

Minutes
Meeting, Board of Trustees
Kansas Worker Risk Cooperative for Counties
Via Teleconference
700 SW Jackson – Suite 200, Topeka, Kansas
February 15, 2007

The February, 2007 meeting of the Board of Trustees of the Kansas Workers Risk Cooperative for Counties (KWORCC) was held by teleconference and called to order by Board President Ralph D. Unger on Thursday, February 15, 2007 at 1:05 p.m. Trustees participating: Ralph D. Unger, Decatur County Commissioner, President; Francis “Shep” Schoepf, Reno County Commissioner, Vice President; Michelle Garrett, Morris County Clerk, Secretary; Linda M. Buttron, Jefferson County Clerk, Controller; Jim Wise, Miami County Commissioner; Bonnie Swartz, Gray County Clerk and Doyle “Hooley” Alcorn, Jewell County Commissioner.

Staff participating: Mr. James W. Parrish, Administrator; Ms. Dortha O. Bird, Deputy Administrator/Staff Counsel; Mr. Carl Eyman, ARM-P, Deputy Administrator/Loss Prevention Specialist; Mr. Phil Rippee, Loss Prevention Specialist and Mr. Richard Alexander, Accountant.

Others participating: Ms. Annette Duncan, Mr. Paul Davis and Mr. Tris Felix all of IMA of Kansas and Sam Cargnel with Centric Actuarial Services.

President Unger addressed Agenda Item No. 2, “Approval of the Agenda.” Mr. Parrish requested deletion of Items No. 4d, 6c and 11, modification of Item No. 10a, adding the word “Reschedule” and addition of Item No. 12a, “Time of Next Meeting.” Mr. Schoepf moved to approve the agenda with these changes. Mr. Wise seconded the motion, which CARRIED unanimously.

President Unger addressed Agenda Item No. 3, “Consideration of minutes of meeting of January 25, 2007.” Mr. Wise moved to approve the minutes with one date change; Ms. Garrett seconded the motion, which CARRIED unanimously.

President Unger proceeded to Agenda Item No. 4, “Administrator’s Report.” Mr. Parrish presented checks and wires for ratification and approval. Ms. Swartz moved to approve the checks and wire transfers as presented. Mr. Schoepf seconded the motion, which CARRIED unanimously.

Mr. Parrish requested that Mr. Cargnel present his findings on the year-end actuarial evaluation. Mr. Cargnel explained his evaluation and adjustments to ultimate loss projections for all open fund years and answered questions. President Unger thanked Mr. Cargnel for his comprehensive report.

Mr. Parrish requested that Ms. Bird give a report on 2007 premiums. Ms. Bird provided a detailed review of the receipts, deposits and wire transfers of 2007 premium receipts.

President Unger called upon Mr. Eyman to address Agenda Item No. 5, "Marketing Report." Mr. Eyman stated there was no marketing activity at this time.

President Unger requested that Mr. Alexander address Agenda Item No. 6, "Financial Report." Mr. Alexander discussed in detail the preliminary revised December 2006 financial reports and answered questions. Ms. Swartz moved to receive and file the report as presented. Mr. Wise seconded the motion, which CARRIED unanimously.

Mr. Alexander discussed in detail the Iterim Report for Fourth Quarter, Kansas Insurance Department filing. Ms. Swartz moved to receive and file the report. Ms. Buttron seconded the motion which CARRIED unanimously.

Mr. Alexander presented the check register. Mr. Schoepf moved to approve check Nos. 11664 through 11696 as well as the direct deposits, all as presented. Ms. Swartz seconded the motion, which CARRIED unanimously.

Mr. Alexander then reviewed a spreadsheet showing the value of KWORCC's equity investments as of February 5, 2007.

President Unger addressed Agenda Item No.7, "Claims Reports." Ms. Duncan reported on various claims and answered questions.

Ms. Duncan reviewed the Logicomp report for the period of January 1, 2007 through January 31, 2007. She stated that the total amount billed is \$260,244.16. The report showed detected duplicates in the amount of \$15,636.42, which were deleted from the total amount billed. She further indicated a total of \$99,856.04 in recommended adjustments to comply with the Kansas fee schedule, provider write-offs and other costs. Inclusive of the cost for bill review and nurse case management services of \$3,009.20, the amount KWORCC paid was reduced to \$157,378.92 for an over all savings of \$102,865.24. Ms. Duncan then asked for and responded to questions.

Next, Mr. Felix presented an analytical review of KWORCC's losses for policy years 2005 and 2006. Separate exhibits compared the actual paid and incurred losses to the estimated paid and incurred losses. The intent of the presentation was to provide Board members a visual comparison of the currently estimated losses, the actuarial projected losses and the budgeted losses. IMA staff emphasized these charts should not be viewed as a guarantee of either good or poor ultimate-loss performance.

President Unger called upon Mr. Eyman and Mr. Rippee to address Agenda Item No. 8, "Loss Prevention and County Visits." Mr. Eyman and Mr. Rippee reported on county inspections, training and county commission visits.

President Unger called upon Mr. Parrish to address Agenda Item No. 10, "Legal Report." Mr. Parrish reported that Senate Bill 234 would allow a Missouri pool to write workers compensation and multi-line insurance, which would not be in the best interest of either the KWORCC or KCAMP Membership. He stated that while the bill was deferred to next session, it could be revitalized at any time and that staff would watch that bill and work to better understand the

intent of the Missouri pool.

President Unger addressed Agenda Item No. 10a "Rescheduling Personnel Committee." Mr. Alcorn, chairman of the committee stated the Committee would meet March 22, 2007 at noon.

President Unger asked if there were any "Other Items" to present under Agenda Item 12. Mr. Parrish stated that the time of the next meeting needed to be discussed. Because the Clubhouse Inn conference room was not available on March 22, 2007, the Trustees would be meeting at the Holiday Inn Express. The Investment Committee would meet at 12:50 p.m. and the Board could take up its regular meeting at 1:00 p.m. This was agreeable to everyone.

There being nothing further, Mr. Schoepf moved to adjourn the meeting at 2:20 p.m. Mr. Wise seconded the motion, which CARRIED unanimously.

THE FOREGOING MINUTES of the Board of Trustees of Kansas Workers Risk Cooperative for Counties were approved by the Board of Trustees the 22nd day of March, 2007.

Michelle Garrett, Secretary
KWORCC Board of Trustees