

**Minutes**  
**Meeting, Board of Trustees**  
**Kansas Worker Risk Cooperative for Counties**  
**October 18, 2007 at 1:00 p.m.**  
**Club House Inn**  
**924 SW Henderson**  
**Topeka, KS 66615**

The October 2007 meeting of the Board of Trustees of Kansas Workers Risk Cooperative for Counties (KWORCC) was called to order by Board President Ralph D. Unger on Thursday, October 18, 2007 at 1:10 p.m. Trustees participating included 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; Bonnie Swartz, Gray County Clerk; Jim Wise, Miami County Commissioner; Doyle "Hooley" Alcorn, Jewell County Commissioner.

Staff participating from the KWORCC office included Mr. James W. Parrish, Administrator; Ms. Dortha O. Bird, Deputy Administrator/Staff Counsel; Mr. Carl Eyman, Deputy Administrator and Loss Prevention Specialist; Mr. Philip J. Rippee, Loss Prevention Specialist; Mr. Richard Alexander, Accountant; Mr. Bruce Woner, General Counsel; Ms. Nicole Jarboe, Administrative Assistant.

Others present at the board meeting included Ms. Annette Duncan, Mr. Gus Campuzano and Mr. Tris Felix of Insurance Management Associates (IMA); Mr. Sam Cargnel of Centric Actuarial Solutions.

President Unger addressed Agenda Item No. 2, "Approval of the Agenda." The administrator asked for two additions: 5a, "Volunteer Fire Insurance Policies through KWORCC" and 10a, "Report of Investment Committee." The modified agenda was approved by consensus.

President Unger addressed Agenda Item No. 3, "Consideration of minutes of the meeting of September 20, 2007." He recommended the addition of the word "of" as well as the addition of the phrase "the ratification of" on the first page. Mr. Schoepf moved to approve the minutes with the changes. Mr. Wise 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 itemized checks and wire transfers of funds. Mr. Wise moved to approve the checks and ratify the wire transfers as presented. Ms. Swartz seconded the motion, which CARRIED unanimously.

Next, Mr. Felix presented an analytical review of KWORCC's claim history for policy years 2002 through 2007. Separate exhibits compared the actual paid and incurred claim payments to the estimated paid and incurred claim payments. 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.

Next, Mr. Cargnel presented his actuarial report to the Board. The report included estimates of ultimate liabilities, changes in ultimate liabilities to prior years, an outlook for 2008 and a confidence-level analysis for the 2008 forecast. He asked for and responded to questions.

President Unger then addressed Agenda Item No. 4d, "Options for Loss Cost Multipliers." Mr. Felix reviewed information on other pools that use more than one loss cost multiplier and discussed some options for how KWORCC could use multiple tiers. Mr. Parrish recommended the Board consider adding one or more loss cost multipliers at its meeting in December.

The next item before the Board was Agenda Item 4e, "2008 KWORCC Budget Approval." Mr. Parrish reviewed the proposed budget for 2008, noting the decreases and increases from the 2007 budget. After discussion, Ms. Swartz moved to approve the budget as presented. Ms. Buttron second the motion and the motion CARRIED

Next, Ms. Bird addressed Agenda Item No. 4f, "Annual Meeting Update." She explained the KWORCC booth at the KAC Annual Conference will be open from 6:00 p.m. to 10:00 p.m. on Sunday, November 18 and from 7:00 a.m. to 12:00 p.m. on Monday. A booth signup sheet was included in the board packet, and she asked the Board Members to sign up on the booth schedule. A map of the exhibition hall was also included as well as an information sheet concerning the KWORCC and KCAMP annual meetings and a list of voting delegates submitted to date.

President Unger then proceeded to Agenda Item 5, "Marketing Report." Mr. Eyman reported on marketing activities for both current and prospective counties. He also addressed Agenda Item No. 5a, "Volunteer Fire Insurance Policies through KWORCC." After discussion Mr. Alcorn moved to authorize further investigation of Mr. Eyman becoming a VFIP agent and to proceed if advisable. Ms. Swartz seconded the motion which CARRIED unanimously.

A brief break in meeting was called by President Unger.

President Unger asked Mr. Alexander to address Agenda Item No. 6, "Financial Reports." Mr. Alexander reported on financial statements he had prepared for August 2007. Ms. Swartz moved to receive and file the reports as presented. Ms. Garrett seconded the motion, which CARRIED unanimously.

Mr. Alexander discussed in detail the third quarterly financial report for 2007 to be filed with the KID. Ms. Swartz moved to receive and file that report. Mr. Wise seconded the motion, which CARRIED unanimously.

Mr. Alexander presented the check register. Mr. Schoepf moved to approve check Nos. 12102 through 12149 and the direct debits, all as presented. Ms. Garrett seconded the motion, which CARRIED unanimously.

Mr. Alexander then reviewed a spreadsheet showing the value of KWORCC's equity investments as of October 8, 2007.

President Unger addressed Agenda Item No.7, "Claims Report." Ms. Duncan reported on several claims and answered questions. She also requested approval on a pending settlement of claim # 2007032189. Mr. Parrish said the KWORCC staff had reviewed the settlement proposals and recommended approval. Ms. Swartz moved for approval of the settlement as recommended; Ms. Buttron seconded the motion, which CARRIED unanimously.

Ms. Duncan reviewed the Logicomp report for the period of January 1, 2007 through September 30, 2007. She stated that the total amount billed is \$3,726,610.54. The report showed actual paid amount to be \$2,367,354.70 for net savings after fees of \$1,282,863.09 or 34.42% for this nine-month period.

President Unger called upon Messrs. Eyman and Rippee to address Agenda Item No. 8, "Loss Prevention and County Visits." Mr. Eyman reviewed calendars for September through November. Mr. Rippee talked about the safety analysis currently used by Franklin County and recommended its use for other counties in the pool.

President Unger addressed Agenda Item No.9, "Legal Report." Mr. Parrish stated there were no legal matters to report. He indicated that Mr. Woner was present to respond to any questions of Trustees.

President Unger proceeded to Agenda Item No. 10, "Investment Committee Report." Mr. Wise reported on the meeting of the investment committee held at noon, just prior to this meeting, and that Mr. Mark D'Andrea of Security Benefit and Chris Thompson of Country Club Bank attended the meeting to discuss the status of KWORCC investments. Mr. Wise reported that the Investment Committee recommends KWORCC continue the

\$30,000 equity investments each month provided funds are available without early termination of fixed-asset investments with penalties. The funds in which the investments are to be made are Alpha Opportunity, Global Security and Midcap Growth. Additionally, it was recommended the committee review its investments again in December. Mr. Wise moved that the recommendations of the committee be accepted. Mr. Schoepf seconded the motion which, CARRIED unanimously.

President Unger then directed the Boards attention to Agenda Item No. 11, "Trustee Training: Retaliation Claims – Update." Ms. Bird described a recent United States Supreme Court opinion and how it has been interpreted by the courts. She indicated that the definition of retaliation has been broadened due to the opinion and subsequent case law. President Unger thanked Ms. Bird for her presentation.

President Unger reminded the Board that group photographs for the annual meeting agenda book were scheduled immediately following the Board meeting.

There being no further business on the agenda, Ms. Swartz moved to adjourn at 4:03 p.m. Ms. Garrett seconded the motion, which CARRIED unanimously.

The Board of Trustees approved the foregoing minutes of the Board of Trustees of Kansas Workers Risk Cooperative for Counties on the 20<sup>th</sup> day of December 2007.

Michelle Garrett, Secretary  
KWORCC Board of Trustees