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AGENDA ITEM 16C, November 21, 2008 agenda

TO: MEMBERS OF THE BOARD OF DIRECTORS

- I. SUBJECT: Assimilation of New Board Members/Continuing Education**
- II. PROGRAM: Executive Office**
- III. RECOMMENDATION: Information**

Attached please find a copy of the Assimilation of New Board Members/Continuing Education packet.

JANET FRANK, President & CEO

BOARD OF DIRECTORS MEETING

AGENDA ITEM 16C

ATTACHMENT

ASSIMILATION OF NEW BOARD MEMBERS/CONTINUING
EDUCATION

PRESENTED BY: Janet D. Frank

November 21, 2008

STATE COMPENSATION INSURANCE FUND

Board of Directors New Member Orientation – Draft August 2008

Purpose: Directors commencing service on The State Fund Board of Directors will maximize their individual effectiveness by participating at the earliest possible time in an orientation process. Accordingly, each new Director will participate in The State Fund orientation program designed to familiarize the Director with The State Fund business, including short and long term strategy, its senior management team, its values, including ethics policies, its internal control environment, systems for detecting, preventing and reporting infractions of policy and law, the structure of and processes employed by the Board of Directors and its committees, and the responsibilities of Directors.

The orientation process will be comprised of three parts:

- 1) Orientation to The State Fund Board of Directors
- 2) Orientation to The State Fund organization
- 3) Board Member Reference Manual

Part One:

- Board of Directors
 - Introduction to current Board members
 - Review of Board principles
 - Board size
 - Board meetings
 - Board agendas
 - Board committees
 - Standing
 - Ad hoc
 - Retention of external advisors
 - Term limits
 - Director access to State Fund leadership and employees
 - Board member responsibilities
 - The Boards role in enterprise risk management
 - Changes in professional responsibility
 - Outside directorship
 - External communications
 - Board member compensation
 - Annual Board evaluation
 - Mentoring
 - Assign an experienced Board member as a mentor for each new Board appointee. Mentor responsibilities will include:
 - Assisting the Board chair in reviewing the above orientation points.
 - Providing the new Board member with a central, consistent source for information.
 - Assisting the new Board member in adjusting to the Board and to The State Fund.

Part Two

- State Fund Organization
 - Introductions to President, Leadership team and key staff members
 - Tour of administrative offices and board room
 - Briefings with President and leadership team members, to include:
 - Corporate overview
 - Mission and vision
 - Corporate values
 - Purpose of The State Fund
 - Who we serve
 - What we do
 - Key policies
 - Review functional areas of accountability
 - Strategic plans
 - Significant financial, accounting and risk management issues
 - Strength of The State Fund talent pool
 - Compliance programs
 - State Fund Fraud program
 - Business conduct policies
 - California workers compensation market
 - Key legislation/legislative proposals
 - Labor overview
 - Site visits
 - District office
 - Customer Service Center
 - Audit Results
 - California Worker's Compensation Market
 - State Fund market share
 - Competitor review
 - Legislation
 - General Education and Compliance
 - Statement of Economic Interests Form 700
 - State Agency Ethics Orientation
 - Preventing Workplace Harassment Training

Part Three

- Board Reference Manual (to be used as a "textbook" during new Board member orientation).
Contents to include:
 - The Board
 - Letter of welcome from Board Chairperson
 - Board member listing, bios, contact information
 - Board member terms
 - Board statement of responsibilities
 - Board Management Guide Function and Responsibilities
 - Board Guidelines I. through VII. Adopted 3/16/78
 - Board Resolutions
 - Cash Management
 - Investment Policy
 - Rate Making
 - Board Executive Memorandum #04-08 Executive and Manager Role Relationships
 - Committee and task force jobs and descriptions
 - Schedule of standing Board agenda items
 - Minutes of Board meetings from past year
 - Board calendar

- History of The State Fund
 - Written history/fact sheet
 - Listing of past Board members
- Strategic framework
 - Mission and vision statement
 - Values
 - Strategic plan
 - Current annual operating plan/goals
- Policies pertaining to the Board
 - Conflicts of interest
 - Code of Conduct
 - Insurance policy coverage
 - Adoption of amended and restated by-laws
 - Liability Coverage for Directors and Officers
 - Travel/meeting expense reimbursement
- Financials/Compliance
 - Annual report and auditor's report for last three years
 - Current annual budget and other financial reports
 - Insurance accounting
 - Financial reporting
 - Trends analysis – review of revenues and expenses over past five years
 - Investment policy
 - Legislation impacting The State Fund
 - California Public Records Act
 - Bagley Keene Act
- State Fund Staff
 - Staff Listing
 - Leadership team bios and contact information
 - Talent review recap
 - Organization charts
 - Map of office locations
- Other
 - Annual calendar
 - Recent press releases
 - Employee newsletters for the past year
 - Web site information
 - Promotional materials

Addendum

Board of Directors – Proposed Ongoing Educational Curriculum

- Continuing education for Board members will include a combination of internally developed materials and presentations, programs presented by third parties, and potentially attendance at university or other independent programs.
- Possible topics to include:
 - Trends in Worker’s Compensation
 - Financial Analysis for Board Members
 - Setting the “Tone at the Top”
 - Role of the Board in Corporate Strategy
 - Role of the Board in Risk Oversight
 - Board Evaluation: Improving Board Member Effectiveness
 - Board Dynamics: Improving Communication & Decision Making
 - Responding to Crises
 - Audit Committees: Improving Quality, Independence and Performance
 - Role of the Governance Committee: Raising the Bar
 - Information Security Oversight
 - Evaluation: How Boards and Directors Should Be Judged
 - Legal Liabilities and Corporate Law