

**SPECIAL MEETING, BOARD OF TRUSTEES
KANSAS WORKERS RISK COOPERATIVE FOR COUNTIES
VIA TELECONFERENCE
DECEMBER 16, 1998**

A meeting of the Board of Trustees of the Kansas Workers Risk Cooperative for Counties ("KWORCC") occurred by telephone conference call on Wednesday, December 16, 1998. The meeting originally was scheduled for 10:30 a.m. After some delay in contacting all Board Members, the meeting proceeded. All Trustees participated in the call, including: Doyle "Hooley" Alcorn, Jewell County Commissioner; Ralph Unger, Decatur County Commissioner; Gayle Landoll, Marshall County Clerk; Bonnie Swartz, Gray County Clerk; John Green, Cherokee County Commissioner; Charles Hutchison, Osage County Commissioner; and, Bob Fischer, Reno County Commissioner.

Also present by telephone: Ms. Shirley Wald^bridge, Jefferson County Clerk, future Board Member and James W. Parrish, Attorney for KWORCC Board.

Staff present in conference room of James W. Parrish: Ms. Jean Cowan.

Also present in the conference room of James W. Parrish were: Ms. Theresa Nuckolls, Attorney for the KCAMP; Mr. Patrick Riordan of Woner, Glenn Law Office; Mr. Marty Hazen of the Kansas Insurance Commissioner's office; and Ms. Dortha O. Bird, to take minutes of the Meeting.

The conference operator reported difficulty in getting Mr. Alcorn on the phone. After waiting a few minutes, Ms. Bonnie Swartz, Vice President, called the meeting to order so that discussion could begin while we awaited the connection with Mr. Alcorn. Mr. Parrish reported to the Board that an attorney named Mr. Jerry Levy had called Mr. Parrish and said that he represented the employees of KWORCC and KCAMP and sought clarification on the status of the employees following the decision of the Board ~~following a decision of the Board~~ December 10th to begin a transition to a new Administrator. Mr. Parrish encouraged the Board to take action which is more precise so that all employees would definitely know their status. Mr. Parrish recommended that the Board pay the employees for an additional three months and that in addition to that, Ms. Cowan receive a severance package for her service to the Board.

Hooley Alcorn joined the meeting at 10:50 a.m. and Mr. Parrish advised him of the foregoing.

Next, Mr. Parrish told of his conversation with Tom Klug with Gallagher & Co. Mr. Klug stated that Gallagher Woodsmall would be willing to help with claims management in light of the fact that Tom Job resigned (effective December 15, 1998 at 5:00 p.m.) and Rosemary Hiebsch is on sick leave. Mr. Parrish stated that Gallagher & Co. May reconsider its position and continue to act as a service provider to KWORCC. In all events, Mr. Parrish indicated that Mr. Klug was willing to cooperate in a smooth transition.

After some discussion, Bonnie Swartz moved that the KWORCC employees be kept on the payroll, subject to current employment contract, for the balance of December of 1998 and the months of January, February and March of 1999 and that the Board invite employees of either pool to apply for any position with KWORCC. John Green seconded the motion. After some discussion, Hooley Alcorn asked if the Board would like to vote by roll call or prefer group vote. A roll call vote was not requested. The vote was called and the motion carried unanimously.

Next, Ralph Unger moved to appoint James W. Parrish as acting administrator for the KWORCC Board, to be paid at the rate paid to the current administrator and to retain Jean Cowan for a period of three months to act as consultant for KWORCC, at her present salary. Bob Fischer seconded the motion which passed unanimously.

Whereupon, Bonnie Swartz moved to designate James W. Parrish's office as KWORCC's temporary office and to forward all mail to James W. Parrish's office, 700 SW Jackson, Suite 200, Topeka, Kansas 66603. Gayle Landoll seconded the motion which passed unanimously.

At which time, Ralph Unger moved that James W. Parrish request of all legal counsel a summary of all case files and related expenses so that the Board can review that information at its January 7, 1999 meeting. Charles Hutchison seconded the motion which passed unanimously.

Thereafter, John Green moved for James W. Parrish to get an accounting of all files owned by KWORCC and request full cooperation from all current staff members in the transition and to get a complete list of all property owned or leased by KWORCC, including property jointly owned by KCAMP. The motion further stated that any property owned jointly with KCAMP should stay in the possession of KCAMP so as not to disrupt KCAMP operations, provided, however, any software information or data bases or other computer information that is contained within such jointly owned property is to be transferred to or retrieved for KWORCC, subject to any copyright rights of the owners of such software, the intention being to get the information transferred to KWORCC's new administration. Charles Hutchison seconded the motion which passed unanimously.

The discussion then turned to the matter of checking accounts. Ralph Unger moved to rescind all prior bank resolutions and authorized James W. Parrish to open new accounts providing the authorized signatures for the accounts should require any two of the four remaining Board Members (Hooley Alcorn, Ralph Unger, Bonnie Swartz and Gayle Landoll) and the acting Administrator, James W. Parrish. That motion was seconded by Gayle Landoll and passed unanimously.

Next, Bonnie Swartz moved that the Board request that Gallagher & Co. to reconsider its decision to not renew its contract with the KWORCC Board and request Gallagher & Co. to continue its current service contract with the possibility of expanding its contract to include claims adjusting, and further request Kent Erwin to continue as Gallagher & Co.'s representative to assist KWORCC. Bob Fischer seconded the motion which passed unanimously.

Whereupon, Ralph Unger moved that James W. Parrish be named resident agent for the Board, for purposes of receiving service of process for any litigation involving KWORCC. Charles Hutchison seconded the motion which passed unanimously.

Upon advice of Marty Hazen that Mr. Parrish would need to get a fidelity bond, Ralph Unger moved that James W. Parrish procure a fidelity bond in the amount of \$1,000,000.00 relative to his serving the Board as Acting Administrator of KWORCC. That motion was seconded by John Green and passed unanimously.

James W. Parrish asked Jean Cowan what accounts KWORCC had open, she indicated they were at Nations Bank, Community National Bank and Country Club Bank.

Ralph Unger next moved that James W. Parrish contract for a new phone line at the new office, including an 800 or toll-free service line and that this information as well as the new address be communicated to the counties. That motion was seconded by Bob Fischer and, after some discussion, passed unanimously.

Bonnie Swartz stated that she needed to leave the meeting to go to an appointment, and thereupon withdrew from the conference call.

Theresa Nuckolls asked what kind of communication would go to the counties as to the reason for the changes. The Board discussed this issue briefly and Mr. Parrish stated that if asked, it would be his position to tell the counties that the Board decided it was in the Board's best interest to have an administration separate than that of KCAMP.

~~John Green stated that he needed to leave the meeting for an appointment, and thereupon withdrew from the meeting.~~ *Pool's* *delete*

Whereupon, Charles Hutchison moved to recess for executive session beginning at 11:50 am until 11:55 am, for purposes of discussing legal matters with the Board's attorney and personnel issues. Bob Fischer seconded the motion which passed unanimously (with the exception of Bonnie Swartz and John Green, who had previously left the meeting). Shirley Walbridge participated in the executive session.

Whereupon the executive session concluded at 11:54 a.m.

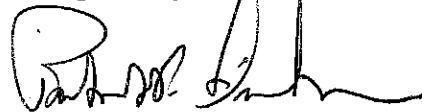
Bob Fischer moved to adjourn (which was later withdrawn) and Jean Cowan asked to address some issues with the Board. She stated that there were some checks that needed to be sent out immediately which have already been addressed in the financial statements and at prior board meeting; she wanted to know if she was authorized to go ahead and send those out. It was concluded that because the new account was not authorized until this meeting, that those checks issued prior to today could be finalized and sent out.

Next, Ms. Cowan asked about claims handling, which needed attention. James W. Parrish stated that he would address this issue with Gallagher & Co. immediately but that in the meantime, Dortha O. Bird, an attorney in his office who had a great deal of experience in handling workers compensation litigation could help facilitate that and make sure there was no gap in the service to the counties. Ralph Unger suggested that this process begin immediately. Ms. Cowan stated that she would get the files transferred to Ms. Bird as soon as administratively possible.

Whereupon, Ralph Unger moved to authorize the Chairman or the Vice-Chairman of the KWORCC Board to sign agreements to purchase equipment necessary to change KWORCC's administrative office to its new location. The motion was seconded by Bob Fischer which passed unanimously (with the exception of Bonnie Swartz ~~and John Green~~, who had previously left the meeting).

Thereafter, upon motion made by Bob Fischer, seconded by Ralph Unger and unanimously passed, the meeting adjourned.

Respectfully Submitted,

A handwritten signature in black ink, appearing to read "Robert Fischer", written in a cursive style.


Robert Fischer, Secretary
KWORCC Board of Trustee
Reno County Commissioner

**Waiver of Notice of
Special Meeting by Teleconference
of KWORCC Board of Directors**

The undersigned Member of the Board of Directors of Kansas Workers Risk Cooperative for Counties, does hereby waive notice of the time, place, and purpose of Special Meeting of the Board of Directors by teleconference on Wednesday, the 16th day of December, 1998 beginning at 10:30 AM, for the purpose of transacting all business which may properly come before the Board.

Furthermore, I hereby waive all of the requirements of the statutes of Kansas and the Bylaws of this corporation as to notice of said meeting, and hereby consent to the transaction of any and all business which may lawfully come before said meeting.

IN WITNESS WHEREOF, I have hereunto set my hands this 21st day of December, 1998.



Charles Hutchison

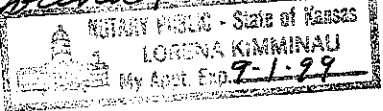
DEC 16 1998

Waiver of Notice of Special Meeting by Teleconference of KWORCC Board of Directors

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Furthermore, I hereby waive all of the requirements of the statutes of Kansas and the Bylaws of this corporation as to notice of said meeting, and hereby consent to the transaction of any and all business which may lawfully come before said meeting.

IN WITNESS WHEREOF, I have hereunto set my hands this 15 day of December, 1998.

Lorena Kimminau


Doyle "Hooley" Alcorn
Doyle "Hooley" Alcorn

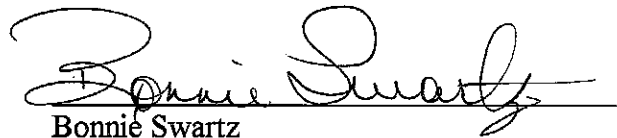
**Waiver of Notice of
Special Meeting by Teleconference
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DEC 18 1998

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Bonnie Swartz

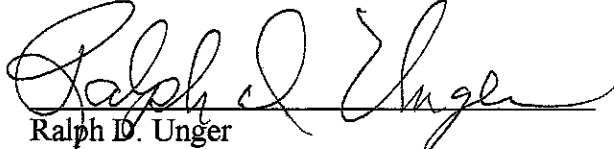
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Ralph D. Unger

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Gayle Landoll

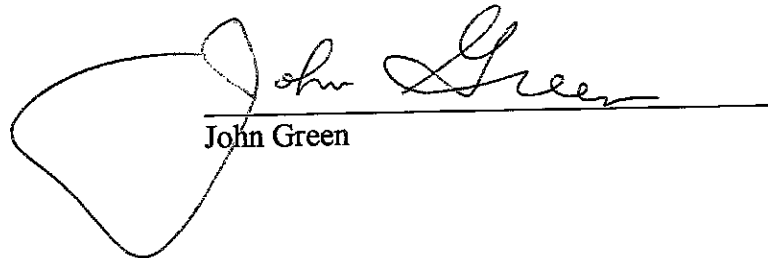
DEC 18 1998

Waiver of Notice of Special Meeting by Teleconference of KWORCC Board of Directors

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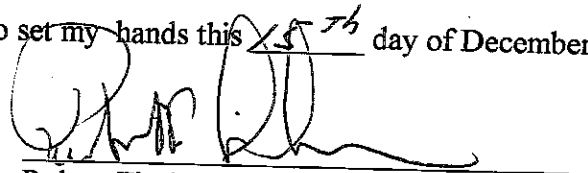

John Green

Waiver of Notice of Special Meeting by Teleconference of KWORCC Board of Directors

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IN WITNESS WHEREOF, I have hereunto set my hands this 15th day of December, 1998.


Robert Fischer

MOTIONS MADE AND PASSED AT THE 12/16/998 KWORCC BOARD MEETING

1. **BW/JG2d:** Continue KWORCC employee be kept on the payroll, subject to current employment contract, for the balance of December and the months of January, February and March, 1999, during this transition, and employees of either pool are welcome to apply for a position with KWORCC.
2. **RU/BF2d:** Appoint James W. Parrish as acting administrator, to be paid at the same rate as the current administrator, and retain Jean Cowan as a consultant at her current rate of pay for the balance of December and the months of January, February and March, 1999, during the transition.
3. **BS/GL2d:** Designate James W. Parrish's office as KWROCC's temporary office and forward all mail to James W. Parrish's office, to wit: 700 SW Jackson, Suite 200, Topeka, Kansas 66603.
4. **RU/CH2d:** James W. Parrish instruct all legal counsel to provide a summary of all case files, evidence, work in process and expenses for compilation and report to the Board at its January 7, 1999.
5. **JG/CH2d:** James W. Parrish get an accounting of all files owned by KWORCC; request full cooperation from all current staff member in the transition so able to secure all records and get full description of all property, owned or leased, including property jointly owned with KCAMP. And, any property owned jointly with KCAMP stay in the possession of KCAMP, so as not to disrupt KCAMP operations, provided that any software information, or data bases that are contained within such jointly owned property be transferred to or retrieved for KWORCC, subject to any copyright rights fo the owners of such software, with the intention beging to get the information transferred to KWORCC's new administration.
6. **RU/GL2d:** James W. Parrish has authority to rescind all prior bank resolutions and open a new account providing the authorized signatures for the account be any two of the four remaining Board members (Hooley Alcorn, Ralph Unger, Bonnie Swartz and Gayle Landoll) and the Acting Administrator, James W. Parrish.
7. **BS/BF2d:** The Board request that Gallagher Woodsmall adjust claims until a new claims administrator is hired, reconsider their decision to not renew their contract with the KWORCC Board and Kent Erwin continue to assist KWORCC as agent of Gallagher Woodsmall.
8. **RU/CH2d:** Name James W. Parrish as resident agent to receive service of process for any litigation involving KWORCC.
9. **RU/JG2d** Set fidelity bond at \$1,000,000 for James W. Parrish to procure for the protection of KWORCC.
10. **RU/BF2d** Authorize James W. Parrish to procure a phone line, a new number and an 800 service line for KWORCC at its new administration office.
11. **RU/BF2d** Authorize the Chairman or the Vice-Chairman of the KWORCC Board to sign agreements to purchase equipment necessary to change KWORCC's administrative office to its new location.

**MEETING, BOARD OF TRUSTEES
KANSAS WORKERS RISK COOPERATIVE FOR COUNTIES
CLUBHOUSE INN, TOPEKA, KANSAS
DECEMBER 10, 1998**

A meeting of the Board of Trustees of the Kansas Workers Risk Cooperative for Counties ("KWORCC") was called to order by Board President, Doyle "Hooley" Alcorn at 11:00 a.m. on Thursday, December 10, 1998. All Trustees participated in person, including: Doyle "Hooley" Alcorn, Jewell County Commissioner; Ralph Unger, Decatur County Commissioner; Gayle Landoll, Marshall County Clerk; Bonnie Swartz, Gray County Clerk; John Green, Cherokee County Commissioner; Charles Hutchison, Osage County Commissioner; and, Bob Fischer, Reno County Commissioner.

Staff present: Ms. Jean Cowan; Mr. Tom Job, Claims Manager; and, Mr. Richard Alexander, Accountant.

Also present at the meeting were: Ms. Shirley Waldrige^b, Jefferson County Clerk, future Board Member; Mr. James W. Parrish, Attorney for KWORCC Board; Mr. Kent Erwin, Vice President, Arthur I. Gallagher & Co. - Kansas City (hereafter "Gallagher & Co."); Mr. Bud Cowan, attorney; Ms. Amy L. Simons, Certified Shorthand Reporter, who was hired to attend and record the meeting by Ms. Jean Cowan's attorney; Ms. Theresa Nuckolls, Attorney for KCAMP; Mr. Patrick Riordan, attorney from the Woner, Glenn Law Office and Ms. Dortha O. Bird, to take minutes of the Meeting.

Mr. Alcorn addressed Agenda Item No. 2, inquiry if notification went to all requesting notification of KWORCC Board Meeting had been given. Jim Parrish reported to the Board that the notice was sent to two individuals as requested, those being Jean Cowan and Theresa Nuckolls, Attorney for KCAMP.

Next, Mr. Alcorn addressed Agenda Item No. 3, consideration of the minutes of meeting of October 8, 1998. Charles Hutchison moved that the minutes be accepted as published and John Green seconded the motion. The matter was opened for discussion.

Ms. Jean Cowan reported to the Board that she had received correspondence from Ms. Marilyn Owens. Ms. Cowan read the letter from Ms. Owens to the Board. No copy of the letter was provided to the Board.

Whereupon, there being no further discussion, Hooley Alcorn asked for a vote on the motion to approve the minutes. The motion passed unanimously.

Next, Mr. Alcorn addressed Item No. 4 on the Agenda, consideration of minutes of special meeting of the Board on November 25, 1998. Ralph Unger requested that those minutes reflect at the fourth paragraph on the first page that he, Ralph Unger, made the motion which Bonnie Swartz then seconded. Gayle Landoll requested that the last paragraph of that first page needed the word "are" inserted after the word "they" and before the word "issued" on the sixth line from the bottom of that paragraph.

Bonnie Swartz made motion to approve the November 25, 1998 Minutes of Special Meeting of the Board on November 25, 1998, as amended. Gayle Landoll seconded that motion. Mr. Alcorn called for a vote and the motion carried with affirmative vote from all Board Members, with the exception of John Green, who abstained from that vote because he was not in attendance at the November 25, 1998 telephone meeting.

Whereupon, Hooley Alcorn opened for discussion by the Board Agenda Item No. 5, Approval of the Agenda.

Jim Parrish requested that the following items be added to the agenda: 10(a): Approval of Statement for Legal Services by Woner, Glenn, Reeder & Girard, P.A.; and, that Item No. 12 be replaced by "Report of James W. Parrish on meeting with Gallagher & Co." and the current Item No. 12 be renumbered.

Hooley Alcorn requested that a letter from the Kansas Insurance Examiners dated 1997 addressed to Ralph Unger be placed on the Agenda.

Bonnie Swartz requested that the Agenda be revised to include, right after Item No. 5, an item for the presentation of the check in the amount of \$21,500 for payment on the Robert Meadows claim.

Jean Cowan requested that directly after the Meadows check presentation to add presentation of a check to Nationwide Life in the amount of \$9,093.66.

Whereupon, Bonnie Swartz moved to approve the Agenda, as amended. Ralph Unger seconded the motion which passed unanimously.

Thereafter, Mr. Alcorn asked for discussion on the added Agenda item concerning the settlement check for claimant Robert Meadows in the amount of \$21,500. Tom Job reported that because the board had reserved \$22,500 for this claim, he believed the settlement was authorized. Therefore, he authorized settlement of the Robert Meadows' claim for \$21,500.00, and the matter proceeded to settlement hearing where the check was not available for presentation.

Gayle Landoll stated that it was her understanding the check was not available for presentation because it required an additional signature of the Board member and the settlement this claim had not been approved by the Board. She stated her understanding that it is the Board's policy to have Board approval of all settlements of \$20,000.00 or more.

Thereupon, Ralph Unger moved to approve the Robert Meadows' claim in the amount of \$21,500.00. Bob Fischer seconded the motion which passed unanimously.

