

**MEETING, BOARD OF TRUSTEES
KANSAS WORKERS RISK COOPERATIVE FOR COUNTIES
JAYHAWK TOWER SENATE ROOM, TOPEKA, KANSAS
JANUARY 7, 1999**

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, January 7, 1999. 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; Shirley Walbridge, Jefferson County Clerk; and Bob Fischer, Reno County Commissioner.

Staff present: Mr. James W. Parrish, Acting Administrator, Mr. Carlin Eyman; Mr. Richard Alexander and Ms. Dortha Bird, Attorney.

Also present at the meeting were: Mr. Charles Hutchison, Osage County Commissioner; Mr. Bruce Woner and Patrick Riordan of Woner, Glenn Law Office, attorney for KWORCC; Marty Hazen, Policy Examiner from the Insurance Commissioner's Office; Don Gaskill, Chief Financial Examiner from the Insurance Commissioner's Office; Francis Schoepf, Reno County Commissioner; Ms. Theresa Nuckolls, Attorney for KCAMP; and Ms. Jamie S. White, 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 notices were sent.

Next, Mr. Alcorn addressed Agenda Item No. 3, consideration of the minutes of the meeting of December 10, 1998. Ms. Landoll requested that a change be made to page 3, paragraph 5 to insert "why" into the sentence, so as to read: "Gayle Landoll then asked why Jean Cowan ...". Mrs. Walbridge requested that the spelling of her last name be corrected on page 1, paragraph 2. Ms. Landoll requested that the language "following the decision of the board..." be stricken once from page 1, paragraph 5 because it was repeated in the same sentence. Ms. Landoll moved that the minutes be approved with changes to show those corrections. Mr. Fischer seconded the motion which passed unanimously.

Next, Mr. Alcorn addressed Agenda Item No. 4, consideration of the minutes of the meeting of December 16, 1999. Mrs. Walbridge requested that the spelling of her last name be corrected on page 1. Ms. Landoll requested that the minutes be changed on Page 3, paragraph 6 to reflect Mr. Parrish stated that if asked, it would be his position to tell the counties that the Board decided it was in the "pool's" best interest, in place of the "Board's" best interest. Mr. Green requested that all reference to his leaving of the meeting be deleted as he remained for the

duration of the meeting. Ms. Landoll moved that the minutes be approved with changes to show those corrections. Mr. Unger seconded the motion which passed unanimously.

Mr. Parrish presented the minutes with the corrections made in longhand to Mr. Fischer for his signature.

Next, Mr. Alcorn addressed Agenda Item No. 5, Approval of the Agenda. Mr. Parrish requested that the following items be added to the agenda: 8(a) Abandon KWORCC ownership of all equipment and software to KCAMP. 8(b) Pay separation expenses for shared operating costs for a 3-month period. Mr. Parrish also requested that Item No. 13 be considered after the election of officers.

Ms. Landoll requested that the determination of the 1999 meeting dates be added to the Agenda as 8(c).

Whereupon Mr. Green moved to approve the Agenda, as amended. Mrs. Walbridge seconded the motion which passed unanimously.

Next, Mr. Alcorn turned over the meeting to Mr. Parrish for the election of new officers of the KWORCC Board of Trustees for 1999.

Mr. Parrish opened the floor for nominations.

Mr. Alcorn nominated Bonnie Swartz for President, and Mr. Fischer seconded the nomination. Mr. Unger moved and Mr. Fischer seconded a motion that nominations be closed and a unanimous ballot be cast for Bonnie Swartz as President of the KWORCC Board of Trustees. The motion passed unanimously.

Ms. Landoll nominated Ralph Unger for Vice President and Mr. Green seconded the nomination. Mr. Alcorn moved and Ms. Swartz seconded a motion that nomination be closed and a unanimous ballot be cast for Ralph Unger as Vice President of the KWORCC Board of Trustees. The motion passed unanimously.

Mrs. Walbridge nominated Gayle Landoll for Secretary and Mr. Fischer seconded the nomination. Mr. Fischer moved and Mr. Unger seconded a motion that nomination be closed and a unanimous ballot be cast for Gayle Landoll as Secretary of the KWORCC Board of Trustees. The motion passed unanimously.

Mr. Unger nominated Shirley Walbridge for Comptroller and Ms. Landoll seconded the nomination. Ms. Swartz moved and Mr. Green seconded a motion that nomination be closed and a unanimous ballot be cast for Shirley Walbridge as Comptroller of the KWORCC Board of Trustees. The motion passed unanimously.

Next, Mr. Alcorn yielded the meeting to the new President, Bonnie Swartz. Ms. Swartz thanked Mr. Alcorn for his past service as President of the KWORCC Board of Trustees.

Whereupon, Ms. Swartz addressed Agenda Item No. 13, Report of Legal Counsel. Bruce Woner requested that the Board go into executive session. Whereupon, Mr. Fischer moved to recess the meeting into executive session for the purpose of discussing legal matters with the Board's attorney and that the executive sessions would begin at 11:29 a.m. and end at 11:45 a.m. Mr. Unger seconded the motion which passed unanimously.

Whereupon, at approximately 11:45 a.m., Mr. Alcorn moved to extend the executive session for an additional 10 minutes for the purposes of discussing legal matters with the Board's attorney for a period beginning at 11:45 a.m. and ending at 11:55 a.m. Ms. Landoll seconded the motion which passed unanimously.

Whereupon, at 11:55 a.m. the Board reconvened its regular meeting. Mr. Parrish advised that he would be available through the entire meeting for any questions regarding Agenda Item No. 8(b), Discussion of staffing and office space. Mr. Parrish requested the Board to adopt a resolution to ratify all acts of the Acting Administrator and the KWORCC staff from December 10, 1998 to the date of this meeting. Mr. Alcorn moved to adopt the resolution. Mr. Fisher seconded the motion which passed unanimously.

Mr. Parrish extended an offer to the Board of Trustees for KWORCC to use his law office as the Administrative Office for KWORCC, including the use of non-professional staff and office equipment, all at no charge to KWORCC until a resolution is adopted regarding staffing and office space. Mr. Parrish's offer included the use of the copier at nine cents a copy and faxes at 33 cents a copy. Mr. Parrish suggested to the Board that they retain Bruce Woner and his law firm as legal counsel to monitor and provide reports to the Board. Mr. Parrish requested the Board of Trustees to consider this information throughout the meeting and to discuss it at a later time.

Next Ms. Swartz addressed Agenda Item No. 8(a), Abandon KWORCC ownership of all equipment and software to KCAMP. Mr. Parrish recommended that the Board assist KCAMP by abandoning KWORCC's interest in all furniture, equipment and software which formally were owned and or used by both pools when the pools were under common administration. Mr. Parrish stated this would be a service to KCAMP and prevent any unnecessary disruption in KCAMP's operation. He further pointed out that it would be very difficult to divide the equipment and software which had been used by both pools. Ms. Landoll asked Mr. Parrish if KWORCC would be able to access information relating to KWORCC. Mr. Parrish advised that much of the KWORCC information had been delivered to KWORCC's new office but that KWORCC, nevertheless, was still in need of various administrative files, underwriting files, library items and other such information. Mr. Parrish requested that Ms. Nuckolls check into the usage of the shared library. Then Ms. Nuckolls advised that the request would need to be made through Mr. Levy as Ms. Nuckolls was not authorized to carry out that request. Mr. Parrish stated that he

was informed that she was an intermediary liaison for KCAMP. Ms. Nuckolls advised that Mr. Levy was appointed as the liaison and that there must have been some confusion as to her role for KCAMP. Ms. Nuckolls did state that she would relay the request to Mr. Levy but suggested that KWORCC send something in writing regarding the same.

Mr. Parrish requested Mr. Alexander to explain how the ownership of software and equipment were shared by KCAMP and KWORCC in the past. Mr. Alexander reported that initially these items were owned jointly, each pool owning 50 percent. At a later date, the Administrator approved an accounting change which transferred ownership of the equipment to KWORCC and required KCAMP to reimburse KWORCC for one-half of the depreciation booked against the equipment. This change was made for accounting purposes. In reality, both pools owned 50 percent of the equipment. Mr. Alexander noted that KWORCC has about \$70,000.00 on its books representing the value of this property although the actual value would be much less if the equipment had to be sold.

Ms. Landoll stated that she agreed that it would be best to abandon the equipment but only after the transfer of KWORCC information was received. Ms. Landoll pointed out that KWORCC would still need the library. Mr. Unger expressed agreement with Ms. Landoll's statement. Thereupon, Mr. Unger moved that KWORCC abandon its ownership interest in the furniture, equipment and software currently in the possession of KCAMP only after KWORCC files, records other information were received by KWORCC. Ms. Landoll seconded that motion. Ms. Swartz asked for further discussion on the matter. Mr. Fischer moved to amend the prior motion to include a provision that Mr. Alexander, Mr. Carl Eyman and other KWORCC staff members review and verify to the Board that KWORCC records had been received prior to KWORCC's abandonment of its ownership interest in furniture, equipment and software. The motion to amend was seconded by Mr. Unger. Both the motion to amend and the original motion as amended passed unanimously.

Mr. Parrish then recommended that KWORCC pay a portion of the expenses formally shared by KWORCC and KCAMP in order to ease the financial burden on KCAMP resulting from the separation of administrations. He suggested that the Board continue to pay these expenses for the last half of December and for an additional three month period. Ms. Landoll questioned whether three additional months was appropriate time frame. Mr. Unger suggested the Board wait until after Mr. Alexander provided his financial report before further action was taken.

Whereupon, Ms. Swartz announced the KWORCC Board would recess for lunch from 12:30 p.m. until 1:15 p.m.

The meeting reconvened at approximately 1:15 p.m. Ms. Swartz addressed Agenda Item No. 8, Financial Report by Mr. Alexander. Mr. Alexander handed out statements providing financial information to the Board. Mr. Alexander stated that the shared expenses by KWORCC

and KCAMP mainly consisted of office rent, janitorial services, security costs and other shared expenses which would cost KWORCC approximately \$2,000 to \$2,500 per month.

Mr. Alexander advised the Board that hard copies of accounting records and a taped back-up of the computer records would be kept at Mr. Parrish's office. He indicated that he would be in Mr. Parrish's office off and on through the next week to sort through the data. Mr. Alexander indicated that in the past the KWORCC and KCAMP accounting data was all kept on a single accounting system. Because the accounts were kept together, it would be necessary to delete approximately 26,000 entries line-by-line in order to segregate the KCAMP data from the KWORCC data.

Mr. Parrish asked how the allocated claims expenses were input. Mr. Alexander stated he does not deal with those items but receives a check register at the end of the month along with a master list to advise him how to distribute the expenses.

Ms. Swartz addressed Agenda Item No. 9, Presentation by Insurance Management Associates; approval of contract. Thereupon, David McKinney, Sue Ann Schultz and Paul Starr made a presentation on behalf of Insurance Management Association (hereafter "IMA"). After the presentation, Mr. Parrish requested the Board review and decide whether to approve the contract from IMA. Mr. Parrish advised the board that the prior brokerage commission to Gallagher Woodsmall was \$75,000.00 a year and that the contract from IMA would run \$50,000.00 for a savings of \$25,000.00 a year. Mr. Parrish also reported that to best of his ability, he has estimated the cost of handling claims in-house exceeded \$150,000.00 annually. The contract with IMA covered these same costs for \$130,000.00, a savings of at least \$20,000.00. Mr. Parrish explained that the contract approved a claims approval process by which IMA would have authority to resolve all claims that cost \$10,000.00 or less; all claims between \$10,000.00 and \$20,000.00 must be approved by the KWORCC Administrator; all claims of \$20,000.00 or more must be approved by the KWORCC Board of Directors. Mr. Unger asked if there was a non-compete clause in the contract. Mr. Starr advised that there was not but that one could be added. Whereupon, Mr. Alcorn moved that the KWORCC Board of Directors approve the contract from IMA which was submitted with the addition of a non-compete clause. Mr. Unger seconded the motion which passed unanimously.

IMA advised the Board that they would schedule meetings with the member counties within the next two weeks. Mr. Unger suggested that the Board members of the counties they represent assist IMA in setting up a meeting place. A suggestion was also made that Carl Eyman could also assist with setting up meetings with the member counties.

Upon suggestion of Mr. Parrish, Ms. Swartz asked that the meeting be recessed for a short break.

Thereafter, the Board reconvened its meeting and Ms. Swartz addressed the added Agenda Item 8(c), Meeting dates for 1999. It was decided that the Board would continue to meet

the second Thursday of each month. The dates were set as follows: February 11, 1999; March 11, 1999; April 8, 1999; May 13, 1999; June 10, 1999; July 8, 1999; August 12, 1999; September 9, 1999; October 14, 1999; December 9, 1999. The Board agreed not to schedule a meeting in the month of November because the KAC Meeting was scheduled for that month. The Board discussed scheduling its annual meeting in connection with the KAC meeting.

Next, Ms. Swartz addressed Agenda Item No. 14, Invitation to KCAMP. It was agreed that an attempt would be made to schedule a joint meeting with the KCAMP Board of Directors at a time that was mutually convenient with both Boards.

Mr. Fischer pointed out that a resolution was not made to Agenda Item No. 8(b), Pay separation expenses for shared operating costs for a 3-month period. After discussion, Ms. Landoll moved that the KWORCC Board of Directors volunteer to pay certain formerly shared expenses for the balance of December and for a three month period consisting of January, February and March of 1999. Mrs. Walbridge seconded the motion and it carried unanimously.

Whereupon, Mr. Green moved that the KWORCC Board of Directors retain the law firm of Woner, Glen Law Office to serve as general counsel for KWORCC. Mr. Unger seconded that motion which passed unanimously.

Next, Ms. Swartz addressed Agenda Item No. 10, Bank resolutions. Mr. Parrish advised that there were currently accounts at three banks consisting of Nations Bank, Community National Bank and Country Club Bank. Mr. Parrish recommended that a check signing process be implemented whereby all checks over \$5,000.00 would require two signatures.

Whereupon, Mr. Unger moved that KWORCC check signing authorization be given to the Administrator, Comptroller and the President of KWORCC and that checks over \$5,000.00 require any two signatures of the foregoing individuals. Mr. Unger further stated that this policy should apply to all banks currently being used and any financial institution the Board chooses to use in the future. Mr. Green seconded the motion which passed unanimously.

Mr. Alexander suggested that there be a review on how to maximize the earnings on various accounts. Mr. Parrish suggested that the Board should have a written investment policy. Mr. Woner suggested that a more thorough discussion of that matter should take place at the next monthly meeting. Mr. Unger stated that he thought the Board should follow the Counties' procedure when dealing with securities.

Next, Mr. Parrish pointed out that the accounts at Nations Bank were to be terminated but there was one remaining account open which contained a balance of \$3,500.00. Mr. Alexander stated that the account remaining at Nations was a stale check account as there had been several outstanding checks when the other accounts were being closed. Therefore, the monies were transferred to that account to cover them. Mr. Parrish pointed out that the bank charged a monthly fee of \$45.00 to that account. Mr. Parrish suggested that a resolution to transfer the

money from Nations Bank account to Country Club. Whereupon Mr. Unger moved that KWORCC authorize its Administrator to close its account at Nations Bank and transfer the funds to either Community National Bank or to Country Club Bank. Mr. Green seconded the motion which passed unanimously.

Next, Mr. Woner presented bank documents to the new officers for their approval and signature.

Whereupon, Mr. Parrish advised that he was working with Don Paxson to change the arrangement letter the Board previously authorized with Wendling, Noe, Nelson and Johnson to address the more immediate accounting needs for KWORCC. Many of the tasks assigned to the accounting firm under the original arrangement letter no longer are appropriate or necessary since the Administration of KWORCC and KCAMP were separated. Mr. Parrish explained that he would proceed with Mr. Paxson in cooperation with Mr. Alexander under the new revised arrangement with the accounting firm at the same price as previously approved.

Next, Ms. Swartz addressed Agenda Item No. 12, Status of claims and claims files. Ms. Dortha Bird advised the Board of the status of the open claims, claims files and reported activities on claims over \$20,000.00.

Next, Ms. Swartz addressed Agenda Item No. 15, Presentation of statements for legal services and cost reimbursement. Mr. Parrish presented a Statement of Legal Services of Woner, Glenn, Reeder & Girard, P.A. for the month of November, 1998. Mr. Parrish pointed out that the Woner, Glenn Firm had not yet submitted its statement for the month of October, 1998. Whereupon, Mr. Alcorn moved that KWORCC approve for payment the Statement of Legal Services of Woner, Glenn, Reeder & Girard, P.A. in the amount of \$4,099.66. Mr. Green seconded the motion which passed unanimously.

Next the statement for James W. Parrish was brought forward for consideration. Mr. Alcorn moved that KWORCC approve for payment the statement for the legal services of James W. Parrish for legal services performed through December 15, 1998 in the amount of \$4,603.00. Ms. Landoll seconded the motion which passed unanimously.

Whereupon, the statement for Parrish Management Corporation was brought forward for consideration. Mr. Parrish pointed out that no charge was being assessed by Parrish Management Corporation for the use of office space, equipment, receptionist or secretarial services other than out-of-pocket expenses. Whereupon, Mr. Unger moved that KWORCC approve for payment the statement for out-of-pocket expenses from Parrish Management Corporation in the amount of \$102.90. Mrs. Walbridge seconded the motion which passed unanimously.

Next, Mr. Parrish pointed out that Mr. Carl Eyman had resigned from KCAMP and was now working for KWORCC on a full-time basis at an annual salary of \$52,000.00 per year. Mr. Parrish stated that Mr. Alexander was continuing as a part of KWORCC's staff and was also

working part-time for KCAMP. Mr. Parrish stated that Mr. Alexander was willing to work out of his home as well as the Parrish law office.

Next, Mr. Parrish asked the Board for guidance on the services provided by Dortha Bird. Mr. Parrish pointed out that the Statement of Legal Services provided was calculated at almost half the rate normally charged for Ms. Bird's legal services and that the total bill for the three week period was \$3,600.00. Because no rate for Ms. Bird's services had been established, Mr. Parrish requested the Board to review the statement and determine if the amount billed was justified.

Mr. Parrish renewed his offer to the Board to allow KWORCC to use his law office for an undetermined amount of time until it determined on a more permanent course of action. This would include the use of the Jayhawk Tower Meeting Rooms for any KWORCC meetings, if necessary. Mr. Parrish pointed out that KWORCC would need to invest in equipment so that telephone lines can be installed in his law office to accommodate KWORCC and for computer equipment.

Ms. Swartz asked how much time Ms. Bird would be contributing to KWORCC. Mr. Parrish stated that Ms. Bird was working essentially full-time for KWORCC and would continue to do so until the transition was completed. He estimated that she would be contributing approximately 75% of her time on KWORCC matters in the future if she is asked to stay involved.

Mr. Alcorn asked Mr. Parrish if there would be room in the Parrish law office to make a permanent office for KWORCC. Mr. Parrish stated that there was adequate room in his law office to conduct KWORCC business if that was the Board's desire. He pointed out that other offices have an office sharing agreement in several suites on the second floor of the Jayhawk Tower and that KWORCC could enter into a similar agreement. Mr. Parrish disclosed that he was half owner of the Jayhawk Tower complex and as President of Parrish Management Corporation he directs management of the facilities. Thereupon, Mr. Parrish asked that he and Ms. Bird be excused from the room so the Board could discuss openly any future employment, office sharing or professional services to be provided by Mr. Parrish, Ms. Bird and/or Parrish Management Corporation.

Whereupon, Mr. Woner presented to the Board, Mr. Parrish's offer for use of his office and staff as well as Ms. Bird's continuing services. Mr. Green suggested that the statement provided for Ms. Bird's services was too low and because the Parrish law firm was providing so many other services without charge, he suggested that the hourly billing rate as billed be increased from \$45.00 per hour to \$65.00. Whereupon, Mr. Unger moved that KWORCC approve for payment in the amount of \$5,375.00 to Parrish Management Corporation for the service Ms. Bird and others have rendered to KWORCC. Mr. Alcorn seconded the motion which passed unanimously.

Whereupon, Mrs. Walbridge moved that KWORCC request that Ms. Bird keep track of her time for a period of 60 days and to be paid at the rate of \$65.00 per hour for that time. Ms. Landoll seconded the motion which passed unanimously.

Whereupon, Mr. Fischer moved that authorization be given to Mr. Parrish to upgrade his telephone equipment, purchase computers, file cabinets and any other items needed but not to exceed the amount of \$7,500.00. Mr. Alcorn seconded the motion which passed unanimously.

Whereupon, Mr. Parrish and Ms. Bird rejoined the meeting.

Next, Mr. Fischer regretfully announced his resignation from the Board and extended his thanks and gratitude for the friendship and services provided by the Board. Whereupon Mr. Unger moved that the KWORCC Board of Directors accept Mr. Fischer's resignation. Mr. Alcorn seconded the motion which passed unanimously.

Mr. Unger moved to appoint Mr. Francis Schoepf, Reno County Commissioner to serve the unexpired term of Mr. Fischer. Mr. Alcorn seconded the motion which passed unanimously.

Next, Mr. Green requested the Board's approval to meet with the Board of County Commissioners of Cherokee County to get authorization for Mr. Sam Weaver, Cherokee County Commissioner, to meet with the Board and be considered as a nominee for the unexpired term of Mr. Green. The Board expressed unanimous consent that Mr. Weaver be invited to attend the next KWORCC Board Meeting.

Thereupon, Ms. Swartz addressed Agenda Item No. 16, Recognition of Departing Board Members and past President. Ms. Swartz then presented Mr. Fischer, Mr. Green, Mr. Hutchison and Mr. Alcorn with a plaques which displayed the KWORCC logo and expressed gratitude for the service of the Board Members. Thereupon, Mr. Woner presented the departing President with a special framed document which displayed a scene of Kansas Wheat, the KWORCC logo and the list of Board Members and a roster of the Board of Directors, expressing gratitude and appreciation for service.

Whereupon, Ms. Landoll moved that the meeting be adjourned. Mr. Unger seconded the motion which passed unanimously.

Respectfully submitted,



Gayle Landoll, Secretary
KWORCC Board of Trustees

**MEETING, BOARD OF TRUSTEES
KANSAS WORKERS RISK COOPERATIVE FOR COUNTIES
CLUBHOUSE INN, TOPEKA, KANSAS
FEBRUARY 11, 1999**

A meeting of the Board of Trustees of the Kansas Workers Risk Cooperative for Counties ("KWORCC") was called to order by Board President, Bonnie Swartz at 1:00 p.m. on Thursday, February 11, 1999. All Trustees present and participating in person, included: Doyle "Hooley" Alcorn, Jewell County Commissioner; Gayle Landoll, Marshall County Clerk; Bonnie Swartz, Gray County Clerk; Shirley Walbridge, Jefferson County Clerk; and Francis Schoepf, Reno County Commissioner.

Staff present: Mr. James W. Parrish, Acting Administrator; Mr. Carlin Eyman; Mr. Richard Alexander and Ms. Dortha Bird.

Also present at the meeting were: Sam Weaver, Cherokee County Commissioner; Mr. Bruce Woner of Woner, Glenn Law Office, attorney for KWORCC; Marty Hazen, Policy Examiner from the Insurance Commissioner's Office; Gus Campuzano and LouAnn Martin of IMA; and Ms. Jamie S. White, to take minutes of the Meeting.

Ms. Swartz 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 all such persons were notified.

Next, Ms. Swartz addressed Agenda Item No. 3, consideration of the minutes of the meeting of January 7, 1999. Ms. Landoll requested that the following changes be made:

Page 4, paragraph 3, the word "should" to be changed to "would" so as to read: "Ms. Landoll pointed out that KWORCC would still...";

Page 5, paragraph 2, the word "date" to be changed to "data" so as to read: "...to segregate the KCAMP data";

Page 6, paragraph 1, the word "followed" to be changed to "follows" so as to read: "The dates were set as follows:";

Page 6, paragraph 6, the word "to" should be inserted so as to read: "Mr. Unger further stated that this policy should apply to all banks...";

Ms. Swartz stated that a phrase should be added to each paragraph describing the election of officers to indicate that the motion carried. Mr. Alcorn moved that the minutes be approved with changes to show those corrections. Mr. Schoepf seconded the motion which passed unanimously.

Next, Ms. Swartz addressed Agenda Item No. 4, Approval of the Agenda. Mr. Parrish requested that a Gallagher & Company billing be added as Agenda Item No. 5(g) and that Agenda Item No. 9, Status of Claims and Claim Files - IMA be considered immediately following approval of the Agenda.

Thereupon Ms. Landoll moved to approve the Agenda, as amended. Mrs. Walbridge seconded the motion which passed unanimously.

Next, Ms. Swartz called upon Mr. Gus Campuzano for a claims report. Mr. Campuzano advised that he met with most of the counties at regional meetings in January and that he believed the meetings were successful in providing information and addressing concerns of member counties. Mr. Campuzano also reported on payments made on various claims pointing out that there was quite a back log in claims related billings that had not been paid. He stated that IMA had paid a total of \$91,964.00 on claims, most of which were part of the back log. He stated that IMA had downloaded most of the information from Corporate Systems during the previous week, but this information did not include the adjuster's notes on each of the files. Mrs. Walbridge stated that a claimant was listed on her county that was not their employee. Mr. Campuzano stated that there may have been some problems in the conversion of information received from Corporate Systems, he indicated that any errors should be brought to his attention so the records could be corrected. Ms. Bird advised the Board that a list of claims will be sent to each county's attorney so that member counties can review for accuracy. After further discussion and reporting on claims, Mr. Campuzano concluded his report.

Trustee Ralph Unger, Decatur County Commissioner, joined the meeting during the last few minutes of IMA's claims presentation. He was delayed due to weather conditions.

