



Dear Agent,

We are nearing the end of the third year of the Access State Fund program. We appreciate your business!! We hope that the process of placing State Fund business has improved over the last few years. We wish all of you a happy holiday season and provide you with updated information about 2016 Commission and the opportunity to again achieve a direct appointment with the State Fund.

2016 Commission

State Fund plays a unique role in California's Workers' Compensation market. They have continued to review ways to reduce expenses over the last couple of years and have asked for us to take a commission reduction for the overall program which will set retail agent commission for all policies with 2016 effective dates as follows:

New Business	6%
Renewal Business	5%

While a reduction in commission is not desired, it will help assure the viability of the Access State Fund Program. Commission changes will take effect for all policies with effective dates of 1/1/2016 or later.

Re-entry to a Direct Contract with State Fund

We are happy to report that State Fund will be offering direct contracts to those agencies that are in the Access State Fund program again when the agency reaches certain metrics.

During the three years that the program has been operating it has grown significantly and some of the retail brokerages now have sizeable books of business that are with State Fund. In light of this, State Fund will be offering a re-entry program effective 1/1/16. Retail brokers who meet the following criteria from 9/1/14 through 8/31/15 will be offered a direct contract for 2016:

- \$1,000,000 million dollars or more in paid premium in the Access Program over a 12 month period
- Quote to Bind ratio of 35% or better with the Access Partner

Quote to bind ratio is the ratio of number of accounts bound divided by the number of accounts where RIC provided a quote from State Fund. We did not have any agents qualify this year, however, a few agents are getting close.

If you have any questions, please contact your Business Development Manager or our Access State Fund Department at 888-693-7892. Thanks for your continued support!

Access State Fund
RIC Insurance General Agency, Inc.