

**STATE COMPENSATION INSURANCE FUND
BOARD OF DIRECTORS**

MINUTES OF OPEN SESSION MEETING

December 3-4, 2025

The Board of Directors of the State Compensation Insurance Fund met on December 3-4, 2025, at the State Fund Sacramento Office, 2860 Gateway Oaks Drive (Parks Conference Rooms, 2nd floor), Sacramento, California.

AGENDA ITEM 1: CALL TO ORDER AND ROLL CALL

The meeting was called to order on December 3, 2025 at 10:31 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 D. Tate; Angela S. Wei; and Jennifer Osborn, Ex-officio.

There was a quorum.

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

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 September 3, 2025 Board Open Meeting Minutes
- b. Approval of September 3-4, 2025 Strategic Planning Open Meeting Minutes
- c. Board Member Educational Opportunities and Approval of Planned Board Member Education and Expense Reimbursement
- d. Review and Approval of 2026 Board and Committee Agenda Items
- e. Review and Approval of 2026 Board and Committee Meeting Schedule
- f. Approval of Retirement Resolutions

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: Mr. Pulaski

To approve the Consent Calendar as presented.

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

YES: 11

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 reported that both the number of leave hours over the 640-hour cap and the number of affected employees is decreasing, indicating continued progress in managing excess leave balances.

Mr. Acker noted that the current separation rate is 5.9% but anticipates it will rise to around 7-7.5% in the coming months due to a significant number of retirements, with projections suggesting retirements in 2025 will exceed those in 2024.

Lastly, Mr. Acker explained that most employees are still working, and leave credits are expected to decrease further at year-end as they are cashed out, with third-quarter vacation schedules contributing to the steady reduction in leave hours.

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

AGENDA ITEM 5: FINANCIAL AND PRESIDENT’S REPORT: 3Q 2025

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.

Mr. Steiner highlighted that under Pricing and Underwriting, State Fund reduced its rates for the year, resulting in a smaller-than-expected drop in premium amounts and increased success in writing new business compared to previous years. As for reserve releases, State Fund released \$613M in reserves this year, including both loss reserve and loss adjustment reserve releases, reflecting improvements over previous years.

Lastly, for bond portfolio management, Mr. Steiner described a strategic decision to accelerate losses on the bond portfolio to secure longer and higher returns on fixed income over the next five to seven years, resulting in \$150-160M in losses, but projected to generate \$75 million in additional income over 5.5 years.

AGENDA ITEM 6: REPORTS BY THE CHAIRS OF COMMITTEE ACTIVITIES

6a: GOVERNANCE COMMITTEE

Governance Acting Chair Ms. Wei reported that the Governance Committee met in-person on December 2, 2025. During the Open Session under Consent Calendar, the Committee reviewed and approved the following: September 3, 2025 Open Meeting Minutes; Board Members' Upcoming Speeches, Articles, or Webinars; 2026 Board and Committee Agenda Items; and 2026 Board and Committee Meeting Schedule.

In addition, under Governance, Compliance, and Privacy update, Ms. Wei noted that the report included in the Boardbook for this agenda item is the same information as that provided to the Governance Committee. Ms. Wei reported that the committee reviewed the governance, compliance, and privacy report, which included the 2024 NAIC Climate survey submission, Special Investigations Unit annual compliance report, Bureau of Economic Analysis Q3 reporting, website privacy policy annual report, and quarterly ethics reporting.

During the closed session, the committee received updates on the safety and health strategic plan, performance awards, executive and exempt leadership compensation, including President compensation, and Senior Vice President of Insurance Services employment agreement status, and proposed 2026 performance objectives.

