

**Minutes**  
**Meeting, Board of Trustees**  
**Kansas Workers Risk Cooperative for Counties**  
**February 17, 2011 at 2:00 pm**  
**Clubhouse Inn**  
**924 SW Henderson Road**  
**Topeka, KS 66615**

The February 2011 meeting of the Board of Trustees of Kansas Workers Risk Cooperative for Counties (KWORCC) was called to order at 2:00 pm on February 17, 2011 at the Clubhouse Inn 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; Bonnie Swartz, Gray County Clerk, Secretary; Michelle Garrett, Morris County Clerk, Controller; 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. Also present were Sam Cargnel of Centric Actuaries; Steve Garten, Barber County Commissioner and Cheryl Adelhardt, Harper County Clerk.

President Alcorn first addressed Agenda Item No. 2, "Presentation to President Wise." Mr. Alcorn thanked Mr. Wise for his year of service to KWORCC as President. Mr. Wise stated that he appreciated the honor of serving the membership as President and expressed best wishes for Mr. Alcorn in taking over the office.

President Alcorn addressed Agenda Item No. 3, "Approval of the Agenda." Mr. Parrish recommended three corrections or additions to the Agenda. The first was to move "Workers Compensation Legislation" from Agenda Item No. 11 to Agenda Item No. 11a; the second was to add Agenda Item No. 11b, "Bruce Woner Update" and the third was to move "Personnel Committee" from Agenda Item No. 12 to Agenda Item No. 12a. Mr. Wise moved to approve the agenda as amended. Mr. Unger seconded the motion, which CARRIED unanimously.

President Alcorn addressed Agenda Item No. 4, "Consideration of Minutes of Meeting of January 20, 2011." Mr. Unger moved to approve the minutes with a spelling correction. Ms. Swartz seconded the motion, which CARRIED unanimously.

President Alcorn next asked Mr. Parrish to address Agenda Item No. 5, "Administrator's Report." Mr. Parrish first addressed Agenda Item No. 5a, "Checks Requiring Board Approval and Approval of Electronic Transfer of Funds." He itemized the electronic transfer of funds and checks requiring approval. Ms. Buttron moved to ratify the transfers and approve the checks as presented. Mr. Wise seconded the motion, which CARRIED unanimously.

Mr. Parrish then asked Mr. Cargnel to address Agenda Item No. 5b, "Actuarial Year-End Adjustments." Mr. Cargnel reviewed the changes to the ultimate loss picks for prior years, noting there were no large changes to any particular year. Two years went up slightly and two went down slightly. He reported that 2009 was an unusual year with more than 100 fewer claims than expected. For 2011, the

reports show that 490 claims are expected, with an average cost of \$7,350 per claim, resulting in a loss pick for 2011 of \$3.6 million. Mr. Cargnel then asked for and responded to questions.

Mr. Parrish then addressed Agenda Item No. 5c, "Request to KDOA for Waiver of GAPP, Resolution No. 2011-21." Mr. Unger moved to adopt the resolution. Ms. Garrett seconded the motion, which CARRIED unanimously.

Mr. Parrish next addressed Agenda Item No. 5d, "Revised Investment Policy." He reviewed the changes to the language in the investment policy. Ms. Swartz moved to adopt the revised policy. Mr. Unger seconded the motion, which CARRIED unanimously.

Mr. Parrish then asked Ms. Bird to address Agenda Item No. 5e, "Report on 2011 Member Premium Receipts." Ms. Bird reported on the premiums received thus far. She reported that all but three counties have paid premiums to date.

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

President Alcorn addressed Agenda Item No. 7, "Financial Report." Mr. Alexander presented a preliminary 2010 year-end report which he described as an "interim snapshot" as well as the preliminary January 2011 financial reports. 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. Ms. Garrett moved to approve check Nos. 14083 through 14122 and the direct debits. Ms. Swartz seconded the motion, which CARRIED unanimously.

Next, Mr. Alexander reviewed reports showing the value of KWORCC's equity investments as of February 9, 2011 and February 16, 2011.

President Alcorn declared a short break in the meeting at 2:47pm. The meeting resumed at 2:59pm.

President Alcorn proceeded to Agenda Item No. 8, "Claims Report – IMA." Addressing Agenda Item No. 8a, "Select Claims Review," Ms. May reported on claims and answered questions.

Ms. May then addressed Agenda Item No. 8b, "Logicomp Bill Review Report." Ms. May reported the amount billed totals \$395,865 for the period beginning January 1, 2011 through January 31, 2011. She said the actual paid amount for that period totals \$152,712 resulting in a net savings of \$243,141 after fees are paid. This is more than 61% of the amount billed for this 1-month period.

Mr. Parrish 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 2008 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 January, 2011 and should not be considered as a guarantee of either good or poor ultimate loss performance.

Under Agenda Item No. 9, "Interview Trustee Candidates," Ms. Swartz moved that the Board recess into an executive session at 3:12 pm for a period of 30 minutes for the purpose of discussing non-elected personnel. Ms. Garrett seconded the motion, which CARRIED unanimously. At 3:36 pm, Mr. Wise moved to extend the executive session to 4:00 pm. Mr. Unger seconded the motion, which

CARRIED unanimously. The regular meeting resumed at 4:01 pm. Ms. Swartz moved to appoint Dr. Steve Garten as KWORCC Trustee for the south central district. Mr. Unger seconded the motion, which CARRIED unanimously.

President Alcorn called upon Messrs. Eyman and Rippee to address Agenda Item No. 10, "Loss Prevention and County Visits." Mr. Eyman reviewed January, February and March calendars for the loss-prevention staff. Mr. Eyman expressed his concern that information on availability of Gov U online training may not be reaching all county personnel. He stated that he and Mr. Rippee would continue to advise the counties about the online training and that KWORDS would have an article on the training. He also reported on the challenges in drafting a cell phone policy and advised that he and Ms. May are preparing training for procedures in reporting and processing claims.

President Alcorn addressed Agenda Item No. 11, "Legal Report." Mr. Parrish first reported on the components of HB 2134 as it was introduced in the Kansas House of Representatives. The bill contains many important amendments to the state's workers compensation laws. After hearings on the bill, it was passed out of committee for consideration on the floor of the house. Next, Mr. Parrish reported that KWORCC General Counsel Bruce Woner is in the hospital.

Next, President Alcorn addressed Agenda Item No. 12, "Committee Reports." Mr. Unger reported that the Personnel Committee met at 1:00 pm on this day. The committee recommended paying a performance enhancement of \$15,000 to the KWORCC staff for 2010 to be distributed in the ratio that each individual staff's salary bears to the total of all salaries. Mr. Unger moved to approve the committee's recommendation. Ms. Swartz seconded the motion, which CARRIED unanimously.

President Alcorn then addressed Agenda Item No. 13, "Other Business." Nothing further was presented for the Board to address.

There being nothing further before the Board, Mr. Unger moved to adjourn the meeting at 4:31 pm. Ms. Swartz seconded the motion, which CARRIED unanimously.

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

Bonnie Swartz, Secretary  
KWORCC Board of Trustees