

Minutes
Meeting, Board of Trustees
Kansas Worker Risk Cooperative for Counties
Clubhouse Inn
924 SW Henderson Rd., Topeka, Kansas
December 18, 2003

The December 2003 meeting of the Board of Trustees of the Kansas Workers Risk Cooperative for Counties (KWORCC) was called to order by Board President Sam Weaver on Thursday, December 18, 2003 at the Clubhouse Inn in Topeka. Trustees participating: Sam Weaver, Cherokee County Commissioner, President; Doyle "Hooley" Alcorn, Jewell County Commissioner, Vice President; Bonnie Swartz, Gray County Clerk, Secretary; Linda Buttron, Jefferson County Clerk, Controller; Michelle Garrett, Morris County Clerk; Francis "Shep" Schoepf, Reno County Commissioner and Ralph D. Unger, Decatur County Commissioner.

Staff participating: Mr. James W. Parrish, Administrator; Ms. Dortha O. Bird, Deputy Administrator/Staff Counsel; Carl D. Eyman, ARM-P, Deputy Administrator/Loss Prevention Specialist, Philip J. Rippee, Loss Prevention Specialist; Mr. Richard Alexander, Accountant and Ms. Christie Carney, Administrative Assistant/Media Developer.

Others participating: Gus Campuzano, Mr. Paul Davis, Ms. Marla Dipman and Kristine Sullivan of Insurance Management Associates, Inc. (IMA).

President Weaver called the meeting to order at 1:00 p.m. and addressed Agenda Item No. 2, "Approval of the Agenda." Mr. Schoepf moved to approve the agenda as presented. Mr. Unger seconded the motion which CARRIED unanimously.

President Weaver addressed Agenda Item No. 3, "Consideration of the Minutes of the Meeting of July 2003." Mr. Unger moved to approve the minutes as written. Mr. Alcorn seconded the motion which CARRIED unanimously.

President Weaver called upon Mr. Parrish to address Agenda Item No. 4, "Administrator's Report."

Mr. Parrish presented Check No. 9034 in the amount of \$7,027 written to PriceWaterhouse Coopers for the August 2003 Actuarial Analysis for approval.

Mr. Parrish stated there had been four wire transfers of funds since the last Board meeting, all of which were transferred from the KWORCC account at Country Club Bank in Prairie Village with the authorization of Ms. Buttron and Mr. Parrish. The first was completed on October 30, 2003 in the amount of \$50,000 to the KWORCC administrative account at Kaw Valley Bank in Topeka.

The second was completed on November 3, 2003 in the amount of \$275,674.57 to the IMA account at Intrust Bank in Wichita for October claims payment. The third transfer was completed on December 2, 2003 in the amount of \$162,622.04 to the KWORCC account at Intrust Bank in Wichita for November claims payments. The final transfer was completed on December 2, 2003 in the amount of \$50,000 to the KWORCC administrative account at Kaw Valley Bank in Topeka. Mr. Alcorn moved to approve Check No. 9034 and the four wire transfers as presented. Ms. Swartz seconded the motion which CARRIED unanimously.

Mr. Parrish presented Resolution No. 2003-94 admitting Sumner County as new member of the KWORCC pool. After discussion, Ms. Swartz moved to adopt Resolution No. 2003-94 admitting Sumner County as a member of KWORCC. Mr. Unger seconded the motion which CARRIED unanimously.

Mr. Parrish presented Resolution No. 2003-95 requesting the Kansas Department of Administration to waive the requirements of K.S.A. 75-1120a(a) as they apply to KWORCC for the year ending December 31, 2003. Mr. Unger moved to approve Resolution No. 2003-95. Mr. Schoepf seconded the motion which CARRIED unanimously.

Mr. Parrish next addressed the Metropolitan Topeka Airport Authority (MTAA) premium calculation. Mr. Parrish reminded the Trustees that the previous workers compensation insurance carrier for MTAA discontinued providing that coverage following the September 11, 2001 terrorist attack. MTAA was faced with assigned risk coverage and requested permission of KWORCC to join the pool. KWORCC has covered MTAA for the policy years 2002 and 2003. He then deferred to Ms. Bird for presentation of this item because Mr. Parrish serves on the Board of Directors of MTAA, a volunteer position that ends on December 31, 2003. Ms. Bird then explained that while MTAA generally has had a very good loss history, there was one significant whole body injury that has pushed MTAA's total losses well past premiums collected. She explained that because of a special NCCI classification for "Airport/Aircraft," MTAA's premiums were artificially low considering the nature of employment duties performed by MTAA's employees. In many ways, MTAA is similar to a county in that there are firefighters, law enforcement officers and maintenance workers.

Ms. Bird researched options available to collect a more reasonable premium from MTAA. After discussing the matter with IMA personnel and others, she determined that the Board of Trustees has the authority to utilize one or more additional employee class codes for MTAA in order to collect a premium more commensurate with the risk. She explained that although the National Council on Compensation Insurance (NCCI) requires its members to use an all-inclusive "Airport/Aircraft" classification for all airport employees other than clerical, KWORCC has the authority to reclassify MTAA workers because KWORCC is an affiliate of NCCI and not a member. In proposing various options for the Board to consider, she pointed out that MTAA had not been provided any advanced discount by KWORCC during the past two years of coverage because of the artificially low "Airport/Aircraft" employee class code. Because KWORCC was considering a much higher premium this year, KWORCC staff requested that MTAA seek quotes from other carriers to ensure the best price possible. She noted that the assigned risk policy for MTAA for 2004 would be close to \$70,000.

MTAA's premium using the "Airport/Aircraft" class code would be approximately \$41,000. Ms. Bird recommended reclassifying the MTAA safety employees who perform fire and police duties to the "Fire/Police" class code and offering an advanced discount of 15%, which would place MTAA's premium at \$51,578. She then presented a resolution for consideration by the Board to take action in accordance with her recommendation. After discussion, Mr. Schoepf moved to adopt Resolution No. 2003-96 which would reclassify MTAA's safety employees in the fire/police classification code. Ms. Swartz seconded the motion which CARRIED unanimously.

Mr. Parrish next presented Resolution No. 2003-97 requesting that the Board approve the premium calculations and allow staff to process premium statements in accordance with those calculations. Mr. Parrish acknowledged that many of the premiums were considerably higher, and for that reason, he and the KWORCC staff reviewed each county and compared them with previous years premiums and did so on numerous occasions. He pointed out that advanced discounts were restricted to a range between 0% to 15%, with the average being 12.5%. He pointed out that KWORCC's loss cost multiplier was increased by Board action in October, 2003 from 1.40 to 1.497. He stated that some members had large increases due to higher payrolls. In at least one instance, a member discontinued offering its employees family plan health insurance coverage and provided increased employee salaries in lieu thereof. This increased payroll caused that member's workers compensation premium to increase. In assigning the advanced discounts, he pointed out that staff carefully examined each member's willingness to cooperate with safety procedures, including regular safety inspections, safety seminars, the appointment of a safety coordinator and safety committee. He also noted that a member's willingness to place injured employees on modified duty was a factor in determining the amount of advanced discount. He pointed out that the reinsurance premiums were taking another dramatic jump, adding to KWORCC's cost of doing business, although KWORCC's other administrative costs were not increasing significantly, except as needed to handle new membership. Finally, Mr. Parrish pointed out that the premiums presented are competitive compared to what private insurance carriers would be able to offer. Trustees fielded numerous questions of staff regarding the premium calculations, with responses coming from Mr. Parrish, Ms. Bird and Mr. Eyman. Mr. Unger moved to adopt Resolution No. 2003-97. Mr. Schoepf seconded the motion which CARRIED unanimously.

Mr. Parrish then presented the IMA contract for the year 2004 and recommended its approval. Mr. Parrish explained that the cost for claims adjustment increased from \$145,000 to \$165,000 due to the increase in counties and county entities to be served by IMA. Ms. Swartz moved to approve the IMA contract for 2004. Ms. Buttron seconded the motion which CARRIED unanimously.

Mr. Parrish asked that Mr. Davis present KWORCC's excess workers compensation quotations for policy year 2004. Mr. Davis explained that he had solicited and received five quotations for specific and aggregate excess insurance. Mr. Davis reminded the Trustees that initial quotes for reinsurance were as high as \$430,000. Mr. Parrish stated that Mr. Davis had presented numerous alternatives for KWORCC staff to review, and it appeared that Employers Reinsurance Corporation offered the two most viable options. The first option sets the specific retention

attachment level at \$350,000 per claim and the second sets it at \$400,000 per claim. By choosing the higher of those two attachment levels, KWORCC would save approximately \$60,000 in premiums. After considerable discussion, Mr. Schoepf moved to accept Employers Reinsurance Corporation's premium quote of \$217,549 for a policy which offers an attachment level of \$400,000 per claim and an aggregate retention of \$6,042,331. Ms. Swartz seconded the motion which CARRIED unanimously.

