

**Minutes**  
**Meeting, Board of Trustees**  
**Kansas Worker Risk Cooperative for Counties**  
**January 15, 2009 at 2:00 p.m.**  
**Law Office of Woner, Glenn, Reeder, Girard & Riordan, PA**  
**5611 SW Barrington Ct South**  
**Topeka, KS 66614**

The January 2009 meeting of the Board of Trustees of Kansas Workers Risk Cooperative for Counties (KWORCC) was called to order at 1:57 p.m. at the office of Woner, Glenn, Reeder, Girard & Riordan by Board Vice-President Michelle Garrett on Thursday, January 15, 2009. Trustees present included 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; Frances Garcia, Reno County Commissioner; Doyle "Hooley" Alcorn, Jewell 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 and Mr. Gus Campuzano.

Vice-President Garrett addressed Agenda Item No. 2, "Approval of the Agenda." Mr. Parrish asked to change the agenda to replace "Annette Duncan" with "Susan May" in two locations. Ms. Swartz moved to approve the agenda with that correction. Mr. Wise seconded the motion, which CARRIED unanimously.

Vice-President Garrett addressed Agenda Item No. 3a, "Consideration of Minutes of Meeting of December 11, 2008." Mr. Parrish pointed out there were two instances where "President Schoepf" needed to be changed to "Vice-President Garrett." Mr. Unger suggested that the last sentence of the first paragraph on page 4 be changed to read: "There are four county entities from which additional information is still needed." Finally, Mr. Unger stated that the minutes should be signed by Jim Wise as Secretary. Mr. Unger moved to approve the minutes as modified; Ms. Swartz seconded the motion, which CARRIED unanimously.

Vice-President Garrett addressed Agenda Item No. 3b, "Consideration of Minutes of Special Meeting of December 19, 2008." Mr. Unger stated that Ms. Garcia needed to be added to the list of attendees as an observer and that Mr. Wise should be the person to sign the minutes as Secretary. Mr. Unger moved to approve the minutes with those two modifications; Mr. Wise seconded the motion, which CARRIED unanimously.

Vice-President Garrett addressed Agenda Item No. 4, "Election of Officers and Establish Committees." She stated that all proposed officers and committee members had been contacted by the staff and agreed to serve. Mr. Unger moved to elect the slate of officers and ratify appointment of committee members as proposed. The officers include Michelle Garrett, President; Jim Wise, Vice-President; Doyle Alcorn, Secretary and Linda M. Buttron, Controller. The committee members include

Bonnie Swartz, Chair Personnel Committee with Linda Buttron and Doyle Alcorn as committee members; Ralph D. Unger as Chair of Investment Committee with Michelle Garrett and Jim Wise as committee members; Frances Garcia as Chair of Audit Committee with Bonnie Swartz and Linda Buttron as committee members and Ralph D. Unger as chair of the Joint KWORCC/KCAMP Committee on Cooperation with Michelle Garrett and Frances Garcia as committee members. Ms. Swartz seconded the motion, which CARRIED unanimously.

President Garrett proceeded to Agenda Item No. 5, "Administrator's Report." Mr. Parrish addressed Agenda Item No. 5a, "Checks Requiring Board Approval and Ratification of Wire Transfers." Mr. Parrish itemized wire transfers of funds and checks requiring approval. Mr. Alcorn moved to ratify the wire transfers and checks as presented. Ms. Swartz seconded the motion, which CARRIED unanimously.

Next, Mr. Parrish addressed Agenda Item No. 5b, "New Commissioners Orientation – Update." He stated that Kansas Association of Counties (KAC) has approved the request of KWORCC and KCAMP to host a social gathering after the training session on Thursday the 5<sup>th</sup> of February for the new commissioners. This is the first day of the 2-day orientation. He then asked Ms. Bird to describe possible promotional items to give to the new commissioners in attendance. Ms. Bird explained that KCAMP is giving away an attaché bag and that Tom Job sent samples for each of the KWORCC Trustees. She then presented three note pad portfolio options, Mr. Unger moved to authorize the staff to order the Manchester zippered portfolio for new commissioners attending the orientation as well as KWORCC Trustees and staff and IMA representatives. Ms. Garcia seconded the motion, which CARRIED unanimously.

Ms. Bird then addressed Agenda Item No. 5c, "Complete Conflict of Interest Forms." She asked that all Trustees and staff complete and return the conflict of interest form to her by the end of the meeting.

President Garrett addressed Agenda Item No. 6, "Marketing Report." Mr. Eyman reported that Decatur Health Systems had decided against renewing its membership. He also discussed counties with whom he made contact.

