

BWC Board of Directors

BOARD MEETING

Friday, June 18, 2010, 8:00 A.M.

William Green Building

30 West Spring St. 2nd Floor (Mezzanine)

Columbus, Ohio 43215

Members Present: William Lhota, Chair
James Harris, Vice Chair
Charles Bryan
David Caldwell
Alison Falls
Ken Haffey
James Hummel
Jim Matesich
Thomas Pitts
Larry Price
Robert Smith

Member Absent: None

Counsel Present: John Williams, Assistant Attorney General
Ron O'Keefe, Fiduciary Counsel

Scribe: Larry Rhodebeck, Staff Counsel

CALL TO ORDER

Mr. Lhota called the meeting to order at 8:00 a.m. and the roll call was taken. Mr. Lhota reported that all eleven members were present and constituted a quorum.

MINUTES OF MAY 28, 2010

Marsha Ryan, Administrator, requested that on page 12, paragraph 7, lines 3-4, that the term "illegal aliens" be changed to "undocumented workers." Mr. Haffey requested that on page 12, paragraph 9, line 1 be changed to, "Mr. Haffey *referred to the legislative update distributed to the Directors. He asked . . .*" Mr. Price requested that page 14, paragraph 14, be changed in its entirety to read, "Mr. Price stated it was his belief the intent of the statute was for a majority of the Board to meet with the Governor." Mr. Lhota requested that page 5, paragraph 4, line 1, be changed to read, "Mr. Lhota stated he will vote *on the motion and if the*

motion fails he will make a motion to return the matter to the Actuarial Committee.” On page 7, second line, the sentence should read, “In June, the Investment Committee will discuss the use of minority, *women*, and emerging managers.”

Mr. Haffey moved to adopt the minutes of May 28, 2010 as amended. Mr. Caldwell seconded and the minutes were approved by a roll call of eleven ayes and no nays.

Mr. Lhota noted / requested that it is administratively easier if corrections for the previous month’s minutes be submitted in writing to the scribe for inclusion in the new minutes.

AGENDA

Mr. Lhota added an action item to follow the report of the Medical Services and Safety Committee on recommendations from the Governance Committee for committee membership. The executive session following the Administrator’s Report will cover personnel matters. After close of the executive session, the Workers’ Compensation Board will reconvene and approve the board’s review of the Administrator and the board self-assessment.

Mr. Harris moved to adopt the amended agenda. Mr. Hummel seconded and the amended agenda was adopted by a roll call vote of eleven ayes and no nays.

COMMENTS

Mr. Lhota reported that the committees of the Workers’ Compensation Board met on June 17 in five meetings. Of 55 attendance opportunities, there were 53 in attendance. This constituted a 96% attendance rate. Mr. Pitts serves on the Competitive Workers’ Compensation Task Force and was unable to attend the Investment Committee meeting. The five meetings exhibited full discussion of issues and a thorough review of staff reports. He commended the Directors for their diligence and commitment to attending Committee meetings, especially those of which they were not a member.

ACTUARIAL COMMITTEE

Mr. Bryan reported the Actuarial Committee met and had a full discussion on the Coal Workers’ Pneumoconiosis Fund (CWPF). Topics included were the moratorium on premium collections, number of subscribers, further developments that may affect the CWPF, and many things unknown that could affect the Fund. After deciding to endorse the Administrator’s recommendation, the Actuarial Committee requested a more complete report before the next review

of rates. The Workers' Compensation Board now has a greater appreciation of the complexity of the pneumoconiosis issues.

Upon the recommendation of the Actuarial Committee, Mr. Bryan moved that the Bureau of Workers' Compensation Board of Directors approve the Administrator's recommendation to retain without change Rule 4123-17-20 of the Administrative Code, "Employer Contribution to the Coal Workers Pneumoconiosis Fund." This motion consents to the Administrator retaining without change Rule 4123-17-20 as presented at the Actuarial Committee. Mr. Matesich seconded and the motion was approved by a roll call vote of eleven ayes and no nays.

Mr. Bryan also reported that there was a discussion of the calculation of the Administrative Cost Fund (ACF) led by Tracy Valentino, Chief, Fiscal & Planning. BWC has a carryover balance of \$48 million to the next fiscal year. The discussion included a description of how rates are calculated for each employer group.

