

**STATE COMPENSATION INSURANCE FUND  
INVESTMENT AND RISK COMMITTEE**

**MINUTES OF OPEN SESSION MEETING**

**February 26-27, 2020**

The Investment and Risk Committee met on February 26-27, 2020 at the State Fund Pleasanton Office, 5890 Owens Drive (Atlantic and Pacific rooms), Pleasanton, California.

**AGENDA ITEM 1: CALL TO ORDER AND ROLL CALL**

The meeting was called to order at 10:30 a.m. and the following Members were present: Chair Senator Michael J. Machado (Ret.); David M. Lanier; and William M. Zachry.

There was a quorum.

Also present: President and CEO Vernon L. Steiner; General Counsel and Corporate Secretary and Chief of Internal Affairs Margie R. Lariviere; Chief Financial Officer Peter Guastamachio; Board Liaison and Assistant Corporate Secretary Hilda B. Padua; and Executive Analyst Rachel McCollough.

**AGENDA ITEM 2: ANTITRUST ADMONITION**

Senator Machado called attention to, and requested acknowledgment that the Investment and Risk Committee members read State Fund's Antitrust Admonition included in each Committee member's meeting materials.

**AGENDA ITEM 3: CONSENT CALENDAR**

**3a. Approval of November 20-21, 2019 Open Meeting Minutes**

**3b. Approval of Investment Transactions**

- i. Bond Transactions
- ii. Compliance Report

**3c. Approval of Investment Policy Statement and Guidelines**

Senator Machado pulled out item 3c "Approval of Investment Policy Statement and Guidelines" from the Consent Calendar and noted that the Committee will have a strategic discussion during the closed session on the Environmental, Social, and Governance (ESG) narrative of the policy.

Senator Machado asked whether any Committee member had any other comments on the items on the Consent Calendar of which there were none. Senator Machado called for a Motion.

MOTION: Mr. Zachry

SECOND: Mr. Lanier

To approve the Consent Calendar as revised.

Senator Machado requested public comment of which there was none. Senator Machado called for the vote.

YES: 3

NO: 0

Abstain: 0

Motion carried.

**AGENDA ITEM 4: PUBLIC COMMENT ON APPROPRIATENESS OF CLOSED SESSION FOR ITEMS 7 THROUGH 11**

Senator Machado requested public comment on the appropriateness of Closed Session Agenda Items 7 through 11, of which there was none.

**AGENDA ITEM 5: PUBLIC COMMENT**

Senator Machado requested other public comment, of which there was none.

Senator Machado noted that the Committee would now go into Closed Session.

The Investment and Risk Committee immediately convened into Closed Session at 10:35 a.m.

**AGENDA ITEM 12: CALL TO ORDER AND ROLL CALL**

The meeting was called to order at 12:35 p.m. and the following Members were present: Chair Senator Michael J. Machado (Ret.); David M. Lanier; and William M. Zachry.

There was a quorum.

Also present: President and CEO Vernon L. Steiner; General Counsel and Corporate Secretary and Chief of Internal Affairs Margie R. Lariviere; Chief Information Officer Peter Guastamachio; and Board Liaison and Assistant Corporate Secretary Hilda B. Padua.

Senator Machado recalled agenda item 3c "Approval of Investment Policy Statement and Guidelines" from the Consent Calendar.

Senator Machado noted that the Committee directed the staff to keep the original Environmental, Social, and Governance (ESG) narrative, pages 1 and 2 of the Investment Policy Statement and Guidelines Resolution No. 2272. All other recommended changes, the Committee concurred with staff.

Senator Machado noted that copies of revised Investment Policy Statement and Guidelines Resolution No.2272 are available at the front table outside.

Senator Machado requested a Motion and Second.

MOTION: Mr. Zachry

SECOND: Mr. Lanier

To approve the revised Investment Policy Statement and Guidelines Resolution No.2272 as presented.

Senator Machado asked for public comment of which there was none. Senator Machado called for the vote.

YES: 3                      NO: 0                      Abstain: 0                      Resolution carried.

The certified Resolution No. 2272 is attached hereto.

**AGENDA ITEM 13: COMMITTEE MEMBER PRESENTATIONS**

Senator Machado requested presentations from the Committee members, of which there were none.

