

Date:
To: _____ Board
From: _____, Chairman
Subject: CEO transition

As you are all aware, [employee's name] planned retirement as _____'s president/CEO is December 31, 20____.

[employee] and I have discussed this timetable and related preparation for succession for some years now, and we believe it is now time to engage the [COMPANY] Board on the planning, search, and, ultimately, the transition to a new CEO for [COMPANY].

The following is a very brief summary of our recommendations for accomplishing a successful transition. A more detailed outline of specific steps is attached to this memo as Exhibit A.

- A threshold issue for the succession is to determine the skill set needed for our next CEO. To bring this into focus, we will plan on using a significant part of the July board meeting considering long-term strategic issues for [COMPANY]. As provided in our bylaws, the Executive Committee will act as search committee doing the background and qualifying work.
- The Board and its Executive Committee will lead the search effort while working closely with [employee] to facilitate most aspects of the process. _____ will provide technical support with the assistance of _____.
- By the 3rd quarter of 20____ – at the board meeting on _____ – the board will select the new CEO for [company]. Ideally, the choice is made between inside and outside candidates.

At next week's meeting, we will spend an hour or so in executive session with [employee] present to discuss the search process. We will also meet without any staff present to discuss this matter and other issues. All of you have your own experience in CEO succession as insurance company executives and board members. We look forward to getting your advice and input as we move forward in planning for this most important duty of the [COMPANY] board.