

Minutes
Meeting, Board of Trustees
Kansas Workers Risk Cooperative for Counties
March 27, 2009 at 1:00 p.m.
Clubhouse Inn
924 SW Henderson Road
Topeka, KS 66615

The March 2009 meeting of the Board of Trustees of Kansas Workers Risk Cooperative for Counties (KWORCC) was called to order at 12:57 p.m. at the Clubhouse Inn in Topeka by Board President Michelle Garrett on Friday, March 27, 2009. Trustees present included Michelle Garrett, Morris County Clerk, President; Jim Wise, Miami County Commissioner, Vice-President; Linda M. Buttron, Jefferson County Clerk, Controller; and Bonnie Swartz, Gray County Clerk.

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; Mr. Bruce Woner, General Counsel and Ms. Nicole Jarboe-Paxson, Executive Assistant and Media Director.

Insurance Management Associates appeared by Ms. Susan May and Mr. Gus Campuzano.

President Garrett addressed Agenda Item No. 2, "Approval of the Agenda." Mr. Parrish asked to make the following changes: add Agenda Item No. 3a, "Excuse Mr. Unger, Ms. Garcia and Mr. Alcorn from the Meeting;" add Agenda Item No. 4c, "Loss Cost Multiplier Planning" and move Agenda Item No. 9a to Agenda Item 4d. Ms. Buttron moved to approve the agenda with these changes. Mr. Wise seconded the motion, which CARRIED unanimously.

President Garrett addressed Agenda Item No. 3, "Consideration of Minutes of Meeting of February 19, 2009." Ms. Swartz moved to approve the minutes as presented; Mr. Wise seconded the motion, which CARRIED unanimously.

President Garrett addressed Agenda Item No. 3a. Mr. Wise moved to excuse Mr. Unger for weather and a funeral, Ms. Garcia for weather and Mr. Alcorn for a family emergency. Ms. Buttron 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 stated there were no wire transfers of funds and itemized checks requiring approval. Mr. Wise moved to ratify the checks as presented. Ms. Buttron seconded the motion, which CARRIED unanimously.

Next, Mr. Parrish asked Ms. Bird to address Agenda Item No. 4b, "Report on 2008 Audits and 2009 Premiums." Ms. Bird stated that all premiums have been received for a total of \$6,713,871. She then itemized the results of the premium audits and stated that there may still be some changes.

Next, Mr. Parrish addressed Agenda Item No. 4c, "Loss Cost Multiplier Recommendations for Next Meeting." Mr. Parrish recommended that the Board schedule time at the next meeting to discuss and consider changes in the loss cost multiplier. He said the Board has reviewed options for

implementing a tiered system for its loss cost multiplier and determined it was not appropriate for KWORCC. He said the next step for the Board is to consider the level of the loss cost multiplier and consider the competitive environment and what effect a change would have on KWORCC's revenues. He said that some other pools are either implementing a tiered system or making changes in their loss cost multiplier. Mr. Parrish asked IMA to assist with an analysis of possible loss cost multiplier changes for presentation to the Board of Trustees.

Next, Mr. Parrish addressed Agenda Item No. 4d, "Approval of Government Security Transactions and KWORCC Resolution 2009-28." Ms. Swartz moved to approve KWORCC Resolution 2009-28, Mr. Wise seconded the motion which CARRIED unanimously.

President Garrett addressed Agenda Item No. 5, "Financial Report." Mr. Alexander reviewed a summary of the financial statements he prepared for December 2008. He stated that further alteration may be made as a result of the auditor's findings and a final version will be provided and filed when the audit is finished.

Mr. Alexander reported on financial statements he prepared for January and February 2009. Ms. Swartz moved to receive and file the reports as presented. Ms. Buttron seconded the motion, which CARRIED unanimously.

Mr. Alexander presented the check register. Ms. Buttron moved to approve check Nos. 13001 through 13061 and the direct debits, all as presented. Ms. Swartz seconded the motion, which CARRIED unanimously.

Mr. Alexander then reviewed a spreadsheet showing the value of KWORCC's equity investments as of March 18, 2009.

President Garrett addressed Agenda Item No. 6, "Claims Report -- IMA." Ms. May addressed Agenda Item No. 6a, "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. 200803448, approval of the settlement as recommended was granted by Board consensus; she then explained claim No. 04-4900, Ms. Buttron moved for approval of the settlement as recommended; Ms. Swartz seconded the motion, which CARRIED unanimously; she then explained claim No. 2007034271, Ms. Swartz moved for approval of the settlement as recommended; Ms. Buttron seconded the motion, which CARRIED unanimously.

President Garrett then called upon Ms. May to address the "Shorman Bill Review Report" under Agenda Item No. 6b for the period from January 1, 2009 through February 28, 2009. She said the report shows the total amount billed is \$653,391; the actual paid amount is \$364,238 for a net savings after fees of \$289,152. This is more than 44% of the amount billed for this 2-month period.

Mr. Campuzano then explained the "Policy Year Performance Review" under Agenda Item No. 6c. 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. Campuzano emphasized these charts should not be considered as a guarantee of either good or poor ultimate loss performance.

A short break was declared in the meeting at 2:08 p.m., the meeting resumed at 2:15 p.m.

President Garrett called upon Messrs. Eyman and Rippee to address Agenda Item No. 7, “Loss Prevention and County Visits.” Mr. Eyman reviewed calendars for February, March and April 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. 8, “Legal Report.” Mr. Woner and Mr. Parrish stated there was no legal report.

Next, President Garret addressed agenda Item No. 9, “Committee Reports.” The Investment Committee meeting scheduled for noon on March 27th was cancelled and the Audit Committee meeting scheduled for noon on April 16th has been moved to 9:00 a.m. on April 16th.

Next, President Garrett asked Ms. Bird to address agenda Item No. 10, “Trustee Training: Disability Offsets on Workers Compensation Benefits.” Mr. Parrish suggested the training be postponed so the absent Trustees could benefit from the training. The Board agreed by consensus.

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 2:23 p.m. Mr. Wise seconded the motion, which CARRIED unanimously.

The KWORCC Board of Trustees approved the foregoing minutes on the 16th day of April, 2009.

Doyle Alcorn, Secretary
KWORCC Board of Trustees