Next, Ms. Swartz advised the Board that the May Board meeting has been rescheduled from May 13, 1999 to May 20, 1999 at 1:00 p.m. and will be held at the Jayhawk Towers Senate Room.

Thereupon, Ms. Swartz called upon Jim Parrish for the Acting Administrator's Report. Mr. Parrish reported on the new KWORCC ad in the newsletter of the Kansas Association of Counties.

Mr. Parrish then called upon Ms. Bird to report on premiums that had been paid. Ms. Bird advised that 26 counties paid their dues in the amount of \$1,309,539.00 leaving a balance of \$524,362.00 to date, due from the remaining counties for a total of \$1,833,901.00.

Mr. Parrish advised that KWORCC's accountant, Mr. Richard Alexander, discovered that several months ago, Stevens County paid its premium twice for the policy year 1998 and although this had been brought to the attention of the prior administrator, no refund had been issued. Mr. Parrish recommended that KWORCC refund Stevens County \$10,528.00 to reimburse it for the overpayment. Mr. Unger moved that a refund in the amount of \$10,528.00 be paid to Stevens County. Mr. Schoepf seconded the motion which passed unanimously.

Mr. Parrish advised the Board that he was in the process of obtaining a Fidelity Bond. He estimated that a \$1,000,000.00 Fidelity Bond would cost approximately \$1,200.00.

Mr. Parrish asked that the contract with Woner, Glenn, Reeder & Girard be deferred until the March meeting, and the board concurred.

Regarding office and staffing facilities, Mr. Parrish advised that a file cabinet, typewriter and telephone expansion cabinet had been purchased for KWORCC for a total of \$3,346.39. Mr. Parrish then asked the Board to authorize the acquisition of computer equipment totaling \$5,029.95. Further, Mr. Parrish recommended that KWORCC participate in the acquisition of other equipment which would be shared with other users at a cost to KWORCC of approximately \$11,959.32. After some discussion, Mr. Alexander suggested that KWORCC advance the money necessary to purchase the computer equipment to be shared and that KWORCC's share of the cost be depreciated on a quarterly basis. Mr. Unger moved that KWORCC enter into an agreement with Parrish Management Corporation (PMCorp) whereby PMCorp purchase the shared computer system and KWORCC utilize the computer system by giving PMCorp a cash deposit now which would be depreciated quarterly as KWORCC uses the shared equipment. Mr. Schoepf seconded the motion which passed unanimously.

Thereupon, Mr. Parrish called upon Mr. Bruce Woner to explain a draft of an investment policy. He asked the Board to review the policy and recommend any changes. Mr. Marty Hazen of the Kansas Insurance Department pointed out that Senate Bill 79 currently pending before the Kansas Legislature may provide better options for investments. Mr. Woner stated he would be happy to incorporate those changes into the investment policy if Senate Bill 79 is passed.

Next, Mr. Parrish presented the billing from Arthur J. Gallagher & Co. in the amount of \$18,496.70 for online computer access and consulting services. Mr. Parrish explained that most of the money requested under this invoice was for data processing services provided by a company known as Corporate Systems in Amarillo, Texas, under a contract with Gallagher. Mr. Parrish advised that he had written Gallagher to inquire about certain adjuster's notes that should be a part of the data base being transferred from Corporate Systems to IMA. He stated that the billing seemed reasonable and recommended that it be paid pending the receipt of the adjusters notes or, in the alternative, an explanation of their whereabouts.

Mr. Schoepf suggested that during the May meeting, when the Board plans to meet in the Jayhawk Tower Office Building, that the Board tour the new KWORCC office. Mr. Parrish stated that such a tour would be arranged and invited Board members individually to visit the office at any time of their choosing.

Thereupon, Ms. Swartz asked the Board to consider Agenda Item No. 14, Consideration of New Board Member. Ms. Swartz stated she had invited Cherokee County Commissioner, Sam Weaver to attend the KWORCC Board meeting and that Mr. Weaver was in attendance. She stated that Mr. Weaver had been recommended at the January KWORCC Board meeting as a replacement

for the unexpired term of Mr. John Green. Ms. Landoll moved to appoint Sam Weaver to serve the unexpired term of Mr. Green. Mr. Schoepf seconded the motion which passed unanimously. Thereupon, the Board extended a welcome to Mr. Weaver and thanked him for his willingness to serve as a KWORCC Trustee.

Ms. Swartz next addressed Agenda Item No. 6, Report of Legal Counsel. Bruce Woner requested that the Board go into executive session. Thereupon, Mr. Alcorn moved to recess the meeting into executive session for the purpose of discussing legal matters with the Board's attorney and that the executive session would begin at 3:12 p.m. and end at 4:12 p.m. Mrs. Walbridge seconded the motion which passed unanimously.

Thereupon, at approximately 4:12 p.m., Ms. Landoll moved to extend the executive session for an additional 30 minutes for the purposes of discussing legal matters with the Board's attorney for a period beginning at 4:12 p.m. and ending no later than 4:42 p.m. Mr. Schoepf seconded the motion which passed unanimously.

At approximately 4:30 p.m. the Board reconvened its regular meeting, and Ms. Swartz asked Mr. Parrish to address Agenda Item No. 7, The Status Report from Wendling, Noe, Nelson & Johnson. Mr. Parrish explained that Mr. Paxson of that firm was ill and unable to attend the meeting. Mr. Parrish did present Resolution Nos. 33 and 34, at the request of Mr. Paxson which requested the Kansas Director of Accounts and Reports to waive the requirements of K.S.A. 75-1120a(a) for the KWORCC fiscal years 1997 and 1998. Ms. Landoll moved to adopt Resolution Nos. 33 and 34. Mrs. Walbridge seconded the motion which passed unanimously. The Resolutions are attached to these minutes and made a part of hereof by this reference.

Next, Ms. Swartz addressed Agenda Item No. 8, Financial Report by Mr. Alexander. Mr. Alexander noted that the financial statements distributed should be considered interim statements until more information is obtained. He believed the actual operating results for fiscal year 1998 are unlikely to be significantly different from those shown on these statements, but the check register for one week in December is unavailable and certain checks have yet to clear. Mr. Alexander referenced a memo earlier distributed to the Board regarding the KWORCC financial statements as of December 31, 1998.

Mr. Alcorn requested that he be excused from the meeting early to avoid inclement weather.

Thereupon Ms. Swartz addressed Agenda Item No. 10, Report from Field from Mr. Carl Eyman. Mr. Eyman reported on the IMA service meetings held in January. He stated that only five counties were unable to attend the meetings. IMA will arrange to meet with those counties individually in the near future. Mr. Eyman stated that he is pleased with the success of the meetings and the manner in which IMA presented itself to the counties. Mr. Eyman further reported that he was scheduled to take the insurance licensing examination on Friday, February 12, 1999, and that his insurance license should be effective by Monday, February 15, 1999.

Next, Ms. Swartz addressed Agenda Item No. 11, Kansas Insurance Department Web Site. Mr. Parrish noted that they had intended to have a computer set up and have the web site available for Board members to review. However, because of time constraints, he was unable to do so. Mr. Woner and Mr. Hazen did discuss the information that's available on the Insurance Department's web site.

Thereupon, Ms. Swartz addressed Agenda Item No. 12, Kansas Counsel Plan. Mr. Parrish pointed out that Ms. Bird and Mr. Woner had been working on a plan which would involve the use of legal counsel throughout the state and save on unnecessary drive time whenever possible. He stated that the plan is not ready for presentation yet and would be presented to the Board as soon as it is prepared.

Thereupon, Ms. Swartz addressed Agenda Item No. 13, Presentation of Statements for Legal Services and Cost Reimbursement. Mr. Parrish presented a billing for work done by IMA during the month of December, 1998, including underwriting tasks, claims consultation and placement of re-insurance for the pool. The bill, which totaled \$9,845.00, also included clerical and computation work on the billings and certificate of insurance for the counties. Mr. Unger moved to pay the statement to IMA in the amount of \$9,845.00. Ms. Landoll seconded the motion which passed unanimously. The Board next considered the billing of Gallagher & Co. of Kansas City in the amount of \$18,496.70 which the Board discussed earlier for computer consultation and online services. Ms. Landoll moved that the bill be paid subject to the receipt of all claims diary information in possession of Gallagher. Mr. Unger seconded the motion which passed unanimously. The statements for legal services of Woner, Glenn, Reeder & Girard were presented for payment along with those of Parrish Management Corporation. The Board discussed the current arrangement under which Parrish Management Corporation is providing various office accommodations and personnel services to KWORCC on a 60 day temporary basis. The Board agreed to a meeting by teleconference in the event that Mr. Parrish and his staff would have a specific proposal to make prior to the March meeting on the subject of office space, overhead and staffing. Ms. Landoll moved that the statements for legal services by Woner, Glenn, Reeder & Girard and the statement of overhead costs presented by Parrish Management Corporation be paid as presented. Mr. Schoepf seconded the motion which passed unanimously.

Upon recommendation of Mr. Woner, Mr. Unger moved that Jim Parrish continue to be designated as special counsel for the KWORCC pool and its Board of Trustees from and after September 10, 1998 until further action of the Board and that Dortha Bird be designated special counsel for the KWORCC pool and its Board of Trustees until further notice. Mr. Schoepf seconded the motion which passed unanimously. Mr. Schoepf then moved that any attorneys who previously represented KWORCC be notified that no conflict of interest as to representation of KWORCC pools is waived for any purpose. Ms. Walbridge seconded the motion which passed unanimously.

Thereafter, Mr. Unger moved that the February issue of the newsletter, "KWORCC From KWORCC" contain a notice to the member counties that the KWORCC Board of Trustees has

directed its staff immediately to explore the possibility of declaring a dividend as to closed policy years. Ms. Landoll seconded the motion which passed unanimously.

Ms. Landoll moved to adjourn the meeting. The motion was seconded by Mr. Schoepf which passed unanimously and the meeting was adjourned.

Respectfully submitted,

A handwritten signature in cursive script that reads "Gayle Landoll".

Gayle Landoll, Secretary
KWORCC Board of Trustees

**MEETING, BOARD OF TRUSTEES
KANSAS WORKERS RISK COOPERATIVE FOR COUNTIES
CLUBHOUSE INN, TOPEKA, KANSAS
MARCH 11, 1999**

A meeting of the Board of Trustees of the Kansas Workers Risk Cooperative for Counties ("KWORCC") was called to order by Board President, Bonnie Swartz at 1:00 p.m. on Thursday, March 11, 1999. Trustees present and participating in person included: Doyle "Hooley" Alcorn, Jewell County Commissioner; Gayle Landoll, Marshall County Clerk; Bonnie Swartz, Gray County Clerk; Shirley Walbridge, Jefferson County Clerk; Francis Schoepf, Reno County Commissioner; and Sam Weaver, Cherokee County Commissioner. Ralph Unger, Decatur County Commissioner, was not present due to inclement weather.

Staff present included: Mr. James W. Parrish, Acting Administrator; Mr. Carlin Eyman; Mr. Richard Alexander and Ms. Dortha Bird.

Also present at the meeting were: Mr. Bruce Woner of Woner, Glenn, Reeder & Girard, P.A., KWORCC General Counsel; Marty Hazen, Policy Examiner from the Office of the Kansas Insurance Commissioner; Mr. Paul Starr, Mr. Marshall Matthews, Ms. LouAnn Martin and Ms. Carolyn Kennedy of Insurance Management Associates, Inc. ("IMA"); and Ms. Jamie S. White of Parrish Management Corporation ("PMCorp") to take minutes of the Meeting.

Ms. Swartz addressed Agenda Item No. 2, "Inquire if notification of all requesting notification of KWORCC Board meeting has been given." Mr. Parrish reported that all such persons were notified.

Next, Ms. Swartz addressed Agenda Item No. 3, "Consideration of the minutes of the meeting of February 11, 1999." Ms. Landoll requested that the following changes be made:

Page 2, paragraph 2, the word "Mr." to be changed to "Ms." so as to read: "Ms. Landoll moved to approve the Agenda, as amended.";

Page 3, paragraph 3, the word "with" to be changed to "which" so as to read: "Mr. Schoepf seconded the motion which passed unanimously."

Mr. Schoepf moved that the minutes be approved with those corrections. Mrs. Walbridge seconded the motion which passed unanimously.

Next, Ms. Swartz addressed Agenda Item No. 4, "Approval of the Agenda." Mr. Parrish presented a Revised Agenda to the Board. Mr. Alcorn moved to approve the Revised Agenda. Mrs. Walbridge seconded the motion which passed unanimously.

Whereupon, Ms. Swartz called upon Mr. Marshall Mathews, the new IMA claims adjuster assigned to KWORCC, for a claims report. Mr. Mathews reported on payments made on various IMA claims. Mr. Mathews stated he believed there should be procedures established requiring counties to perform autopsy's on persons who die on the job to help determine if the death is work related. Ms. Swartz stated she believed Kansas law surrounding unattended deaths should address this issue. Mr. Parrish advised that the staff would research the matter to determine if a policy is needed. Mr. Mathews advised there are open claims he hoped to close in the near future. In his report on claims for the first years of KWORCC's existence, Mr. Mathews stated there were two claims still open for 1992, three claims open for 1993, five claims open for 1994 and five claims open for 1995. After further discussion and reporting on claims, Mr. Mathews concluded his report

Thereupon, Ms. Swartz called upon Mr. Parrish for the Acting Administrator's Report.

Mr. Parrish called upon Ms. Bird to report on premiums received to date. Ms. Bird advised all but two counties have paid their premiums for a total of \$1,762,867.99 paid and a balance of \$70,574 still due.

Mr. Paul Starr advise that IMA has received electronic transfer of further information from Corporate Systems which should contain the adjusters' notes. He stated it would take time to decipher the data and place it in the correct files. He expected the data to be downloaded and sorted by the following week when it will be determined if the data is complete.

Thereupon, Mr. Parrish advised the Board that many KWORCC records and documents have not yet been received from the prior administrator including payroll records and other items listed in Mr. Eyman's memo in the Agenda packet. He requested the Board approve a resolution making demand for the missing items. Mr. Schoepf moved to approve a resolution requesting the former administrator to return all requested material forthwith. Mr. Alcorn seconded the motion which passed unanimously.

Mr. Parrish asked that the "Update on Staffing and Office Facilities" be presented after Agenda Item No. 7, "Financial Report."

Further, Mr. Parrish advised the Board that Ms. Jean Cowan was still listed as the trustee on the 401(A) employee retirement plan. He requested the Board approve a resolution removing Ms. Cowan as the trustee. He suggested the Board not appoint a new trustee until further information could be gathered about the plan. Mrs. Walbridge moved to approve the resolution to remove Ms. Jean Cowan as Trustee from the 401(A) retirement plan and to defer appointment of a new trustee until a later time. Ms. Landoll seconded the motion which passed unanimously.

Thereupon, Mr. Parrish suggested to the Board that the KWORCC personnel policy manual be re-written. He stated he would make personnel policy recommendations at the next Board meeting.

Next, Ms. Swartz advised the Board would take a break from 2:40 p.m. until 2:50 p.m.

The meeting reconvened at 2:50 p.m. Ms. Swartz addressed Agenda Item No. 7, "Insurance Coverage Report." Mr. Eyman advised the Board that a Business Owners Policy ("BOP") was determined not to be available to KWORCC because KWORCC is classified by the current insurance carrier as a financial institution. Mr. Eyman described an insurance package submitted by IMA to the Board for consideration which is similar to a BOP. After discussion, Mr. Schoepf moved the KWORCC accept the insurance package as presented with the exception that the umbrella liability be increased from \$1 million to \$2 million dollars and the \$1 million dollar Fidelity Bond remain in place but that the securities and forgery portions of that bond be reduced to \$250,000. Mr. Alcorn seconded the motion which passed unanimously.

Ms. Swartz next addressed Agenda Item No. 6, "Report of Legal Counsel." Mr. Parrish requested the Board recess into executive session. Thereupon, Mr. Schoepf moved to recess the meeting into executive session for the purpose of discussing legal matters with the Board's attorney to begin at 3:20 p.m. and end at 3:50 p.m. Mr. Alcorn seconded the motion which passed unanimously.

Thereupon, at 3:50 p.m., Ms. Landoll moved to extend the executive session for an additional 30 minutes for the purposes of discussing legal matters with the Board's attorney beginning at 3:50 p.m. and ending no later than 4:20 p.m. Mrs. Walbridge seconded the motion which passed unanimously.

At 4:20 p.m. the Board reconvened its regular meeting. Mr. Schoepf moved to instruct the staff to file a revised insurance rate filing with the Kansas Insurance Department. Mrs. Walbridge seconded the motion which passed unanimously.

Next, Mr. Parrish suggested to the Board that research be done to set up a dividend policy. He advised that staff could draft a proposal and have it reviewed by the Insurance Commissioner's office. Mrs. Walbridge moved to instruct the staff to draft a dividend policy. Mr. Schoepf seconded the motion which passed unanimously.

Next Mr. Schoepf moved the Board authorize Mr. Parrish, Acting Administrator, to retain additional legal counsel if necessary. Mr. Alcorn seconded the motion which passed unanimously.

Next Mr. Parrish addressed the audit arrangement letter, a copy of which was included in the Agenda packet. Mr. Parrish advised that he had spoken with Don Paxson at Wendling, Noe, Nelson & Johnson and that Mr. Paxson expects to have the audit for KWORCC completed by the April 1, 1999 deadline.

Whereupon, Mr. Woner presented the Board with a draft "Investment Policy." He advised that the Board should review the policy and make a resolution at a later date.

Next, Ms. Swartz addressed Agenda Item No. 7, "Financial Report." Mr. Alexander reviewed the financial information in the Agenda packet. Mr. Parrish recommended the Board approve the financial report as provided by Mr. Alexander and that a revised budget be prepared and presented to the Board for consideration. Mr. Alcorn moved to approve Mr. Alexander's financial report and to ask staff to prepare a revised budget. Mr. Weaver seconded the motion which passed unanimously.

Whereupon, Mr. Parrish recommended the Board establish a staff structure. He recommended the current arrangement by which KWORCC contracts with PMCorp for office space, receptionist services, equipment, furniture and personnel services continue through March of 1999. Effective April 1, 1999 Mr. Parrish suggested that the following personnel assignments be approved: Mr. Parrish - 60% full-time; Mr. Eyman - 100% full-time; Mrs. Bird - 80% full time. Mr. Alexander would continue under his current status. Mr. Parrish further recommended that a fringe benefit package be developed commensurate with the above listed percentages for each employee. The package would be similar to KWORCC's benefit package under the prior administration. Mr. Parrish stated that these percentages would be monitored and recommendations regarding alterations in this staff structure would be made from time to time as more experience is gained. Ms. Landoll moved to approve the recommendations for a structure as presented by Mr. Parrish. Mr. Schoepf seconded the motion which passed unanimously.

Next, Mr. Alcorn moved to have the following titles assigned to KWORCC staff: James W. Parrish as Administrator; Carl Eyman as Deputy Administrator; Dortha Bird as Deputy Administrator and Staff Counsel and Richard Alexander as Accountant. Mr. Weaver seconded the motion which passed unanimously.

Thereupon, Ms. Swartz addressed Presentation of Statements for Legal Services and Cost Reimbursement. Mr. Parrish presented billings for work performed by IMA, for legal services of Woner, Glenn, Reeder & Girard, P.A. and for administrative services performed by PMCorp. Mr. Alcorn moved that the statements for these services be paid as presented. Ms. Landoll seconded the motion which passed unanimously.

There being no other business and upon receiving a consensus of Board Members present, Ms. Swartz declared the meeting to be adjourned.

Respectfully submitted,



Gayle Landoll, Secretary
KWORCC Board of Trustees

**MEETING, BOARD OF TRUSTEES
KANSAS WORKERS RISK COOPERATIVE FOR COUNTIES
CLUBHOUSE INN, TOPEKA, KANSAS
APRIL 8, 1999**

A meeting of the Board of Trustees of the Kansas Workers Risk Cooperative for Counties ("KWORCC") was called to order by Board President, Bonnie Swartz at 1:00 p.m. on Thursday, April 8, 1999. Trustees present and participating in person included: Doyle "Hooley" Alcorn, Jewell County Commissioner; Gayle Landoll, Marshall County Clerk; Francis "Shep" Schoepf, Reno County Commissioner; Bonnie Swartz, Gray County Clerk; Ralph Unger, Decatur County Commissioner; Shirley Walbridge, Jefferson County Clerk; and Sam Weaver, Cherokee County Commissioner.

Staff present included: Mr. James W. Parrish, Administrator; Mr. Carlin Eyman; and Ms. Dortha Bird.

Also present at the meeting were: Marty Hazen, Policy Examiner of the Office of the Kansas Insurance Commissioner; Mr. Paul Starr, Mr. Marshall Matthews, and Mr. Gus Campuzano of Insurance Management Associates, Inc. ("IMA"); Mr. Bruce Woner and Mr. Pat Riordan of the law firm of Woner, Glenn, Reeder & Girard, P.A., KWORCC General Counsel; and Ms. Jamie S. White of Parrish Management Corporation ("PMCorp") to take minutes of the meeting.

Ms. Swartz addressed Agenda Item No. 2, "Inquire if notification of all requesting notification of KWORCC Board meeting has been given." Mr. Parrish reported that all such persons were notified.

Next, Ms. Swartz addressed Agenda Item No. 3, "Consideration of the minutes of the meeting of March 11, 1999." Mr. Alcorn moved that the record reflect that Ralph Unger was excused from the March 11, 1999 meeting due to inclement weather. Mrs. Walbridge seconded the motion which passed unanimously.

Next, Ms. Landoll requested that the following changes be made:

Page 2, paragraph 1, the word "wok" to be changed to "work" so as to read: "...determine if the death is work related."

Page 4, paragraph 4, the word "Ms." to be changed to "Mr." so as to read: "Mr. Alcorn moved that the statements for these services...";

Mr. Alcorn moved that the minutes be approved with those corrections. Ms. Landoll seconded the motion which passed unanimously.

Next Ms. Landoll moved that the April 1, 1999 minutes be approved as amended. Mrs. Walbridge seconded the motion which passed unanimously.

Next, Ms. Swartz addressed Agenda Item No. 4, "Approval of the Agenda." Mr. Parrish suggested that the Agenda have the April 1, 1999 minutes added as Agenda Item No. 3(a). Mr. Unger moved to approve the revised agenda. Mr. Schoepf seconded the motion which passed unanimously.

Thereupon, Ms. Swartz called upon Mr. Gus Campuzano and Mr. Marshall Matthews from IMA for a claims report. Mr. Campuzano reported that the total amount of open claims decreased substantially. The records currently reflect 169 open claims, down from more than 270 claim files which were open when IMA was retained by KWORCC late last December.

Next Mr. Campuzano advised that there were two claims that would need the Boards approval. Ms. Landoll made a motion to settle claim no. 99-4192 and claim no. 99-4057 for amounts not to exceed IMA's recommendations. Mr. Unger seconded the motion which passed unanimously.

After further discussion and reporting on claims, Mr. Marshall concluded the report.

Thereupon, Ms. Swartz called upon Mr. Parrish for the Financial Report. Mr. Parrish advised that Mr. Alexander was out of town and would not be present at the meeting but that the financial information was provided in the Agenda packet. Mr. Alcorn moved to approve the financial report. Mr. Schoepf seconded the motion which passed unanimously.

Next, Ms. Swartz called upon Mr. Parrish to address Agenda Item No. 7, Administrator's Report. Mr. Parrish called upon Ms. Bird to report on premiums received to date. Ms. Bird advised all but one county have paid their 1999 premiums for a total receipt of \$1,808,570. Also, the premiums receivable, including the 1998 payroll audit adjustments, total \$51,959. Ms. Bird advised that reimbursements for overpaid 1998 premiums would be sent out in the next few days.

Next, Mr. Parrish recommended to the Board that a Resolution be approved to close all accounts with NationsBank. Mr. Unger moved that the Resolution be passed. Mrs. Walbridge seconded the motion which passed unanimously.

Next, Mr. Unger inquired if all minutes from KWORCC meetings under the prior Administrator had been received. Mr. Parrish advised that photocopies of most of the minutes were provided but that the official minute book had not yet been received. Regarding other documents, Mr. Parrish advised that copies of documents were provided but that originals were not. Mr. Parrish also advised that KWORCC was still entitled to receive research in the form of questions and answers developed under the "Attorney Assist" program. Mr. Parrish said that because KWORCC had paid half the cost for the attorneys who handled that program, it should be entitled to the data developed during its operation.

Next, Mr. Parrish advised that the request for a 30-day extension on the audit had been granted by the Insurance Commissioner.

Thereupon, Mr. Parrish called upon Paul Starr for a report on the status of the adjuster's claims-diary notes. Mr. Parrish reminded the Board that a diary was kept with each of the claims files which reported various decisions, conversations and conclusions that were made during the adjusting of each claim. Mr. Parrish withheld payment of the final invoice from Gallagher Woodsmall pending the receipt of these diary notes. Mr. Paul Starr advised that IMA has received electronic transfer of the data. The data has been downloaded, and IMA has experienced no difficulty in accessing this data. Mr. Parrish advised that based on this report, the final payment for services to Gallagher Woodsmall had been sent.

Next, Ms. Swartz advised the Board would take a break from 2:00 p.m. until 2:10 p.m.

The meeting reconvened at 2:10 p.m. Mr. Parrish requested that a resolution be made designating a permanent office location for the KWORCC office. Mr. Unger moved to designate 700 SW Jackson, Suite 200, Topeka, Kansas 66603 as the permanent KWORCC office. Mr. Schoepf seconded the motion which passed unanimously.

Next Mr. Parrish addressed the issue of employee benefits. Mr. Parrish submitted a draft employment policy for the Board to review. Mr. Alcorn suggested that a committee be appointed to review and recommend to the Board any additions or corrections. Mr. Alcorn, Ms. Walbridge and Mr. Unger volunteered to serve this on this committee. Ms. Swartz appointed Mr. Alcorn as the chair.

