

The State Bar of California  
FY2009 Committee on Group Insurance Programs Work Plan

| <b>BACKGROUND</b>  |
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| <b>Sub-entity Name:</b> Committee on Group Insurance Programs (COGIP)  |
| <b>Chair:</b> Colin McRae  |
| <b>State Bar Staff:</b> Starr Babcock, Sr. Executive Member Services and Kathleen Eichler, Manager, Insurance Programs   |
| <b>Date:</b> January 31, 2008  |
| Committee Background:<br><br>COGIP is comprised of 14 attorney members with expertise and experience in insurance and insurance law, in dealing with brokers and insurance carriers and in understanding insurance policies and the business aspects of insurance particularly group and/or association plans. The committee acts as a counselor and advisor to the Board of Governors. Currently State Bar sponsored group insurance programs include: Accidental Death & Dismemberment, Life, Group Disability Income and Group Long Term Disability, Long Term Care, Workers' Compensation and Personal Auto/Homeowners. The charge of the committee is as follows: |
| 1. Studies and makes recommendations on new, member group insurance programs to be sponsored by the State Bar and proposes changes in existing programs; recommends actuarial and other consulting studies as needed.  |
| 2. In making recommendations, considers premium rates, benefits, limitations, exclusions and other contract provisions in relation to the needs of the members of the State Bar generally and provisions designed to achieve program stability.  |
| 3. Works with the administrator/broker, carrier, General Counsel's office and designated State Bar staff to prepare contracts for new programs and revisions to existing programs.   |
| 4. Monitors ongoing approved programs and reviews sales literature for all approved programs on an ongoing basis.  |
| 5. Provides legal advice to the Board of Governors concerning insurance law aspects of its recommendations.  |
| 6. Perform such other functions relevant to the committee's subject area as the Board of Governors may from time to time assign.   |
| 7. Make recommendations and assist on request, the Board of Governors for ways and means of increasing non-dues revenue.   |

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| <b>Proposed Activities</b>  |  |
|---|--|
| <b><u>Activity 1</u></b>  | <b><u>Status/Time Frame:</u></b>   |
| Life Program: Complete an evaluation of new (group) life insurance program, including free insurance for new members. Complete negotiation of Master Agreement with American General (Insurance Carrier). | Assessment of calendar year 2008 during 2 <sup>nd</sup> Quarter 2009.<br><br>Complete negotiation of master agreement by 1 <sup>st</sup> Q 2009. |

| <b>Performance Indicators</b>   |
|---|
| Life Insurance Program: Analyze program penetration based on marketing and sales activities conducted by Marsh by 2 <sup>nd</sup> Quarter 2009. Make recommendation for change, if needed to carrier/broker by 3 <sup>rd</sup> Quarter 2009. Implement changes to program by 4 <sup>th</sup> Quarter 2009.<br><br>Complete negotiation of master agreement by 1 <sup>st</sup> Q 2009. Make formal recommendation to BOG for approval by 2 <sup>nd</sup> Q 2009. |

| <b>Proposed Activity Budget</b>   |
|---|
| Budget for all Committee activities is subsumed within entire Committee budget. |

| <b>Proposed Activities</b>   |  |
|--|--|
| <b><u>Activity 2</u></b>   | <b><u>Status/Time Frame:</u></b>   |
| Complete 3-year evaluation of Auto/Homeowners Insurance product to the market. | Complete 3-year evaluation of Auto/Homeowners product during 1 <sup>st</sup> Q 2009. |

| <b>Performance Indicators</b>   |
|---|
| Auto/Homeowners Program Evaluation— Complete 3-year evaluation of Auto/Homeowners product during 1 <sup>st</sup> Q 2009. Assess progress and make changes/enhancements to product offering where necessary by 3 <sup>rd</sup> Q 2009. |

