

**STATE COMPENSATION INSURANCE FUND  
GOVERNANCE COMMITTEE**

**MINUTES OF OPEN SESSION MEETING**

**July 27, 2016**

The Governance Committee met on July 27, 2016 at The Renaissance Lodge at Sonoma, 1325 Broadway, Sonoma, California.

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

The meeting was called to order at 9:35 a.m. and the following Members were present: Lawrence E. Mulryan (Chair); Robin L. Baker; Sheryl A. Chalupa; Daniel M. Curtin; and Thomas E. Rankin.

There was a quorum.

Also present: President and CEO Vernon L. Steiner; General Counsel and Corporate Secretary Margie R. Lariviere; Chief Financial Officer Peter A. Guastamachio; Board Liaison and Assistant Corporate Secretary Hilda B. Padua; and Counsel and Assistant Corporate Secretary Judith D. Sapper.

**AGENDA ITEM 2: ANTITRUST ADMONITION**

Mr. Mulryan called attention to and requested confirmation that the Governance Committee members read State Fund's Antitrust Admonition, which is included in each Committee member's meeting materials.

**AGENDA ITEM 3: CONSENT CALENDAR**

**3a. Approval of May 26, 2016 Open Meeting Minutes**

**3b. Board Member Upcoming Speeches, Articles or Webinars**

Mr. Mulryan noted that there is no approval of action for item 3b. "Board Member Upcoming Speeches, Articles or Webinars."

Mr. Mulryan asked whether any Committee member had any comments on the items on the Consent Calendar, of which there were none. Mr. Mulryan called for a Motion.

MOTION: Mr. Rankin

SECOND: Ms. Chalupa

To approve the Consent Calendar as presented.

Mr. Mulryan requested public comment, of which there was none. Mr. Mulryan called for the vote.

YES: 5

NO: 0

Abstain: 0

Motion carried.

**AGENDA ITEM 4: GOVERNANCE, COMPLIANCE AND PRIVACY UPDATE**

Chief of Internal Affairs Dante Robinson reported on the following:

State Compensation Insurance Fund

Governance Committee – November 17, 2016

Open Agenda Item 3a – Consent Calendar: Approval of July 27, 2016 Open Meeting Minutes

## **2016 Corporate Governance Annual Disclosure**

Mr. Robinson reported that the Corporate Governance Annual Disclosure report was prepared, vetted, and submitted to the Department of Insurance on May 31, 2016. The report describes State Fund's governance structures, policies, and practices.

## **Annual Whistleblower Protection Act Notification**

The annual notification about State Auditor's Whistleblower Program was emailed to all employees. Posters were displayed in areas where other employee notices are maintained and attestation was sent to the State Auditor. Information about State Fund's hotline was included in the introductory message.

## **New Federal Law – Defend Trade Secrets Act of 2016 (DTSA)**

The Defend Trade Secrets Act was signed into law May 11, 2016, which permits a corporate victim of trade secret theft on/after this date to bring a civil cause of action in federal court. A trade secret is information that an organization takes reasonable steps to protect from disclosure and has economic value from not being known to others. The new law has operational impact and State Fund will: 1) conduct and maintain an inventory of State Fund's trade secrets; 2) revise corporate policies, employee handbooks, and third party contracts to include DTSA whistleblower immunity provisions; 3) revise third party contracts effective on/after May 11, 2016 to include a DTSA whistleblower immunity clause; and 4) incorporate DTSA whistleblower immunity into ethics training and on-boarding/off-boarding processes for employees and consultants.

## **AGENDA ITEM 5: PUBLIC COMMENT ON APPROPRIATENESS OF CLOSED SESSION FOR ITEMS 8 THROUGH 11**

Mr. Mulryan requested public comment on the appropriateness of Closed Session for agenda items 8 through 11, of which there was none.

## **AGENDA ITEM 6: PUBLIC COMMENT**

Mr. Mulryan requested further public comment, of which there was none. The Governance Committee immediately convened into Closed Session at 9:40 a.m.

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

The meeting was called to order at 10:35 a.m. and the following Members were present: Mr. Mulryan (Chair); Sheryl A. Chalupa; Robin L. Baker; Daniel M. Curtin; and Thomas E. Rankin.

There was a quorum.

Also present: President and CEO Vernon L. Steiner; General Counsel and Corporate Secretary Margie R. Lariviere; Chief Financial Officer Peter A. Guastamachio; Board Liaison and Assistant Corporate Secretary Hilda B. Padua; and Counsel and Assistant Corporate Secretary Judith D. Sapper.

## **AGENDA ITEM 13: COMMITTEE MEMBER PRESENTATIONS**

Mr. Mulryan requested presentations from the Committee members, of which there were none.

## **AGENDA ITEM 14: PROPOSALS AND SUGGESTIONS FOR NOVEMBER 17, 2016 AGENDA**

Mr. Mulryan requested suggestions for agenda items for the November 17, 2016 Governance Committee meeting other than the standing agenda items. Ms. Lariviere noted that during the Executive Session an agenda item was requested to be added for Closed Session at the November 2016 meeting.

Mr. Mulryan also requested public comment, of which there was none, and he noted that the next Governance Committee meeting is scheduled for November 17, 2016 at the State Fund Corporate Office, 333 Bush Street, 7<sup>th</sup> floor, San Francisco, California unless noticed for a new date and time.

## **ADJOURNMENT**

There being no further business before the Governance Committee, the meeting adjourned at 10:40 a.m.

Respectfully submitted,

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Hilda B. Padua  
Board Liaison and Assistant Corporate Secretary