

**Minutes**  
**Meeting, Board of Trustees**  
**Kansas Workers Risk Cooperative for Counties**  
**August 13, 2009 at 1:00 p.m.**  
**Clubhouse Inn**  
**924 SW Henderson Road**  
**Topeka, KS 66615**

The August 2009 meeting of the Board of Trustees of Kansas Workers Risk Cooperative for Counties (KWORCC) was called to order at 1:02 p.m. at the Clubhouse Inn in Topeka by Board President Michelle Garrett on Thursday, August 13, 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; 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 (IMA) appeared by Ms. Susan May, Mr. Gene Miller, Mr. Paul Davis and Mr. Gus Campuzano.

Also present was Mr. Scott Heidner, Executive Director of Kansas Self Insurers Association.

President Garrett addressed Agenda Item No. 2, "Approval of the Agenda." Mr. Parrish recommended the addition of Agenda Item No. 3a, "Excuse Frances Garcia due to Illness" and No. 5c, "October Meeting Date." Mr. Unger moved to approve the agenda as modified. Mr. Wise seconded the motion, which CARRIED unanimously.

President Garrett addressed Agenda Item No. 3, "Consideration of Minutes of Meeting of July 16, 2009." Mr. Unger moved to approve the minutes as presented. Mr. Wise seconded the motion, which CARRIED unanimously.

President Garrett addressed Agenda Item No. 3a, "Excuse Frances Garcia due to Illness." Ms. Swartz moved that Ms. Garcia be excused from the board meeting. Mr. Unger seconded the motion, which CARRIED unanimously.

President Garrett addressed Agenda Item No. 4, "Trustee Training." Mr. Heidner presented information on the major trends in workers compensation. He said the good news is employers continue to get consistently safer. The bad news is the medical claim cost and the indemnity claim costs continue to climb. The age of the workforce is also increasing because many older workers are not in a financial position to retire, and many are not required to retire because of poor health. Paradoxically, older workers are more vulnerable to work-related injuries, and their medical costs are higher. Rising rates of obesity in the workforce is also a large factor in the number and severity of workers compensation claims filed.

Mr. Heidner also discussed the legislative activity that would have an effect on workers compensation laws. The issues most important to employers include not being liable for pre-existing conditions, not being liable when injury is not predominantly caused by work and not being liable for work disability award when employee in accommodated position is laid off due to economic conditions. Labor unions and other employee advocates are pushing for increases in indemnity payments, employee choice of physician and a statute which would permit two or more scheduled injuries to be compensated under the formula used for an injury to "whole body" as provided in the law.

Finally, Mr. Heidner recommended networking with elected officials and establishing relationships so that county elected officials involved with KWORCC are trusted by legislators and recognized as constituents with knowledge of the impact of proposed workers compensation legislation. Mr. Heidner asked for and responded to questions. President Garrett thanked Mr. Heidner for an informative presentation.

President Garrett addressed Agenda Item No. 5, "Administrator's Report." Mr. Parrish addressed Agenda Item No. 5a, "Checks Requiring Board Approval and Ratification of Electronic Transfer of Funds." Mr. Parrish itemized the checks and the electronic transfer of funds. Mr. Wise moved to approve the checks and ratify the transfers as presented. Mr. Alcorn seconded the motion, which CARRIED unanimously.

Next, Mr. Parrish addressed Agenda Item No. 5b, "Annual KWORCC KCAMP Joint Dinner." Mr. Parrish reviewed the dates proposed by KCAMP for the dinner. The Board concluded that none of these dates are compatible with the KWORCC meeting calendar. There also was discussion of scheduling a family dinner for Trustees and staff with the possibility of having such a dinner this fall. This item was tabled for later discussion.

Mr. Parrish then addressed changing the date of the October Board meeting due to scheduling conflicts. Mr. Parrish suggested October 23<sup>rd</sup> and asked the Board members to check their calendars and let the staff know if that will work. Mr. Wise moved to schedule the October meeting for the 23<sup>rd</sup> unless after a review of calendars a conflict arises. Ms. Swartz seconded the motion, which CARRIED unanimously.

President Garrett then proceeded to Agenda Item No. 6, "Marketing Report." Mr. Eyman discussed marketing activities in several counties.

President Garrett addressed Agenda Item No. 7, "Financial Report." Mr. Alexander discussed in detail the financial statements he prepared for July 2009 and asked for questions. Ms. Swartz moved to accept the reports as presented. Ms. Buttron seconded the motion, which CARRIED unanimously.

Mr. Alexander presented the check register. Mr. Unger moved to approve check Nos. 13267 through 13302 and the direct debits, all as presented. Ms. Swartz seconded the motion, which CARRIED unanimously.

Next, Mr. Alexander reviewed two reports showing the value of KWORCC's equity investments as of August 5 and August 12, 2009.

President Garrett addressed Agenda Item No. 8, "Claims Report -- IMA." Under Agenda Item No. 8a, "Select Claims Review," Ms. May and Mr. Miller reported on several claims and answered questions. Ms. May and Mr. Miller each also requested approval on a pending settlement. Ms. Buttron moved to approve settlement of claim No. 2008034847 as recommended. Mr. Alcorn seconded the motion, which CARRIED by five affirmative votes with Mr. Wise abstaining. Mr. Wise moved to approve settlement of claim No. 2008034985 as recommended. Ms. Swartz seconded the motion, which CARRIED unanimously.

President Garrett then called upon Mr. Davis to address the "Logicomp Bill Review Report" under Agenda Item No. 8b for the period from January 1, 2009 through July 31, 2009. Mr. Davis said the report shows the total amount billed is \$2,488,778; the actual paid amount is \$1,615,651 for a net savings after fees of \$878,998. This is more than 35% of the amount billed for this 7-month period. Duplicate billings are no longer included in the savings column and this is the reason the total savings and the percent saved are both lower than reported in July.

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 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. 9, "Loss Prevention and County Visits." Mr. Eyman reviewed calendars for July, August and September 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 Garrett addressed Agenda Item No. 11, "Committee Reports." Mr. Parrish reminded the Board that there is a Personnel Committee meeting scheduled for noon on September 17, just before the Board Meeting.

President Garrett then addressed Agenda Item No. 12, "Other Business." Further discussion ensued about a proposed family and staff dinner. Mr. Unger moved to delay the proposed gathering until April or May with attendance by KWORCC Board, staff, family and guests and to extend the same invitation to KCAMP. Ms. Swartz seconded the motion which CARRIED unanimously.

Ms. Swartz moved to go into executive session to consult with KWORCC's staff counsel at 2:35 p.m. to last 20 minutes. Mr. Unger seconded the motion which CARRIED unanimously.

There being no further business, Mr. Unger moved to adjourn at 2:55 p.m. Ms. Swartz seconded the motion, which CARRIED unanimously.

The KWORCC Board of Trustees approved the foregoing minutes on the 17<sup>th</sup> day of September, 2009.

Doyle Alcorn, Secretary  
KWORCC Board of Trustees