Next, Mr. Hazen advised that, at the request of KWORCC staff, he and other officials from the Insurance Department had met with Mr. Don Paxson of the accounting firm of Wendling, Noe, Nelson & Johnson firm and Mr. Richard Alexander. Mr. Hazen reported that the meeting was successful in conveying information from the department to KWORCC officials, and Mr. Hazen expressed a continuing willingness on behalf of the department to meet with any member of the KWORCC staff at any time to help clarify any regulatory issues or any matters regarding the proper administration of the pool. Mr. Hazen stated that any implication made by the previous administrator that the Insurance Department was not willing to talk to individual staff members from KWORCC was inaccurate.

Thereupon, Mr. Parrish called upon Mr. Woner for questions that Board may have regarding the Investment Policy that was distributed at the last meeting. Mr. Woner recommended that Ms. Swartz appoint an audit committee to meet, review and discuss this information periodically. At this point Ms. Landoll moved to accept the Investment Policy as presented. Mrs. Walbridge seconded the motion which passed unanimously.

Next, Mr. Alcorn suggested that two committees be appointed, an Investment Committee and an Audit Committee. Thereupon Ms. Swartz appointed Mr. Unger, Mr. Schoepf and Mr. Weaver

to the Investment Committee with Mr. Unger serving as chair; Ms. Swartz then appointed Ms. Landoll, Mrs. Walbridge and Ms. Swartz to the Audit Committee with Ms. Landoll serving as the chair.

Next, Mr. Parrish distributed a draft KWORCC brochure developed by KWORCC staff and IMA. Mr. Parrish announced that if there was no objections or corrections that he would proceed to have the brochure printed and placed into use. No objections were made. Mr. Parrish thanked IMA for its assistance in helping develop the brochure.

Next, Ms. Swartz advised the Board would take a break from 2:50 p.m. until 3:00 p.m.

The meeting reconvened at 3:00 p.m. at which time Ms. Swartz addressed Agenda Item No. 6, "Report of Legal Counsel." Mr. Woner requested the Board recess into executive session. Thereupon, Ms. Landoll moved to recess the meeting into executive session for the purpose of discussing legal matters with the Board's attorney to begin at 3:18 p.m. and end at 3:33 p.m. Mr. Unger seconded the motion which passed unanimously.

Thereupon, at 3:33 p.m. the Board reconvened its regular meeting.

Thereupon, Ms. Swartz addressed Agenda Item No. 9, Presentation of Statements for Legal Services and Cost Reimbursement. Mr. Parrish presented billings for work performed by IMA, for legal services of Woner, Glenn, Reeder & Girard, P.A. and for administrative services performed by PMCorp. Mrs. Walbridge moved that the statements for these services be paid as presented. Mr. Schoepf seconded the motion which passed unanimously.

Thereupon, Mr. Parrish explained that a payroll audit was completed by Choice Point, a Division of Equifax Commercial Specialists, and as a result of that audit, approximately seventy percent (70%) of the KWORCC counties were entitled to a refund due to payroll adjustments. Mr. Parrish stated that he wanted to begin distributing these checks, but that there were at least two counties for which the amounts have not yet been calculated. In order to facilitate the early distribution of refund checks, Mr. Unger moved that Mr. Parrish be directed to send premium refund checks to all counties for which amounts were known and, to the extent of his authority to sign checks for less than \$5,000, that he be given the authority to refund the others when the amounts were known. Any refund checks in the amount of \$5,000 or more would need to be approved at the next regular KWORCC meeting. Ms. Landoll seconded the motion which passed unanimously.

Thereupon, Mr. Parrish reported on the Board's directive to determine if a dividend could be paid to member counties for the policy year 1992. Mr. Parrish reported that all claims had been paid for 1992 with the exception of two claims for which adequate amounts had been placed in reserve. Mr. Parrish then recommended that the Board approve a distribution of \$230,000 in dividends to counties who paid premiums to KWORCC for the policy year 1992. Mr. Alcorn moved that such a distribution be made. Mr. Unger seconded the motion which passed unanimously.

There being no other business and upon receiving a consensus of Board Members present, Ms. Swartz declared the meeting to be adjourned.

Respectfully submitted,

A handwritten signature in cursive script that reads "Gayle Landoll". The signature is written in black ink and is positioned above the typed name.

Gayle Landoll, Secretary
KWORCC Board of Trustees

**MEETING, BOARD OF TRUSTEES
KANSAS WORKERS RISK COOPERATIVE FOR COUNTIES
BY TELECONFERENCE
APRIL 1, 1999**

A meeting of the Board of Trustees of the Kansas Workers Risk Cooperative for Counties ("KWORCC") was called to order by Board President, Bonnie Swartz at 1:40 p.m. on Thursday, April 1, 1999. Trustees participating in the telephone conference included: Gayle Landoll, Marshall County Clerk; Bonnie Swartz, Gray County Clerk; Shirley Walbridge, Jefferson County Clerk; Francis Schoepf, Reno County Commissioner; Sam Weaver, Cherokee County Commissioner; and Ralph Unger, Decatur County Commissioner.

Staff present included: Mr. James W. Parrish, Acting Administrator; Mr. Carlin Eyman; and Ms. Dortha Bird.

Also present was Mr. Bruce Woner of Woner, Glenn, Reeder & Girard, P.A., KWORCC General Counsel.

Ms. Walbridge made motion and it was seconded by Mr. Schoepf to waive notice requirement for the meeting. That motion carried unanimously.

Ms. Swartz asked if notification of the meeting had been given to all requesting notice, and Mr. Parrish advised that such notification had been given.

Mr. Schoepf moved to recess to executive session for purposes of discussing legal matters with KWORCC counsel, beginning at 1:42 PM and ending at 2:30 PM. The motion was seconded by Mr. Unger and the motion passed unanimously.

At 1:45 PM, Doyle "Hooley" Alcorn, Jewell County Commissioner, was added to the conference call.

After executive session, Mr. Alcorn noted for the record that he waived any notice requirements for the teleconference meeting.

Ms. Swartz declared the meeting adjourned.

Respectfully Submitted,



Gayle Landoll, Secretary
KWORCC Board of Trustees

**MEETING, BOARD OF TRUSTEES
KANSAS WORKERS RISK COOPERATIVE FOR COUNTIES
JAYHAWK TOWERS, TOPEKA, KANSAS
MAY 20, 1999**

A meeting of the Board of Trustees of the Kansas Workers Risk Cooperative for Counties ("KWORCC") was called to order by Board President Bonnie Swartz at 1:00 p.m. on Thursday, May 20, 1999. Trustees present and participating in person included: Doyle "Hooley" Alcorn, Jewell County Commissioner; Gayle Landoll, Marshall County Clerk; Francis "Shep" Schoepf, Reno County Commissioner; Bonnie Swartz, Gray County Clerk; Ralph Unger, Decatur County Commissioner; Shirley Walbridge, Jefferson County Clerk; and Sam Weaver, Cherokee County Commissioner.

Staff present included: Mr. James W. Parrish, Administrator; Mr. Carlin Eyman, Deputy Administrator; Mr. Richard "Alex" Alexander, Accountant and Ms. Dortha Bird, Deputy Administrator and Staff Counsel.

Also present at the meeting were: Mr. Marty Hazen, Policy Examiner of the Office of the Kansas Insurance Commissioner; Mr. Paul Starr, Mr. Marshall Matthews and Mr. Gus Campuzano of Insurance Management Associates, Inc. ("IMA"); Mr. Bruce Woner of the law firm of Woner, Glenn, Reeder & Girard, P.A., KWORCC General Counsel and Ms. Jamie S. White of Parrish Management Corporation ("PMCorp") to take minutes of the meeting.

Ms. Swartz addressed Agenda Item No. 2, "Inquire if notification of all requesting notification of KWORCC Board meeting has been given." Mr. Parrish reported that all such persons were notified.

Next, Ms. Swartz addressed Agenda Item No. 3, "Consideration of the minutes of the meeting of April 8, 1999."

Ms. Landoll requested that the following change be made:

Page 2, paragraph 9, the acronym "KWORC" to be corrected to "KWORCC" so as to read: "...also advised that KWORCC was still entitled..."

Mr. Unger moved that the minutes be approved with that correction. Mr. Schoepf seconded the motion which passed unanimously.

Next, Ms. Swartz addressed Agenda Item No. 4, "Approval of the Agenda." Ms. Landoll moved to approve the Agenda as presented. Mr. Schoepf seconded the motion which passed unanimously.

Next, Mr. Parrish advised the Board that KWORCC was presented with a check from IMA in the amount of \$1,554.25. This is the first of two payments of equal amounts to be received. He advised that because of the large dollar volume of business generated for Employer's Reinsurance Corporation (ERC) by IMA, IMA was entitled to a five percent bonus of all premiums it generated

on behalf of ERC. Although not technically required to do so under the contract between KWORCC and IMA, IMA generously has elected to rebate to KWORCC five percent of the premium costs of excess and aggregate insurance coverage reducing those premium costs by \$3,108.50.

Next, Ms. Swartz called upon Mr. Parrish to address Agenda Item No. 5, "Administrator's Report." Mr. Parrish asked Ms. Bird to report on premiums received to date. Ms. Bird advised all of the counties have paid their 1999 premium, with some minor adjustments involving two counties. Ms. Bird advised that the Miami County 1998 Audit was completed. Ms. Bird presented a premium refund check to Miami County for Board approval. Ms. Walbridge moved to approve the refund. Mr. Schoepf seconded the motion which passed unanimously.

Thereupon, Mr. Parrish advised the Board that he and Mr. Alexander plan to make recommendations to the Board at the June meeting regarding the allocation of capitalized transition costs. These recommendations will be presented in lieu of the monthly financial report, in that March and April financials are being presented at today's meeting. Mr. Parrish recommended that, starting with the July meeting, staff present monthly financial statements for the second month prior to the meeting date. He explained that because the meetings normally are scheduled early in the month, financial statements for the preceding month cannot always be prepared and sent with the Agenda packets before the meeting date. The Board raised no objection to that change in financial reporting.

Next, Ms. Swartz addressed Agenda Item No. 5c, "Records/Documents Requested/Received." Ms. Bird advised that Gallagher Woodsmall provided ERM-6 forms and unit statistics as requested. Ms. Bird further reported that on May 19, the day before today's meeting, Mr. Tom Job delivered a minute book to the KWORCC office which contained minutes from January of 1992 through January of 1998. The balance of 1998's minutes were not included. The minutes of some of the meetings were not signed, and some of the minutes appeared to be photocopies and not originals. Ms. Bird further advised that the videos requested were received as well as the payroll records from January 15, 1997 through December 15, 1998. Ms. Bird reported that KWORCC had not yet received its loss prevention files and repeated KWORCC's willingness to pay for copies of these files. Also KWORCC has not yet been provided copies of the 401(k) retirement plan, the IRS form 5500 filings made pursuant to that plan and the questions and answers belonging to KWORCC that were developed under the "Attorney-Assist" program.

Thereupon, Ms. Swartz addressed Agenda Item No. 5d. At this time Ms. Bird presented the following resolutions to the Board for approval:

Resolution No. 99-74. Mr. Unger moved and Mr. Schoepf seconded that the Board approve Resolution 99-74 authorizing that credit cards be issued to James W. Parrish, Carl D. Eyman and Dortha O. Bird with an aggregate credit limit of \$5,000. The resolution further specifies that all purchases made with such credit cards must be used exclusively for KWORCC business and shall be reported to the Board at the next regular Board meeting following staff's receipt of the monthly credit card statement. The motion passed unanimously.

Resolution No. 99-75. Mr. Schoepf moved to approve the appointment of James W. Parrish as trustee of the KWORCC 401(k) employee retirement plan, provided that, as the new trustee, he

assumes no risks or liabilities he did not create and provided further that Mr. Parrish work diligently to identify and solve any problems he finds with the plan and report this progress to the Board. Mr. Alcorn seconded the motion which passed unanimously.

Resolution No. 99-76. Mr. Unger moved to approve Resolution 99-76 setting forth a policy for wire transfers requiring the Administrator to notify the Comptroller (and in the absence or unavailability of the Comptroller, the President, Vice-President or Secretary) of the facts and circumstances creating the need for such electronic transfer of funds; if requested by the Comptroller or KWORCC Officers, the Administrator shall furnish by telecopier or otherwise any and all documentation necessary to describe the need for such electronic transfer; prior to any electronic transfer of such funds, it shall be the policy of the KWORCC Board of Trustees that the Comptroller or other KWORCC Officers must authorize such transfer either in person, by telephone or by written communication to the financial institution from which such funds are to be transferred. The Resolution requires the Administrator to fully advise Trustees of any such electronic transfer of funds and the circumstances surrounding the same at the next regular Board meeting; thereupon, the Trustees shall either ratify such transfer of funds or take such other action as deemed appropriate by the Trustees relative thereto. Ms. Landoll seconded the motion which passed unanimously.

Resolution No. 99-77. Ms. Landoll moved to approve Resolution 99-77 setting forth a policy on IMA trust account disbursements of KWORCC funds, as follows: The Trustees direct the Administrator to reach agreement with IMA whereby all claims checks of whatsoever kind or nature in excess of \$5,000 issued by IMA out of its trust account using KWORCC funds must bear two signatures of IMA administrative personnel who are not directly responsible for KWORCC's claims handling; the Trustees direct the Administrator to reach agreement with IMA whereby all claims checks of whatsoever kind and nature issued in excess of \$10,000 must be approved in writing by the Administrator. Written communication signed by the Administrator and sent by telecopier is sufficient for such purposes; the Trustees direct the Administrator to reach agreement with IMA whereby all claims checks of whatsoever kind and nature issued by IMA out of its trust account using KWORCC funds in excess of \$20,000 must be approved by the Trustees at the next regularly scheduled or special meeting. Mr. Parrish explained that these procedures will supplement policies already in place whereby claim settlements in excess of \$10,000 must be approved by the Administrator and those in excess of \$20,000 must be approved by the Board. This policy extends the restrictions to all payments, whether they involve settlements or otherwise. Mrs. Walbridge seconded the motion which passed unanimously.

Next Ms. Swartz addressed Agenda Item No. 5e, "Piper Jaffray - Money Management Proposal." Mr. Parrish advised that he had been contacted by Mr. Todd Reeves and Mr. Jason L. Newell of Piper Jaffray, Inc. with a proposal to manage KWORCC's funds. Mr. Parrish stated that he just had received information from Piper Jaffray in addition to that which was sent in the Agenda packet. He advised that he would be forwarding that information for Trustees to review and recommended that the investment committee convene to discuss these proposals and compare them with the services being provided by Country Club Bank.

Thereupon Mr. Parrish updated the Board on office equipment purchased. Recent purchases included a desk and credenza. He advised that shelves may need to be purchased for the storage area. Mr. Parrish presented a summary of equipment acquisition showing that of the \$24,489.27

authorized for equipment acquisition, \$19,955.47 had been spent leaving an authorized balance of \$4,533.79. Mr. Parrish pointed out that the equipment acquisition summary published in the Agenda did not reflect the purchase of the desk and credenza (\$1,627.20).

Next, Ms. Swartz addressed Agenda Item No. 5g, "Legislation Update." Mr. Parrish advised the Board that a copy of Senate Bill 60 was attached to the Agenda. Mr. Parrish asked Mr. Hazen to provide an update on this bill. Mr. Hazen stated that Senate Bill 60 had been signed by the Governor and thus would become law. Among other things, the bill provides KWORCC with more investment options and allows for a variance from the limit of 30% of revenues to be spent on administrative expenses.

Thereupon Ms. Swartz addressed Agenda Item No. 5h, "Reschedule of June Meeting Date." Mr. Parrish advised that there were at least three trustees unable to attend the meeting scheduled for June 10th. After further discussion by the Board, Mr. Schoepf moved that the meeting be rescheduled to Thursday, June 17th, 1999 at 1:00 p.m with the place to be determined at a later time (pending the availability of the conference room at Clubhouse Inn). Mr. Unger seconded the motion which passed unanimously.

Next, Ms. Swartz addressed Agenda Item No. 6, "Tour Office Space." At this time the Board and meeting participants took a tour of the KWORCC office and storage space. During this tour, the Board viewed a demonstration of the KWORCC web page which is near completion.

Thereupon, Ms. Swartz called upon Marshall Matthews from IMA for a claims report. Mr. Matthews reported that there are currently 155 open claims. He advised the Board that IMA rejected more than \$9,000 in medical expenses which had been presented for payment but which were not related in any way to workers compensation. Mr. Matthews pointed out that medical bills often are submitted for payment as workers compensation bills, and without close scrutiny, these bills may be paid inadvertently. He then reported on the status of several claims which have had recent activity.

Mr. Campuzano reported on IMA case no. 99-3544 and requested that the Board give IMA authorization to settle this claim. Ms. Landoll moved to give approval to IMA to settle the claim for the percentage approved by IMA. Mr. Schoepf seconded the motion which passed unanimously.

After further discussion and reporting on claims, Mr. Matthews concluded the report.

Next Ms. Swartz addressed Agenda Item No. 8, "Marketing Update - IMA and Carl Eyman." Mr. Eyman presented a map of the state of Kansas identifying counties which are permitting KWORCC to present quotes for workers compensation coverage. Mr. Starr presented underwriting assessment guidelines. Mr. Schoepf moved to adopt the guidelines, subject to future refinement. Mr. Alcorn seconded the motion which passed unanimously.

Thereupon Ms. Swartz addressed Agenda Item No. 6, "Report of Legal Counsel." Mr. Woner provided an update on the personnel policy and the county data base. He also indicated ideas for the web page.

Thereupon, Richard Alexander presented financial reports for the month of March 1999 and April 1999. Mr. Schoepf made and Mr. Alcorn seconded a motion to accept the financial reports as presented. The motion passed unanimously.

Mr. Unger made a motion to ratify the decision by the Administrator to procure directors and officers and errors and omissions insurance for KWORCC; Mr. Schoepf seconded the motion which passed unanimously.

Mr. Alcorn made a motion, which was seconded by Mrs. Walbridge, to pay the bills for professional services as presented; the motion passed unanimously.

Mr. Parrish pointed out that there was a need for file storage convenient to the KWORCC office to handle many boxes of files and other materials. These files currently are being stored in a small vacant office suite at the Jayhawk Tower. That office is too small, and the boxes are not readily accessible. Mr. Parrish recommended that KWORCC rent a larger room in the Jayhawk Tower which recently became available as a file room. Although the rental rate was \$320 per month, Mr. Parrish stated that the Jayhawk Tower would agree to rent this space for \$295 per month. Mr. Parrish recommended that KWORCC rent this space for \$295 per month on a month-to-month basis. Mr. Unger moved to follow this recommendation; Mr. Weaver seconded the motion which passed unanimously.

Mr. Parrish advised the Board that the year-end financial audit was nearly completed and that he had examined the preliminary report with the Board's independent auditor, Mr. Don Paxson of Wendling, Noe, Nelson and Johnson. Mr. Parrish further advised that the Board would be receiving photocopies of that preliminary report for their review within the next few days and the final audit report when it is completed.

Mr. Unger then recommended that the meeting be recessed until May 21, 1999 at 9:00 a.m. at the Clubhouse Inn, 924 SW Henderson Road, Topeka, Kansas, for a meeting with members of the KCAMP Board of Trustees. There being no objection, Ms. Swartz announced that the meeting would be so recessed.

The Meeting of KWORCC Board of Trustees reconvened on May 21, 1999, at the Clubhouse Inn, 924 Henderson Road, Topeka, Kansas. The following seven KWORCC Trustees were in attendance: Doyle "Hooley" Alcorn, Jewell County Commissioner; Gayle Landoll, Marshall County Clerk; Francis "Shep" Schoepf, Reno County Commissioner; Bonnie Swartz, Gray County Clerk; Ralph Unger, Decatur County Commissioner; Shirley Walbridge, Jefferson County Clerk; and Sam Weaver, Cherokee County Commissioner.

Also in attendance were four members of the Kansas County Association Multiline Pool (KCAMP) Board of Trustees, as follows: Pamela Meadows, Edwards County Clerk; Meredith Hrnchir, Rawlins County Clerk; Kathy Bowman, Pawnee County Commissioner and John Miller, Norton County Commissioner.

Also in attendance was Charlie Geist, Jefferson County Commissioner.

The meeting was held for the purposes of discussing mutual concerns of both pools. No action was taken. After the discussion, the meeting was adjourned.

Respectfully submitted,

A handwritten signature in cursive script that reads "Gayle Landoll".

Gayle Landoll, Secretary
KWORCC Board of Trustees

**MEETING, BOARD OF TRUSTEES
KANSAS WORKERS RISK COOPERATIVE FOR COUNTIES
JAYHAWK TOWER SENATE ROOM, TOPEKA, KANSAS
JUNE 17, 1999**

A meeting of the Board of Trustees of the Kansas Workers Risk Cooperative for Counties ("KWORCC") was called to order by Board President, Bonnie Swartz at 1:00 p.m. on Thursday, June 17, 1999. Trustees present and participating in person included: Gayle Landoll, Marshall County Clerk; Francis "Shep" Schoepf, Reno County Commissioner; Bonnie Swartz, Gray County Clerk; Ralph Unger, Decatur County Commissioner; Shirley Walbridge, Jefferson County Clerk; and, Sam Weaver, Cherokee County Commissioner. Doyle "Hooley" Alcorn, Jewell County Commissioner was not present due to scheduling conflict.

Staff present included: Mr. James W. Parrish, Administrator; Mr. Richard Alexander, Accountant and Ms. Dortha Bird, Deputy Administrator and Staff Counsel.

Also present at the meeting were: Mr. Bruce Woner of Woner, Glenn, Reeder & Girard, P.A., KWORCC General Counsel; Mr. Paul Starr, Mr. Marshall Matthews, Mr. Gus Campuzano and Ms. Carolyn Kennedy of Insurance Management Associates, Inc. ("IMA").

Ms. Swartz addressed Agenda Item No. 2, "Inquire if notification of all requesting notification of KWORCC Board meeting has been given." Mr. Parrish reported that all such persons were notified.

Next, Ms. Swartz addressed Agenda Item No. 3, "Consideration of the minutes of the meeting of May 20, 1999." Mr. Unger requested correction of the spelling of Ms. Swartz's name. Ms. Swartz indicated that at page one, at the eighth paragraph, it was not she, but rather Mr. Schoepf who seconded the motion to approve the minutes as corrected.

Mr. Unger moved that the minutes be approved as corrected; Ms. Landoll seconded the motion which passed unanimously.

Next, Ms. Swartz addressed Agenda Item No. 4, "Approval of the Agenda." Mr. Parrish asked to switch around item No. 6 and item No. 8 on the agenda because Mr. Starr had to leave at 3:00 p.m. for a meeting in Wichita. Mr. Unger moved to adopt the agenda as revised; Mr. Weaver seconded the motion which passed unanimously.

Whereupon, Ms. Swartz called upon Mr. Parrish to give the Administrator's report.

Mr. Parrish asked for ratification of the following wire transfers of funds: 1) On May 25, 1999, \$50,000 was transferred from Country Club Bank to Community National Bank Administrative account; this transfer was approved by telephone by Ms. Walbridge and Mr. Parrish.

2) On June 4, 1999, \$93,016.98 was transferred from Country Club Bank to the IMA Trust Account at Intrust Bank in Wichita; this transfer was approved by telephone by Ms. Swartz and Mr. Parrish.
3) On June 17, 1999, \$200,000 was transferred from Country Club Bank to Community National Bank Administrative Account; this transfer was approved by telephone by Ms. Walbridge and Mr. Parrish. After brief discussion, Mr. Schoepf moved to ratify the foregoing cash transfers; Ms. Landoll seconded the motion which passed unanimously.

Mr. Parrish presented Board Resolution No. 99-88, which was requested by Country Club Bank when the procedure adopted by the Board in Resolution No. 99-76 was communicated to the bank. Under Resolution No. 99-88, the bank requests the flexibility of using code numbers and personal identification numbers for those who call in requesting transfers; additionally, the bank would like to implement a procedure whereby it receives a call from one authorized person and is able to call a second authorized person back to verify the wire transfer. Finally, the bank requested that KWORCC enter certain written agreements concerning electronic transfers. Mr. Parrish recommended that the Board adopt the resolution and sign the agreements. Upon further discussion, Ms. Landoll moved for the adoption of Resolution No. 99-88 and the approval of certain written agreements with Country Club Bank concerning electronic transfers; Mr. Weaver seconded the motion which passed unanimously.

Thereupon, Mr. Parrish reported on the KWORCC records requested and not received from the prior administrator. Ms. Swartz asked if the filing of the Form 5500 for KWORCC's 401(k) plan was late. Ms. Bird advised that the deadline was actually July 1, 1999, but that Nationwide requested information by June 15, 1999 in order to have ample time to complete the process. Mr. Weaver asked if the information needed for the 5500 filing was complicated. Ms. Bird stated that all that was needed was all employee's names, social security numbers, hours worked in 1998 and compensation paid in 1998. Mr. Alexander stated that it would take only a few minutes to provide the information we needed for the filing. Mr. Parrish advised that KWORCC could probably get an extension on the filing and provide partial information with an explanation. Mr. Parrish further stated that the remaining KWORCC records which have not been delivered were not vital for the continued operation of KWORCC although he will continue to request them. Mr. Unger requested that staff continue to monitor the document situation and consider it at each meeting to keep the Board advised of the status of KWORCC's records.

