

Minutes
Meeting, Board of Trustees
Kansas Workers Risk Cooperative for Counties
April 22, 2010 at 1:00 p.m.
Clubhouse Inn
924 SW Henderson Road
Topeka, KS 66615

The April 2010 meeting of the Board of Trustees of Kansas Workers Risk Cooperative for Counties (KWORCC) was called to order at 1:03 p.m. at the Clubhouse Inn in Topeka by Board President Jim Wise on Thursday, April 22, 2010. Trustees present included: Jim Wise, Miami County Commissioner, President; Linda Buttron, Jefferson County Clerk, Secretary; Michelle Garrett, Morris 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. 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 (IMA) appeared by Mr. Gene Miller, Ms. Susan May, Ms. Marla Dipman and Mr. Paul Davis. Also present was Mr. Eric Otting of Wendling, Noe, Nelson & Johnson, LLC.

President Wise addressed Agenda Item No. 2, "Approval of the Agenda." Mr. Parrish recommended the addition of Agenda Item No. 3a, "Excuse Doyle "Hooley" Alcorn for county business and Frances Garcia for medical leave." Ms. Swartz moved to approve the agenda with that addition. Ms. Garrett seconded the motion, which CARRIED unanimously.

President Wise addressed Agenda Item No. 3, "Consideration of Minutes of Meeting of March 11, 2010." Mr. Unger noted a typographical error and then moved to approve the minutes with the correction. Ms. Swartz seconded the motion, which CARRIED unanimously.

Mr. Unger moved to excuse Mr. Alcorn and Ms. Garcia for the reasons stated. Ms. Buttron seconded the motion which CARRIED unanimously.

President Wise addressed Agenda Item No. 4, "Administrator's Report." Mr. Parrish first addressed Agenda Item No. 4a, "Checks Requiring Board Approval and Ratification of Wire Transfers." He itemized the electronic transfer of funds and the checks requiring approval. Ms. Swartz moved to ratify the transfer and approve the checks as presented. Ms. Garrett seconded the motion, which CARRIED unanimously.

Mr. Parrish then asked Mr. Otting to address Agenda Item No. 4b, "Report from Independent Auditor." Mr. Otting stated that no audit adjustments were recommended. He stated that KWORCC has a strong balance sheet. Mr. Otting asked for and responded to questions. Mr. Wise thanked him for his report.

Mr. Parrish discussed the progress on reaching a marketing and sponsorship agreement with the Kansas Association of Counties (KAC). He reported that he had spoken with Mr. Randall Allen, Executive Director of KAC, who is willing to enter into an agreement with KWORCC similar to that of KCAMP with a start date of July 1st. Mr. Parrish has scheduled a meeting on May 13th at 10 a.m. for KWORCC staff to work out details of the agreement with Mr. Allen.

Mr. Parrish then addressed the requests for proposals for equities management. He said the staff sent requests to three companies: AG Edwards, County Club Bank and GTrust.

President Wise then proceeded to Agenda Item No. 5, "Marketing Report." Mr. Rippee discussed marketing activities.

President Wise addressed Agenda Item No. 6, "Financial Report." Mr. Alexander reported on final, post-audit financial statements he prepared for 2009 and the final fourth quarterly financial report for 2009 to be filed with the Kansas Insurance Department (KID).

Mr. Alexander discussed in detail the financial statements he prepared for March 2010. Ms. Swartz moved to accept the reports as presented. Ms. Buttron seconded the motion, which CARRIED unanimously. Mr. Alexander then

discussed in detail the first quarterly financial report for 2010 he prepared for filing with the KID. Ms. Swartz moved to approve filing the report with the KID. Ms. Garrett seconded the motion, which CARRIED unanimously.

Mr. Alexander presented the check register. Ms. Garrett moved to approve check Nos. 13604 through 13701 and the direct debits, all as presented. Ms. Swartz seconded the motion, which CARRIED unanimously.

Next, Mr. Alexander reviewed reports showing the value of KWORCC's equity investments as of April 14, 2010 and April 21, 2010.

President Wise next addressed Agenda Item No. 7, "Claims Report – IMA." Addressing Agenda Item No. 7a, "Select Claims Review," Ms. May and Mr. Miller reported on claims and answered questions. They also requested approval on pending settlements. Ms. Swartz moved to approve settlement of claim No. 2009036719 as recommended. Ms. Buttron seconded the motion, which CARRIED unanimously. Mr. Unger moved to approve settlement of claim No. 2008036133 as recommended. Ms. Swartz seconded the motion, which CARRIED unanimously. Mr. Unger moved to approve settlement of claim No. 2007032410 as recommended. Ms. Buttron seconded the motion, which CARRIED unanimously.

For Agenda Item No. 7b, "Logicomp Bill Review Report," Mr. Miller reported that for the period beginning January 1, 2010 through March 31, 2010, the total amount billed is \$703,824; the actual paid amount is \$417,749 for a net savings after fees of \$286,075. This is more than 41% of the amount billed for this 3-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 2010. 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 2:41 p.m. The meeting resumed at 2:58 p.m.

President Wise called upon Mr. Rippee to address Agenda Item No. 8, "Loss Prevention and County Visits." Mr. Rippee reviewed calendars for March, April and May for the loss-prevention staff. Mr. Rippee also reported on the visits with the county commissioners.

President Wise addressed Agenda Item No. 9, "Legal Report – Legislative Update." Mr. Parrish stated there was no legal report and that there were no new developments on any of the legislation of concern.

Next, President Wise addressed Agenda Item No. 10, "Committee Reports." Ms. Swartz reported that the Audit Committee met with Mr. Otting. A procedure has been put in place by Country Club Bank to help prevent excessive deposits of funds with a single financial institution in the future. Ms. Swartz moved to adopt resolution 2010-48. Mr. Unger seconded the motion which CARRIED unanimously. Mr. Parrish then reviewed the proposed KWORCC Audit Committee Policy. After discussion, Mr. Unger moved to adopt the policy with some modifications. Ms. Swartz seconded the motion, which CARRIED unanimously.

President Wise addressed Agenda Item No. 10, "Trustee Training." Ms. Bird advised that Mr. Omitt arrived at the meeting at approximately 2:00 p.m. for his presentation, but was unable to remain because of another appointment.

President Wise then addressed Agenda Item No. 12, "Other Business." There was no other business to bring before the Board.

There being nothing further before the Board, Ms. Swartz moved to adjourn at 3:28 p.m. Mr. Unger seconded the motion, which CARRIED unanimously.

The KWORCC Board of Trustees approved the foregoing minutes on the 20th day of May, 2010.

Linda Buttron, Secretary
KWORCC Board of Trustees