Next, the added Agenda item of the \$9,093.66 payment to Nationwide Life was presented to the Board for consideration. Bonnie Swartz asked the reason for this requested payment. Ms. Cowan stated that it was for the employee's retirement fund. She said that although previous checks were issued on a monthly or bi-monthly basis, this check represented the retirement benefits for the months of January 1, 1998 through November 1, 1998. The benefits were for Carl Eyman, Jean Cowan and Marilyn Owens. Gayle Landoll asked if those monies were only for KWORCC's share of the retirement benefits. Jean Cowan indicated that they were.

Bonnie Swartz moved to approve the check payable to Nationwide Life in the amount of \$9,093.66. John Green seconded which passed unanimously.

Whereupon, Agenda Item No. 6, "Report on PRIMA meeting", was addressed. Hooley Alcorn and Jean Cowan attended that meeting. Mr. Alcorn provided a list of items that were covered at the meeting which included administrative procedures, duties of the Board, handling claims in-house, conflicts of interest, staff training, Board training, risk management and numerous other items. Mr. Alcorn stated that he brought back voluminous materials available for review by Board members. Mr. Alcorn also presented his statement of expenses for the trip for consideration and approval by the Board.

Jean Cowan indicated that Ron Laskowski, the attorney representing KWORCC on the Robert Meadows' Claim, was then present to discuss the claim with the Board. Thereupon, Mr. Laskowski appeared and discussed the settlement of the Meadows' claim and the desirability of having settlement checks available to present at the end of the settlement hearing. Ms. Landoll reiterated that because the Board had not given authority for the settlement, the settlement was not authorized.

Next, Mr. Alcorn asked if the Board had considered his expenses for the PRIMA meeting. Ralph Unger moved to pay the expenses incurred for Mr. Alcorn's attendance at the PRIMA meeting. The motion was seconded by Charles Hutchison, and it passed unanimously.

Gayle Landoll then asked Jean Cowan ^{Why} the September Board Meeting Minutes were sent to counties without the corrections and stated that she thought that was inappropriate. Ralph Unger stated that he felt the same way as Ms. Landoll. Bonnie Swartz requested that only Minutes that have been approved by the KWORCC Board of Trustees be sent to the member counties, and that if any corrections were made to those Minutes, only the corrected Minutes be sent to the member counties.

Whereupon, Mr. Alcorn asked for consideration of Agenda Item No. 7 regarding the bank account at Community National Bank and the determination of check signing procedures. Mr. Parrish requested this item be delayed and re-numbered Agenda item 12(a).

Mr. Alcorn then called for consideration of Agenda Item No. 8 regarding premium rates to be charged to member counties. Kent Erwin distributed materials and made a presentation regarding proposed rates for member counties for 1999.

Kent Erwin stated that the pool lost two counties, Woodson County and Ellsworth County, because of rate increase. These counties went to Employers Mutual Casualty. He felt that this was partly because the pool's loss cost multiplier was considerably higher than Employers Mutual (i.e., 1.429 versus .9).

Mr. Erwin explained that the proposed rates for 1999 were not finalized because the experience modifications had not yet been received from the National Council on Compensation Insurance. He stated he believed the experience modifications would cause the rates to be adjusted upward slightly. Mr. Erwin explained that if the Board approves the rates prior to adjustment, there should be a disclaimer notifying each county that the rates are subject to change upon receipt of the experience modifications.

Ralph Unger stated that he was concerned that the counties may feel anxiety about not knowing for sure what kind of change would be made in the rates. Kent Erwin said that it was common in the insurance industry to send premium notices with a disclaimer that experienced modification have not been promulgated, and the rates would be revised later.

Mr. Alcorn asked how the Board wanted to handle this situation. Mr. Erwin stated that he thought the Board should simply approve the rate structure and send them out to the counties with the indicated clause. Mr. Erwin said that if they receive those modifications within the next week or so, those can be entered into the data base prior to the statements being mailed to the counties.

Whereupon, Mr. Unger moved that if the experience modification data is received before the first of the year, that the rate information should be updated and mailed to the counties. If this data is not received before the end of the year, the rates currently being considered should be mailed to the counties with a disclaimer that the rates are subject to change when the experienced modification information is received. Mr. Fischer seconded the motion which passed unanimously.

Mr. Alcorn then announced that the KWORCC Board would take a break from 12:30 pm to 1:15 pm.

After the break, Mr. Alcorn addressed Agenda Item No. 9, report of the committee to fill vacancies. Mr. Alcorn explained that because Bob Fischer and John Green's terms were up, there would be vacancies on the Board and that those would have to be filled. Ralph Unger reported that the committee appointed to fill the vacancies consisting of Ralph Unger and Gayle Landoll had not had a chance to get together and make a recommendation and asked the matter be deferred to the next Board meeting.

Whereupon, Agenda Item No. 10 regarding approval of attorney fee statements for James W. Parrish was brought forward for consideration. Ms. Swartz moved that the statement for legal services of James W. Parrish for the months of October and November totaling \$6,038.14 should be paid. Mr. Fischer seconded the motion. Mr. Alcorn asked for a vote by the Board, and the motion passed unanimously.

Next, Mr. Alcorn presented Agenda Item No. 10(a) regarding approval of Statement for Legal Services of Woner, Glenn, Reeder & Girard, P.A., for services through September 30, 1998. Ms. Swartz moved that the Statement of Legal Services of Woner, Glenn, Reeder & Girard, P.A. in the amount of \$10,459.42 be approved for payment. Charles Hutchison seconded the motion. Mr. Alcorn asked for a vote by the Board, and the motion passed unanimously.

Charles Hutchison inquired who was responsible for paying the Certified Shorthand Reporter. Ms. Cowan stated that she would be paying for those services personally.

Next, Mr. Alcorn brought forward Agenda Item No. 11(a)(i) regarding the September 30, 1998 balance sheet. Thereupon, Mr. Richard Alexander discussed the balance sheet and other information.

Thereafter, Ralph Unger moved that Board recess for an executive session from 1:56 pm until 2:10 pm, for the following purposes: 1. Discuss matters with the Board Attorney which would be attorney-client privilege; and, 2. Discuss non-elected personnel issues. Bob Fischer seconded the motion. Hooley Alcorn called for the Board to vote on the motion. The motion passed unanimously.

Thereafter at 2:10 p.m., the Board reconvened and Mr. Alcorn presented for consideration Agenda Item No. 11(a)(ii) regarding administrative expenses through September 30, 1998. Richard Alexander explained that there were differences between the administrative reports and those required by the insurance department because the insurance department does not allow furniture, fixtures and equipment to be included in the pool assets.

Mr. Alcorn requested that staff put something on the report to indicate the items that were written off, so that it is clear from looking at the document what is not included. Richard Alexander stated that he would do that in the form of a memo attached to the report.

Ralph Unger stated that he would like to take the report home and study it further.

Thereupon, Mr. Alcorn asked for consideration of Agenda Item No. 11(a)(iii), which involves the check register. Ms. Landoll asked Jean Cowan for an itemization of checks no. 1116, 1117 and 1160.

Ms. Landoll asked Mr. Alexander to identify the account from which payroll checks are written. She asked for more detail regarding the payroll account. Mr. Alexander stated that he could provide a supplemental page explaining that information.

Mr. Alcorn stated that he would like to see the KWORCC Board form a committee to periodically discuss the financial issues with Richard Alexander, that would be a Finance Committee.

Whereupon, Mr. Alcorn tabled Agenda Item No. 11(a)(iii) pending receipt of the requested itemizations.

Next, Agenda Item 11(a)(iv) regarding credit card charges was brought forward by Mr. Alcorn. Mr. Unger moved to approve the credit card expenditures. Mr. Fischer seconded the motion which passed unanimously.

Whereupon, MR. Alcorn asked for consideration of Agenda Item No. 11(d)(i) regarding claims over \$20,000. Mr. Tom Job discussed these claims and reviewed the status of each with the Board. Mr. Job requested settlement authority on claim number 96710399SH within a certain range. Ms. Landoll moved to give the requested settlement authority as recommended by Tom Job. Mr. Unger seconded the motion which passed unanimously.

Whereupon, Hooley Alcorn called for a 10-minute break beginning at 3:02 pm.

After the break, Mr. Alcorn called for consideration of Agenda Item No. 11(c) involving an update on the RFPs. Ms. Cowan distributed documents which had been mailed to various service providers on December 8, 1998. She stated the letter asked for responses to these RFPs by December 23, 1998.

Kent Erwin stated that his employer, Gallagher & Co. is willing to provide services on a month-to-month basis until KWORCC gets established with a new service provider.

Next, Mr. Alcorn asked for consideration of Agenda Item No. 12 regarding Mr. Parrish's meeting with Mr. Tom Klug of Gallagher & Co. Mr. Parrish indicated that he and Mr. Bruce Woner visited with Mr. Klug to discuss the possibility of renewing the contract as service provider for KWORCC. Mr. Klug stated that he would take this request under advisement; when Mr. Klug called

back Tuesday afternoon, he stated that his company did not wish to renew its annual contract because of the difficulty in serving the two pools simultaneously. Mr. Parrish stated Mr. Klug promised to help KWORCC with a smooth transition to a new service provider whether the transition takes 30 days or six months.

Thereupon, Mr. Unger moved that Mr. Parrish be granted the authority to negotiate an extension to the existing contract with the Gallagher & Co. for a period not to exceed six months from the date of expiration of the existing contract and asked that the contract include a provision for assisting KWORCC with an effective transition from Gallagher & Co. to a new service provider. Ms. Swartz seconded the motion which passed unanimously.

Thereupon, Ms. Swartz moved to recess the meeting into executive session for the purpose of discussing legal matters with the Board's attorney and the further purpose of discussing personnel matters and that the executive session would begin at 3:45 p.m. and end at 4:15 p.m. Mr. Fischer seconded the motion which passed unanimously. Upon invitation, Shirley Walbridge participated in the executive session.

Thereupon, at approximately 4:15 p.m., John Green moved to extend the executive session for an additional 30 minutes for the purposes of discussing legal matters with Board's attorney and personnel matters for a period beginning at 4:17 p.m. until 4:47 p.m. Mr. Unger seconded the motion which passed unanimously.

Thereupon, at approximately 4:47 p.m., Mr. Unger moved that the Board's recess into executive session be extended to 5:27 p.m. for the purpose of discussing legal matters with the Board's attorney and discussing personnel matters. Ms. Swartz seconded the motion which passed unanimously.

Whereupon, at 5:27 p.m., Ms. Swartz moved that the Board extend its recess for executive session for a period beginning at 5:33 p.m. and ending at 6:03 p.m. for the continuing purpose of discussing the legal matters with the Board's attorney and discussing personnel matters and that Ms. Cowan be invited to attend the executive session. Mr. Unger seconded the motion which passed unanimously.

Whereupon, at 5:56 p.m., the Board reconvened its regular meeting. Mr. Unger moved to separate the administration of the KWORCC pool under a transition similar to that of Gallagher & Co. Mr. Hutchison seconded the motion which passed unanimously.

Whereupon, the Board considered the request by the insurance department for a legal opinion regarding claims against KWORCC. Mr. Parrish indicated that he would answer the letter to the best of his knowledge and ability given the fact that he had only served as KWORCC's attorney for approximately three months.

Whereupon, Ms. Cowan stated that the insurance department examiners needed some additional information from certain Board members to complete the department's audit.

Whereupon, Mr. Parrish asked the Board for guidance regarding his authority during the transition period. Ms. Landoll moved that Mr. Parrish work with Ms. Jean Cowan to affect a transition to a new administrator in a manner similar to Mr. Parrish's authority to negotiate with Gallagher & Co. Ms. Swartz seconded the motion which carried unanimously.

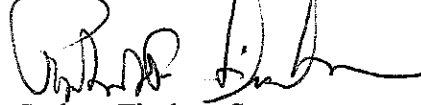
Ralph Unger moved that the Board commends Bob Fischer, Charles Hutchison and John Green for their work as Trustees of the KWORCC Board and that the Board present something to these individuals at the next regularly scheduled meeting to show the Board's appreciation. Bonnie Swartz seconded the motion which passed unanimously.

Bonnie Swartz then moved that the Board commend Doyle "Hooley" Alcorn for his work as President of the Board and that the Board will present him with something at the next regularly scheduled meeting to show the Board's appreciation. Bob Fischer seconded the motion which passed unanimously.

Ralph Unger moved that the Board set its next regularly scheduled meeting for January 7, 1999, with the time of the meeting to be determined later by the President. Bonnie Swartz seconded the motion which passed unanimously.

Thereafter, the meeting was adjourned by motion, second and unanimous vote.

Respectfully Submitted,

A handwritten signature in black ink, appearing to read "Robert Fischer", written over a horizontal line.

Robert Fischer, Secretary
KWORCC Board of Trustee
Reno County Commissioner

**MEETING, BOARD OF TRUSTEES
KANSAS WORKERS RISK COOPERATIVE FOR COUNTIES
CLUBHOUSE INN, TOPEKA, KANSAS
DECEMBER 10, 1998**

A meeting of the Board of Trustees of the Kansas Workers Risk Cooperative for Counties ("KWORCC") was called to order by Board President, Doyle "Hooley" Alcorn at 11:00 a.m. on Thursday, December 10, 1998. All Trustees participated in person, including: Doyle "Hooley" Alcorn, Jewell County Commissioner; Ralph Unger, Decatur County Commissioner; Gayle Landoll, Marshall County Clerk; Bonnie Swartz, Gray County Clerk; John Green, Cherokee County Commissioner; Charles Hutchison, Osage County Commissioner; and, Bob Fischer, Reno County Commissioner.

Staff present: Ms. Jean Cowan; Mr. Tom Job, Claims Manager; and, Mr. Richard Alexander, Accountant.

Also present at the meeting were: Ms. Shirley Waldrige, Jefferson County Clerk, future Board Member; Mr. James W. Parrish, Attorney for KWORCC Board; Mr. Kent Erwin, Vice President, Arthur I. Gallagher & Co. - Kansas City (hereafter "Gallagher & Co."); Mr. Bud Cowan, attorney; Ms. Amy L. Simons, Certified Shorthand Reporter, who was hired to attend and record the meeting by Ms. Jean Cowan's attorney; Ms. Theresa Nuckolls, Attorney for KCAMP; Mr. Patrick Riordan, attorney from the Woner, Glenn Law Office and Ms. Dortha O. Bird, to take minutes of the Meeting.

Mr. Alcorn addressed Agenda Item No. 2, inquiry if notification went to all requesting notification of KWORCC Board Meeting had been given. Jim Parrish reported to the Board that the notice was sent to two individuals as requested, those being Jean Cowan and Theresa Nuckolls, Attorney for KCAMP.

Next, Mr. Alcorn addressed Agenda Item No. 3, consideration of the minutes of meeting of October 8, 1998. Charles Hutchison moved that the minutes be accepted as published and John Green seconded the motion. The matter was opened for discussion.

Ms. Jean Cowan reported to the Board that she had received correspondence from Ms. Marilyn Owens. Ms. Cowan read the letter from Ms. Owens to the Board. No copy of the letter was provided to the Board.

Whereupon, there being no further discussion, Hooley Alcorn asked for a vote on the motion to approve the minutes. The motion passed unanimously.

Next, Mr. Alcorn addressed Item No. 4 on the Agenda, consideration of minutes of special meeting of the Board on November 25, 1998. Ralph Unger requested that those minutes reflect at the fourth paragraph on the first page that he, Ralph Unger, made the motion which Bonnie Swartz then seconded. Gayle Landoll requested that the last paragraph of that first page needed the word "are" inserted after the word "they" and before the word "issued" on the sixth line from the bottom of that paragraph.

Bonnie Swartz made motion to approve the November 25, 1998 Minutes of Special Meeting of the Board on November 25, 1998, as amended. Gayle Landoll seconded that motion. Mr. Alcorn called for a vote and the motion carried with affirmative vote from all Board Members, with the exception of John Green, who abstained from that vote because he was not in attendance at the November 25, 1998 telephone meeting.

Whereupon, Hooley Alcorn opened for discussion by the Board Agenda Item No. 5, Approval of the Agenda.

Jim Parrish requested that the following items be added to the agenda: 10(a): Approval of Statement for Legal Services by Woner, Glenn, Reeder & Girard, P.A.; and, that Item No. 12 be replaced by "Report of James W. Parrish on meeting with Gallagher & Co." and the current Item No. 12 be renumbered.

Hooley Alcorn requested that a letter from the Kansas Insurance Examiners dated 1997 addressed to Ralph Unger be placed on the Agenda.

Bonnie Swartz requested that the Agenda be revised to include, right after Item No. 5, an item for the presentation of the check in the amount of \$21,500 for payment on the Robert Meadows claim.

Jean Cowan requested that directly after the Meadows check presentation to add presentation of a check to Nationwide Life in the amount of \$9,093.66.

Whereupon, Bonnie Swartz moved to approve the Agenda, as amended. Ralph Unger seconded the motion which passed unanimously.

Thereafter, Mr. Alcorn asked for discussion on the added Agenda item concerning the settlement check for claimant Robert Meadows in the amount of \$21,500. Tom Job reported that because the board had reserved \$22,500 for this claim, he believed the settlement was authorized. Therefore, he authorized settlement of the Robert Meadows' claim for \$21,500.00, and the matter proceeded to settlement hearing where the check was not available for presentation.

Gayle Landoll stated that it was her understanding the check was not available for presentation because it required an additional signature of the Board member and the settlement this claim had not been approved by the Board. She stated her understanding that it is the Board's policy to have Board approval of all settlements of \$20,000.00 or more.

Thereupon, Ralph Unger moved to approve the Robert Meadows' claim in the amount of \$21,500.00. Bob Fischer seconded the motion which passed unanimously.

Next, the added Agenda item of the \$9,093.66 payment to Nationwide Life was presented to the Board for consideration. Bonnie Swartz asked the reason for this requested payment. Ms. Cowan stated that it was for the employee's retirement fund. She said that although previous checks were issued on a monthly or bi-monthly basis, this check represented the retirement benefits for the months of January 1, 1998 through November 1, 1998. The benefits were for Carl Eyman, Jean Cowan and Marilyn Owens. Gayle Landoll asked if those monies were only for KWORCC's share of the retirement benefits. Jean Cowan indicated that they were.

Bonnie Swartz moved to approve the check payable to Nationwide Life in the amount of \$9,093.66. John Green seconded which passed unanimously.

Whereupon, Agenda Item No. 6, "Report on PRIMA meeting", was addressed. Hooley Alcorn and Jean Cowan attended that meeting. Mr. Alcorn provided a list of items that were covered at the meeting which included administrative procedures, duties of the Board, handling claims in-house, conflicts of interest, staff training, Board training, risk management and numerous other items. Mr. Alcorn stated that he brought back voluminous materials available for review by Board members. Mr. Alcorn also presented his statement of expenses for the trip for consideration and approval by the Board.

Jean Cowan indicated that Ron Laskowski, the attorney representing KWORCC on the Robert Meadows' Claim, was then present to discuss the claim with the Board. Thereupon, Mr. Laskowski appeared and discussed the settlement of the Meadows' claim and the desirability of having settlement checks available to present at the end of the settlement hearing. Ms. Landoll reiterated that because the Board had not given authority for the settlement, the settlement was not authorized.

Next, Mr. Alcorn asked if the Board had considered his expenses for the PRIMA meeting. Ralph Unger moved to pay the expenses incurred for Mr. Alcorn's attendance at the PRIMA meeting. The motion was seconded by Charles Hutchison, and it passed unanimously.

Gayle Landoll then asked Jean Cowan the September Board Meeting Minutes were sent to counties without the corrections and stated that she thought that was inappropriate. Ralph Unger stated that he felt the same way as Ms. Landoll. Bonnie Swartz requested that only Minutes that have been approved by the KWORCC Board of Trustees be sent to the member counties, and that if any corrections were made to those Minutes, only the corrected Minutes be sent to the member counties.

