STATE COMPENSATION INSURANCE FUND

BOARD OF DIRECTORS

ANTITRUST ADMONITION

Certain information discussed and disseminated at State Fund Board of

Directors' Closed Sessions may be confidential and proprietary to State

Fund. Board members should not share or discuss information pertaining

to the operation of State Fund with representatives from other workers'

compensation insurers, even if that information is intended to be, or is

already, public. For example, Board members should not discuss rate-

making or other financial information with representatives of other

insurers, including proposed rates, merit rating plans, premium discounts,

surcharges or dividends. Board members also should refrain from

discussing broker commission payments or commission plans with other

insurers. To do so may create the impression of collusion between

insurers, which could result in civil and/or criminal charges being filed

against the Board member and State Fund for alleged violations of state

and federal antitrust laws.