

**STATE COMPENSATION INSURANCE FUND  
BOARD OF DIRECTORS**

**MINUTES OF OPEN SESSION MEETING**

**September 3, 2025**

The Board of Directors of the State Compensation Insurance Fund met on September 3, 2025 at the Omni Hotel, 500 California Street (Grand Ballroom, 3rd floor), San Francisco, California.

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

The meeting was called to order on September 3, 2025 at 9:37 a.m. Board Chair David Lanier welcomed everyone joining the meeting.

Mr. Lanier requested Ms. Padua to call roll. The following were present: David M. Lanier (Chair); Christy Bouma; Daniel M. Curtin; Regina V. Evans; Richard J. Guggenhime; Senator Michael J. Machado (Ret.); Alexis A. Podesta; Arthur H. Pulaski Thomas E. Rankin; Angela S. Wei; and Jennifer Osborn, Ex-officio.

Angela D. Tate; Absent by prior arrangement:

There was a quorum.

Also present: President and CEO Vernon L. Steiner; General Counsel and Corporate Secretary Margie R. Lariviere; Chief Financial Officer Peter Guastamachio; and Vice President of Executive Operations and Assistant Corporate Secretary Hilda B. Padua.

Mr. Lanier welcomed and introduced Jennifer Osborn as the new Director of Industrial Relations, highlighting her role as an ex-officio member of the board. Mr. Lanier expressed support and enthusiasm for Ms. Osborn's new role, acknowledging the challenges associated with the position and congratulating her on the appointment.

**AGENDA ITEM 2: ANTITRUST ADMONITION**

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

**AGENDA ITEM 3: CONSENT CALENDAR**

- a. Approval of May 28-29, 2025 Open Meeting Minutes
- b. Board Member Educational Opportunities and Approval of Planned Board Member Education and Expense Reimbursement
- c. Approval of Retirement Resolutions
- d. Recognition of Outgoing Board Member

Mr. Lanier asked whether any Board member had comments on the items on the Consent Calendar, of which there were none.

Mr. Lanier called for a Motion.

MOTION: Mr. Rankin

SECOND: Ms. Wei

To approve the Consent Calendar as presented.

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

YES: 10

NO: 0

Abstain: 0

Motion carried.

#### **AGENDA ITEM 4: STAFFING UPDATE**

Mr. Lanier noted that this item is “Read only, unless there are questions”. He asked Executive Vice President and Chief Administrative Officer Andreas Acker if there was any new information from the time the report was published. Mr. Acker noted that the Staffing report was current and there were no changes. Mr. Acker highlighted the following:

- **Separation Details:** Mr. Acker reported 122 separations for the year, including 23 regular resignations, 7 transfers to other state agencies, 75 retirements, and 17 other separations, which include deaths and dismissals.
- **640 Hour Rule:** Mr. Acker noted a 2% decrease in the number of hours over 640 for the first six months of the year, but anticipated an increase due to new bargaining contracts raising caps for the next two years.
- **Separation Rate:** Mr. Acker projected an overall separation rate of around 7% to 7.5% for the year, primarily driven by retirements expected in the fourth quarter, estimating a total of approximately 200 retirements by year-end.

Mr. Lanier requested public comment, of which there was none.

#### **AGENDA ITEM 5: FINANCIAL AND PRESIDENT’S REPORT: 4Q 2024**

Mr. Lanier noted that this item is “Read only, unless there are questions”. He asked President and CEO Vernon Steiner if there was any new information from the time the report was published. Mr. Steiner noted that the financial report was current and there were no changes.

#### **AGENDA ITEM 6: REPORTS BY THE CHAIRS OF COMMITTEE ACTIVITIES**

##### **6a: GOVERNANCE COMMITTEE**

Governance Chair Mr. Rankin reported that the Governance Committee met in-person on September 3, 2025. During the Open Session under Consent Calendar, the Committee reviewed and approved the following: May 27, 2025 Open Meeting Minutes and Board Members’ Upcoming Speeches, Articles, or Webinars.

