

**Minutes**  
**Meeting, Board of Trustees**  
**Kansas Worker Risk Cooperative for Counties**  
**October 16, 2008 at 1:00 p.m.**  
**Clubhouse Inn**  
**924 SW Henderson Road**  
**Topeka, KS 66615**

The October 2008 meeting of the Board of Trustees of Kansas Workers Risk Cooperative for Counties (KWORCC) was called to order at 12:58 p.m. at the Clubhouse Inn in Topeka by Board President F. E. "Shep" Schoepf on Thursday, October 16, 2008. Trustees present included F. E. "Shep" Schoepf, Reno County Commissioner, President; Michelle Garrett, Morris County Clerk, Vice President; Linda M. Buttron, Jefferson County Clerk, Controller; Bonnie Swartz, Gray County Clerk; Ralph D. Unger, Decatur County Commissioner and Doyle "Hooley" Alcorn, Jewell 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.

Insurance Management Associates appeared by Ms. Annette Duncan, Mr. Paul Davis, Mr. Tris Felix and Mr. Gus Campuzano. Mr. Sam Cargnel and Mr. Dustin Gary of Centric Actuarial Solutions, LLC were also present.

President Schoepf addressed Agenda Item No. 2, "Approval of the Agenda." Mr. Parrish recommended the following four changes to the Agenda: 1) The addition of Agenda Item No. 3a, "Excuse Jim Wise for personal business;" 2) The addition of Agenda Item 4f, "Contract for Independent Audit;" 3) The addition of Agenda Item No. 6b, "KID Quarterly Report" and 4) Renumbering Agenda Item No. 6b, "Check Register," to Agenda Item No. 6c. Mr. Unger moved to approve the agenda with the proposed changes. Ms. Garrett seconded the motion, which CARRIED unanimously.

President Schoepf addressed Agenda Item No. 3, "Consideration of Minutes of Meeting of September 25, 2008." Mr. Unger moved to approve the minutes as presented; Ms. Swartz seconded the motion, which CARRIED unanimously.

Next, President Schoepf proceeded to Agenda Item No. 3a, "Excuse Jim Wise for Personal Business." Ms. Swartz moved to excuse Trustee Wise. Mr. Unger 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. Buttron moved to approve the checks and ratify the wire transfers as presented. Ms. Swartz seconded the motion, which CARRIED unanimously.

Next, Mr. Parrish asked Mr. Cargnel to address Agenda Item No. 4b, "Actuarial Report: Centric Presentation." He gave a PowerPoint presentation summarizing the August 31, 2008 actuarial findings. This included estimates of ultimate liabilities, changes in ultimate liabilities to prior years, an outlook for 2009 and a confidence-level analysis for the 2009 forecast. Mr. Cargnel said that he had consulted

with Ms. Bird and Mr. Davis in the process of completing his actuarial review. He noted the full report was previously provided to the Trustees. He asked for and responded to questions. Ms. Swartz moved to receive and file the actuarial report. Ms. Garrett seconded the motion, which CARRIED unanimously.

Next, Messrs. Davis and Felix reported on the IMA items in Agenda Item No 4c. Mr. Felix began with "Trustee Training - Stewardship Report." He explained how KWORCC has grown over the last nine years as well as how costs have changed over the same time period. He reported on the services provided by IMA and explained the value of those services. He also identified the IMA associates who are responsible for administering KWORCC claims and other services.

Thereafter, Mr. Felix addressed reinsurance. He reported that last year IMA took KWORCC's reinsurance to market and found that Safety National continued to be the best option for KWORCC for the next policy year. He also explained that IMA will research options for Accidental Death and Dismemberment policy as further protection for the pool. More information will be available in December, and a decision on this expanded coverage can be made at that time.

Next, Mr. Parrish requested Messrs Davis and Felix discuss the IMA contract renewal. Mr. Davis reviewed a summary of the increases being asked for by IMA. Ms. Swartz moved to approve the increase and renew the contract. Mr. Unger seconded the motion, which CARRIED unanimously.