**AGENDA ITEM 14: PROPOSALS AND SUGGESTIONS FOR MAY 27-28, 2020 AGENDA**

Senator Machado requested suggestions for agenda items for the May 27-28, 2020 Investment and Risk Committee meeting other than the standing agenda items. Ms. Padua noted that the proposed agenda items are for Closed Session. Senator Machado further requested additional agenda items, of which there were none.

Senator Machado requested public comment, of which there was none. He noted that the next Investment and Risk Committee meeting is scheduled for May 27-28, 2020 at the State Fund Pleasanton Office, Pleasanton, California unless noticed for a new date and time.

**ADJOURNMENT**

There being no further business before the Investment Committee, the meeting adjourned at 12:40 p.m.

Respectfully submitted,

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Hilda B. Padua  
Board Liaison and Assistant Corporate Secretary



**BOARD OF DIRECTORS**

**STATE COMPENSATION INSURANCE FUND**

Investment and Risk Committee: February 26, 2020

Board of Directors: February 27, 2020

**INVESTMENT POLICY STATEMENT & GUIDELINES RESOLUTION**

WHEREAS, the Board of Directors of the State Compensation Insurance Fund (State Fund) is required to invest and reinvest the moneys of the State Fund which are in excess of current requirements in securities authorized by law for the investment of funds of private insurance carriers, in accordance with Sections 11787 and 11797 of the Insurance Code; and

WHEREAS, the State Fund is a public enterprise fund and is exempt under federal and California law from paying income taxes; and

WHEREAS, the opportunities to acquire or dispose of such securities are such that it is impracticable to obtain the advice and determination of the Board in advance of each separate transaction; and

WHEREAS, the Board deems it to be prudent policy to establish standards which can be applied administratively to the selection and purchase of securities; and

RESOLVED, by the Board of Directors of the State Fund in regular meeting assembled at Pleasanton, California on February 27, 2020 that:

A. Investment Philosophy and Strategy

All Portfolios are structured and managed in a manner consistent with prudent and conservative investment practices. All purchases must meet the following criteria and any further detailed criteria for the specific mandate.

Environment, Social, and Governance (ESG):

General Principles: In pursuing the investment objectives set forth in this Investment Guidelines, any Investment Manager approved by the Board of Directors and under contract with State Fund will have a process for assessing and monitoring current or potential investments in relation to environmental, social, and corporate governance issues (the "ESG Factors"). The Investment Manager will ensure that appropriate staff receives access to relevant investment data and information and applies due care and diligence to applying the Investment Manager's analytical process, including considering the extent to which ESG factors affect investment risks or opportunities.

ESG Incorporation: The Investment Manager will have an ESG framework as part of its investment process which may be used in security selection and portfolio management. The Investment Manager will use care and discretion as to how this framework will be applied in meeting State Fund's primary investment objectives. All else equal, the Investment Manager will prefer securities which, in his/her assessment, show superior environmental, social and governance practices.

1. Fixed Income Portfolio:

The objective of the Fixed Income Portfolio is to preserve State Fund's principal and surplus, while maximizing current income and exceeding established benchmarks over the long-term.

2. Equity Portfolio:

The objective of the Equity Portfolio is to preserve State Fund's principal and surplus by adding diversity to the portfolio and reducing volatility of the results over the long term. The objective is to seek long-term total return and current income by investing primarily in large cap, high quality dividend paying stocks of United States and Canada companies that show a consistent history of strong dividend growth and sustainability or are expected to produce sustainable growing dividends. The Portfolio is expected to exceed the performance of its established benchmark over the long term.

3. Federal Home Loan Bank Portfolio:

The objective of the Federal Home Loan Bank (FHLB) Portfolio is to preserve State Fund's principal and surplus and to create a readily available funding source to help manage State Fund's liquidity and emergency needs as well as to add incremental income by matching loans (or advances) to the reinvestment of cash in fixed income securities maturing in 5 years or less. The target spread over the FHLB advance rate should exceed the established benchmark.

4. Cash and Cash Equivalent:

The objective of the cash portfolio is to preserve State Fund's surplus and principal, to maintain liquidity, and to provide a readily available funding source for settlement of trades, claims payments, and other necessary operational expenses.

The cash and cash equivalent portfolio shall be managed in accordance with the Short-Term Investment Policy Statement & Guidelines Resolution that is periodically adopted and approved by the Investment Committee and the Board of Directors.