Whereupon, Mr. Alcorn asked for consideration of Agenda Item No. 7 regarding the bank account at Community National Bank and the determination of check signing procedures. Mr. Parrish requested this item be delayed and re-numbered Agenda item 12(a).

Mr. Alcorn then called for consideration of Agenda Item No. 8 regarding premium rates to be charged to member counties. Kent Erwin distributed materials and made a presentation regarding proposed rates for member counties for 1999.

Kent Erwin stated that the pool lost two counties, Woodson County and Ellsworth County, because of rate increase. These counties went to Employers Mutual Casualty. He felt that this was partly because the pool's loss cost multiplier was considerably higher than Employers Mutual (i.e., 1.429 versus .9).

Mr. Erwin explained that the proposed rates for 1999 were not finalized because the experience modifications had not yet been received from the National Council on Compensation Insurance. He stated he believed the experience modifications would cause the rates to be adjusted upward slightly. Mr. Erwin explained that if the Board approves the rates prior to adjustment, there should be a disclaimer notifying each county that the rates are subject to change upon receipt of the experience modifications.

Ralph Unger stated that he was concerned that the counties may feel anxiety about not knowing for sure what kind of change would be made in the rates. Kent Erwin said that it was common in the insurance industry to send premium notices with a disclaimer that experienced modification have not been promulgated, and the rates would be revised later.

Mr. Alcorn asked how the Board wanted to handle this situation. Mr. Erwin stated that he thought the Board should simply approve the rate structure and send them out to the counties with the indicated clause. Mr. Erwin said that if they receive those modifications within the next week or so, those can be entered into the data base prior to the statements being mailed to the counties.

Whereupon, Mr. Unger moved that if the experience modification data is received before the first of the year, that the rate information should be updated and mailed to the counties. If this data is not received before the end of the year, the rates currently being considered should be mailed to the counties with a disclaimer that the rates are subject to change when the experienced modification information is received. Mr. Fischer seconded the motion which passed unanimously.

Mr. Alcorn then announced that the KWORCC Board would take a break from 12:30 pm to 1:15 pm.

After the break, Mr. Alcorn addressed Agenda Item No. 9, report of the committee to fill vacancies. Mr. Alcorn explained that because Bob Fischer and John Green's terms were up, there would be vacancies on the Board and that those would have to be filled. Ralph Unger reported that the committee appointed to fill the vacancies consisting of Ralph Unger and Gayle Landoll had not had a chance to get together and make a recommendation and asked the matter be deferred to the next Board meeting.

Whereupon, Agenda Item No. 10 regarding approval of attorney fee statements for James W. Parrish was brought forward for consideration. Ms. Swartz moved that the statement for legal services of James W. Parrish for the months of October and November totaling \$6,038.14 should be paid. Mr. Fischer seconded the motion. Mr. Alcorn asked for a vote by the Board, and the motion passed unanimously.

Next, Mr. Alcorn presented Agenda Item No. 10(a) regarding approval of Statement for Legal Services of Woner, Glenn, Reeder & Girard, P.A., for services through September 30, 1998. Ms. Swartz moved that the Statement of Legal Services of Woner, Glenn, Reeder & Girard, P.A. in the amount of \$10,459.42 be approved for payment. Charles Hutchison seconded the motion. Mr. Alcorn asked for a vote by the Board, and the motion passed unanimously.

Charles Hutchison inquired who was responsible for paying the Certified Shorthand Reporter. Ms. Cowan stated that she would be paying for those services personally.

Next, Mr. Alcorn brought forward Agenda Item No. 11(a)(i) regarding the September 30, 1998 balance sheet. Thereupon, Mr. Richard Alexander discussed the balance sheet and other information.

Thereafter, Ralph Unger moved that Board recess for an executive session from 1:56 pm until 2:10 pm, for the following purposes: 1. Discuss matters with the Board Attorney which would be attorney-client privilege; and, 2. Discuss non-elected personnel issues. Bob Fischer seconded the motion. Hooley Alcorn called for the Board to vote on the motion. The motion passed unanimously.

Thereafter at 2:10 p.m., the Board reconvened and Mr. Alcorn presented for consideration Agenda Item No. 11(a)(ii) regarding administrative expenses through September 30, 1998. Richard Alexander explained that there were differences between the administrative reports and those required by the insurance department because the insurance department does not allow furniture, fixtures and equipment to be included in the pool assets.

Mr. Alcorn requested that staff put something on the report to indicate the items that were written off, so that it is clear from looking at the document what is not included. Richard Alexander stated that he would do that in the form of a memo attached to the report.

Ralph Unger stated that he would like to take the report home and study it further.

Thereupon, Mr. Alcorn asked for consideration of Agenda Item No. 11(a)(iii), which involves the check register. Ms. Landoll asked Jean Cowan for an itemization of checks no. 1116, 1117 and 1160.

Ms. Landoll asked Mr. Alexander to identify the account from which payroll checks are written. She asked for more detail regarding the payroll account. Mr. Alexander stated that he could provide a supplemental page explaining that information.

Mr. Alcorn stated that he would like to see the KWORCC Board form a committee to periodically discuss the financial issues with Richard Alexander, that would be a Finance Committee.

Whereupon, Mr. Alcorn tabled Agenda Item No. 11(a)(iii) pending receipt of the requested itemizations.

Next, Agenda Item 11(a)(iv) regarding credit card charges was brought forward by Mr. Alcorn. Mr. Unger moved to approve the credit card expenditures. Mr. Fischer seconded the motion which passed unanimously.

Whereupon, MR. Alcorn asked for consideration of Agenda Item No. 11(d)(i) regarding claims over \$20,000. Mr. Tom Job discussed these claims and reviewed the status of each with the Board. Mr. Job requested settlement authority on claim number 96710399SH within a certain range. Ms. Landoll moved to give the requested settlement authority as recommended by Tom Job. Mr. Unger seconded the motion which passed unanimously.

Whereupon, Hooley Alcorn called for a 10-minute break beginning at 3:02 pm.

After the break, Mr. Alcorn called for consideration of Agenda Item No. 11(c) involving an update on the RFPs. Ms. Cowan distributed documents which had been mailed to various service providers on December 8, 1998. She stated the letter asked for responses to these RFPs by December 23, 1998.

Kent Erwin stated that his employer, Gallagher & Co. is willing to provide services on a month-to-month basis until KWORCC gets established with a new service provider.

Next, Mr. Alcorn asked for consideration of Agenda Item No. 12 regarding Mr. Parrish's meeting with Mr. Tom Klug of Gallagher & Co. Mr. Parrish indicated that he and Mr. Bruce Woner visited with Mr. Klug to discuss the possibility of renewing the contract as service provider for

KWORCC. Mr. Klug stated that he would take this request under advisement; when Mr. Klug called back Tuesday afternoon, he stated that his company did not wish to renew its annual contract because of the difficulty in serving the two pools simultaneously. Mr. Parrish stated Mr. Klug promised to help KWORCC with a smooth transition to a new service provider whether the transition takes 30 days or six months.

Thereupon, Mr. Unger moved that Mr. Parrish be granted the authority to negotiate an extension to the existing contract with the Gallagher & Co. for a period not to exceed six months from the date of expiration of the existing contract and asked that the contract include a provision for assisting KWORCC with an effective transition from Gallagher & Co. to a new service provider. Ms. Swartz seconded the motion which passed unanimously.

Thereupon, Ms. Swartz moved to recess the meeting into executive session for the purpose of discussing legal matters with the Board's attorney and the further purpose of discussing personnel matters and that the executive session would begin at 3:45 p.m. and end at 4:15 p.m. Mr. Fischer seconded the motion which passed unanimously. Upon invitation, Shirley Walbridge participated in the executive session.

Thereupon, at approximately 4:15 p.m., John Green moved to extend the executive session for an additional 30 minutes for the purposes of discussing legal matters with Board's attorney and personnel matters for a period beginning at 4:17 p.m. until 4:47 p.m. Mr. Unger seconded the motion which passed unanimously.

Thereupon, at approximately 4:47 p.m., Mr. Unger moved that the Board's recess into executive session be extended to 5:27 p.m. for the purpose of discussing legal matters with the Board's attorney and discussing personnel matters. Ms. Swartz seconded the motion which passed unanimously.

Whereupon, at 5:27 p.m., Ms. Swartz moved that the Board extend its recess for executive session for a period beginning at 5:33 p.m. and ending at 6:03 p.m. for the continuing purpose of discussing the legal matters with the Board's attorney and discussing personnel matters and that Ms. Cowan be invited to attend the executive session. Mr. Unger seconded the motion which passed unanimously.

Whereupon, at 5:56 p.m., the Board reconvened its regular meeting. Mr. Unger moved to separate the administration of the KWORCC pool under a transition similar to that of Gallagher & Co. Mr. Hutchison seconded the motion which passed unanimously.

Whereupon, the Board considered the request by the insurance department for a legal opinion regarding claims against KWORCC. Mr. Parrish indicated that he would answer the letter to the best of his knowledge and ability given the fact that he had only served as KWORCC's attorney for approximately three months.

Whereupon, Ms. Cowan stated that the insurance department examiners needed some additional information from certain Board members to complete the department's audit.

Whereupon, Mr. Parrish asked the Board for guidance regarding his authority during the transition period. Ms. Landoll moved that Mr. Parrish work with Ms. Jean Cowan to affect a transition to a new administrator in a manner similar to Mr. Parrish's authority to negotiate with Gallagher & Co. Ms. Swartz seconded the motion which carried unanimously.

Ralph Unger moved that the Board commends Bob Fischer, Charles Hutchison and John Green for their work as Trustees of the KWORCC Board and that the Board present something to these individuals at the next regularly scheduled meeting to show the Board's appreciation. Bonnie Swartz seconded the motion which passed unanimously.

Bonnie Swartz then moved that the Board commend Doyle "Hooley" Alcorn for his work as President of the Board and that the Board will present him with something at the next regularly scheduled meeting to show the Board's appreciation. Bob Fischer seconded the motion which passed unanimously.

Ralph Unger moved that the Board set its next regularly scheduled meeting for January 7, 1999, with the time of the meeting to be determined later by the President. Bonnie Swartz seconded the motion which passed unanimously.

Thereafter, the meeting was adjourned by motion, second and unanimous vote.

Respectfully Submitted,

Robert Fischer, Secretary
KWORCC Board of Trustee
Reno County Commissioner

**SPECIAL MEETING
BOARD OF TRUSTEES
KANSAS WORKERS RISK COOPERATIVE FOR COUNTIES
NOVEMBER 25, 1998
BY TELEPHONE CONFERENCE CALL**

A special meeting of the Board of Trustees for the Kansas Workers Risk Cooperative for Counties ("KWORCC") was called to order by Board President, Doyle "Hooley" Alcorn, at 10:30 a.m. on Wednesday, November 25, 1998. All Trustees agreed to waive the ten day notice requirement for a special meeting and signed waivers per the Bylaws. All Trustees participating in the meeting were present by telephone conference call. Trustees participating in the telephone conference call were Hooley Alcorn, Bonnie Swartz, Charles Hutchison, Robert Fischer, Gayle Landoll and Ralph Unger. John Green did not participate. Jim Parrish and Bruce Woner participated in the telephone conference call.

After opening remarks relative to the ongoing review of operations, the Board reviewed and discussed the draft minutes of the October 8, 1998 meeting as prepared by KWORCC staff and the draft minutes of the October 8, 1998 meeting as prepared by Bonnie Swartz. The Board declared that the draft minutes of Bonnie Swartz accurately reflected the meeting in contrast to the draft minutes by staff. The minutes were then referred to the agenda for the next regular meeting for consideration and approval.

At 10:43 a.m., Ralph Unger moved and Bonnie Swartz seconded that the meeting be recessed into executive session to review both legal matters and personnel matters with counsel until 11:30 a.m. or sooner. The motion was unanimously passed. The meeting then recessed into executive session until 11:30 a.m. at which time they came out of executive session.

Ralph Unger
It was moved and Bob Fischer seconded to extend the executive session until 11:45 a.m. session to review both legal matters and personnel matters with counsel until 11:45 a.m. or sooner. The motion unanimously passed. The meeting recessed into executive session until 11:45 a.m. at which time they came out of executive session.

Charles Hutchison moved and Bonnie Swartz seconded that the Board approve the terms of engagement with the firm of Wendling, Noe, Nelson & Johnson as set forth in a letter from Don Paxson of the accounting firm to Jim Parrish dated November 23, 1998, with three additional requests for information. After some discussion, Board members asked that three additions be made to the engagement letter as follows: 1) Obtain a list of all reimbursements from KCAMP to KWORCC for expenses advanced by KWORCC; 2) Obtain a list of reimbursements of Jean Cowan for expenses advanced by the Board on her behalf; 3) Obtain information regarding how payroll checks are issued, whether they issued out of the same account as the general account or if there is a separate payroll account and how those payroll checks are signed. The Board unanimously approved Wendling, Noe, Nelson & Johnson's engagement. Mr. Parrish is to immediately contact Wendling, Noe, Nelson & Johnson about its engagement. Mr. Parrish is to advise current KWORCC staff of a letter agreement with Wendling, Noe, Nelson & Johnson to be ratified by the Board at its next meeting. Hooley Alcorn will sign the engagement letter.

The Board next discussed its relationship with Gallagher Woodsmall. Trustees expressed appreciation for the relationship between KWORCC and Gallagher Woodsmall as a corporation. The Board also expressed concerns it has with the relationship and expressed a desire to meet with representatives of Gallagher Woodsmall, Inc. from Kansas City. Bob Fischer moved and Gayle Landoll seconded that a meeting be initiated with Tom Klug, Area President of Gallagher Woodsmall, Inc. at the next Board meeting or at a time to accommodate Mr. Klug's schedule. Bob Fischer moved and Gayle Landoll seconded that Mr. Klug be given a notice of nonrenewal of the current contract. The motion unanimously passed.

The Trustees next considered a letter from Marilyn Owens together with a cover letter from Jeanie Cowan. Charles Hutchison moved and Bob Fischer seconded that the Board categorically deny the inferences made in the Marilyn Owens letter or the Jeanie Cowan cover letter about any continued hostile attitude of KWORCC Board members or KWORCC counsel towards staff. The motion was unanimously passed.

The Board next considered agenda preparation for the meeting of December 10, 1998. Ralph Unger moved and Bonnie Swartz seconded that the agenda for the meeting be prepared by the Board President with the help of legal counsel and that Mr. Parrish be directed to provide clerical support to take minutes of Board meetings to relieve that burden from the administrator, the Board attorney and Board members so they can all have full participation in the meeting, as it is not practical for Trustees, or the KWORCC administrative staff to both participate in the meeting and take minutes. The motion unanimously passed.

Hooley Alcorn appointed Ralph Unger and Gayle Landoll as a committee to determine how to fill vacancies of the Trustees who will be leaving the Board after the first of the year. Mr. Alcorn directed the committee to make recommendations at the December 10, 1998 meeting or as soon thereafter as possible.

Bob Fischer moved and Ralph Unger seconded that the Board President or KWORCC counsel immediately direct KWORCC staff to prepare for Board review of proposed premiums for 1999 at the December 10, 1998 meeting. All information as to the premium to be charged the member counties, including detail as to last year's premiums, and all high and low increases or constant premiums as to each county including some justification for any such actions. For review by the Board and final action before notices are sent to the counties. The motion unanimously passed.

An audit subcommittee of the Board was then discussed. It was determined that there was no need to appoint an audit committee at this time, but that the Board may want to consider doing so later.

Then, upon discussion, Ralph Unger moved and Hooley Alcorn seconded that all legal counsel retained to represent KWORCC shall be hired by the Board pursuant to the Bylaws. The motion also directed the Board's attorney to analyze the Bylaws and report to the Board methods for enforcing the Bylaws in the event they are not now being followed. The motion further specified that any documents prepared by any member of the KWORCC staff that is mailed to any Trustee by any

KWORCC staff be mailed to Jim Parrish at 700 Jackson, Suite 200, Topeka, Kansas 66603 at the same time as it is mailed to the Trustee. The motion was unanimously passed.

By consensus the Board agreed to meet at 11 AM on December 10, 1998 and allow for a short lunch break allowing each member to purchase lunch on his or her own.

Thereafter, on motion by Hooley Alcorn and seconded by Gayle Landoll, the meeting was adjourned.

Respectfully Submitted,

Bonnie Swartz, Vice-President
KWORCC Board of Trustee
Gray County Clerk

**SPECIAL MEETING
BOARD OF TRUSTEES
KANSAS WORKERS RISK COOPERATIVE FOR COUNTIES
NOVEMBER 25, 1998
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It was moved and Bob Fischer seconded to extend the executive session until 11:45 a.m. session to review both legal matters and personnel matters with counsel until 11:45 a.m. or sooner. The motion unanimously passed. The meeting recessed into executive session until 11:45 a.m. at which time they came out of executive session.

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The Board next discussed its relationship with Gallagher Woodsmall. Trustees expressed appreciation for the relationship between KWORCC and Gallagher Woodsmall as a corporation. The Board also expressed concerns it has with the relationship and expressed a desire to meet with representatives of Gallagher Woodsmall, Inc. from Kansas City. Bob Fischer moved and Gayle Landoll seconded that a meeting be initiated with Tom Klug, Area President of Gallagher Woodsmall, Inc. at the next Board meeting or at a time to accommodate Mr. Klug's schedule. Bob Fischer moved and Gayle Landoll seconded that Mr. Klug be given a notice of nonrenewal of the current contract. The motion unanimously passed.

The Trustees next considered a letter from Marilyn Owens together with a cover letter from Jeanie Cowan. Charles Hutchison moved and Bob Fischer seconded that the Board categorically deny the inferences made in the Marilyn Owens letter or the Jeanie Cowan cover letter about any continued hostile attitude of KWORCC Board members or KWORCC counsel towards staff. The motion was unanimously passed.

The Board next considered agenda preparation for the meeting of December 10, 1998. Ralph Unger moved and Bonnie Swartz seconded that the agenda for the meeting be prepared by the Board President with the help of legal counsel and that Mr. Parrish be directed to provide clerical support to take minutes of Board meetings to relieve that burden from the administrator, the Board attorney and Board members so they can all have full participation in the meeting, as it is not practical for Trustees, or the KWORCC administrative staff to both participate in the meeting and take minutes. The motion unanimously passed.

Hooley Alcorn appointed Ralph Unger and Gayle Landoll as a committee to determine how to fill vacancies of the Trustees who will be leaving the Board after the first of the year. Mr. Alcorn directed the committee to make recommendations at the December 10, 1998 meeting or as soon thereafter as possible.

Bob Fischer moved and Ralph Unger seconded that the Board President or KWORCC counsel immediately direct KWORCC staff to prepare for Board review of proposed premiums for 1999 at the December 10, 1998 meeting. All information as to the premium to be charged the member counties, including detail as to last year's premiums, and all high and low increases or constant premiums as to each county including some justification for any such actions. For review by the Board and final action before notices are sent to the counties. The motion unanimously passed.

An audit subcommittee of the Board was then discussed. It was determined that there was no need to appoint an audit committee at this time, but that the Board may want to consider doing so later.

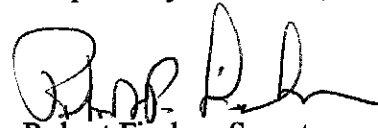
Then, upon discussion, Ralph Unger moved and Hooley Alcorn seconded that all legal counsel retained to represent KWORCC shall be hired by the Board pursuant to the Bylaws. The motion also directed the Board's attorney to analyze the Bylaws and report to the Board methods for enforcing the Bylaws in the event they are not now being followed. The motion further specified that any documents prepared by any member of the KWORCC staff that is mailed to any Trustee by any

KWORCC staff be mailed to Jim Parrish at 700 Jackson, Suite 200, Topeka, Kansas 66603 at the same time as it is mailed to the Trustee. The motion was unanimously passed.