6b: AUDIT COMMITTEE

Audit Chair Ms. Tate reported that the Audit Committee met in-person on December 3, 2025. During the Open Session, the Committee reviewed and approved under the Consent calendar the following items: September 2, 2025 Open Meeting Minutes; 2026 Audit Committee Agenda Items, and 2026 Audit Committee Meeting Schedule. Under Completed Closed Audits, the Internal Audit Department reported on two completed projects during 2Q 2025 that were reported during the September 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, Ms. Tate reported that Human Resources and Internal Affairs investigate many of the matters referred through the internal Ethics Hotline, California Whistleblower Hotline, directly to Human Resources and our Case Management System. For the 3Q 2025, there were 11 new allegations received, 5 of which are still in progress. In addition, 12 investigations from prior quarters were closed.

During the Closed session, the Committee heard a report from staff on Personnel Investigations, report from external auditors, and Internal Audit report for 3Q 2025. The Committee also approved the original 2026 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 December 2, 2025. During the Open Session, the Committee reviewed and approved under the Consent calendar the following items: September 2, 2025 Open Meeting Minutes; Investment transactions and compliance reports for the period of July 1, 2025 to October 31, 2025, pursuant to its delegated authority; Investment and Risk Committee Charter; 2026 Investment And Risk Committee Agenda Items, and 2026 Investment and Risk Committee Meeting Schedule

During the Closed Session, the Committee heard an update from Investment managers; reports from staff on portfolio performance; investment benchmarks; Investment and Risk Committee evaluation effectiveness; Enterprise Risk Management (ERM) program; and update 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 22

Mr. Lanier requested public comments on the appropriateness of Closed session agenda items 12 through 22, 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 10:36 a.m. to immediately reconvene in Closed session.

AGENDA ITEM 23: CALL TO ORDER AND ROLL CALL

The Open Session meeting was reconvened on December 4, 2025 at 11:25 a.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.); Arthur H. Pulaski; Thomas Rankin; Angela D. Tate; Angela S. Wei; and Jennifer Osborn (Ex-officio).

Absent by prior arrangement: Alexis A. Podesta.

There was a quorum.

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

AGENDA ITEM 24: APPROVAL OF PERFORMANCE AWARDS

Mr. Lanier noted that, in 2013, the Board introduced performance awards to strengthen State Fund’s ability to successfully compete with the market for talent by creating a tool that recognizes and rewards performance. The performance awards are tied to enterprise results as well as individual performance/contribution and are an appropriate investment in building and sustaining a performance culture that delivers value to State Fund customers.

The Board resolution approves funding for the 2025 performance award pool and establishes that the payouts are to occur in 2026, subject to State Fund’s year-end performance of achieving the goal targets within the range presented at the December 2025 Board meeting.

Mr. Lanier noted that the Board finds that State Fund’s overall 2025 performance was strong. The 2025 performance continues to reflect financial stability; and that overall to date, State Fund has achieved its 2025 goals presented at the December 2025 Board meeting.

Contingent upon State Fund achieving its goal targets within the range presented at the December 2025 meeting, the Board decided to fund the 2025 performance award program with a pool not to exceed 13% of annual salary to be administered by management to staff, supervisors and managers, senior leaders, and non-exempt executives.

Mr. Lanier noted that Resolution No. 2597 “Approval of 2025 Performance Award” was displayed on the screen for public viewing.

Mr. Lanier requested a Motion and Second.

MOTION: Mr. Guggenhime

SECOND: Ms. Tate

To approve the 2025 Performance Awards, Resolution No. 2597, 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. 2597 is attached hereto.

Mr. Lanier congratulated and thanked the staff and leadership for their hard work and for achieving such positive results. It was an exceptional year, far exceeded the goals and appropriate level for performance award.