Mr. Parrish presented the Parrish Management Corporation (PMCorp) and Jayhawk Tower Partners, LLC (Jayhawk) lease renewals for consideration. Mr. Parrish stated that the proposed lease and office sharing agreements are the same for 2004 as they were for 2003. After a brief discussion, Mr. Schoepf moved to approve the renewal of the PMCorp and Jayhawk leases. Mr. Alcorn seconded the motion which CARRIED unanimously.

Mr. Eyman reviewed the results of a safety questionnaire that was sent to various department heads within the KWORCC membership.

Mr. Parrish then made a proposal to approve December 26, 2003 as a KWORCC holiday for the 2003 year. Ms. Swartz moved to approve December 26, 2003 as a KWORCC holiday. Ms. Garrett seconded the motion which CARRIED unanimously.

The discussion next centered around the scheduling of Trustees-only meetings starting in 2004. The first meeting was tentatively scheduled for January 22, 2004 at 8:00 a.m. at the Clubhouse Inn in Topeka pending Board approval. Mr. Unger moved to approve the proposed meeting date and time. Ms. Swartz seconded the motion which CARRIED unanimously.

Mr. Parrish reviewed updated materials concerning the National PRIMA Conference scheduled to begin June 14th through June 16th, 2004. Trustees discussed the high quality of seminars presented at these meetings, and many expressed an interest in attending the conference.

Mr. Parrish presented for preliminary discussion the formation of a Claims Committee, consisting of three KWORCC Trustees. This committee could take action on claims which exceed the Administrator's authority in the event there is an urgent need for an immediate decision, as determined by the Administrator, in order to take advantage of a favorable settlement. President Weaver expressed approval of the idea, and Ms. Swartz suggested that it might be prudent to have an alternate in addition to the three-member Committee. Mr. Unger suggested that the committee could be made up of the Executive Officers. Mr. Parrish offered to prepare a more concrete proposal for such a committee for discussion at the January meeting.

President Weaver called upon Mr. Eyman and Mr. Rippee to address Agenda Item No.5, "Loss Prevention Reports and County Visits."

Mr. Eyman and Mr. Rippee reported on various county contacts and answered questions.

Mr. Eyman also reviewed the bidding activities over the last several weeks. Bids for renewal were successfully presented to Phillips County and Graham County. The new counties requesting bids include Ness, Woodson and Sumner, with Sumner electing to join KWORCC as previously discussed. Mr. Eyman requested that Ms. Bird present a request made to KWORCC by a new county health center called Flinthills Community Health Center(FCHC) in Lyon County. Ms. Bird indicated that Lyon County Commissioners were instrumental in setting up an entity to take over the Lyon County Health Department. Although this facility would operate according to federal guidelines, there is ample justification for considering it as a county instrumentality. The Attorney General's Office was still taking the position that this entity is not a county instrumentality; however, FCHC's attorney believes that he can persuade the Attorney General's office to change its position. Because the policy would begin on January 1, Ms. Bird requested authority from KWORCC to proceed to write the policy for FCHC if the Attorney General approves. After discussion, the Board agreed by unanimous consent to allow Ms. Bird to proceed to write the policy effective January 1, 2004, if the Attorney General approves of FCHC as a county instrumentality.

Mr. Unger indicated that he had received many positive comments regarding what KWORCC distributed at the KWORCC vendor booth. He further stated that he believes that KWORCC's efforts are to be commended in presenting give-aways at the annual KAC vendor fair that will keep KWORCC's name prominently in the minds of Member counties as well as potential member counties. Further, Mr. Unger stated that the success of the booth also can be measured in the manner in which KWORCC's benefits are communicated to all counties and in the feedback received by counties.

President Weaver addressed Agenda Item No. 6, "Claims Reports." Ms. Dipman reported on various claims and answered questions. Mr. Campuzano then presented Claim No. 02-3542 for settlement approval. Ms. Swartz moved to approve the settlement as discussed. Mr. Schoepf seconded the motion which CARRIED unanimously. Mr. Campuzano also presented Claim No. 01-8417 for settlement approval. This claim had previously been approved but the settlement had been rejected by the claimant. Mr. Alcorn moved to approve the new settlement as discussed. Ms. Swartz seconded the motion which CARRIED unanimously.

President Weaver then called for a 15 minute recess in the meeting.

When the meeting reconvened, President Weaver called upon Mr. Alexander to address Agenda Item No. 7, "Financial Report." Mr. Alexander discussed in detail the November 2003 financial condition and responded to questions. He also asked for any questions or comments concerning the October 2003 financial condition. After some discussion Mr. Schoepf moved to approve the October and November 2003 financial reports as presented. Ms. Swartz seconded the motion which CARRIED unanimously.

The check register was also presented by Mr. Alexander. Mr. Unger moved to approve check numbers 8915 through 9014. Ms. Garrett seconded the motion which CARRIED unanimously.

President Weaver called upon Mr. Parrish to address Agenda Item No. 8, "Legal Report." There were no legal issues to be discussed.

President Weaver addressed Agenda Item No. 9, "Committee Reports." Mr. Schoepf stated that the Investment Committee had met earlier in the day and recommended the approval of Resolution No. 2003-103 pertaining to the placement of investments. Mr. Unger moved to approve Resolution No. 2003-103. Mr. Schoepf seconded the motion which CARRIED unanimously.

President Weaver addressed Agenda Item No. 10, "Other Items." Mr. Parrish referred to his letter addressed to Insurance Commissioner Sandy Praeger which was distributed to the Trustees. This letter was a request that volunteer firefighters be imputed \$300 per annum of payroll, inasmuch as the approved rate of \$100 per annum is inequitable for several reasons. The letter was sent pursuant to the Board's directive in September.

There being no further business, Mr. Alcorn moved to adjourn the meeting at 4:20 p.m. Mr. Unger seconded the motion which CARRIED unanimously.

THE FOREGOING MINUTES of the Board of Trustees of Kansas Workers Risk Cooperative for Counties were approved by the Board of Trustees the 22nd day of January 2004.



Linda Buttron, Secretary
KWORCC Board of Trustees

Minutes
Meeting, Investment Committee
Kansas Worker Risk Cooperative For Counties
Clubhouse Inn, Topeka, Kansas
December 18, 2003

On Thursday, December 18, 2003, the Investment Committee of the Kansas Workers Risk Cooperative for Counties ("KWORCC") met at the Clubhouse Inn, Topeka, Kansas. The meeting was called to order by Committee Chair, F.E. "Shep" Schoepf at 12:50 a.m. Committee Members participating included: Francis "Shep" Schoepf, Reno County Commissioner; Sam Weaver, Cherokee County Commissioner and Ralph D. Unger, Decatur County Commissioner. Also present was James W. Parrish, Administrator.

Mr. Schoepf stated the purpose of the meeting and asked for approval of the minutes of the August 21, 2003 meeting of the Investment Committee. Upon motion duly made and seconded, the Committee approved the minutes by unanimous vote.

Mr. Parrish presented the list of government investments made by Chris Thompson at Country Club Bank during the four month period beginning August 1, 2003 through November 30, 2003, which were reviewed by the Committee. He noted that the Committee had received a copy of these investments with the notice of meeting. Whereupon, Mr. Unger moved to recommend to the KWORCC Board of Trustees the adoption of KWORCC Resolution No. 2003-103, approving KWORCC's government investments and sales beginning August 1, 2003 and through November 30, 2003. Mr. Weaver seconded the motion which CARRIED unanimously.

There being no further business, Mr. Schoepf declared the meeting was adjourned.

THE FOREGOING MINUTES of the Investment Committee of Kansas Workers Risk Cooperative for Counties were executed by the Chair of that Committee on January 22, 2004.


F.E. "Shep" Schoepf, Chair
KWORCC Investment Committee

I, Bonnie Swartz, Secretary of Kansas Workers Risk Cooperative for Counties ("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 18th day of December, 2003, at which a quorum was present and that said resolution has not been rescinded and is still in full force and effect:

RESOLUTION # 2003-103

WHEREAS, KWORCC has elected to place investments pursuant to Chapter 40 of Kansas Statutes Annotated, and thus is to comply with the provisions thereof;

WHEREAS, KSA 40-2a01 states, in pertinent part: "[C]ompany...may invest with the direction or approval of a majority of its board of directors or authorized committee thereof, any of its funds, or any part thereof in bonds or other evidences of indebtedness issued, assumed or guaranteed by the United States of America, or by any agency or instrumentality thereof;"

WHEREAS, KWORCC has invested in certain United States instruments during the period August 1, 2003 through November 30, 2003, which were reviewed by the Investment Committee at a meeting held at 12:15 p.m. on December 18, 2003. Pursuant to that meeting, the Investment Committee determined said investments to be in accordance with K.S.A. 40-2a01 and KWORCC's investment policy and has made a recommendation to the KWORCC Board of Trustees to approve those investments;

NOW, THEREFORE, it is RESOLVED by the KWORCC Board of Trustees that investment purchases made in United States Government securities from the period August 1, 2003 through November 30, 2003, having been reviewed by KWORCC's Investment Committee and made in accordance with K.S.A. 40-2a01 and KWORCC's investment policy hereby are approved.

