]
\[ \text{= } \$47,435,451 \]
Calculation for Self-Insured Employers:

\[
(\text{Fraud Assessment}) \times 29.39\% = 34,556,481 \times 29.39\% = 10,156,150
\]

\[
\text{DECREASED by the Self-Insurer overcollection from prior year:} \quad \text{($450,518)}
\]

\[
(4.12) \text{Resulting Final Self-Insured Employers Workers' Compensation Fraud Account Assessment:} \quad 9,705,632
\]

### Step 5: Calculate the Assessment Factors

#### Workers' Compensation Administration Revolving Fund Assessment Factor

<table>
<thead>
<tr>
<th>Calculation for Insured Employers:</th>
</tr>
</thead>
</table>
| \[
\frac{\text{Total Insured Employers Assessment}}{\text{Total Direct Workers' Compensation*}} = \frac{180,472,515}{11,900,000,000} = 0.015166
\]|

*Estimated Premium (Source: WCIRB estimate for 2009 Policy Year)

<table>
<thead>
<tr>
<th>Calculation for Self-Insured Employers:</th>
</tr>
</thead>
</table>
| \[
\frac{\text{Total Self-Insured Employer Assessment}}{\text{Total Amt. of Workers' Comp. Indemnity Pd**}} = \frac{44,443,885}{1,602,403,275} = 0.027736
\]|

**SOURCE:** Dept. of Industrial Relations, Office of Self-Insurance Plans [1 of Methodology Sections (5.2.1) to (5.2.3)]

#### Uninsured Employers Benefits Trust (UEBT) Fund Assessment Factor

<table>
<thead>
<tr>
<th>Calculation for Insured Employers:</th>
</tr>
</thead>
</table>
| \[
\frac{\text{Total Insured Employers Assessment}}{\text{Total Direct Workers' Compensation*}} = \frac{22,002,646}{11,900,000,000} = 0.001849
\]|

*Estimated Premium (Source: WCIRB estimate for 2009 Policy Year)

<table>
<thead>
<tr>
<th>Calculation for Self-Insured Employers:</th>
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</thead>
</table>
| \[
\frac{\text{Total Self-Insured Employer Assessment}}{\text{Total Amt. of Workers' Comp. Indemnity Pd**}} = \frac{3,757,139}{1,602,403,275} = 0.002345
\]|

**SOURCE:** Dept. of Industrial Relations, Office of Self-Insurance Plans [1 of Methodology Sections (5.2.1) to (5.2.3)]

#### Subsequent Injuries Benefits Trust (SIBT) Fund Assessment Factor

<table>
<thead>
<tr>
<th>Calculation for Insured Employers:</th>
</tr>
</thead>
</table>
| \[
\frac{\text{Total Insured Employers Assessment}}{\text{Total Direct Workers' Compensation*}} = \frac{12,494,032}{11,900,000,000} = 0.001050
\]|

*Estimated Premium (Source: WCIRB estimate for 2009 Policy Year)
California Department of Industrial Relations
2009-2010 Workers' Compensation Administration Revolving Fund Assessment,
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Subsequent Injuries Benefits Trust Fund Assessment,
Occupational Safety and Health Fund Assessment,
Labor Enforcement and Compliance Fund Assessment and
Workers' Compensation Fraud Account Assessment

(6.6) Calculation for Self-Insured Employers:
\[
\text{Total Self-Insured Employer Assessment} = \frac{2,266,291}{1,602,403,275} = 0.001414
\]
**SOURCE:** Dept. of Industrial Relations, Office of Self-Insurance Plans (5.2.1) to (5.2.3):

<table>
<thead>
<tr>
<th>Occupational Safety and Health Fund (OSHF) Assessment Factor</th>
</tr>
</thead>
<tbody>
<tr>
<td>(6.7) Calculation for Insured Employers:</td>
</tr>
</tbody>
</table>
| \[
\text{Total Insured Employers Assessment} = \frac{36,457,224}{11,900,000,000} = 0.003064
\]
*Estimated Premium (Source: WCIRB estimate for 2009 Policy Year)*

<table>
<thead>
<tr>
<th>Labor Enforcement and Compliance Fund (LECF) Assessment Factor</th>
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<tr>
<td>(6.7) Calculation for Insured Employers:</td>
</tr>
</tbody>
</table>
| \[
\text{Total Insured Employers Assessment} = \frac{22,891,762}{11,900,000,000} = 0.001924
\]
*Estimated Premium (Source: WCIRB estimate for 2009 Policy Year)*

<table>
<thead>
<tr>
<th>Workers' Compensation Fraud Account Assessment Factor</th>
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</thead>
<tbody>
<tr>
<td>(5.9) Calculation for Insured Employers:</td>
</tr>
</tbody>
</table>
| \[
\text{Total Insured Employer Surcharge} = \frac{47,435,451}{11,900,000,000} = 0.003986
\]
*Estimated Premium (Source: WCIRB estimate for 2009 Policy Year)*

| (5.10) Calculation for Self-Insured Employers: |
| \[
\text{Total Self-Insured Employer Surcharge} = \frac{9,705,632}{1,602,403,275} = 0.006057
\]
**SOURCE:** Dept. of Industrial Relations, Office of Self-Insurance Plans (5.2.1) to (5.2.3):
Step 6: Determine Individual Employer's Workers' Compensation Administration Revolving Fund Assessment