Upon the recommendation of the Actuarial Committee, Mr. Bryan moved that the Bureau of Workers' Compensation Board of Directors approve the Administrator's recommendation to amend Rule 4123-17-36 of the Administrative Code, Administrative Cost Fund Assessments. The motion consents to the Administrator amending the rule as presented at the Actuarial Committee. Mr. Pitts seconded and the motion was approved by a roll call vote of eleven ayes and no nays.

Mr. Bryan reported that the Actuarial Committee also approved the rates for funding of the Safety and Hygiene Division. The amended rule reduces the rate from 1% to 0.5% for public employer state agencies.

Upon recommendation of the Actuarial Committee, Mr. Bryan moved that the Bureau of Workers' Compensation Board of Directors approve the Administrator's recommendation to amend rule 4123-17-37 of the Administrative Code, Safety and Hygiene Assessments. The motion consents to the Administrator amending the rule as presented at the Actuarial Committee. Mr. Hummel seconded and the motion was approved by a roll call of eleven ayes and no nays.

Mr. Bryan reported the Actuarial Committee approved the self-insuring employer assessments. The largest assessment is for the Self-Insuring Employers' Guaranty Fund (SIEGF). The SIEGF is a pay-as-you-go fund, in which active participants pay for the claims of defaulting employers. There were earlier concerns of large bankruptcies affecting the solvency of this fund. The Workers' Compensation Board will continue to look at appropriate funding for the SIEGF.

Upon the recommendation of the Actuarial Committee, Mr. Bryan moved that the Bureau of Workers' Compensation Board of Directors approve the Administrator's recommendation to amend Rule 4123-17-32 of the Administrative Code, Self

Insured Employers Assessments. The motion consents to the Administrator amending the rule as presented at the Actuarial Committee. Mr. Matesich seconded and the motion was approved by a roll vote of eleven ayes and no nays.

Mr. Bryan also reported that the Actuarial Committee reviewed a change of the credibility table for public employers to conform to the table for private employers. It also approved break-even factors. This was discussed although the changes do not go into effect until January 1. This early discussion was necessary because the credibility and break even-factor tables must be in place for marketing group rating plans and other programs.

Upon the recommendation of the Actuarial Committee, Mr. Bryan moved that the Bureau of Workers' Compensation Board of Directors approve the Administrator's recommendations to amend Rule 4123-17-33.1 of the Administrative Code, "Public Employer Taxing District Credibility Table Used for Experience Rating," and to amend Rule 4123-17-64.2 of the Administrative Code, "Public Employer Taxing District Group Rating Break-Even Factor." The motion consents to the Administrator adopting the rules as presented at the Actuarial Committee. Mr. Pitts seconded and the motion was approved by a roll call vote of eleven ayes and no nays.

Mr. Bryan reported that the Actuarial Committee undertook correction of a pricing error in the public employers' deductible program. BWC is withdrawing the table regarding large deductible plans. A corrected rule is to be introduced in July and August.

Upon recommendation of the Actuarial Committee, Mr. Bryan moved that the Bureau of Workers' Compensation Board of Directors approve the Administrator's recommendation to amend Rule 4123-17-72 of the Administrative Code, "Deductible Rule," to refile the rule as approved by the Board in April, 2010, but without the PEC large deductible credits (Appendix F). The motion consents to the Administrator amending Rule 4123-17-72 as presented at the Actuarial Committee. Mr. Haffey seconded and the motion was approved by a roll call vote of eleven ayes and no nays.

Mr. Bryan reported that the Actuarial Committee also discussed the competitiveness of Ohio workers' compensation premium rates with 42 other states. BWC used manual classifications with 77% of the payroll in Ohio, and compared them to the base rates of other states. Ohio has improved its position since a comparison in 2009. Oregon has the most widely used study. Ohio does not rank well in the Oregon study; however, the Oregon study has its flaws and is several years old. The Workers' Compensation Board should review the study in detail at a later date. The study does not review benefit levels. Finally, the Actuarial Committee heard a report from John Pedrick, Chief Actuarial Officer.

Mr. Pitts thanked Mr. Pedrick and Liz Bravender, Actuarial Director, and staff on education and explaining experience rating to him, a subject he had little information on before joining the Workers' Compensation Board.

Mr. Bryan indicated the report of the Actuarial Committee was concluded.

AUDIT COMMITTEE

Mr. Haffey reported that Caren Murdock, Chief of Internal Audit, presented the fiscal year 2011 audit plan. The plan has twenty-eight projects. Ms. Murdock discussed the methodology of how projects are chosen, using risk assessment factors, the number of recent audits in an area, and stakeholder input.

