

BOARD OF DIRECTORS MEETING (OPEN)

AGENDA ITEM 13a

ATTACHMENT 13a-II

MINUTES OF APRIL 16-17, 2009 OPEN MEETING and
TRAINING SESSIONS of the BOARD OF DIRECTORS

PRESENTED BY: Jeanne Cain

May 15, 2009

**STATE COMPENSATION INSURANCE FUND
BOARD OF DIRECTORS**

MINUTES OF OPEN SESSION MEETING

April 16-17, 2009

The Board of Directors of State Compensation Insurance Fund met on April 16-17, 2009 for a training session at the Grand Hyatt Hotel, 345 Stockton St, San Francisco, California.

APRIL 16, 2009

AGENDA ITEM 1: CALL TO ORDER AND ROLL CALL

The meeting was called to order on April 16, 2009 at 12:40 p.m. and the following were present: Jeanne L. Cain, Chair; Sheryl A. Chalupa; Daniel M. Curtin; Sen. Michael J. Machado (Ret.); Vincent E. Mudd; Francis E. Quinlan; and Thomas Rankin. Absent: Steven L. Rank; and nonvoting member John C. Duncan.

Also present: President and CEO Janet D. Frank; Chief Operating Officer Harrison Jerome; President of Field Operations North Tom Clark; President of Field Operations South Linda Hoban; Chief Investment Officer Peter Guastamachio; Fiscal and Investment Services Manager Leslie Dawe; General Counsel and Corporate Secretary Carol R. Newman; Assistant Chief Counsel and Assistant Secretary Judith D. Sapper; David Hancock, Esq., Jim Woods, Esq., Nicole Zayac, Esq., and Margaret Keane, Esq., of Dewey & LeBoeuf LLP; Michael Nolan, Alex Swedlow, and Mike McClain of the California Worker's Compensation Institute; and Timothy Price of Milliman, Inc..

AGENDA ITEM 2: ANTITRUST ADMONITION

Ms. Cain called attention to State Fund's Antitrust Admonition which is included in each member's agenda:

"Certain information discussed and disseminated at State Fund Board of Directors' Closed Sessions may be confidential and proprietary to State Fund. Board members should not share or discuss information pertaining to the operation of State Fund with representatives from other workers' compensation insurers, even if that information is intended to be, or is already, public. For example, Board members should not discuss rate-making or other financial information with representatives of other insurers, including proposed rates, merit rating plans, premium discounts, surcharges or dividends. Board members also should refrain from discussing broker commission payments or commission plans with other insurers. To do so may create the impression of collusion between insurers, which could result in civil and/or criminal charges being filed against the Board member and State Fund for alleged violations of state and federal antitrust laws."

TRAINING SESSION:

Ms. Frank provided opening comments on the Training Session. Mr. Jerome presented a history and overview of State Fund. Ms. Newman introduced the guest speakers. Mr. Hancock, Mr. Woods, and Ms. Zayac gave a presentation on the insurance industry, State Fund and the workers' compensation industry, regulatory agencies, and rates and policy forms. Ms. Keane, Mr. Nolan, Mr. Swedlow, and Mr. McCain gave a presentation on workers' compensation laws and regulations. Mr. Hancock, Ms. Zayac, and Mr. Price gave a presentation on investments, finance, and audit requirements. Ms. Newman thanked the speakers and the staff organizing the training session.

AGENDA ITEM 3: PUBLIC COMMENT ON APPROPRIATENESS OF CLOSED SESSION FOR ITEM 4

Ms. Cain requested public comment of which there was none.

The meeting convened immediately into Closed Session for a discussion of the President's 2009 Strategic Performance Objectives and reconvened at 8:15 a.m. on April 17, 2009 into Open Session.

APRIL 17, 2009

AGENDA ITEM 1: CALL TO ORDER AND ROLL CALL

The meeting came to order at 8:15 a.m. and the following were present: Jeanne L. Cain, Chair; Sheryl A. Chalupa; Sen. Michael J. Machado; Vincent E. Mudd; Francis E. Quinlan; Thomas Rankin; and nonvoting member John C. Duncan. Absent: Daniel M. Curtin; and Steven L. Rank;

Also present: Chief Information Technology Officer Becky Wanta; Senior VP of Internal Affairs Lisa Middleton; Ethics and Compliance Manager Don Butler; General Counsel and Corporate Secretary Carol R. Newman; Assistant Chief Counsel and Corporate Secretary Judith D. Sapper; Margaret Keane, Esq. and John Kennedy, Esq. of Dewey & LeBoeuf LLP; Chief Investment Officer Peter Guastamachio; and Randall Keen, Esq. and Ashley Dunning, Esq. of Manatt Phelps & Phillips.

AGENDA ITEM 2: ANTITRUST ADMONITION

Ms. Cain referred to State Fund's Antitrust Admonition.

TRAINING SESSION

Ms. Cain made opening comments and Ms. Newman introduced the guest speakers. Ms. Keane and Mr. Kennedy presented an overview of Information Technology (IT), IT Governance and Controls, and Privacy and Security. Ms. Dunning and Mr. Keen gave presentations on Board form and function, fiduciary duties, conflicts of interest, Board of Director ethics, SB1145 requirements, Enterprise Risk Management, and Best Practices. Ms. Newman and Ms. Cain

thanked the speakers. Ms. Cain requested Board members provide dates in October 2009 for a strategic retreat.

ADJOURNMENT

There being no further business, Chair Cain adjourned the meeting at 3:30 p.m.

The next regularly scheduled Board meeting will begin on Thursday, May 14, 2009 at 4:00 p.m. for a Closed Session at the Milton Marks Conference Center, 455 Golden Gate Ave, San Francisco and will resume there at 8:00 a.m. on Friday, May 15, 2009 with the Open Session to begin at 11:00 a.m.

Respectfully submitted,

Judith D. Sapper,
Assistant Secretary