Mr. Parrish next addressed employee benefits. He reported that he has researched this matter and had proposals to present, but received conflicting opinions concerning whether or not KWORCC was a governmental entity. If so, KWORCC would qualify for a Section 457 deferred compensation plan and would qualify for KPERS. If KWORCC is not considered a governmental entity, it would need to apply for another retirement plan as well as other insurance policies. Ms. Landoll suggested that inquiry be made directly to KPERS to see if KWORCC qualifies. If we are unable to resolve the matter through inquiry with KPERS, Ms. Landoll suggested that the trustees request an attorney general's opinion on the matter.

Mr. Parrish reported that one of the KWORCC member counties made inquiry regarding coverage for Juvenile Justice Authority employees. Upon discussion, it was generally agreed that KWORCC should proceed to write the insurance of these employees if it is clear either that the administrative county is the employer or that they are eligible under an interlocal agreement or some other agreement. It was acknowledged that there is considerable confusion regarding this new program. Mr. Parrish thanked everyone for their input and stated that we would continue to look at this issue in hopes of writing the insurance.

Next, the Board discussed the issue of advanced receipt of Board agenda packets prior to each meeting. Mr. Parrish stated his desire to send a complete agenda packet in advance and avoid handing out material at the meeting the Board Members have not had time to review. This occurs often because items arise between the time the packets are distributed and the date of the meetings. Currently Board agenda packets are mailed least 10 days prior to the meeting. He recommended the adoption of Resolution No. 99-89 which provides for the agenda packets to be mailed seven days prior to the meetings. Ms. Landoll moved for the adoption of Resolution No. 99-89; Mr. Unger seconded the motion which passed unanimously.

Ms. Swartz then called upon Mr. Starr for a marketing update and directed the Board's attention to Mr. Eyman's memorandum concerning his marketing efforts. Mr. Starr provided information concerning which counties were contacted and the status of proposals. Ms. Landoll asked how premiums would be handled for counties whose coverage begins on a day other than January 1st. Mr. Starr indicated that there were two figures provided in the bids, one for pro-rata payment for the balance of the current calendar year and another for full-year coverage beginning January 1. Ms. Landoll pointed out that this may cause budgeting problems for some counties. There was general discussion by the Board, staff and IMA about approaching counties to write their workers compensation coverage.

Mr. Parrish next introduced Mr. Don Paxson, CPA, of Wendling, Noe, Nelson and Johnson to provide a report on the 1998 annual audit. Mr. Paxson described his background and that of his firm and discussed the relationship between the independent auditor and the Board of Trustees. He also discussed the investigative process used to conduct an independent audit, the accounting standards involved with the audit, the information contained in the audit report and the financial condition of the pool. Mr. Paxson provided an unqualified opinion that KWORCC's financial statements are in accordance with statutory accounting principals. Mr. Paxson then reviewed some of the items contained in the management letter which accompanied the audit which he said warranted the Board's attention. He pointed out that the administrator should provide a written response to the management letter. He commended the Board for having appointed an Audit Committee and recommended that the audits for future years should be initiated by the Audit Committee. Mr. Paxson pointed out that if a major problem were to arise during a future audit, the auditor would come directly to the Audit Committee.

Mr. Schoepf asked for an opinion of the stability of the pool. Mr. Paxson responded that the Pool had healthy cash balances and probably had been a bit slow in getting money back to member counties. Mr. Schoepf expressed appreciation for Mr. Paxson and his firm getting involved so quickly and being so thorough in the audit.

Whereupon Ms. Swartz called for a 20 minute break.

After the break, Ms. Walbridge moved that the KWORCC Board of Trustees accept and file in its records the 1998 year-end financial audit report provided by Mr. Paxson of Wendling, Noe, Nelson and Johnson; Ms. Landoll seconded the motion which passed unanimously. Mr. Parrish stated that copies would be forwarded to member counties now that the Board had received the audit report.

Whereupon, Mr. Gus Campuzano and Mr. Marshall Matthews provided a claims report.

Ms. Swartz next requested a legal report from Mr. Bruce Woner. Mr. Unger moved that the Board recess into executive session for 15 minutes, beginning 3:52 p.m., to discuss legal matters with counsel; the motion was seconded by Mr. Schoepf and passed unanimously by the Board. The executive session ended at approximately 4:10 p.m.

Next, Ms. Caroline Kennedy, registered nurse and case manager at the Topeka office of IMA, provided a report about how the Precept system is used to assist counties with workers compensation medical claims. She stated that feedback from the counties has been positive because of the expertise of the nurses, acting as case managers, in communicating and interpreting the medical status of the employees to the counties and to KWORCC. This communication helps resolve claims more quickly because the claims adjuster is not required to wait several weeks for medical reports from doctors in order to understand a claimant's status. Mr. Weaver stated that he has heard positive reviews in his county about the Precept program and how well it works. Ms. Walbridge asked Ms. Kennedy if she would be willing to visit Jefferson County to give a presentation and explanation of the program. Ms. Kennedy responded affirmatively.

Next, Ms. Swartz addressed Agenda Item No. 10, "Financial Report." Mr. Alexander pointed out that there was no monthly financial report to review at this meeting because of the policy decision to review the financial statements for the month ending more than 30 days prior to the meeting. Mr. Alexander addressed the issues of allocation of transition costs and budgeting issues that would need to be decided by the Board in the near future. After some discussion, the Board then turned to the check register included in the Board packet. Ms. Walbridge moved to approve the check register; Mr. Weaver seconded the motion, which passed unanimously.

Presentation was made of checks needing Board approval and for professional services. Mr. Unger moved to approve the checks as presented; Mr. Schoepf seconded the motion, which passed unanimously.

Ms. Swartz announced that the Audit Committee would meet Friday, June 18, 1999 at 9:00 a.m. at the same location, that being the Senate Room of the Jayhawk Tower located at 700 SW Jackson Street, Topeka, Kansas. There being no other business, Ms. Swartz, upon receiving a consensus of Board Members present, declared the meeting to be adjourned.

The foregoing minutes of the Board of Trustees of Kansas Workers' Risk Cooperative for Counties approved by the Board of Trustees on the 8th day of July, 1999.



Gayle Landoll, Secretary
KWORCC Board of Trustees

**MEETING, BOARD OF TRUSTEES
KANSAS WORKERS RISK COOPERATIVE FOR COUNTIES
CLUBHOUSE INN, TOPEKA, KANSAS
JULY 8, 1999**

A meeting of the Board of Trustees of the Kansas Workers Risk Cooperative for Counties ("KWORCC") was called to order by Board President Bonnie Swartz at 1:00 p.m. on Thursday, July 8, 1999. Trustees present and participating in person included: Doyle "Hooley" Alcorn, Jewell County Commissioner; Gayle Landoll, Marshall County Clerk; Francis "Shep" Schoepf, Reno County Commissioner; Bonnie Swartz, Gray County Clerk; Shirley Walbridge, Jefferson County Clerk and Sam Weaver, Cherokee County Commissioner. Ralph Unger, Decatur County Commissioner was not present due to recent surgery.

Staff present included: Mr. James W. Parrish, Administrator; Mr. Carl Eyman, Deputy Administrator; Mr. Richard Alexander, Accountant; Ms. Dortha Bird, Deputy Administrator and Staff Counsel.

Also present at the meeting were: Mr. Bruce Woner of Woner, Glenn, Reeder & Girard, P.A., KWORCC General Counsel; Mr. Marshall Matthews and Mr. Gus Campuzano of Insurance Management Associates, Inc. ("IMA"); Mr. Marty Hazen, Policy Examiner of the Office of the Kansas Insurance Commissioner and Ms. Jamie S. White of Parrish Management Corporation ("PMCorp") to take minutes of the meeting.

Ms. Swartz addressed Agenda Item No. 2, "Inquire if notification of all requesting notification of KWORCC Board meeting has been given." Mr. Parrish reported that all such persons were notified.

Next, Ms. Swartz addressed Agenda Item No. 3, "Consideration of the minutes of the meeting of June 17, 1999." Ms. Landoll moved to approve the minutes as presented. Mr. Schoepf seconded the motion which passed unanimously

Next, Ms. Swartz addressed Agenda Item No. 4, "Approval of the Agenda." Mr. Parrish asked to switch around item No. 5e and item No. 5c on the agenda in order to present resolutions to the Board in proper order. Mr. Parrish also requested that item No. 10 and item No. 12 be switched in order to receive the audit committee report prior to presentation of checks for approval. Mrs. Walbridge moved to adopt the agenda as revised; Mr. Schoepf seconded the motion which passed unanimously.

Whereupon, Ms. Swartz called upon Mr. Parrish to give the Administrator's report.

First, Mr. Parrish asked for approval of a wire transfer in the amount of \$64,889.67 from Country Club Bank to IMA Medical Account at Intrust Bank in Wichita, Kansas; Ms. Landoll moved to approve the cash transfer; Mr. Schoepf seconded the motion which passed unanimously.

Next, Mr. Parrish reported that Mr. Tom Job, acting KCAMP Administrator, advised that most of KWORCC's remaining documents are ready to be picked up. Mr. Parrish advised that Mr. Eyman and Mr. Alexander would go to the KCAMP office on Friday, July 9, 1999 to pick up the remaining documents. Ms. Swartz advised that she received a letter from Bud Cowan advising that his office was in the process of culling the Attorney Assist documents to determine the KWORCC inquiries. Mr. Cowan stated he will provide KWORCC with the names of the counties which, in his opinion, should sign a release of any attorney-client privilege they may have with his firm regarding attorney assist questions. Upon receipt of those waivers, he will provide the requested information.

Next, Mr. Parrish advised the Board that in response to one of the recommendations of the independent auditor, he has initiated a process with Country Club Bank whereby all funds in excess of \$100,000 will properly be collateralized in accordance with state law. The process will require Country Club Bank automatically to purchase securities with funds held in excess of \$100,000. He recommended that the Board approve Resolution 99-96 authorizing certain persons to direct investment transactions, issue safekeeping instructions, transfer funds and execute a Master Repurchase Agreement with Country Club Bank. Ms. Swartz suggested that the names of all officers should appear as persons authorized to sign the Master Repurchase Agreement instead of her name alone. After discussion, Mr. Schoepf moved that Resolution 99-96 be approved with the addition of all the names of officers added as authorized signatories to the Master Repurchase Agreement. Mr. Weaver seconded the motion which passed unanimously.

Next, Mr. Parrish recommended that Mr. Alcorn be excused from the June meeting and Mr. Unger be excused from today's meeting. Ms. Landoll moved that the Board excuse the absence of Mr. Alcorn from the June 17, 1999 and excused Mr. Unger from the July 9, 1999 meeting. Mrs. Walbridge seconded the motion which passed unanimously.

Next, Mr. Parrish reported on progress on employee benefits. He stated that officials of the Kansas Public Employees Retirement System ("KPERs") expressed confidence that KWORCC was eligible for the KPERs program. Ms. Bird presented resolutions stating KWORCC is eligible for KPERs as an instrumentality of county governmental entities, identifying the coverages available for employees and appointing representatives for KWORCC. Mr. Parrish recommended the Board adopt Resolution No. 99-97 declaring KWORCC's eligibility for KPERs; Resolution No. 99-98 giving employees the optional coverages such as life, disability and health; Resolution No. 99-99 allowing first day coverage and Resolution No. 99-100 appointing Mr. Parrish as an agent for KWORCC in setting up the KPERs account with Mr. Alexander and Mr. Eyman as additional signatories for the KPERs account. Upon further discussion, Ms. Landoll moved for the adoption of Resolution Nos. 99-97, 99-98, 99-99 and 99-100 to initiate the application process for KPERs coverage of KWORCC employees; Mr. Schoepf seconded the motion which passed unanimously.

Next, Mr. Parrish advised that staff was working on a response to the Auditor's Management Letter.

Next, Ms. Swartz called upon Mr. Eyman for a marketing report. Mr. Eyman provided information concerning the counties contacted, including those who requested quotes for KWORCC workers compensation coverage and those that did not. Mr. Schoepf stated that staff consider

hiring a professional marketing consultant regarding how to approach the county governments to write their workers compensation insurance coverage.

Whereupon Mr. Gus Campuzano and Mr. Marshall Matthews provided a claims report.

Next, Ms. Swartz called for a 10 minute break.

Thereafter, the meeting was reconvened, and Ms. Swartz addressed Agenda Item No. 9, "Financial Report." Mr. Alexander presented financial statements and the explanation of financial condition as of May 31, 1999. In discussing the balance sheet, Mr. Alexander noted that the amount specified for unpaid claims are based upon the actuarial report completed in July of 1998 and noted that amount could change significantly after a new actuarial report is completed this fall; the new study will consider the new claims-handling procedures in estimating losses. Mr. Alexander also commented that IMA has a formula for estimating losses which would significantly reduce the unpaid claims number if it were used.

Turning to the income statement, Mr. Alexander explained that the administrative expenses were higher largely because all of the administrator's salary is allocated to administrative expenses. Under the prior administration, half of the administrator's salary had been allocated to loss adjustment expenses under the claims fund. He further explained that, for the same reason, the total claims adjustment expense was significantly lower than the amount budgeted. Although actual expenses equal 108% of amounts budgeted through May of 1999, Mr. Alexander pointed out that 50% of the cost of claims administration and excess insurance premiums were paid prior to May 31, 1999, only five months into the fiscal year. Therefore, KWORCC is operating within its budget when adjustments are made for these reallocations and prepayments. Mr. Alexander also pointed out that he was changing the allocation of some expense items upon recommendation of the independent auditor in keeping with statutory accounting principals which had not been followed in the past.

The Board then turned to the check register included in the Board packet. Mr. Alcorn moved to accept and file the financial report and approve expenditures reported in the check register; Mrs. Walbridge seconded the motion, which passed unanimously.

Next, Ms. Landoll reported on the meeting of the Audit Committee held on June 19, 1999 at the Jayhawk Tower. All Members of the Committee were present including Ms. Landoll, Ms. Swartz and Ms. Walbridge. Also present was Mr. Paxson of Wendling, Noe, Nelson & Johnson, KWORCC's independent auditor. Mr. Parrish was present for part of the meeting to answer questions; he left for part of the meeting so that Committee Members could discuss items privately with the independent auditor without staff present. Ms. Landoll advised the Trustees that Mr. Paxson had recommended there be more involvement of the actuary in the preparation of financial statements; Mr. Parrish advised that this was being arranged. Mr. Parrish stated that he will receive a firm quote from Price Waterhouse Cooper for the actuary study and will present it to the Board at a later date. Ms. Landoll also advised that Mr. Paxson recommended that the Board not use zero coupon investments and that the length of time for any investment should not exceed the length of time anticipated for the loss reserves.

Next, Mr. Parrish recommended approval of the statements submitted by Mr. Paxson for the audit and for other consultation services. Mr. Parrish advised that the base cost of the audit of \$4,500 was exceeded by \$3,581.25. Mr. Parrish stated that the March 2, 1999 audit arrangement letter with Mr. Paxson's firm allowed for additional fees to cover matters which were not foreseen when the project was undertaken. Mr. Parrish stated that Mr. Paxson had requested permission to exceed the original proposal because of the difficulty he had in assembling information and researching past procedures. Mr. Parrish indicated that he authorized the additional expenditures after he determined they were reasonable based on the amount of time Mr. Paxson was devoting to KWORCC's audit. Mr. Parrish noted that the additional fees of \$3,581.25 were billed for 95 ½ hours of time above and beyond the 60 hours originally budgeted for KWORCC's audit. The normal billing rate of \$75 per hour was cut in half by Mr. Paxson's firm because of the large number of excess hours required to complete this assignment.

Mr. Parrish recommended that Mr. Paxson's statement for consulting services in the amount of \$3,678.25 be approved for payment. The Board originally had authorized a maximum fee of \$10,000 for consulting services which was memorialized in an arrangement letter dated January 19, 1999. This consulting project was completed for approximately 37% of the amount approved.

Mr. Alcorn moved to approve payment of the fee for KWORCC's annual audit in the total amount of \$8,081.25 and the fee for consulting services in the amount of \$3,678.25; Mr. Schoepf seconded the motion which passed unanimously.

It was noted that Mr. Paxson had made a proposal to the audit committee to perform the audit for the 1999 fiscal years at a cost of \$5,500 per year. Mr. Parrish indicated that the Audit Committee would review that proposal and make recommendation to the full Board at a later time.

Ms. Swartz next requested a legal report from Mr. Bruce Woner. Mr. Schoepf moved that the Board recess into executive session beginning at 3:31 p.m. and ending at 3:55 p.m. to discuss legal matters with counsel; the motion was seconded by Mrs. Walbridge and passed unanimously by the Board. At 3:55 p.m. Mr. Schoepf moved to extend the executive session for another 15 minutes; Mrs. Walbridge seconded the motion which passed unanimously. The meeting reconvened at 4:10 p.m.

Next, the Board discussed its relationship with KCAMP; after discussion, Ms. Landoll moved for the approval of Resolution No. 99-106 which states that KWORCC is dedicated to the survival, growth and well being of the KWORCC self insurance pool and its companion self-insurance pool known as the Kansas County Association Multiline Pool ("KCAMP"); that KWORCC shall take appropriate steps to create a cooperative spirit with KCAMP Board of Trustees and shall express dedication to the mutual survival and growth of the KWORCC and KCAMP self-insurance pools. KWORCC will initiate dialogue with the KCAMP Trustees and offer to meet and discuss mutual concerns of the pools and how the Trustees can work together to strengthen both pools and provide the highest and best service to their member counties. Mr. Alcorn seconded the motion, which was passed unanimously.

Mr. Schoepf moved to adjourn the meeting; Mr. Alcorn seconded the motion which passed unanimously.

The foregoing minutes of the Board of Trustees of Kansas Workers' Risk Cooperative for Counties approved by the Board of Trustees on the 12th day of August, 1999.

A handwritten signature in cursive script that reads "Gayle Landoll".

Gayle Landoll, Secretary
KWORCC Board of Trustees

**MEETING, BOARD OF TRUSTEES
KANSAS WORKERS RISK COOPERATIVE FOR COUNTIES
CLUBHOUSE INN, TOPEKA, KANSAS
AUGUST 12, 1999**

The August, 1999 meeting of the Board of Trustees of the Kansas Workers Risk Cooperative for Counties ("KWORCC") was called to order by Board President Bonnie Swartz at 1:00 p.m. on Thursday, August 12, 1999. Trustees present and participating in person included: Doyle "Hooley" Alcorn, Jewell County Commissioner; Gayle Landoll, Marshall County Clerk; Francis "Shep" Schoepf, Reno County Commissioner; Bonnie Swartz, Gray County Clerk; Ralph Unger, Decatur County Commissioner; Shirley Walbridge, Jefferson County Clerk; and, Sam Weaver, Cherokee County Commissioner.

Staff present included: Mr. James W. Parrish, Administrator; Mr. Richard Alexander, Accountant; Ms. Dortha Bird, Deputy Administrator and Staff Counsel.

Also present at the meeting were: Mr. Marshall Matthews, Mr. Paul Starr and Mr. Gus Campuzano of Insurance Management Associates, Inc. ("IMA"); Mr. Bruce Woner of Woner, Glenn, Reeder & Girard, P.A., KWORCC General Counsel; Mr. Mike Mimick of Nationwide Retirement Solutions; and Ms. Holly Lynch-Staab of Parrish Management Corporation ("PMCorp") to take minutes of the meeting.

Ms. Swartz addressed Agenda Item No. 2, "Inquire if notification of all requesting notification of KWORCC Board meeting has been given." Mr. Parrish reported that Theresa Nuckolls has notified us in writing that she no longer desires to receive notice. All other such persons were notified.

Next, Ms. Swartz addressed Agenda Item No. 3, "Consideration of the minutes of meeting of July 8, 1999." Ms. Landoll moved to approve the minutes with a correction being made in the third line of the fourth paragraph on page two to change the word "KPERs" to the word "KWORCC", so it reads: "Ms. Bird presented resolutions stating KWORCC . . ." Mr. Alcorn seconded the motion which passed unanimously.

Next, Ms. Swartz addressed Agenda Item No. 4, "Approval of the Agenda." Ms. Landoll moved to adopt the agenda; Mrs. Walbridge seconded the motion which passed unanimously.

Whereupon, Ms. Swartz called upon Mr. Parrish to give the Administrator's report.

First, Mr. Parrish asked for approval of a wire transfer in the amount of \$50,000.00 from Country Club Bank to Community National Bank on July 28, 1999 as well as \$55,825.61 from Country Club Bank to the IMA Trust Account on August 12, 1999; Ms. Landoll moved to approve the cash transfers; Mr. Schoepf seconded the motion which passed unanimously.

Next, Mr. Parrish reported that he had received notification from Kansas Public Employees Retirement System ("KPERS") that KWORCC employees qualified to participate in KPERS.

Next, Mr. Parrish introduced Mr. Mike Mimick to discuss a retirement plan to serve KWORCC employees until they become eligible for KPERS. These include a deferred compensation matching program pursuant to §401(a) of the Internal Revenue Code and a §457 deferred compensation plan. Ms. Landoll moved that Resolution #99-104 and #99-105 be adopted and that KWORCC contribute four percent (4%) of employee salaries toward the matching plan until the employees enroll into KPERS. The motion further specified that the administrator would be given the authority to initiate both of these plans in cooperation with Mr. Mimick. Mr. Schoepf seconded the motion which passed unanimously.

Next, Mr. Parrish discussed scheduling a time for the KWORCC Annual meeting. Ms. Bird reserved a room at the Overland Park Marriott after discussion with officials at the KAC. Ms. Bird recommended the meeting be held on Tuesday at 4:00 p.m. subject to an earlier time becoming available. The Board agreed with the location, but asked Ms. Bird to negotiate a better price for the room; the exact time of the meeting would be left open pending the finalization of KAC's agenda. It was tentatively agreed that refreshments at the meeting would be limited to coffee, tea and cookies, at the rate of \$4.75 per person.

Next, Ms. Bird presented for discussion the promotional items that could be handed out at the KWORCC booth at the KAC Annual Conference, as well as special items for the KWORCC delegates attending KWORCC's annual meeting.

Next, Mr. Parrish discussed the booth arrangements for the KAC Annual Conference. The cost of a booth is \$450.00, and Mr. Parrish recommended that KWORCC and KCAMP reserve a booth jointly and share in the cost. There was agreement among Board members that KWORCC and KCAMP should share a booth at the KAC Conference.

Next, Mr. Parrish discussed scheduling of sub-committee meetings. Mr. Parrish noted that the Audit Committee met June 18, 1999, and the Investment Committee had its meeting earlier this morning. Regarding the Personnel Committee, it was generally agreed that suggestions regarding personnel policies should be forwarded by Trustees to the KWORCC staff, and the staff then would summarize these suggestions and present them to the Personnel Committee prior to its first meeting.

Next, Ms. Bird reported that Mr. Campuzano had achieved an excellent result in settling a difficult claim at a savings of thousands of dollars of costs, litigation expenses and attorney fees. His action enabled the pool to avoid an expensive legal battle. The Trustees congratulated Mr. Campuzano for this effort.

Next, Ms. Swartz called upon Mr. Unger for an Investment Committee report. Mr. Unger reported that the Committee listened to a presentation from Chris Thompson of Country Club Bank. Also, the Committee has reviewed some additional investment options available to the pool under the new law which just took effect allowing for expanded investment alternatives. The Committee concluded that the pool should maintain a conservative posture with regard to investments. No

changes in investment strategy are recommended at this time, and the Committee will continue to review KWORCC's investment strategy before recommending any changes to the current investment policy.

Next, Ms. Swartz called upon Mr. Starr for a marketing update, which he provided for Mr. Carl Eyman who was on vacation.

Mr. Starr also discussed safety visits offered by Mr. Eyman to the KWORCC Member Counties. Mr. Starr noted that safety seminars and loss prevention efforts could be coordinated in connection with the Kansas Municipal Insurance Trust ("KMIT") if it is necessary to free Mr. Eyman up for more marketing work. KMIT currently contracts with IMA to put on training sessions. The joint cost to KWORCC and KMIT for participating would be approximately \$800 per session. KMIT would be responsible for mailing invitations and making arrangements for the sessions.

Next, Ms. Swartz called for a 10 minute break.

Thereafter, the meeting was reconvened, and Ms. Swartz addressed Agenda Item No. 9, "Claims Report, IMA." Mr. Gus Campuzano and Mr. Marshall Matthews provided a claims report.

Next, Ms. Swartz asked for the report of legal counsel. Ms. Landoll moved that the Board recess into executive session beginning at 3:55 p.m. and ending at 4:05 p.m. to discuss legal matters with counsel; the motion was seconded by Mr. Unger and passed unanimously by the Board. At 4:05 p.m. Mr. Unger moved to extend the executive session for another 10 minutes; Ms. Landoll seconded the motion which passed unanimously. The meeting reconvened at 4:15 p.m.

Next, Ms. Swartz called upon Mr. Alexander for a financial report. Mr. Alexander presented financial statements and the explanation of financial condition.

Mr. Parrish asked that the quarterly financials be approved by the Board to be forwarded to the Member Counties. Ms. Landoll moved to accept the quarterly statements of financial condition. Mr. Alcorn seconded the motion which passed unanimously.

The Board then turned to the check register included in the Board packet. Ms. Landoll moved to accept and approve the expenditures reported in the check register from checks No. 5393 through No. 5460; Mr. Unger seconded the motion, which passed unanimously.

Next, Ms. Swartz addressed Agenda Item No. 12, "Pricewaterhouse Coopers LLP Actuarial Proposal." Mr. Parrish reported that the bid came in slightly under budget but indicated that there may be additional travel expenses billed at a later date. Mr. Unger moved to approve the bid, subject to explanation of expenses from Pricewaterhouse. Ms. Walbridge seconded the motion which passed unanimously.

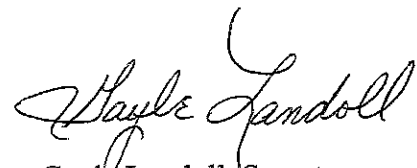
Next, two checks requiring Board signature were presented for approval. Mr. Schoepf made a motion to approve the checks as presented. Mr. Unger seconded the motion which passed unanimously.

