

**Minutes**  
**Meeting, Board of Trustees**  
**Kansas Workers Risk Cooperative for Counties**  
**June 16, 2011 at 1:00 pm via Teleconference**  
**700 SW Jackson, Ste 200**  
**Topeka, KS 66603**

The June 2011 meeting of the Board of Trustees of Kansas Workers Risk Cooperative for Counties (KWORCC) was called to order at 1:01 p.m. on June 16, 2011 via teleconference in Topeka by Board President Doyle "Hooley" Alcorn. Trustees present included: Doyle "Hooley" Alcorn, Jewell County Commissioner, President; Linda Buttron, Jefferson County Clerk, Vice-President; Michelle Garrett, Morris County Clerk, Controller; Steve Garten, Barber County Commissioner; Ralph D. Unger, Decatur County Commissioner and Jim Wise, Miami 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, Ms. Marla Dipman, Mr. Gene Miller and Mr. Paul Davis.

President Alcorn first addressed Agenda Item No. 2, "Approval of the Agenda." Mr. Parrish recommended the addition of item 2a "Excuse Bonnie Swartz for Personal Reasons." Mr. Wise moved to approve the agenda with that modification. Dr. Garten seconded the motion which CARRIED unanimously.

Mr. Unger moved to excuse Ms. Swartz for personal reasons. Mr. Wise seconded the motion which CARRIED unanimously.

President Alcorn addressed Agenda Item No. 3, "Consideration of Minutes of Meeting of May 19, 2011." Mr. Wise moved to change one word in the minutes. Mr. Unger seconded the motion which CARRIED unanimously. Mr. Unger moved to approve the minutes as modified. Ms. Buttron seconded the motion which CARRIED unanimously.

President Alcorn next asked Mr. Parrish to address Agenda Item No. 4, "Administrator's Report." Mr. Parrish first addressed Agenda Item No. 4a, "KID – Workers Compensation Fund Assessment." Mr. Parrish stated that this assessment is levied annually by the Kansas Insurance Department (KID). He stated the assessments for fiscal years 2010, 2011 and 2012 are subject of a law suit because the legislature has swept \$2.355 million from the fee fund for use on state general fund expenditures causing the KID to assess the insurance carriers. Ms. Bird reported that Mike O'Neil, attorney representing the affected insurance carriers, recently filed an amended petition which includes fiscal years 2010, 2011 and 2012, a copy of which will be sent to the Trustees via email and regular mail. She said the staff recommends the assessment for fiscal year 2012 be paid under protest. Mr. Unger moved to pay the fiscal year 2012 assessment under protest. Ms. Garrett seconded the motion which CARRIED unanimously.

Mr. Parrish further stated there is concern that the 2012 workers compensation fee fund assessment rate is 2% which is higher than it has been in the past. He is also concerned that KID justified the larger assessment to cover potential claims from the Center for Medicare and Medicaid Services for repayment. The budget had been at 1% for the assessment in prior years because the actual assessment has historically been around .75%. The budget for the current year only provides for an assessment of only .75%. However, he explained that there are adequate funds in the budget to cover this larger-than-expected assessment.

Next, Mr. Parrish addressed Agenda Item No. 4b, "Checks Requiring Board Approval and Ratification of Wire Transfers." He itemized the checks requiring approval and the electronic transfer of funds requiring ratification. Ms. Buttron moved to approve the checks and ratify the electronic transfer of funds as presented. Dr. Garten seconded the motion which CARRIED unanimously.

President Alcorn then proceeded to Agenda Item No. 5, "Marketing Report." Mr. Eyman discussed marketing activities for several counties and responded to questions.

President Alcorn addressed Agenda Item No. 6, "Financial Report." Mr. Alexander discussed in detail the financial statements he prepared for May 2011. Mr. Unger moved to transfer the \$144,000 balance for 1997 fund year to the member protection fund. Mr. Wise seconded the motion which CARRIED unanimously.

Mr. Wise moved to receive and file the financial report. Ms. Buttron seconded the motion which CARRIED unanimously.

Mr. Alexander presented the check register. Mr. Unger moved to approve check Nos. 14304 through 14358 and the direct debits as well as the correction to the prior months check register on page 27 of the agenda packet. Ms. Garrett seconded the motion which CARRIED unanimously.

Next, Mr. Alexander reviewed reports showing the value of KWORCC's equity investments as of June 8, 2011 and June 11, 2011.

President Alcorn addressed Agenda Item No. 7, "Claims Report – IMA." As to Agenda Item No. 7a, "Select Claims Review," Mr. Miller requested approval on a pending settlement. Mr. Unger moved to approve settlement of claim No. 2010038634 as recommended. Mr. Wise seconded the motion which CARRIED unanimously.

Mr. Miller then addressed Agenda Item No. 7b, "Logicomp Bill Review Report." Mr. Miller reported the amount billed totals \$1,721,798 for the period beginning January 1, 2011 through May 31, 2011. He said the actual paid amount for that period totals \$899,304, resulting in a net savings of \$834,274 after fees are paid. This is more than 48% of the amount billed for this 5-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 2011. 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 May, 2011 and should not be considered a guarantee of either good or poor ultimate loss performance.

President Alcorn called upon Messrs. Eyman and Rippee to address Agenda Item No. 8, "Loss Prevention and County Visits." Mr. Eyman reviewed May, June and July calendars for the loss-prevention staff. Next, Mr. Eyman reported on the enrollment rates and courses completed by the membership for the Gov U online courses. He also reported that Gov U has expanded the number of classes offered each month from three courses to eight courses.

President Alcorn addressed Agenda Item No. 9, "Legal Report." Mr. Parrish stated there was not a legal report for this meeting. At the next meeting KWORCC claims attorney Ron Laskowski will report on the new workers compensation law.

President Alcorn turned to Agenda Item No. 10, "Committee Reports." Mr. Parrish stated there were no committee reports. He said the Investment Committee would be meeting July 21, 2011.

President Alcorn then addressed Agenda Item No. 11, "Other Business." Nothing further was presented for the Board to address.

There being nothing further before the Board, President Alcorn adjourned the meeting at 1:44 p.m.

The KWORCC Board of Trustees approved the foregoing minutes on the 21<sup>st</sup> day of July, 2011.

Bonnie Swartz, Secretary  
KWORCC Board of Trustees