

**Minutes**  
**Meeting, Board of Trustees**  
**Kansas Worker Risk Cooperative for Counties**  
**Clubhouse Inn – Conference Room**  
**924 SW Henderson Rd., Topeka, Kansas**  
**January 25, 2007**

The January, 2007 meeting of the Board of Trustees of the Kansas Workers Risk Cooperative for Counties (KWORCC) was called to order by Board President Linda Buttron on Thursday, January 25, 2007 at 2:03 p.m. Trustees participating: Linda M. Buttron, Jefferson County Clerk, President; Ralph D. Unger, Decatur County Commissioner, Vice President; Francis “Shep” Schoepf, Reno County Commissioner, Secretary; Michelle Garrett, Morris County Clerk, Controller; Jim Wise, Miami County Commissioner and Bonnie Swartz, Gray County Clerk.

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.

President Buttron addressed Agenda Item No. 2, “Approval of the Agenda.” Mr. Parrish requested addition of Items No. 4a, “Excuse Doyle ‘Hooley’ Alcorn for Health Reasons” and 5c, “2007 Premium Receipts.” Mr. Schoepf moved to approve the agenda with these changes. Mr. Wise seconded the motion, which CARRIED unanimously.

President Buttron addressed Agenda Item No. 3a, “Meeting of December 12, 2006.” Mr. Unger pointed out two minor errors in the minutes presented. Ms. Swartz moved to approve these minutes as corrected. Ms. Garrett seconded the motion, which CARRIED unanimously.

President Buttron proceeded to Agenda Item No. 3b, “Special Meeting of January 8, 2007.” Ms. Swartz noted she had attended the telephone meeting, yet was not listed in the minutes. Mr. Wise moved to approve these minutes as corrected. Mr. Unger seconded the motion, which CARRIED unanimously.

President Buttron then addressed Agenda Item No.4, “Election of Officers.” Mr. Parrish stated that in the past, officers have been elected under a rotation system, which gives each Board Member the opportunity, if desired, to move sequentially through each of the officer positions. Ms. Swartz moved, in keeping with that tradition, that the list of officers under consideration be nominated and that a unanimous ballot be cast for Ralph D. Unger, President; Francis “Shep” Schoepf, Vice President; Michelle Garrett, Secretary and Linda M. Buttron, Controller. Mr. Wise seconded the motion, which CARRIED unanimously.

Whereupon, Mr. Unger assumed the position as President and presented a gift of appreciation to Ms. Buttron for her year of service as President of KWORCC.

President Unger addressed Agenda Item 4a, "Excuse Hooley Alcorn from Board Meeting for Health Reasons." Ms. Bird explained that Mr. Alcorn called the day before the meeting to say that he was suffering from influenza. Mr. Schoepf moved to excuse Mr. Alcorn from the meeting. Ms. Buttron seconded the motion, which CARRIED unanimous.

President Unger requested that Mr. Parrish address Agenda Item No. 5, "Administrator's Report."

Mr. Parrish presented three checks for approval, as follows: check No. 11666 in the amount of \$17,500 written to IMA for the first of 10 payments for 2007 claims management; check No. 11667 in the amount of \$55,000 written to IMA for 2007 brokerage and risk management services and check No. 11673 in the amount of \$5,410 written to IMA for excess insurance premium for policy year 2005 resulting from audit.

Mr. Parrish stated there were four wire transfers of funds since the last Board meeting, all authorized by Ms. Garrett and Mr. Parrish: 1) January 5, 2007 in the amount of \$30,160.53 from the KWORCC account at Country Club Bank in Prairie Village to the KWORCC claims account at Kaw Valley Bank in Topeka for December claims payments; 2) January 18, 2007 in the amount of \$281,886.36 from the KWORCC claims account at Kaw Valley Bank in Topeka to the KWORCC account at Country Club Bank in Prairie Village for investment of 70% of premium receipts, less special billing for settlements and death benefits; 3) January 22, 2007 in the amount of \$269,303.10 from the KWORCC claims account at Kaw Valley Bank in Topeka to the KWORCC account at Country Club Bank in Prairie Village for investment of 70% of premium receipts, less special billing for claim settlement and 4) January 24, 2007 in the amount of \$192,359.30 from the KWORCC claims account at Kaw Valley Bank in Topeka to the KWORCC account at Country Club Bank in Prairie Village for investment of 70% of premium receipts. Mr. Schoepf moved to approve the checks and wire transfers as presented. Mr. Wise seconded the motion, which CARRIED unanimously.

Mr. Parrish confirmed that the Board and staff members completed the conflict of interest forms.

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, the total of which was \$1,689,280. She said premiums receivable currently total \$4,486,819.

President Unger called upon Mr. Eyman to address Agenda Item No. 6, "Marketing Report." Mr. Eyman reported that Northwest Regional Recycling Center would be joining KWORCC.