AGENDA ITEM 25: APPROVAL OF EXEMPT LEADERSHIP 2025 AT-RISK COMPENSATION DIFFERENTIAL AND 2026 EXEMPT LEADERSHIP COMPENSATION

Mr. Lanier reported that the Board of Directors has evaluated the performance of each executive and exempt employee for 2025. Mr. Lanier noted that the compensation packages for exempt members of State Fund’s executive committee contain both fixed and variable components designed to produce high performance. Since the goal is to attract experienced executive-level talent, the Board has carefully benchmarked State Fund’s executive compensation and designed it to be relevant to the competitive marketplace without being excessive. Mr. Lanier reported that, similar to the Performance Awards, the Board evaluated the performance of State Fund’s exempt executives for 2025 to-date to determine appropriate performance-based compensation contingent upon State Fund ending the year within the projected target ranges. If the agreed upon targets are met, the payments will be made in 2026. Also, Mr. Lanier noted that in the performance-based compensation determination process, the Board reviewed both the overall performance of the business and the value of each exempt leader’s contribution.

Mr. Lanier noted that Resolution No. 2598 was displayed on the screen for public viewing.

Mr. Lanier requested a Motion and Second.

MOTION: Senator Machado

SECOND: Mr. Pulaski

To approve the Exempt Leadership 2025 At-Risk Compensation Differential and 2026 Compensation for Exempt Leadership, Resolution No. 2598, 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. 2598 is attached hereto.

AGENDA ITEM 26: APPROVAL OF PRESIDENT’S 2025 AT-RISK COMPENSATION DIFFERENTIAL, LONG-TERM INCENTIVE, AND 2026 COMPENSATION

Mr. Lanier noted that Resolution No. 2599 was displayed on the screen for public viewing.

Mr. Lanier requested a Motion and Second.

MOTION: Ms. Bouma

SECOND: Mr. Rankin

To approve the President’s 2025 At-Risk Compensation Differential, Long-Term Incentive, and 2026 Compensation, Resolution No. 2599, 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. 2599 is attached hereto.

AGENDA ITEM 27: APPROVAL OF 2025 EXEMPT LEADERSHIP AND CEA LONG-TERM INCENTIVE

Mr. Lanier noted that the Board decided to establish a Long-Term Incentive Plan (LTIP) to provide contingent financial incentives to executive and key management of State Fund who contribute to the company’s long-term strategic objectives.

The objectives of the plan are to:

- Incentivize executive management towards achieving the company’s long-term strategic objectives.
- Attract, retain, and motivate leadership talent.
- Provide competitive pay opportunities.

The LTIP is a cash-based incentive plan with payout opportunities based on achievement of annual performance targets. Individual target awards are based on a percentage of base pay.

Contingent upon State Fund achieving its goal targets within the range presented at the December 2025 meeting, the Board finds that overall to date State Fund and exempt employees, and certain CEA positions achieved all LTIP enterprise performance measures within the range presented at this December meeting.

The Board has approved funding for the 2025 Long-Term incentive award pool as presented to be administered by management and paid out over a three-year period in accordance with the terms of the LTIP plan and Award Notice, subject to State Fund continuing to meet established year-end targets.

Mr. Lanier noted that Resolution No. 2600 was displayed on the screen for public viewing.

Mr. Lanier requested a Motion and Second.

MOTION: Ms. Bouma

SECOND: Ms. Wei

To approve the 2025 Long-Term Incentive Plan Resolution No. 2600, 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. 2600 is attached hereto.

AGENDA ITEM 28: APPROVAL OF CONTRACT EXTENSION FOR SENIOR VICE PRESIDENT OF INSURANCE SERVICES

The Board approved the extension of Julie Jenkinson’s employment as Senior Vice President of Insurance Services through June 30, 2026, and approves the President’s authority to extend in six month increments past June 30, 2026, as needed to facilitate leadership transition.

Mr. Lanier noted that Resolution No. 2601 was displayed on the screen for public viewing.

Mr. Lanier requested a Motion and Second.

MOTION: Ms. Wei

SECOND: Mr. Rankin

To approve contract extension for Senior Vice President of Insurance Services, Resolution No. 2601, 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. 2601 is attached hereto.