IN WITNESS WHEREOF, the undersigned has caused this Resolution to be executed this 18th day of December, 2003.


Bonnie Swartz, Secretary

Pursuant to KSA 40-2a01. "United States government obligations: [C]ompany...may invest with the direction or approval of a majority of its board of directors or authorized committee thereof, any of its funds, or any part thereof in bonds or other evidences of indebtedness issued, assumed or guaranteed by the United States of America, or by any agency or instrumentality thereof."

Government Investments of KWORCC from 08/01/03 to 11/30/03

-----PURCHASED-----

<u>Transaction Date</u>	<u>Description</u>	<u>Coupon Rate/Maturity Date</u>	<u>Par/Shares</u>	<u>Principal RCVD/Cost</u>
08/25/03	FHLB 3.2 STEP UP 6.0 08/06	3.200-08/25/10	600,000	600,000.00
08/25/03	FEDERAL HOME LOAN BANK DN	1.034-09/17/03	750,000	749,511.25
08/27/03	FEDERAL HOME LOAN BANK DN	1.014-09/19/03	250,000	249,840.28
08/28/03	FHLB 3.0 STEP UP 5.0 02/06	3.000-08/28/08	500,000	500,000.00
09/17/03	FHLB 3.0 STEP UP 6.0 09/05	3.000-09/17/10	250,000	250,000.00
09/19/03	FEDERAL HOME LOAN BANK	4.000-09/19/08	200,000	200,000.00
09/19/03	FEDERAL HOME LOAN BANK DN	1.004-10/20/03	350,000	349,701.63
09/24/03	FNMA ONE TIME CALL	7.400-05/04/07	250,000	259,375.00
10/30/03	FHLB 4.0 STEP UP 7.0 04/07	4.000-10/30/13	250,000	250,000.00

-----SOLD-----

10/31/03	FHLB ONE TIME CALL	3.270-05/21/07	375,000	375,000.00
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I, Bonnie Swartz, 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 18th day of December, 2003, at which a quorum was present and that said Resolution has not been rescinded and is still in full force and effect:

RESOLUTION # 2003-97

WHEREAS, the KWORCC Board of Trustees has directed staff to calculate the premiums for workers compensation coverage for Member Counties for policy year 2004, 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 Kansas Insurance Department has published workers compensation loss cost rates, the experience modification factors have been calculated and estimated payroll from KWORCC Member Counties has been provided to KWORCC;

WHEREAS, the attached itemization for estimated premium for the year 2004 reflects that calculation by staff;

WHEREAS the insurance renewal date for Member Counties is January 1, 2004;

NOW, THEREFORE, the KWORCC Board of Trustees RESOLVES to adopt the attached rates of premium for the Member Counties and KWORCC Staff is directed to send out the premium statements;

FURTHER RESOLVED by the Board that KWORCC staff prepare the worksheets and premium invoices in accordance with the foregoing and forward the same to the Member Counties for payment;

IN WITNESS WHEREOF, the undersigned has caused this Resolution to be executed this 18th day of December, 2003.


