

**Minutes**  
**Meeting, Board of Trustees**  
**Kansas Workers Risk Cooperative for Counties**  
**February 19, 2009 at 2:00 p.m.**  
**Clubhouse Inn**  
**924 SW Henderson Road**  
**Topeka, KS 66615**

The February 2009 meeting of the Board of Trustees of Kansas Workers Risk Cooperative for Counties (KWORCC) was called to order at 2:00 p.m. at the Clubhouse Inn in Topeka by Board President Michelle Garrett on Thursday, February 19, 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 and Mr. Paul Davis. Also present was Sam Cargnel of Centric Actuaries.

President Garrett addressed Agenda Item No. 2, "Approval of the Agenda." Mr. Unger moved to approve the agenda as presented. Mr. Wise seconded the motion, which CARRIED unanimously.

President Garrett addressed Agenda Item No. 3, "Consideration of Minutes of Meeting of January 15, 2009." Mr. Unger moved to approve the minutes with the addition of Doyle Alcorn, Jewell County Commissioner to the list of those present; Ms. Swartz 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 wire transfers of funds and checks requiring approval. Mr. Wise moved to ratify the wire transfers and checks as presented. Ms. Swartz seconded the motion, which CARRIED unanimously.

Next, Mr. Parrish asked Mr. Cargnel to address Agenda Item No. 4b, "Actuarial Year-End Adjustments." Mr. Cargnel reviewed the changes to the ultimate loss picks for prior years, noting there were no large changes to any particular year. Policy year 2008 was reduced by \$200,000 due to there being no large losses. He reviewed that claims cost data, which indicates that the average cost of claims has leveled off in the last few years. For 2009, the reports show that 580 claims are expected, with an average cost of \$8,100 per claim, resulting in a loss pick for 2009 of \$4.7 million. He asked for and responded to questions. President Garrett thanked Mr. Cargnel for his presentation.

Next, Mr. Parrish asked Ms. Bird to address Agenda Item No. 4c, "Signature Cards Updated." Ms. Bird passed around the signature cards for the accounts and asked all the trustees to sign them. She said it is necessary to update the signature cards because Mr. Schoepf is no longer on the Board and Ms. Garcia has joined the Board.

Ms. Bird then addressed Agenda Item No. 4d, "Report on 2009 Member Premiums." There are only three counties which have not yet paid their premiums. However, based upon her discussion with officials from those counties, these premiums are expected to be paid soon. The total received thus far in 2009 premiums is \$6,422,222.

Ms. Bird then proceeded to Agenda Item No. 4e, "PRIMA Conferences." First she discussed MO/KS at Lake of the Ozarks. Mr. Eyman and Mr. Rippee typically attend this conference. Ms. Swartz is planning to attend as well, and Ms. Garrett stated she might be interested in attending. Ms. Bird said that anyone else interested in attending should let her know.

Ms. Bird then discussed National PRIMA in Dallas. She asked that everyone confirm his or her intentions to attend soon so that she may submit the registration information before March 15<sup>th</sup>. She stated that everyone had informed her they were planning to drive, but if anyone would like to fly, she asked they let her know and she would assist them with flight arrangements. Ms. Swartz stated she will not be attending. Most of those attending stated they would be leaving on Saturday, May 30, 2009. Ms. Bird stated that hotel reservations would be made for that Saturday and as the event gets closer, the reservations can be adjusted based on traveling plans.

President Garrett addressed Agenda Item No. 5, "Marketing Report." Mr. Eyman discussed counties with whom he made contact. Mr. Parrish recapped the New Commissioner's Meeting which was held on February 5th.

President Garrett addressed Agenda Item No. 6, "Financial Report." Mr. Alexander reported on financial statements he prepared for December 2008. He stated that there are only two items that may yet change. With regard to the format in which the information is presented, he explained that the "Total Liquid Assets" line does not take into account unrecognized gains or losses on investments. He asked the Board members if they wished him to continue with this method or if a change would be more beneficial. Board members recommended adding additional detail by including a line item for equity investments and government investments at market value under the heading, "Liquid Assets." Additionally, under the heading "Reserves," the first two lines should be captioned for loss reserves and the bottom two lines for fund reserves. Mr. Alexander stated he would make the recommended modifications and would have the new format prepared for the next Board meeting. Ms. Swartz moved to receive and file the financial reports as presented. Mr. Wise seconded the motion, which CARRIED unanimously.

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

Mr. Alexander presented the check register. Mr. Wise moved to approve check Nos. 12924 through 13000 and the direct debits, all as presented. Ms. Buttron seconded the motion, which CARRIED unanimously.

Mr. Alexander then reviewed a spreadsheet showing the value of KWORCC's equity investments as of February 10, 2009.

A short break was declared in the meeting at 3:04 p.m. The meeting resumed at 3:16 p.m.

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 then requested approval on three pending settlements of claims. She first explained claim No. 2008034535. Mr. Alcorn moved for approval of the settlement as recommended; Ms. Swartz seconded the motion, which

CARRIED unanimously. She then explained claim No. 2007033818. Ms. Swartz moved for approval of the settlement as recommended; Ms. Garcia seconded the motion, which CARRIED unanimously. She then explained claim No. 2007034182. Mr. Unger moved for approval of the settlement as recommended; Ms. Swartz 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 January 31, 2009. She said the report shows the total amount billed is \$347,423; the actual paid amount is \$212,240 for a net savings after fees of \$135,183. This is more than 39% of the amount billed for this 1-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 2007 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 January, February and March 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. 9, “Legal Report.” Mr. Parrish stated there was no legal report.

Next, President Garret addressed agenda Item No. 10, “Committee Reports.” The Personnel Committee reported that it had met just before the Board Meeting. Ms. Swartz first thanked the staff for all they do for the Board and the pool and then presented the committee’s recommendations. The Committee recommended a performance bonus that matches last year’s \$12,000 allocation to be in the ratio of each staff member’s salary to salary total. Ms. Swartz so moved that such a bonus be adopted, Mr. Alcorn seconded the motion. The motion CARRIED unanimously.

Next, President Garret asked Mr. Alexander to address agenda Item No. 11, “Trustee Training: How to Spot a Liar.” Mr. Alexander gave a presentation on the history of lies, the search for truth and different methods used throughout history to tell if someone was lying. President Garret thanked Mr. Alexander for an informative presentation.

President Garret then addressed Agenda Item No. 12, “Other Business.” There was no other business to be addressed.

There being no further business, Ms. Swartz moved to adjourn at 4:05 p.m. Mr. Unger seconded the motion, which CARRIED unanimously.

The KWORCC Board of Trustees approved the foregoing minutes on the 27<sup>th</sup> day of March, 2009.

Doyle Alcorn, Secretary  
KWORCC Board of Trustees