Under Governance, Compliance, and Privacy update, Mr. Rankin noted that the report included in the Boardbook for this agenda item, is the same information as that provided to the Governance Committee. Mr. Rankin reported on the highlights as follows:

- **2025 CA Whistleblower Protection Act Annual Notification** - Attestation of the distribution was sent to the State Auditor and receipt was confirmed on July 1, 2025.
- **2025 Security Awareness Training Compliance** - State Fund was 100% compliant. Compliance Rate: 100% for employees; 100% for consultants
- **2025 Corporate Governance Annual Disclosure (CGAD)** - State Fund submitted its annual CGAD report, attested by the CEO and General Counsel/Corporate Secretary, to the California Department of Insurance on May 29, 2025, prior to the June 1<sup>st</sup> due date.
- **Bureau of Economic Analysis BE-125 Submission** - The Q1 BE-125 report was sent electronically to the Bureau of Economic Analysis on July 24, 2025.
- **Quarterly Ethics and Hotline Reporting** - Total ethics reports increased by 175%, from four in Q1 2025 to 11 in Q2 2025. The quarter over quarter increase may be attributed to greater workforce awareness after delivery of our Code of Conduct training in Q1. All Q2 reports were in the HR, Diversity & Workplace Respect category.

During the Closed session, the Committee heard a report from staff on Hiring Strategy, Succession Planning, Exempts and Executive Compensation, and Chief Financial Officer.

#### **6b: AUDIT COMMITTEE**

Acting Audit Chair Senator Machado reported that the Audit Committee met in-person on September 3, 2025. During the Open Session, the Committee reviewed and approved May 28, 2025 Open Meeting Minutes.

Under Completed Closed Audits, the Internal Audit Department reported on 5 completed projects during 1Q 2025 that were reported during the May 2025 Audit Committee closed session. All the completed project reports were deemed to be proprietary and are not being reported during open session.

Under the Whistleblower Hotline, Senator Machado reported that Human Resources and Internal Affairs investigate the majority of the matters referred through the internal Ethics Hotline, California Whistleblower Hotline, directly to Human Resources and our Case Management System. For the 2Q 2025, there were 11 new allegations received. Of the 11 cases, five were Conduct related, and six were EEO related. There were six EEO cases reported this quarter, two of which are still in progress.

During the Closed Session, the Committee heard a report from staff on Personnel Investigations, and Internal Audit report for 2Q 2025. The Committee reviewed and approved the Revised 2025 Internal Audit Plan.

## **6c: INVESTMENT AND RISK COMMITTEE**

Senator Machado provided a high-level report on Investment and Risk Committee activities.

Investment and Risk Chair Senator Machado reported that the Investment and Risk Committee met in-person on September 2, 2025. During the Open Session, the Committee reviewed and approved under the Consent calendar the following items: May 28, 2025 Open Meeting Minutes; Investment transactions and compliance reports for the period of April 1, 2025 to June 30, 2025, pursuant to its delegated authority.

During the Closed Session, the Committee heard a report from staff on portfolio performance; updates on Private Debt Manager RFP; Enterprise Risk Management (ERM) program; and on State Fund's Information Security Program.

## **AGENDA ITEM 7: CHAIRPERSON'S REPORT**

Mr. Lanier noted that he has nothing to report.

## **AGENDA ITEM 8: BOARD MEMBER REPORTS**

Mr. Lanier asked if there were any Board member reports, of which there were none.

## **AGENDA ITEM 9: PUBLIC COMMENT ON APPROPRIATENESS OF CLOSED SESSION FOR ITEMS 12 THROUGH 17**

Mr. Lanier requested public comment on the appropriateness of Closed session agenda items 12 through 17, of which there was none.

## **AGENDA ITEM 10: PUBLIC COMMENT**

Mr. Lanier requested other public comment, of which there was none.

## **ADJOURNMENT**

There being no further business, Mr. Lanier adjourned the meeting at 9:40 a.m. to immediately reconvene in Closed session.

## **AGENDA ITEM 18: CALL TO ORDER AND ROLL CALL**

The Open Session meeting reconvened on September 3, 2025 at 12:16 p.m., following the conclusion of the Closed session. The following Members were present: David M. Lanier (Chair); Christy Bouma; Daniel M. Curtin; Regina V. Evans; Richard J. Guggenhime; Senator Michael J. Machado (Ret.); Alexis A. Podesta; Arthur H. Pulaski; Thomas Rankin; Angela S. Wei; and Jennifer Osborn, Ex-officio.