Bonnie Swartz, Secretary

Named Insured	Certificate Number	Effective Date	Manual Premium	Premium Subject To E.M.	Exp. Mod.	Modified Premium	Advance Discount	Standard Premium	Premium Discount	Total Premium	Total Payroll	2003 Premiums	% Difference
Anderson County	1201 AD 04	1/1/2004	\$79,233	\$0,580	1.06	\$5,415	0.950	\$1,144	\$7,623	\$73,701	1,967,184	\$72,331	101.89%
Barbour County	1201 BA 04	1/1/2004	\$45,899	\$4,639	1.11	\$1,738	0.950	49,149	\$4,527	\$44,997	1,542,987	\$53,628	93.24%
Benton County	1201 BR 04	1/1/2004	\$94,022	\$5,450	1.04	\$8,888	0.900	79,991	\$8,238	71,923	2,104,035	\$75,514	116.85%
Bowling Green County	1201 BG 04	1/1/2004	\$44,752	\$4,513	1.12	\$0,974	0.900	45,877	\$4,237	41,820	1,097,202	\$35,789	116.85%
Cherokee County	1201 CE 04	1/1/2004	\$34,035	\$4,614	0.96	\$3,922	0.900	20,590	\$2,768	\$25,790	1,045,500	\$34,627	74.05%
Cherokee County	1201 CE 04	1/1/2004	\$15,585	\$1,750	0.90	\$0,595	0.900	65,216	\$9,595	\$68,961	3,393,894	\$87,823	\$7,775
Cherokee County	1201 CE 04	1/1/2004	\$66,653	\$7,788	0.94	\$3,718	0.900	57,347	\$5,342	\$52,185	2,053,328	\$65,119	80.14%
Clay County	1201 CO 04	1/1/2004	\$102,838	\$3,002	0.89	\$8,082	0.950	79,120	\$7,505	\$71,704	2,863,064	\$68,390	104.85%
Clay County	1201 CO 04	1/1/2004	\$29,398	\$2,988	0.92	\$2,504	0.900	24,754	\$2,233	\$22,661	858,369	\$30,550	73.28%
Clay County	1201 CO 04	1/1/2004	\$19,118	\$1,943	0.92	\$1,887	0.900	16,009	\$998	\$15,281	1,343,871	\$11,091	137.77%
Clay County	1201 CO 04	1/1/2004	\$52,129	\$3,016	0.93	\$4,314	0.875	43,141	\$3,730	\$39,592	1,145,905	\$29,116	135.98%
Clay County	1201 CO 04	1/1/2004	\$51,400	\$2,274	1.00	\$2,274	0.875	46,740	\$4,266	\$41,654	1,867,377	\$39,381	105.77%
Clay County	1201 CO 04	1/1/2004	\$25,510	\$2,510	1.00	\$2,510	0.875	22,510	\$2,510	\$20,000	1,792,359	\$48,048	115.99%
Clay County	1201 CO 04	1/1/2004	\$65,553	\$6,667	1.07	\$1,334	0.875	62,447	\$5,826	\$56,771	1,792,359	\$48,048	115.99%
Clay County	1201 CO 04	1/1/2004	\$216,130	\$22,188	0.97	\$215,183	0.875	188,285	\$20,185	\$168,282	6,485,431	\$134,203	125.39%
Clay County	1201 CO 04	1/1/2004	\$186,535	\$18,708	1.28	\$242,824	0.975	238,754	\$28,298	\$210,636	5,409,808	\$166,289	126.69%
Clay County	1201 CO 04	1/1/2004	\$186,570	\$18,402	1.34	\$228,988	1.000	228,998	\$23,517	\$203,681	6,193,581	\$145,117	140.34%
Clay County	1201 CO 04	1/1/2004	\$48,008	\$4,822	1.11	\$1,967	0.875	45,471	\$4,229	\$41,423	1,040,024	\$31,645	130.90%
Clay County	1201 CO 04	1/1/2004	\$48,008	\$4,822	1.31	\$3,957	0.900	57,561	\$5,756	\$51,955	1,068,948	\$43,432	118.69%
Clay County	1201 CO 04	1/1/2004	\$86,692	\$8,186	0.99	\$7,285	0.900	78,536	\$8,091	\$70,845	2,420,508	\$78,536	88.95%
Clay County	1201 CO 04	1/1/2004	\$95,549	\$9,173	0.92	\$8,212	0.875	71,857	\$7,050	\$64,986	2,256,720	\$59,374	108.45%
Clay County	1201 CO 04	1/1/2004	\$54,681	\$5,611	1.12	\$1,025	1.000	100,256	\$9,715	\$90,721	1,748,904	\$124,455	124.45%
Clay County	1201 CO 04	1/1/2004	\$105,832	\$10,631	0.94	\$10,174	0.875	88,527	\$9,030	\$79,447	3,247,188	\$84,759	123.04%
Clay County	1201 CO 04	1/1/2004	\$49,004	\$4,900	1.25	\$188,473	0.950	180,009	\$18,403	\$161,777	4,770,858	\$130,309	124.15%
Clay County	1201 CO 04	1/1/2004	\$84,034	\$8,403	0.74	\$63,242	0.875	53,337	\$5,589	\$49,928	1,656,498	\$63,628	76.47%
Clay County	1201 CO 04	1/1/2004	\$46,209	\$4,620	0.76	\$42,809	0.875	31,252	\$2,641	\$10,956	1,144,264	\$10,956	128.84%
Clay County	1201 CO 04	1/1/2004	\$51,732	\$5,173	1.12	\$8,924	0.925	54,599	\$5,998	\$49,087	1,341,750	\$66,108	87.49%
Clay County	1201 CO 04	1/1/2004	\$102,636	\$10,446	0.97	\$10,446	0.875	88,766	\$7,941	\$81,005	3,289,880	\$82,671	120.25%
Clay County	1201 CO 04	1/1/2004	\$211,316	\$21,136	1.35	\$290,177	1.000	290,177	\$29,448	\$260,859	6,589,182	\$198,823	132.55%
Clay County	1201 CO 04	1/1/2004	\$95,441	\$9,544	0.97	\$94,152	0.900	64,738	\$8,408	\$76,513	2,476,823	\$74,150	103.19%
Clay County	1201 CO 04	1/1/2004	\$72,186	\$7,218	0.82	\$60,182	0.875	52,689	\$4,786	\$48,073	1,990,321	\$45,994	94.47%
Clay County	1201 CO 04	1/1/2004	\$78,823	\$7,882	0.70	\$4,690	0.875	47,854	\$4,690	\$43,344	1,975,588	\$45,897	94.27%
Clay County	1201 CO 04	1/1/2004	\$30,184	\$3,018	0.66	\$20,476	0.875	176,292	\$8,872	\$165,982	7,314,438	\$150,840	103.41%
Clay County	1201 CO 04	1/1/2004	\$83,457	\$8,345	1.22	\$103,548	0.975	100,959	\$9,955	\$91,204	4,552,000	\$82,772	145.29%
Clay County	1201 CO 04	1/1/2004	\$40,791	\$4,079	1.06	\$43,239	0.925	39,986	\$3,814	\$36,362	1,106,490	\$44,562	81.60%
Clay County	1201 CO 04	1/1/2004	\$85,307	\$8,530	0.88	\$8,448	0.875	51,142	\$5,208	\$46,114	1,788,140	\$71,825	91.02%
Clay County	1201 CO 04	1/1/2004	\$72,770	\$7,277	1.33	\$6,785	1.000	98,785	\$9,872	\$87,003	3,332,000	\$121,093	121.09%
Clay County	1201 CO 04	1/1/2004	\$54,446	\$5,444	1.27	\$68,146	0.825	57,048	\$5,648	\$51,578	1,818,258	\$31,448	164.01%
Clay County	1201 CO 04	1/1/2004	\$79,396	\$7,939	1.24	\$100,125	1.000	100,125	\$10,313	\$89,922	2,545,316	\$87,984	102.29%
Clay County	1201 CO 04	1/1/2004	\$81,449	\$8,144	0.73	\$45,620	0.875	39,918	\$3,732	\$36,345	1,918,989	\$32,343	112.87%
Clay County	1201 CO 04	1/1/2004	\$77,928	\$7,792	1.08	\$8,591	0.875	85,591	\$8,155	\$77,816	2,687,523	\$88,553	87.65%
Clay County	1201 CO 04	1/1/2004	\$44,746	\$4,474	0.91	\$4,412	0.875	38,235	\$3,406	\$34,406	1,450,987	\$33,251	99.27%
Clay County	1201 CO 04	1/1/2004	\$60,944	\$6,094	0.85	\$5,168	0.900	48,951	\$4,591	\$42,540	1,818,258	\$52,666	80.77%
Clay County	1201 CO 04	1/1/2004	\$80,394	\$8,039	0.74	\$45,903	0.875	40,169	\$3,916	\$36,529	1,214,251	\$35,294	103.50%
Clay County	1201 CO 04	1/1/2004	\$68,563	\$6,856	0.93	\$4,848	0.950	55,121	\$5,457	\$49,844	1,784,723	\$37,947	131.35%
Clay County	1201 CO 04	1/1/2004	\$112,129	\$11,212	1.04	\$110,599	0.900	106,737	\$10,886	\$96,232	3,756,280	\$101,435	96.81%
Clay County	1201 CO 04	1/1/2004	\$41,372	\$4,137	0.74	\$3,136	0.875	27,244	\$2,312	\$25,112	983,846	\$25,913	98.91%
Clay County	1201 CO 04	1/1/2004	\$78,639	\$7,863	0.86	\$185,323	0.850	157,525	\$16,818	\$140,887	5,160,987	\$128,710	109.46%
Clay County	1201 CO 04	1/1/2004	\$278,099	\$28,079	1.00	\$280,793	0.950	280,793	\$28,839	\$251,954	8,777,549	\$186,571	128.71%
Clay County	1201 CO 04	1/1/2004	\$82,487	\$8,248	0.85	\$84,256	0.875	84,256	\$8,836	\$75,714	3,281,866	\$88,751	89.38%
Clay County	1201 CO 04	1/1/2004	\$82,487	\$8,248	1.00	\$84,256	0.875	84,256	\$8,836	\$75,714	3,281,866	\$88,751	89.38%
Clay County	1201 CO 04	1/1/2004	\$62,412	\$6,241	1.15	\$72,780	0.875	63,865	\$6,430	\$57,414	1,799,570	\$83,425	90.52%
Clay County	1201 CO 04	1/1/2004	\$62,412	\$6,241	1.17	\$74,252	0.875	64,971	\$6,128	\$59,025	1,982,322	\$80,946	116.09%
Clay County	1201 CO 04	1/1/2004	\$149,421	\$14,942	0.92	\$139,524	0.850	118,556	\$11,856	\$106,979	5,702,150	\$26,318	130.42%
Clay County	1201 CO 04	1/1/2004	\$168,368	\$16,836	1.11	\$190,066	1.000	190,066	\$21,668	\$168,368	5,000,323	\$81,983	130.42%
Clay County	1201 CO 04	1/1/2004	\$47,954	\$4,795	1.05	\$47,207	0.875	44,866	\$4,257	\$40,730	1,485,656	\$34,818	116.58%
Clay County	1201 CO 04	1/1/2004	\$56,945	\$5,694	0.850	\$52,018	0.850	46,765	\$3,961	\$42,984	1,931,065	\$26,318	163.22%
Clay County	1201 CO 04	1/1/2004	\$27,789	\$2,778	0.88	\$23,955	0.875	17,846	\$1,352	\$16,673	635,000	\$16,640	100.20%
Clay County	1201 CO 04	1/1/2004	\$6,161,232	\$6,251,969		\$6,360,287		\$5,833,776	\$588,928	\$5,220,499	188,428,448		

I, Bonnie Swartz, Secretary of Kansas Workers Risk Cooperative for Counties ("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 18th day of December, 2003, at which a quorum was present and that said resolution has not been rescinded and is still in full force and effect:

RESOLUTION # 2003-96

WHEREAS, KWORCC writes the workers compensation policy for Metropolitan Topeka Airport Authority (MTAA);

WHEREAS, KWORCC has determined that the payroll classification codes specified under the National Council on Compensation Insurance (NCCI) is too restrictive to adequately reflect the risk of the MTAA employees;

WHEREAS, KWORCC is not a member of NCCI, although KWORCC is an affiliate of NCCI, and thus the Board of Trustees of KWORCC has the latitude to adopt alternative payroll classification codes upon its determination that such accurately reflects the risk for a particular account;

WHEREAS, the KWORCC Board of Trustees has determined that to classify all employees of MTAA other than clerical as "Aircraft/Airport - 7423" does not accurately reflect the risk of those employees of MTAA who perform fire and police services, and that said employees are more appropriately classified under "Fire/Police - 7704";

NOW, THEREFORE, it is RESOLVED by the KWORCC Board of Trustees to rate those employees of MTAA who are performing Fire/Police under payroll classification code 7704 in policy premium calculations hereafter, beginning with policy year 2004.

IN WITNESS WHEREOF, the undersigned has caused this resolution to be executed this 18th day of December, 2003.


Bonnie Swartz, Secretary

I, Bonnie Swartz, 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 18th day of December, 2003, at which a quorum was present and that said Resolution has not been rescinded and is still in full force and effect:

RESOLUTION # 2003-95

WHEREAS the Kansas Workers Risk Cooperative for Counties has determined that the financial statements and financial reports to be prepared for the year ending December 31, 2003, if prepared in conformity with the requirements of K.S.A. 75-1120a(a) will not be 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;

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 ending December 31, 2003,

NOW, THEREFORE BE IT RESOLVED, by the Board of Trustees of Kansas Workers Risk Cooperative for Counties, in regular meeting duly assembled this 19th day of December, 2002, that the Board of Trustees request the Director of Accounts and Reports waive the requirements of K.S.A. 75-1120a(a) as they apply to the Kansas Workers Risk Cooperative for Counties for the year ending December 31, 2003.

