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Date: November 23, 2015

**TO: MEMBERS, BOARD OF DIRECTORS**

<b>I. AGENDA ITEM # AND TITLE :</b>	Open Agenda Item 3c – Consent Calendar: Ratification of Appointment of Chief Claims Operations Officer
<b>II. NAME AND PROGRAM:</b>	Hilda Padua, Board Liaison
<b>III. ACTIVITY:</b>	<input type="checkbox"/> Informational <input type="checkbox"/> Request for Direction <input checked="" type="checkbox"/> Action Proposed <input type="checkbox"/> Exploratory
<b>IV. JUSTIFICATION:</b>	<input checked="" type="checkbox"/> Standard/Required Item <input type="checkbox"/> Board Request – New Item <input type="checkbox"/> New Topic from Staff

**V. EXECUTIVE SUMMARY:**

A new Chief Claims Operations Officer has been appointed pursuant to authority delegated by the Board of Directors of the State Compensation Insurance Fund (“Board”) to the President. The appointment is subject to ratification by the Board.

**VI. ANALYSIS:**

California Insurance Code section 11785 authorizes the Board to appoint a Chief Claims Operations Officer and to set the salary for that position.

**VII. RECOMMENDATION:**

To adopt the attached Resolution Ratifying and Authorizing Appointment of Chief Claims Operations Officer.



**[DRAFT] – BOARD OF DIRECTORS  
STATE COMPENSATION INSURANCE FUND**

**RESOLUTION RATIFYING and AUTHORIZING APPOINTMENT of the CHIEF  
CLAIMS OPERATIONS OFFICER**

WHEREAS, the State Compensation Insurance Fund requires the services of a Chief Claims Operations Officer; and

WHEREAS, Insurance Code section 11785(a) authorizes the Board of Directors of the State Compensation Insurance Fund to appoint and set the salary for certain exempt officer positions including a Chief Claims Operations Officer; and

WHEREAS, the Board of Directors of the State Compensation Insurance Fund has delegated to the President of the State Compensation Insurance Fund, subject to conditions that the Board of Directors may from time to time prescribe, the powers, functions, and duties conferred by law on the Board of Directors in connection with the administration, management, and conduct of the business and affairs of the State Compensation Insurance Fund.

NOW, THEREFORE,

IT IS RESOLVED, that the Board of Directors hereby appoints Stephen P. Hunckler to serve as the Chief Claims Operations Officer, effective as of October 1, 2015, at a base annual salary of \$375,000; a one-time recruitment differential of \$200,000; and a potential discretionary annual at-risk compensation differential of up to 30% of annual salary, subject to approval by the Board, and based upon factors including but not limited to, the overall performance of State Fund as determined by the Board of Directors, and on the Chief Claims Operations Officer's achievement of specifically defined metrics and performance goals; and

IT IS FURTHER RESOLVED, that the President of State Fund is hereby granted the authority to enter into an employment agreement with Stephen P. Hunckler and any amendments that may be necessary from time to time except that any change in compensation must be presented to the Board of Directors for approval; and

IT IS FURTHER RESOLVED, that the Board of Directors hereby ratifies and approves all actions taken by the President of the State Compensation Insurance Fund as were necessary to appoint Stephen P. Hunckler to serve as the Chief Claims Operations Officer of the State Compensation Insurance Fund.

PASSED AND ADOPTED at the meeting of the Board of Directors of the State Compensation Insurance Fund held on this 10<sup>th</sup> day of December, 2015 by the following vote:



**Resolution No. 2061**

MEMBER

Sheryl A. Chalupa, Chair  
Robin L. Baker  
Daniel M. Curtin  
Marvin P. Kropke  
Sen. Michael J. Machado (Ret.)  
Lawrence E. Mulryan  
Jack L. Neureuter  
Steven L. Rank  
Thomas E. Rankin  
Scott K. Reid  
William M. Zachry

VOTE

BOARD of DIRECTORS of the STATE COMPENSATION INSURANCE FUND