By consensus the Board agreed to meet at 11 AM on December 10, 1998 and allow for a short lunch break allowing each member to purchase lunch on his or her own.

Thereafter, on motion by Hooley Alcorn and seconded by Gayle Landoll, the meeting was adjourned.

Respectfully Submitted,

A handwritten signature in black ink, appearing to read 'Robert Fischer', written in a cursive style.

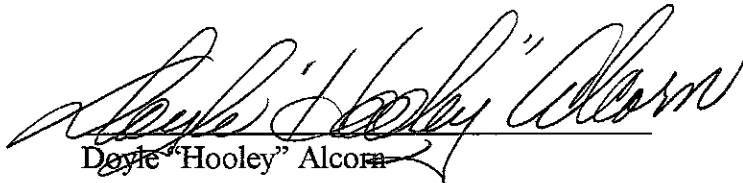
Robert Fischer, Secretary
KWORCC Board of Trustee
Reno County Commissioner

Waiver of Notice of Special Meeting by Teleconference of KWORCC Board of Directors

We, the undersigned, being all of the Members of the Board of Directors of Kansas Workers Risk Cooperative for Counties, do hereby waive notice of the time, place, and purpose of Special Meeting of the Board of Directors by teleconference on Wednesday, the 25th day of November, 1998 beginning at 10:30 AM, for the purpose of transacting all business which may properly come before the Board.

Each of us hereby waives all of the requirements of the statutes of Kansas and the Bylaws of this corporation as to notice of said meeting, and hereby consents to the transaction of any and all business which may lawfully come before said meeting.

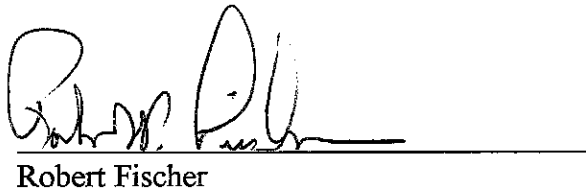
IN WITNESS WHEREOF, we have hereunto set our hands this 10th day of December, 1998.


Doyle "Hooley" Alcorn

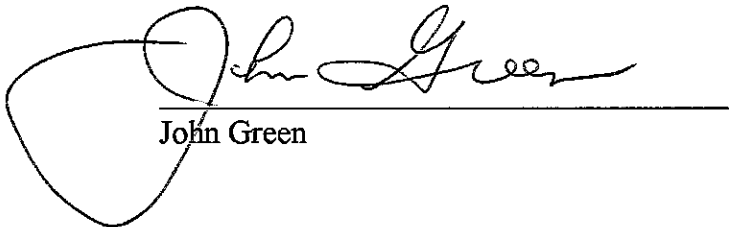

Ralph D. Unger


Bonnie Swartz


Charles Hutchison


Robert Fischer


Gayle Landoll


John Green

**KWORCC
BOARD MEETING
CLUBHOUSE INN, TOPEKA, KANSAS
OCTOBER 8, 1998**

The KWORCC Board meeting was called to order at 1:30 p.m. on October 8, 1998 by President Doyle "Hooley" Alcorn.

Board members present were:

Doyle "Hooley" Alcorn, Jewell County Commissioner
Ralph Unger, Decatur County Commissioner
Gayle Landoll, Marshall County Clerk
Bonnie Swartz, Gray County Clerk
John Green, Cherokee County Commissioner
Charles Hutchison, Osage County Commissioner

Not present were:

Bob Fischer, Reno County Commissioner

Staff present were:

Jeanie Cowan, Administrator
Tom Job, Claims Manager
Richard Alexander, Accountant
Kathy Kirk, Training/Education Coordinator
Marilyn Owens, Claims Administration Supervisor

Also present:

Kent Erwin, Vice President, Gallagher Woodsmall, Inc.
Shirley Walbridge, Jefferson County Clerk
Jim Parrish, Board Attorney

Doyle "Hooley" Alcorn stated that he was adding to the agenda two additional topics. Under Claims Report he was adding check signing and under Administrator's report he was adding the discussion of Jim Parrish's agreement.

Charles Hutchison moved to accept the agenda with the two changes and Gayle Landoll seconded. The motion carried.

Ralph Unger moved to go into executive session with the Board attorney for 15 minutes to discuss legal matters, beginning at 1:35 p.m. until 1:50 p.m. Charles Hutchison seconded. The motion carried.

Executive session ended at 1:50 p.m.

Time was given for review of the minutes of the meeting of September 10, 1998. Bonnie Swartz asked if the minutes and Board package had been sent to Mr. Parrish as requested by the Board at the previous meeting. Marilyn Owens explained that this had not been done because she had conferred with Bob Fisher who said it was not necessary. Ms. Owens told the Board if they wanted to know more about this, they "would have to call Bob Fisher." Mr. Parrish spoke up and stated that: "It was not one staff member and one board member that could change a decision of the entire Board." Ralph Unger moved that the minutes be faxed to Mr. Parrish for his legal review prior to being mailed to the Board; further, the minutes should be included with the Board packets which should be sent to all Board members, the Board member-elect and legal counsel one week prior to the next scheduled Board meeting. Charles Hutchison seconded. Bonnie Swartz requested that a change on page 6 of the minutes of the September 10, 1998 meeting be amended so that the second to the last paragraph be stricken from the minutes and replaced with the following language:

"Jeanie Cowan began to poll the Board members individually on what additional information they wanted. Jim Parrish spoke up and stated that he believed that it was not proper for Ms. Cowan to poll the Board regarding their feelings toward Ms. Cowan. He noted that a letter had been sent by Ms. Cowan's attorney threatening legal action against the Board, and he pointed out that the Board members were volunteers who donate their time to serve on the Board. He said he could not repeat what was said in executive session, but he could say that it was never stated in the executive session that the Board wanted to get rid of Jeanie Cowan."

Gayle Landoll also requested that page 5 of the minutes of September 10 be changed to reflect that the executive session be called for 15 minutes so that the Board could discuss legal matters with the Board's attorney.

Gayle Landoll moved to approve the minutes with the changes and Charles Hutchison seconded. The motion carried.

Richard Alexander presented the financial report. Mr. Alexander explained the balance sheet through August 31, 1998 and administrative expenses through August 31, 1998. Mr. Alexander also discussed statement of revenues, operating revenues and claims expense.

Charles Hutchison moved to accept the financial report as written and John Green seconded. The motion carried.

Jeanie Cowan presented the check register for check numbers 1046 through 1107 that had been written since the last Board meeting. Gayle Landoll asked why check numbers 1085 and 1086 were made out for the same amount. Ms. Cowan explained that check number 1086 should have been shown as a void.

Bonnie Swartz moved to approve check numbers 1046-1107 with adjustment of check number 1086 which would be minus \$510.29 from the total which would make the new total \$43,168.79. Gayle Landoll seconded. The motion carried.

Next on the agenda was review of the credit card statements for August and September. John Green moved to approve the credit card statements for August and September of 1998. Charles Hutchison seconded. The motion carried.

Jeanie Cowan asked the Board if they had reviewed the credit card statements given to them at an earlier meeting from September 1997 through May 1998. Ralph Unger asked why the charge on the rental car used by Ms. Cowan at the meeting in Florida was so high. Ms. Cowan explained that she needed a rental car for more days than the other participants at the meeting.

Gayle Landoll moved to approve the credit card statements from September 1997 through May 1998. John Green seconded. The motion carried.

Tom Job presented the claims report for all claims over \$20,000.00. Mr. Job also gave the report on a number of claims by county and total number of claims.

Monthly check registers were handed out to the Board members and legal counsel. The check registers were for August and September for all checks written on claims as requested by the Board.

Doyle "Hooley" Alcorn discussed with the Board the three checks which exceeded \$5,000.00 that he had approved for the staff.

Ralph Unger moved to ratify the Chairman's authority to give approval of checks which exceed \$5,000.00 whenever the comptroller is not available to co-sign the checks. John Green seconded. The motion carried.

There was discussion by the Board members that if a check is needed prior to a Board meeting that Charles Hutchison, Comptroller would be called first to come in and sign. If he was unavailable then Doyle "Hooley" Alcorn would be called, and if he is unavailable then Bonnie Swartz would be called. Mr. Alcorn polled the Board members and they all agreed.

Ralph Unger moved to excuse Bob Fischer from the meeting today and Gayle Landoll seconded. The motion carried.

Jeanie Cowan presented the Administrators report. Ms. Cowan discussed the letter received from the Department of Administration in regards to an annual audit. There was discussion in regards to the hiring of a facilitator as discussed in a previous meeting. After discussion in regards to the cost and the outcome the Board members agreed to cancel the strategic planning with a facilitator.

Jeanie Cowan then discussed the upcoming seminar. Ms. Cowan stated that there was a very low attendance at this time. After discussion by the Board members Ralph Unger moved to establish guidelines for general seminars that the attendance would be approximately 75 people and 12 counties represented and if not the seminar would be canceled. John Green seconded. The motion carried.

Doyle "Hooley" Alcorn discussed with the Board members Jim Parrish's proposal for legal representation. A copy of Mr. Parrish's proposal was handed out to the Board members.

Gayle Landoll moved to approve "Attorney Client Agreement and Authority to Represent" presented by Mr. Parrish and John Green seconded. The motion carried.

Bonnie Swartz moved to go into executive session for 15 minutes beginning at 4:35 p.m. to end at 4:50 p.m. for discussions of legal matters with the Board's attorney. Charles Hutchison seconded. The motion carried.

At 4:50 p.m. Bonnie Swartz moved to extend the executive session for an additional 15 minutes to begin 4:50 p.m. to end at 5:05 p.m. to continue discussion of legal matters with the Board's attorney. Ralph Unger seconded. The motion carried.

Executive session ended at 5:05 p.m.

Jeanie Cowan continued with the Administrators report. Bonnie Swartz asked Ms. Cowan if she had brought to the meeting copies of the 1997 payroll records. Ms. Cowan stated that she had and then gave to each Board member a list of employee salaries for 1997.

Bonnie Swartz then asked if anything had been done in regards to the bidding process that had been requested by the Board. The Board wanted figures on the cost of claims, brokerage and administration. Ralph Unger stated he feels that the companies bidding should put their proposals in writing and then the Board will select two to come to the meeting for presentation.

There was discussion in regards to scheduling a November meeting for the Board. Ralph Unger moved to specifically authorize the Chairman to call a meeting in November if needed and to have in conjunction with the KAC convention. John Green seconded. The motion carried.

Doyle "Hooley" Alcorn then informed Ms. Cowan that Mr. Parrish may be coming into the office to visit with staff members and to become more familiar with the operation.

Doyle "Hooley" Alcorn presented to the Board a legal bill presented to Mr. Alcorn by Jim Parrish in the amount of \$3,392.87 to be paid. Charles Hutchison moved to accept and pay the legal bill in the amount of \$3,392.87. Ralph Unger seconded. The motion carried.

Ralph Unger moved to adjourn the meeting. Charles Hutchison seconded. The motion carried.

The meeting adjourned at 5:23 p.m.

Respectfully Submitted,

A handwritten signature in black ink, appearing to read "Robert Fischer", written in a cursive style.

Robert Fischer, Secretary
KWORCC Board of Trustee
Reno County Commissioner

**KANSAS COUNTY ASSOCIATION MULTILINE POOL
AND
KANSAS WORKERS RISK COOPERATIVE FOR COUNTIES**

GENERAL MEMBERSHIP MEETING

September 17, 1998 1:00 pm
Bicentennial Center - Salina, KS

AGENDA

1. ✓ KCAMP Call to Order/Roll Call *21 present*
✓ KWORCC Call to Order/Roll Call
2. ✓ Approval of KCAMP/KWORCC Minutes, October 23, 1997
✓ Approval of KWORCC/minutes - Special Meeting - November 18, 1997
3. ✓ President's Opening Remarks
4. ✓ KWORCC Financial Report
✓ KCAMP Financial Report
✓ Report on KCAMP/KWORCC Investments
5. ✓ KCAMP/KWORCC Safety Awards
6. ✓ Consideration/Election of Board Members -- KCAMP
✓ Consideration/Election of Board Members -- KWORCC
7. Consideration of Proposed 1999 KCAMP Budget
Consideration of Proposed 1999 KWORCC Budget
8. Comments from General Membership
9. Board Comments
10. President's Closing Remarks/Adjournment

**KANSAS COUNTY ASSOCIATION MULTILINE POOL
AND
KANSAS WORKERS RISK COOPERATIVE FOR COUNTIES**

ANNUAL MEETING MINUTES

THURSDAY, OCTOBER 23, 1997 AT THE SUN DOME IN HUTCHINSON, KANSAS

The annual membership meetings of the Kansas County Association Multiline Pool (KCAMP) and the Kansas Workers Risk Cooperative for Counties (KWORCC) were jointly held at 1:00 p.m., October 23, 1997 at the Sun Dome, Hutchinson, Kansas. The KWORCC meeting was called to Order by KWORCC President, Ralph Unger and the KCAMP meeting was called to Order by KCAMP President, Kathy Bowman.

KWORCC board members present were:

President, Ralph Unger, Decatur County Commissioner
Vice-President, Doyle Alcorn, Jewell County Commissioner *Hookey*
Secretary, Bonnie Swartz, Gray County Clerk
Comptroller, Charles Hutchison, Osage County Commissioner
Gayle Landoll, Marshall County Clerk
John Green, Cherokee County Commissioner
Bob Fischer, Reno County Commissioner

KCAMP board members present were:

President, Kathy Bowman, Pawnee County Commissioner
Vice-President, Rosalie Seemann, Thomas County Clerk
Secretary, Meredith Hrnchir, Rawlins County Clerk
Comptroller, Bobby Heitschmidt, Ellsworth County Commissioner
Don Kiper, Osborne County Commissioner
Ralph Dick, Barber County Commissioner
Pam Meadows, Edwards County Clerk

Staff present were:

Jeanie Cowan, Administrator, KCAMP/KWORCC
Carl Eyman, Loss Prevention Representative, KCAMP/KWORCC
Debbie Dubinsky, Senior Legal Liability Analyst, KCAMP
Tom Job, Claims Manager, KCAMP/KWORCC

Also present was Kent Erwin, Senior Vice President, Gallagher Woodsmall.

Time was given to review the minutes from the Annual Membership Meeting held on October 17, 1996.

Rosalie Seemann, Thomas County Clerk, moved and Pam Meadows, Edwards County Clerk, seconded the motion to accept the minutes from the October 17, 1996 Annual Meeting. The motion carried.

President Ralph Unger and President Kathy Bowman welcomed the membership to the annual meeting.

Charles Hutchison, KWORCC Comptroller, gave the financial report for KWORCC for all fund years as of September 30, 1997.

Bobby Heitschmidt, KCAMP Comptroller, gave the financial report for KCAMP for all fund years as of September 30, 1997.

Doyle Alcorn, Jewell County Commissioner, moved and John Green, Cherokee County Commissioner, seconded to accept the financial reports for both KWORCC and KCAMP as presented by the Comptrollers. The motion carried.

Carl Eyman, Loss Prevention Representative, reviewed the loss prevention program. Mr. Eyman also reported on the Defensive Driving Program available to member counties. He encouraged the members to contact the KCAMP/KWORCC office to schedule classes.

Carl Eyman presented the Safety Awards for policy year 1996.

KCAMP Safety Awards were presented to the following member counties:

First Place - Rawlins County

Second Place - Jewell County

Third Place - Cloud County

Honorable Mention - Meade County, Edwards County, Osage County, Thomas County and Gray County

KWORCC Safety Awards were presented to the following member counties:

First Place - Decatur County

Second Place - Rawlins County

Third Place - Gove County

Honorable Mention - Grant County, Edwards County, Franklin County, Thomas County and Gray County

Bruce Woner, General Counsel for KCAMP/KWORCC, addressed the members regarding the changes in attorneys and the new telephone numbers and the Attorney Assist Program. He reaffirmed the importance of the Attorney Assist Program and its value as a loss prevention tool for KCAMP/KWORCC members.

Mr. Woner also commended the KCAMP and KWORCC Boards, their Administrator, Jeanie Cowan and the staff for their dedication and hard work in making KCAMP and KWORCC financially secure and stable insurance programs. Mr. Woner also expressed his gratitude for the opportunity to serve as General Counsel.

President Unger discussed the importance of the election of Board Members. He informed the membership there were five KWORCC nominees, four of which were incumbent trustees up for re-election. President Unger instructed the voting delegates they would be casting votes for four Board positions. He informed the membership of the nominations which were received.

The following individuals were nominated to serve on the KWORCC Board of Trustees for the two-year term beginning January 1, 1998:

John Green, Cherokee County Commissioner (Incumbent)
Doyle "Hooley" Alcorn, Jewell County Commissioner (Incumbent)
Bob Fischer, Reno County Commissioner (Incumbent)
Ralph Unger, Decatur County Commissioner (Incumbent)
John Miller, Wallace County Commissioner

The floor was opened for further nominations. No further nominations were received from the floor. Bobby Heitschmidt, Ellsworth County Commissioner, moved and Ralph Dick, Barber County Commissioner, seconded to close nominations. The motion carried.

Ballots were distributed to each KWORCC voting delegate present. The ballots were collected and counted by the following members: Linda McHenry, Grant County Clerk, Dudley Feuerborn, Anderson County Commissioner and Donald Hanson, Ellsworth County Commissioner.

It was then noticed the roll call of Members by county had been overlooked earlier in the meeting.

Ralph Unger called and recorded the roll call by county and the number of members present for KWORCC. Counties present were recorded as follows: Anderson -- 1, Barber -- 1, Cherokee -- 1, Cloud -- 0, Comanche -- 0, Decatur --1, Edwards --1, Elk -- 0, Ellsworth -- 1, Franklin -- 0, Geary -- 0, Grant -- 1, Gray -- 1, Jefferson -- 0, Jewell --1, Lincoln -- 1, Marshall -- 1, Meade -- 0, Miami -- 0, Mitchell --0, Morton -- 0, Neosho -- 0, Norton -- 0, Osage --1, Osborne -- 1, Ottawa -- 0, Pawnee -- 1, Rawlins --1, Reno --1, Russell --0, Saline -- 0, Sheridan -- 1, Stevens -- 0, Thomas -- 1, Wallace -- 0, Woodson -- 0.

Kathy Bowman called and recorded roll by county for KCAMP. Counties present were recorded as follows: Anderson -- 1, Barber -- 1, Cherokee -- 1, Cloud -- 0, Comanche -- 0, Decatur --1, Edwards --1, Elk -- 0, Ellsworth -- 1, Franklin -- 0, Geary -- 0, Grant -- 1, Gray -- 1, Jefferson -- 0, Jewell --1, Lincoln -- 1, Marshall -- 1, Meade -- 0, Miami -- 0, Mitchell --0, Morton -- 0, Neosho -- 0, Norton -- 0, Osage --1, Osborne -- 1, Ottawa -- 0, Pawnee -- 1, Rawlins --1, Reno -- 1, Russell --0, Saline -- 0, Sheridan -- 1, Stevens -- 0, Thomas -- 1, Wallace -- 0, Woodson -- 0.

Ballots were distributed to each KCAMP voting delegate present.

President Bowman reviewed the individuals running for positions on the KCAMP Board of Trustees. They are as follows:

Kathy Bowman, Pawnee County Commissioner (Incumbent)
Bobby Heitschmidt, Ellsworth County Commissioner (Incumbent)
Don Kiper, Osborne County Commissioner (Incumbent)
Guy Lower, Haskell County Commissioner
John Miller, Wallace County Commissioner
Rebecca Bossemeyer, Geary County Clerk
Francis Schoepf, Reno County Commissioner
Linda Scheer, Leavenworth County Clerk

The floor was opened for nominations. None were received. Don Navinsky, Leavenworth County Commissioner, moved and Dudley Feuerborn, Anderson County Commissioner, seconded to accept the nominees for KCAMP Board positions. The motion carried.