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| <b>Proposed Activities</b>                          |  |
|---|--|
| <b><u>Activity 3</u></b>                            | <b><u>Status/Time Frame:</u></b>   |
| Research opportunities for member health insurance. | Continue to research and identify availability of products to be considered by 4 <sup>th</sup> Q 2008. Take recommendation for BOG approval in 4 <sup>th</sup> Q 2009. Award bid 1 <sup>st</sup> Q 2010. |

| <b>Performance Indicators</b>  |
|--|
| Continue to research and identify product availability for association groups by 3 <sup>rd</sup> Q 2008. Create RFI to identify carrier/broker opportunities 4 <sup>th</sup> Q 2008. If determined viable, move forward with creation of RFP by 2 <sup>nd</sup> Q 2009. Make bid selection and official recommendation to BOG by 4 <sup>th</sup> Q 2009. If approved, award bid, 1 <sup>st</sup> Q 2010. |

| <b>Proposed Activities</b>  |  |
|---|--|
| <b><u>Activity 4</u></b>  | <b><u>Status/Time Frame:</u></b>   |
| Complete 1 <sup>st</sup> -year evaluation of Employment Practices Liability Insurance Product (EPLI) to the market. | Complete 1 <sup>st</sup> -year evaluation of Employment Practices Liability Product during 2 <sup>nd</sup> Q 2009. |

| <b>Performance Indicators</b>  |
|--|
| EPLI Program Evaluation— Complete 1 <sup>st</sup> -year evaluation of EPLI product during 2 <sup>nd</sup> Q 2009. Assess progress and make changes/enhancements to product offering where necessary by 4 <sup>th</sup> Q 2009. |

| <b>Proposed Activities</b>   |  |
|--|--|
| <b><u>Activity 5</u></b>   | <b><u>Status/Time Frame:</u></b>                           |
| Complete review of all programs for compliance with bidding process. | Complete review of all programs by 2 <sup>nd</sup> Q 2009. |

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| <b>Performance Indicators</b>   |
|---|
| Complete review of all programs by 2 <sup>nd</sup> Q 2009. Identify the programs that will be going out to bid by 3 <sup>rd</sup> Q 2009. |

| <b>Proposed Activities</b>   |  |
|--|--|
| <b><u>Activity 6</u></b>   | <b><u>Status/Time Frame:</u></b>   |
| Review and comment on 2008 Member Survey and other related surveys | Review and Comment, where appropriate, on the 2008 member survey results by 2 <sup>nd</sup> Quarter 2009 and other surveys when appropriate. |

| <b>Performance Indicators</b>  |
|--|
| Review and comment, where appropriate, on the 2008 member survey results and other related surveys. Identify areas for committee oversight and/or involvement by 1 <sup>st</sup> Q 2009. Make appropriate recommendations to staff and Board of Governor's 2 <sup>nd</sup> and 3 <sup>rd</sup> Q 2009. |

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**How Activity Addresses State Bar Strategic Plan**

**Goal 2.** The State Bar provides a wide array of services and benefits to members that meet their professional development, business, and personal needs.

**Strategies:**

2.1 Communications with Members. Use technology to improve the quality and quantity of methods for receiving information from and providing information to members and member groups.

**2.2 Professional Development Services. Seek ways to improve and inform members about professional development, including continuing legal education (MCLE), the Ethics Hotline, Alternative Dispute Resolution, Fee Arbitration and Lawyer Assistance programs.**

2.3 Member Benefits. Regularly identify and offer enhanced member benefits that are responsive to member needs, such as health, disability income, and errors and omissions insurance.

**Goal: Assist in the implementation of the Board of Governors' member-centric branding initiative; including a unified marketing strategy of existing and new insurance programs and products.**