Absent by prior arrangement: Angela D. Tate

There was a quorum.

Also present: President and CEO Vernon L. Steiner; General Counsel and Corporate Secretary Margie R. Lariviere; Chief Financial Officer Peter Guastamachio; and Vice President of Executive Operations and Assistant Corporate Secretary Hilda B. Padua.

**AGENDA ITEM 19: APPOINTMENT OF CHIEF FINANCIAL OFFICER**

Mr. Lanier noted that Resolution No. 2583 “Authorizing Appointment of the Chief Financial Officer” was displayed on the screen for public viewing.

Mr. Lanier requested a Motion and Second.

MOTION: Ms. Bouma

SECOND: Ms. Evans

To approve Resolution No. 2583, Authorizing Appointment of the Chief Financial Officer”, as presented.

Mr. Lanier asked for public comment, of which there was none. Mr. Lanier called for the vote.

YES: 10

NO: 0

Abstain: 0

Resolution carried.

The certified Resolution No. 2583 is attached hereto.

**AGENDA ITEM 20: AUTHORIZATION OF 2026 INSURANCE PROGRAM**

Mr. Lanier noted that Resolution No. 2584 “Approval of Self Insurance Strategy” was displayed on the screen for public viewing.

Mr. Lanier requested a Motion and Second.

MOTION: Ms. Podesta

SECOND: Senator Machado

To approve Resolution No. 2584, “Approval of Self Insurance Strategy”, as presented.

Mr. Lanier asked for public comment, of which there was none. Mr. Lanier called for the vote.

YES: 10

NO: 0

Abstain: 0

Resolution carried.

The certified Resolution No. 2584 is attached hereto.

**AGENDA ITEM 21: PROPOSALS AND SUGGESTIONS FOR DECEMBER 2025 AGENDA**

Mr. Lanier requested suggestions for agenda items for the December 2025 Board meeting. Ms. Padua noted that all agenda items identified were for Closed session.

Mr. Lanier requested public comment, of which there was none.

Mr. Lanier noted that the next Board meeting is scheduled sometime the week of December 2-4, 2025, location to be determined, unless noticed for a new date and time.

## **ADJOURNMENT**

Mr. Lanier adjourned the meeting at 12:18 p.m.

Respectfully submitted,



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Hilda B. Padua

Vice President of Executive Operations and Assistant Corporate Secretary



## **Resolution No. 2583**

### **STATE COMPENSATION INSURANCE FUND BOARD OF DIRECTORS**

#### **RESOLUTION OF THE BOARD OF DIRECTORS OF STATE COMPENSATION INSURANCE FUND AUTHORIZING APPOINTMENT OF THE CHIEF FINANCIAL OFFICER**

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

WHEREAS, the President of State Fund seeks to appoint Ethel Wang to serve as the Chief Financial Officer effective October 1, 2025, or at a later date to be determined, at an annual salary of Two Hundred Sixty-Five Thousand Dollars (\$265,00); and Recruitment and Retention Differential of One Hundred Thousand Dollars (\$100,000).

NOW, THEREFORE,

IT IS RESOLVED, that the Board of Directors hereby ratifies the appointment of Ethel Wang as the Chief Financial Officer effective October 1, 2025 or at a later date to be determined, at an annual salary of Two Hundred Sixty-Five Thousand Dollars (\$265,00); and Recruitment and Retention Differential of One Hundred Thousand Dollars (\$100,000).

IT IS FURTHER RESOLVED, that the President of State Fund has the authority to enter into an employment agreement with Ethel Wang 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 hire Ethel Wang to serve as the Chief Financial Officer of the State Compensation Insurance Fund.