BE IT FURTHER RESOLVED that the Board of Trustees shall cause the financial statements and financial reports of 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 this 18th day of December, 2003.


Bonnie Swartz, Secretary

KWORCC

KANSAS
WORKERS RISK COOPERATIVE
for COUNTIES

December 18, 2003

Trustees

Sam Weaver
Cherokee County Commissioner
President

Doyle "Hooley" Alcorn
Jewell County Commissioner
Vice President

Bonnie Swartz
Gray County Clerk
Secretary

Linda M. Buttron
Jefferson County Clerk
Controller

Michelle Garrett
Morris County Clerk

Francis "Shep" Schoepf
Reno County Commissioner

Ralph D. Unger
Decatur County Commissioner

Staff

James W. Parrish
Administrator

Dortha O. Bird
Deputy Administrator
& Staff Counsel

Carl Eyman, ARM-P
Deputy Administrator &
Loss Prevention Specialist

Philip J. Rippee
Loss Prevention Specialist

Richard Alexander "Alex"
Accountant

Christie Carney
Administrative Assistant
& Media Developer

Office Address
Jayhawk Towers
700 SW Jackson, Suite 200
Topeka, KS 66603

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

Internet
E-mail: kworcc@aol.com
Website: www.kworcc.com

Mr. Dale Brunton, Director
Division of Accounts and Reports
900 SW Jackson - Room 351S
Landon State Office Building
Topeka, Kansas 66612-1248

Dear Director:

Pursuant to KWORCC Resolution #2003-95, passed at its meeting on December 18, 2003 (photocopy enclosed for your immediate reference), the Board of Trustees found that financial statements and financial reports prepared in conformity with generally accepted accounting principles are not relevant to the requirements of the cash basis and budget laws of Kansas 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.

In accordance with K.S.A. 75-1120a(c)(1), the Board of Trustees hereby requests a waiver from the preparation of financial statements and financial reports prepared in conformity with generally accepted accounting principles for the year ended December 31, 2003. It is the intention of the Cooperative to prepare its financial statements and financial reports utilizing the statutory basis of accounting in accordance with the rules and regulations as set forth by the Kansas Insurance Commissioner.

Most sincerely,



Sam Weaver, President
Board of Trustees

SW:db
pc:File
KWORCC Board of Trustees
Enclosure

I, Bonnie Swartz, Secretary of Kansas Workers Risk Cooperative for Counties ("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 18th day of December, 2003, at which a quorum was present and that said resolution has not been rescinded and is still in full force and effect:

RESOLUTION # 2003-94

WHEREAS, KWORCC presented a competitive bid to write workers compensation coverage for Sumner County for policy period of January 1, 2004 to January 1, 2005.

WHEREAS, the Board of County Commission of Sumner County voted unanimously to accept KWORCC's bid to write their workers compensation insurance;

WHEREAS, it is in the best interest of KWORCC to accept Sumner County into the KWORCC self-insurance pool;

NOW, THEREFORE, it is RESOLVED by the KWORCC Board of Trustees to accept Sumner County for membership in KWORCC. Accordingly, KWORCC staff shall do all things necessary to provide full workers compensation coverage to same.

IN WITNESS WHEREOF, the undersigned has caused this resolution to be executed this 18th day of December, 2003.


Bonnie Swartz, Secretary

***Minutes of the KWORCC
Annual Meeting***

**Sheraton Overland Park Hotel
Overland Park, Kansas
November 23, 2003**

The Annual Meeting of Kansas Workers Risk Cooperative for Counties (KWORCC) was called to order by Board President Sam Weaver on Tuesday, November 23, 2003 at the Sheraton Overland Park Hotel, Overland Park, Kansas. Trustees present: Sam Weaver, Cherokee County Commissioner, President; Doyle "Hooley" Alcorn, Jewell County Commissioner, Vice President; Bonnie Swartz, Gray County Clerk, Secretary; Linda Buttron, Jefferson County Clerk, Controller; Michelle Garrett, Morris County Clerk, Francis "Shep" Schoepf, Reno County Commissioner and Ralph Unger, Decatur County Commissioner

Staff present: Mr. James W. Parrish, Administrator; Ms. Dortha O. Bird, Deputy Administrator/Staff Counsel; Mr. Carl Eyman, Deputy Administrator/Loss Prevention Specialist; Mr. Philip Rippee, Loss Prevention Specialist; Mr. Richard Alexander, Accountant and Ms. Christie Carney, Administrative Assistant/Media Developer.

Others present for KWORCC: Mr. Paul Davis of Insurance Management Associates, Inc.

President Weaver called the meeting to order at 1:45 p.m. and verified that a quorum was present. He announced that a total of 39 Member County representatives were present and the quorum requirements were met.

Member County representatives were present as follows: Phyllis Gettler, Anderson County Clerk, Delegate; Patrick Collins, Cherokee County Commissioner, Delegate; Richard Chartier, Cloud County Commissioner, Delegate; Ralph D. Unger, Decatur County Commissioner, Delegate; Lavel Heitschmidt, Ellsworth County Commissioner, Delegate; Donald R. Stottlemire, Franklin County Commissioner, Delegate; Florence Whitebread, Geary County Commissioner, Delegate; Mahlon Tuttle, Gove County Commissioner, Delegate; Gene Schwein, Grant County Commissioner, Delegate; Bonnie Swartz, Gray County Clerk, Delegate; Edward E. Buckle, Greenwood County Commissioner, Delegate; Jamie Cheatum, Hamilton County Commissioner, Delegate; Cheryl Adelhardt, Harper County Clerk, Delegate; Raymond H. Brown, Haskell County Clerk, Delegate; Lois Pelton, Jackson County Commissioner, Delegate; Linda Buttron, Jefferson County Clerk, Delegate; Doyle H. Alcorn, Jewell County Commissioner, Delegate; John D. Lawrence, Lane County Commissioner, Delegate; Dwight Heller, Lincoln County Commissioner, Delegate; Don Proffitt, Linn County Commissioner, Delegate; Peggy Torrens, Lyon County Commissioner, Delegate; Bob Hein, Marion County Commissioner, Delegate; David R. Stump, Marshall County Commissioner, Delegate; Jerry Britt, Morris County Commissioner, Delegate; Allen Tucker, Morton County Commissioner, Delegate; Ron Clements, Neosho County Commissioner, Delegate; John Miller,

Norton County Commissioner, Delegate; Carl Myer, Osage County Commissioner, Delegate; William C. Cady, Osborne County Commissioner, Delegate; Ray McGavran, Ottawa County Commissioner, Delegate; Kathy Bowman, Pawnee County Commissioner, Delegate; Rodger Van Loenen, Phillips County Commissioner, Delegate; F.E. "Shep" Schoepf, Reno County Commissioner, Delegate; William Hickert, Russell County Commissioner, Delegate; Mike White, Saline County Commissioner, Delegate; Chuck Thomas, Sherman County Commissioner, Alternate; Melvin Webb, Stevens County Commissioner, Delegate; Ron Evans, Thomas County Commissioner, Delegate and John Miller, Wallace County Commissioner, Delegate.

President Weaver then addressed Agenda Item No. 2, "Approval of the Agenda." A motion to approve the agenda as presented was made and seconded. The motion CARRIED unanimously.

President Weaver addressed Agenda Item No. 3, "Consideration of the Minutes of the Meeting of November 17, 2002." Norton County Commissioner John Miller moved to approve the minutes as written. Gray County Clerk Bonnie Swartz seconded the motion which CARRIED unanimously.

President Weaver then addressed the membership, pursuant to Agenda Item No. 4, "President's Opening Remarks". President Weaver introduced the KWORCC Board of Trustees and the KWORCC staff. He discussed the current status of KWORCC membership, noting that the pool had grown from 59 Members since the last annual meeting to 67 Members; 63 County Members, 3 county hospitals and 1 airport authority. He stated that KWORCC was bidding four new potential Members this fall and that an increase in membership was expected..

Next, President Weaver explained that the KWORCC Board meets once every month, except in November when the annual meeting is scheduled. He stated that the pool also has three committees that meet periodically and make recommendations to the full Board. They include: Personnel Committee, Investment Committee and Audit Committee.

President Weaver indicated that KWORCC is financially strong, with \$8 million in assets. He explained that due to the growth of the pool, however, the Board of Trustees has determined that it is necessary to increase reserves so that the pool will continue to stay in this strong position. In this regard, a Member Protection Fund was implemented that will be enhanced each year so there will be money in reserve to protect the Membership in the event of a catastrophic year. President Weaver stated that the KWORCC Board of Trustees and staff believe that this gives the Membership added protection.

President Weaver next explained that the entire insurance market, including KWORCC, was experiencing a dramatic increase in the cost of reinsurance. He stated that the Board of Trustees and staff believe, however, that premium increases for the Membership could still be held to a range of 10 to 15 percent, depending on the member's loss experience. President Weaver assured the Membership that notwithstanding the increase in premiums, KWORCC is in a very competitive position in the workers compensation market.

