

RESOLUTION NO. B16-001

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE CSAC EXCESS INSURANCE AUTHORITY AUTHORIZING THE ESTABLISHMENT OF A CAPTIVE INSURANCE COMPANY DOMICILED IN THE STATE OF UTAH

WHEREAS, the CSAC Excess Insurance Authority (EIA) is in the process of creating a captive insurance company to reinsure select risks of various EIA programs, and

WHEREAS, a captive insurance company is an insurance or reinsurance entity, which would be created and owned directly by the EIA for the purpose of providing insurance or reinsurance coverage for risks of the EIA and for EIA member entities, and

WHEREAS, the Captive insurance company formed by the EIA will benefit all programs by providing an efficient and diverse risk transfer mechanism, and

WHEREAS, the EIA has, through vote of its Executive Committee on May 5, 2016, recommended that the Board of Directors of the EIA establish and provide for the on-going operations of a captive insurance company to be domiciled in the state of Utah, and

WHEREAS, the EIA has, through vote of its Executive Committee on May 5, 2016, recommended that the Board of Directors of the EIA delegate authority to EIA staff to take all necessary and appropriate action to obtain legally required licensure and other permits to form a captive insurance company in the state Utah, and

WHEREAS, the EIA has, through vote of its Executive Committee on May 5, 2016, recommended that the Board of Directors of the EIA delegate authority to the Executive Committee to provide on-going oversight of the Captive Insurance Company, and

WHEREAS, the EIA has, through vote of its Executive Committee on May 5, 2016, recommended that the Board of Directors of the EIA authorize paid-in capital to the Captive insurance company not-to-exceed \$5M from the EIA treasury to be allocated to all major and miscellaneous programs based upon the cash balance in the Treasury, as of June 30, 2016, and

WHEREAS, the EIA has, through vote of its Executive Committee on May 5, 2016, recommended that the Captive be named the Excess Insurance Organization (EIO), and

WHEREAS, the EIA has, through vote of its Executive Committee on May 5, 2016, recommended that the Captive insurance company form a seven (7) member Board of Directors, comprised of the following members, to serve a one (1) year term, beginning on the date of the formal approval of the Captive by the State of Utah, and then with terms running from annual meeting to annual meeting with automatic renewals unless replaced by the Executive Committee, as follows:

- Michael Fleming – President
- Scott Schimke – Vice President
- Lorin C. Barker (Utah Counsel) –Secretary
- Barbara Lubben – Treasurer
- Stephen Underwood – Director
- Darrel Pyle – Director
- Gina Dean – Director

NOW THEREFORE, it is hereby resolved by the CSAC Excess Insurance Authority Board of Directors, as follows:

1. The Board of Directors of the EIA hereby establishes and provides for the on-going operations of a captive insurance company to be domiciled in the State of Utah.
2. The Board of Directors of the EIA hereby delegates authority to EIA staff to take all necessary and appropriate action to obtain required licensure and other permits to form a captive insurance company domiciled in the State of Utah.
3. The Board of Directors of the EIA hereby delegates authority to the Executive Committee to provide on-going oversight of the Captive Insurance Company.
4. The Board of Directors of the EIA hereby authorizes paid-in capital to the Captive insurance company, not-to-exceed \$5M from the EIA treasury, to be allocated to all major and miscellaneous programs based upon the cash balance in the treasury, as of June 30, 2016.
5. The Captive be named the Excess Insurance Organization (EIO).
6. The Excess Insurance Organization shall consist of a seven (7) member Board of Directors, which shall be comprised of the following members, to serve a one (1) year term, beginning on the date of the formal approval of the EIO by the State of Utah, and then with terms running from annual meeting to annual meeting with automatic renewals unless replaced by the EIA Executive Committee, as follows:

- Michael Fleming-President
- Scott Schimke-Vice President
- Lorin C. Barker (Utah Counsel) –Secretary
- Barbara Lubben-Treasurer
- Stephen Underwood-Director
- Darrel Pyle-Director
- Gina Dean-Director

PASSED AND ADOPTED by the Board of Directors of the CSAC Excess Insurance Company, this 3rd day of June, 2016, by the following vote:

AYES: Counties of Alameda, Amador, Butte, Colusa, Contra Costa, El Dorado, Humboldt, Imperial, Inyo, Kern, Kings, Lassen, Madera, Mariposa, Mendocino, Merced, Nevada, Placer, Riverside, San Bernardino, San Diego, San Joaquin, Santa Barbara, Santa Clara, Santa Cruz, Solano, Sonoma, Stanislaus, Sutter, Tehama, Tulare, Tuolumne, Ventura, Yuba, and Ann Richey, Charles Mitchell, Scott Schimke, Deborah Grant, Kimberly Greer, and Cathy Reineke

NOES: Counties of Plumas, Shasta, Sierra, Trinity, and David Nelson

ABSTAIN: County of Sacramento

ABSENT: Counties of Alpine, Calaveras, Del Norte, Fresno, Glenn, Lake, Marin, Modoc, Mono, Monterey, Napa, Orange, San Benito, San Luis Obispo, Siskiyou, Yolo, and Ashley Fenton



Scott Schimke
President, CSAC EIA Board of Directors

ATTEST:



Michael Fleming
CSAC EIA Chief Executive Officer