The ballots were collected and counted by the following members: Linda McHenry, Grant County Clerk, Dudley Feuerborn, Anderson County Commissioner and Donald Hanson, Ellsworth County Commissioner. The following individuals were elected to the KCAMP Board of Trustees beginning on January 1, 1998:

Kathy Bowman, Pawnee County Commissioner
Bobby Heitschmidt, Ellsworth County Commissioner
Don Kiper, Osborne County Commissioner

Doyle Alcorn, Jewell County Commissioner, moved and Bonnie Swartz, Gray County Clerk seconded, the KCAMP ballots be destroyed. The Motion carried.

Jeanie Cowan presented the Administrator's report. She also proposed and reviewed with the membership the 1998 Estimated Annual Operating Expenses for KCAMP/KWORCC. The budgets were increased from 1997. The information presented contained the administration expenses as well as the claims expenses for the upcoming year. Ms. Cowan discussed the increase in the administrative budget and supported need for the increase by stating it was her intent to increase the number of seminars for county officials substantially in 1998 since the

attendance and feedback were excellent. She explained how these seminars are important in assisting the members controlling loss and their insurance cost.

Ms. Cowan discussed the need to increase the staff and the associated cost. She explained the limited space at the current building was a problem and advised the landlord was so satisfied with KCAMP/KWORCC, he is willing to build a new building to meet KCAMP/KWORCC's specifications and maintain the same rental cost per square foot.

Ms. Cowan then introduced the KCAMP/KWORCC staff and explained the job each one fills.

Questions and comments were requested from the floor. Don Navinsky, Leavenworth County Commissioner, asked a question about salaries and raises. Mr. Navinsky also asked how much it cost for the pool staff to administer each claim.

Ms. Cowan responded to the question of salaries explaining raises are given on the basis of merit and Tom Job, Claims Manager, explained the method to approximate the cost of each claim.

Bobby Heitschmidt, Ellsworth County commissioner, requested the membership review the last page of the annual meeting book which showed the average yield the pools were receiving. Don Navinsky asked about the bank's services and the fees they are charging.

Ms. Cowan explained KCAMP and KWORCC have Board approved investment agreements with Country Club Bank of Leavenworth, Kansas to invest the funds in Federally insured instruments. The cost is one basis point against the amount invested.

With no other questions on the floor, President Unger explained to the membership, that the Board of Trustees, having the power to adopt the budget, did so the previous evening.

Prior to adjournment, Bruce Woner explained due to the lack of a quorum of KWORCC members, a special annual meeting must be held in order to conduct the official business of KWORCC. A tentative date was set for either November 16 or 18, 1997.

President Bowman gave her closing remarks.

President Unger gave his closing remarks.

Bobby Heitschmidt, Ellsworth County Commissioner, moved and Rosalie Seemann, Thomas County Clerk, seconded to adjourn the KCAMP meeting. The motion carried.

The meeting ended at 3:30 p.m.

Respectfully Submitted,

Deborah Dubinsky
Sr. Legal Liability Analyst

KCAMP/KWORCC

Annual Meeting

September 17, 1998

**KANSAS COUNTY ASSOCIATION MULTILINE POOL
AND
KANSAS WORKERS RISK COOPERATIVE FOR COUNTIES**

GENERAL MEMBERSHIP MEETING

September 17, 1998 1:00 pm
Bicentennial Center - Salina, KS

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KWORCC Call to Order/Roll Call
2. Approval of KCAMP/KWORCC Minutes, October 23, 1997
Approval of KWORCC/minutes - Special Meeting - November 18, 1997
3. President's Opening Remarks
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KCAMP Financial Report
Report on KCAMP/KWORCC Investments
5. KCAMP/KWORCC Safety Awards
6. Consideration/Election of Board Members -- KCAMP
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Ballots were distributed to each KWORCC voting delegate present. The ballots were collected and counted by the following members: Linda McHenry, Grant County Clerk, Dudley Feuerborn, Anderson County Commissioner and Donald Hanson, Ellsworth County Commissioner.

It was then noticed the roll call of Members by county had been overlooked earlier in the meeting.

Ralph Unger called and recorded the roll call by county and the number of members present for KWORCC. Counties present were recorded as follows: Anderson -- 1, Barber -- 1, Cherokee -- 1, Cloud -- 0, Comanche -- 0, Decatur --1, Edwards --1, Elk -- 0, Ellsworth -- 1, Franklin -- 0, Geary -- 0, Grant -- 1, Gray -- 1, Jefferson -- 0, Jewell --1, Lincoln -- 1, Marshall -- 1, Meade -- 0, Miami -- 0, Mitchell --0, Morton -- 0, Neosho -- 0, Norton -- 0, Osage --1, Osborne -- 1, Ottawa -- 0, Pawnee -- 1, Rawlins --1, Reno --1, Russell --0, Saline -- 0, Sheridan -- 1, Stevens -- 0, Thomas -- 1, Wallace -- 0, Woodson -- 0.

Kathy Bowman called and recorded roll by county for KCAMP. Counties present were recorded as follows: Anderson -- 1, Barber -- 1, Cherokee -- 1, Cloud -- 0, Comanche -- 0, Decatur --1, Edwards --1, Elk -- 0, Ellsworth -- 1, Franklin -- 0, Geary -- 0, Grant -- 1, Gray -- 1, Jefferson -- 0, Jewell --1, Lincoln -- 1, Marshall -- 1, Meade -- 0, Miami -- 0, Mitchell --0, Morton -- 0, Neosho -- 0, Norton -- 0, Osage --1, Osborne -- 1, Ottawa -- 0, Pawnee -- 1, Rawlins --1, Reno -- 1, Russell --0, Saline -- 0, Sheridan -- 1, Stevens -- 0, Thomas -- 1, Wallace -- 0, Woodson -- 0.

Ballots were distributed to each KCAMP voting delegate present.

President Bowman reviewed the individuals running for positions on the KCAMP Board of Trustees. They are as follows:

Kathy Bowman, Pawnee County Commissioner (Incumbent)
Bobby Heitschmidt, Ellsworth County Commissioner (Incumbent)
Don Kiper, Osborne County Commissioner (Incumbent)
Guy Lower, Haskell County Commissioner
John Miller, Wallace County Commissioner
Rebecca Bossemeyer, Geary County Clerk
Francis Schoepf, Reno County Commissioner
Linda Scheer, Leavenworth County Clerk

The floor was opened for nominations. None were received. Don Navinsky, Leavenworth County Commissioner, moved and Dudley Feuerborn, Anderson County Commissioner, seconded to accept the nominees for KCAMP Board positions. The motion carried.

The ballots were collected and counted by the following members: Linda McHenry, Grant County Clerk, Dudley Feuerborn, Anderson County Commissioner and Donald Hanson, Ellsworth County Commissioner. The following individuals were elected to the KCAMP Board of Trustees beginning on January 1, 1998:

Kathy Bowman, Pawnee County Commissioner
Bobby Heitschmidt, Ellsworth County Commissioner
Don Kiper, Osborne County Commissioner

Doyle Alcorn, Jewell County Commissioner, moved and Bonnie Swartz, Gray County Clerk seconded, the KCAMP ballots be destroyed. The Motion carried.

Jeanie Cowan presented the Administrator's report. She also proposed and reviewed with the membership the 1998 Estimated Annual Operating Expenses for KCAMP/KWORCC. The budgets were increased from 1997. The information presented contained the administration expenses as well as the claims expenses for the upcoming year. Ms. Cowan discussed the increase in the administrative budget and supported need for the increase by stating it was her intent to increase the number of seminars for county officials substantially in 1998 since the

attendance and feedback were excellent. She explained how these seminars are important in assisting the members controlling loss and their insurance cost.

Ms. Cowan discussed the need to increase the staff and the associated cost. She explained the limited space at the current building was a problem and advised the landlord was so satisfied with KCAMP/KWORCC, he is willing to build a new building to meet KCAMP/KWORCC's specifications and maintain the same rental cost per square foot.

Ms. Cowan then introduced the KCAMP/KWORCC staff and explained the job each one fills.

Questions and comments were requested from the floor. Don Navinsky, Leavenworth County Commissioner, asked a question about salaries and raises. Mr. Navinsky also asked how much it cost for the pool staff to administer each claim.

Ms. Cowan responded to the question of salaries explaining raises are given on the basis of merit and Tom Job, Claims Manager, explained the method to approximate the cost of each claim.

Bobby Heitschmidt, Ellsworth County commissioner, requested the membership review the last page of the annual meeting book which showed the average yield the pools were receiving. Don Navinsky asked about the bank's services and the fees they are charging.

Ms. Cowan explained KCAMP and KWORCC have Board approved investment agreements with Country Club Bank of Leavenworth, Kansas to invest the funds in Federally insured instruments. The cost is one basis point against the amount invested.

With no other questions on the floor, President Unger explained to the membership, that the Board of Trustees, having the power to adopt the budget, did so the previous evening.

Prior to adjournment, Bruce Woner explained due to the lack of a quorum of KWORCC members, a special annual meeting must be held in order to conduct the official business of KWORCC. A tentative date was set for either November 16 or 18, 1997.

President Bowman gave her closing remarks.

President Unger gave his closing remarks.

Bobby Heitschmidt, Ellsworth County Commissioner, moved and Rosalie Seemann, Thomas County Clerk, seconded to adjourn the KCAMP meeting. The motion carried.

The meeting ended at 3:30 p.m.

Respectfully Submitted,

Deborah Dubinsky
Sr. Legal Liability Analyst

SPECIAL MEETING

KANSAS WORKERS RISK COOPERATIVE FOR COUNTIES

NOVEMBER 18, 1997, WICHITA, KANSAS

A special meeting of the Kansas Workers Risk Cooperative was called by President Ralph Unger due to the lack of a quorum of the general membership at the regularly scheduled annual business meeting held October 23, 1997 in Hutchinson, Kansas.

President Ralph Unger called the meeting to order at 12:30 p.m.

Member counties present were as follows: Grant, Reno, Anderson, Jefferson, Geary, Gray, Marshall, Jewell, Cherokee, Osage, Morton, Norton, Russell, Rawlins, Lincoln, Wallace, Woodson, Osborne, Cloud, Barber, Pawnee, Thomas, Gove, Ellsworth, Ottawa, Decatur.

Upon motion, seconded and unanimously approved by voice vote the membership approved the minutes from the General Membership meeting of October 17, 1996 annual meeting.

Upon motion, seconded and unanimously approved by voice vote the membership accepted the financial report given by Charles Hutchison, Comptroller.

The next item of business was election of Board members. The following nominations were received: John Green, Cherokee County Commissioner, Doyle Alcorn, Jewell County Commissioner, Bob Fischer, Reno County Commissioner, Ralph Unger, Decatur County Commissioner and John Miller, Wallace County Commissioner.

Doyle Alcorn moved nomination cease Charles Hutchison seconded. The motion carried.

The ballots were distributed, collected and counted by Dallas Bressler, Morton County Commissioner, Don Hanson, Ellsworth County Commissioner and Rosalie Seemann, Thomas County Clerk.

Elected to the Board were John Green, Doyle Alcorn, Bob Fischer and Ralph Unger.

Dallas Bressler motioned to destroy the ballots Rosalie Seemann seconded. The motion carried.

Doyle Alcorn motioned Bob Fischer seconded that all business conducted at the October 23, 1997 meeting be ratified. The motion carried.

Jeanie Cowan, KWORCC Administrator, discussed with the membership their desire of the date for next year's annual meeting. Several suggestions were made by the membership, including the possibility of having the annual meeting in conjunction with the Kansas Association of Counties Annual Conference. Ms. Cowan informed the members she would

send out a survey to the members for the date of the 1998 annual meeting.

Ralph Unger explained to the membership KWORCC's financial worth.

Kathy Bowman moved and Doyle Alcorn seconded to adjourn the meeting. The time was 1:12 p.m. The motion carried.

Respectfully Submitted,

Bonnie Swartz
KWORCC Secretary
Gray County Clerk

KANSAS WORKERS RISK COOPERATIVE FOR COUNTIES

BALANCE SHEET

	ASSETS	JUL 31, 1998
CASH		\$9,913
INVESTMENTS		5,725,405
PREMIUMS RECEIVABLE		114,411
RECOVERIES RECEIVABLE		305,591
OTHER RECEIVABLES		22,936
ACCRUED INTEREST		109,295
PREPAID EXPENSES		75,101
FF&E		75,961
	TOTAL ASSETS	\$6,438,614
	LIABILITIES AND FUND EQUITY	
LIABILITIES		
UNPAID CLAIMS		\$2,420,499
UNEARNED PREMIUMS		770,597
ACCOUNTS PAYABLE		1,232
ACCRUED TAXES PAYABLE		521,205
ACCRUED EXPENSES		47,193
	TOTAL LIABILITIES	\$3,760,725
FUND EQUITY		
MEMBERS FUND BALANCE		\$2,272,356
CURRENT OPERATIONS YTD		405,055
UNREALIZED LOSS ON INVESTMENTS		(17,710)
UNREALIZED GAIN ON INVESTMENTS		18,187
	TOTAL FUND EQUITY	\$2,677,888
	TOTAL LIABILITIES AND FUND EQUITY	\$6,438,614

KANSAS WORKERS RISK COOPERATIVE FOR COUNTIES

	ANNUAL BUDGET	YTD JUL 31, 1998	UNEARNED/ UNREC'D INCOME	YTD% EARNED TO BUDGET
1998 BUDGET				
OPERATING REVENUES				
PREMIUM CONTRIBUTIONS	1,852,000	1,070,000	782,000	57.78%
INVESTMENT INCOME	272,400	217,318	55,082	79.78%
TOTAL REVENUES	2,124,400	1,287,318	837,082	60.60%
OPERATING EXPENSES				
			YTD UNEXPENDED	EXPENDED/ BUDGET
ADMINISTRATIVE FUND				
ACTUARIAL	7,500	1,405	6,095	18.73%
LEGAL	12,000	3,623	8,377	30.19%
FINANCIAL AUDIT	3,500	988	2,512	28.24%
PAYROLL & PREMIUM AUDIT	6,000	165	5,835	2.75%
BROKERAGE FEE	75,000	43,750	31,250	58.33%
ADMINISTRATIVE EXPENSES	215,600	94,044	94,053	60.08%
BOARD RELATED EXPENSES	45,000	14,686	30,314	32.64%
STATE TAXES @	18,520	10,700	7,820	57.78%
TOTAL ADMINISTRATIVE EXP	383,120	169,361	186,256	44.16%
CLAIMS FUND				
INCURRED LOSSES-NET OF RECOVERY*	1,146,600	827,659	318,941	72.18%
LOSS ADJUSTMENT EXPENSE	152,000	88,218	63,782	58.04%
INFORMATION MANAGEMENT	35,000	950	34,050	2.71%
EXCESS INSURANCE	70,000	37,195	32,805	53.14%
WORKERS COMPENSATION FUND	154,800	103,600	51,200	66.93%
WORKERS COMPENSATION DIR FUND	22,900	30,348	(7,448)	132.52%
TOTAL CLAIMS EXPENSES	1,581,300	1,087,969	493,331	68.80%
TOTAL EXPENSES	1,964,420	1,257,330	679,587	64.01%

KANSAS COUNTY ASSOCIATION MULTILINE POOL

BALANCE SHEET

	ASSETS	JUN 30, 1998
CASH		\$324,206
INVESTMENTS		4,881,825
PREMIUMS RECEIVABLE		8,917
RECOVERIES RECEIVABLE		953,088
OTHER RECEIVABLES		1,123
ACCRUED INTEREST		68,010
PREPAID EXPENSES		336,687
FF&E		1,479
	TOTAL ASSETS	\$6,575,336
	LIABILITIES AND FUND EQUITY	
LIABILITIES		
UNPAID CLAIMS		\$3,856,639
UNEARNED PREMIUMS		1,419,678
ACCOUNTS PAYABLE		25,588
ACCRUED TAXES PAYABLE		13,440
ACCRUED EXPENSES		49,589
	TOTAL LIABILITIES	\$5,364,934
FUND EQUITY		
MEMBERS FUND BALANCE		\$870,732
CURRENT OPERATIONS YTD		325,784
UNREALIZED LOSS ON INVESTMENTS		(6,850)
UNREALIZED GAIN ON INVESTMENTS		20,736
	TOTAL FUND EQUITY	\$1,210,402
	TOTAL LIABILITIES AND FUND EQUITY	\$6,575,336

KANSAS COUNTY ASSOCIATION MULTILINE POOL

1998 BUDGET	ANNUAL BUDGET	YTD JUN 30, 1998	UNEARNED/ UNRECD INCOME	YTD % EARNED TO BUDGET
OPERATING REVENUES				
PREMIUM CONTRIBUTIONS	2,900,000	1,344,000	1,556,000	46.34%
INVESTMENT INCOME	286,000	155,856	130,144	54.49%
TOTAL REVENUES	3,186,000	1,499,856	1,686,144	47.08%
OPERATING EXPENSES				
ADMINISTRATIVE FUND				
ACTUARIAL	7,500	2,950	4,550	39.33%
LEGAL	20,000	0	20,000	0.00%
FINANCIAL AUDIT & ACCOUNTING	6,000	928	5,072	15.47%
BROKERAGE FEE	90,000	45,000	45,000	50.00%
ADMINISTRATIVE EXPENSES	232,800	83,616	149,184	35.92%
BOARD RELATED EXPENSES	50,000	16,397	33,603	32.79%
STATE TAXES @	29,000	13,440	15,560	46.34%
TOTAL ADMIN EXPENSES	435,300	162,331	272,969	37.29%
CLAIMS FUND				
INCURRED LOSSES	1,667,500	1,007,606	659,894	60.43%
LOSS ADJUSTMENT EXPENSE	175,900	79,277	96,623	45.07%
INFORMATION MANAGEMENT	35,000	49	34,951	0.14%
EXCESS INSURANCE	575,000	276,200	298,800	48.03%
IMPUTED COST OF BORROWING	0	0	0	0.00%
TOTAL CLAIMS EXPENSES	2,453,400	1,363,132	1,090,268	55.56%
REALIZED LOSS ON INVESTMENTS		0		
TOTAL EXPENSES	2,888,700	1,525,462	1,363,238	52.81%

KANSAS WORKERS RISK COOPERATIVE FOR COUNTIES
1999 BUDGET - ESTIMATED
FUND YEAR 8

OPERATING REVENUES:

CONTRIBUTIONS	\$1,800,000
INVESTMENT INCOME	\$153,720
TOTAL REVENUES	\$1,953,720

OPERATING EXPENSES

ADMINISTRATIVE FUND

ACTUARIAL	\$7,500
LEGAL	\$50,000
FINANCIAL AUDIT	\$4,000
ATTORNEY ASSIST	\$15,000
EDUCATIONAL SEMINARS	\$12,000
PAYROLL & PREMIUM AUDIT	\$7,000
BROKERAGE FEE	\$75,000
ADMINISTRATIVE EXPENSES	\$171,240
INSURANCE EXPENSES	\$20,000
BOARD OF DIRECTORS EXPENSES	\$27,500
MISCELLANEOUS EXPENSES	\$20,000
KANSAS STATE PREMIUM TAXES (1.0%)	\$18,000

TOTAL ADMINISTRATIVE EXPENSES **\$427,240**

CLAIMS FUND

INCURRED LOSSES	\$1,033,711
LOSS ADJUSTMENT EXPENSE	\$259,809
INFORMATION MANAGEMENT	\$35,000
EXCESS INSURANCE	\$70,000
WORKERS COMP FUND	\$102,960
WORKERS COMP DIR FUND	\$25,000