Next, Ms. Swartz addressed Agenda Item No. 14, "Other Business". Mr. Parrish reported that he had been contacted by an official with KMIT who advised that the Kansas Insurance Department had contracted with an auditing firm to audit all insurance companies and self-insurance pools. There was concern that the cost to pools would be the same as the cost to large insurance companies. As a follow up, Mr. Parrish contacted the insurance department and learned that there should be a different pricing structure for pools and large insurance companies. Mr. Parrish said he would continue to monitor this situation. He reported that KWORCC Staff has supplied considerable information to the insurance department on KWORCC's readiness for transition to the year 2000 and that of IMA. He stated that KWORCC would continue to cooperate fully with the insurance department and its auditing firm and do everything possible to keep the cost to KWORCC to a minimum.

Next, Ms. Landoll, as chair of the Audit Committee, recommended to the Board that the proposal of Wendling, Noe, Nelson & Johnson to perform the independent audit for 1999 be approved in the amount of \$5,500. Mr. Unger made such motion. Mr. Alcorn seconded the motion which passed unanimously.

Mr. Weaver moved to adjourn the meeting; Mr. Alcorn seconded the motion which passed unanimously.

The foregoing minutes of the Board of Trustees of Kansas Workers' Risk Cooperative for Counties was approved by the Board of Trustees on the 9th day of September, 1999.


Gayle Landoll, Secretary
KWORCC Board of Trustees

*Executive
Session*

8/12/99

AUG 02 1999

Theresa Marcel Nuckolls
533 N. Arrowhead Dr.
Lawrence, Kansas 66049

Dortha Bird
700 S.W. Jackson
Topeka, Kansas 66603

July 28, 1999

RE: Notice of KWORCC meetings.

Dear Ms. Bird:

I hereby rescind and withdraw my request for notice of KWORCC meetings, as I have accepted other employment and am no longer representing KCAMP. I understand that you requested this notification in writing, and I trust this will suffice.

Sincerely,



Theresa Marcel Nuckolls

cc: Tom Job, Acting Administrator KCAMP

MEMO

TO: James Parrish, Administrator
Dortha Bird, Deputy Administrator

FROM: Carl Eyman, Deputy Administrator

DATE: August 6, 1999

SUBJECT: Barber County Audit

We need to address the unpaid balance of the Barber County Audit. The last time I talked to someone in the Clerk's Office, the Commissioners had not made a decision.

This is now several months overdue and you may want to address the situation with the Board.

I would be happy to ask for another appointment with the Board and discuss it with them again. Or, it may be best to have one of the KWORCC Board Members call the Chairman of the Barber County Board (John Kirkbride)

MEMO

TO: James Parrish, Administrator
Dortha Bird, Deputy Administrator

FROM: Carl Eyman, Deputy Administrator

DATE: Aug 3, 1999

SUBJECT: Hodgeman County Bid

Hodgeman County has renewed their Workers Compensation coverages with EMC. I ask the County Clerk for information relative to the pricing and the reason they decided to stay with EMC. He first said they were cheaper, but when questioned, he indicated that they were counting on receiving the dividend again next year. He finally admitted that our pricing was comparable with EMC.

Another reason for staying with EMC, all coverages are under one company and they only write one check.

If EMC was not providing dividends, this would be a whole different market.

MEMO

TO: James Parrish, Administrator
Dortha Bird, Deputy Administrator

FROM: Carl Eyman, Deputy Administrator

DATE: August 9, 1999

SUBJECT: Greenwood County Proposal

Greenwood County is not the barometer we need to determine if our pricing or marketing strategy is going to work. The Commissioners in Greenwood have problems of their own and they are not giving anything else the attention that it needs.

The Chairman of the Board is in the middle of a recall election. The Commissioners are trying to get a regional landfill and the people of the County do not want it. They are getting 25 to 75 people at each meetings and the people are bringing video cameras and records.

They gave me ever reason in the book for keeping their coverage with the local agent. I will list them for you.

1. They are dealing with a local agent.
2. The Pool could have an assessment.
3. They did not see revised bid.
4. Past history with the KAC.
5. Pricing about the same. (They indicated not see revised pricing?)
6. I had not given them personal service.

Carol Pope, County Clerk, called me right after I returned today. She had checked on the revised bid we presented. According to the Clerk, the Commissioners had an opportunity to review it but, they decided it was not necessary.

In discussing the local problems with members of the audience, during an executive session, it would appear that we could be dealing with a completely new set of Commissioners next year.

KWORC

KANSAS
WORKERS RISK COOPERATIVE
for COUNTIES

July 23, 1999

Trustees
Bonnie Swartz
Gray County Clerk
President

Ralph Unger
Decatur County Commissioner
Vice President

Gayle Landoll
Marshall County Clerk
Secretary

Shirley Walbridge
Jefferson County Clerk
Comptroller

Doyle "Hooley" Alcorn
Jewell County Commissioner

Francis "Shep" Schoepf
Reno County Commissioner

Sam Weaver
Cherokee County
Commissioner

Staff
James W. Parrish
Administrator

Dortha Bird
Deputy Administrator
& Staff Counsel

Carl Eyman
Deputy Administrator

Richard Alexander
Accountant

Office Address
Jayhawk Towers
700 S.W. Jackson, Suite 200
Topeka, KS 66603

Telephones
Toll Free (877) 357 - 1069
(785) 357 - 1069
Facsimile (785) 233 - 5440

Mr. Tom Job, Acting Administrator
KCAMP
2913 SW Plass Court
Topeka, Kansas 66614

Re: County Proposals.

Dear Tom:

Congratulations on your position as acting KCAMP Administrator and on acquiring your insurance license.

I am writing to let you know about new counties which have requested bids for KWORCC and to invite KCAMP to join us in presenting joint proposals. We have learned that the counties prefer to keep all insurance coverages with one provider. Working together, KWORCC and KCAMP can fulfill this need.

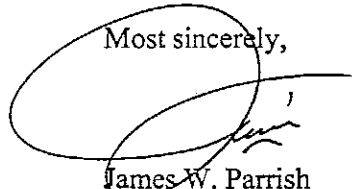
Currently, we have bid proposals in process for Cowley and Graham counties. Cowley county's expiration date is August 13, 1999, so we will need to get them our proposal by August 9th. Graham county's expiration date is September 24, 1999, and we will submit our proposal by August 30th. We encourage you to join us in providing competitive proposals so the counties have an option for full coverage by our pools.

Carl and I can provide you information on the expiration dates of coverages for many of the counties not presently in the pools. In this way, we can coordinate our bids so that the pools will offer the same coverage combinations as proposed by local agents.

For counties currently in our pools, it will be advantageous to present our proposals jointly, and we welcome the opportunity to do so.

Please do not hesitate to call either me, Carl or Dortha to initiate this process.

Most sincerely,



James W. Parrish

JWP:db
pc:File

Ms. Bonnie Swartz
Ms. Pam Meadows

MEMO

TO: James Parrish, Administrator
Dortha Bird, Deputy Administrator

FROM: Carl Eyman, Deputy Administrator

DATE: July 30, 1999

SUBJECT: KCAMP (letter to Tom Job)

Mr. Job called me this morning in reference to the letter he had received from Mr. Parrish. He did contact Graham County to discuss the possibilities of KCAMP giving them a quote. KCAMP does not have time to put together information on Cowley, so he did not contact them.

KCAMP is waiting on information from Steve Skov, to determine proper rate levels. Tom indicated, they really would not be ready to actively solicit new accounts until September or October.

In the spirit of cooperation, I have shared KWORCC's County Contact list. This will give KCAMP information on expiration dates. (I hope that is acceptable)

KWORC

KANSAS
WORKERS RISK COOPERATIVE
for COUNTIES

To: Ray Johnson
(316) 221-7883

Telecopier Memo

Trustees
Bonnie Swartz
Gray County Clerk
President

Ralph Unger
Decatur County Commissioner
Vice President

Gayle Landoll
Marshall County Clerk
Secretary

Shirley Walbridge
Jefferson County Clerk
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Francis "Shep" Schoepf
Reno County Commissioner

Sam Weaver
Cherokee County
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Staff
James W. Parrish
Administrator

Dortha Bird
Deputy Administrator
& Staff Counsel

Carl Eyman
Deputy Administrator

Richard Alexander
Accountant

Office Address
Jayhawk Towers
700 S.W. Jackson, Suite 200
Topeka, KS 66603

Telephones
Toll Free (877) 357 - 1069
(785) 357 - 1069
Facsimile (785) 233 - 5440

Date: August 10, 1999
From: Dortha O. Bird
To: Carmelita Clarkson (316) 221-5498
Cowley County Clerk
RE: Workers Compensation Proposal

Pages sent: Two (2) including cover.

Attached is the revised proposal for workers compensation coverage for Cowley County. We have corrected the classifications and payroll amounts to reflect the actual estimates. Would you present the corrected proposal to the Commissioners?

We stand ready to provide additional information.

Your consideration is greatly appreciated.

DOB:slf
pc:File

Rates Effective April 1, 1999

Kansas Workers Risk Cooperative for Counties

Workers Compensation

Insured Name and Address Cowley County 311 E. 9th Winfield, KS 67156
--

Policy Effective Date	08/13/99
Policy Expiration Date	01/01/00
Experience Modification	1.16
*Modification Effective Date	8/13/1999
*Rate Effective Date	4/1/1999
Risk ID	150284317

State Code 15

AMOUNT OF PAYROLL BY OCCUPATIONAL CLASSIFICATIONS

Occupation	Manual Class Code	Exp. Cov. Code	Exposure Payroll Amount	Rate Per \$100	Premium
Street or Road : Paving or Repaving	5506	11	\$ 634,548	\$5.27	\$33,453
Painting or Paper Hangin	5474	11	\$ 164	\$9.21	\$15
Garbage Works	7590	11	\$ 70,993	\$4.05	\$2,875
Police Officers & Drivers	7720	11	\$ 885,660	\$2.95	\$26,148
Merical Office Employees NOC	8810	11	\$ 895,815	\$0.22	\$2,007
County Attorney and Staff	8820	11	\$ -	\$0.45	\$0
Parks NOC	9102	11	\$ 12,818	\$3.57	\$458
Noxious Weed Department	9102w	11	\$ 26,196	\$3.57	\$936
Cemetery Operations	9220	11	\$ 7,215	\$3.26	\$377
Buildings NOC - Operations by Owner	9015	11	\$ 1,936	\$3.62	\$70
County Employees - NOC	9410	11	\$ 196,095	\$3.62	\$7,107
				Manual Premium	\$73,446
				Increased Limits 1.7%	\$ 1,249
				Premium Subject to E.M.	\$74,695
				Experience Modification	1.16
				Advance Discount	0.80
				Standard Premium	\$69,317
				Premium Discount %	10.1%
				Premium Discount	\$7,001
				Expense Constant	\$160
Total Premium					\$62,476
Pro Rata Premium					\$23,991

Rates Effective April 1, 1999

Kansas

Workers Risk Cooperative
for Counties

Workers Compensation

Insured Name and Address
Cowley County
311 E. 9th
Winfield, KS 67156

Policy Effective Date	08/13/99
Policy Expiration Date	01/01/00
Experience Modification	1.16
*Modification Effective Date	8/13/1999
*Rate Effective Date	4/1/1999
Risk ID	150284317

State Code 15

AMOUNT OF PAYROLL BY OCCUPATIONAL CLASSIFICATIONS

Occupation	Manual Class Code	Exp. Cov. Code	Exposure Payroll Amount	Rate Per \$100	Premium
Street or Road : Paving or Repaving \$634,548	5506	11	\$ 770,741	4.63 \$5.27	\$40,633
Garage Works \$70,993	7590	11	\$ 89,751	3.27 \$4.05	\$3,632
Police Officers & Drivers \$885,660	7720	11	\$ 1,062,814	2.24 \$2.95	\$31,378
Clerical Office Employees NOC \$895,815	8810	11	\$ 842,672	0.17 \$0.22	\$1,888
County Attorney and Staff \$	8820	11	\$ 172,946	\$0.45	\$775
Noxious Weed Department 26,196 \$26,196 ? 5206	9102w	11	\$ 26,567	4.63 \$3.57	\$949
Cemetery Operations \$11,580	9220	11	\$ 7,215	\$3.26	\$235
County Employees - NOC \$196,095	9410	11	\$ 180,171	2.25 \$3.62	\$6,530
Part NOC all Employees & D 12,818	9102	2.71			\$86,020
Bld NOC operation by owner 1,936	9015	2.25			\$ 1,462
Painting or Paper Hanging 164	5474	6.99			\$87,482
					Experience Modification 1.16
					Advance Discount 0.90
					Standard Premium \$91,331
					Premium Discount % 10.3%
					Premium Discount \$9,407
					Expense Constant \$160
					Total Premium \$82,084
					Pro Rata Premium \$31,520

80%

\$629.00

Premium for Inc Limits 1,297 for \$1 million

**MEETING, BOARD OF TRUSTEES
KANSAS WORKERS RISK COOPERATIVE FOR COUNTIES
CLUBHOUSE INN, TOPEKA, KANSAS
SEPTEMBER 9, 1999**

The September, 1999 meeting of the Board of Trustees of the Kansas Workers Risk Cooperative for Counties ("KWORCC") was called to order by Board President, Bonnie Swartz at 1:00 p.m. on Thursday, September 9, 1999. Trustees present and participating in person included: Doyle "Hooley" Alcorn, Jewell County Commissioner; Gayle Landoll, Marshall County Clerk; Francis "Shep" Schoepf, Reno County Commissioner; Bonnie Swartz, Gray County Clerk; Shirley Walbridge, Jefferson County Clerk; and Sam Weaver, Cherokee County Commissioner; Ralph Unger, Decatur County Commissioner was not present due to scheduling conflict.

Staff present included: Mr. James W. Parrish, Administrator; Mr. Richard Alexander, Accountant; Mr. Carl Eyman, Deputy Administrator; and Ms. Dortha Bird, Deputy Administrator/Staff Counsel.

Also present at the meeting were: Mr. Marshall Matthews and Mr. Gus Campuzano of Insurance Management Associates, Inc. ("IMA"); Mr. Bruce Woner of Woner, Glenn, Reeder & Girard, P.A., KWORCC General Counsel; and Ruth Wright of Parrish Management Corporation ("PMCorp") to take minutes of the meeting.

Ms. Swartz addressed Agenda Item No. 2, "Inquire if notification or all requesting notification of KWORCC Board meeting has been given." Mr. Parrish reported that all such persons were notified.

Next, Ms. Swartz addressed Agenda Item No. 3, "Consideration of the minutes of the meeting of August 12, 1999." Ms. Landoll requested corrections on page two, second paragraph to change "includes" to "include" in the second sentence and add "until the employee is enrolled in KPERS" to the end of the third sentence. Also on page two, to correct the second sentence of the seventh paragraph so it reads: "His actions enabled the pool to avoid an expensive legal battle."

Ms. Walbridge moved that the minutes be approved as corrected; Mr. Alcorn seconded the motion which passed unanimously.

Ms. Swartz addressed Agenda Item No. 4, "Approval of the Agenda.." Mr. Parrish stated that there needed to be a change in the Agenda so that Item No. 9 is considered following Item No. 5, as Mr. Richard Alexander needed to leave the meeting early. Ms. Landoll moved that the agenda be adopted with this revision; Mr. Weaver seconded the motion which passed unanimously.

Next, there was open discussion concerning KWORCC's relationship with KCAMP. Ms. Swartz suggested that the KWORCC Board form a committee of three members to meet with members of the KCAMP Board. It was agreed that Mr. Alcorn, Mr. Weaver and Mr. Schoepf would serve on such a committee and that Mr. Schoepf would set up the meeting times and places.

There was also discussion led by Mr. Alexander regarding a memorandum prepared by KWORCC staff concerning accounting items relative to the split from the KCAMP pool. Mr. Alexander explained how discrepancies and possible misunderstandings in accounting were possible. It was agreed that when the KCAMP representatives arrived for today's meeting, they would be given this memorandum to discuss and review.

Next, the KCAMP representatives joined the meeting, including Ms. Pam Meadows, KCAMP President and Edwards County Clerk; Mr. John Miller, Norton County Commissioner; Mr. Tom Weigand, Franklin County Commissioner and Mr. Tom Job, Administrator. The Board welcomed them and thanked them for attending.

Mr. Parrish then opened discussion about the need to work together to offer a "package" bid to present to the counties. Mr. Job commented that KCAMP would be receptive to working with KWORCC on cooperative bidding. He stated that the goal is to provide the best insurance package possible. He stated that the pools could look to the future with united efforts to accomplish their common goals. Ms. Meadows, Mr. Miller and Mr. Weigand confirmed these sentiments on behalf of the KCAMP Board.

Mr. Schoepf stated that KWORCC also would like to move forward together in a cooperative effort to maintain and expand the pools. Mr. Schoepf asked the KCAMP representatives how long they thought it would take for KCAMP's staff to prepare a bid for presentation to a county. Ms. Meadows stated it could take as long as two or three months because of the need to obtain accurate information. Mr. Job stated that if the loss data and inventory information were available, a proposal could be made within 60 days. There was a general consensus that Mr. Eyman and Mr. Job could work together in presenting bids to Counties. Moreover, there was discussion that the pools could create a joint brochure emphasizing the advantages of pooling and respond to the mis-information about pools being distributed by competition in the insurance industry.

Mr. Schoepf asked the KCAMP representatives if they would be interested in forming a committee to meet with a similar committee of KWORCC trustees to iron out any misunderstandings that may arise in the future. KCAMP representatives were receptive to this idea, and Ms. Meadows stated she would recruit KCAMP Board members for such a committee. Mr. Schoepf stated that both pool administrators could be informed of actions taken by the committees, but that the committee members could meet without staff to discuss any problems, should they arise.

Next, after discussion, there was a general consensus that the pools' annual meetings would be scheduled on the same date at the same location immediately following the KAC annual conference. Further, the members present affirmed the decision that the pools share a single vendor booth at the KAC annual conference as symbolic of the unity of the pools. There was general agreement that a board member from each pool should be present at the booth.

Mr. Weigand requested an explanation of the accounting memorandum prepared by KWORCC staff. After discussion there was a general consensus that the pools would write off any obligations to the other on the books and go forward with a clean slate.

Mr. Parrish then discussed the use of the web page as a means of marketing. He stated he would be willing to work with KCAMP to create a web page and coordinate the web pages of both entities. He stated that the web page should be structured in a way that it provides current, useful information upon which the member counties can rely.

There was discussion that KCAMP was in the process of looking for a new office location because their current location is too large for KCAMP's operation. Mr. Parrish suggested that KCAMP should consider relocating close to KWORCC to share resources and enhance communication between the pools.

Next, the three KCAMP Board members adjourned and thanked KWORCC Board members for the meeting. Ms. Swartz then called for a 15 minute break.

Thereafter, the meeting was reconvened, and Ms. Swartz addressed Agenda Item No. 9, "Financial Report" by Mr. Richard Alexander. Mr. Alexander noted a \$46,000 amount identified as "Recoveries Receivable" on the list of assets. This entry originally was provided to him by Mr. Kent Erwin in 1997; Mr. Alexander indicated that this asset has no substance and cannot justify leaving it on the list of assets. Accordingly, he recommended to the Board that they write off this asset. Mr. Alexander also reported on the reserves and federal unemployment taxes. He stated that KWORCC mistakenly overpaid these taxes and that the full amount of overpayment would be credited as more taxes become due in the next two or three payrolls. He then reported on unrealized losses and gains, operating expenses and transition expenses. He indicated that the list of transition expenses was nearly complete. The payment of Mr. Eyman's back-vacation, which was remitted in August, would need to be added to the list.

Mr. Parrish then reviewed his recommendations regarding transition costs. He recommended allocating the book value of FF&E which KWORCC donated to KCAMP to the year each item was purchased; he recommended allocating the cost to down-load claims files according to the number and size of the claims open for each year. He recommended allocating the extraordinary legal expenses evenly between 1998 and 1999 because many of the events requiring these expenditures occurred in 1998 as well as 1999 when the bills were paid. Ms. Landoll moved to approve the administrator's recommendations for the allocation of transition costs as submitted; Mr. Schoepf seconded the motion which passed unanimously.

Mr. Alexander explained how management fees by Country Club Bank could be reduced by renegotiating the fees charged for projected value of the zero coupon bond. Mr. Parrish stated that he would talk to Mr. Unger, the Chairman of the Investment Committee, to develop a strategy for approaching the bank concerning these charges.

Next, Ms. Swartz asked for Board approval of the check register. Ms. Landoll moved that the check register, including check Nos. 5461 through 5499, be approved; Ms. Walbridge seconded the motion which passed unanimously.

Next, Ms. Landoll moved that Mr. Unger to be excused from attending today's meeting; Mr. Weaver seconded the motion which passed unanimously.

Next, Ms. Swartz called upon Mr. Parrish to give the Administrator's Report.

First, Mr. Parrish asked for approval of a wire transfer in the amount of \$50,000 from Country Club Bank to Community National Bank on August 30, 1999 and a wire transfer in the amount of \$48,769.83 from Country Club Bank to the IMA Medical Trust Account to be completed September 10, 1999. Mr. Weaver moved to approve the cash transfers; Mr. Schoepf seconded the motion which passed unanimously.

Next, Mr. Parrish discussed the annual meeting and the promotional items to be given at the event. He reported that a special prize has been purchased to be given to a member county during a drawing to be conducted at the annual meeting. In order for a member county to be eligible to participate in the drawing, it would be necessary for the county to have a representative present. It was also reported that Ms. Bird was able to negotiate the meeting room for a better price and that the room would be available for the annual meeting on the afternoon of Tuesday, November 16, 1999. This would allow for the meeting to begin at an earlier time if KAC's schedule allows. Also the Board discussed the issue of vacancies on the Board and the procedures in being elected to the Board.

Next, Mr. Parrish gave an update on the retirement plan. He stated that until the employees were eligible for KPERS, KWORCC will provide a §401(a) match plan with a contribution of 4% of the employee's salary by the employer. The staff has also established a \$457 deferred compensation plan which allows employees to set aside pre-tax money from their paychecks for retirement. This plan will continue to be available after the KPERS retirement plan begins. Mr. Parrish explained that no life insurance or disability plan has been obtained for KWORCC employees. He said he had discussed this with staff, and it was agreed that such plans would be initiated during the next fiscal year after affiliation with KPERS.

Next, Ms. Swartz called upon Mr. Eyman for a marketing report. Mr. Eyman listed several counties in which he presented bids and discussed the results of his presentation. Mr. Parrish pointed out that because of the work load we are experiencing in preparing and presenting bids, he is considering a recommendation to the board that KWORCC hire an additional person to assist Mr. Eyman with county visits and loss-prevention seminars. Mr. Eyman suggested that KWORCC licence as many of it's staff members as possible so that KWORCC would have more licensed agents available to make presentations to counties.

Next, Ms. Swartz addressed Agenda Item No. 8, "Claims Report, IMA." Mr. Gus Campuzano and Mr. Marshall Matthews provided a claims report.

Next, Ms. Swartz addressed Agenda Item No. 10, "Report of Legal Counsel." Mr. Bruce Woner requested that the Board recess into executive session to discuss legal matters. Ms. Walbridge moved that the Board recess into executive session beginning at 4:55 p.m. and ending at 5:20 p.m. for purposes of discussing legal matters with the Board's attorney; Ms. Landoll seconded the motion which passed unanimously. The meeting reconvened at 5:18 p.m.


Next, Ms. Swartz addressed Agenda Item No. 11, "Checks requiring Board Approval and Signature." Checks were presented and signed.

Mr. Parrish then stated that, with the Board's consent, he would like Ms. Bird to attend insurance classes beginning September 20, 1999 and obtain an insurance license. The Board expressed agreement.

Next, Mr. Parrish recommended that the Board take formal action to write off the asset identified as "Recoveries Receivable" discussed earlier by Mr. Alexander. Ms. Walbridge moved to write off "Recoveries Receivable" shown as an asset on KWORCC's statements of financial condition; Mr. Schoepf seconded the motion which passed unanimously.

Mr. Alcorn moved to adjourn the meeting; Ms. Walbridge seconded the motion which passed unanimously.

THE FOREGOING MINUTES of the Board of Trustees of Kansas Workers' Risk Cooperative for Counties was approved by the Board of Trustees on the 4th day of November, 1999.



Gayle Landoll, Secretary
KWORCC Board of Trustees

**MEETING, BOARD OF TRUSTEES
KANSAS WORKERS RISK COOPERATIVE FOR COUNTIES
CLUBHOUSE INN, TOPEKA, KANSAS
NOVEMBER 4, 1999**

The November, 1999 meeting of the Board of Trustees of the Kansas Workers Risk Cooperative for Counties ("KWORCC") was called to order by Board President, Bonnie Swartz at 1:00 p.m. on Thursday, November 4, 1999. Trustees present and participating in person included: Doyle "Hooley" Alcorn, Jewell County Commissioner; Gayle Landoll, Marshall County Clerk; Francis "Shep" Schoepf, Reno County Commissioner; Bonnie Swartz, Gray County Clerk; Ralph Unger, Decatur County Commissioner; Shirley Walbridge, Jefferson County Clerk; and Sam Weaver, Cherokee County Commissioner;

Staff present included: Mr. James W. Parrish, Administrator; Mr. Richard Alexander, Accountant; Mr. Carl Eyman, Deputy Administrator; and Ms. Dortha Bird, Deputy Administrator/Staff Counsel.

Also present at the meeting were: Mr. Marshall Matthews, Mr. Paul Starr and Mr. Gus Campuzano of Insurance Management Associates, Inc. ("IMA"); Mr. Bruce Woner of Woner, Glenn, Reeder & Girard, P.A., KWORCC General Counsel; and Ruth Wright of Parrish Management Corporation ("PMCorp") to take minutes of the meeting.