B. Delegation of Authority

1. The Investment Manager may purchase and sell securities on behalf of State Fund per the terms, limitations and guidelines set forth in this Investment Policy Statement & Guidelines Resolution under the primary direction of the Chief Investment Officer and, in his/her absence, at the direction of the officers listed in Paragraph 2 of this Section.
2. In accordance with Sections 926.1, 11787 and 11797 of the Insurance Code, the President or Chief Investment Officer, and in their absence, either the Chief Financial Officer or Chief Risk Officer, are hereby authorized to purchase or sell, exchange, or otherwise dispose of at the market, securities which are authorized by law for the investment of the funds of private insurance carriers provided the type of security to be acquired is described hereafter in this section and meets the conditions and standards set forth in Sections C through J as approved by the Board of Directors.

3. Whenever the President and the Chief Investment Officer, the Chief Financial Officer and the Chief Risk Officer are unavailable or absent, the State Fund Vice President of Investments and the State Fund Senior Investment Manager are hereby authorized to approve a written request made by an Investment Manager to sell equity securities at a price lower than the actual price originally paid for the equity security.

C. Fixed Income Portfolio Attributes

Allowable securities include the following assets and with Board approval can include other asset classes as allowed under applicable regulations:

1. Bonds, notes, certificates of indebtedness, or other obligations for which the faith and credit of the United States of America are pledged.
2. Obligations of US Government Agencies and Government Sponsored Entities (GSEs).
3. Obligations of the Dominion of Canada, or of any province of the Dominion of Canada, or obligations for which are pledged the faith and credit of the Dominion of Canada, or of any province or city of the dominion which are payable in US dollars.
4. Mortgage-backed securities (MBS) issued by the US Government Agencies and GSEs, including pass-throughs, PAC CMOs (Planned Amortization Class Collateralized Mortgage Obligations), TAC CMOs (Targeted Amortization Class Collateralized Mortgage Obligations), VADM CMOs (Very Accurately Defined Maturity Collateralized Mortgage Obligations) and Sequential pay CMOs, but excluding such mortgage derivatives as inverse floaters, interest only strips, principal only strips, and "support bonds." No direct sub-prime or Alt-A MBS are allowed.
5. Pursuant to Insurance Code sections 926.1, 1192 and 1196.1(f)(5) publicly traded, interest bearing, fixed income securities issued by a corporation or business trust or limited partnership organized under the laws of the United States or any State thereof, or of the Dominion of Canada, or of any province of the Dominion of Canada which are payable in US dollars.
6. Pursuant to Insurance Code sections 926.1, 1192 and 1196.1(f)(5) non-registered, privately placed, interest bearing, fixed income securities issued by a corporation organized under the laws of the United States or any State thereof, or the Dominion of Canada or any province of the Dominion of Canada which are payable in US dollars and which securities can be purchased or sold pursuant to SEC Rule 144A.
7. Pursuant to Insurance Code sections 1192 and 1196.1(f)(5) non-registered, privately placed, interest bearing, fixed income securities issued by a corporation organized under the laws of the United States or any State thereof for the express purpose of financing an infrastructure project or projects located in the United States. For this investment guideline, "infrastructure projects" are transactions entered into by corporations to operate or maintain or rebuild utility networks, water, conventional power generation, renewable power generation, gas pipelines transport, LNG terminals or transactions providing essential services such as toll roads, bridges, tunnels, rail roads, seaports, airports, bus networks parking, storage, communications towers, waste management, fiber or data centers.

8. General obligations of any State for which the faith and credit of the State are pledged for the payment of principal and interest.
9. Obligations issued under authority of law by any county, municipality, or school district in any State, or in any province of the Dominion of Canada or in any political subdivision of the Commonwealth of Puerto Rico, including bonds of any county water district.
10. Asset-backed securities (ABS) publicly traded and issued by a corporation organized under the laws of the United States or any State thereof and securitized by credit card receivables or auto loans are allowed. No other type of ABS is allowed. No privately placed ABS is allowed.
11. Commercial mortgage-backed securities (CMBS) issued by the US Government Agencies and GSEs and non-Agency CMBS.
12. Investments may be made in bonds, notes or other obligations issued, assumed or guaranteed by the following international financial institutions: the International Bank for Reconstruction and Development, the Inter-American Development Bank, the Asian Development Bank, the International Finance Corporation, or the African Development Bank.