AGENDA ITEM 29: PROPOSALS AND SUGGESTIONS FOR MARCH 2026 AGENDA

Mr. Lanier requested suggestions for agenda items for the March 2026 Board meeting. Ms. Padua noted that all agenda items identified were for Closed session.

Mr. Lanier requested public comment, of which there was none. He noted that the next Board meeting is scheduled for March 3-5, 2026, location to be determined, unless noticed for a new date and time.

ADJOURNMENT

Mr. Lanier adjourned the meeting at 11:32 a.m.

Respectfully submitted,



Hilda B. Padua

Vice President of Executive Operations and Assistant Corporate Secretary



**STATE COMPENSATION INSURANCE FUND
BOARD OF DIRECTORS**

APPROVAL OF 2025 PERFORMANCE AWARDS

WHEREAS, the Board has approved a Performance Awards program for State Fund staff, supervisors and managers, senior leaders, and non-exempt executives, with the total size of the award pool subject to the Board's discretion, based on enterprise performance and individual performance; and

WHEREAS, commencing in 2018 the Board revised the annual Governance and Board agendas to move the review of the Performance Awards to the November Board meeting; and

WHEREAS, the Board has considered a 2025 total award pool of approximately thirteen percent (13.0%) of the annual salaries of all eligible employees; and

WHEREAS, the Board has considered State Fund's enterprise performance for 2025; and

WHEREAS, the Board now seeks to establish and approve the total size of the 2025 performance award pool for State Fund staff, supervisors and managers, senior leaders, and non-exempt executives, subject to State Fund achieving its goal targets by year end within the range presented at the November Board meeting; and

WHEREAS, if State Fund fails to meet the targeted goals within the range presented at the November Board meeting, the Board may reconsider the potential for and size of a 2025 performance award pool.

NOW, THEREFORE,

IT IS RESOLVED that the Board hereby finds that State Fund had a strong overall performance for 2025; that 2025 performance continues to reflect financial stability; that overall to date State Fund has achieved its goal targets within the range presented at the November Board meeting; and hereby approves a 2025 performance award pool to be administered by management of approximately thirteen percent (13.0%) of annual salary spend for State Fund staff, supervisors and managers, senior leaders, and non-exempt executives, subject to State Fund achieving its enterprise goals by year end within the range presented at the November Board meeting; and

IT IS FURTHER RESOLVED that if State Fund fails to meet the targeted goals by year end within the range presented at the November meeting, the Board may reconsider the potential for and size of a 2025 performance award pool.

PASSED AND ADOPTED at the meeting of the Board of Directors of the State Compensation Insurance Fund held on this 4th day of December, 2025 by the following vote:

Resolution No. 2597
Approval of 2025 Performance Awards

<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	Absent
Arthur H. Pulaski	Yes
Thomas E. Rankin	Yes
Angela D. Tate	Yes
Angie S. Wei	Yes

BOARD of DIRECTORS of the STATE COMPENSATION INSURANCE FUND

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 December 4, 2025.



Hilda B. Padua
Vice President of Executive Operations and Assistant Corporate Secretary

12/4/25

Date

Resolution No. 2598

Approval of Exempt Leadership 2025 At-Risk Compensation Differential and 2026 Exempt Leadership Compensation



**STATE COMPENSATION INSURANCE FUND
BOARD OF DIRECTORS**

**APPROVAL OF EXEMPT LEADERSHIP 2025 AT-RISK COMPENSATION DIFFERENTIAL AND 2026
EXEMPT LEADERSHIP COMPENSATION**

WHEREAS, the Board of Directors (“Board”) has approved a Performance Awards program for State Fund staff, supervisors and managers, senior leaders, and Executives, with the total size of the award pool subject to the Board’s discretion, based on enterprise performance and individual performance; and

WHEREAS, in 2018 the Board revised the annual Governance and Board agendas to move the annual review of the Exempt Leadership Compensation package to the November Board meeting; and

