Minutes
Meeting, Board of Trustees
Kansas Workers Risk Cooperative for Counties
May 19, 2011 at 1:00 pm
Clubhouse Inn
924 SW Henderson Road
Topeka, KS 66615

The May 2011 meeting of the Board of Trustees of Kansas Workers Risk Cooperative for Counties (KWORCC) was called to order at 1:15 p.m. on May 19, 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; 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. Bruce Woner, General Counsel; 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 Alcorn first addressed Agenda Item No. 2, "Approval of the Agenda." Mr. Parrish suggested adding to the Administrators Report an Item 4c, "Committee on Cooperation." Mr. Unger moved to approve the agenda with that modification. Mr. Wise seconded the motion which CARRIED unanimously.

President Alcorn addressed Agenda Item No. 3, "Consideration of Minutes of Meeting of April 28, 2011." Mr. Unger moved to approve the minutes as presented. Ms. Swartz 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, "Checks Requiring Board Approval and Ratification of Wire Transfers." He itemized the checks requiring approval and the electronic transfer of funds requiring ratification. Mr. Wise moved to approve the checks and ratify the electronic transfer of funds as presented. Dr. Garten seconded the motion which CARRIED unanimously.

Mr. Parrish then asked Mr. Davis to address Agenda Item No. 4b, "Feedback from Paul Davis Regarding KMIT Agents." Mr. Davis reported that KMIT, a self-insurance pool for Kansas cities, opted to approve the use of local insurance agents approximately 10 years ago because KMIT was encountering reluctance from cities to switch from local agents. KMIT pays a fee to the agents. The agents are available to answer questions for the city councils and provide a local office. KMIT uses local agents for approximately 28% of its insured cities.

Mr. Parrish then addressed Agenda Item No. 4c, "Committee on Cooperation Meeting" and deferred to Mr. Wise. Mr. Wise reported the committee met immediately prior to the Trustee meeting. He stated that committee members agreed that with the large number of new commissioners in the counties, there is a need to present the KWORCC and KCAMP programs to as many counties as possible. He recommended whenever possible, staff should meet with commissioners during informal meetings often referred to as study sessions so that commissioners would be more likely to ask questions. It was suggested KWORCC personnel should try to meet with county commissioners prior to the bidding process to explain the difference between the pool and a commercial insurance company. Mr. Wise reported that the committee expressed concern that during these difficult financial times, county governments feel pressure to take the lowest bid and ignore other critical factors relating to the quality of insurance coverage. He said the committee discussed a procedure whereby KWORCC and KCAMP present their bids as a package and require counties to award the insurance contract to both pools as the only option. KCAMP trustees were in favor of this procedure. KWORCC trustees explained

that the pools serve the counties better by allowing them to have a choice to select one or both pools. No agreement was reached on using this bidding procedure. Mr. Woner reported he had discovered close ties between the new commissioners in Reno County and the county's new insurance carrier and agency.

President Alcorn then proceeded to Agenda Item No. 5, "Marketing Report." Mr. Eyman discussed marketing activities for several counties and responded to questions. Mr. Eyman then shared the presentation he recently gave to the County Clerks Association describing KWORCC and the mechanics of workers compensation.

President Alcorn addressed Agenda Item No. 6, "Financial Report." Mr. Alexander discussed in detail the financial statements he prepared for April 2011. Ms. Swartz moved to receive and file the financial report. Mr. Wise seconded the motion which CARRIED unanimously.

Mr. Alexander presented the check register. Mr. Unger moved to approve check Nos. 14268 through 14303 and the direct debits. Ms. Garrett seconded the motion which CARRIED unanimously.

Next, Mr. Alexander reviewed reports showing the value of KWORCC's equity investments as of May 11, 2011 and May 18, 2011.

President Alcorn declared a break in the meeting at 2:29 p.m. The meeting resumed at 2:49 p.m.

President Alcorn addressed Agenda Item No. 7, "Claims Report – IMA." As to Agenda Item No. 7a, "Select Claims Review," Ms. May and Mr. Miller reported on claims and answered questions.

Mr. Miller then addressed Agenda Item No. 7b, "Logicomp Bill Review Report." Mr. Miller reported the amount billed totals $1,346,328 for the period beginning January 1, 2011 through April 30, 2011. He said the actual paid amount for that period totals $669,579, resulting in a net savings of $678,545 after fees are paid. This is more than 50% of the amount billed for this 4-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 April, 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 April, May and June 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.

President Alcorn addressed Agenda Item No. 9, "Legal Report." Mr. Parrish stated there was not a legal report for this meeting.

President Alcorn turned to Agenda Item No. 10, "Committee Reports." Mr. Parrish stated there were no additional 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, Mr. Unger moved to adjourn the meeting at 3:21 p.m. Mr. Wise seconded the motion which CARRIED unanimously.

The KWORCC Board of Trustees approved the foregoing minutes on the 16th day of June, 2011.

Bonnie Swartz, Secretary
KWORCC Board of Trustees