

Minutes
Meeting, Board of Trustees
Kansas Workers Risk Cooperative for Counties
September 17, 2009 at 1:00 p.m.
Clubhouse Inn
924 SW Henderson Road
Topeka, KS 66615

The September 2009 meeting of the Board of Trustees of Kansas Workers Risk Cooperative for Counties (KWORCC) was called to order at 12:58 p.m. at the Clubhouse Inn in Topeka by Board President Michelle Garrett on Thursday, September 17, 2009. Trustees present included Michelle Garrett, Morris County Clerk, President; Jim Wise, Miami County Commissioner, Vice-President; 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 and Mr. Paul Davis.

President Garrett addressed Agenda Item No. 2, "Approval of the Agenda." Mr. Parrish recommended the addition of Agenda Item No. 3a, "Excuse Frances Garcia and Linda Buttron for county business and Doyle 'Hooley' Alcorn for illness." Ms Swartz 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 August 13, 2009." Mr. Unger moved to approve the minutes as presented. Ms. Swartz seconded the motion, which CARRIED unanimously.

President Garrett addressed Agenda Item No. 3a, "Excuse Frances Garcia and Linda Buttron for county business and Doyle 'Hooley' Alcorn for illness." Ms. Swartz moved that the Ms. Garcia, Ms. Buttron and Mr. Alcorn be excused from the board meeting for the reasons stated. Mr. Unger seconded the motion, which CARRIED unanimously.

President Garrett addressed Agenda Item No. 4, "Administrator's Report." Mr. Parrish first drew attention to correspondence from Commissioner Walters of Lyon County thanking Messrs. Eyman and Rippee for their presentation regarding loss prevention and ratios. Ms. Walters is a new commissioner who replaced Mr. Marshall Miller. Mr. Parrish then addressed Agenda Item No. 4a, "Checks Requiring Board Approval and Ratification of Electronic Transfer of Funds." Mr. Parrish itemized the checks and the electronic transfer of funds. Mr. Unger moved to approve the checks and ratify the transfers as presented. Mr. Wise seconded the motion, which CARRIED unanimously.

Next, Mr. Parrish addressed Agenda Item No. 4b, "Draft Budget 2010." Mr. Parrish presented a draft budget to assist the board in making decisions with regard to the loss cost multiplier. The staff responded to questions and offered insight into some of the budget items. A final budget will be presented for approval at the October meeting.

Mr. Parrish then addressed Agenda Item No. 4c, "Loss Cost Multiplier." He reminded the Trustees of the extensive discussions on this subject in previous meetings. He noted that the draft budget may provide an opportunity for KWORCC to lower its loss cost multiplier which will result in lower premiums. However, this decision needs to be made in connection with staff's underwriting analysis and final approval of the rates by the Kansas Insurance Department. He indicated that more information would be available by the next board meeting.

Next, Mr. Parrish called on Ms. Bird to address Agenda Item No. 4d, "Annual Meeting Update." Ms. Bird reported the KWORCC's vendor booth would be open on Sunday, November 15th from 3:30 p.m. until 6:00 p.m. and on Monday, November 16th from 7:00 a.m. until 10:15 a.m. A sign-up schedule to work the booth will be distributed with the next board packet. The annual meeting is scheduled for 5:00 p.m. on Monday. She then reviewed the nominations for the Board positions that are scheduled for election and reported on the individuals designated as delegates and alternates from Member counties.

Mr. Jeremy Deckard, Public Information Officer for the Kansas Human Rights Commission joined the meeting at 1:30. President Garrett asked him to proceed with Agenda Item No. 11, "Trustee Training: Diversity Food for Thought." Mr. Deckard stated that the training he provides is free and available to anyone in Kansas. He said that his normal presentation is an hour long and consists of a 20-minute video, a power point and a question-and-answer session. Mr. Deckard then shared the video portion of the presentation with the Board. Mr. Deckard asked for and responded to questions. President Garrett thanked Mr. Deckard for an interesting presentation.

In order to accommodate IMA staff's need to depart the meeting by 3:00 p.m., President Garrett next addressed Agenda Item No. 7, "Claims Report – IMA." Addressing Agenda Item No. 7a, "Select Claims Review," Ms. May and Mr. Miller reported on several claims and answered questions. Mr. Miller also requested approval on two pending settlements. Mr. Wise moved to approve settlement of claim No. 2008034739 as recommended. Ms. Swartz seconded the motion, which CARRIED unanimously. Ms. Swartz moved to approve settlement of claim No. 2005025004 as recommended. Mr. Unger seconded the motion, which CARRIED unanimously.

President Garrett then called upon Ms. May to address the "Logicomp Bill Review Report" under Agenda Item No. 7b for the period from January 1, 2009 through August 31, 2009. Ms. May said the report shows the total amount billed is \$2,696,764; the actual paid amount is \$1,742,928 for a net savings after fees of \$959,706. This is more than 35% of the amount billed for this 8-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.

A short break was declared in the meeting at 2:15 p.m. The meeting resumed at 2:27 p.m.

President Garrett then proceeded to Agenda Item No. 5, "Marketing Report." Mr. Eyman discussed marketing activities in several counties.

President Garrett addressed Agenda Item No. 6, "Financial Report." Mr. Alexander discussed in detail the financial statements he prepared for August 2009 and asked for questions. Ms. Swartz moved to receive and file the reports as presented. Mr. Wise seconded the motion, which CARRIED unanimously.

Mr. Alexander presented the check register. Mr. Unger moved to approve check Nos. 13303 through 13356 and the direct debits, all as presented. Ms. Swartz seconded the motion, which CARRIED unanimously.

Next, Mr. Alexander reviewed a report showing the value of KWORCC's equity investments as of September 8, 2009.

President Garrett called upon Messrs. Eyman and Rippee to address Agenda Item No. 8, "Loss Prevention and County Visits." Mr. Eyman reviewed calendars for August, September and October 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 Garrett addressed Agenda Item No. 10, "Committee Reports." Ms. Swartz reported on the meeting of the personnel committee that had taken place earlier in the day. The personnel committee recommended to give the staff Christmas Eve, December 24, 2009, off as a paid holiday and to hold salaries at their current level and to review personnel COLA adjustments again at the next personnel committee meeting. Mr. Wise moved to adopt the recommendations of the personnel committee. Mr. Unger seconded the motion which CARRIED unanimously.

President Garrett then addressed Agenda Item No. 12, "Other Business." She requested that former board members be invited to the KWORCC's annual Christmas Party.

There being nothing further before the Board, Mr. Unger moved to adjourn at 2:48 p.m. Mr. Wise seconded the motion, which CARRIED unanimously.

The KWORCC Board of Trustees approved the foregoing minutes on the 23rd day of October, 2009.

Doyle Alcorn, Secretary
KWORCC Board of Trustees