WHEREAS, the annual compensation package for the exempt employees appointed pursuant to California Insurance Code section 11785 (“exempt employees”) includes an annual base salary, an at-risk differential based upon an annual evaluation of enterprise and individual performance conducted by the Board and, a retention differential for certain exempt positions (as identified in the attached Schedule of Exempt Leadership 2025 At-Risk Compensation Differential and 2026 Exempt Leadership Compensation), as well as a Long Term Incentive; and

WHEREAS, the Board has considered State Fund’s enterprise performance for 2025 which is projected to achieve its enterprise objectives by year end and based on that projection has completed its performance evaluations for the exempt employees for calendar year 2025; and

WHEREAS, for certain of the exempt employees the Board seeks to increase the 2025 base salary, approve the 2026 retention differentials, approve the at-risk compensation for 2025 as identified in the attached Schedule of Exempt Leadership 2025 At-Risk Compensation Differential and 2026 Exempt Leadership Compensation, and approve 2025 Long Term Incentive, subject to State Fund achieving its enterprise goals by year end within the range presented at the November Board meeting; and

WHEREAS, if State Fund fails to meet its enterprise goals within the range presented at the November Board meeting, the Board may reconsider the 2025 at-risk compensation.

NOW, THEREFORE,

IT IS RESOLVED that the Board hereby finds that State Fund exceeded its performance goals; that State Fund’s performance continues to reflect financial stability; that overall to date State Fund and the exempt employees exceeded their goal targets; and hereby adopts and approves the increases in certain 2026 base salaries, the 2026 retention differentials, and the at-risk component of 2025 compensation as identified in the attached Schedule of Exempt Leadership 2025 At-Risk Compensation Differential and 2026 Exempt

Resolution No. 2598

Approval of Exempt Leadership 2025 At-Risk Compensation Differential and 2026 Exempt Leadership Compensation

Leadership Compensation, and 2025 Long-Term Incentive, subject to State Fund achieving its enterprise goals by year end within the range presented at the November Board meeting; and

IT IS FURTHER RESOLVED that if State Fund fails to meet the targeted goals by year end within the range presented at the November Board meeting, the Board may reconsider the 2025 at-risk compensation.

PASSED AND ADOPTED at the meeting of the Board of Directors of the State Compensation Insurance Fund held on this 4th day of December, 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	Absent
Arthur H. Pulaski	Yes
Thomas E. Rankin	Yes
Angela D. Tate	Yes
Angie S. Wei	Yes

BOARD of DIRECTORS of the STATE COMPENSATION INSURANCE FUND

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 December 4, 2025.



Hilda B. Padua
Vice President of Executive Operations and Assistant Corporate Secretary

12/4/25

Date



**SCHEDULE OF EXEMPT LEADERSHIP 2025 AT-RISK COMPENSATION DIFFERENTIAL
AND 2026 EXEMPT LEADERSHIP COMPENSATION**

Position	Recommended 2025 At-Risk Compensation Differential	2025 LTIP Program**	Recommended 2026 Base Salary*	Recommended 2026 Annual Recruitment & Retention*
President & CEO (Vern Steiner)	\$428,113	\$285,408	\$615,897	\$119,030
Chief Financial Officer (Peter Guastamachio)	\$245,231	Not applicable (Retired Oct 2025)	Not applicable (Retired Oct 2025)	Not applicable (Retired Oct 2025)
Chief Financial Officer (Ethel Wang) (Eff. Oct. 2025)	\$134,138	\$109,500	\$265,000	\$100,000
Chief Operating Officer (Richard Law)	\$267,781	\$212,104	\$546,167	Not applicable
Chief Claims Operations Officer (Steve Hunckler)	\$269,754	\$196,185	\$505,176	Not applicable
General Counsel (Margie Lariviere)	\$245,231	\$196,185	\$505,176	Not applicable
Chief of Internal Affairs (Dante W. Robinson)	\$180,216	\$156,710	\$403,527	Not applicable
Chief Information Officer (Matt Kulangara) (5/1/25 – 12/31/25)	\$200,000	\$200,000	\$515,000	Not applicable
Interim Chief Information Officer (Raymon P. Torino) (Jan-April 2025)	\$53,266	\$22,910	Determined by Civil Service	Not applicable
EVP of Strategic Planning (Alvin K. Cheung)	\$198,038	\$160,030	\$440,084	Not applicable
Chief Risk Officer (Ken Van Laar)	\$226,760	\$187,019	\$368,152	\$113,422