Mr. Haffey reported that James Barnes, General Counsel, and Ken Cain, Staff Counsel, conducted a second reading of rules on confidential personal information. The report included a discussion of the manual logging process.

Upon the recommendation of the Audit Committee, Mr. Haffey moved the Bureau of Workers' Compensation Board of Directors approve the Administrator's recommendation to adopt Rules 4123-10-01 to 4123-10-05 of the Administrative Code, relating to Confidential Personal Information. These rules are required by House Bill 648 of the 127th General Assembly. The motion consents to the Administrator adopting Rules 4123-10-01 to 4123-10-05 as presented at the Audit Committee. Mr. Matesich seconded and the motion was approved by a roll call vote of eleven ayes and no nays.

Mr. Haffey reported that Ms. Valentino led a discussion on the external audit by Schneider Downs. Schneider Downs has completed three to four weeks of internal testing as of today. Joe Patrick is the audit partner. There is a forthcoming meeting between Mr. Haffey, Ms. Ryan, and Schneider Downs. Additional testing will occur in August. The audit report must be filed with the State Auditor no later than September 30. Ms. Valentino also reported on the discount rate reduction and the affect on reserves.

Ms. Murdock also reported on current staffing and projects. The unit has thirteen auditors and one administrative assistant. One auditor just moved to the Fiscal and Planning Division. There are eight audit projects in process. The Internal Audit division will provide a substantial amount of support to the Schneider Downs annual audit.

Mr. Haffey indicated the report of the Audit Committee was concluded.

GOVERNANCE COMMITTEE

Ms. Falls reported that the Governance Committee met and conducted the annual review of committee membership. The Governance Committee recommends to the Workers' Compensation Board and to Chairman Lhota that all standing committees be increased to five members each. The Governance Committee also reviewed the education plan for 2011. This includes a report from Don Berno, Board Liaison, on forty education sessions for fiscal year 2010. Some topics had multiple sessions and many were conducted during regular committee meetings, which most directors attend.

Ms. Falls moved that the Bureau of Workers' Compensation Board of Directors approve the Board Education Plan for fiscal year 2011 as presented at the Governance Committee meeting. Mr. Price seconded and the motion was approved by a roll call vote of eleven ayes and no nays.

Ms. Falls further reported that the Administrator did a review of the Administrator's FY 2011 objectives. Later this summer, there will be a report on agency-wide objectives for fiscal year 2011.

Ms. Falls moved that the Bureau of Workers' Compensation Board of Directors approve the fiscal year 2011 BWC goals as presented at the Governance Committee meeting. Mr. Haffey seconded and the motion was approved by a roll call vote of eleven ayes and no nays.

Ms. Falls indicated the report of the Governance Committee was concluded.

INVESTMENT COMMITTEE

Mr. Smith reported that the portfolio value is \$19.1 billion as of June 16 and allocated at 69.4% to bonds, 28.9% to stocks, and 1.7% to cash. In the fiscal year-to-date, through May, the portfolio had a total return of 11.2%, which reflects investment income of \$1.9 billion. During the month of June through June 16, there was an increase of \$151 million in market value of the combined bond and stock portfolios and the portfolio returned 0.8% over this period. The Chief Investment Officer Report included an account of the May 7 meeting with BlackRock in New York attended by Bruce Dunn, Chief Investment Officer, Ms. Ryan, Lee Damsel, Director of Investments, Guy Cooper, Partner of Mercer Investment Consulting, and Mr. Smith. Although the meeting occurred the day following the infamous "heavy thumb" crash, BlackRock officials, including the founder and CEO, met at length with BWC officials about management of the firm and their strategies.

Mr. Smith reported that he had never seen a large transition of \$15 billion in assets executed in as smooth, fast or cost effective manner as the one just completed by BWC for the State Insurance Fund. Mr. Smith requested that the Workers' Compensation Board issue a resolution commending the BWC Investment Division staff.

Mr. Smith moved that the Bureau of Workers' Compensation Board of Directors commend the Chief Investment Officer, Director of Investments, and Investment Department Staff for the smooth, fast, and cost effective transition of the investments of the State Insurance Fund. Mr. Caldwell seconded the motion.

Mr. Caldwell stated that in the three years' of the existence of the Workers' Compensation Board, changes in administration have been significant. He gave his full support to the resolution. Nothing is more impressive than the recovery from mismanagement of a previous administration and steering BWC investments through the recent stock market crash. He stated he could not give enough kudos to the Investment Division staff.

The motion was approved by a roll call vote of eleven ayes and no nays.