Ms. Swartz called the meeting to order and addressed Agenda Item No. 2, "Inquire if notification of all requesting notification of KWORCC Board meeting has been given." Mr. Parrish reported that all such persons were notified.

Ms. Swartz then addressed Agenda Item No. 3, "Approval of the Agenda." Mr. Unger moved that the agenda be adopted; Mr. Schoepf seconded the motion which passed unanimously.

Ms. Swartz addressed Agenda Item No. 4, "Consideration of the minutes of the meeting of September 9, 1999." Mr. Unger requested correction on page four, second paragraph to change the spelling of "licence" to "license." Mr. Alcorn requested a change on page one, paragraph eight to read "It was agreed that Mr. Alcorn, Mr. Weaver and Mr. Schoepf would serve." Ms. Landoll requested on page one, first paragraph that the spelling of her name be corrected and on page two, paragraph five, to correct spelling of "vender" to "vendor."

Mr. Weaver moved that the minutes be approved as corrected; Mr. Alcorn seconded the motion which passed unanimously.

Whereupon, Ms. Swartz called upon Mr. Parrish to give the "Administrator's Report."

First, Mr. Parrish asked for approval of a wire transfer in the amount of \$50,000 from Country Club Bank to Community National Bank on October 18, 1999; a wire transfer of \$77,360.17 from Country Club Bank to the IMA trust account at Intrust Bank on October 4, 1999 and a wire transfer of \$44,078.41 from Country Club Bank to the IMA trust account at Intrust Bank to be

completed during today's meeting. Ms. Landoll moved to approve the wire transfers; Mr. Unger seconded the motion which passed unanimously.

Mr. Parrish then opened discussion on the KWORCC Annual Meeting. The Trustees were given samples of the giveaway items to be used at the KWORCC booth at the KAC annual conference and to be given to KWORCC delegates at the KWORCC annual meeting. After some discussion, it was decided that the walking sticks, leather coasters and refrigerator magnets would be given away at the booth and the mugs and "mule clubber" four-foot measuring sticks would be given to delegates at the meeting.

Mr. Schoepf asked how delegates would be distinguishable from others attending the annual meeting. Mr. Eyman explained that he and Ms. Bird devised a system using a red name tag for delegates and blue name tags for alternates. Mr. Eyman worked out this system in cooperation with KCAMP staff because the pools were meeting jointly. KWORCC volunteered to prepare all the badges for KWORCC and KCAMP and make sure that the proper identification was on each badge. Mr. Parrish stated that KCAMP staff has been very cooperative in working with KWORCC on the details of the joint annual meetings.

Mr. Parrish then reported that initially seven candidates filed for KWORCC board positions. These include the four incumbent KWORCC board members including Mr. Alcorn, Mr. Schoepf, Mr. Unger and Mr. Weaver. Other candidates include Comanche County Commissioner Velma Basnett, Franklin County Commissioner Don Waymire and Norton County Clerk Robert Wyatt. Later it was determined that Commissioner Basnett had not intended to file as a candidate and withdrew her name.

Mr. Parrish then explained that KWORCC staff was in the process of preparing an annual report that will showcase accomplishments of KWORCC during the past year. The report will be mailed to all KWORCC delegates in advance of the annual meeting so they will have plenty of time to review it. Trustees suggested that the report should be mailed to the homes of delegates instead of their office addresses, especially if the delegates are county commissioners who do not come to their county offices on a regular basis.

Mr. Parrish stated that Mr. Eyman volunteered to set up the KWORCC booth at the KAC annual conference and asked trustees to volunteer to accompany staff at the booth throughout the day of Sunday, November 14, 1999 at the Marriott Hotel in Overland Park. The Trustees volunteered to pick times to assist staff in promoting KWORCC at the booth. Gus Campuzano and Marshall Mathews from IMA said they plan to be in attendance at the booth.

Mr. Eyman then explained that he had secured a 25" color television and VCR combination for a very favorable price to be used as a prize for a drawing to be conducted immediately following the KWORCC Annual Meeting. Only counties whose delegates are present will be eligible for the drawing. Additionally, Mr. Eyman stated that he would be giving awards for the top three counties with the best loss ratios and awards to four additional counties. These counties will receive plaques of recognition for having outstanding loss ratios for 1998.

Mr. Parrish reported that the KWORCC staff was investigating possible affiliation with NCCI. Ms. Bird and Mr. Eyman recently attended a meeting with NCCI officials to discuss possible

affiliation. After discussion, it was determined that staff would continue this investigation to try to ascertain the most efficient, cost-effective way for KWORCC to have maximum use of current NCCI information. Mr. Schoepf moved for the staff to pursue becoming affiliated with NCCI if the price is reasonable; Mr. Unger seconded the motion which passed unanimously.

Mr. Parrish then opened discussion on dividends. He stated the 1993 policy year was nearly closed, and a dividend could be declared for counties who were members during that policy year. Mr. Schoepf indicated KWORCC should have a dividend policy that is consistent and allows for a gradual increase in the amount given each year if resources are available to do so. He also stated that dividends could be declared now for payment on or before September 1, 2000. Mr. Schoepf moved that KWORCC declare a dividend of \$240,000 payable from 1993 unused premiums, provided all claims incurred that year are either paid or adequately reserved, with the provision that the dividend would be paid on or before September 1, 2000; Mr. Unger seconded the motion which passed unanimously.

Mr. Parrish then asked Mr. Alexander to review the actuarial report and documentation provided at pages 11 and 12 of the agenda booklet. Mr. Alexander explained the actuarial report and the actuary's estimate. Mr. Alexander stated that he believes the actuarial amount is very conservative the main reason being that the actuaries had only a few months of experience with IMA as claims adjuster on which to base their calculations.

Next, Ms. Swartz called upon Mr. Eyman to address Agenda Item No. 6, "Marketing Report." Mr. Eyman provided a report on his activities in marketing KWORCC to new counties as well as providing bids for existing counties.

Next, Ms. Swartz called upon IMA to address Agenda Item No. 7, "Claims Report" which was provided by Mr. Matthews and Mr. Campuzano. Mr. Campuzano specifically addressed a claim requiring Board action. Mr. Alcorn moved that the recommendations of Mr. Campuzano be accepted; Mr. Schoepf seconded the motion. The motion passed by a majority vote with Mr. Unger abstaining.

Ms. Swartz then called for a 10 minute break.

Thereafter, the meeting was reconvened, and Ms. Swartz addressed Agenda Item No. 8, "Financial Reports." Mr. Alexander then presented the financial statements for the months of August and September.

After reporting on the financial statements for the months of August and September, Mr. Alexander turned to the proposed budget for the year 2000. He pointed out that the first step for constructing the budget was to make a decision on what would be set aside for losses. After consideration of the actuarial report and IMA estimated losses, staff decided to recommend a middle ground where losses would be estimated to equal 68% of total premiums with premiums based on an initial estimate of \$1,850,000. Mr. Parrish stated that staff recommended the budget printed on page 49 and 50 of the agenda booklet subject to a further refinement after the final calculation of premiums is completed next month. He further recommended that this budget be presented at the annual meeting for review by delegates from member counties as provided in the bylaws. After discussion of travel expenses, the option of KWORCC purchasing a vehicle for staff to use and the cost of affiliation with NCCI, Mr. Schoepf moved to approve the budget as recommended by staff as it appears on pages 49 and 50 of the agenda booklet subject to final calculation of premiums; Ms. Landoll seconded the motion which passed unanimously.

Ms. Swartz then addressed the Check Register. Mr. Unger moved that the register be approved; Ms. Walbridge seconded the motion which passed unanimously.

Ms. Swartz then asked Mr. Woner to address Agenda item No. 9, "Legal Report." Mr. Woner stated that there were no legal matters to discuss at this time.

As there were no checks requiring Board approval and signature and no further business to address, Mr. Unger moved to adjourn the meeting; Mr. Alcorn seconded the motion which passed unanimously.

THE FOREGOING MINUTES of the Board of Trustees of Kansas Workers' Risk Cooperative for Counties was approved by the Board of Trustees on the 16th day of December, 1999.



Gayle Landoll, Secretary
KWORCC Board of Trustees

**MEETING, BOARD OF TRUSTEES
KANSAS WORKERS RISK COOPERATIVE FOR COUNTIES
CONFERENCE ROOM, OFFICE OF KANSAS ASSOCIATION of COUNTIES
6206 SW 9TH TERRACE, TOPEKA, KANSAS
DECEMBER 16, 1999**

The December 1999 meeting of the Board of Trustees of the Kansas Workers Risk Cooperative for Counties ("KWORCC") was called to order by Board President, Bonnie Swartz at 1:00 p.m. on Thursday, December 16, 1999. Trustees present and participating in person included: Gayle Landoll, Marshall County Clerk; Francis "Shep" Schoepf, Reno County Commissioner; Bonnie Swartz, Gray County Clerk; Ralph Unger, Decatur County Commissioner; Shirley Walbridge, Jefferson County Clerk; and Sam Weaver, Cherokee County Commissioner. Doyle "Hooley" Alcorn, Jewell County Commissioner was not present due to illness.

Staff present included: Mr. James W. Parrish, Administrator; Mr. Richard Alexander, Accountant; Mr. Carl Eyman, Deputy Administrator/Loss Prevention; and Ms. Dortha Bird, Deputy Administrator/Staff Counsel.

Also, present at the meeting were: Mr. Marshall Matthews and Mr. Gus Campuzano of Insurance Management Associates, Inc. ("IMA"); and Ruth Wright of Parrish Management Corporation ("PMCorp") to take minutes of the meeting.

Ms. Swartz called the meeting to order and addressed Agenda Item No. 2, "Inquire if notification of all requesting notification of KWORCC Board meeting has been given." Mr. Parrish reported that all such persons were notified.

Ms. Swartz then asked for a motion to excuse Mr. Alcorn from the meeting due to illness. Ms. Landoll moved to excuse Mr. Alcorn; Mr. Schoepf seconded the motion which passed unanimously.

Ms. Swartz then addressed Agenda Item No. 3, "Approval of the Agenda." Mr. Parrish stated that an attorney named John Ambrosio has requested an appearance before the Board of Trustees in executive session to address certain legal matters and that he is expected to arrive at approximately 4:00 p.m. Because there is no legal report planned, Mr. Parrish recommended that Mr. Ambrosio address the Board of Trustees under Agenda Item No. 9, "Legal Report." Mr. Unger moved that the agenda be adopted; Ms. Landoll seconded the motion which passed unanimously.

Ms. Swartz addressed Agenda Item No. 4, "Consideration of the minutes of the meeting of November 4, 1999." Ms. Landoll moved that the minutes be approved as presented; Ms. Walbridge seconded the motion which passed unanimously.

Whereupon, Ms. Swartz called upon Mr. Parrish to give the "Administrator's Report."

First, Mr. Parrish asked for ratification of wire transfers since the last board meeting as follows:

- a. \$57,394.80 from Country Club Bank to the IMA trust account at Intrust Bank on November 23, 1999;
- b. \$50,000 from Country Club Bank to Community National Bank on December 14, 1999;

- c. \$58,024.10 from Country Club Bank to the IMA trust account at Intrust Bank on December 15, 1999.

Mr. Schoepf moved to ratify the wire transfers; Mr. Weaver seconded the motion which passed unanimously.

Mr. Parrish then discussed the need to make revisions in the budget. He explained that Lyon County has elected to join the pool, and the premiums and expenses associated with its membership were not reflected in the original budget. Mr. Unger moved to adopt resolution No. 99-155 approving the revised budget; Ms. Landoll seconded the motion which passed unanimously.

Next, Mr. Parrish opened discussion of the workers compensation insurance premiums proposed for member counties set forth in the agenda packet. He discussed the premiums proposed for the year 2000 and compared those with the premiums that were assessed for 1999. He also discussed the competitive rates being offered by private insurance carriers. Mr. Parrish stated that a draft resolution No. 99-156 is included in the agenda packet for approval of premiums. Mr. Schoepf moved to adopt resolution No. 99-156 approving the premiums as recommended and authorizing staff to invoice member counties for workers compensation insurance premiums for the year 2000; Ms. Walbridge seconded the motion which passed unanimously.

Mr. Parrish next discussed the Insurance Management Associates ("IMA") contract for the year 2000. He explained that the contract's content and cost are the same as the IMA contract for 1999 except there is no cost included for transfer of files, a one-time transition cost incurred by the pool earlier this year. Mr. Parrish recommended approval of the IMA contract and stated that a draft resolution No. 99-157 is included in the agenda packet for consideration. Ms. Landoll moved to adopt resolution No. 99-157 accepting the contract for services proposed by IMA as recommended; Ms. Walbridge seconded the motion which passed unanimously.

Mr. Parrish then opened discussion on certain insurance policy renewals described in the agenda packet including reinsurance for the pool in the form of specific excess workers compensation coverage and aggregate excess workers compensation coverage. Mr. Parrish noted that the proposed premium for these combined coverages is \$66,266. The premium for 1999 was \$62,470. The coverage limits are the same as last year requiring only a \$200,000 self-insurance retention for the specific excess policy and a \$5,000,000 aggregate limit on the aggregate policy. Mr. Parrish noted this is the best reinsurance protection the pool has experienced since its inception and, with KWORCC's healthy reserves, will help protect counties against the need for an assessment.

Mr. Parrish discussed renewals of various business insurance policies for such coverages as general liability, losses to property, hired and non-owned automobiles, workers compensation, a \$2,000,000 umbrella and financial institution bonds. The combined premium for these policies for the year 2000 is \$4,144, only \$44 higher than the \$4,100 premium for 1999. Mr. Parrish explained that the errors and omissions coverage for KWORCC and officers and directors' liability coverage are handled under a separate policy which has a renewal date of May 1, 2000 and would be addressed when the policy renews. Mr. Parrish recommended approval of the reinsurance and business insurance renewals as presented. He stated that a draft resolution No. 99-158 is included in the agenda packet for consideration. Mr. Weaver moved to adopt resolution No. 99-158 accepting the business insurance renewal proposals as recommended; Mr. Schoepf seconded the motion which passed unanimously.

Next, Mr. Parrish opened discussion on the proposed contract with PMCorp for the year 2000 set forth in the agenda packet; he distributed a revised draft containing clarifying language. Mr. Parrish

explained that the contract provided for the cost of office space and other office-related services including clerical services, bookkeeping services, security services, janitorial services and receptionist services in addition to the use of office equipment and other facilities. Mr. Parrish stated that a draft resolution No. 99-159 is included in the agenda packet for consideration. Mr. Schoepf moved to adopt resolution No. 99-159 authorizing KWORCC to enter into a contract with PMCorp for office space and other office-related services as submitted in the revised draft of the proposed contract; Ms. Walbridge seconded the motion which passed unanimously.

Ms. Swartz then called upon Mr. Eyman to address Agenda Item No. 6, "Marketing Report." Mr. Eyman reported that Lyon County Board of Commissioners voted to join KWORCC. Mr. Eyman also noted that the staffs of both KWORCC and KCAMP worked together making joint visits to Lyon County to present proposals and that Lyon County had accepted the proposal from KCAMP as well. He stated that a draft resolution No. 99-160 has been prepared for consideration. Mr. Unger moved to adopt resolution No. 99-160 accepting Lyon County as a new member of KWORCC; Mr. Weaver seconded the motion which passed unanimously.

Mr. Eyman discussed various other aspects of his market efforts among member counties and new counties.

Mr. Parrish continued with the marketing report stating that as a result of a recommendation by Mr. Schoepf, reported in the minutes of an earlier meeting, Mr. William Kiper, Osborne County Commissioner and newly elected KCAMP trustee, volunteered to assist KWORCC with marketing strategies. At a preliminary meeting with KWORCC staff, Mr. Kiper, who is a marketing specialist, explained a program to assist KWORCC with marketing. Mr. Parrish stated that Mr. Kiper complimented KWORCC on its website and its Report to Member Counties. Mr. Kiper works with a nonprofit company that helps other nonprofit entities by evaluating marketing strategies and making recommendations for improvement. Mr. Kiper expressed a willingness to continue to assist KWORCC with marketing strategies and will perform a more detailed evaluation at a later time.

Ms. Swartz called upon IMA to address Agenda Item No. 7, "Claims Report" which was provided by Mr. Matthews and Mr. Campuzano.

Ms. Swartz then called for a 10 minute break.

Thereafter, the meeting was reconvened, and Ms. Swartz called upon Mr. Alexander to address Agenda Item No. 8, "Financial Reports." Mr. Alexander stated that there are premiums due from 1998 which cannot be carried over to the end of the year and therefore are not in the financial statements submitted in the agenda packet. He stated that these past-due premiums will be reentered January 1, 2000. It was suggested that KWORCC implement a debt set off so that past-due premiums would be deducted from any dividend payment. Mr. Unger moved that a debt set off be implemented for the purpose of collecting premiums in arrears by deducting from dividend payments; Mr. Schoepf seconded the motion which passed unanimously.

Mr. Alexander proceeded to explain the balance of the financial reports presented in the agenda packet and, in response to inquiries of trustees, stated his belief that the pool was in good financial condition.

Next, the check register was presented. Ms. Landoll moved to approve the check register for check numbers 5600 through 5661; Mr. Unger seconded the motion which passed unanimously.

Thereupon, Mr. John Ambrosio entered the meeting, and Ms. Swartz stated that the board would consider Mr. Ambrosio's appearance to be part of Agenda Item No. 9, "Legal Report." Ms. Walbridge

moved that the board recess into executive session beginning at 3:38 o'clock p.m. and ending at 4:08 o'clock p.m.; Mr. Schoepf seconded the motion which passed unanimously. At 4:08 o'clock p.m. Mr. Unger moved to extend the executive session for another 30 minutes; Ms. Landoll seconded the motion which passed unanimously. The meeting reconvened at 4:38 o'clock p.m. at which time Mr. Ambrosio departed.

Ms. Swartz then called upon Ms. Walbridge and Mr. Unger to address Agenda Item No. 10, "Personnel Committee Report." Ms. Walbridge first discussed a proposal from the Administrator requesting a salary review for the KWORCC staff. The Personnel Committee recommended approval of the Administrator's recommendation that the Administrator's time be increased from 60% to 80%; that the Deputy Administrator/Staff Counsel's time be increased from 80% to 90% and that an equitable wage adjustment for the Accountant of \$3,000 per year be included. In addition to these adjustments, the committee recommended a 2.9% pay increase for the Administrator, a 3.85% pay increase for each Deputy Administrator and a 10% pay increase for the Accountant. Under this plan, the Administrator's salary would be \$67,500. After discussion, Mr. Schoepf moved that the board approve the proposal for salaries as submitted; Mr. Weaver seconded the motion which passed unanimously.

Mr. Parrish then stated that a draft of a revised personnel policy was submitted to the Personnel Committee to review and make recommendations to the full board. After discussion, the Board requested that a copy of the draft policy be delivered to the other trustees who were asked to make suggestions to the Personnel Committee. Ms. Walbridge suggested that a resolution should be passed to establish holidays for the year 2000 pending final approval of the revised personnel policy. Mr. Unger moved that the holidays listed in the draft personnel policy be adopted to wit: New Years Day, Martin Luther King Day, Presidents Day, Memorial Day, Independence Day, Labor Day, the day after Thanksgiving, Thanksgiving Day and Christmas Day; Mr. Schoepf seconded the motion which passed unanimously.

Mr. Bruce Woner then met briefly with the Board to provide an update on legal matters and to wish them a happy holiday season.

As there were no checks requiring Board approval and signature and no further business to address, Mr. Unger moved to recess the meeting to the Kiku's Steakhouse to reconvene at 7:00 o'clock p.m. for the annual Christmas dinner to be held together with the KCAMP board of trustees; Mr. Schoepf seconded the motion which passed unanimously.

Thereupon, at the conclusion of the annual Christmas dinner at approximately 9:00 o'clock p.m., and upon motion made, seconded and unanimously passed, the meeting was adjourned.

THE FOREGOING MINUTES of the Board of Trustees of Kansas Workers Risk Cooperative for Counties was approved by the Board of Trustees on the 20th day of January, 2000.



Gayle Landoll, Secretary
KWORCC Board of Trustees

I, Gayle Landoll, Secretary of Kansas Workers Risk Cooperative for Counties (Hereinafter referred to as "KWORCC") hereby certify that the following is a true and correct copy of a Resolution duly adopted by the Board of Directors of KWORCC at a meeting duly called and held on the 11th day of February, 1999, at which a quorum was present and that said Resolution has not been rescinded and is still in full force and effect:

RESOLUTION # 99-33


WHEREAS the Kansas Workers Risk Cooperative For Counties, has determined that the financial statements and financial reports for the year ended December 31, 1997, to be prepared in conformity with the requirements of K.S.A. 75-1120a(a) are not relevant to the requirements of the cash basis and budget basis laws of this state and are of no significant value to the Board of Trustees, members of the general public, or members of the Kansas Workers Risk Cooperative For Counties and;

WHEREAS there are no revenue bond ordinances or other ordinances or resolutions of the Cooperative which would require financial statements and financial reports to be prepared in conformity with K.S.A. 75-1120a(a) for the year ended December 31, 1997.

NOW, THEREFORE BE IT RESOLVED, by the Board of Trustees of Kansas Workers Risk Cooperative For Counties, in regular meeting duly assembled this 11th day of February, 1999, that the Board of Trustees requests the Director of Accounts and Reports to waive the requirements of K.S.A. 75 1120a(a) as they apply to the Kansas Workers Risk Cooperative For Counties for the year ended December 31, 1997.

BE IT FURTHER RESOLVED that the Board of Trustees shall cause the financial statements and financial reports of the Kansas Workers Risk Cooperative For Counties to be prepared on the statutory basis of accounting as promulgated by rules and regulations as set forth for the Kansas Insurance Commissioner.

IN WITNESS WHEREOF, the undersigned has caused this Resolution to be executed and the seal to be hereunto appended this 11th day of February, 1999.


Gayle Landoll, Secretary

(SEAL)

I, Gayle Landoll, Secretary of Kansas Workers Risk Cooperative for Counties (Hereinafter referred to as "KWORCC") hereby certify that the following is a true and correct copy of a Resolution duly adopted by the Board of Directors of KWORCC at a meeting duly called and held on the 11th day of February, 1999, at which a quorum was present and that said Resolution has not been rescinded and is still in full force and effect:

RESOLUTION # 99-34

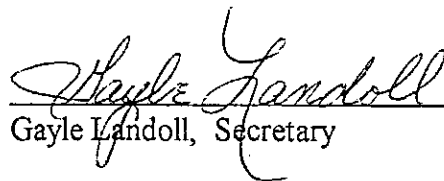
WHEREAS the Kansas Workers Risk Cooperative For Counties, has determined that the financial statements and financial reports for the year ended December 31, 1998, to be prepared in conformity with the requirements of K.S.A. 75-1120a(a) are not relevant to the requirements of the cash basis and budget basis laws of this state and are of no significant value to the Board of Trustees, members of the general public, or members of the Kansas Workers Risk Cooperative For Counties and;

WHEREAS there are no revenue bond ordinances or other ordinances or resolutions of the Cooperative which would require financial statements and financial reports to be prepared in conformity with K.S.A. 75-1120a(a) for the year ended December 31, 1998.

NOW, THEREFORE BE IT RESOLVED, by the Board of Trustees of Kansas Workers Risk Cooperative For Counties, in regular meeting duly assembled this 11th day of February, 1999, that the Board of Trustees requests the Director of Accounts and Reports to waive the requirements of K.S.A. 75 1120a(a) as they apply to the Kansas Workers Risk Cooperative For Counties for the year ended December 31, 1998.

BE IT FURTHER RESOLVED that the Board of Trustees shall cause the financial statements and financial reports of the Kansas Workers Risk Cooperative For Counties to be prepared on the statutory basis of accounting as promulgated by rules and regulations as set forth for the Kansas Insurance Commissioner.

IN WITNESS WHEREOF, the undersigned has caused this Resolution to be executed and the seal to be hereunto appended this 11th day of February, 1999.



Gayle Landoll, Secretary

(SEAL)

I, Gayle Landoll, Secretary of Kansas Workers Risk Cooperative for Counties (hereinafter referred to as "KWORCC) hereby certify that the following is a true and correct copy of a Resolution duly adopted by the Board of Trustees of KWORCC at a meeting duly called and held on the 11th day of March, 1999, at which a quorum was present and that said Resolution has not been rescinded and is still in full force and effect:

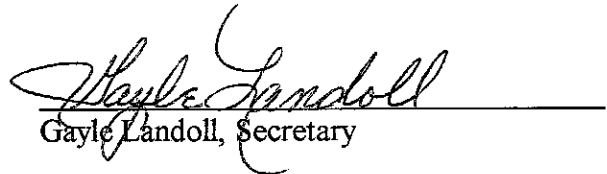
RESOLUTION # 99-35

Whereas KWORCC has made, through it's counsel and agents numerous requests for receipt of all documents owned by KWORCC and kept by the prior administrator at 2913 SW Plass Court, Topeka, Kansas;

Whereas many documents and materials have been received, yet there are some documents which have not yet been tendered by the prior administrator of KWORCC, and present administrator of KCAMP;

NOW, THEREFORE BE IT RESOLVED, by the Board of Trustees of Kansas Workers Risk Cooperative for Counties, in regular meeting duly assembled this 11th day of March, 1999, that the Board of Trustees hereby demands that Ms. Jean Cowan, former administrator of KWORCC, deliver all documents and materials belonging to KWORCC which are in her possession, custody or control. Such documents to be delivered to KWORCC's business office at 700 SW Jackson Street, Suite 200, Topeka, Kansas 66603.

IN WITNESS WHEREOF, the undersigned has caused this Resolution to be executed and the seal to be hereunto appended this 11th day of March, 1999.


