



EMAIL ACTIONS OF THE STATE BOARD
August 17, 2007

The State Insurance Committee was asked back in April 2007 to obtain a quote from the State's Insurance Broker, Morris and Garritano, on the cost of Directors and Officers (D&O) Insurance for each Branch. The State Insurance Committee was further requested to provide this cost quote to the Branches and then provide them with the instructions on how to implement an exemption from D&O Insurance pursuant to California Corporations Code Section 5239. Note: This directive had been contained in the 2004 and 2005 editions of the Branch Leaders Training Guide, however it was not contained in the 2206 Edition.

On August 6, 2007, the State Insurance Committee Chairman provided a report containing four options for the State Board to consider, none of which was to implement the foregoing. The State President conveyed this information to the State Board and Past Presidents with a recommendation to go forth and implement the above recommendations. The State Board was also advised that now that the State Insurance Committee is a "Standing Committee", Rules will be presented to the Board at its Nov. 13, 2007 meeting to specify the composition of the Committee, including its charges and responsibilities, which will include the annual requirement to obtain a quote for D&O Insurance for the Branches and then provide the Branches with instructions for implementing Calif. Corp. Code Section 5239.

State Board Action: Approved with a vote of 13 members. No vote was received from the State Treasurer, Assistant State Secretary and the Region 10 Director. Note: 11 votes are needed for a quorum. It is also should be noted that 4 of 5 Past Presidents also approved this action.

Prepared by Tom Ross, 2007 State President