Finally, Mercer Consulting gave reports on Minority and Women Owned Business Enterprises and the Investment Policy Statement.

Mr. Smith indicated the report of the Investment Committee was concluded.

MEDICAL SERVICES & SAFETY COMMITTEE

Mr. Harris reported that the Medical Services and Safety Committee met, but had no action items. The committee conducted a first reading on the provider service fee schedule. BWC will be adopting Medicare fee codes. The Medical Services and Safety Committee is on schedule to approve all fee schedules as they are presented. Robert Coury, Chief, Medical Services and Compliance, delivered a report on the Medical Services and Compliance Division. Mr. Haffey stated he found the report very helpful.

Mr. Harris indicated the report of the Medical Services and Safety Committee was concluded.

RECOMMENDATION FOR COMMITTEE MEMBERSHIP

Mr. Lhota reported that the Governance Committee has recommended continuing all existing members on committees. In addition, to bring each committee up to five members, Mr. Lhota recommended that Mr. Haffey and Mr. Pitts be added to

the Governance Committee and Ms. Falls and Mr. Matesich be added to the Medical Services and Safety Committee.

Ms. Falls moved that the Bureau of Workers' Compensation Board of Directors approve the committee memberships as recommended to the Board Chair and by the Board Chair to the Bureau of Workers' Compensation Board of Directors. Mr. Smith seconded and motion was approved by a roll call vote of eleven ayes and no nays.

Ms. Falls thanked directors for attending all committee meetings. Attendance at a committee meeting of which a director is not a member is clearly above and beyond the call of duty.

MONTHLY ENTERPRISE REPORT

Ms. Valentino provided the Enterprise Report for May. The largest impact was the change in the actuarial reserve resulting from the adjustment based on the June 30, 2010 actuarial audit performed by Deloitte. Net premium and assessment income was \$266 million, reflecting a \$10 million provision for uncollectible accounts receivable. Premium and assessment income included a net increase of \$105 million related to changes in unbilled premium receivables as a result of the actuarial analysis completed using payment data through March 31, 2010. The Ohio Revised Code allows state agencies, self-insuring employers, and assessments for DWRP to be paid on a pay-as-you-go basis. Because BWC has the statutory authority to assess employers in future periods, an unbilled premium receivable equal to their share of the discounted reserves for compensation and compensation adjustment expense is recorded in the statement of net assets.

Benefits and compensation adjustment expense of \$638 million along with other expenses of \$42 million resulted in operating expenses of \$680 million. This is a net increase of \$492 million in benefits and compensation adjustment expenses as a result of the recently completed actuarial analysis. This is the most significance effect of the analysis. The change in the discount rate from 4.5% to 4.0% increased reserves by \$886 million, while changes in assumptions and lower than expected payments reduced reserves by \$394 million. Benefit payments in May included two bi-weekly payment cycles compared to three in April reducing payments by approximately \$23 million. In May, settlement payments declined by \$4 million and medical payments declined by \$7 million.

A study of administrative expense to determine costs related to claims management resolution resulted in a reduction of the compensation adjustment expense allocation from 82% to 68.8%. This change shifted \$35 million from compensation adjustment expenses to other expenses. This change is consistent with private insurance practices.

Mr. Bryan asked what the date of allocation of expense is. Ms. Valentino replied this is reflected in the actuarial change and affects entry for the entire fiscal year. Ms. Ryan added this is consistent with HB100 report of Deloitte Consulting.

Ms. Valentino continued, reporting that a \$537 million decrease in the fair value of the investment portfolio in May along with interest and dividend income of \$70 million for the month, resulted in net investment losses of \$486 million for the month after investment expenses of \$0.6 million. The decrease in the fair value of the portfolio is comprised of \$653 million in net unrealized losses and \$116 million in net realized gains.

Cash and cash equivalents include \$264 million in money market holdings in the outside investment manager accounts. These funds are committed to covering a \$217 million net investment trade payable for transactions that will settle in June. Premium and assessment receipts of \$292 million net of a \$1.5 million reinsurance payment were collected in May. These receipts contained a significant portion of the \$146 million second 50/50 payment plan installment which was due by June 1, 2010.

Mr. Haffey asked how much of the payments were from public employer taxing districts. Ms. Valentino replied that as of June 1, there were 2800 employers in this class and payments were consistent with other employers.

Ms. Valentino further reported that net assets had increased to \$3,760 million by May 31, whereas they stood at \$1,893 million at May 31, 2009.