**SCHEDULE OF EXEMPT LEADERSHIP 2025 AT-RISK COMPENSATION DIFFERENTIAL
AND 2026 EXEMPT LEADERSHIP COMPENSATION**

Position	Recommended 2025 At-Risk Compensation Differential	2025 LTIP Program**	Recommended 2026 Base Salary*	Recommended 2026 Annual Recruitment & Retention*
EVP of Corporate Claims (Carla Anene)	\$148,398	\$117,543	\$273,156	\$130,408
Chief Investment Officer (Stephanie Chan)	\$165,878	\$130,100	\$265,225	\$69,783
SVP of Insurance Services (Julie Jenkinson)	\$86,580	\$62,400	\$257,500	\$63,860
Chief Medical Officer (Dinesh Govindarao)	\$114,473	\$91,578	\$471,627	Not applicable
Chief Actuary (Kate Smith)	\$94,683	\$72,139	\$371,518	Not applicable
Chief Underwriting Officer (John M. Gagan)	\$70,791	\$56,072	\$288,772	Not applicable
SVP of Pricing Actuary (Melissa Wang)	\$60,050	\$47,564	\$244,956	Not applicable

****2026 Annual Base Salary and Annual Recruitment and Retention is effective January 1, 2026.***

*****2025 LTIP Program is effective January 1, 2025 and paid out over 3 years.***

Resolution No. 2599

Approval of President's 2025 At-Risk
Compensation Differential, 2025
Long-Term Incentive, and 2026
Compensation



**STATE COMPENSATION INSURANCE FUND
BOARD OF DIRECTORS**

**APPROVAL OF PRESIDENT'S 2025 AT-RISK COMPENSATION DIFFERENTIAL, 2025 LONG TERM
INCENTIVE, AND 2026 COMPENSATION**

WHEREAS, the Board of Directors ("Board") has approved a Performance Awards program for State Fund staff, supervisors and managers, senior leaders, and Executives, with the total size of the award pool subject to the Board's discretion, based on enterprise performance and individual performance; and

WHEREAS, in 2018 the Board revised the annual Governance and Board agendas to move the annual review of the President's Compensation package to the November Board meeting; and

WHEREAS, the annual compensation package for the President includes an annual base salary, an at-risk differential based upon an annual evaluation of enterprise and individual performance conducted by the Board, a retention differential, and a long term incentive program ("LTIP") (as identified in the attached Schedule of Exempt Leadership 2025 At-Risk Compensation Differential and 2026 Exempt Leadership Compensation); and

WHEREAS, the Board has considered State Fund's enterprise performance for 2025 which is projected to achieve its enterprise goals by year end and has completed its performance evaluation for the President for calendar year 2025; and

WHEREAS, the Board has considered State Fund's performance against the 2025 LTIP performance goals, which are projected to be achieved by year end; and

WHEREAS, the Board seeks to approve the at-risk compensation, retention differential, and long-term incentive for 2025 as identified in the attached Schedule of Exempt Leadership 2025 At-Risk Compensation Differential and 2026 Exempt Leadership Compensation, subject to State Fund achieving its enterprise and LTIP performance goal targets by year end within the range presented at the November Board meeting; and

WHEREAS, if State Fund fails to meet the targeted goals within the range presented at the November Board meeting, the Board may reconsider the 2025 at-risk compensation and retention differential.