Mr. Parrish then addressed Agenda Item No. 4d, "2009 KWORCC Budget Approval." Mr. Parrish reviewed the proposed budget. He asked for and responded to questions. Mr. Alcorn moved to adopt the budget as presented. Ms. Buttron seconded the motion, which CARRIED unanimously.

Next Mr. Parrish asked Ms. Bird to address Agenda Item No. 4e, "KAC Vendor Booth and KWORCC Annual Meeting." Ms. Bird stated that enough delegate forms had been returned to indicate that a quorum is likely at the annual meeting. She discussed the schedule for Trustees and staff to attend the vendor booth and said she will provide packets and updated information before the annual meeting.

Mr. Parrish proceeded to Agenda Item No. 4f, "Contract for Independent Audit." He reviewed the agreement as proposed by Wendling Noe, Nelson and Johnson and recommended approval. Ms. Garrett moved to approve the contract. Ms. Buttron seconded the motion which CARRIED unanimously.

President Schoepf turned to Agenda Item No. 5, "Marketing Report." Mr. Eyman discussed marketing activities, including a review of members that have notified KWORCC of an intention to seek competitive bids for workers compensation insurance this year.

President Schoepf recommended Frances Garcia, Reno County Commissioner, to fill his position after he retires. He would like to bring her to the next board meeting so that the Trustees can meet her and ask her questions.

Thereupon President Schoepf declared a break in the meeting at 2:16 p.m. The meeting resumed at 2:32 p.m.

President Schoepf addressed Agenda Item No. 6, "Financial Report." Mr. Alexander reported on financial statements he prepared for September 2008. Ms. Swartz moved to accept the financial reports as presented. Ms. Garrett seconded the motion, which CARRIED unanimously.

Mr. Alexander presented the check register. Mr. Unger moved to approve check Nos. 12751 through 12789 and the direct debits, all as presented. Ms. Buttron seconded the motion, which CARRIED unanimously.

Mr. Alexander discussed in detail the third quarterly financial report for 2008 to be filed with the Kansas Insurance Department. Ms. Swartz moved to receive and file that report. Mr. Unger seconded the motion, which CARRIED unanimously.

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

President Schoepf addressed Agenda Item No. 7, "Claims Report -- IMA." Ms. Duncan addressed Agenda Item No. 4a, "Select Claims Review." After discussing these claims, she requested approval for the settlement of a claim. After discussion, Mr. Unger moved to approve settlement of claim No. 2007033145 as recommended. Ms. Swartz seconded the motion, which CARRIED unanimously.

Ms. Duncan then reviewed the "Logicomp Bill Review Report" under Agenda Item No. 7b for the period from January 1, 2008 through September 30, 2008. She said the report shows the total amount billed is \$3,560,579; the actual paid amount is \$2,021,012 for net savings after fees of \$1,539,568. This is more than 43% of the amount billed for this nine-month period.

Mr. Felix then explained the "Policy Year Performance Review" under Agenda Item No. 7c. This analytical review generated by IMA shows KWORCC's claim history for policy years 2003 through 2008. The documents consist of graphs which compare the actual paid and incurred losses to the estimated paid and incurred losses and shows the actuarial projections. Mr. Felix emphasized these charts should not be considered as a guarantee of either good or poor ultimate-loss performance.

President Schoepf called upon Messrs. Eyman and Rippee to address Agenda Item No. 8, "Loss Prevention and County Visits." Mr. Eyman reviewed calendars for September, October and November for the loss-prevention staff as well as the breakdown of county visits since the first of the year. Mr. Eyman reported he has been asked to help with the LTAP meetings again in 2009 and shared the dates in February. He further reported that he is awaiting information from KDOT on their requirements for flagging certification.

President Schoepf addressed Agenda Item No. 9, "Legal Report." Mr. Parrish stated there was no legal report. President Schoepf proceeded to Agenda Item No. 10, "Other items." There were no other items to discuss. Ms. Swartz moved to adjourn at 3:03 p.m. Ms. Buttron seconded the motion, which CARRIED unanimously.

The KWORCC Board of Trustees approved the foregoing minutes on the 11th day of December 2008.

Mr. Jim Wise, Secretary  
KWORCC Board of Trustees