TOTAL CLAIMS EXPENSES **\$1,526,480**

TOTAL EXPENSES **\$1,953,720**

CLAIMS FUND ACCOUNT **\$1,526,480** **84.80%**

ADMINISTRATIVE FUND ACCOUNT **\$427,240** **23.74%**

**KANSAS WORKERS RISK COOPERATIVE FOR COUNTIES
1998 & 1999 BUDGET-COMPARISON**

<u>OPERATING REVENUES:</u>	1998/99	1999/2000	% CHANGE
CONTRIBUTIONS	\$1,852,000	\$1,800,000	-2.81%
ACCRUED INTEREST	<u>\$158,531</u>	<u>\$153,720</u>	-3.03%
TOTAL REVENUES	\$2,010,531	\$1,953,720	-2.83%
 <u>OPERATING EXPENSES:</u>			
<u>ADMINISTRATIVE FUND:</u>			
ACTUARIAL	\$7,500	\$7,500	0.00%
LEGAL	\$12,000	\$50,000	316.67%
FINANCIAL AUDIT	\$7,000	\$4,000	-42.86%
ATTORNEY ASSIST	\$20,000	\$15,000	-25.00%
EDUCATIONAL SEMINARS	\$20,000	\$12,000	-40.00%
PAYROLL & PREMIUM AUDIT	\$6,000	\$7,000	16.67%
BROKERAGE FEE	\$75,000	\$75,000	0.00%
AMORTIZED STARTUP	\$20,000	\$0	-100.00%
KWORCC ADMINISTRATION COST	\$214,000	\$171,240	-19.98%
INSURANCE FOR KWORCC	\$20,000	\$20,000	0.00%
KWORCC BOARD EXPENSE	\$25,000	\$27,500	10.00%
MISCELLANEOUS EXPENSE	\$20,000	\$20,000	0.00%
STATE TAXES	<u>\$23,150</u>	<u>\$18,000</u>	-22.25%
TOTAL ADMINISTRATION EXPENSES:	\$469,650	\$427,240	-9.03%
 <u>CLAIMS FUND:</u>			
INCURRED LOSSES	\$1,124,158	\$1,033,711	-8.05%
LOSS ADJUSTMENT EXPENSE	\$134,000	\$259,809	93.89%
INFORMATION MANAGEMENT	\$35,000	\$35,000	0.00%
EXCESS INSURANCE	\$70,000	\$70,000	0.00%
WORKERS COMP. FUND	\$154,791	\$102,960	-33.48%
WORKERS COMP. DIR. FUND	<u>\$22,932</u>	<u>\$25,000</u>	9.02%
CLAIMS EXPENSES:	\$1,540,881	\$1,526,480	-0.93%
TOTAL EXPENSES:	\$2,010,531	\$1,953,720	-2.83%
CLAIMS FUND ACCOUNT:	\$1,540,881	\$1,526,480	-0.93%
ADMINISTRATIVE FUND ACCOUNT:	\$469,650	\$427,240	-9.03%

1999 ESTIMATED ADMINISTRATIVE EXPENSES FOR KWORCC

GENERAL OFFICE EXPENSES	MONTHLY	ANNUALLY	TOTALS
RENT	\$1,300	\$15,600	
JANITORIAL	\$67	\$800	
KPL SECURITY	\$8	\$100	
PAYROLL SERVICE	\$20	\$240	
TELEPHONE	\$417	\$5,000	
POSTAGE & SHIPPING	\$229	\$2,750	
COPYING EXPENSE	\$208	\$2,500	
OFFICE SUPPLIES	\$250	\$3,000	
GENERAL LIABILITY INSURANCE	\$104	\$1,250	
DEPRECIATION EXPENSE	\$417	\$5,000	
TOTAL			\$36,240
 STAFF EXPENSES			
SALARIES, PAYROLL TAXES, & BENEFITS	\$9,575	\$114,900	\$114,900
 COUNTY VISIT EXPENSES			
MILEAGE, LODGING, MEALS		\$9,250	\$9,250
 MEMBERSHIP DUES & PUBLICATIONS			
PRIMA & AIRP		\$1,500	
SAFETY COUNCILS		\$75	
NATIONAL SAFETY COUNCIL		\$100	
KS ASSOC OF INS AGENTS		\$200	
MISC TRADE PUBLICATIONS		\$300	
NEWSLETTERS		\$500	
TOTAL			\$2,675
 MISCELLANEOUS ANNUAL EXPENSES			
ANNUAL MEMBERSHIP MEETING		\$400	
KAC CONFERENCE		\$600	
PROMOTIONAL GIVEAWAYS, ETC		\$2,000	
UPDATE VIDEO LIBRARY		\$1,750	
CLERKS CONFERENCE		\$300	
REFRESHMENTS - SAFETY MEETINGS		\$250	
BANKING SERVICES		\$625	
KS INSURANCE DEPT EXAMINATIONS		\$2,250	
TOTAL			\$8,175
 GRAND TOTALS			\$171,240

1999 ESTIMATED LOSS ADJUSTMENT EXPENSES FOR KWORCC

GENERAL OFFICE EXPENSES	MONTHLY	ANNUALLY	TOTALS
RENT	\$1,300	\$15,600	
JANITORIAL	\$67	\$800	
KPL SECURITY	\$8	\$100	
PAYROLL SERVICE	\$20	\$240	
TELEPHONE	\$417	\$5,000	
POSTAGE & SHIPPING	\$229	\$2,750	
COPYING EXPENSE	\$208	\$2,500	
OFFICE SUPPLIES	\$250	\$3,000	
GENERAL LIABILITY INSURANCE	\$104	\$1,250	
DEPRECIATION EXPENSE	\$417	\$5,000	
TOTAL			\$36,240
 STAFF EXPENSES			
SALARIES, PAYROLL TAXES, & BENEFITS	\$17,766	\$213,194	\$213,194
 MEMBERSHIP DUES & PUBLICATIONS			
NCCI AFFILIATION		\$6,000	
TOTAL			\$6,000
 MISCELLANEOUS EXPENSES			
BANKING SERVICES		\$625	
COUNTY VISITS - CLAIMS		\$1,500	
KS INSURANCE DEPT EXAMINATIONS		\$2,250	
TOTAL			\$4,375
 GRAND TOTALS			\$259,809

**KANSAS COUNTY ASSOCIATION MULTILINE POOL
1999 BUDGET - ESTIMATED
FUND YEAR 9**

OPERATING REVENUES:

CONTRIBUTIONS	\$2,700,000
INVESTMENT INCOME	\$151,200
TOTAL REVENUES	\$2,851,200

OPERATING EXPENSES

ADMINISTRATIVE FUND

ACTUARIAL	\$7,500
LEGAL	\$24,000
FINANCIAL AUDIT	\$4,000
ATTORNEY ASSIST	\$15,000
EDUCATIONAL SEMINARS	\$12,000
BROKERAGE FEE	\$95,000
ADMINISTRATIVE EXPENSES	\$175,065
INSURANCE EXPENSES	\$23,000
BOARD OF DIRECTORS EXPENSES	\$27,500
MISCELLANEOUS EXPENSES	\$20,000
KANSAS STATE PREMIUM TAXES (1.0%)	\$27,000

TOTAL ADMINISTRATIVE EXPENSES **\$430,065**

CLAIMS FUND

INCURRED LOSSES	\$1,640,095
LOSS ADJUSTMENT EXPENSE	\$196,040
INFORMATION MANAGEMENT	\$35,000
EXCESS INSURANCE	\$550,000

TOTAL CLAIMS EXPENSES **\$2,421,135**

TOTAL EXPENSES **\$2,851,200**

CLAIMS FUND ACCOUNT **\$2,421,135** **89.67%**

ADMINISTRATIVE FUND ACCOUNT **\$430,065** **15.93%**

**KANSAS COUNTY ASSOCIATION MULTILINE POOL
1998 & 1999 BUDGET-COMPARISON**

<u>OPERATING REVENUES:</u>	1998/99	1999/2000	% CHANGE
CONTRIBUTIONS	\$2,900,000	\$2,700,000	-6.90%
ACCRUED INTEREST	<u>\$145,000</u>	<u>\$151,200</u>	4.28%
TOTAL REVENUES	\$3,045,000	\$2,851,200	-6.36%
 <u>OPERATING EXPENSES:</u>			
<u>ADMINISTRATIVE FUND:</u>			
ACTUARIAL	\$7,500	\$7,500	0.00%
LEGAL	\$20,000	\$24,000	20.00%
FINANCIAL AUDIT	\$6,000	\$4,000	-33.33%
ATTORNEY ASSIST	\$20,000	\$15,000	-25.00%
EDUCATIONAL SEMINARS	\$20,000	\$12,000	-40.00%
BROKERAGE FEE	\$90,000	\$95,000	5.56%
AMORTIZED STARTUP	\$20,000	\$0	-100.00%
KCAMP ADMINISTRATION COST	\$214,000	\$175,065	-18.19%
INSURANCE FOR KCAMP	\$25,000	\$23,000	-8.00%
KCAMP BOARD EXPENSE	\$25,000	\$27,500	10.00%
MISCELLANEOUS EXPENSE	\$18,000	\$20,000	11.11%
STATE TAXES	<u>\$36,250</u>	<u>\$27,000</u>	-25.52%
<u>TOTAL ADMINISTRATION EXPENSES:</u>	\$501,750	\$430,065	-14.29%
 <u>CLAIMS FUND:</u>			
INCURRED LOSSES	\$1,734,750	\$1,640,095	-5.46%
LOSS ADJUSTMENT EXPENSE	\$198,500	\$196,040	-1.24%
INFORMATION MANAGEMENT	\$35,000	\$35,000	0.00%
EXCESS INSURANCE	<u>\$575,000</u>	<u>\$550,000</u>	-4.35%
<u>CLAIMS EXPENSES</u>	\$2,543,250	\$2,421,135	-4.80%
<u>TOTAL EXPENSES:</u>	\$3,045,000	\$2,851,200	-6.36%
<u>CLAIMS FUND ACCOUNT:</u>	\$2,543,250	\$2,421,135	-4.80%
<u>ADMINISTRATIVE FUND ACCOUNT:</u>	\$501,750	\$430,065	-14.29%

1999 ESTIMATED ADMINISTRATIVE EXPENSES FOR KCAMP

GENERAL OFFICE EXPENSES	MONTHLY	ANNUALLY	TOTALS
RENT	\$1,300	\$15,600	
JANITORIAL	\$67	\$800	
KPL SECURITY	\$8	\$100	
PAYROLL SERVICE	\$20	\$240	
TELEPHONE	\$417	\$5,000	
POSTAGE & SHIPPING	\$229	\$2,750	
COPYING EXPENSE	\$208	\$2,500	
OFFICE SUPPLIES	\$250	\$3,000	
GENERAL LIABILITY INSURANCE	\$104	\$1,250	
DEPRECIATION EXPENSE	\$417	\$5,000	
TOTAL			\$36,240
 STAFF EXPENSES			
SALARIES, PAYROLL TAXES, & BENEFITS	\$9,800	\$117,600	\$117,600
 COUNTY VISIT EXPENSES			
MILEAGE, LODGING, MEALS	\$771	\$9,250	\$9,250
 MEMBERSHIP DUES & PUBLICATIONS			
PRIMA & AIRP		\$1,500	
SAFETY COUNCILS		\$75	
NATIONAL SAFETY COUNCIL		\$100	
KS ASSOC OF INS AGENTS		\$200	
MISC TRADE PUBLICATIONS		\$300	
NEWSLETTERS		\$500	
TOTAL			\$2,675
 MISCELLANEOUS ANNUAL EXPENSES			
ANNUAL MEMBERSHIP MEETING		\$400	
KAC CONFERENCE		\$600	
PROMOTIONAL GIVEAWAYS, ETC		\$2,000	
UPDATE VIDEO LIBRARY		\$1,750	
CLERKS CONFERENCE		\$300	
REFRESHMENTS - SAFETY MEETINGS		\$250	
BANKING SERVICES		\$625	
KS INSURANCE DEPT EXAMINATIONS		\$3,375	
TOTAL			\$9,300
 GRAND TOTALS			\$175,065

1999 ESTIMATED LOSS ADJUSTMENT EXPENSES FOR KCAMP

GENERAL OFFICE EXPENSES	MONTHLY	ANNUALLY	TOTALS
RENT	\$1,300	\$15,600	
JANITORIAL	\$67	\$800	
KPL SECURITY	\$8	\$100	
PAYROLL SERVICE	\$20	\$240	
TELEPHONE	\$417	\$5,000	
POSTAGE & SHIPPING	\$229	\$2,750	
COPYING EXPENSE	\$208	\$2,500	
OFFICE SUPPLIES	\$250	\$3,000	
GENERAL LIABILITY INSURANCE	\$104	\$1,250	
DEPRECIATION EXPENSE	\$417	\$5,000	
TOTAL			\$36,240
 STAFF EXPENSES			
SALARIES, PAYROLL TAXES, & BENEFITS	\$12,342	\$148,100	\$148,100
 MEMBERSHIP DUES & PUBLICATIONS			
GREEN GUIDES/BLUE BOOKS		\$1,200	
MITCHELL GUIDES		\$1,200	
MISC CLAIMS GUIDES		\$1,000	
EXACT MATE SOFTWARE		\$600	
AGENCY MANAGEMENT SYSTEMS		\$2,200	
TOTAL			\$6,200
 MISCELLANEOUS EXPENSES			
BANKING SERVICES		\$625	
COUNTY VISITS - CLAIMS DEPT		\$1,500	
KS INSURANCE DEPT EXAMINATIONS		\$3,375	
TOTAL			\$5,500
 GRAND TOTALS			\$196,040

KWORCC
BOARD MEETING
HOLIDAY INN EXPRESS, SALINA, KANSAS
SEPTEMBER 10, 1998

The KWORCC Board meeting was called to order at 1:40 p.m. on September 10, 1998, by President Doyle "Hooley" Alcorn.

Board members present were:

Doyle "Hooley" Alcorn, Jewell County Commissioner
John Green, Cherokee County Commissioner
Ralph Unger, Decatur County Commissioner
Bob Fischer, Reno County Commissioner
Charles Hutchison, Osage County Commissioner
Gayle Landoll, Marshall County Clerk
Bonnie Swartz, Gray County Clerk

Staff Present were:

Jeanie Cowan, Administrator
Tom Job, Claims Manager
Marilyn Owens, Claims Administration Supervisor

Also Present:

Kent Erwin, Vice President, Gallagher Woodsmall, Inc.
Jim Parrish, Attorney

Time was given to review minutes from the August 27, 1998 meeting. Ralph Unger requested a change in regards to publishing summaries of the more popular questions in a generic form from the Attorney Assist program. Bonnie Swartz moved to approve the minutes with Mr. Unger's change and Charles Hutchison seconded. The Motion carried.

At 1:45 Bonnie Swartz requested an executive session be held for 20 minutes with the Board attorney Jim Parrish for legal business. Ralph Unger seconded. The Motion carried.

At 2:05 p.m. Bonnie Swartz stated executive session would be extended for 30 minutes for legal business. Bob Fischer moved and Gayle Landoll seconded for executive session to be extended. The Motion carried.

Executive session ended at 2:37 p.m.

Doyle "Hooley" Alcorn stated that the Board was adding to the agenda the following: 1) Discussion of meal allowance on meeting days. 2) D & O Policy 3) Employee Bonds.

Ralph Unger made a motion to adopt the agenda and Charles Hutchinson seconded. The Motion carried.

Doyle "Hooley" Alcorn announced that Bruce Woner requested to step aside as Board legal counsel for the time being and Jim Parrish would be the Board's legal counsel. Ralph Unger moved to have Jim Parrish as Board counsel and Charles Hutchison seconded. The Motion carried.

It was stated that Jim Parrish's hourly rate would be \$150.00 per hour.

John Green moved KWORCC indemnify the Woner, Glenn, Reeder & Girard law firm and Bruce Woner and James W. Parrish in the same manner as employees and trustees and grant to each any indemnities as contained in Article 15 of the bylaws. Gayle Landoll seconded. Kent Erwin questioned whether the Board had the power under the By-laws to indemnify third party service providers. Mr. Parrish replied the Board did. The Motion carried.

Tom Job addressed KWORCC staffing needs and the impact on the budget. Mr. Job stated that qualified people were hard to find and they cost money. Mr. Job stated for the Board to keep in mind the budget included 2 full time adjusters.

Jeanie Cowan handed out the proposed 1999/2000 budget. The budget showed a percentage change from last year and she noted this included two full-time adjusters, not one. Ms. Cowan stated that they should approve the second budget and not the original because of changes. There was discussion in regards to possibly moving the workers compensation back to a third party administrator. Bonnie Swartz asked if there was enough money budgeted to do this. She was advised there is. Discussion was held on the problems finding a qualified adjuster in the Topeka area. Doyle "Hooley" Alcorn asked Ms. Cowan if she had contacted any third party administrators in regards to the handling of the claims. Mr. Alcorn instructed Ms. Cowan to explore the field and see what she can do.

Gayle Landoll asked for the budget at the annual meeting to show dollar amounts for 1998/99 and 1999/2000 budgets as well as percentage changes. Jeanie Cowan stated that it would. Bonnie Swartz moved to give the general membership the Budget as written. John Green seconded. The Motion carried.

Jeanie Cowan presented the Administrator report. Ms. Cowan discussed the annual meeting and the nominations that had been received for the Board positions. There was also discussion with regards to the KWORCC President's and Secretary's roles at the annual meeting.

Jeanie Cowan then discussed the KAC conference and requested volunteers to work in the KCAMP/KWORCC booth. Time schedules were to be worked out.

Jeanie Cowan discussed Strategic Planning sessions with the Board and staff. Gayle Landoll asked if this would be informal or with a facilitator. There was discussion as to the pros and cons of a facilitator. Doyle "Hooley" Alcorn stated he feels they should think about this and put the item back on agenda next month for further discussion. Ms. Cowan was instructed to check on the cost and

names.

Jeanie Cowan then asked the Board to consider which services they wanted to take bids on. After discussion the Board decided the following:

- 1) Brokerage/Consultant - Bid
- 2) Information System - Do not Bid
- 3) Claims- Bid
- 4) Loss Prevention/Risk Management - Do not bid
- 5) Legal Counsel - Do not bid
- 6) Actuarial Study - Do not bid
- 7) Accounting - Do not bid
- 8) Payroll service - Do not bid
- 9) Annual CPA Audit - Do not bid
- 10) Systems Management - Do not bid
- 11) Pool Administration - Bid
- 12) Independent Claims Audit - Would be good idea to have one
- 13) Independent Legal Fee Audit - Would be good idea to have one
- 14) Independent Salary Review - Need to review at end of each year
- 15) Forensic Audit - Said should be taken off list
- 16) Training/Education/Meeting Planner - Do not bid

Jeanie Cowan then discussed the importance of the year 2000 compliance report and the need to update the operating system, word processing and spreadsheet software. Bonnie Swartz asked if this cost was in the budget. Ms. Cowan stated that it was.

Jeanie Cowan then discussed the move to the new location and the troubles the developer had been having in regards to zoning laws and construction permits.

Ms. Cowan then discussed the Prima meeting scheduled for October. Doyle "Hooley" Alcorn will be attending with Ms. Cowan.

The Board then discussed the KWORCC special meeting held on July 29, 1998.

- 1) There was discussion about the annual meeting.
- 2) The Board decided they and general counsel wanted to receive one week prior to the meeting the following:
 - a.) Board packet
 - b.) Agenda (Would be faxed to Doyle "Hooley" Alcorn for approval prior to going to the rest of the Board members.
 - c.) Minutes (Gayle Landoll stated that she feels their counsel Jim Parrish should review before being sent to the rest of the Board.
- 3) All checks over \$5,000.00 would be brought to the Board for signature. Board felt the comptroller should be added to the signature card.

