

Minutes
Meeting, Board of Trustees
Kansas Worker Risk Cooperative for Counties
July 17, 2008 at 1:00 p.m.
Clubhouse Inn
924 SW Henderson Road
Topeka, KS 66615

The July 2008 meeting of the Board of Trustees of Kansas Workers Risk Cooperative for Counties (KWORCC) was called to order at 1:05 p.m. at the Clubhouse Inn in Topeka by Board President F. E. "Shep" Schoepf on Thursday, July 17, 2008. Trustees participating included F. E. "Shep" Schoepf, Reno County Commissioner, President; Michelle Garrett, Morris County Clerk, Vice President; Jim Wise, Miami County Commissioner, Secretary; Linda M. Buttron, Jefferson County Clerk, Controller; Bonnie Swartz, Gray County Clerk; and Ralph D. Unger, Decatur County Commissioner.

Staff participating included Mr. James W. Parrish, Administrator; Ms. Dortha O. Bird, Deputy Administrator and Staff Counsel; Mr. Carl Eyman, Deputy Administrator and Loss Prevention Specialist; Mr. Philip J. Rippee, Loss Prevention Specialist; Mr. Richard Alexander, Accountant and Ms. Nicole Jarboe-Paxson, Executive Assistant and Media Director.

Others present included Ms. Annette Duncan and Mr. Gus Campuzano of Insurance Management Associates (IMA). Mr. Tris Felix of IMA participated via teleconference.

President Schoepf addressed Agenda Item No. 2, "Approval of the Agenda." Mr. Parrish recommended adding Agenda Item No. 2a "Excuse Mr. Doyle Alcorn for County Business" and moving Agenda Item No. 7c to 4c and moving 4c to 4d. Mr. Wise moved to approve the agenda with the suggested modifications. Mr. Unger seconded the motion, which CARRIED unanimously.

President Schoepf addressed Agenda Item No. 2a, "Excuse Mr. Doyle Alcorn for County Business." Ms. Swartz moved to excuse Mr. Alcorn from the Board meeting. Ms. Buttron seconded the motion, which CARRIED unanimously.

President Schoepf addressed Agenda Item No. 3, "Consideration of Minutes of Meeting of June 19, 2008." Mr. Unger moved to approve the minutes as presented. Ms. Garrett seconded the motion, which CARRIED unanimously.

President Schoepf proceeded to Agenda Item No. 4, "Administrator's Report." Mr. Parrish addressed Agenda Item No. 4a, "Checks Requiring Board Approval and Ratification of Wire Transfers." Mr. Parrish itemized checks and wire transfers of funds. Ms. Swartz moved to approve the checks and ratify the wire transfers as presented. Mr. Wise seconded the motion, which CARRIED unanimously.

Next, Mr. Parrish addressed Agenda Item No. 4b, "KERIT and MARCIT -- Insurance Pools Discussion." Mr. Parrish and Mr. Felix shared information concerning structure and activities of these two insurance pools.

Next, Mr. Parrish asked Mr. Felix to discuss Agenda Item No 4c, "Policy Year Performance Review." Mr. Felix explained an analytical review generated by IMA showing KWORCC's claim history for policy years 2003 through 2008. The documents consist of graphs which compared the actual paid and incurred losses to the estimated paid and incurred losses and show the actuarial projections. Mr. Felix emphasized these charts should not be considered as a guarantee of either good or poor ultimate-loss performance.

Next Mr. Parrish asked Ms. Bird and Mr. Eyman to address Agenda Item No. 4c, "Annual KWORCC/KCAMP Gathering." They explained that KCAMP board members requested a dinner gathering of the KWORCC and KCAMP boards, without staff. KCAMP suggested the date of September 25, 2008. This would require moving the September KWORCC Board meeting from the 18th to the 25th. Ms. Swartz moved to reschedule the September KWORCC Board meeting from the 18th to the 25th and to attend the annual gathering as requested by KCAMP. Ms. Garrett seconded the motion, which CARRIED unanimously.

President Schoepf then proceeded to Agenda Item No. 5, "Marketing Report." Mr. Eyman discussed marketing activities.

President Schoepf then proceeded to Agenda Item No. 6, "Financial Report." Mr. Alexander reported on financial statements he prepared for June 2008. Mr. Alexander pointed out that there are no further claims to be paid out for 1994, and there remains a balance for that year of \$103,457. He recommended that this balance be transferred to the Member Protection Fund and the 1994 claim year be closed at the end this year. Ms. Swartz moved to accept Mr. Alexander's recommendation. Mr. Unger seconded the motion, which CARRIED unanimously. Ms. Buttron moved to accept the financial reports as presented. Mr. Wise seconded the motion, which CARRIED unanimously.

Mr. Alexander discussed in detail the second quarterly financial report for 2008 to be filed with the Kansas Insurance Department (KID). Ms. Swartz moved to approve filing the report with the KID. Ms. Garrett seconded the motion, which CARRIED unanimously.

Mr. Alexander presented the check register. Mr. Unger moved to approve check Nos. 12609 through 12655 and the direct debits, all as presented. Ms. Swartz seconded the motion, which CARRIED unanimously.

Mr. Alexander then reviewed a spreadsheet showing the value of KWORCC's equity investments as of July 8, 2008.

President Schoepf addressed Agenda Item No. 6, "Claims Report." Ms. Duncan reported on several claims and answered questions. She also requested approval on two pending settlements. Ms. Swartz moved to approve settlement of claim No. 2006030990 as recommended. Ms. Buttron seconded the motion, which CARRIED unanimously. Ms. Swartz moved to approve settlement of claim No. 2006027946 as recommended. Ms. Garrett seconded the motion, which CARRIED unanimously.

A short break was declared in the meeting at 2:25 p.m. The meeting reconvened at 2:40 p.m.

Ms. Duncan reviewed the Logicom report for the period of January 1, 2008 through June 30, 2008. She stated that the total amount billed is \$2,452,506. The report showed actual paid amount to be \$1,463,343 for net savings after fees of \$989,164 or more than 40% of the amount billed for this six-month period.

Ms. Duncan reported the Kansas Supreme Court denied review of case number 06-97254-A.

President Schoepf called upon Messrs. Eyman and Rippee to address Agenda Item No. 7, "Loss Prevention and County Visits." Mr. Eyman reviewed calendars for June, July and August for the loss-prevention staff as well as the breakdown of county visits since the first of the year.

President Schoepf addressed Agenda Item No. 9, "Legal Report." Mr. Parrish reported there were no legal matters to review.

President Schoepf addressed Agenda Item No. 10, "Committee Reports." There were no committee reports. Mr. Parrish stated that the next committee meeting would be the Investment Committee on August 21, 2008 at 12:00 p.m.

President Schoepf next proceeded to Agenda Item No. 11, "Trustee Training: PRIMA National Review." Mr. Parrish led a discussion about the Public Risk Management Association's 29th Annual Conference. Board members shared highlights of training sessions they attended at the conference.

President Schoepf proceeded to Agenda Item No. 10, "Other items." Mr. Unger mentioned taking advantage of the low prices in the automobile and truck market to secure a replacement for KWORCC's truck. After discussion, the issue was tabled for further discussion in September.

There being no further business, Ms. Swartz moved to adjourn at 3:20 p.m. Mr. Unger seconded the motion, which CARRIED unanimously.

The Board of Trustees approved the foregoing minutes of the Board of Trustees of Kansas Workers Risk Cooperative for Counties on the 21st day of August 2008.

Mr. Jim Wise, Secretary
KWORCC Board of Trustees