Mr. Parrish reviewed some of the marketing challenges for KWORCC. He stated that having a local resident advocating for KWORCC would be very helpful, noting that KMIT used local insurance agents for some of its policies. Mr. Schoepf stated that it would be a good idea to explore this issue further and to ask the KWORCC and KCAMP Joint Committee on Cooperation to discuss it also.

President Unger requested that Mr. Alexander to address Agenda Item No. 7a, "Financial Report." Mr. Alexander discussed in detail the preliminary December 2006 financial reports and answered questions. Ms. Swartz moved to accept the reports as presented. Ms. Buttron seconded the motion, which CARRIED unanimously.

Mr. Alexander presented the check register. Mr. Schoepf moved to approve check Nos. 11607 through 11663 as well as the direct deposits, all as presented. Mr. Wise seconded the motion, which CARRIED unanimously.

Mr. Alexander then reviewed a spreadsheet showing the value of KWORCC's equity investments as of January 15, 2007.

President Unger called for a 10-minute break in the meeting.

President Unger addressed Agenda Item No.8, "Claims Reports." Ms. Duncan reported on various claims and answered questions. Ms. Duncan then presented claim No. 04-5747 for settlement approval. Ms. Swartz moved to approve the settlement as discussed. Mr. Schoepf seconded the motion, which CARRIED, five voting in favor and one opposing the motion.

Ms. Duncan reviewed the Logicomp report for the period of January 1, 2006 through December 31, 2006. She stated that the total amount billed is \$2,770,546.19. The report showed detected duplicates in the amount of \$224,639.12, which were deleted from the total amount billed. She further indicated a total of \$1,091,739.90 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 \$37,882.54, the amount KWORCC paid was reduced to \$1,640,923.75. She noted that the average savings for the year was 39.41%. Ms. Duncan then asked for and responded to questions.

Next, Mr. Felix presented an analytical review of KWORCC's claims experience for policy years 2005 and 2006. Separate exhibits compared the actual paid and incurred experience to the estimated paid and incurred experience. He also provided exhibits showing that 2006 had high volume of claims experience for the final third of the year, when compared to the same period for the previous five years. The intent of the presentation was to provide Board members a visual comparison of the currently estimated claims experience with that projected by the actuarial firm the budgeted amount. Mr. Felix predicted that the actuarial firm would increase the ultimate loss estimate for policy year 2006 by approximately \$1.5 million.

President Unger called upon Mr. Eyman and Mr. Rippee to address Agenda Item No. 9, "Loss Prevention and County Visits." Mr. Eyman and Mr. Rippee reported on county inspections, training and county commission visits. Mr. Eyman reported that Mr. Parrish and he would be providing new-commissioner training at the Kansas Association of County seminar on February 1, 2007.

President Unger called upon Mr. Parrish to address Agenda Item No. 10, "Legal Report." There were no legal matters to report.

President Unger addressed Agenda Item No. 11, "Committee Reports," stating that the Committee meetings would be at 1:00 p.m. on the dates indicated. Mr. Parrish made a request to reschedule the February meetings from Wednesday, February 14, 2007 to Thursday, February 15, 2007. Ms. Swartz stated that she could accommodate that date if the meeting would start at 1:00 p.m. rather than 2:00 p.m. None of the other Trustees had conflicts with this rescheduling. Whereupon, Mr. Wise moved to reschedule the February regular Board Meeting to Thursday, February 15, 2007, starting at 1:00 p.m. and to schedule the committee meetings as follows: Personnel Committee, Thursday, February 15, 2007 at 12:00 noon; Investment Committee, March 22, 2007 at 1:00 p.m. and Audit Committee April 27, 2007 at 1:00 p.m. Ms. Swartz seconded the motion, which CARRIED unanimously.

President Unger asked Ms. Bird to make her presentation for Agenda Item No. 12, "Trustee Training: Death Benefits III – Overview & No Dependents." Ms. Bird gave a brief overview and answered questions concerning materials previously presented on death benefit under the Kansas Workers Compensation Act for surviving spouse and children as well as other wholly or partially dependent survivors. Then, she outlined what Kansas law provides concerning such payments that would (or may) be due in the event a deceased worker has no surviving dependents. This entails payments to legal heirs or the Kansas Self Insurance Fund. President Unger thanked Ms. Bird for the presentation.

President Unger asked if there were any "Other Items" to present under Agenda Item 13. Seeing none, he proceeded to Agenda Item 13a, "Executive Session – Personnel Matter." Whereupon, Ms. Garrett moved to go into executive session to discuss non-elected personnel matters beginning at 4:38 p.m. and ending at 4:48 p.m. Ms. Swartz seconded the motion, which CARRIED unanimously.

The meeting reconvened at 4:48 p.m.

President Unger asked if there was any further business to be brought before the meeting. Seeing none, Ms. Swartz made a motion to adjourn the meeting at 4:49 p.m. Mr. Schoepf 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 15<sup>th</sup> day of February, 2007.

Michelle Garrett, Secretary  
KWORCC Board of Trustees