Ralph Unger moved to have comptroller added to signature card Bonnie Swartz seconded. The

motion carried.

- 4) Credit card statements should be sent to the Board members each month.

Jeanie Cowan then went through the letter from the KWORCC Board that was sent to herself, Tom Job & Richard Alexander.

In regards to the KCAMP/KWORCC breakdown of payments, Bonnie Swartz stated that Richard Alexander had answered already. It was decided the check register will be given to each Board member at the meeting along with the claims report. In regards to the outline of all records kept as to administrative and claim related matters, including records kept by third party vendors; Jeanie Cowan asked what it is the Board is wanting. It was stated that Tom Job and Richard Alexander had already answered the questions at the last meeting. With regards to the request for wages paid to staff members, Gayle Landoll stated the Board wants a yearly review of all employees salary. Jeanie Cowan is to have 1997 year end salaries prepared for the next meeting along with length of employment of each staff member. Resumes of each staff member were previously handed out except Ms. Cowan's which she gave to each member at the meeting. Kent Erwin handed out to each Board member the Financial Institution Bonds that protect KWORCC funds from dishonest acts of employees and a copy of the May 1, 1998/99 Trustee's Errors and Omissions Policy.

Jeanie Cowan presented the letter from Curtis Roggow and discussion was held concerning whether KWORCC is a public or private entity. Gayle Landoll stated she felt we were always a public entity. Bob Fischer felt there was public money involved so KWORCC has to be subject to the open records and open meetings laws with some restriction. If attorney/client communications was involved they would have to go into executive session. Jeanie Cowan spoke of her discussions with Terry Nuckolls on the public versus private entity issue and where KWORCC falls. Ms. Nuckolls feels the issue should be taken to the Legislature in 1999 to seek clarification. Jim Parrish stated that the legislature could clarify. Jeanie Cowan asked Jim Parrish to look up statute 91-4, the AG opinion on Municipalities.

Ralph Unger then discussed the meal allowance. Mr. Unger presented a copy of the State guidelines which included 32 cents per mile for travel mileage and meals at a \$28.00 per diem. Charles Hutchison moved to accept the State guidelines on meal allowance and mileage for meeting days. Gayle Landoll seconded. The Motion carried.

At 6:05 p.m. Gayle Landoll requested executive session be called for 15 minutes for legal matters for attorney/client privilege with Board attorney. Ralph Unger seconded. The motion carried.

Executive session ended at 6:20 p.m.

Bonnie Swartz explained that Jeanie Cowan is to meet with Doyle "Hooley" Alcorn and Jim Parrish to discuss her job duties, authority and responsibilities. The meeting was scheduled to follow the annual meeting on September 17, 1998.

Tom Job spoke about the good working relationship between the staff and Jeanie Cowan. Marilyn Owens agreed with Tom and said the staff and Jeanie get along fine and work well together. Both

feel there may be communication problems between the Board and the staff. Mr. Job and Ms. Owens feel if there were things the Board members feel they are not receiving then why not just call and ask for them or come to the office and it would be given to them. Ms. Cowan agreed and welcomed the Board once again to visit the office. Ms. Cowan praised the working relationship she has with the staff and member counties.

Doyle "Hooley" Alcorn stated he felt the problems are with communication.

Jeanie Cowan began to poll the Board members individually on what additional information they wanted. Jim Parrish spoke up and stated Jeanie could not poll the Board. The letter sent by Ms. Cowan's attorney threatened legal action against the Board. These people are volunteers who donate their time to serve on this Board. He could not repeat what was said in executive session but could say that at no time was it stated "Let's get rid of Jeanie Cowan."

Gayle Landoll moved to adjourn the meeting and Ralph Unger seconded. The Motion carried. The meeting adjourned at 6:35 p.m.

Respectfully submitted,

Robert Fischer
Reno County Commissioner
KWORCC Secretary and Trustee

Marilyn L. Owens
Claims Administration Supervisor

KWORCC
BOARD MEETING
CLUBHOUSE INN, TOPEKA, KANSAS
AUGUST 27, 1998

The KWORCC Board meeting was called to order at 1:32 p.m. on August 27, 1998, by President Doyle "Hooley" Alcorn.

Board members present were:

Charles Hutchison, Osage County Commissioner
Bob Fischer, Reno County Commissioner
Ralph Unger, Decatur County Commissioner
Doyle "Hooley" Alcorn, Jewell County Commissioner
John Green, Cherokee County Commissioner
Gayle Landoll, Marshall County Clerk
Bonnie Swartz, Gray County Clerk

Staff present were:

Jeanie Cowan, Administrator
Tom Job, Claims Manager
Richard Alexander, Accountant
Marilyn Owens, Claims Administration Supervisor
Carl Eyman, Loss Prevention

Also present:

Kent Erwin, Vice President, Gallagher Woodsmall, Inc.
Bud Cowan, Attorney, Shook, Hardy, Bacon L.L.P.
Rosalie Seemann, Thomas County Clerk, KCAMP Representative
Kathy Bowman, Pawnee County Commissioner, KCAMP Representative
Ralph Dick, Barber County Commissioner, KCAMP Representative
Marty Hazen, Kansas Insurance Department
Marlin Kroenke, Kansas Insurance Department
Chris Thompson, Country Club Bank
Carola Fuller, Country Club Bank
Bruce Woner, Attorney, Woner, Glenn, Reeder & Girard
Curtis Roggow, Attorney, Blackwell Sanders

Doyle "Hooley" Alcorn requested that the meeting stay with the agenda as there was a large agenda. He stated that Bruce Woner was present at the Board's request.

Time was given to approve minutes from last meeting. John Green stated that he believed he was present at last meeting and was omitted from list. Correction made. John Green made a

motion to approve the minutes with the change and Bob Fischer seconded. The motion carried.

There was discussion in regards to the taking of the minutes and Jeanie Cowan suggested to the Board that the meeting be taped so it would all be correct and the Board unanimously stated they did not want the meeting to be recorded.

Doyle "Hooley" Alcorn discussed the special meeting that was held on July 29, 1998 in Salina, Kansas. Bob Fischer read the minutes from that special meeting. Ralph Unger moved to accept the minutes as written and Bob Fischer seconded. The motion carried.

Jeanie Cowan requested that Rosalie Seemann, Kathy Bowman and Ralph Dick be recognized from the KCAMP Board.

1:51 p.m. Charles Hutchison entered the meeting. His presence is noted for the record.

KCAMP Board members spoke to the KWORCC Board in regards to some problems that had risen from the KCAMP Board meetings. Kathy Bowman asked the KWORCC Board members what it was going to take to work together. Doyle "Hooley" Alcorn stated that communication was the problem. Kent Erwin commented that maybe the two pools should be combined and have one Board. Ralph Unger feels pools should remain separate. Bob Fischer feels that the two Boards should meet periodically to discuss policy and personnel.

At 2:17 p.m. Gayle Landoll made a motion to go into executive session with the KCAMP Board members that were present and the KWORCC Board for 15 minutes. Bob Fischer seconded. The motion carried. At 2:42 p.m. Charles Hutchison made a motion to continue the executive session for 20 minutes Ralph Unger seconded. The motion carried. At 3:04 p.m. executive session ended.

The financial report was given by Richard Alexander. He explained the balance sheets through June 30, 1998, statement of revenue for all years, and the administrative expense thru June 30, 1998.

Chris Thompson, from Country Club Bank explained the pledge of Security against our funds. Charles Hutchison commented on the statements he receives from Nations Bank monthly. Jeanie Cowan explained the importance of the comptroller coming in to the office at least once a quarter to review and spot check various items regarding finances and claims then the comptroller should write a report to the Board to be placed in the Board packet at the next meeting. Richard Alexander agreed and stated this should be noted in the minutes and along with a copy placed in the Board packet.

Chris Thompson and Carolla Fuller presented to the Board the KWORCC Bond Portfolio. Chris Thompson explained the investments of excess funds, security on bonds, the one year treasury and expectations going forward.

Richard Alexander then presented the check register for check numbers 2867 through 2918 and

check numbers 1001 thru 1045 that had been written since the last Board meeting.. Mr. Alexander gave the Board time to review. Bob Fischer asked about payroll audit and adjustment of premiums. Mr. Fischer then asked if most funds have been transferred to the new checking account. Mr. Alexander discussed how checks that don't clear are put in a stale checking account. Bob Fischer moved to accept check register as written and John Green seconded. The motion carried.

Richard Alexander presented the proposed budget for 1999 policy year. Doyle "Hooley" Alcorn asked about a copy of last years budget for comparison. Mr. Alexander explained that this information was in the financial report in their Board packet. Gayle Landoll asked if there would be a comparison of last years budget vs this years in the annual packet. Jeanie Cowan stated that it would be in the annual packet. Ralph Unger questioned the administration/legal fund and why the increase. Jeanie Cowan explained it was due to issues on the Board.

Copies of credit card charges were handed out to the Board members for their review. Ralph Unger questioned a charge that was on Carl Eyman's card. Carl Eyman gave Mr. Unger explanation of the charge. Ralph Unger also asked why there was a finance charge appearing on the credit card bill. Richard Alexander explained the problem that had arisen from Nations Bank. Jeanie Cowan then asked if they had all reviewed the credit card bills that were handed out last meeting that covered October 1997 thru May 1998. This was not complete and will be discussed at the next meeting. Ralph Unger moved to accept the June 1998 credit card bills and Charles Hutchison seconded. The motion carried.

Tom Job gave the claims report. He discussed the claims by county report and the statistical reports. Jeanie Cowan discussed the type of claims we are seeing and that the counties need to try and take precautions to help prevent these losses. Gayle Landoll asked in regards to authority over \$20,000 for Board approval. Tom Job advised that since he has been employed they had not had any settlements that would have needed Board authority.

Marlin Kroenke, Kansas Insurance Department informed the Board the Kansas Insurance Department will be auditing KWORCC on Monday August 31, 1998. Mr. Kroenke explained what the Insurance Department would be looking at upon there examination. The statute requires an examination every three years.

Mr. Kroenke told the Board that Jeanie Cowan and himself had worked very well together and felt that Ms. Cowan has a great working relationship and is highly respected by the Kansas Insurance Department. Mr. Kroenke commended Ms. Cowan for her leadership and hard work for the Pools and how Ms. Cowan has turned KCAMP/KWORCC around since she was appointed administrator in 1995.

Marty Hazen of the Kansas Insurance Department discussed that the pools that were having problems were the Health Insurance Pools. He stated that the Insurance Department has had less calls from private agents in regards to the stability of the Pools and rumors that they had heard.

Jeanie Cowan presented to the Board a chart of all attorney fees from January 1, 1997 to July 31,

1998. Ms. Cowan explained the attorney's billing practices, hourly rate and service performance.

Bud Cowan of Shook, Hardy & Bacon discussed the positive aspect of the Attorney Assist Program. Ralph Unger asked if publishing summaries of the more popular questions in a generic form could be done. It was stated that it could be in a newsletter.

Carl Eyman presented the Loss Prevention report. Mr. Eyman discussed the defensive driving courses he has been administering and the counties that have completed the course. He discussed severity of losses vs frequency of losses.

Richard Alexander stated to the Board members that he does report to Jeanie Cowan but if he felt there were any problems that he needed to discuss with the Board of Trustees that he would most certainly do so. He also discussed the letter sent to him by the KWORCC Board of Trustees.

Because of the length of the meeting and what was still on the agenda there was a poll taken and it was decided that the meeting would go until 6:00 p.m. and then resume 8-18-98 at 8:00 a.m. Ralph Unger made a motion to continue the meeting until 6:00 p.m. and resume tomorrow morning at 8:00 a.m. Robert Fischer seconded. The motion carried.

Kent Erwin stated that the Brokers report would be forthcoming at next meeting because at this point he will not receive the actual report until the end of this month in regards to actuarial analysis. He will give the information at the next meeting.

Jeanie Cowan began the Administrators report. Ms. Cowan began with the presentation of Bidding information in regards to Brokerage consultant. The Board all agreed to stay with Kent Erwin from Gallagher Woodsmall, Inc. In regards to Information System the Board decided to stay with Corporate Systems for the claims system.

Recess at 6:00 p.m.

Meeting was resumed at 8:10 a.m. on 8-28-98 at the Clubhouse Inn, Topeka, Kansas.

John Green was not in attendance. His absence is noted for the record.

Doyle "Hooley" Alcorn requested from Jeanie Cowan, Tom Job and Richard Alexander the information in the letter that had been mailed to them by the KWORCC Board of Trustees. Richard Alexander addressed the request. Bonnie Swartz requested a break down of the payments by KCAMP and KWORCC. Mr. Alexander stated all office expenses were split on a 50/50 basis between the KCAMP and KWORCC Pools. He stated the staff was split according to their job functions.

Tom Job explained how files were set up and how the payments would be within each file. Gayle requested that from now on the Board members should receive a copy of the letter that is mailed to the claimant in regards to their settlement and a copy of the check register for the claims account.

Curtis Roggow explained to the Board the confidentiality in regards to Board members. Bonnie Swartz asked Mr. Roggow that if they are reviewing privileged information should they go into an executive session and Mr. Roggow advised that in open meeting you could become at risk.

Jeanie Cowan then gave the Board members the information requested in the letter Ms. Cowan received from the KWORCC Board of Trustees. Ms. Cowan gave all the salaries of each employee and a copy of every employees resume. Patty Preston's resume was not included but a copy will be made and sent to each Board member.

The Board members then discussed the possibility of hiring someone that could be trained fully in case of the absence of Jeanie Cowan. Jeanie Cowan reminded the Board they had previously decided that if in the event she had a family emergency or was in an accident or very ill and unable to fulfill her duty then Kent Erwin would step in. They were also concerned if something would happen to both of them. Jeanie Cowan went on record to state that if something happened to her or Kent that Tom Job, Richard Alexander and Marilyn Owens would be able to continue the day to day pool activities. Ms. Cowan also reminded the Board of the substantial life insurance policy they held on her.

Doyle "Hooley" Alcorn recommended that Charles Hutchison and Bruce Woner meet with Richard Alexander to prepare for the annual meeting. The meeting was set for September 2, 1998 at 1:30 at the KCAMP/KWORCC Office.

Ralph Unger addressed that from the Boards special meeting that they want sent to them one week in advance the material for the Board meetings so that they will be better prepared.

Doyle "Hooley" Alcorn advised Robert Fischer to get with Marilyn Owens and review minutes and then sign off on them. This would be done at the completion of the meeting.

At 9:47 a.m. Jeanie Cowan requested that she and the Board go into executive session. Gayle Landoll made a motion to go into executive session for 20 minutes and Charles Hutchison seconded. The motion carried.

Executive session ended at 10:07 a.m. and discussion resumed in regards to the organization of the office and the Board.

Bonnie Swartz moved to adjourn the meeting Charles Hutchison seconded. The motion carried. The meeting adjourned at 10:50 a.m.

Respectfully submitted,

Robert Fischer
Reno County Commissioner
KWORCC Board Secretary
Reno County Commissioner

Marilyn L. Owens
Claims Administration Supervisor

**SPECIAL MEETING
BOARD OF TRUSTEES
KANSAS WORKERS RISK COOPERATIVE FOR COUNTIES
JULY 29, 1998
SALINA, KANSAS**

A special meeting of the Kansas Workers Risk Cooperative for Counties ("KWORCC") was called to order by Board President, Doyle "Hooley" Alcorn at 1:30 p.m. on Wednesday, July 29, 1998 in Salina, Kansas, in keeping with Assistant Attorney General Kyle Smith's advice that a public board should get together by itself once or twice a year to review all operations. All Trustees agreed to the special meeting and signed consents and waivers per the By-Laws. In attendance were Hooley Alcorn, Bonnie Swartz, Charles Hutchison, Robert Fischer, Gayle Landoll and Ralph Unger; John Green was not present; and, Bruce Woner was present.

The meeting was opened by President Alcorn announcing that in keeping with the advice of Kyle Smith, Assistant Attorney General, he had decided the Board should get together by itself to review all operations. The KWORCC Board agreed that such a meeting to discuss operations was a positive move. A general discussion took place on numerous topics of concern, regarding administration, operations, staff and staffing and the by-laws.

Upon motion, seconded and unanimously approved by voice vote, the Trustees decided no date should be set for the annual meeting, pending a later decision of KWORCC and/or KWORCC and KCAMP.

Upon motion, seconded and unanimously approved by voice vote, the Trustees next decided that going forward, all minutes and materials for the Board to consider before any Board meeting shall be received by the Board a week before the meeting.

Upon motion, seconded and unanimously approved by voice vote, the Trustees then decided the official minutes of all Board meetings going forward shall be kept by the Board Secretary. The Board Secretary shall be the keeper of the Board's official minutes; shall sign the minutes; and, shall keep all originals in the Pool office, where all Trustees can find them.

Upon motion, seconded and unanimously approved by voice vote, the Trustees next decided that a meeting with the KCAMP Trustees should be pursued at the earliest mutual convenience of all Trustees to discuss issues of mutual concern.

Upon motion, seconded and unanimously approved by voice vote, the Trustees next decided that only routine expenses shall be paid by the Pool Administrator without advance approval by the Board or a second signature by a Board member on the check. Routine expenses are specifically defined as recurring monthly items such as rent, utilities, payroll and other small repeat monthly operational items. Further, all amounts in excess of \$5,000.00 shall require a

second signature by a Board member. Detail on all these matters shall be provided to the Board at each regular meeting.

Upon motion, seconded and unanimously approved by voice vote, the Trustees then decided that all credit card receipts need to be forwarded to all Trustees every month in the pre-meeting advance mailing.

It was moved, seconded and unanimously approved upon voice vote that the following information be obtained from staff in advance of the next meeting.

- Copies of all budget information, cash flows, balance sheets and general ledger statements for the period January 1, 1997 to July 31, 1998 need to be provided to each Trustee.

- Complete detail with regard to all claims paid and settled since January 1, 1997, together with the names of all lawyers involved and the legal analysis and memorandum to support all claim settlements, should be forwarded to each Trustee.

- A list of all checks written relative to any claim or claim expense since January 1, 1997 should be provided to each Trustee.

- An outline of all records kept as to administrative and claim related matters, including records kept by third party vendors, should be provided to each Trustee.

- All detail relative to all wages paid to all staff members from January 1, 1997 to July 31, 1998 should be forwarded to each Trustee. This detail should include the summary sheets maintained by the payroll service used and should include the length of employee's service, as to all staff members.

- Copies of all credentials and resumes of all employees should be provided to each Trustee.

- Copies of all bonds relative to all bonded employees, together with copies of the underlying bond applications, should be provided to each Trustee.

- Copies of all insurance policies that provide any sort of protection to members of the Board of Trustees should be provided to each Trustee.

- All information indicating what efforts have been made in the last year to hire a special assistant dedicated to KWORCC should be provided to each Trustee.

- Copies of all statements received from all lawyers who have done any work for KWORCC since January 1, 1997 should be provided to each Trustee.

●A list of all lawyers used since January 1, 1997 for any purpose and the hourly rates should be provided to each Trustee.

●A list should be forwarded to each Trustee identifying all Pool credit cards held by any employee.

●Copies of all audits by the Kansas Insurance Department, financial and accounting service providers and/or insurance underwriters or providers with whom KWORCC is in contract should be provided to each Trustee.

●Complete detail as to all expenses funded and/or paid jointly with KCAMP should be forwarded to each Trustee.

●Copies of all correspondence or documents related to all communications with the Kansas Insurance Department and the Kansas Attorney General's office should be forwarded to each Trustee.