(6.1) Individual Insured Employers:
Assessment Factor [ 0.015166 ] × Employer's Expected Assessable Premium*  

(6.2) Calculation for Individual Self-Insured Employers:
Assessment Factor [ 0.027736 ] × Total Indemnity Paid by the Employer

Step 7: Determine Individual Employers Uninsured Employers Benefits Trust (UEBT) Fund Assessment

(7.1) Individual Insured Employers:
Assessment Factor [ 0.001849 ] × Employer's Expected Assessable Premium*  

(7.2) Calculation for Individual Self-Insured Employers:
Assessment Factor [ 0.002345 ] × Total Indemnity Paid by the Employer

Step 8: Determine Individual Employers Subsequent Injuries Benefit Trust (SIBT) Fund Assessment

(8.1) Individual Insured Employers:
Assessment Factor [ 0.001050 ] × Employer's Expected Assessable Premium*  

(8.2) Calculation for Individual Self-Insured Employers:
Assessment Factor [ 0.001414 ] × Total Indemnity Paid by the Employer

Step 9: Determine Individual Employers Occupational Safety and Health (OSHF) Fund Assessment

(9.1) Individual Insured Employers:
Assessment Factor [ 0.003064 ] × Employer's Expected Assessable Premium*  

(9.2) Calculation for Individual Self-Insured Employers:
Assessment Factor [ 0.009488 ] × Total Indemnity Paid by the Employer

Step 10: Determine Individual Employers Labor Enforcement and Compliance (LECF) Fund Assessment

(10.1) Individual Insured Employers:
Assessment Factor [ 0.001924 ] × Employer's Expected Assessable Premium*  

(10.2) Calculation for Individual Self-Insured Employers:
Assessment Factor [ 0.005946 ] × Total Indemnity Paid by the Employer
Step 11: Determine Individual Employer's Workers' Compensation Fraud Account Assessment

(11.1) Individual Insured Employers:
Assessment Factor [ 0.003986 ] X Employer's Expected Assessable Premium*

(11.2) Calculation for Individual Self-Insured Employers:
Assessment Factor [ 0.006057 ] X Total Indemnity Paid by the Employer

*Assessable Premium
The premium the insured is charged after all rating adjustments (experience rating, schedule rating, premium discounts, expense constants, retrospective rating, etc.) except for adjustments resulting from the application of deductible plans or the return policyholder dividends.
DATE: November 19, 2009

TO: California Self-Insured Employer

FROM: John C. Duncan, Director, Department of Industrial Relations

SUBJECT: Fiscal Year 2009/2010 Assessments:
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Labor Code Sections 62.5 and 62.6 authorize the Department of Industrial Relations to assess employers for the costs of the administration of the workers' compensation program. Newly added to Section 62.5 is an additional assessment to support the mandated activities of the Division of Labor Standards and Enforcement program. These assessments provide a stable funding source to allow the courts to resolve claims more quickly, to assure safe and healthy working conditions on the job to prevent injuries from occurring, to help ensure the enforcement of minimum labor standards and the statues covering workers' compensation insurance coverage, and to improve the overall operation of the system.

The purpose of this letter is to inform you that you will be receiving an invoice for your share of the assessments authorized by Labor Code Sections 62.5 and 62.6. The Labor Code requires allocation of the total assessment between insured and self-insured employers in proportion to payroll for the most recent year available.

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Attended is a worksheet detailing the methodology used to compute the Workers’ Compensation Administration Revolving Fund, Uninsured Employers Benefits Trust Fund, Subsequent Injuries Trust Fund, Occupational Safety and Health Fund, Labor, Labor Enforcement and Compliance Fund allocation and Workers’ Compensation Fraud Account Assessment and to allocate the assessment between insured and self-insured employers.

Your share of the various assessments will be calculated by multiplying the self insured employer assessment factors for each assessment by the total indemnity paid by your organization.

If you have any questions, please contact the Self-Insurance Plans office in Sacramento at (916)574-0300.

Enclosure
DATE: November 19, 2009

TO: California Legally Uninsured Employer

FROM: John C. Duncan, Director, Department of Industrial Relations

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<td>Occupational Safety and Health Fund Assessment (OSHF)</td>
<td>$56,496,000</td>
<td>0.009488</td>
</tr>
<tr>
<td>-------------------</td>
<td>--------------------------------------------------------</td>
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</tr>
<tr>
<td>Labor Code § 62.5</td>
<td>Labor Enforcement and Compliance Fund Assessment (LECF)</td>
<td>$32,420,000</td>
<td>0.005946</td>
</tr>
<tr>
<td>Labor Code § 62.6</td>
<td>Workers’ Compensation Fraud Account Assessment (FRAUD)</td>
<td>$51,525,700</td>
<td>0.006057</td>
</tr>
</tbody>
</table>

Attached is a worksheet detailing the methodology used to compute the Workers’ Compensation Administration Revolving Fund, Uninsured Employers Benefits Trust Fund, Subsequent Injuries Trust Fund, Occupational Safety and Health Fund, Labor Enforcement and Compliance Fund allocation and Workers’ Compensation Fraud Account Assessment and to allocate the assessment between insured and self-insured employers.

Your share of the various assessments will be calculated by multiplying the self insured employer assessment factors for each assessment by the total indemnity paid by your organization.

If you have any questions, please contact the Self-Insurance Plans office in Sacramento at (916)574-0300.

Enclosure