Gayle Landoll, Secretary

{Seal}

I, Gayle Landoll, Secretary of Kansas Workers Risk Cooperative for Counties (hereinafter referred to as "KWORCC) hereby certify that the following is a true and correct copy of a Resolution duly adopted by the Board of Trustees of KWORCC at a meeting duly called and held on the 11th day of March, 1999, at which a quorum was present and that said Resolution has not been rescinded and is still in full force and effect:

RESOLUTION #99-36

WHEREAS certain employees of KWORCC have invested in a 401(A) retirement plan titled "Kansas Workers Risk Cooperative for Counties (KWORCC) Money Purchase Plan," with an effective date of July 1, 1996;

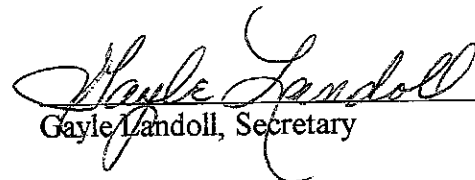
WHEREAS the Trustee of said 401(A) plan is currently the former administrator of KWORCC, Ms. Jean Cowan;

WHEREAS as of December 16, 1998, the KWORCC Board of Trustees elected to change administrators and on December 18, 1998, Ms. Cowan resigned from any further involvement with KWORCC, on a consulting basis or otherwise;

NOW, THEREFORE, BE IT RESOLVED that the Board of Trustees hereby removes Ms. Jean Cowan as Trustee of said 401(A) retirement plan.

BE IT FURTHER RESOLVED that any duly appointed agent of James W. Parrish is hereby authorized by the Board to discuss said 401(A) plan with any persons involved therewith.

IN WITNESS WHEREOF, the undersigned has caused this Resolution to be executed and the seal to be hereunto appended this 11th day of March, 1999.


Gayle Landoll, Secretary

{SEAL}

KWORC

KANSAS
WORKERS RISK COOPERATIVE
for COUNTIES

MEMO

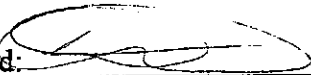
Date: 6/2/99
To: Carly, CNB
From: Dorthe Bind
RE: Credit Cards

Message: Attached is the original
resolution of the KWORC Board
re: Credit Card application.

Please advise of questions
or otherwise.

Thumbs!



Signed: 

I, Gayle Landoll, Secretary of Kansas Workers Risk Cooperative for Counties (hereinafter referred to as "KWORCC) hereby certify that the following is a true and correct copy of a Resolution duly adopted by the Board of Trustees of KWORCC at a meeting duly called and held on the 20th day of May, 1999, at which a quorum was present and that said Resolution has not been rescinded and is still in full force and effect:

RESOLUTION #99-74

Whereas KWORCC staff is required from time to time to conduct financial transactions on behalf of KWORCC which require payment at point of sale, and,

Whereas the KWORCC Board of Trustees has determined that the acquisition of credit cards in the name of KWORCC for use by staff is reasonable and in the best interest of KWORCC,

NOW, THEREFORE BE IT RESOLVED, by the Board of Trustees of Kansas Workers Risk Cooperative for Counties, in regular meeting duly assembled this 20th day of May, 1999, that the Board of Trustees hereby approves of application for credit card, to wit:

1. Such credit cards are issued in the names of James W. Parrish, Carl D. Eyman and Dortha O. Bird;
2. The credit limit for the account under which these credit cards are to be issued shall not exceed \$5,000;
3. All purchases made by use of such credit cards shall be exclusively for KWORCC business and shall be reported to the Board of Trustees at the next regular board meeting following staff's receipt of the monthly credit card statement.

IN WITNESS WHEREOF, the undersigned has caused this Resolution to be executed this 20th day of May, 1999.



Gayle Landoll, Secretary

I, Gayle Landoll, Secretary of Kansas Workers Risk Cooperative for Counties (hereinafter referred to as "KWORCC) hereby certify that the following is a true and correct copy of a Resolution duly adopted by the Board of Trustees of KWORCC at a meeting duly called and held on the 20th day of May, 1999, at which a quorum was present and that said Resolution has not been rescinded and is still in full force and effect:

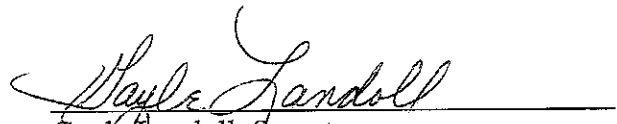
RESOLUTION #99-75

BE IT RESOLVED, by the Board of Trustees of Kansas Workers Risk Cooperative For Counties, in regular meeting duly assembled this 20th day of May, 1999, that the Board of Trustees appoints James W. Parrish as trustee of the KWORCC 401(k) employee retirement plan and directs any interested party to cooperate fully with Mr. Parrish in conducting business of whatsoever kind or nature relative to said plan.

BE IT FURTHER RESOLVED by the Board that Bonnie Swartz, President of KWORCC is authorized to apply her signature to this resolution as written authority by the KWORCC Board of Trustees for such appointment of James W. Parrish to the position of trustee of the KWORCC 401(k) employee retirement plan for all purposes relative thereto.


Bonnie Swartz, President

IN WITNESS WHEREOF, the undersigned has caused this Resolution to be executed this 20th day of May, 1999.


Gayle Landoll, Secretary

I, Gayle Landoll, Secretary of Kansas Workers Risk Cooperative for Counties (hereinafter referred to as "KWORCC") hereby certify that the following is a true and correct copy of a Resolution duly adopted by the Board of Trustees of KWORCC ("Trustees") at a meeting duly called and held on the 20th day of May, 1999, at which a quorum was present and that said Resolution has not been rescinded and is still in full force and effect:

RESOLUTION #99-76

Whereas KWORCC has a check-signing policy that all checks in excess of \$5,000 require two signatures, one of which must be either the Comptroller or the President of the Board of Trustees, and

Whereas it is necessary from time to time to transfer monies electronically from one of KWORCC's bank accounts either to another bank account or to a vendor, and such transfers often exceed the \$5,000 limit, and

Whereas KWORCC has established banking relationships with Country Club Bank of Overland Park, Kansas which has investment advisor and fund management responsibilities for KWORCC and Community National Bank of Topeka, Kansas which holds and makes funds available for KWORCC's administrative expenses, and

Whereas KWORCC has entered a contract with Insurance Management Associates (IMA) for brokerage and claims adjustment services which requires IMA to issue claims checks directly to claimants and medical providers out of a trust account established by IMA, and KWORCC is required to replenish that trust account on a monthly basis in amounts which exceed the \$5,000 limit,

Now, therefore, BE IT RESOLVED that KWORCC shall adopt the following procedures to govern the electronic transfer of monies from any KWORCC bank account either to another KWORCC bank account or to any party contracting with KWORCC or for any other purpose:

1. Prior to any such electronic transfer of funds, the KWORCC Administrator shall notify the Comptroller (and in the absence or unavailability of the Comptroller, the President, Vice-President or Secretary) of the facts and circumstances creating the need for such electronic transfer of funds;
2. If requested by the KWORCC Comptroller (or other KWORCC Officers whose consent to the electronic transfer is requested pursuant to this resolution) the Administrator shall furnish by telecopier or otherwise any and all documentation necessary to describe the need for such electronic transfer;
3. Prior to any electronic transfer of such funds, it shall be the policy of the KWORCC Board of Trustees that the Comptroller (or other KWORCC Officers whose consent to the electronic transfer is requested pursuant to this resolution) must authorize such transfer either in person, by telephone or by written

communication to the financial institution from which such funds are to be transferred;

4. The Administrator shall fully advise Trustees of any such electronic transfer of funds and the circumstances surrounding the same at the next regular board meeting, and thereupon Trustees shall either ratify such transfer of funds or take such other action as deemed appropriate by the Trustees relative thereto.

IN WITNESS WHEREOF, the undersigned has caused this Resolution to be executed this 20th day of May, 1999.



Gayle Landoll, Secretary

I, Gayle Landoll, Secretary of Kansas Workers Risk Cooperative for Counties (hereinafter referred to as "KWORCC") hereby certify that the following is a true and correct copy of a Resolution duly adopted by the Board of Trustees of KWORCC ("Trustees") at a meeting duly called and held on the 20th day of May, 1999, at which a quorum was present and that said Resolution has not been rescinded and is still in full force and effect:

RESOLUTION #99-77

Whereas the KWORCC Board of Trustees has contracted with Insurance Management Associates (IMA), a third party claims adjustor, to manage workers compensation claims filed by employees of Member Counties;

Whereas IMA makes payment for medical, disability and claims expenses out of a trust account;


Whereas the Trustees wish to establish a policy relative to the issuance of checks by IMA from said trust account, consistent with the Board's policy whereby two signatures are required on checks over \$5,000;

Whereas, by prior resolution, the Trustees established a policy for settlement of claims over certain limits, to wit: settlement of claims requiring payment in excess of \$10,000 must be approved by the KWORCC Administrator, and settlement of claims requiring payment in excess of \$20,000 must be approved by the Trustees; and, the Trustees desire that the same level of approval be given for any KWORCC monies spent or otherwise disbursed from IMA's trust account whether for the settlement of claims or other payments (e.g. payment of hospital bills, medical expenses, lump sum payments of disability compensation not involving a settlement, or otherwise);

Now, therefore, BE IT RESOLVED:

1. The Trustees direct its Administrator to reach agreement with IMA whereby all claims checks of whatsoever kind or nature issued by IMA out of its trust account using KWORCC funds in excess of \$5,000 must bear two signatures of IMA administrative personnel other than claims adjusters or other personnel directly responsible for KWORCC's claims handling;
2. The Trustees direct its Administrator to reach agreement with IMA whereby all claims checks of whatsoever kind and nature issued in excess of \$10,000 must be approved in writing by the Administrator. Written communication signed by the Administrator and sent by telecopier is sufficient for such purposes;
3. The Trustees direct its administrator to reach agreement with IMA whereby all claims checks of whatsoever kind and nature issued by IMA out of its trust account using KWORCC funds in excess of \$20,000 must be approved by the Trustees at the next regularly scheduled or special meeting.

IN WITNESS WHEREOF, the undersigned has caused this Resolution to be executed this 20th day of May, 1999.



Gayle Landoll, Secretary


I, Gayle Landoll, Secretary of Kansas Workers Risk Cooperative for Counties (Hereinafter referred to as "KWORCC") hereby certify that the following is a true and correct copy of a Resolution duly adopted by the Board of Directors of KWORCC at a meeting duly called and held on the 17th day of June, 1999, at which a quorum was present and that said Resolution has not been rescinded and is still in full force and effect:

RESOLUTION # 99-88

WHEREAS the Kansas Workers Risk Cooperative For Counties, has determined that Shirley Walbridge, Comptroller; Bonnie Swartz, President; Ralph Unger, Vice-President; Gayle Landoll, Secretary; and, James W. Parrish, Administrator of KWORCC, each of whom is currently a duly elected and acting officer or employee of KWORCC, are hereby designated and authorized, for and on behalf of KWORCC, to execute and deliver to Country Club Bank, National Association (hereinafter referred to as "Bank") the Wire Transfer of Funds Agreement attached hereto, which has been reviewed and approved by the Board.

RESOLVED FURTHER, that the individuals identified by name and title in the first "Resolved" herein are authorized, for and on behalf of KWORCC, to execute and elect the alternative Security Procedures by initialing such Agreement and delivering Agreement to Bank.

NOW, THEREFORE BE IT RESOLVED, that the authority granted under this Resolution will continue in full force and effect until the Bank shall receive written notice from KWORCC of the revocation thereof by a resolution duly adopted by the Board. The undersigned Secretary also hereby certifies that each of the individuals listed above currently holds the office indicated adjacent to his/her name, and that the specimen signature directly below this paragraph is the signature of such individual, to wit:



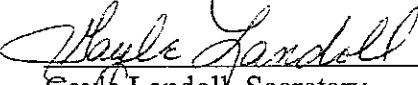
Shirley Walbridge, Comptroller



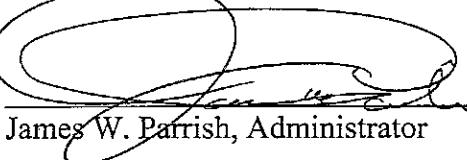
Bonnie Swartz, President



Ralph Unger, Vice-President




Gayle Landoll, Secretary



James W. Parrish, Administrator

Tax ID# 48-1148078

IN WITNESS WHEREOF, the undersigned has caused this Resolution to be executed this 17th day of June, 1999.



Gayle Landoll, Secretary

COUNTRY CLUB BANK, National Association

WIRE TRANSFER SECURITY PROCEDURES

NON-REPETITIVE WIRE TRANSFERS

1. If a Non-Repetitive Payment Order is initiated or amended by telephone or in person:
 - a. The Bank will acquire the name and Security Identification Code of the Representative initiating or amending the Payment Order, and
 - b. The Bank will make a confirming call back, regardless of amount, using a telephone number designated by Customer, to any Representative other than the one who initiated the Payment Order. The confirming Representative must supply his/her Security Identification Code.

2. If a Non-Repetitive Payment Order is initiated or amended in writing:
 - a. The Bank will verify the signature on the Payment Order or amendment by comparing it with the specimen signature appearing on the Customer's Authorization, and
 - b. The Bank will make a confirming call, regardless of amount, using a telephone number designated by Customer, to any Representative other than the one who initiated the Payment Order. The confirming Representative must supply his/her Security Identification Code.

3. **Variation** to Steps 1.b. and 2.b. above:

Customer may elect to have the Bank accept confirmation of Payment Orders or amendments thereto from the same Representative that initiates them at the time the Bank makes the confirming call back or at the time that the Bank receives them in person.

REPETITIVE WIRE TRANSFERS

4. If a Repetitive Payment Order is initiated or amended by telephone or in person:
 - a. Bank will acquire the Repetitive Transfer Code from the Representative initiating or amending the Repetitive Payment Order,
 - b. Bank will acquire the name and Security Identification Code of the Representative initiating or amending the Repetitive Payment Order, and
 - c. Bank will make a confirming call back, regardless of amount, using a telephone number designated by Customer, to any Representative other than the one who initiated or amended the Payment Order. The confirming Representative must supply his/her Security Identification Code.

5. If a Repetitive Payment Order is initiated or amended in writing:
 - a. Bank will acquire the Repetitive Transfer Code,
 - b. Bank will verify the signature of the Representative on the Payment Order or amendment by comparing it with the specimen signature appearing on the Customer's Authorization, and
 - c. Bank will make a confirming call back, regardless of amount, using a telephone number designated by Customer, to any Representative other than the one who initiated or amended the Payment Order. The confirming Representative must supply his/her Security Identification Code.

6. **Variation** to Steps 4.c. and 5.c. above:

Customer may elect to have Bank accept confirmation of Repetitive Payment Orders or amendments thereto from the same Representative that issues them at the time the Bank makes the confirming call back or at the time the Bank receives them in person.

ELECTRONIC WIRE TRANSFERS

7. If Customer initiates a Payment Order by electronic means (other than by telephone, whether by voice or facsimile):

- a. Customer has the responsibility to assign its electronic passwords to Representatives of Customer selected by Customer, and it is Customer's responsibility to monitor the use of the passwords by those Representatives.
- b. Bank will make a confirming call back using a telephone number designated by Customer to any Representative, including the Representative who initiated the Payment Order. The confirming Representative must supply his/her Security Identification Code.

8. **Variation** to Step 7.b. above:

Customer may elect to have Bank accept confirmation of Payment Orders transmitted by electronic means without a confirming call back. Bank reserves the right, but is not obligated, to make confirming callbacks under this alternative procedure authorized by Customer.

CANCELLATION OF WIRE TRANSFER INSTRUCTIONS

9. A Payment Order may be cancelled by telephone by any Representative who can supply:

- a. The amount of the Payment Order,
- b. The Authorized Account Number,
- c. Name and Account Number of Beneficiary,
- d. Name of Beneficiary's Bank, and
- e. In case of a Repetitive Payment Order, the Repetitive Transfer Code number.

10. Bank will make a confirming call back to any Representative other than the one who initiated the cancellation. At the time of the call back, the confirming Representative must supply his/her Security Identification Code.

11. **Variation** to Step 10 above:

Customer must elect to have Bank accept confirmation of cancellation of Payment Orders from the same Representative that issues them at the time the Bank makes the confirming call back.

CUSTOMER AGREES TO THE SECURITY PROCEDURES DESCRIBED ABOVE, AND WHERE VARIATIONS ARE PROVIDED, CUSTOMER ELECTS THOSE VARIATIONS GROUPED BELOW NEXT TO WHICH A PERSON AUTHORIZED BY CUSTOMER HAS ENTERED HIS/HER INITIALS:

12. _____ *Initials* Customer agrees that Bank shall make a confirming call back to any Representative and obtain that Representative's Security Identification Code for all wire transfer instructions, and that such call back shall be made to any Representative other than the one who issued the instructions, except that in the case of an electronic wire transfer the call back may be made to any Representative, but that Representative must supply his/her Security Identification Code (which procedures are provided in Steps 1.a. and b.; 2.a. and b.; 4.a., b. and c.; 5.a., b. and c.; and 10. above).

13. _____ *Initials* Customer agrees that in all cases in which the above Security Procedures provide Bank to call back to confirm wire transfer instructions, Bank may confirm the instructions with the Representative who initiated them (as provided in Steps 3, 6, 7.b. and 11 above).

14. _____ *Initials* Even though Customer has initiated item 13 above, Customer agrees that Bank may accept Payment Orders or Wire Transfers transmitted electronically without making a confirming call back, although the Bank may, but it is not obligated, to make a confirming call back (as provided in Step 8 above).

15. Telephone number designated by Customer is: (785) 357-1069

KANSAS WORKERS RISK COOPERATIVE FOR COUNTIES (KWORCC)

Name of Customer

By:



SHIRLEY WALBRIDGE, COMPTROLLER

Name:

Shirley Walbridge

Title:

Comptroller

Date:

6/17/99



Country Club Bank

REPETITIVE TRANSFER INSTRUCTIONS

KANSAS WORKERS RISK COOPERATIVE FOR COUNTIES

Customer Name

700 SW JACKSON STREET - SUITE 200

Street Address

TOPEKA KS 66603

City & State & Zip

REPETITIVE NUMBER: (We will assign)

ACCOUNT TO BE DEBITED:

9600365 - KWORCC

RECEIVING BANK NAME:

INTRUST BANK

LOCATION

WICHITA KS

ABA NUMBER:

101100029

ACCOUNT TO BE CREDITED:

0000442771

NAME OF CREDITED ACCOUNT:

IMA MEDICAL ACCOUNT

Country Club Bank is hereby instructed and authorized to accept Payment Orders for repetitive transfers between the above accounts pursuant to the terms of the Wire Transfer of Funds Agreement between the above named Customer and Country Club Bank and these instructions. This authorization will remain in effect until Country Club Bank receives from the Customer an authorized amendment or cancellation in writing.

By:

AUTHORIZED SIGNATURE
SHIRLEY WALBRIDGE, COMPTROLLER

6/17/99

DATE

Please sign and return this instruction and we will assign a repetitive number and send a copy back to you. A return envelope is enclosed for your convenience. If you have any questions, please telephone (816) 751-9306.

Wire Transfer Department



Country Club Bank

REPETITIVE TRANSFER INSTRUCTIONS

KANSAS WORKERS RISK COOPERATIVE FOR COUNTIES

Customer Name

700 SW JACKSON STREET - SUITE 200

Street Address

TOPEKA KS 66603

City & State & Zip

REPETITIVE NUMBER: (We will assign)

ACCOUNT TO BE DEBITED:

9600365 - KWORCC

RECEIVING BANK NAME:

COMMUNITY NATIONAL BANK

LOCATION

TOPEKA KS

ABA NUMBER:

101106751

ACCOUNT TO BE CREDITED:

300-128

NAME OF CREDITED ACCOUNT:

KWORCC

Country Club Bank is hereby instructed and authorized to accept Payment Orders for repetitive transfers between the above accounts pursuant to the terms of the Wire Transfer of Funds Agreement between the above named Customer and Country Club Bank and these instructions. This authorization will remain in effect until Country Club Bank receives from the Customer an authorized amendment or cancellation in writing.

By: *Shirley Walbridge*
AUTHORIZED SIGNATURE
SHIRLEY WALBRIDGE, COMPTROLLER

6/17/99
DATE

Please sign and return this instruction and we will assign a repetitive number and send a copy back to you. A return envelope is enclosed for your convenience. If you have any questions, please telephone (816) 751-9306.

Wire Transfer Department

WIRE TRANSFER OF FUNDS AGREEMENT

KANSAS WORKERS RISK COOPERATIVE FOR COUNTIES _____ (“Customer”) may, from time to time, issue to Country Club Bank, National Association (“Bank”) oral, written, telephonic or electronic instructions (“Payment Orders”, which term includes initial payment orders and any confirmation, amendment or cancellation thereof) to debit Customer’s account(s) and transfer such funds to other accounts of Customer or to the accounts of third parties (“Wire Transfers”), and for such purposes, Customer hereby agrees to be bound by the terms and conditions of this Agreement and any amendments thereof, and further agrees that all Payment Orders and Wire Transfers, as well as all “Incoming Wire Transfers” (as defined in Section 1.4 below) shall be governed hereby.

1. Authorization.

1.1 Customer shall deliver to Bank a written authorization (“Authorization”) designating one or more individuals (“Representative(s)”) who are authorized to issue Payment Orders. Unless otherwise stated, each Representative shall be authorized to issue Payment Orders for all types and amounts of Wire Transfers. Authorizations, whether given by a corporation, partnership or other type of organization, shall be in such form and shall be certified, as the Bank shall require in the exercise of Bank’s sole judgment. Authorizations adding or removing the names of Representatives must be in writing, must be supported by such certification or other documentation as Bank may require, and must be delivered by Customer to and receipted for by Bank’s Wire Transfer Operations Department before they shall become effective. An Authorization does not authorize a Representative to make additions to or otherwise change the Customer’s Authorized Accounts listed at the end of this Agreement. Such changes may be made only by a written amendment to this Agreement.

1.2 Customer agrees that Bank may honor and act on (i) each Payment Order issued by a Representative or otherwise authorized by Customer, and (ii) each Payment Order believed by Bank to have been given by Customer or by a Representative if prior to taking action on such Payment Order, Bank first confirms it for authenticity through a confirmation procedure agreed to by Customer and Bank (“Security Procedure”).

1.3 Bank reserves the right to reject any Payment Orders in the exercise of its sole discretion. Payment Orders initiated by electronic means (which excludes telephone, whether by voice or facsimile) shall be limited to Wire Transfers from an Authorized Account to Customer’s account at the Federal Reserve Bank of Kansas City. No Payment Order shall be deemed to have been given until it has been received by Bank’s Wire Transfer Operations Department or such other department designated by Bank. Bank shall have no obligation or responsibility to accept an Incoming Wire Transfer for Customer’s benefit, and any credit that Bank may give to Customer with respect to any accepted Incoming Wire Transfer shall be provisional until Bank receives final payment therefor. If Bank does not receive such final payment, Customer agrees to reimburse Bank for any portion of the Incoming Wire Transfer that was withdrawn or received from Customer’s account.

1.4 All Wire Transfers will be made from one or more accounts (the “Authorized Accounts”) designated at the end of this Agreement. Unless otherwise agreed to in writing by Bank and Customer, all funds received for the account of Customer pursuant to Payment Orders received by Bank from a Federal Reserve Bank or other financial institution (an “Incoming Wire Transfer”) shall be credited to any one or more of the Authorized Accounts. Bank is authorized to debit or credit the Authorized Accounts for all Wire Transfers and Incoming Wire Transfers, as applicable, made hereunder. Bank shall under no circumstances be obligated to accept or execute on a Payment Order where there are insufficient funds in the Authorized Accounts, but Bank may in its sole discretion elect to do so, in which event Customer shall immediately repay and reimburse Bank the amount of any resulting overdraft, together with applicable

overdraft charges and fees. Without in any way obligating Bank to make a Wire Transfer in an amount in excess of the collected balances in the Authorized Accounts at any time, Customer agrees that if there are insufficient collected funds in the Authorized Accounts to fund a Payment Order, Bank may in its sole discretion and in any order the Bank so elects, debit or charge any other account maintained by Customer at Bank, to cover the amount of such deficiency, and Bank shall have no liability to Customer for any damages or consequences that Customer may incur as a result therefor.

2. **Security Procedures.**

2.1 Customer authorizes Bank, at Bank's discretion, to record any telephone communications of Customer or its Representatives. At its discretion, Bank may assign each Representative a code word ("Security Identification Code") to be used by such Representative in issuing Payment Orders. Bank may also assign to the Customer a Repetitive Transfer Code for use in giving Payment Orders relating to Repetitive Wire Transfers. Repetitive Wire Transfers are repeated transfers from a designated Authorized Account to a designated account, each of which is initiated by a separate Payment Order based on Customer's Repetitive Transfer Instructions in the form attached hereto as Exhibit C that established procedures for periodic Wire Transfers and which Payment Orders vary only as to the transfer date and amount. If appropriate, Customer may also be assigned a code for the transmission of Payment Orders to Bank by electronic means.

Customer agrees that it and each of its Representatives shall not disclose to anyone their Security Identification Codes, Repetitive Transfer Codes or Electronic Passwords, and shall keep them secure. Bank assumes no liability for any action undertaken by Bank in good faith if such action involves unauthorized use by Customer or its Representatives of any Security Identification Code, Repetitive Transfer Code or Electronic Password.