BWC premium and assessment income for fiscal year to date 2010 is \$1.99 billion, compared to \$2.05 billion for the same period last year. Decreases in premium rates for private and state agency employers effective July 1, 2009, and January 1, 2010, for public employer taxing districts are off-set by increased unbilled receivables for DWRP and the SIEGF. Benefit and compensation adjustment expenses increased by \$538 million for fiscal year-to-date 2010. The decline in the discount rate is the primary reason for the \$550 million increase in reserves for compensation and compensation adjustment expenses in 2010. This increase has been partially off-set by lower payments for benefits and compensation adjustment expenses. Other expenses have increased by \$30 million as a result of the change in the compensation adjustment expense allocation from 82% to 68.8% and decreases in administrative spending. BWC is 10% under its budget.

BWC net investment income for fiscal year to date 2010 totaled \$1.9 billion, comprised of \$413 million in net realized losses and \$1,683 million in net unrealized gains, along with \$659 million of interest and dividend income, \$3 million from corporate actions and settlements, net of \$7 million in investment expenses. This compares to last year's net investment loss of \$507 million that

was primarily due to net unrealized losses. Declines in private employer payroll and decreases in premium rates have contributed to premium collections being \$305 million less than prior fiscal year to date collections.

Public employers taxing districts had until May 15 to report payroll and pay at least 45% of the premium due for the 2009 policy year. A legislative change permits lapsing of public employers and certification of the debt to the Ohio Attorney General. A total of 178 policies were lapsed for not reporting and making timely payment. This compares to 473 policies that were initially lapsed last year.

For all funds, the net assets at May 31 totaled \$3,760 million, of which \$3,253 million are in the State Insurance Fund. The ACF carried a deficit of \$748 thousand because BWC lacks authority to collect in advance. The ACF expenses are approximately \$27.6 million (10%) less than budgeted and approximately 6.5% less than last fiscal year. Decreases in payroll are due to decreases in staff as a result of hiring controls implemented by the Office of Budget and Management, a July payroll period not requiring health care premium payments, and employee use of cost savings days. Through May journal entries, BWC staff have taken over 174,000 (96%) of the available 182,000 hours of cost savings days for a savings of approximately \$5.2 million. The timing of the receipt of invoices for payment in fiscal year 2010 contributed to actual expenditures being less than the amount budgeted through May. June 18 is the last day for submitting expense reimbursement requests. BWC's current fiscal year 2010 budget is approximately \$41.2 million (12%) less than appropriated by the General Assembly.

Mr. Haffey added that the ACF control is the result of much effort and being \$41 million under budget is a significant change. The collection of \$305 million less in premiums is also significant.

Ms. Valentino further reported that the collection of \$291 million in premiums in May 2010 is significantly less than May 2009. With respect to the statement of net assets, the note on page 13 shows the allocation among the funds of the undiscounted reserves of \$32.4 billion. Page 14 shows changes in the financial performance metrics as the result of recording of the reserve. The Funding Ratio is 1.22 and the Net Leverage Ratio is 5.23. Both ratios are within the target guidelines.

Ms. Falls noted that page 15 shows a decline in claims, but frequency remains steady. Mr. Haffey added that claims are two-thirds of those filed in June 2006. Mr. Lhota requested a twenty year report of the chart to show long-term change. Mr. Pitts requested that the report should include comments from an economist on long-term changes.

Ms. Falls commented that the Funding Ratio and Net Leverage Ratio allow Directors and the public to understand the impact of investment changes. In the future, they can also assist with rate change discussions.

ADMINISTRATOR BRIEFING

Ms. Ryan delivered her monthly report. BWC is closing out the fiscal year, finalizing payments, and interfacing with other agencies. Forthcoming are the external audit and completion of cost-savings days. Preparation of the annual report will include many elements.

June is Customer Service Training Month. BWC employees have received recognition for longevity and extraordinary service. The BWC web-site contains stories on customer service. Tina Kielmeyer, Chief of Customer Services, is coordinating training.

The General Assembly is in recess for the summer. SB181, authorizing transfer of \$2.28 million from the Coal Workers' Fund to the Ohio Department of Natural Resources, was passed and signed by the Governor. HB495 was passed by the House of Representatives and defunds several boards and commissions. The bill eliminates funding of the Workers' Compensation Council. HB495 was sent to the Senate for further proceedings.

