

Minutes
Meeting, Board of Trustees
Kansas Workers Risk Cooperative for Counties
April 16, 2009 at 1:00 p.m.
Clubhouse Inn
924 SW Henderson Road
Topeka, KS 66615

The April 2009 meeting of the Board of Trustees of Kansas Workers Risk Cooperative for Counties (KWORCC) was called to order at 1:00 p.m. at the Clubhouse Inn in Topeka by Board President Michelle Garrett on Thursday, April 16, 2009. Trustees present included Michelle Garrett, Morris County Clerk, President; Jim Wise, Miami County Commissioner, Vice-President; Doyle "Hooley" Alcorn, Jewell County Commissioner, Secretary; Linda M. Buttron, Jefferson County Clerk, Controller; Bonnie Swartz, Gray County Clerk; Frances Garcia, Reno County Commissioner 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.

Insurance Management Associates appeared by Ms. Susan May, Mr. Paul Davis, Mr. Gene Miller and Mr. Gus Campuzano.

President Garrett addressed Agenda Item No. 2, "Approval of the Agenda." Mr. Parrish recommended the addition of discussion of Loss Cost Multiplier under other items. Ms. Swartz moved to approve the agenda as presented. Ms. Buttron seconded the motion, which CARRIED unanimously.

President Garrett addressed Agenda Item No. 3, "Consideration of Minutes of Meeting of March 27, 2009." Mr. Alcorn moved to approve the minutes as presented. Mr. Wise seconded the motion, which CARRIED unanimously.

President Garrett addressed 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 the checks requiring Board approval under KWORCC policies and the electronic transfer of funds requiring ratification. Mr. Unger moved to approve the checks and ratify the wire transfers as presented. Mr. Wise seconded the motion, which CARRIED unanimously.

Next, Mr. Parrish asked Ms. Bird to address Agenda Item No. 4b, "PRIMA National Update." Ms. Bird stated that all Board members should have received today their registration and hotel confirmation and the education schedule. She requested that everyone let her know which educational classes they are planning to take and she will ensure they receive the appropriate handouts before the conference.

Next, Mr. Parrish addressed Agenda Item No. 4c, "Introduce Gene Miller – KWORCC Claims Adjuster." He stated that Mr. Miller has 28 years of claims experience and will be handling the northeastern counties. KWORCC Board and staff welcomed Mr. Miller.

President Garrett then proceeded to Agenda Item No. 5, "Marketing Report." Mr. Eyman discussed MARCIT's name change to Midwest Public Risk – Kansas Pool. He said starting July 1, 2009 this pool will be offering a health insurance program in Kansas. He said a single pool cannot handle both workers compensation and health insurance under state regulations.

President Garrett addressed Agenda Item No. 6, "Financial Report." Mr. Alexander reported on final, post-audit financial statements he prepared for 2008 and the final fourth quarterly financial report for 2008 to be filed with the Kansas Insurance Department (KID). Ms. Swartz moved to accept the reports as presented and approve the filing of the final fourth quarterly financial report with KID. Ms. Buttron seconded the motion, which CARRIED unanimously.

Mr. Alexander discussed in detail the financial statements he prepared for March 2009. Ms. Swartz moved to accept the reports as presented. Mr. Wise seconded the motion, which CARRIED unanimously. Mr. Alexander then discussed in detail the first quarterly financial report for 2009 he prepared for filing with the KID. Ms. Swartz moved to approve filing the report with the KID. Ms. Garcia seconded the motion, which CARRIED unanimously.

Mr. Alexander presented the check register. Mr. Unger moved to approve check Nos. 13062 through 13102 and the direct debits, all as presented. Ms. Swartz seconded the motion, which CARRIED unanimously. Next Mr. Alexander reviewed two spreadsheets showing the value of KWORCC's equity investments as of April 7, 2009 and April 14, 2009.

President Garrett addressed Agenda Item No. 7, "Claims Report -- IMA." Ms. May addressed Agenda Item No. 7a, "Select Claims Review." She reported on several claims and answered questions. She also requested approval on a pending settlement. Ms. Swartz moved to approve settlement of claim No. 2008034739 as recommended. Ms. Garcia seconded the motion, which CARRIED unanimously.

President Garrett then called upon Ms. May to address the "Shorman Bill Review Report" under Agenda Item No. 7b for the period from January 1, 2009 through March 31, 2009. She said the report shows the total amount billed is \$949,197; the actual paid amount is \$528,613, for a net savings after fees of \$420,584. This is more than 44% of the amount billed for this 3-month period.

Mr. Davis 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 2006 through 2009. The documents consist of graphs which compare the actual paid and incurred losses to the estimated paid and incurred losses and show the actuarial projections. Mr. Davis emphasized these charts should not be considered as a guarantee of either good or poor ultimate loss performance.

President Garrett called upon Messrs. Eyman and Rippee to address Agenda Item No. 8, "Loss Prevention and County Visits." Mr. Eyman reviewed calendars for March, April and May for the loss-prevention staff as well as the breakdown of county visits since the first of the year. Mr. Eyman then reviewed the log of the activity of the counties with regard to the video library. The activity has shown a significant improvement this year over last. Ms. Buttron suggested that three or four seasonally appropriate videos be highlighted in the KWORCC going forward.

President Garrett addressed Agenda Item No. 9, "Legal Report." Mr. Parrish stated there was no legal report.

Next, President Garrett addressed agenda Item No. 10, "Committee Reports." Ms. Garcia reported that the Audit Committee met independently with the auditor and that the report was favorable with no management concerns, issues or problems. Mr. Unger moved to adopt Resolution No. 2009-34. Ms. Swartz seconded the motion, which CARRIED unanimously.

Next, President Garrett asked Mr. Rippee to address Agenda Item No. 11, "Trustee Training: Safety Attitude." Mr. Rippee discussed how your attitude can affect a safe work environment. Mr. Rippee then asked for and responded to questions. Ms. Garcia suggested printing the materials in KWORCC and offering a poster to the counties for placement in break rooms as key reminders for safety attitude. President Garrett thanked Mr. Rippee for his helpful presentation.

President Garrett then addressed Agenda Item No. 12, "Other Business." Mr. Parrish stated that Mr. Davis was reviewing the options of a new loss cost multiplier as well as the options for a new tiered format. IMA and the staff plan to present options for the Board to review and discuss at the next meeting.

There being no further business, Mr. Unger moved to adjourn at 2:26 p.m. Ms. Swartz seconded the motion, which CARRIED unanimously.

The KWORCC Board of Trustees approved the foregoing minutes on the 14th day of May, 2009.

Doyle Alcorn, Secretary
KWORCC Board of Trustees