President Weaver called upon Richard Alexander to address Agenda Item No. 5, "Financial Report." Mr. Alexander presented the statement of financial condition as of September 30, 2003 and the 2003 Statement of Operations. Mr. Alexander asked for and responded to questions concerning the financial information.

President Weaver called upon Mr. Eyman and Mr. Rippee to address Agenda Item No. 6, "Safety Services Report." Mr. Eyman and Mr. Rippee reviewed their schedules for the 2003 year to-date. They also explained the various training programs that were offered through KWORCC for the Membership.

President Weaver then called upon Mr. Eyman to make a presentation pursuant to Agenda Item No. 7, "Exceptional Loss Ratio Awards." Mr. Eyman explained that the awards are broken down into three categories, according to the Member County's premium. The awards presented by Mr. Eyman were as follows:

<u>Premium</u>	<u>Winners</u>	<u>Ratio</u>
0-\$45,000	1 st - Elk County	.004%
	2 nd - Sheridan County	.006%
	3 rd - Brown County	.015%
\$45,000-\$75,000	1 st - Morris County	.016%
	2 nd - Sherman County	.018%
	3 rd - Bourbon	.035%
Greater than \$75,000	1 st - Saline County	.015%
	2 nd - Miami County	.122%

Delegates for those winners represented came forward to receive the awards from Mr. Eyman on behalf of their Member County

President Weaver addressed Agenda Item No. 8, "Loyal Membership Awards." President Weaver stated that the Member Counties being recognized were those that had remained with KWORCC through its 12 years of operation. He asked that these Member Counties come forward to be recognized and remaining standing as he called them forward so that the whole group could be congratulated. The loyal Member Counties include: Anderson County; Barber County; Cherokee County; Cloud County; Comanche County; Decatur County; Edwards County; Elk County; Franklin County; Geary County; Gove County; Gray County; Jewell County; Lincoln County; Marshall County; Meade County; Miami County; Mitchell County; Morton County; Neosho County; Norton County; Osborne County; Ottawa County; Rawlins County; Reno County; Saline County; Stevens County and Thomas County.

President Weaver called upon Mr. Parrish to address Agenda Item No. 9, "Presentation of 2004 Budget." Mr. Parrish explained that this budget was the one approved by the Board of Trustees at their October board meeting. After reviewing the budget, Mr. Parrish asked for and responded to questions. A motion was made and seconded to receive and file the budget as presented. The motion CARRIED unanimously.

President Weaver next addressed Agenda Items No. 10 and No. 11, "Election of KWORCC Trustees." and "Comments from Board of Trustees" respectively. President Weaver announced that there were four (4) positions open, With nominations received for: Sam Weaver, Cherokee County Commissioner, incumbent; Ralph D. Unger, Decatur County Commissioner, incumbent; Doyle "Hooley" Alcorn, Jewell County Commissioner, incumbent; Francis "Shep" Schoepf, Reno County Commissioner, incumbent; Bob Hein, Marion County Commissioner; Arthur Godfrey, Miami County Commissioner and Richard Carlson, Pottawatomie County Commissioner. President Weaver then asked for nominations from the floor. Seeing none, President Weaver stated that each of the nominees would have two minutes to make statements to the Membership. After the nominees had presented their statements, the Delegates cast their votes and the ballots were collected. President Weaver asked for volunteers to tally the votes. The volunteers were: Richard Chartier, Cloud County Commissioner; Karen Hartenbower, Lyon County Clerk and John Miller, Wallace County Commissioner.

While votes were being counted, Mr. Parrish answered questions concerning KWORCC from the Membership.

Upon the return of the ballot counting panel, Mr. Weaver announced that Messrs. Unger, Alcorn, Schoepf and Weaver were elected to the KWORCC Board of Trustees for a 2-year term beginning January 1, 2004.

President Weaver then asked if there was any further business to discuss. Seeing that there was none, President Weaver requested a motion to adjourn. Grant County Commissioner Gene Schwein moved to adjourn the 2003 KWORCC Annual Meeting. Jewell County Commissioner Doyle "Hooley" Alcorn seconded the motion which CARRIED unanimously.

The meeting adjourned at 3.07 p.m.

Respectfully Submitted for Approval:


Bonnie Swartz, Secretary

Minutes
Meeting, Board of Trustees
Kansas Worker Risk Cooperative for Counties
Clubhouse Inn
924 SW Henderson Rd., Topeka, Kansas
October 23, 2003

The October 2003 meeting of the Board of Trustees of the Kansas Workers Risk Cooperative for Counties (KWORCC) was called to order by Board President Sam Weaver on Thursday, October 23, 2003 at the Clubhouse Inn in Topeka. Trustees participating: Sam Weaver, Cherokee County Commissioner, President; Doyle "Hooley" Alcorn, Jewell County Commissioner, Vice President; Bonnie Swartz, Gray County Clerk, Secretary, Michelle Garrett, Morris County Clerk; Francis "Shep" Schoepf, Reno County Commissioner and Ralph D. Unger, Decatur County Commissioner.

Staff participating: Mr. James W. Parrish, Administrator; Ms. Dortha O. Bird, Deputy Administrator/Staff Counsel; Carl D. Eyman, ARM-P, Deputy Administrator/Loss Prevention Specialist, Philip J. Rippee, Loss Prevention Specialist; Mr. Richard Alexander, Accountant and Ms. Christie Carney, Administrative Assistant/Media Developer.

Others participating: Ms. Annette Duncan, Mr. Paul Davis, Ms. Marla Dipman and Mr. Tris Felix of Insurance Management Associates, Inc. (IMA).

President Weaver called the meeting to order at 1:20 p.m. and addressed Agenda Item No. 2, "Approval of the Agenda." Mr. Schoepf moved to approve the agenda as presented. Mr. Unger seconded the motion which CARRIED unanimously.

President Weaver addressed Agenda Item No. 3, "Consideration of the Minutes of the Meeting of July 2003." Mr. Unger noted that the location of the meeting was incorrect. Mr. Unger moved to approve the minutes with the location corrected. Ms. Swartz seconded the motion which CARRIED unanimously.

President Weaver called upon Mr. Parrish to address Agenda Item No. 4, "Administrator's Report."

Mr. Parrish presented Check No. 8921 in the amount of \$14,500 written to IMA as the final installment of 10 for claims adjustment for approval.

Mr. Parrish stated there had been eight wire transfers of funds since the last Board meeting, all of which were transferred from the KWORCC account at Country Club Bank in Prairie Village with the authorization of Ms. Buttron and Mr. Parrish. The first was completed on September 25, 2003 in the amount of 64,004.56 to the KWORCC account at Intrust Bank in Wichita for special claims billing. The second was completed on September 25, 2003 in the amount of \$26,071 to the IMA account at Emprise Bank in Wichita for additional premiums resulting from the 2002 reinsurance audit. The third transfer was completed on September 25, 2003 in the amount of \$50,000

to the KWORCC administrative account at Kaw Valley Bank in Topeka. The fourth transfer was completed on October 1, 2003 in the amount of \$124,713.28 to the KWORCC account at Intrust Bank in Wichita for September claims payment. The fifth transfer was completed on October 8, 2003 in the amount of \$46,460.88 to the KWORCC account at Intrust Bank in Wichita for special claims billing. The sixth transfer was completed on October 9, 2003 in the amount of \$45,500 to the KWORCC account at Intrust Bank in Wichita for special claims billing. The seventh transfer was completed on October 15, 2003 in the amount of \$44,026.61 to the KWORCC account at Intrust Bank in Wichita for special settlement billing. The eighth and final transfer was completed on October 20, 2003 in the amount of \$18,287.33 to the KWORCC account at Intrust Bank in Wichita for special settlement billing. Ms. Swartz moved to approve Check No. 8921 and the eight wire transfers as presented. Mr. Schoepf seconded the motion which CARRIED unanimously.

Mr. Parrish reviewed next the purchase of replacement computer equipment for office staff. He stated that two personal computers and monitors had been purchased in May for Ms. Bird and Mr. Eyman. A new laptop had also been purchased in August for use by Mr. Eyman while on the road. Mr. Eyman's current laptop was reassigned to Mr. Rippee. Mr. Parrish also stated that, according to computer consultant Kurt Schmidt, the street value of each of the old computers with monitors was between \$150 and \$250. Mr. Alcorn noted that a recent sale of used computers in his county brought offers of approximately \$100 per computer. Mr. Parrish stated that because there is a computer technician on staff at Parrish Management Corporation (PMCorp) PMCorp offered to purchase the used computers at a price of \$250 for each computer and monitor if the transaction is approved by the Trustees in advance. Mr. Unger moved to approve the purchases of the new computers and to accept the offer from PMCorp to buy the used computers. Ms. Swartz seconded the motion which CARRIED unanimously.