The Competitive Workers' Compensation Task Force met on June 17. Upon the request of the Administrator, Mr. Pitts reported that he attended the meeting on behalf of Chairman Lhota. About half of those comprising the task force were present. The focus was on testimony from lawyers who represent injured workers. Those appearing were Philip Fulton, Robert Kendis, and Stewart Jaffy. A witness from the West Virginia competitive fund was scheduled to appear, but did not.

Mr. Fulton's testimony was that any privatization would require a constitutional amendment. If there were merely a legislative enactment, it would likely go to a referendum. He conducted an historical review of Ohio Constitution, Article II, §35, including the 1981 constitutional amendment, which failed by a four to one margin. In 1997, legislation went to referendum and was rejected by a vote of 1.7 million to 1.3 million votes. Each election is costly, with expenses running from \$15 to \$20 million. The State of Washington is undertaking a look at privatization, at a cost of \$20 to \$25 million for the campaign. Mr. Fulton emphasized that the Nevada system was in chaos at the time it was privatized. Ohio BWC is strong and healthy and working well.

Mr. Jaffy added that the only proponents of privatization are insurance companies, whose goal is to make a profit and not help workers. Mr. Kendis testified on the transparency of BWC. Dolphin is available to the public and no

private insurer makes this information available. There was discussion on self-insurance and data availability. Senator Grendell admitted he knew little about workers' compensation and asked how the claims process worked.

Mr. Pitts finally reported Ohio has a very important tradition of stakeholders working together to make changes. That will disappear if private insurers enter Ohio. There will be no July meeting.

Ray Mazzotta, Chief Operating Officer, served as Ms. Ryan's representative. Mr. Mazzotta reported that Liberty Mutual Insurance dominated the other side of the conversation when injured worker representatives were not speaking. Future topics will include the economy.

Mr. Smith stated that he is concerned about attendance of the Task Force members. He thinks lack of attendance is a problem for people to support a final report. Mr. Haffey asked when the financial impact will be discussed. Mr. Pitts replied that the May meeting had testimony from Nevada on rate decreases and discounts. For employers undertaking group members, 15% is the average discount. This small discount stunned business representatives on the Task Force.

Mr. Mazzotta reported that Mr. Fulton asked first what the cost is, who pays, and who benefits. Mr. Pitts added when any financial point is raised, the Liberty Mutual representative could only reply, "We are bringing in competition," and implied competitiveness alone led to lower costs. Mr. Fulton emphasized the existing efficiencies. Mr. Mazzotta stated that Mr. Jaffy asked if private insurers entering Ohio would first lower premiums, and then raise them. Liberty Mutual did not answer.

Ms. Ryan continued with her report. Speaking engagements and business meetings in the near future will include northeast Ohio and Cleveland. There will be one with the northeast Ohio construction community. Tom Prunte, Director of Employer Management Services, addressed the Ohio Self-Insurers Association at its annual meeting in Cincinnati. He addressed several issues, especially the self-insured guaranty fund.

Mr. Caldwell asked if the defunding under HB495 is a distinction without a difference. Ms. Ryan replied that Representative Dodd thought that the activities required of the Workers' Compensation Council could be staffed by the Legislative Service Commission.

CHAIRMAN'S COMMENTS

Mr. Lhota reported that there would be no meeting of the Governance Committee in July. The Actuarial Committee will meet Monday, July 26, at 9 a.m. The

remaining committees will meet Wednesday July 28 and the full Workers' Compensation Board will meet Thursday July 29.

Mr. Lhota reported that the meeting would recess at 9:30 a.m. and reconvene at 9:45 a.m. in executive session to discuss the evaluation of the Administrator and the self-evaluation of the Workers' Compensation Board. He further announced that Mr. Pitts would be participating in the Board self-assessment, but not in the assessment of the Administrator.

EXECUTIVE SESSION

Mr. Lhota moved to enter executive session pursuant to Ohio Revised Code §121.22 to discuss personnel matters. Mr. Harris seconded and the motion was approved by a roll call vote of eleven ayes and no nays.

At the conclusion of the Executive session, Ms. Falls moved that the Board of Directors approve the "Summary of Evaluation of Marsha P. Ryan, Administrator, for the Fiscal Year 2010" and transmit it to the Governor. Mr. Price seconded and the motion was approved by a roll call vote of ten ayes and no nays (Mr. Pitts was not present and did not vote.).

ADJOURNMENT

Mr. Smith moved to adjourn the meeting. Mr. Haffey seconded and Mr. Lhota adjourned the meeting at 11:03 after the motion was approved by a roll call vote of ten ayes and no nays.

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June 25, 2010