It was moved at 3:45 p.m. to go into executive session for five minutes to discuss legal concerns. The motion was seconded and unanimously passed on voice vote. The Board came out of executive session at 3:50 p.m.; and, it was moved to go into executive session for an additional five minutes to discuss legal concerns. The motion was seconded and unanimously passed on voice vote. The Board completed the executive session at 3:55 p.m.

All were reminded that the next meeting is August 27, 1998. The meeting was then adjourned.



Robert Fischer
Reno County Commissioner
Trustee and Board Secretary

KWORCC
BOARD MEETING
CLUBHOUSE INN, TOPEKA, KANSAS
JULY 21, 1998

The KWORCC Board meeting was called to order at 1:28 on July 21, 1998, by President Doyle "Hooley" Alcorn.

Board members present were:

Charles Hutchison, Osage County Commissioner
Bob Fischer, Reno County Commissioner
Ralph Unger, Decatur County Commissioner
John Green, Cherokee County Commissioner
Doyle "Hooley" Alcorn, Jewell County Commissioner
Gayle Landoll, Marshall County Clerk
Bonnie Swartz, Gray County Clerk

Staff present were:

Jeanie Cowan, Administrator
Tom Job, Claims Manager
Richard Alexander, Accountant
Marilyn Owens, Claims Administrative Supervisor
Kathy Kirk, Training/Education Coordinator

Also present:

Kent Erwin, Vice President, Gallagher Woodsmall, Inc.

Minutes were reviewed from the May 15, 1998 meeting Ralph Unger moved to approve the minutes as written, Robert Fischer seconded. Motion carried.

Tom Job presented the claims report for all claims reserved over \$20,000.00. Explanation was given by Mr. Job to the Board the reason for not having the reports for Claims By County and report showing totals for open and closed files. This was due to system being down. Gayle Landoll asked why computers were down and Kent Erwin explained the problem.

Richard Alexander presented the financial report for period ending May 31, 1998. Robert Fischer moved and Charles Hutchison seconded to accept the financial report as stated. Motion carried.

Jeanie Cowan presented the expenditure report and check register for check numbers 2784 through 2866 which had been written since the last Board meeting. Bonnie Swartz moved and Robert Fischer seconded to approve the expenses for check numbers 2784 through 2866. Motion carried.

Discussion arose in regards to authority that Jeanie Cowan had in regards to signing of checks. Doyle

"Hooley" Alcorn felt that there was a \$5,000 limit for Jeanie and then a second signature was required. Ms. Cowan felt the minutes had said different and the comptroller was to come in for spot checks and write a report and then this would become a formal part of board packet. This will be checked by previous minutes and then discussed later.

Jeanie Cowan advised of the Trustees manual she is working on for the Board members. The manual would go back to the beginning of the Pools. Robert Fischer asked that the Board members receive a rough draft before final copy is printed.

Ms. Cowan handed to the Board members copies of the Visa bills for the Boards review. These bills were from September, 1997 through June 1, 1998. Doyle "Hooley" Alcorn asked the Board to review and then at the next Board meeting there would be discussion. Gayle Landoll brought up one charge she seen and an explanation was given by Jeanie Cowan and Richard Alexander.

Kent Erwin presented the Brokers Report. Mr. Erwin discussed the D&O Insurance and passed out copies of same to Board members.

A break was called at 2:58 p.m..

Meeting resumed at 3:08 p.m.

Doyle "Hooley" Alcorn presented a plaque to Ralph Unger for his service as President of the Board last year.

The administrator report was given by Jeanie Cowan. Ms. Cowan discussed the statement from the Country Club Bank and the interest rate involved. Ms. Cowan then discussed with the Board the letter from the Kansas Insurance Department in regards to the year 2000 and the questionnaire that was filled out. Ms. Cowan also informed the Board that the Kansas Insurance Department would be coming in for an audit.

Kathy Kirk discussed the County Counselor/County Attorney Seminar that was held on June 18, 1998. Ms. Kirk also talked about the Mock Trial Seminar that was scheduled for July 23, 1998 also in Salina. Ms. Kirk told of the upcoming seminars for the Sheriff Department in August and the Attorney General's Seminar in October. Gayle Landoll commented that the Marshall County Attorney had stated that the County Counselor/County Attorney Seminar was a very good seminar.

Jeanie Cowan handed out to all Board members a copy of the Worker's Compensation Digest to take back to their counties. She informed the Board the Digest should be helpful to the KWORCC member counties and would be mailing a copy to each member in the near future.

Ms. Cowan gave the results of the survey regarding frequency of loss information and date for the annual meeting. The results were that it would be held on September 17th in Salina.

Ms. Cowan discussed the upcoming Prima meeting that she would be attending. On October 28 through 30 would be the Trustee meeting. Doyle "Hooley" Alcorn will be attending this meeting with Ms. Cowan.

Ms. Cowan discussed with the Board members the importance of Buddy Counties. Each Board member took member and non member counties to make contacts.

Ralph Unger moved and Charles Hutchison seconded to adjourn the meeting. Meeting adjourned at 4:42 p.m.

Respectfully submitted,

Marilyn L. Owens
Claims Administration Supervisor

**KWORCC BOARD MEETING
MAY 21, 1998
CLUBHOUSE INN, TOPEKA, KANSAS
MINUTES**

The KWORCC Board Meeting was called to order by President Doyle "Hooley" Alcorn at 1:28 p.m. on May 21, 1998.

Board Members present were:

Bob Fischer, Reno County Commissioner
John Green, Cherokee County Commissioner
Doyle "Hooley" Alcorn, Jewell County Commissioner
Charles Hutchison, Osage County Commissioner
Gayle Landoll, Marshall County Clerk
Bonnie Swartz, Gray County Clerk

Staff present were:

Jeanie Cowan, Administrator
Tom Job, KCAMP/KWORCC Claims Manager
Richard Alexander, Accountant
Rosemary Hiebsch, Recording Secretary

Also present were:

Kent Erwin, Vice-President Gallagher Woodsmall
David Knudtson, CPA

The audit report was given by David Knudtson and Richard Alexander.

Board member Ralph Unger, Decatur County Commissioner, joined the meeting at approximately 1:50 p.m.

David Knudtson, CPA of Bray and Knudtson CPAs, LLC presented to the Board the 1997 KWORCC Audited Financial Statements. Mr. Knudtson also explained the various changes in financial reporting procedures required by the Kansas Insurance Department. A motion was made by Charles Hutchison and seconded by Bob Fischer to accept the 1997 KWORCC Financial Audit. Motion carried. Mr. Knudtson left the meeting at 2:10 p.m.

Richard Alexander presented the financial report for the period ending April 30, 1998. Bonnie Swartz moved and Charles Hutchison seconded to accept the financial report as stated. Motion carried.

Claims report was given by Tom Job on claims reserved over \$20,000.00.

Time was given to review the minutes from the April 15, 1998 board meeting. Ralph Unger moved to approve the minutes as written, John Green seconded. Motion carried.

Jeanie Cowan presented to the Board proposals made by banks in the area. Ralph Unger moved and Charles Hutchison seconded that we move the KWORCC administration and claims checking accounts from Nations Bank to Community National Bank. Motion carried.

Tom Job and Richard Alexander left the meeting at 2:55 p.m.

Ms. Cowan presented the expenditure report and check register for check numbers 2735 through 2782 which had been written since the last board meeting. Bonnie Swartz moved and Bob Fischer seconded to approve the expenses for check numbers 2735 through 2782. Motion carried.

The administrator report was given by Jeanie Cowan. Ms. Cowan informed the Board of plans for a pool newsletter. Some of the topics planned are future seminars, meetings, etc. Ms. Cowan hopes it will help counties be better informed. Anyone with ideas for this project should contact her or Kathy Kirk.

Ms. Cowan gave a report on the past seminar that was held. We had a very good response.

Ms. Cowan showed the Board a copy of the Worker's Compensation Digest. Ms. Cowan suggested to the Board that KWORCC purchase a Digest for each KWORCC member county. The Board agreed and advised Ms. Cowan to purchase the material and mail to the members.

Kent Erwin reported on the renewal of the D & O Policy for the Board of Trustees. Mr. Erwin informed the Board he will present a formal report at the next board meeting.

The next KWORCC Board Meeting will be July 16, 1998 at the Clubhouse Inn, Topeka, KS.

The meeting adjourned at 4:00 p.m.

Respectfully submitted,

Rosemary Hiebsch
Recording Secretary

KWORCC
BOARD MEETING
CLUBHOUSE INN, TOPEKA, KANSAS
APRIL 15, 1998

The KWORCC board meeting was called to Order at 1:43 p.m. on April 15, 1998, by President Doyle "Hooley" Alcorn.

Board members present were:

Charles Hutchison, Osage County Commissioner
Bob Fischer, Reno County Commissioner
Ralph Unger, Decatur County Commissioner
Doyle "Hooley" Alcorn, Jewell County Commissioner
Gayle Landoll, Marshall County Clerk
John Green, Cherokee County Commissioner

Not present was:

Bonnie Swartz, Gray County Clerk

Also present were:

Jeanie Cowan, Administrator
Tom Job, Claims Manager
Richard Alexander, Accountant
Marilyn Owens, Claims Service Representative

The claims report was given by Tom Job. Mr. Job also reported on claim activity and legal expenses incurred since the last Board meeting.

Tom Job then left the meeting at 2:19 p.m.

Ralph Unger moved to approve the minutes of the February 26, 1998 meeting as written. Bob Fischer seconded. The motion carried.

Richard Alexander gave the financial report. Mr. Alexander stated that the financial reports clearly reflect the wisdom of bringing claims management in-house. Significant savings have resulted. The trade off for such lower costs is the additional time and effort demanded on an Administrator with responsibility for the direct management of claims administration.

Bob Fischer moved to accept the financial report and Charles Hutchison seconded. The motion carried.

At 2:45 Richard Alexander left the meeting, his absence is noted for the record.

Jeanie Cowan presented the check register for check numbers 2659 through 2734 which had been written since the last Board meeting. John Green moved to approve the checks as written. Ralph Unger seconded the motion. The motion carried.

The Administrator Report was given by Jeanie Cowan. Discussed was a letter Gayle Landoll received from a local Marshall County Insurance Agency and Gayle's response to the letter.

Jeanie Cowan presented a Certificate from Prima to John Green for his completion of the Trustees Seminar, held this spring. John Green spoke on the Prima educational value of the Seminars.

Jeanie Cowan reported on the status of the information of the new National Pooling Association. The Task Force will be meeting for the finalization of the draft to be presented in June. Ms. Cowan is in charge of Administration. Ms. Cowan announced the \$500 contribution of support to the Pooling Section had not been used at this time.

Jeanie Cowan discussed the Employment Law Seminar to be held April 29, 1998. Stating there had been over 100 register for attendance. Also, discussion in regards to the upcoming seminars and their topics. Doyle "Hooley" Alcorn expressed the desire to have a seminar on Confidentiality and Executive Sessions. Discussion was also held regarding discounts on premium for attending the Seminars.

Jeanie Cowan gave a status report regarding Nations Bank. The Board agreed to wait until the next Board meeting when Ms. Cowan will be able to provide them with additional information before making any financial institution changes.

Gayle Landoll moved and Ralph Unger seconded to excuse Bonnie Swartz from the Board Meeting. Motion carried.

John Green moved and Charles Hutchison seconded for the Board to go into Executive Session for 15 minutes. Executive session began at 3:47 p.m.

At 4:04 Charles Hutchison came out and asked Jeanie Cowan to return to the meeting. The Board informed Ms. Cowan they had agreed she was doing an excellent job in her position as Administrator and as a result of her performance she would be given a salary increase.

The meeting adjourned at 4:28 p.m.

Respectfully submitted,

Marilyn L. Owens
Claims Service Representative

KWORCC
BOARD MEETING
CLUBHOUSE INN, TOPEKA, KANSAS
FEBRUARY 26, 1998

The KWORCC Board meeting was called to Order at 2:00 p.m. on February 26, 1998, by President Doyle "Hooley" Alcorn.

Board members present were:

Charles Hutchison, Osage County Commissioner
Bob Fischer, Reno County Commissioner
Ralph Unger, Decatur County Commissioner
Doyle "Hooley" Alcorn, Jewell County Commissioner
Bonnie Swartz, Gray County Clerk

Not present were:

Gayle Landoll, Marshall County Clerk
John Green, Cherokee County Commissioner

Also present were:

Jeanie Cowan, KCAMP/KWORCC Administrator
Kent Erwin, Vice-President, Gallagher-Woodsmall, Inc.
Tom Job, Claims Manager
Tamara Wilkerson, Administrative Assistant
Richard Alexander, KCAMP/KWORCC
Chris Thompson, Country Club Bank
Kathy Kirk, KCAMP/KWORCC Education Coordinator

The claims report was given by Tom Job, beginning at 2:00 p.m.

At 2:25 Richard Alexander and Chris Thompson entered the meeting, their presence is noted for the record.

Mr. Job left the meeting at 2:38 his absence is noted for the record.

Chris Thompson, Country Club Bank reviewed the KWORCC portfolio. Chris Thompson, Vice-President from Country Club Bank gave a presentation to the board on the status of the KWORCC investment portfolio. The portfolio has an average maturity of 2.64 years and an average yield of 7.04%.

Ralph Unger moved to approve the minutes of the January 8, 1998 Board meeting as written and Bonnie Swartz seconded. The motion carried.

Ralph Unger moved and Bob Fischer seconded to send a survey out to member counties regarding the date of the annual meeting. The motion carried.

Charles Hutchison moved and Bonnie Swartz seconded to excuse John Green and Gayle Landoll from the Board meeting.

Richard Alexander gave a summary of the interim financial report through December 30, 1997.

Bonnie Swartz moved and Ralph Unger seconded to accept the financial report. The motion carried.

At 3:37 Kathy Kirk entered the meeting, her presence is noted for the record.

Jeanie Cowan presented the expenditure report and check register for check number 2594 through 2658 which had been written since the last Board meeting. Ralph Unger moved to approve the expenses for check numbers 2594 through 2658. Bob Fischer seconded the motion. Motion carried.

At 3:40 Richard Alexander left the meeting, his absence is noted for the record.

Ms. Cowan introduced Kathy Kirk to the Board. Ms. Kirk will be working for KCAMP/KWORCC as the Education Coordinator.

Ms. Cowan reported to the Board various problems with NationsBank.

Ralph Unger moved and Bob Fischer seconded for the Administrator to look into alternative financial institutions. The motion carried.

A discussion was held regarding the PRIMA trustee meeting which is to be held in March 1998 in San Antonio, Texas. The Board discussed who would attend the meeting if Doyle "Hooley" Alcorn could not attend.

Ms. Cowan asked that the Board consider a contribution, if necessary, of no more than \$500 to support the Pooling Section in their move from PRIMA.

Ralph Unger moved and Charles Hutchison seconded to not let the donation exceed \$500. The motion carried.

Charles Hutchison moved and Ralph Unger seconded for the Board to go into Executive Session with Jeanie Cowan for 10 minutes. The motion carried.

At 5:55 the Board went into executive session.

At 6:01 the Board came out of executive session.

Ralph Unger moved and Bob Fischer seconded that the Administrator be reviewed at the first meeting of each new year.

The meeting adjourned at 6:10 p.m.

Respectfully submitted,

Tamara Wilkerson
Administrative Assistant

KWORCC
BOARD MEETING
CLUBHOUSE INN, TOPEKA , KANSAS
JANUARY 8, 1998

The KWORCC Board meeting was called to Order at 1:30 p.m. on January 8, 1998, by President Ralph Unger.

Board Members present were:

John Green, Cherokee County Commissioner
Charles Hutchison, Osage County Commissioner
Bob Fischer, Reno County Commissioner
Ralph Unger, Decatur County Commissioner
Bonnie Swartz, Gray County Clerk

Not present were:

Gayle Landoll, Marshall County Clerk
Doyle "Hooley" Alcorn, Jewell County Commissioner

Staff present were:

Jeanie Cowan, KCAMP/KWORCC Administrator
Tom Job, Claims Manager
Debbie Dubinsky, Sr. Legal Liability Analyst

Also present was :

Kent Erwin, Vice-President Gallagher Woodsmall

Time was given to review the minutes from the December 5, 1997, meeting. Bob Fischer moved and Charles Hutchison seconded to approve the minutes as written. Motion carried.

President Unger informed the board members present that it was necessary to hold board position elections for the coming year. The floor was opened for nominations for the office of President, Vice-President, Comptroller and Secretary.

John Green moved to nominate Doyle "Hooley" Alcorn for President, Bonnie Swartz seconded motion. Motion carried. Doyle "Hooley" Alcorn will serve as KWORCC President.

Charles Hutchison moved to nominate Bonnie Swartz for Vice-President, Bob Fischer seconded the motion. Motion carried. Bonnie Swartz will serve as KWORCC Vice-President.

Bonnie Swartz moved to nominate Bob Fischer for Secretary and Charles Hutchison for Comptroller, John Green seconded the motions. Motion carried. Bob Fischer will serve as

KWORCC Secretary and Charles Hutchison will serve as KWORCC Comptroller.

The claims report was given by Tom Job.

Bonnie Swartz moved and Charles Hutchison seconded the motion to approve the claims report. Motion carried.

Kent Erwin, Vice-President, Gallagher Woodsmall gave the financial report through October 31, 1997. Bob Fischer moved and Charles Hutchison seconded the motion to accept the financial report. Motion carried.

Jeanie Cowan, Administrator reviewed with the Board the monthly expenditures and the check register. Bonnie Swartz moved and Bob Fischer seconded to approve the monthly expenditures and approve the checks written from number 2539 thru 2593. Motion carried.

The Board requested that all vendors, including legal vendors to bill the pools monthly for services rendered.

Jeanie Cowan and Kent Erwin reported and reviewed with the Board the status of the Excess Insurance. Bonnie Swartz moved and Bob Fischer seconded the motion to keep the amounts of the excess insurance as they have been in the past. Motion carried.

Charles Hutchison moved to approve of the 1998 workers compensation rates for KWORCC as presented. Bob Fischer seconded the motion. Motion carried.

Jeanie Cowan discussed with the Board a meeting to be held in Chicago on February 5 and 6, 1998, pertaining to the future of the pooling section of PRIMA.

Bonnie Swartz moved to approve the expenditures for Ms. Cowan to attend this meeting. Bob Fischer seconded the motion. Motion carried.

A discussion was held about the next PRIMA trustee meeting which is to be held in March 1998, in San Antonio, Texas. A motion was requested for one trustee and the administrator to attend the PRIMA trustee meetings in the Spring and Fall. Bob Fischer moved and John Green seconded. Motion carried.

Dates for the 1998 monthly Board meetings were discussed. The February meeting will be held at the Clubhouse Inn in Topeka, on February 12, 1998. The following is a list of dates for KWORCC Board Meetings for the rest of 1998:

April 16, 1998

May 21, 1998

July 16, 1998

August 13, 1998

Annual Meeting - September 17, 1998 (Holiday Inn Express in Hutchinson,

Kansas)
PRIMA Fall Trustee Meeting - October 28-30
October 8, 1998
December 10, 1998 (Christmas Party) 11:00 a.m.

A motion was requested to excuse Gayle Landoll and Doyle "Hooley" Alcorn from today's meeting. Charles Hutchison moved to excuse Gayle Landoll and Doyle "Hooley" Alcorn from the trustee meeting, Bonnie Swartz seconded. Motion carried.

Jeanie Cowan discussed the status of counties that had requested bids.
Ms. Cowan also discussed and proposed topics for the Employment Law Seminars.

Bob Fischer moved to adjourn the meeting, Bonnie Swartz seconded the motion. Motion carried.
The meeting was adjourned at 5:35 p.m.

Respectfully submitted:

Deborah F. Dubinsky