

**Minutes**  
**Meeting, Board of Trustees**  
**Kansas Workers Risk Cooperative for Counties**  
**January 20, 2011 at 2:00 p.m. via Teleconference**  
**700 SW Jackson, Ste 200**  
**Topeka, KS 66603**

The January 2011 meeting of the Board of Trustees of Kansas Workers Risk Cooperative for Counties (KWORCC) was called to order at 2:04 p.m. via teleconference by Board President Jim Wise on Thursday, January 20, 2011. Trustees present included: Jim Wise, Miami County Commissioner, President; Doyle "Hooley" Alcorn, Jewell County Commissioner, Vice-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. 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 Mr. Gene Miller, Mr. Paul Davis, Ms. Marla Dipman and Ms. Susan May.

Mr. Parrish noted for the minutes that the meeting was being conducted by teleconference because of the widespread snow storm which had caused travel to Topeka to be hazardous and impractical.

President Wise addressed Agenda Item No. 2, "Approval of the Agenda." Mr. Parrish recommended the agenda be changed to note that the meeting was being held by conference call. Ms. Swartz moved to approve the agenda with that modification. Ms. Garrett seconded the motion, which CARRIED unanimously.

President Wise addressed Agenda Item No. 3, "Consideration of Minutes of Meeting of December 16, 2010." Mr. Unger noted two spelling errors and one typographical error and moved to approve the minutes with appropriate corrections. Ms. Swartz seconded the motion, which CARRIED unanimously.

President Wise addressed Agenda Item No. 4, "Election of Officers and Establish Committees." He stated that all proposed officers and committee members had been contacted by the staff and agreed to serve. The officers include Doyle "Hooley" Alcorn, President; Linda Buttron, Vice-President; Bonnie Swartz, Secretary and Michelle Garrett, Controller. The committee members include Ralph D. Unger, Chair Personnel Committee with Bonnie Swartz and Doyle Alcorn as committee members; Jim Wise as Chair of Investment Committee with Michelle Garrett and Ralph D. Unger as committee members; Michelle Garrett as Chair of Audit Committee with Linda Buttron and the new Trustee to be appointed by the Board for the South Central District as committee members and Jim Wise as chair of the Joint KWORCC/KCAMP Committee on Cooperation with Bonnie Swartz and Linda Buttron as committee members. Mr. Unger moved to close nominations, elect the slate of officers and to ratify appointment of committee members as proposed. Ms. Buttron seconded the motion, which CARRIED unanimously.

Mr. Unger expressed appreciation on behalf of the Board to Mr. Wise for his year of service as President. Mr. Alcorn asked that Mr. Wise continue to preside over the meeting which he had convened, and Mr. Wise agreed.

As chairman of the meeting, Mr. Wise addressed Agenda Item No. 5, "Administrator's Report." Mr. Parrish first addressed Agenda Item No. 5a, "Presentation to President Wise." Mr. Parrish stated that

the Board and staff had a presentation to make to Mr. Wise and asked this item to be postponed until the February Board meeting.

Mr. Parrish then discussed Agenda Item No. 5b, "Checks Requiring Board Approval and Approval of Electronic Transfer of Funds." He itemized the electronic transfer of funds and checks requiring approval. President Alcorn moved to ratify the transfers and approve the checks as presented. Ms. Swartz seconded the motion, which CARRIED unanimously.

Mr. Parrish then addressed Agenda Item No. 5c, "Complete Conflict of Interest Forms." He asked that all Trustees and staff complete the conflict of interest forms for filing with the Kansas Insurance Department and send them to Ms. Bird.

Mr. Parrish then addressed Agenda Item No. 5d, "Consideration of Trustee Appointment." He reported that the names of two nominees to fill the position of Trustee for the South Central District had been submitted by four member counties. They are Mr. Steven Garten, Barber County Commissioner and Ms. Cheryl Adelhardt, Harper County Clerk. Mr. Parrish said that both nominees had been contacted in advance of the winter storm, and both had agreed to postpone their interviews with the Board until the February Board meeting. Mr. Unger moved to table this agenda item until the February meeting when the nominees will be present for interviews. Ms. Garrett seconded the motion, which CARRIED unanimously.