D. Fixed Income Portfolio Characteristics and Limitations

1. To monitor compliance, the Investment Manager will assign a credit rating to each security using the following logic: a) If one nationally recognized statistical rating organization (NRSRO) rates the security, the rating will apply; b) If two NRSRO rate the security, the lower rating will apply; c) If all three NRSRO rate the security, the second lowest will apply; d) When considering the credit rating of the municipal securities, the higher of the financial guarantor or the underlying credit will be used.
2. The weighted credit rating of the fixed income portfolio shall average at least Aa3/AA-/AA-, at Moody's, S&P and Fitch, respectively, at all times.
3. There is no per issuer limit of US Treasuries and US Agencies.
4. The Investment Manager shall not purchase corporate securities rated below BBB- or the equivalent as defined in Section D.1. Split rating is allowed, e.g. Baa3/BBB/BBB-. The total amount of corporates rated below A3/A- shall not exceed 15% of the book value of this portfolio. Corporates rated below investment grade (i.e. Ba1/BB+/BBB-) are considered out of compliance.
5. Single corporate issuer rated Aa3/AA- or better may not exceed 1.5% of the book value of this portfolio. Single corporate issuer rated A or the equivalent (A1/A+, A2/A, or A3/A-) may not exceed 1.25% of the book value of this portfolio. Single corporate issuer rated below A or the equivalent may not exceed 0.75% of the book value of this portfolio.
6. Corporate fixed income securities authorized for purchase pursuant to Insurance Code section 1192 shall in aggregate not exceed 65% of the book value of this portfolio, including the Cash Management Holdings.
7. All securities purchased for infrastructure projects shall have a credit rating of BBB- or higher rating assigned by any NRSRO and/or a NAIC 2 rating or higher rating assigned by the SVO of the NAIC at the time of commitment to purchase.

8. The maximum dollar amount of any single investment in an infrastructure project is \$25 million and the investment amount shall not exceed 10% of the total financing cost of the infrastructure project.
9. Investment in infrastructure projects are limited to utility and transportation transactions as described in C7. The Investment Manager shall endeavor to balance investments in infrastructure projects so that neither the utility or transportation transactions exceed 50% of the infrastructure project portfolio.
10. The maximum legal maturity for each debt security to finance an infrastructure project at the time of purchase is 30 years. The average life of the infrastructure projects portfolio is expected to be between 10-15 years.
11. The infrastructure debt portfolio shall not exceed 2.5% of the aggregate fixed income portfolio.
12. Each debt security in the infrastructure project portfolio will have a spread to the 10yr UST (or Libor if floating rate coupon) of at least 150 bps at the time of purchase.
13. The Investment Manager shall not purchase municipal securities rated below A3/A- by any NRSRO.
14. Single municipal issuer rated Aa3/AA- or better may not exceed 1.00% of the book value of this portfolio. Single municipal issuer rated below Aa3/AA- may not exceed 0.75% of the book value of this portfolio.
15. Municipals in aggregate shall not exceed 20% of the book value of this portfolio, including the Cash Management Holdings.
16. Notwithstanding sections D.6. and D.15, the aggregate total of corporates and municipals shall not exceed 70% of the book value of this portfolio, including the Cash Management Holdings.
17. The Investment Manager shall not purchase any Build America Bonds issued directly by the State of California.
18. MBS issued by the US Government Agencies and GSEs shall comprise no more than 45% of the total fixed income portfolio, including the Cash Management Holdings. No single MBS pool may exceed 1% of the book value of this portfolio. MBS will include all Agency MBS, CMOs and CMBS for the aforementioned limits.
19. Securities issued and/or guaranteed by the Government of Canada and political subdivisions must be rated Aa3/AA- or better by a NRSRO. No single Canadian political subdivision may exceed 1.5% of the book value of this portfolio. Canadian political subdivisions in aggregate shall not exceed 5% of the book value of this portfolio, including the Cash Management Holdings.
20. Securities issued and/or guaranteed by the US Government, US Agencies, and GSEs that have not been rated by a NRSRO will apply the rating assigned by the NRSRO to the issuer or the guarantor of the security.
21. ABS and non-Agency CMBS must be rated Aaa/AAA by a NRSRO at the time of purchase. The aggregate total value of ABS and non-Agency CMBS shall be no more than 1% of the book value of this portfolio, including the Cash Management Holdings.