2.2 Customer acknowledges that each Security Procedure elected by Customer on the "Wire Transfer Security Procedures" schedule that is attached hereto as Exhibit B, is reasonable and adequate for Customer's Wire Transfers for the type indicated. It is agreed that Bank may, by utilizing the Security Procedure selected by Customer on Exhibit B, confirm the authenticity of any such Payment Order which is believed by Bank to have been authorized by Customer. Customer agrees to be bound by all Payment Orders issued in its name and accepted by Bank if the Payment Order was authorized by Customer or if its authenticity was confirmed by the agreed-upon Security Procedure, irrespective of the lack of any actual authorization or error.

2.3 Notwithstanding the fact that the authenticity of a Payment Order has been verified through the Bank's use of an agreed-upon Security Procedure, Bank may, without liability, either delay or refuse to accept and act upon a Payment Order when Bank is, in good faith, in doubt as to the identity or the authority of the individual purportedly initiating the Payment Order.

2.4 If Bank utilizes the agreed-upon Security Procedures to verify the terms of a Payment Order received by it from a Representative, Customer shall be bound by the terms of such Payment Order as so verified.

3. **Daily Processing.** Bank will from time to time publish a schedule of Bank business days on which it is open for purposes of engaging in Wire Transfers, together with a schedule of the hours prior to which Payment Orders must be received. Any Payment Order received after the applicable cut-off time will be deemed to have been received as of the next-following Bank business day. Bank will use its best efforts to act on each Payment Order on or before the execution date requested, if it was accepted by Bank and was received prior to the applicable cut-off time and was authenticated in accordance with an agreed upon Security Procedure or was otherwise authorized by Customer and contains all information required by Bank. Customer acknowledges that Bank may receive on any given day a large number of wire transfer Payment Orders, and agrees the Bank has no duty or obligation to execute any given Payment Order in any particular order or priority, and that Payment Orders will not necessarily be executed by Bank in the same order in which they were received.

4. **Service Charges and Overdrafts.** Customer agrees that Bank may debit the Authorized Accounts and, at Bank's discretion, any other accounts maintained by Customer at Bank (and may further set off against any indebtedness at any time owed by Bank to Customer), the amount of all Wire Transfers made from time to time by Bank on behalf of Customer, together with all charges, fees, and other sums (as indicated in the fee schedule published from time to time by Bank) applicable to such Wire Transfers.

5. **Reliance on Instructions.**

5.1 Bank and all other financial institutions may rely exclusively on any account number or ABA bank routing number of any intermediary bank or beneficiary bank through or to which a Wire Transfer is to be made, if provided by Customer. Neither Bank nor any intermediary bank or beneficiary bank shall have any obligation or duty to determine if such number(s) coincides with the name of the described or intended beneficiary or bank(s), and Bank and all intermediary bank(s) and beneficiary bank(s) shall have no liability for any damage or loss resulting from the use of any such number(s).

5.2 Customer further acknowledges and agrees that Incoming Wire Transfers received by Bank may be paid by Bank solely on the basis of account number. If Bank cannot reasonably associate the account number on any Incoming Wire Transfer with one of its own account numbers, it shall have no duty to accept the Incoming Wire Transfer, and shall have no other duty with respect to its receipt. The Bank shall also have no duty to accept any Incoming Wire Transfer to an account number assigned to one of Customer's account(s) that was closed before the Incoming Wire Transfer was received, and Bank shall have no further duty with respect to such receipt.

5.3 Customer shall have no right to reverse, modify, cancel, revoke or amend a Payment Order subsequent to the time that Bank has taken any action to implement or execute such Payment Order (including any electronic processing thereof), and in no event subsequent to the cut-off time published by Bank from time to time for that type of Payment Order. If a Payment Order requesting a reversal, modification, cancellation, revocation or amendment of a previous Payment Order is received after the applicable cut-off time or after Bank has initiated any action to implement or execute such Payment Order, Bank may, but shall have no obligation to, attempt to effect such reversal, modification, cancellation, revocation or amendment, and if Bank does so attempt, Customer shall indemnify and hold Bank harmless from and against all damages, losses or costs incurred by Bank as a result thereof. Bank shall have no obligation, but it may if it so elects, request a return of funds from any transferee or intermediary wire transfer agent with respect to any Payment Order, regardless of the extent of any irregularity, error or lack of authority with respect to such Payment Order.

5.4 Customer represents and warrants that all specimen signatures set forth on each Authorization and each other document provided to Bank by Customer, are true and accurate examples of the signatures of the Representatives indicated.

6. **International and Foreign Currency Transfers.** Customer acknowledges that even if Bank agrees to effect a Wire Transfer to a foreign country in United States Dollars, it may not be within the Bank's control to cause payment to the final beneficiary to be made in United States Dollars or in any other currency that may be requested by Customer. Accordingly, Customer agrees to assume the risk of any loss due to the rate of exchange between currencies, in the event the Wire Transfer is converted into another currency. Unless Customer and Bank have expressly agreed to the contrary in writing in advance of Bank's receipt of an Incoming Wire Transfer, Bank shall be at liberty to convert to United States Dollars any currency received by it for Customer's benefit or account in any currency other than United States Dollars, at the prevailing rate of exchange for conversion of United States Dollars from such other currency at the time of such receipt.

7. **Statement of Account.** Bank shall provide to Customer an advice of each of Customer's Wire Transfers, such advice being in the form (at the option of Bank) of either a separate transfer advice or a periodic statement of the Authorized Accounts. Customer agrees to promptly review and reconcile all

transfer advices and statements of Authorized Accounts received by it. Customer agrees that for purposes of Article 4A of the Uniform Commercial Code, a reasonable period of time for Customer to notify Bank of the relevant facts concerning an unauthorized or erroneously executed Payment Order or Wire Transfer is thirty (30) calendar days from the earlier of (i) Customer's receipt of notice that the Payment Order was received and executed or that the Wire Transfer was completed, or (ii) the date that the Wire Transfer was debited to the Authorized Accounts. Bank is not responsible for detection of any errors contained in any Payment Order and is entitled to rely on the information contained therein. Customer will cooperate fully with Bank in any efforts by Bank to recover any unauthorized or erroneous Wire Transfers, including, without limitation, any duplicate wire Transfers or any amounts erroneously paid over to any beneficiary or any other person or entity.

8. Limitations of Liabilities

8.1 Bank's liability for any act or failure to act hereunder shall be strictly limited to the minimum liability imposed by Article 4A of the Uniform Commercial Code, as the same may be limited hereunder and as modified from time to time.

8.2 In the event Bank has any liability for any action, inaction, error or delay, its liability shall be strictly limited not to exceed the amount of interest on the amount of the Wire Transfer in question. Without limiting any of the foregoing, Bank shall have no liability whatsoever with respect to any action, inaction, delay or error arising from any entity, individual, bank, Federal Reserve Bank, Fund Transfer System, if approved or selected by Customer for use in effecting any Wire Transfer. Under no circumstances shall Bank be liable to Customer or any third party for consequential or indirect damages, or any special losses or damages. Customer is responsible for ensuring the accuracy of Payment Orders and Bank has no duty whatsoever to verify the accuracy of any Payment Orders. Nor will Bank have any liability for losses or damages arising out of Payment Orders containing erroneous information.

8.3 Except to the extent that liability is expressly imposed on Bank by Article 4A of the Uniform Commercial Code and cannot be limited, waived or otherwise modified by agreement of the parties, Bank shall not be responsible for any liability, loss or damage resulting from any priority or delay in execution of, or failure to execute any Payment Order or to perform any other obligation under this Agreement, which is caused in part or in whole by an act of God, fire, floods, adverse weather conditions or other catastrophes, war, sabotage, riots, acts of a public enemy or acts of government authority, labor difficulties, equipment or computer failure or destruction, suspension of payments by any other financial institution, failure by another financial institution to accept or pay a Payment Order, the unavailability, interruption or malfunction of communication facilities or utilities, delays or failure to act by Customer or recipients of transferred funds or their personnel, criminal acts, or generally any causes reasonably beyond Bank's control. Any allowed claim or action that may be brought against Bank by Customer, in accordance with Article 4A of the Uniform Commercial Code, must be brought no later than one year after the date of the event giving rise to such claim, and Customer waives any claim not brought within such period.

8.4 Customer agrees to indemnify and hold Bank harmless from and against any and all claims, demands, expenses (including reasonable attorneys fees and actual expenses), losses or damages incurred by Bank or asserted against Bank by Customer or any third party or entity arising out of any Wire Transfer or Incoming Wire Transfer that is subject to the terms of this Agreement.

9. Governing Law.

9.1 This Agreement shall be governed by the laws of the State of Kansas, and all references to Article 4A of the Uniform Commercial Code shall be to the Uniform Commercial Code in effect from time to time within the State of Kansas.

9.2 The foregoing notwithstanding, Bank hereby notifies Customer, and Customer hereby acknowledges and agrees, (i) that the Fedwire Funds Transfer System of the United States Federal

Reserve Banks (Fedwire) may be used, by Bank or any other bank that may be involved in any Wire Transfer or Incoming Wire Transfer, to execute Payment Orders with respect to which Customer is the originator or beneficiary, (ii) that Subpart B of Regulation J of the Federal Reserve Bank will govern in connection with such use of the Fedwire, and (iii) the rights and obligations of the parties in a Wire Transfer or Incoming Wire Transfer, any portion of which is carried out through use of the Fedwire, are governed by Subpart B of Regulation J.

10. **Termination.** Either party may terminate this Agreement upon written notice received twenty (20) days prior to the requested date of termination. All substantive and procedural rights and liabilities of parties relative to any Payment Orders or Wire Transfers or Incoming Wire Transfers received, executed, or otherwise arising prior to the effective date of termination shall survive any termination of this Agreement. Customer's indemnification and other obligations undertaken in Section 8.4 above shall similarly survive any such termination.

11. **Agreement.** This Agreement together with any and all attachments hereto, constitutes the entire Agreement of the Bank and Customer with respect to the subject matter hereof, and supersedes any and all other Agreements, either oral or written between the parties with respect to the subject matter hereof. Any amendment to this Agreement shall be effective only if in writing signed by both Bank and an authorized Representative of Customer, provided, however, the provisions of this Agreement may be amended from time to time by Bank sending a copy of the proposed amendment at least thirty (30) days prior to its effective date. Customer's transmission of any Payment Order to Bank at any time after the stated effective date of the amendment shall be deemed to be Customer's acceptance of such amendment.

12. Customer's Authorized Accounts are:

Number	Title
9600365	KWORCC

KANSAS WORKERS RISK COOPERATIVE FOR COUNTIES

Typed Name of Customer

Shirley Walbridge
 (Name) (Title)

SHIRLEY WALBRIDGE, COMPTROLLER

700 SW JACKSON - SUITE 200
 (Address)

TOPEKA KS 66603
 (City) (State)

Accepted by Country Club Bank, National Association,
 this _____ day of _____, 199__.

 Name Title

 Address

 City & State

I, Gayle Landoll, Secretary of Kansas Workers Risk Cooperative for Counties (hereinafter referred to as "KWORCC) hereby certify that the following is a true and correct copy of a Resolution duly adopted by the Board of Trustees of KWORCC at a meeting duly called and held on the 17th day of June, 1999, at which a quorum was present and that said Resolution has not been rescinded and is still in full force and effect:

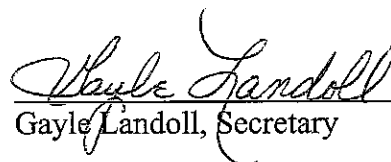
RESOLUTION #99-89

Whereas KWORCC staff is required to provide packets to Board Members for upcoming Board meetings;

Whereas the KWORCC Board of Trustees has determined that sending packets out too early can result in additional hand-outs at the meetings and it is better to have all the materials in the packet to be addressed at the meeting so the Board can review and consider the materials prior to the meeting date;

NOW, THEREFORE BE IT RESOLVED, by the Board of Trustees of Kansas Workers Risk Cooperative for Counties, in regular meeting duly assembled this 17th day of June, 1999, that the Board of Trustees hereby approves of KWORCC Staff sending out the meeting packets to Board members by placing the same in the mail seven (7) days prior to the next-coming Board meeting.

IN WITNESS WHEREOF, the undersigned has caused this Resolution to be executed this 17th day of June, 1999.



Gayle Landoll, Secretary

I, Gayle Landoll, Secretary of Kansas Workers Risk Cooperative for Counties, hereby certify that the following is a true and correct copy of a Resolution duly adopted by unanimous vote of the Board of Trustees of KWORCC at a meeting duly called and held on the 12th day of August, 1999 at which a quorum was present:

RESOLUTION #99-104

IN THE MATTER OF ESTABLISHING A DEFERRED COMPENSATION PLAN FOR KANSAS WORKERS RISK COOPERATIVE FOR COUNTIES (KWORCC).

WHEREAS, KWORCC has considered the establishment of a Deferred Compensation Plan to be made available to all eligible KWORCC employees pursuant to Section 457 of the Internal Revenue Code permitting such Plans; and

WHEREAS, certain tax benefits could accrue to KWORCC employees participating in said Deferred Compensation Plans; and

WHEREAS, such benefits will act as incentives to KWORCC employees to voluntarily set aside and invest portions of their current income to meet their future financial requirements and supplement their retirement income; and

WHEREAS, the National Association of Counties has established a certain Master Deferred Compensation Program for its member Counties, which program is appropriate for KWORCC employees; and

WHEREAS, by adoption of the NACo Program, all regulatory, operational, administrative and fiduciary responsibilities are assumed by NACo on behalf KWORCC; and

WHEREAS, NACo, as Plan Administrator, agrees to hold harmless and indemnify KWORCC, its appointed and elected officers and participating employees from any loss resulting from NACo or its Agent's failure to perform its duties and services pursuant to the NACo Program;

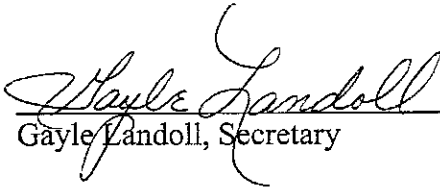
NOW, THEREFORE KWORCC BOARD OF TRUSTEES DOES HEREBY RESOLVE AS FOLLOWS:

The Board of Trustees of KWORCC, meeting in regular scheduled meeting this 12th day of August, 1999, hereby adopts the National Association of Counties Deferred Compensation Program and hereby establishes the KWORCC Deferred Compensation Plan for voluntary participation of all eligible KWORCC employees.

The Administrator of KWORCC is hereby authorized to execute for KWORCC, individual participation agreements with each said employee requesting same, and to act as the

"Administrator" of the Plan representing KWORCC, and to execute such agreements and contracts as are necessary to implement the program. It is implicitly understood that, other than the incidental expenses of collecting and distributing of the employees' deferrals and other such administrative matters, there is to be no cost to KWORCC for the program.

IN WITNESS WHEREOF, the undersigned has caused this Resolution to be executed this 12th day of August, 1999.



Gayle Landoll, Secretary

I, Gayle Landoll, Secretary of Kansas Workers Risk Cooperative for Counties hereby certify that the following is a true and correct copy of a Resolution duly adopted by unanimous vote of the Board of Trustees of KWORCC at a meeting duly called and held on the 12th day of August, 1999 at which a quorum was present:

RESOLUTION #99-105

IN THE MATTER OF ESTABLISHING A DEFERRED COMPENSATION MATCHING PLAN FOR KANSAS WORKERS RISK COOPERATIVE FOR COUNTIES (KWORCC).

WHEREAS, KWORCC has adopted a Deferred Compensation Plan which is available to all eligible employees, pursuant to Section 457 of the Internal Revenue Code of 1986, as amended; and

WHEREAS, certain tax benefits could accrue to KWORCC employees participating in said Deferred Compensation Plans; and

WHEREAS, KWORCC wishes to provide additional incentive to its employees to voluntarily set aside and invest portions of their current income to meet their future financial requirements and supplement their existing retirement program(s); and

WHEREAS, Nationwide Retirement Solutions, Inc. (NRS) has provided KWORCC with a specimen plan document (the NRS Governmental Deferred Compensation Matching Plan and Trust);

NOW, THEREFORE KWORCC BOARD OF TRUSTEES DOES HEREBY RESOLVE AS FOLLOWS:

The Board of Trustees of KWORCC, meeting in regular scheduled meeting this 12th day of August, 1999, hereby adopts the PEBSCO Governmental Deferred Compensation Matching Plan and Trust (Plan) and hereby establishes the KWORCC Deferred Compensation Matching Plan to provide additional benefits for all participants in the KWORCC Deferred Compensation Plan. The KWORCC Administrator is hereby authorized to execute and Adoption Agreement for said plan.

The Trustee(s) shall be: KWORCC Administrator, President of KWORCC Board of Trustees and/or Secretary of KWORCC Board of Trustees.

The Plan Administrator shall be: KWORCC Administrator.

All employees covered under the KWORCC Deferred Compensation Plan shall be covered under this Plan.

The Plan shall be effective as of January 1, 1999.

The Employer Contribution shall be. 4%.

IN WITNESS WHEREOF, the undersigned has caused this Resolution to be executed
this 12th day of August, 1999.



Gayle Landoll, Secretary

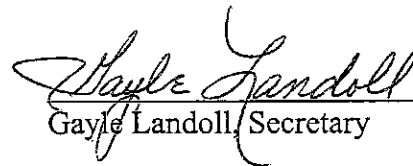
I, Gayle Landoll, Secretary of Kansas Workers Risk Cooperative for Counties, hereby certify that the following is a true and correct copy of a Resolution duly adopted by unanimous vote of the Board of Trustees of KWORCC at a meeting duly called and held on the 8th day of July, 1999 at which a quorum was present:

RESOLUTION #99-106

WHEREAS the Board of Trustees of the Kansas Workers Risk Cooperative for Counties (KWORCC) are dedicated to the survival, growth and well being of the KWORCC self insurance pool and the its companion self insurance pool known as the Kansas County Association Multiline Pool (KCAMP),

NOW, THEREFORE, BE IT RESOLVED that the KWORCC Board of Trustees shall take immediate steps to create a cooperative spirit with the KCAMP Board of Trustees and shall express dedication to the mutual survival and growth of the KWORCC and KCAMP self-insurance pools. To that end, KWORCC Trustees immediately will initiate dialogue with KCAMP Trustees and offer to meet and discuss mutual concerns of the pools and how the Trustees can work together to strengthen both pools and provide the highest and best service to their member counties.

IN WITNESS WHEREOF, the undersigned has caused this Resolution to be executed this 8th day of July, 1999.


Gayle Landoll, Secretary

I, Gayle Landoll, Secretary of Kansas Workers Risk Cooperative for Counties, hereby certify that the following is a true and correct copy of a Resolution duly adopted by unanimous vote of the Board of Trustees of KWORCC at a meeting duly called and held on the 16th day of December, 1999 at which a quorum was present:

RESOLUTION #99-156

WHEREAS, the KWORCC Board of Trustees has directed staff to calculate the premiums for workers compensation coverage for Member Counties for policy year 2000, as provided by law using current published workers compensation loss cost rates, NCCI experience modification factors and other factors which effect the premium;


WHEREAS, the attached itemization for estimated premium for the year 2000 reflects that calculation by staff;

WHEREAS the insurance renewal for Member Counties is January 1, 2000;

NOW, THEREFORE, the KWORCC Board of Trustees RESOLVES to adopt the attached rates of premium for the Member Counties;

FURTHER RESOLVED by the Board that KWORCC staff prepare the worksheets and premium invoices in accordance with the attached schedule of estimated premiums for the year 2000 and forward the same to the Member Counties for payment;

IN WITNESS WHEREOF, the undersigned has caused this Resolution to be executed this 16th day of December, 1999.



Gayle Landoll, Secretary

I, Gayle Landoll, Secretary of Kansas Workers Risk Cooperative for Counties, hereby certify that the following is a true and correct copy of a Resolution duly adopted by unanimous vote of the Board of Trustees of KWORCC at a meeting duly called and held on the 16th day of December, 1999 at which a quorum was present:

RESOLUTION #99-157

WHEREAS, Insurance Management Associates, Inc. (hereafter "IMA") has performed services for KWORCC for policy year 1999, including claims adjustment and brokerage services, and KWORCC is satisfied with those services;

WHEREAS, IMA has reduced the number of outstanding claims by 40%, has provided excellent insurance services in a timely fashion and has performed other administrative services without charge to assist KWORCC in its transition to a new administrator;

WHEREAS, IMA presented to the Board of Trustees a proposed contract (attached hereto) for policy year 2000 providing the required services on the same basis and at the same rate as for 1999;

NOW, THEREFORE, the KWORCC Board of Trustees RESOLVES to accept the offer contained in the attached contract for services by IMA;

FURTHER RESOLVED by the Board that KWORCC President, Bonnie Swartz, is authorized to sign the said contract between KWORCC and IMA and staff is directed to ensure signature by all necessary parties and to do all things necessary to complete closure of said contract.

IN WITNESS WHEREOF, the undersigned has caused this Resolution to be executed this 16th day of December, 1999.


Gayle Landoll, Secretary

I, Gayle Landoll, Secretary of Kansas Workers Risk Cooperative for Counties, hereby certify that the following is a true and correct copy of a Resolution duly adopted by unanimous vote of the Board of Trustees of KWORCC at a meeting duly called and held on the 16th day of December, 1999 at which a quorum was present:

RESOLUTION #99-158

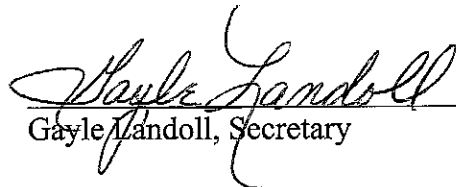
WHEREAS, KWORCC requires insurance for property, liability, financial institution bonds, reinsurance and otherwise;

WHEREAS, renewals for multi-lines of insurance is January 1, and proposals have been submitted by IMA and Employers Reinsurance Company (attached hereto);

WHEREAS, KWORCC Board of Trustees has reviewed the insurance proposals and finds them to be in order and to procure them to be in the best interest of the KWORCC Pool;

NOW, THEREFORE, it is RESOLVED by the KWORCC Board of Trustees to accept the insurance proposals as set forth on the attached documents and staff is directed to ensure signature by all necessary parties and to do all things necessary to complete placement of said insurance.

IN WITNESS WHEREOF, the undersigned has caused this Resolution to be executed this 16th day of December, 1999.


Gayle Landoll, Secretary

I, Gayle Landoll, Secretary of Kansas Workers Risk Cooperative for Counties, hereby certify that the following is a true and correct copy of a Resolution duly adopted by unanimous vote of the Board of Trustees of KWORCC at a meeting duly called and held on the 16th day of December, 1999 at which a quorum was present:

RESOLUTION #99-159

WHEREAS, KWORCC has established an office at 700 SW Jackson Street, Suite 200, Topeka, Kansas 66603;

WHEREAS, Parrish Management Corporation (hereafter "PMCorp") has provided KWORCC reception office space, commercial office space (including meeting rooms), receptionist services, payroll services, secretarial and clerical services, office equipment, office furniture, parking spaces (for KWORCC Personnel), telephone equipment (including access to telecopier) and access to a photocopier since the change in administration on December 16, 1998, upon terms and conditions agreed orally between the parties;

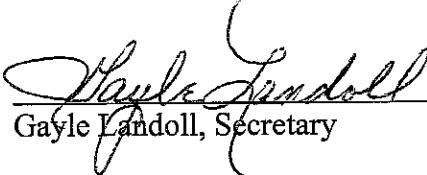
WHEREAS, PMCorp has presented to KWORCC a proposed contract which provides the terms and conditions under which KWORCC will continue to be provided the items indicated above for a one-year term, which proposed agreement is attached hereto;

WHEREAS, the KWORCC Board of Trustees have reviewed said contract and believe it is in the best interest of the pool to remain at the said office location and the enter the contract with PMCorp;

NOW, THEREFORE, it is RESOLVED by the KWORCC Board of Trustees to enter a one-year contract with PMCorp under the terms and conditions as set forth in the attached contract for reception office space, commercial office space (including meeting rooms), receptionist services, payroll services, secretarial and clerical services, office equipment, office furniture, parking spaces (for KWORCC Personnel), telephone equipment (including access to telecopier);

FURTHER RESOLVED by the Board that KWORCC President, Bonnie Swartz, is authorized to sign the said contract between KWORCC and PMCorp and staff is directed to ensure signature by all necessary parties and to do all things necessary to complete closure of said contract.

IN WITNESS WHEREOF, the undersigned has caused this Resolution to be executed this 16th day of December, 1999.



Gayle Landoll, Secretary

I, Gayle Landoll, Secretary of Kansas Workers Risk Cooperative for Counties, hereby certify that the following is a true and correct copy of a Resolution duly adopted by unanimous vote of the Board of Trustees of KWORCC at a meeting duly called and held on the 16th day of December, 1999 at which a quorum was present:

RESOLUTION #99-160

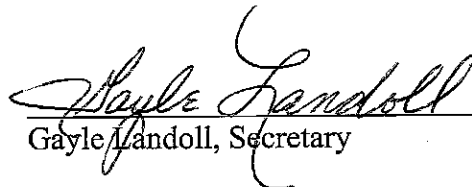
WHEREAS, KWORCC presented a bid to write workers compensation coverage to Lyon County, Kansas;

WHEREAS, the Lyon County, Kansas Commissioners voted unanimously on December 15, 1999 to accept KWORCC's bid to write their workers compensation insurance;

WHEREAS, it is in the best interest of the Pool to accept Lyon County, Kansas into the pool as a Member County;

NOW, THEREFORE, it is RESOLVED by the KWORCC Board of Trustees to accept Lyon County as a KWORCC Member County. Accordingly, KWORCC staff shall present resolution, bylaws and disclosure statements for signature by Lyon County, Kansas and do all other things necessary to provide full workers compensation coverage to Lyon County, Kansas, effective January 1, 2000.

IN WITNESS WHEREOF, the undersigned has caused this Resolution to be executed this 16th day of December, 1999.


Gayle Landoll, Secretary