

Minutes
Meeting, Board of Trustees
Kansas Worker Risk Cooperative for Counties
February 12, 2008 at 4:00 p.m.
Clubhouse Inn
924 SW Henderson Road
Topeka, KS 66615

The February 2008 meeting of the Board of Trustees of Kansas Workers Risk Cooperative for Counties (KWORCC) was called to order at 4:04 p.m. at the Clubhouse Inn in Topeka by Board President F.E. "Shep" Schoepf on Tuesday, February 12, 2008. Trustees participating included, Francis "Shep" Schoepf, Reno County Commissioner, President; Michelle Garrett, Morris County Clerk, Vice President; Jim Wise, Miami County Commissioner, Secretary; Linda M. Buttron, Jefferson County Clerk, Controller; Bonnie Swartz, Gray County Clerk; Ralph D. Unger, Decatur County Commissioner; and 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; Ms. Nicole Jarboe, Executive Assistant and Media Director.

Others present included Ms. Annette Duncan, Mr. Gus Campuzano and Mr. Tris Felix of Insurance Management Associates (IMA) and Mr. Sam Cargnel of Centric.

President Schoepf addressed Agenda Item No. 2, "Approval of the Agenda." Mr. Parrish pointed out the pagination should be changed to pages 23-28 on Agenda Item No. 6b, and that due to the early February meeting Agenda Item No. 6c needed to be deferred to the March meeting. Mr. Wise moved to approve the agenda as amended. Mr. Alcorn seconded the motion, which CARRIED unanimously.

President Schoepf addressed Agenda Item No. 3, "Consideration of Minutes, January 17, 2008." Mr. Unger pointed out a typographical error on the second page and moved to approve the minutes with the correction; Ms. Garrett seconded the motion, which CARRIED unanimously.

President Schoepf 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. Ms. Swartz moved to approve the checks and ratify the wire transfers as presented. Ms. Garrett seconded the motion, which CARRIED unanimously.

Next Mr. Parrish asked Mr. Cargnel to address Agenda Item No. 4b, "Actuarial Year-End Adjustments." Mr. Cargnel explained his evaluation and adjustments to ultimate loss projections for all open fund years and answered questions. President Schoepf thanked Mr. Cargnel for his comprehensive report.

Next, Mr. Parrish asked Ms. Bird to address Agenda Item No. 4c, "Report on 2008 Member Premiums." Ms. Bird reviewed a list of the premiums received thus far and explained the premiums are separation by depositing 70% into the claims account and 30% into the administrative account as required by the Kansas Insurance Department (KID) examiner.

President Schoepf then proceeded to Agenda Item No. 5, "Marketing Report." Mr. Eyman reported on current marketing activities, which includes three potential new counties to join the pool.

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

Mr. Alexander discussed in detail an interim fourth quarterly financial report for 2007 to be filed with the KID. Ms. Swartz moved to receive the interim fourth quarterly report for 2007 and to approve filing it with the KID. Ms. Buttron seconded the motion which CARRIED unanimously.

Mr. Alexander presented the check register. Ms. Swartz moved to approve check Nos. 12301 through 12361 and the direct debits, all as presented. Mr. Unger seconded the motion, which CARRIED unanimously.

The equity investment spreadsheet was not up to date. Mr. Parrish said that a current one will be mailed to the Trustees later in the week.

President Schoepf addressed Agenda Item No.7, "Claims Report." Ms. Duncan reported on several claims and answered questions. She also requested approval on a pending settlements of claim # 200603119. Ms. Swartz moved for approval of the settlement as recommended; Mr. Wise seconded the motion, which CARRIED unanimously. Ms. Duncan then recommended settlement of claim # 04-5338. Mr. Unger moved for approval of the settlement as recommended; Ms. Swartz seconded the motion, which CARRIED unanimously.

Mr. Felix distributed a revised version of the Medical Bill Review-Report and gave a detailed explanation of this report showing the medical bill data, the savings achieved by Logicomp and fees charged for these services.

Next, Mr. Felix presented an analytical review of KWORCC's claim history for policy years 2006 through 2008. 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.

President Schoepf called upon Messrs. Eyman and Rippee to address Agenda Item No. 8, "Loss Prevention and County Visits." Mr. Eyman reviewed calendars for January, February and March for the loss prevention staff.

President Schoepf addressed Agenda Item No. 9, "Legal Report." Mr. Parrish reported on the status of Stephen v. Phillips County. Mr. Unger moved that the KWORCC attorneys be authorized to appeal the Kansas Court of Appeals decision in this case to the Kansas Supreme Court. Ms. Swartz seconded the motion, which CARRIED unanimously.

President Schoepf addressed Agenda Item No. 10, "Committee Reports." Mr. Alcorn then requested that Mr. Parrish present the Personnel Committee report. Mr. Parrish reviewed the performance of the administrative expense accounts, pointing out that the total of these expenditures came in well under budget for 2007, and no line item was over budget. Although claims activity was slightly over budget based upon incurred expenditures to date, investment income for 2007 exceeded \$900,000. After discussion, Mr. Alcorn moved that the KWORCC staff receive a performance enhancement in the amount of \$12,000 to be distributed in the ratio of each members salary to the total salaries paid in 2007. Ms. Garrett seconded the motion, which CARRIED unanimously.

President Schoepf next proceeded to Agenda Item No. 11, "Trustee Training: Employment Law Case Review." Ms. Bird presented a review of several employment law cases and their results. President Schoepf thanked her for the informative session.

President Schoepf proceeded to Agenda Item No. 12, "Other items." There were no other items to discuss.

There being no further business on the agenda, Ms. Swartz moved to adjourn at 5:35 p.m. Mr. Unger 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 13th day of March 2008.

Mr. Jim Wise, Secretary
KWORCC Board of Trustees