Mr. Eyman showed an example of the plaques that he gives as loss ratio awards and discussed the possibility of paper weights for the commissioners instead of plaques. The consensus of the Trustees was that the plaques were a better option as they are generally displayed for all county employees to see.

President Garrett addressed Agenda Item No. 7, "Financial Report." Mr. Alexander reported on the progress of the Kansas Insurance Department examination. He stated the examination is generally going well, but the cost undoubtedly will exceed the amount budgeted.

Mr. Alexander then reported on financial statements he prepared for December 2008. There were a few changes to some of the numbers in the copies provided, and corrected copies will be distributed at the February meeting. He recommended modifying the motion made in December to provide that a total of \$170,000 is transferred from investment income to policy year 2001. Ms. Swartz moved to change the amount transferred to 2001 in the motion adopted at the December 11, 2008 meeting from \$120,000 to \$170,000. Mr. Wise seconded the motion, which CARRIED unanimously. Ms. Swartz then moved to accept the financial reports, subject to corrections described by Mr. Alexander. Ms. Garcia seconded the motion, which CARRIED unanimously.

Mr. Alexander presented the check register. Ms. Swartz moved to approve check Nos. 12875 through 12923 and the direct debits, all as presented. Mr. Unger seconded the motion, which CARRIED unanimously.

Mr. Alexander then reviewed a spreadsheet showing the value of KWORCC's equity investments as of January 14, 2009.

President Garrett addressed Agenda Item No. 8, "Claims Report -- IMA." Mr. Campuzano addressed Agenda Item No. 8a, "Select Claims Review." He reported on several claims and answered questions. He also requested approval on a pending settlement of claim # 2006030415. Ms. Swartz moved for approval of the settlement as recommended; Mr. Wise seconded the motion, which CARRIED unanimously.

After discussion of accidents involving the use of privately owned motorcycles while on county business, Ms. Swartz moved that the KWORCC staff draft a sample recommended policy to be placed in the loss prevention manual and disseminated to the membership. The recommendation is that all member counties initiate a policy prohibiting privately-owned motorcycles from use by county employees while on county business. Mr. Alcorn seconded the motion which CARRIED unanimously.

A short break was declared in the meeting at 3:25 p.m. The meeting resumed at 3:35 p.m.

President Garrett then called upon Mr. Campuzano to address the "Logicomp Bill Review Report" under Agenda Item No. 8b for the period from January 1, 2008 through December 31, 2008. He said the report shows the total amount billed is \$4,703,028; the actual paid amount is \$2,633,388 for a net savings after fees of \$2,069,642. This is more than 44% of the amount billed for this 12-month period.

Mr. Davis then explained the "Policy Year Performance Review" under Agenda Item No. 8c. 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 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. 9, "Loss Prevention and County Visits." Mr. Eyman reviewed calendars for December, January and February for the loss-prevention staff as well as the breakdown of county visits since the first of the year.

President Garrett addressed Agenda Item No. 10, "Legal Report." Mr. Parrish stated there was no legal report.

Next, President Garret addressed agenda Item No. 11, "Committee Reports." Ms. Bird explained that dates needed to be set for the initial meetings of the primary committees. The suggested dates are February 19, 2009 at 1:00 p.m. for the Personnel Committee; March 27, 2009 at 12:00 noon for the Investment Committee; April 16, 2009 at 12:00 noon for the Audit Committee. Mr. Wise moved to approve the recommended dates. Mr. Unger seconded the motion, which CARRIED, unanimously.

Next, President Garret asked Mr. Davis to address agenda Item No. 12, "Trustee Training: Loss Costs Unleashed." Mr. Davis explained how premiums are computed and how the loss-cost multiplier is calculated. He discussed tiered filings used by other workers compensation insurance pools and

illustrated how such filings are contrary to the philosophy of the pools. Many discussions with KWORCC staff have resulted in the conclusion that tiered filings are not a good idea for KWORCC at this time. President Garret thanked Mr. Davis for an informative presentation.

President Garret then addressed Agenda Item No. 13, "Other Business." She stated that a KWORCC Directory had been distributed and asked everyone to verify the information and provide updates and changes to Ms. Jarboe-Paxson.

Ms. Bird stated that \$2,371,632 in premiums have been received thus far with \$4,383,944 outstanding.

There being no further business, Mr. Unger moved to adjourn at 4:24 p.m. Ms. Swartz seconded the motion, which CARRIED unanimously.

The KWORCC Board of Trustees approved the foregoing minutes on the 19<sup>th</sup> day of February, 2009.

Doyle Alcorn, Secretary  
KWORCC Board of Trustees