## Resolution No. 2583

PASSED AND ADOPTED at the meeting of the Board of Directors of the State Compensation Insurance Fund held on the 3rd day of September, 2025 by the following vote:

<u>MEMBER</u>	<u>VOTE</u>
David M. Lanier, Chair	Yes
Christy Bouma	Yes
Daniel M. Curtin	Yes
Regina V. Evans	Yes
Richard J. Guggenhime	Yes
Sen. Michael J. Machado (Ret.)	Yes
Alexis A. Podesta	Yes
Arthur H. Pulaski	Yes
Thomas E. Rankin	Yes
Angela D. Tate	Absent
Angie S. Wei	Yes

### BOARD of DIRECTORS of the STATE COMPENSATION INSURANCE FUND

#### Certification by the Vice President of Executive Operations and Assistant Corporate Secretary

*I, Hilda B. Padua, Vice President of Executive Operations and Assistant Corporate Secretary for the State Compensation Insurance Fund Board of Directors, hereby certify that the foregoing resolution was adopted by the Board of Directors at their regular meeting held September 3, 2025.*

A handwritten signature in blue ink, appearing to read "H. Padua", written over a horizontal line.

Hilda B. Padua

Vice President of Executive Operations and Assistant Corporate Secretary

9/3/25

Date





## Resolution No. 2584

### STATE COMPENSATION INSURANCE FUND BOARD OF DIRECTORS

#### APPROVAL OF SELF INSURANCE STRATEGY

WHEREAS, State Compensation Insurance Fund's Board of Directors ("the Board") recognizes the importance of effective risk management strategies; and

WHEREAS the Board has evaluated the potential benefits of self-insurance, including increased control, flexibility, and potential cost savings, as well as the inherent risks associated with such a strategy; and

WHEREAS, the Board believes that the President and CEO, with his extensive knowledge of State Fund's operations and financial condition, and with the advice of Risk Management, is best positioned to make informed decisions regarding the suitability and implementation of self-insurance.

NOW, THEREFORE,

IT IS RESOLVED that the President and CEO is hereby granted the authority to evaluate and decide when it is appropriate for State Fund to self-insure specific risks or liabilities, within the scope of State Fund's established risk management framework and financial policies.

IT IS FURTHER RESOLVED, that in exercising this authority, the President and CEO shall consider: (1) the potential financial and operational risks and benefits of self-insurance for the specific risk or liability in question; (2) State Fund's capacity to absorb potential losses associated with self-insurance; (3) the Regulatory and legal compliance requirements to self-insurance; (4) the availability and cost-effectiveness of traditional insurance coverage for the specific risk or liability; and (5) the potential impact on State Fund's reputation and stakeholder relationships.

IT IS FURTHER RESOLVED that the President and CEO shall at least annually provide the Board with a comprehensive report on State Fund's self-insurance programs, including details on: (1) the risks or liabilities currently self-insured; (2) the rationale for choosing self-insurance over traditional insurance for each risk or liability; (3) the financial performance of the self-insurance programs, including any claims incurred and reserved funds; and (4) any changes to the self-insurance programs implemented during the reporting period.



## Resolution No. 2584

IT IS FURTHER RESOLVED, that this resolution shall be effective immediately upon its adoption by the Board.

PASSED AND ADOPTED at the meeting of the Board of Directors of the State Compensation Insurance Fund held on this 3rd day of September, 2025 by the following vote:

<u>MEMBER</u>	<u>VOTE</u>
David M. Lanier, Chair	Yes
Christy Bouma	Yes
Daniel M. Curtin	Yes
Regina V. Evans	Yes
Richard J. Guggenhime	Yes
Sen. Michael J. Machado (Ret.)	Yes
Alexis A. Podesta	Yes
Arthur H. Pulaski	Yes
Thomas E. Rankin	Yes
Angela D. Tate	Absent
Angie S. Wei	Yes

### **BOARD of DIRECTORS of the STATE COMPENSATION INSURANCE FUND**

#### *Certification by the Vice President of Executive Operations and Assistant Corporate Secretary*

*I, Hilda B. Padua, Vice President of Executive Operations and Assistant Corporate Secretary for the State Compensation Insurance Fund Board of Directors, hereby certify that the foregoing resolution was adopted by the Board of Directors at their regular meeting held September 3, 2025.*

A handwritten signature in blue ink, appearing to read "H. Padua", written over a horizontal line.

Hilda B. Padua

Vice President of Executive Operations and Assistant Corporate Secretary

9/3/25

Date