Mr. Parrish then reviewed the actuarial report received from PricewaterhouseCoopers, LLP (PWC). He stated that PWC reviewed loss data through the end of August 2003 and has revised its projections for the ultimate loss for 2002 and 2003. In addition, the ultimate loss for 2004 is projected to be \$1.80 per \$100 of payroll. Mr. Parrish reviewed the report, including the charts and modes of analysis used by the actuary and answered questions. Mr. Parrish indicated that the ultimate loss for 2004 identified by PWC was adequately conservative to protect KWORCC and that the revised proposed budget for 2004 incorporates this information.

Paul Davis offered a presentation concerning KWORCC's loss trends. He also presented a loss cost multiplier analysis. The Board discussed the need to increase the loss cost multiplier in order to increase the reserves, so that the reserves keep up with the rapid growth of the pool. Mr. Parrish recommended that the loss cost multiplier be increased at least to 1.470. He noted the loss cost multiplier would need to be 1.497 in order to increase the reserves by roughly \$300,000 taking into consideration the loss data since 1998 as well as anticipated revenue and expenses for 2004. After further discussion, Mr. Schoepf moved to file a request with the Kansas Insurance Department to increase KWORCC's loss cost multiplier to 1.497. Mr. Unger seconded the motion which CARRIED unanimously.

Mr. Parrish reviewed the proposed budget which differs slightly from previous budget drafts and which takes into consideration the Board's action on the loss cost multiplier and the ultimate loss proposed by the actuary. Ms. Swartz moved to adopt the budget as revised and presented. Mr. Alcorn seconded the motion which CARRIED unanimously.

Mr. Parrish then presented a list of possible topics to be included at the board meetings next year in response to Mr. Alcorn's request that training be made available for Trustees. The tentative schedule is as follows, subject to change at the discretion of the Trustees:

January—Balance Sheet 101
February—Income Statement 101
March—Experience Modification Factor: How Does It Work?
April—Review of Investments and State of the Market
May—Workplace Violence
June—Review Information from National PRIMA Conference
July—Work Disability Claims: Why Are They So Expensive?
August—Ultimate Loss: Where Do We Stand?
September—Loss Data Review: Statistics and More
October—Establish Safety Coordinator & Safety Committee

Mr. Parrish explained that the training would be presented by various staff members, IMA personnel and Chris Thompson of Country Club Bank.

Mr. Parrish then distributed a sample plaque for presentation at the annual meeting in appreciation of KWORCC members who have been with the pool since its inception.

Trustees were given a sign-up sheet so that they could choose what time would be most convenient for them to be present at KWORCC's vendor booth during the Kansas Association of Counties annual conference in November.

Mr. Parrish then reviewed a listing of delegates registered to attend the annual meeting. He said if most registered delegates attend the meeting, there would be a quorum. A list of persons nominated for Trustee positions also was examined.

The Board and staff reviewed the calendar for 2004 and the following meeting dates were selected, subject to change as determined by the Board with timely notification: January 22, 2004; February 19, 2004; March 18, 2004; April 22, 2004; May 20, 2004; June 10, 2004 (scheduled to be held via teleconference); July 22, 2004; August 19, 2004; September 16, 2004; October 21, 2004 and December 16, 2004. The annual meeting is tentatively scheduled to coincide with the Kansas Association of Counties annual meeting, which will be held in November.

President Weaver then called for a 15 minute recess in the meeting.

When the meeting reconvened, President Weaver called upon Mr. Eyman and Mr. Rippee to address Agenda Item No.5, "Loss Prevention Reports and County Visits."

Mr. Eyman and Mr. Rippee reported on various county contacts and answered questions.

Mr. Eyman then presented the Marketing Report, stating that KWORCC had been asked to present bids to Ness County and Woodson County in November.

President Weaver addressed Agenda Item No. 6, "Claims Reports." Ms. Duncan reported on various claims and answered questions.

President Weaver called upon Mr. Alexander to address Agenda Item No. 7, "Financial Report." Mr. Alexander discussed in detail the September 2003 financial condition and responded to questions. After some discussion Ms. Swartz moved to approve the September 2003 financial report as presented. Mr. Schoepf seconded the motion which CARRIED unanimously.

Mr. Alexander then reviewed the Kansas Insurance Department's third quarterly filing report and answered questions. Ms. Swartz moved to approve the report. Ms. Garrett seconded the motion which CARRIED unanimously.

The check register was also presented by Mr. Alexander. Mr. Unger moved to approve check numbers 8831 through 8914. Mr. Schoepf seconded the motion which CARRIED unanimously.

President Weaver called upon Mr. Parrish to address Agenda Item No. 8, "Legal Report." Ms. Bird stated that she received a call from Dave Brumman, an attorney with the Department of Treasury Terrorism Risk Insurance Program. Mr. Brumman stated that his department is actively reviewing KWORCC's request for an interpretation of the applicability of Terrorism Risk Insurance Act to KWORCC and KWORCC's inclusion in the Terrorism Risk Insurance Program.

President Weaver addressed Agenda Item No. 9, "Committee Reports." There were no reports to be offered.

President Weaver addressed Agenda Item No. 10, "Other Items." The Trustees requested that KWORCC staff research current tax rules to determine whether any part of mileage and per diem reimbursements received by the Trustees are taxable income to them.

There being no further business, Mr. Unger moved to adjourn the meeting at 4:10 p.m. Ms. Garrett seconded the motion which CARRIED unanimously.

THE FOREGOING MINUTES of the Board of Trustees of Kansas Workers Risk Cooperative for Counties were approved by the Board of Trustees the 18th day of December 2003.


Bonnie Swartz, Secretary
KWORCC Board of Trustees

Minutes
Meeting, Board of Trustees
Kansas Worker Risk Cooperative for Counties
IMA Topeka Office
1634 SW Topeka Blvd., Topeka, Kansas
September 18, 2003

The September 2003 meeting of the Board of Trustees of the Kansas Workers Risk Cooperative for Counties (KWORCC) was called to order by Board President Sam Weaver on Thursday, September 18, 2003 at IMA Topeka Office. Trustees participating: Sam Weaver, Cherokee County Commissioner, President; Doyle "Hooley" Alcorn, Jewell County Commissioner, Vice President; Bonnie Swartz, Gray County Clerk, Secretary, Linda Buttron, Jefferson County Clerk, Controller; Michelle Garrett, Morris County Clerk; Francis "Shep" Schoepf, Reno County Commissioner and Ralph D. Unger, Decatur County Commissioner.

Staff participating: Mr. James W. Parrish, Administrator; Ms. Dortha O. Bird, Deputy Administrator/Staff Counsel; Carl D. Eyman, ARM-P, Deputy Administrator/Loss Prevention Specialist, Philip J. Rippee, Loss Prevention Specialist; Mr. Richard Alexander, Accountant and Ms. Christie Carney, Administrative Assistant/Media Developer.

Others participating: Mr. Gus Campuzano, Ms. Annette Duncan, Mr. Paul Davis, Mr. Paul Starr, Ms. Kristine Sullivan and Ms. Marla Dipman of Insurance Management Associates, Inc. (IMA).

President Weaver called the meeting to order at 12:40 p.m. and addressed Agenda Item No. 3, "Approval of the Agenda." Mr. Schoepf moved to approve the agenda as presented. Ms. Swartz seconded the motion which CARRIED unanimously.

President Weaver addressed Agenda Item No. 4, "Consideration of the Minutes of the Meeting of July 2003." Mr. Unger moved to approve the minutes as written. Mr. Alcorn seconded the motion which CARRIED unanimously.

President Weaver called upon Mr. Parrish to address Agenda Item No. 5, "Administrator's Report."

Mr. Parrish presented two checks for approval. The first was Check No. 8853 in the amount of \$14,500 written to IMA as the ninth of 10 installments for claims adjustment fees and the second was Check No. 8854 in the amount of \$13,031.24 written to IMA for special billing for claims.

Mr. Parrish stated there had been three wire transfers of funds since the last Board meeting, both of which were authorized by Ms. Buttron and Mr. Parrish. The first was completed on August 25, 2003 in the amount of \$41,724,379 from the KWORCC account at Country Club Bank in Prairie Village to the KWORCC account at Intrust Bank in Wichita for special billing for claims. The second was completed on September 3, 2003 in the amount of \$163,223.60 from the KWORCC

account at Country Club Bank in Prairie Village to the KWORCC account at Intrust Bank in Wichita for August claims payments. The final transfer was completed on September 3, 2003 in the amount of \$50,000.00 from the KWORCC account at Country Club Bank in Prairie Village to the KWORCC administrative account at Kaw Valley Bank in Topeka. Mr. Alcorn moved to approve Check Nos. 8853 and 8854 and the three wire transfers as presented. Ms. Swartz seconded the motion which CARRIED unanimously.