NOW, THEREFORE,

IT IS RESOLVED that the Board hereby finds that State Fund met its performance goals and made significant progress in 2025 on its multi-year business transformation to become a more efficient and agile insurance carrier; that customer service improved in 2025; that State Fund's performance continues to reflect

Resolution No. 2599

Approval of President’s 2025 At-Risk Compensation Differential, 2025 Long-Term Incentive, and 2026 Compensation

financial stability; that overall to date State Fund and the President achieved the enterprise goals and the performance measures underlying the long term incentive within the range presented at the November meeting; and hereby adopts and approves the President’s at-risk compensation, retention differential, and long term incentive for 2025 as identified in the attached Schedule of Exempt Leadership 2025 At-Risk Compensation Differential and 2026 Exempt Leadership Compensation, subject to State Fund achieving its enterprise goals by year end within the range presented at the November Board meeting; and

IT IS FURTHER RESOLVED that if State Fund fails to meet the targeted enterprise or LTIP goals by year end within the range presented at the November Board meeting, the Board may reconsider the President’s 2025 at-risk compensation and/or long-term incentive.

PASSED AND ADOPTED at the meeting of the Board of Directors of the State Compensation Insurance Fund held on this 4th day of December 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	Absent
Arthur H. Pulaski	Yes
Thomas E. Rankin	Yes
Angela D. Tate	Yes
Angie S. Wei	Yes

BOARD of DIRECTORS of the STATE COMPENSATION INSURANCE FUND

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 December 4, 2025.

Hilda B. Padua
Vice President of Executive Operations and Assistant Corporate Secretary

12/4/25

Date



**SCHEDULE OF EXEMPT LEADERSHIP 2025 AT-RISK COMPENSATION DIFFERENTIAL
AND 2026 EXEMPT LEADERSHIP COMPENSATION**

Position	Recommended 2025 At-Risk Compensation Differential	2025 LTIP Program**	Recommended 2026 Base Salary*	Recommended 2026 Annual Recruitment & Retention*
President & CEO (Vern Steiner)	\$428,113	\$285,408	\$615,897	\$119,030
Chief Financial Officer (Peter Guastamachio)	\$245,231	Not applicable (Retired Oct 2025)	Not applicable (Retired Oct 2025)	Not applicable (Retired Oct 2025)
Chief Financial Officer (Ethel Wang) (Eff. Oct. 2025)	\$134,138	\$109,500	\$265,000	\$100,000
Chief Operating Officer (Richard Law)	\$267,781	\$212,104	\$546,167	Not applicable
Chief Claims Operations Officer (Steve Hunckler)	\$269,754	\$196,185	\$505,176	Not applicable
General Counsel (Margie Lariviere)	\$245,231	\$196,185	\$505,176	Not applicable
Chief of Internal Affairs (Dante W. Robinson)	\$180,216	\$156,710	\$403,527	Not applicable
Chief Information Officer (Matt Kulangara) (5/1/25 – 12/31/25)	\$200,000	\$200,000	\$515,000	Not applicable
Interim Chief Information Officer (Raymon P. Torino) (Jan-April 2025)	\$53,266	\$22,910	Determined by Civil Service	Not applicable
EVP of Strategic Planning (Alvin K. Cheung)	\$198,038	\$160,030	\$440,084	Not applicable
Chief Risk Officer (Ken Van Laar)	\$226,760	\$187,019	\$368,152	\$113,422