22. Zero coupon bonds shall not be purchased without the prior approval of the Chief Investment Officer.
23. Tobacco company related securities are a prohibited investment. Tobacco company related securities are defined as: securities of a company that derives over 25% of its revenues from the manufacturing or sale of tobacco products. A restricted list of such tobacco company issuers that shall not be purchased for the Account will be established and mutually agreed upon in writing (including electronic communications) by the Investment Manager and Chief Investment Officer. The list may be amended from time to time in writing.
24. The portfolio shall not invest in issuers whose concentration of business risk is similar to that of State Fund (i.e. catastrophic risk). A pre-approved list of insurance and reinsurance issuers that can be purchased will be established and mutually agreed upon in writing (including electronic communications) by the Investment Manager and Chief Investment Officer. The list may be amended from time to time in writing.
25. Each of the Fixed Income Investment Managers will calculate the sector limits based on the book value of their respective portfolio. However, when calculating the sector limits at month-end, the Treasury & Investments staff will include both the book value of the total portfolio and the Cash Management Holdings.
26. 15% or more of the portfolio shall be maintained in securities maturing in five years or less.
27. The duration of the portfolio will be managed within a strategic range of 3.0 to 6.5, which is reviewed and approved by the Board annually. An operational target within the duration range will be established and reviewed by the Chief Investment Officer periodically.
28. If any of the above mentioned rules are breached, the Investment Manager will conduct an analysis and present it with a recommendation to the Chief Investment Officer.
29. Investments made in bonds, notes or other obligations issued, assumed or guaranteed by the international financial institutions identified in Section C-12 shall not exceed \$65 million book value per entity at any one time.

#### E. Equity Portfolio Attributes

The following types of equity securities are permissible:

1. Federal Home Loan Bank stock purchased directly by State Fund.
2. Pursuant to Insurance Code section 1191 common and preferred stock of corporations domiciled in the US or Canada, and denominated in US Dollars. Stock and other equity securities issued by foreign domiciled companies shall not be purchased for the Equity Portfolio.

#### F. Equity Portfolio Characteristics and Limitations

1. The aggregate market value of all common and preferred stock or other equity securities owned by State Fund of any individual company shall not exceed 5% of the market value

of the equity portfolio. Provided however, that State Fund is authorized to purchase and hold up to \$50 million of shares of stock in REIT(s) even if \$50 million exceeds 5% of the market value of the equity portfolio.

2. Equity holdings in any one industry shall not exceed 15% of the market value of the equity portfolio, or +/- 10% of that of the benchmark index, whichever is greater.
3. The portfolio shall invest in companies with market capitalization of \$2 billion or above at the time of purchase.
4. The portfolio shall hold approximately 40 to 120 different issuers of securities.
5. The portfolio shall not invest in issuers whose concentration of business risk is similar to that of State Fund (i.e. catastrophic risk). A pre-approved list of insurance and reinsurance issuers that can be purchased will be established and mutually agreed upon in writing (including electronic communications) by the Investment Manager and Chief Investment Officer. The list may be amended from time to time in writing.
6. The portfolio shall not invest in stock of debt issuers whose underlying rating is below investment grade (Baa3/BBB-) by any NRSRO and/or below NAIC 2 rating assigned by the SVO of the NAIC at the time of commitment to purchase. Any exceptions must be pre-approved by the Chief Investment Officer.
7. Tobacco company related securities are a prohibited investment. Tobacco company related securities are defined as: securities of a company that derives over 25% of its revenues from the manufacturing or sale of tobacco products. A restricted list of such tobacco company issuers that shall not be purchased for the Account will be established and mutually agreed upon in writing (including electronic communications) by the Investment Manager and Chief Investment Officer. The list may be amended from time to time in writing.
8. No American depository receipts ("ADRs") are allowed.
9. Pursuant to Insurance Code Section 1191, excess funds investments may be made in the stock of any corporation organized and carrying on business under the laws of this or any other state, or of the United States, or of the District of Columbia, or of the Dominion of Canada or any province of the Dominion of Canada.
10. All investment income of the equity portfolio and capital gains, if any, will be added to the assets of the portfolio, unless otherwise directed by the Chief Investment Officer.
11. If any of the above mentioned rules are breached, the Investment Manager is not necessarily required to dispose of all or part of the investment immediately. The Investment Manager will, however, inform the Chief Investment Officer without delay and make a proposal on the best way to bring the portfolio back into compliance with the limits.
12. The Investment Manager must obtain written approval from the Chief Investment Officer or State Fund Vice President of Investments, and in their absence, the State Fund Senior Investment Manager, prior to selling any equity securities at a price lower than the actual price originally paid for the equity security.