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| <b>How Activity Addresses Sub-entity Charge</b>  |   |
|--|---|
| Activity   | Furthers Charge by:   |
| 1. Life Insurance  | Through the ongoing oversight and subsequently the enhancements made to this program, the committee ensures that the State Bar attorneys continue to access the benefits of a competitive program, as well as supporting the BOG directive on increasing non-dues revenue to the Bar. |
| 2. Complete 3 <sup>rd</sup> - year evaluation of Auto/Homeowners Insurance product.                                    | Increases the access to the insurance market for the State Bar attorneys. This also helps to support the BOG directive of increasing non-dues revenue to the Bar.   |
| 3. Research opportunities for member health insurance.   | Increases the access to the insurance market for the State Bar attorneys. This also helps to support the BOG directive of increasing non-dues revenue to the Bar.   |
| 4. Complete 1 <sup>st</sup> -year evaluation of Employment Practices Liability Insurance Product (EPLI) to the market. | Increases the access to the insurance market for the State Bar attorneys. This also helps to support the BOG directive of increasing non-dues revenue to the Bar.   |
| 5. Complete review of all programs for compliance with bidding process.  | Ensures that the State Bar attorneys continue to access the benefits of a competitive insurance program.  |
| 6. Review and Comment on 2008 Member Survey results  | Ensures that the State Bar attorneys continue to access the benefits of a competitive insurance program.  |

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**Recommended New Strategic Initiatives For Board Consideration**

**Name of Initiative:**

**Purpose:**

**Responsible Entity:**

**Connection to Strategic Plan:**

**Desired Outcome(s):**

Fiscal and Staff Implications:

**Proposed Performance Measures:**

Are activities within legislative and judicial restrictions imposed on the State Bar  
(*Keller, Hudson, Brosterhous, etc.*)?

Yes [  ] No [  ] If no, please explain.

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| <b>PROPOSED BUDGET</b><br><i>(Combined Proposed Activity Budgets plus Staff Costs)</i> |   |  |  |  |
|--|---|--|--|--|
| Items  | 2007<br>Budget                                      | 2007<br>Outlook                              | 2008<br>Budget                               | 2009<br>Proposed                             |
| <b>Estimated Staff Time Required</b><br>FTE:<br>Temporary<br>Consultant                | FTE: 50%<br>Mgr. Ins.<br>Prgms.<br>PTE: 50%<br>AAll | FTE: 50 %<br>Mgr. Ins.<br>Prgms.<br>50% AAll | FTE: 50 %<br>Mgr. Ins.<br>Prgms.<br>50% AAll | FTE: 50 %<br>Mgr. Ins.<br>Prgms.<br>50% AAll |
| <b>Travel Staff</b>  | \$2,500   | \$2,000                                      | \$2,500                                      | \$2,500                                      |
| <b>Travel Volunteer</b>  | \$8,500   | \$8,000                                      | \$12,500                                     | \$8,500                                      |
| <b>Travel Others</b><br>(e.g. Annual Meeting speakers<br>for MCLE presentations)       | \$800   | \$800  | \$800  | \$800  |
| <b>Meeting Room Rental</b>   | \$3,000   | \$2000                                       | \$2,000                                      | \$2,000                                      |
| <b>Catering</b>  | \$4,000   | \$4,000                                      | \$4,000                                      | \$4,000                                      |
| <b>Postage</b>   |   |  |  |  |
| <b>Telephone</b>   | \$3,200   | \$2,000                                      | \$2,200                                      | \$2,200                                      |
| <b>Copier Allocation</b>   | \$1,600   | \$1,600                                      | \$1,600                                      | \$1,600                                      |
| <b>Other Professional Services</b>   | **\$10,000  | **\$10,000                                   | **\$10,000                                   | **\$10,000                                   |
| <b>Outside Printing</b>  | \$2,000   |  | \$2,000                                      | \$2,000                                      |
| <b>Outside Design</b>  |   |  |  |  |
| <b>In House Printing</b>   |   |  |  |  |
| <b>Miscellaneous</b>   | \$8,400   |  | \$8,400                                      | \$8,400                                      |
| <b>TOTAL Operating Expense</b>   | \$44,000  | \$35,400                                     | \$46,000                                     | \$42,000                                     |

\*These are revenue-generating programs; expenses incurred will have no financial impact on the general fund. The revenues collected from the insurance programs assist in funding the expenses incurred to staff, manage, enhance and market the programs.

\*\*90% of this amount will be reimbursed to the Bar through the Life Insurance Reserve Fund.