

AMENDED IN SENATE MAY 3, 2016

**SENATE BILL**

**No. 1451**

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**Introduced by Senator Mendoza**  
*(Coauthors: Senators Gaines and Roth)*

February 19, 2016

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An act to amend Section 11785 of the Insurance Code, relating to the State Compensation Insurance Fund.

LEGISLATIVE COUNSEL'S DIGEST

SB 1451, as amended, Mendoza. State Compensation Insurance Fund: executive and management appointments.

Existing law provides for the existence of the State Compensation Insurance Fund (SCIF) to be administered by a board of directors for the purpose of transacting workers' compensation insurance, and insurance against the expense of defending any suit for serious and willful misconduct, against an employer or his or her agent, and insurance for employees and other persons of the compensation fixed by the workers' compensation laws for employees and their dependents. Existing law authorizes the board of directors of SCIF to appoint a president, a chief financial officer, a chief operating officer, a chief information technology officer, a chief investment officer, a chief risk officer, a chief medical officer, chief actuarial officer, a chief claims operations officer, a chief of internal affairs, and a general counsel.

This bill would additionally authorize the board to, until December 31, 2021, appoint additional executive and management positions deemed appropriate by the board, as specified.

Vote: majority. Appropriation: no. Fiscal committee: yes.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

1     SECTION 1. Section 11785 of the Insurance Code is amended  
2 to read:

3       11785. (a) The board of directors shall appoint a president, a  
4 chief financial officer, a chief operating officer, a chief information  
5 technology officer, a chief investment officer, a chief risk officer,  
6 a general counsel, a chief medical officer, a chief actuarial officer,  
7 a chief claims operations officer, and a chief of internal affairs.

8       (b) (1) The board of directors may appoint additional executive  
9 and management positions, as deemed appropriate by the board.

10      (2) The number of additional positions appointed pursuant to  
11 paragraph (1) shall not exceed 1 percent of the number of the fund's  
12 employees who are subject to the requirements of Part 2  
13 (commencing with Section 18500) of Division 5 of Title 2 of the  
14 Government Code.

15      (3) The ~~board's~~ *board of directors'* authority to appoint  
16 additional positions pursuant to this subdivision shall terminate  
17 on December 31, 2021.

18      (c) The board of directors shall set the salary for each position  
19 described in subdivisions (a) and (b). These positions shall not be  
20 subject to otherwise applicable provisions of the Government Code  
21 and the Public Contract Code, and for those purposes the fund  
22 shall not be considered a state agency or other public entity.

23      (d) The president shall manage and conduct the business and  
24 affairs of the fund under the general direction and subject to the  
25 approval of the board of directors, and shall perform other duties  
26 as the board of directors prescribes.

27      (e) Section 87406 of the Government Code, the Milton Marks  
28 Postgovernment Employment Restrictions Act of 1990, shall apply  
29 to the fund. Members of the ~~board~~, *board of directors*, the  
30 president, the chief financial officer, the chief operating officer,  
31 the general counsel, a chief medical officer, a chief actuarial officer,  
32 a chief claims operations officer, and a chief of internal affairs,  
33 and any other person designated by the fund shall be deemed to  
34 be designated employees for the purpose of that act.

35      (f) Both the Bagley-Keene Open Meeting Act (Article 9  
36 (commencing with Section 11120) of Chapter 1 of Part 1 of  
37 Division 3 of Title 2 of the Government Code) and the California  
38 Public Records Act (Chapter 3.5 (commencing with Section 6250)

1 of Division 7 of Title 1 of the Government Code) shall apply to  
2 the fund.

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