**SCHEDULE OF EXEMPT LEADERSHIP 2025 AT-RISK COMPENSATION DIFFERENTIAL
AND 2026 EXEMPT LEADERSHIP COMPENSATION**

Position	Recommended 2025 At-Risk Compensation Differential	2025 LTIP Program**	Recommended 2026 Base Salary*	Recommended 2026 Annual Recruitment & Retention*
EVP of Corporate Claims (Carla Anene)	\$148,398	\$117,543	\$273,156	\$130,408
Chief Investment Officer (Stephanie Chan)	\$165,878	\$130,100	\$265,225	\$69,783
SVP of Insurance Services (Julie Jenkinson)	\$86,580	\$62,400	\$257,500	\$63,860
Chief Medical Officer (Dinesh Govindarao)	\$114,473	\$91,578	\$471,627	Not applicable
Chief Actuary (Kate Smith)	\$94,683	\$72,139	\$371,518	Not applicable
Chief Underwriting Officer (John M. Gagan)	\$70,791	\$56,072	\$288,772	Not applicable
SVP of Pricing Actuary (Melissa Wang)	\$60,050	\$47,564	\$244,956	Not applicable

****2026 Annual Base Salary and Annual Recruitment and Retention is effective January 1, 2026.***

*****2025 LTIP Program is effective January 1, 2025 and paid out over 3 years.***

Resolution No. 2600

Approval of 2025 Exempt Employee
and CEA Long-Term Incentive



**STATE COMPENSATION INSURANCE FUND
BOARD OF DIRECTORS**

APPROVAL OF 2025 EXEMPT EMPLOYEE AND CEA LONG-TERM INCENTIVE

WHEREAS, the Board has approved a Long-Term Incentive program (“LTIP”) for State Fund exempt employees appointed pursuant to California Insurance Code section 11785 (“exempt employees”) and certain Career Executive Assignment (“CEA”) positions; and

WHEREAS the annual targets and total size of the annual award pool are subject to the Board’s discretion based on enterprise LTIP performance; and

WHEREAS, commencing in 2018 the Board revised the annual Governance and Board agendas to move the annual review of the LTIP program to the November Board meeting; and

WHEREAS, the Board approved and adopted Resolution No. 2545 at the November 21, 2024 meeting modifying the LTIP for the Designated Employees to provide for a 40% target for Executive Committee members who report to the CEO, a 30% target for Executive Committee members who do not report to the CEO, and a 20% target for those Designated Employees who are not members of the Executive Committee.

WHEREAS, the Board has considered State Fund’s performance against the 2025 LTIP goals, which are projected to be achieved by year end, and the performance evaluations for the exempt employees and certain CEA positions; and

WHEREAS, if State Fund fails to meet the targeted LTIP performance goals within the range presented at the December Board meeting, the Board may reconsider the 2025 LTIP target awards and annual award pool.

NOW, THEREFORE,

IT IS RESOLVED that the Board hereby finds that overall to date State Fund and the exempt employees and certain CEA positions achieved the LTIP enterprise objectives and/or the LTIP performance measures within the range presented at the December meeting; and hereby approves a 2025 Long Term Incentive award pool not to exceed 40% for Executive Committee members who report to the CEO, 30% for Executive Committee members who do not report to the CEO, and 20% for those Designated Employees who are not members of the Executive Committee to be administered by management and paid out over a three-year period in accordance with the terms of the LTIP Plan and Award Notice, subject to State Fund achieving its LTIP performance goals by year end within the range presented at the December Board meeting.

Resolution No. 2600

Approval of 2025 Exempt Employee
and CEA Long-Term Incentive

IT IS FURTHER RESOLVED that if State Fund fails to meet the targeted LTIP performance goals by year end based on the goal results presented at the December Board meeting, the Board may reconsider the 2025 annual LTIP award pool.

PASSED AND ADOPTED at the meeting of the Board of Directors of the State Compensation Insurance Fund held on this 4th day of December, 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	Absent
Arthur H. Pulaski	Yes
Thomas E. Rankin	Yes
Angela D. Tate	Yes
Angie S. Wei	Yes

BOARD of DIRECTORS of the STATE COMPENSATION INSURANCE FUND

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 December 4, 2025.



Hilda B. Padua
Vice President of Executive Operations and Assistant Corporate Secretary

12/4/25

Date