#### G. Federal Home Loan Bank Portfolio Attributes

The following types of assets are allowable:

1. Bonds, notes, certificates of indebtedness, or other obligations for which the faith and credit of the United States of America are pledged.
2. Obligations of US Government Agencies and Government Sponsored Entities (GSEs).
3. Publicly traded fixed income securities issued by a corporation organized under the laws of the United States or any State thereof, or of the Dominion of Canada, or of any province of the Dominion of Canada which are payable in US dollars, including securities issued under SEC Rule 144A.
4. General obligations of any State for which the faith and credit of the State are pledged for the payment of principal and interest.
5. Obligations issued under authority of law by any county, municipality, or school district in any State, or in any province of the Dominion of Canada or in any political subdivision of the Commonwealth of Puerto Rico, including bonds of any county water district.

#### H. Federal Home Loan Bank Portfolio Characteristics and Limitations

1. To monitor compliance, the Investment Manager will assign a credit rating to each security using the following logic: a) If one NRSRO rates the security, the rating will apply; b) If two NRSRO rate the security, the lower rating will apply; c) If all three NRSRO rate the security, the second lowest will apply; d) When considering the credit rating of the municipal securities, the higher of the financial guarantor or the underlying credit will be used.
2. The Investment Manager shall not purchase corporate securities rated below A3/A- by any NRSRO.
3. The Investment Manager shall not purchase municipal securities rated below A3/A- by any NRSRO.
4. There is no per issuer limit of US Treasuries, US Agencies, and general obligation bonds issued by the State of California.
5. Except for those mentioned in H.4., any other issuer may not exceed \$50 million in actual cost (excluding accrued interest) at the time of purchase.
6. Per the Insurance Code Section 1194.7, and for the purpose of the Federal Home Loan Bank Portfolio investments, there is no limitation on the purchase of municipal bonds issued by the State of California.
7. All purchases of debt securities for the Federal Home Loan Bank portfolio shall have a maximum maturity of 5 years and shall if possible have a maturity that matches the maturity of the FHLB Advance(s) used to purchase the debt securities. The Investment Manager is allowed a mis-match not to exceed 30 days between the maturity of the debt security and the maturity of the FHLB Advance used to purchase the debt security.

8. The Investment Manager shall not purchase any Build America Bonds issued directly by the State of California.

I. Insurance Code Section 11797(a) Limitation

1. The combined value of Equity Portfolio, Asset-Backed Securities (ABS), non-Agency Commercial Mortgage Backed Securities (CMBS) and Federal Home Loan Bank stock shall not exceed 20% of surplus.

J. Performance Benchmarks

The benchmarks are for individual mandates. At a minimum, the benchmark will be reviewed and reauthorized by the Board on an annual basis.

1. The benchmark for the Fixed Income portfolio is ICE BofAML, 1-10 Year US Treasury Index: 2.5%, ICE BofAML 1-10 Year US Composite Agency Index: 5%, ICE BofAMLBroad US Taxable Municipal Securities Index: 12.5%, ICE BofAML US Bullet Corporate Excluding Yankees Index : 20%, ICE BofAML 1-5 Year AAA-A US Bullet Corporate Excluding Yankees Index: 15%, ICE BofAML 5-10 Year AAA-A US Bullet Corporate Excluding Yankees Index: 10%, and ICE BofAML US Mortgage Backed Securities Index: 35%.
2. The benchmark for the Equity portfolio is the Russell 1000 index.
3. The performance objective of the FHLB portfolio is to achieve a spread in excess of the FHLB advance rate that is greater than 40 basis points on each trade.

RESOLVED, that this Resolution No. 2272 shall replace Resolution No. 2216 effective March 2, 2020.

BOARD of DIRECTORS of the STATE COMPENSATION INSURANCE FUND

Certification by the Assistant Corporate Secretary

*I, Hilda B. Padua, Assistant Corporate Secretary for the State Compensation Insurance Fund Board of Directors, hereby certify that the foregoing Resolution No. 2272 was adopted by the Board of Directors at their meeting held February 27, 2020 unless amended and approved by the Board of Directors at such time as minutes for the February 27, 2020 Board of Directors meeting are approved.*

*H B Padua*

Hilda B. Padua, Assistant Corporate Secretary

*2/28/20*

Date