

Public Risk Innovation, Solutions, and Management
BOARD OF DIRECTORS
Friday, October 1, 2021
Web Conference/Telephonic Meeting

Open Session Minute Order

4.A. PRISM ARC – Internal Investment Cap

Staff reported that PRISM ARC's Investment Policy limits investment in equities to 40% of the combined PRISM/ARC surplus (at the time of purchase) and 50% of the ARC's portfolio. Earlier this year, the Finance Committee inquired about increasing the internal cap on the ARC equity investments. Subsequently, an analysis was conducted to determine how much additional interest income would have been earned on the equity portfolio if the cap had been 50% instead of 40%. According to Chandler's analysis, there would have been \$6.6M in additional investment income over the past 3 years if the equity limit was 50% as of December 31, 2017. The Executive Committee reviewed this at their meeting the day prior and recommended raising the equity investment cap from 40% to 50% of surplus.

(Motion 2) Moved by Ray Aromatorio and seconded by Craig Schweikhard to approve increasing the cap on PRISM ARC's investment in equities to 50% of the overall combined net position/surplus of PRISM and PRISM ARC. Motion passed unanimously with 44 voting yes (Counties of Alameda, Butte, Calaveras, Colusa, Contra Costa, Del Norte, El Dorado, Fresno, Glenn, Humboldt, Inyo, Kern, Kings, Madera, Mendocino, Merced, Napa, Placer, Riverside, Sacramento, San Bernardino, San Diego, San Luis Obispo, Santa Barbara, Santa Clara, Santa Cruz, Shasta, Solano, Sonoma, Stanislaus, Sutter, Tehama, Trinity, Tulare, Ventura, Yolo, Yuba, and Lathrop, Frydendal, Castillo del Muro, Schweikhard, Cannon, Galleher, and Howard).

I hereby certify that the above order was passed on October 1, 2021, by a majority vote of the Board of Directors.



Kelli Snelling, Executive Secretary
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