

Minutes
Meeting, Board of Trustees
Kansas Worker Risk Cooperative for Counties
March 22, 2007 at 1:00 PM
Holiday Inn Express
901 SW Robinson Ave
Topeka, KS 66606

The March, 2007 meeting of the Board of Trustees of the Kansas Workers Risk Cooperative for Counties (KWORCC) was called to order by Board President Ralph D. Unger on Thursday, March 22, 2007 at 1:10 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 D. Eyman, ARM-P, Deputy Administrator/Loss Prevention Specialist; Mr. Philip J. Rippee, Loss Prevention Specialist; Mr. Richard Alexander, Accountant and Ms. Pamela Banks, Administrative Assistant/Media Developer.

President Unger addressed Agenda Item No. 2, "Approval of the Agenda." Mr. Parrish requested the addition of Item No. 10b, "Investment Committee KWORCC Resolution #2007-22." Mr. Wise moved to approve the agenda with this addition. Ms. Swartz seconded the motion, which CARRIED unanimously.

President Unger addressed Agenda Item No. 3, "Consideration of minutes of the meeting of February 15, 2007." Mr. Schoepf moved to approve the minutes. Ms. Garrett seconded the motion, which CARRIED unanimously.

President Unger proceeded to Agenda Item No. 4, "Administrator's Report." Mr. Parrish addressed Agenda Item No. 4a, "Checks Requiring Board Approval and Ratification of Wire Transfers." Mr. Parrish reviewed checks for approval and wire transfer of funds. Ms. Swartz moved to approve the checks and wires as presented. Mr. Wise seconded the motion, which CARRIED unanimously.

Ms. Bird addressed Agenda Item No. 4b, "Report on 2007 Receipts and 2006 Audits." She reviewed her report published in the Board packet itemizing the premium receipts from members for 2007. Next, she explained the status of payroll audits for the 2006 policy year, which would result in a net increase in 2006 premiums of \$260,758.

Ms. Bird addressed Agenda Item No. 4c, "National PRIMA Conference." She and Ms. Banks completed flight and room reservations. She reviewed participants, the registration form and answered questions.

Mr. Unger addressed Agenda Item No. 4d, "Bank Account Forms- Circulated for Signature by All Trustees." He explained that the forms could be completed during the meeting and that each trustee would be signatories on the accounts.

President Unger called for Mr. Eyman to address Agenda Item No.5 "Marketing Report." Mr. Eyman stated that there were no updates on marketing.

President Unger requested that Mr. Alexander address Agenda Item No. 6, "Financial Reports." Mr. Alexander discussed in detail financial reports for December 2006 (revised), January 2007 and February 2007 and answered questions. Ms. Swartz moved to receive and file the reports as presented. Mr. Schoepf seconded the motion, which CARRIED unanimously.

Mr. Alexander discussed in detail the Interim Report for Fourth Quarter, 2006 (amended) to be filed with the Kansas Insurance Department. Ms. Swartz moved to receive and file the report. Mr. Schoepf seconded the motion, which CARRIED unanimously.

Mr. Alexander presented the check register. Mr. Schoepf moved to approve check Nos. 11697 through 11754 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 March 12, 2007.

President Unger addressed Agenda Item No.7 "Claims Report." Ms. Duncan reported on several claims and answered questions.

Ms. Duncan requested authorization from the Board to settle claim No 04-4741. Ms. Swartz moved to approve the settlement as presented. Ms. Buttron seconded the motion, which CARRIED with one abstention.

Ms. Duncan reviewed the Logicom report for the period of January 1, 2007 through February 28, 2007. She stated that the total amount billed is \$557,264.59. The report showed detected duplicates in the amount of \$22,755.53, which were deleted from the total amount billed. She further indicated a total of \$207,371.55 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 \$4,504.83, the amount KWORCC paid was reduced to \$344,334.34 for net savings of \$202,865.24. Ms. Duncan then asked for and responded to questions.

Next, Mr. Felix presented an analytical review of KWORCC's losses for policy years 2002 through 2007. 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 and stated that training is going well, despite adverse weather earlier in the year causing rescheduling.

Mr. Eyman addressed Miami County's request for KWORCC's participation in the cost of driver simulator training. After discussion, Ms. Swartz moved to approve \$500 to participate in driver simulation training in Miami County. Ms. Buttron seconded the motion, which CARRIED with one abstention.

President Unger addressed Agenda Item No.9, "Legal Report." Mr. Parrish stated that there was no legal report.

President Unger addressed Agenda Item No. 10a, "Personnel Committee." Mr. Alcorn reported that the Personnel Committee met earlier in the day and discussed performance enhancements for KWORCC Staff employed as of January 1, 2007. After discussion, Ms. Swartz moved that the staff employed by KWORCC as of January 1, 2007 receive a performance enhancement in the amount of \$12,000 distributed proportionately in the ratio that each employee's salary bears to the total of their salaries. Mr. Alcorn seconded the motion, which CARRIED unanimously.

Next, President Unger called upon Mr. Wise to report for the Investment Committee, pursuant to Agenda Item 10b, "Investment Committee-KWORCC Resolution No. 2007-22." Mr. Wise stated that the Investment Committee reviewed the list of purchases and sales of government securities for the period of November 29, 2006 through March 8, 2007. Mr. Wise pointed out an error in maturity date of a security listed, but other than that, he said the committee approved said purchases. After some discussion, Mr. Wise moved to adopt KWORCC Resolution No. 2007-22. Mr. Alcorn seconded the motion, which CARRIED unanimously.

President Unger called upon Mr. Felix to address Agenda Item No. 11, "Trustee Training: Nutz-N-Boltz of Directors and Officers Liability." Mr. Felix presented current coverages and answered questions. Mr. Unger thanked Mr. Felix for his helpful presentation.

President Unger asked if there were any "Other Items" to present under Agenda Item No. 12. There was discussion regarding monthly meeting times. Ms. Swartz moved to begin the monthly Board meetings at 1:00 p.m. during Daylight Savings Time and 2:00 p.m. during the rest of the year. Mr. Wise seconded the motion, which CARRIED unanimously.

President Unger requested that monthly meeting Board packet covers include the KWORCC toll free number and the phone number for the meeting location.

There being nothing further, Ms. Swartz moved to adjourn the meeting at 3:05 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 27th day of April, 2007.

Michelle Garrett, Secretary
KWORCC Board of Trustees