



**BOARD OF DIRECTORS  
COMPENSATION COMMITTEE**

**Monday  
March 17, 2008  
10:16 a.m.**

**SAIF Corporation  
15333 SW Sequoia Parkway  
Portland, Oregon**

**Roll Call:**

Ralph Martinez  
Robb Van Cleave

**SAIF Corporation Personnel Present:**

Colleen Sealock, Vice President of Operations and HR  
Ken Van Osdol, Total Compensation Manager  
Ryan Fleming, Human Resources Director  
Stephanie Robinson, Underwriting Assistant  
Sara Padilla, Executive Assistant

**Performance Review Discussion**

Mr. Van Cleave reported that the external performance evaluations for Ms. Rocklin were positive and outstanding. The evaluations were distributed to a diverse group of policyholders, agents, and legislators.

The committee members agreed that soliciting feedback from external sources proved to be beneficial in gathering input relative to the performance of SAIF's President and CEO. It was recommended that external evaluations continue to be used in the future.

Mr. Van Cleave reported that Ms. Rocklin performance for 2007 was rated by the five individual Board members with the following distribution: 2 Exceptional, 2 Surpasses, and 1 Achieves and Exceeds Some (0 Achieves Most, 0 Not Meeting Expectations). Mr. Van Cleave will compile comments from the Board members' written reviews into one document that will be provided to the Board and Ms. Rocklin at the April 2<sup>nd</sup> Board meeting.

**Compensation Review**

Ms. Sealock reviewed the methodology used for setting all salary ranges within SAIF. SAIF uses market survey data to set the maximum of each range at the midpoint of the market, with the minimum of the range falling between 75%-80% of the mid point.

The Board packet contained two survey reviews that specifically address the CEO salary. Milliman provides an annual market analysis for SAIF Executive Compensation. Page 17 of that report addresses the CEO compensation. Milliman found that the mid point for CEO salaries is \$376,855. Milliman also found that the mid point for total cash compensation for an insurance CEO is \$525,244.

The second survey was compiled by the Hay Group, which annually reviews CEO salaries at state fund workers' compensation companies. SAIF falls into group A of the Hay survey as a competitive, non-state agency fund. The Hay Group found that the average salary as of 12/07 for CEOs in Group A was \$296,044, an increase of 4.6%

from 12/06 (page 2 of the Hay Group report). The Hay Group also found that the total average cash compensation for CEOs was \$382,249 for 2007.

Ms. Rocklin's 2007 salary was \$273,600, plus a lump sum award of \$15,000, for a total cash compensation of \$288,600. Three worksheets were provided to the committee. The first worksheet displayed the differences between Ms. Rocklin's current salary and the Milliman survey and Hay Group report. The second worksheet reviewed SAIF's CEO salary history from 1999 to 2007. The final worksheet provided the committee with examples of possible salary/lump sum awards for 2008.

The committee members discussed SAIF's successful performance year in 2007, including the financial stability of SAIF, and noted that the CEO has provided the leadership to achieve that success. Mr. Van Cleave reiterated the outstanding external reviews Ms. Rocklin received. Based on its discussions, the committee agreed to recommend to the full Board of Directors an increase in the base salary of the President and CEO to \$290,000 (an increase of 6 percent) and a lump sum amount of \$20,000, bringing the total compensation to \$310,000, an overall increase of 13.8 percent based on Ms. Rocklin's overall performance for 2007.

Motion Mr. Martinez, second Mr. Van Cleave to increase the President's base salary to \$290,000, with a lump some bonus of \$20,000, as noted above. The vote was unanimous and the motion was carried.

There being no further business, the meeting was adjourned at 10:52 a.m.

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Sara Padilla, Executive Assistant