Mr. Parrish then asked Ms. Bird to address Agenda Item No. 5e, "GovU Training Contract." Ms. Bird reported that she had made several changes to the standard contract offered by the company U Incorporated, the company offering on-line training courses for KWORCC member counties. She successfully negotiated for the following changes: 1) a one year contract instead of two years; 2) an itemized billing process; 3) the right to review the training programs so that KWORCC can offer modifications before the courses are offered to the members. Mr. Parrish stated that the staff recommends entering into the contract with U Incorporation and offer on-line training for one year. He noted that the company uses the trade name of GovU. Mr. Alcorn moved to approve the proposed contract with U Incorporated. Ms. Swartz seconded the motion, which CARRIED unanimously.

Mr. Parrish next addressed Agenda Item No. 5f, "Revised Investment Policy." He reviewed the changes to the language in the investment policy. Mr. Unger moved to adopt the revised policy subject to further review and clarification of the language in the third item listed under "Goals" at the February meeting. Ms. Swartz seconded the motion, which CARRIED unanimously.

Chairman Wise then proceeded to Agenda Item No. 6, "Marketing Report." Mr. Eyman discussed marketing activities for several counties and responded to questions.

Chairman Wise addressed Agenda Item No. 7, "Financial Report." Mr. Alexander discussed in detail the preliminary, pre-audited financial statements he prepared for December 2010. Ms. Swartz moved to receive and file the reports as presented. Ms. Buttron seconded the motion, which CARRIED unanimously.

Mr. Alexander then discussed in detail the interim, pre-audited fourth quarterly financial report for 2010 he prepared for filing with the Kansas Insurance Department (KID). Ms. Swartz moved to approve filing the report with KID. Ms. Garrett seconded the motion, which CARRIED unanimously.

Mr. Alexander presented the check register. Mr. Unger moved to approve check Nos. 14033 through 14082 and the direct debits. Ms. Buttron seconded the motion, which CARRIED unanimously.

Next, Mr. Alexander reviewed a report showing the value of KWORCC's equity investments as of January 12, 2011.

Chairman Wise proceeded to Agenda Item No. 8, "Claims Report – IMA." Addressing Agenda Item No. 8a, "Select Claims Review," Ms. May and Mr. Miller reported on claims and answered questions. Ms. May requested approval of a pending settlement. Ms. Swartz moved to approve settlement of claim number 2008035743 as presented. Ms. Garrett seconded the motion, which CARRIED unanimously.

Mr. Miller then addressed Agenda Item No. 8b, "Logicomp Bill Review Report." Mr. Miller reported the amount billed totals \$4,022,222 for the period beginning January 1, 2010 through December 31, 2010. He said the actual paid amount for that period totals \$2,102,296 resulting in a net savings of \$1,919,925 after fees are paid. This is more than 48% of the amount billed for this 12-month period.

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 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. He noted these charts show the status as of the end of December, 2010 and should not be considered as a guarantee of either good or poor ultimate loss performance.

Chairman Wise called upon Messrs. Eyman and Rippee to address Agenda Item No. 9, "Loss Prevention and County Visits." Mr. Eyman reviewed December, January and February calendars for the loss-prevention staff. Mr. Rippee reported that he delivered the thank you gift to Ms. Garcia and that she was very appreciative.

Chairman Wise addressed Agenda Item No. 10, "Legal Report." Mr. Parrish stated it was too early in the legislative session to report on specific proposals. He said that representatives of labor and industry were working on a compromise bill which likely would include numerous changes to the Kansas Workers Compensation Act. It is likely that the proposals would resemble the magnitude of the changes made to the act in 1993, addressing many issues advanced by advocates both for employers and employees. He said he expects that the proposed changes will reverse the *Bergstrom* decision and provide increases in the statutory limits on amounts to be paid for various injuries.

Next, Chairman Wise addressed Agenda Item No. 11, "Committee Reports." Mr. Unger stated there would be a Personnel Committee meeting prior to the February 17<sup>th</sup> Board Meeting. The committee would meet at 1:00 p.m.

Chairman 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 the meeting at 3:11 p.m. Mr. Unger seconded the motion, which CARRIED unanimously.

The KWORCC Board of Trustees approved the foregoing minutes on the 17<sup>th</sup> day of February, 2011.

Bonnie Swartz, Secretary  
KWORCC Board of Trustees