Kansas Insurance Commissioner Sandy Praeger and Bill Wempe, Director of Property and Casualty Division of the Kansas Insurance Department, then arrived to join the meeting. President Weaver welcomed the Commissioner and Mr. Wempe. Mr. Parrish thanked Commissioner Praeger for attending the meeting. He then introduced each Board Member and gave a brief overview of KWORCC's membership and function. He then asked KWORCC staff members to introduce themselves.

Commissioner Praeger gave a presentation concerning Kansas self-insurance pools and what the Insurance Commissioner's office offers to support self-insurance pools in the state of Kansas. She stated that pools provide a viable alternative for small governmental entities to enjoy the benefits of self-insurance. The Board then took the opportunity to ask Commissioner Praeger questions. Mr. Wempe assisted the Commissioner by providing information to the Board. Board Members thanked Commissioner Praeger for her attendance at the KWORCC meeting and commended her ongoing efforts to educate Kansans concerning services offered by the Kansas Insurance Department.

Mr. Parrish resumed his presentation of the Administrators Report by reviewing the preliminary 2004 budget draft. He noted changes from the amended 2003 budget, which include increases in gross revenues and expenses due to KWORCC's growth. He explained that KWORCC is facing another large increase in reinsurance costs. At Mr. Parrish's request, Mr. Davis explained IMA's efforts to procure the lowest possible reinsurance quotes and promised to continue those efforts and provide updates. Mr. Parrish also explained that the income figure and ultimate loss figures may change as payroll information, experience modification factors and the actuarial reports are received. He stated that the Board would receive budget updates as more information becomes available to enable the Board to pass a budget at the October meeting.

Mr. Parrish reviewed the revised guidelines for KWORCC membership. Mr. Unger suggested that the title include "underwriting standards." Mr. Parrish recommended that the Board adopt these guidelines with the option to make amendments as needed. Mr. Unger moved to adopt the guidelines with the change in title. Mr. Schoepf seconded the motion which CARRIED unanimously.

President Weaver then called for a 15 minute recess in the meeting.

When the meeting reconvened, President Weaver called upon Mr. Eyman and Mr. Rippee to address Agenda Item No.6, "Loss Prevention Reports and County Visits."

First, Mr. Eyman spoke to the issue of losses incurred by volunteer firefighters. The data indicates that volunteer firefighter injuries are consuming more premiums than are generated for their class code. Mr. Unger indicated that it would be wise for KWORCC to request revision in the Kansas Insurance Department's regulations concerning premiums charged for volunteer firefighters.

After some discussion, Mr. Unger moved that Ms. Bird write a letter to the Kansas Insurance Department requesting that the guidelines for premiums charged for volunteer firefighters be modified from \$100 per firefighter to \$300 per firefighter, the national standard according to the National Council for Compensation Insurers. Ms. Swartz seconded the motion which CARRIED unanimously.

Next Mr. Eyman and Mr. Rippee reported on various county contacts and answered questions.

Mr. Eyman then presented the Marketing Report, stating that Wabaunsee County did not choose KWORCC for its workers compensation insurance coverage. He did, however, state that KWORCC would possibly have the opportunity to bid Chase County and Woodson County in the future.

President Weaver addressed Agenda Item No. 7, "Claims Reports." Mr. Parrish reported that the total incurred losses through the end of August remained within the projected ultimate loss for the same time period.

Ms. Duncan then introduced Ms. Marla Dipman. Ms. Dipman will be filling in for Ms. Duncan during her maternity leave. Ms. Duncan next reported on various claims and answered questions. Ms. Duncan presented Claim No. 00-7382 for settlement approval. Ms. Swartz moved to approve the settlement as discussed. Mr. Schoepf seconded the motion which CARRIED unanimously. Ms. Duncan also presented Claim No. 01-8417 for settlement approval. Mr. Schoepf moved to approve the settlement as discussed. Ms. Swartz seconded the motion which CARRIED unanimously.

President Weaver called upon Mr. Alexander to address Agenda Item No. 8, "Financial Report." Mr. Alexander discussed in detail the August 2003 financial condition and responded to questions. After a brief discussion Ms. Buttron moved to approve the August 2003 financial report as presented. Ms. Garrett seconded the motion which CARRIED unanimously.

The check register was also presented by Mr. Alexander. Mr. Unger moved to approve check numbers 8774 through 8830. Mr. Alcorn seconded the motion which CARRIED unanimously.

President Weaver called upon Mr. Parrish to address Agenda Item No. 9, "Legal Report." Mr. Parrish stated that there were no legal issues to report.

President Weaver addressed Agenda Item No. 10, "Committee Reports." Mr. Unger, chair of the Personnel Committee, reported on the Committee's meeting held earlier in the day. The Committee recommended a 1.5 percent cost-of-living increase for 2004 and recommended postponing consideration of additional performance enhancement for KWORCC staff until February, 2004. Mr. Schoepf moved to adopt the recommendations of the Personnel Committee to provide a 1.5 percent cost-of-living increase to KWORCC staff for 2004 and to table consideration of performance enhancement until February of 2004. Ms. Swartz seconded the motion which CARRIED unanimously.

President Weaver addressed Agenda Item No. 11, "Other Items." Mr. Unger requested that at the annual meeting KWORCC show recognition for continuous members of KWORCC. Mr. Schoepf moved to have KWORCC staff research what options there might be to accommodate this award and the cost involved. Ms. Swartz seconded the motion which CARRIED unanimously.

There being no further business, Mr. Unger moved to adjourn the meeting at 3:50 p.m. Ms. Swartz seconded the motion which CARRIED unanimously.

THE FOREGOING MINUTES of the Board of Trustees of Kansas Workers Risk Cooperative for Counties were approved by the Board of Trustees the 23rd day of October 2003.



Bonnie Swartz, Secretary
KWORCC Board of Trustees

Minutes
Meeting, Personnel Committee
Kansas Worker Risk Cooperative For Counties
IMA - Topeka Office, 1631 SW Topeka Blvd., Topeka, Kansas
September 18, 2003

On Thursday, September 18, 2003, the Personnel Committee of the Kansas Workers Risk Cooperative for Counties ("KWORCC") met at the Clubhouse Inn, Topeka, Kansas. The meeting was called to order by Committee Chair, Ralph D. Unger at 11:15 a.m. Committee Members participating included: Doyle "Hooley" Alcorn, Jewell County Commissioner; Michelle Garrett, Morris County Clerk and Ralph D. Unger, Decatur County Commissioner. Also present was James W. Parrish, Administrator.

Chairman Unger stated the purpose of the meeting was to consider personnel matters for KWORCC Staff. There was a discussion of benefits enjoyed by part-time employees, the medical reimbursement plan which is utilized in lieu of a group health insurance policy and the inflation index. It was noted that Midwest Region for populations applicable to KWORCC staff showed an increase in the consumer price index of 1.4% from the period July, 2002 to July, 2003. Because it is unknown what will happen to that cost index for the balance of 2003, and because the Committee wishes to extend a vote of confidence to the Staff, it was agreed by unanimous consent to recommend to the Board of Trustees a cost of living increase of 1.5% for the year beginning January 1, 2004 for KWORCC staff.

Next, recognizing the Committee's decision at its February, 2003 meeting to review performance enhancements for KWORCC staff, Chairman Unger asked for comments. After discussion, the Committee agreed by unanimous consent to postpone further action on a performance enhancement until February, 2004. Chairman Unger noted that this was not a negative reflection on KWORCC Staff, rather a recognition of the hard economic times which the whole of the Membership is experiencing.

Mr. Unger asked if there were any further questions or comments. Upon hearing none, he thanked all for attendance and participation and stated that the Personnel Committee meeting was adjourned by consensus at 11:45 a.m.

THE FOREGOING MINUTES of the Personnel Committee of Kansas Workers Risk Cooperative for Counties were executed by the Chair of that Committee on the 23rd day of October, 2003.


Ralph D. Unger, Chair
KWORCC Personnel Committee

KWORC

KANSAS
WORKERS RISK COOPERATIVE
for COUNTIES

Memo

Trustees
Sam Weaver
Cherokee County Commissioner
President

Doyle "Hooley" Alcorn
Jewell County Commissioner
Vice President

Bonnie Swartz
Gray County Clerk
Secretary

Linda M. Burtron
Jefferson County Clerk
Controller

Michelle Garrett
Morris County Clerk

Francis "Shep" Schoepf
Reno County Commissioner

Ralph D. Unger
Desatur County Commissioner

Staff
James W. Parrish
Administrator

Dortha O. Bird
Deputy Administrator
& Staff Counsel

Carl Eyma, ARM-P
Deputy Administrator &
Loss Prevention Specialist

Philip J. Rippee
Loss Prevention Specialist

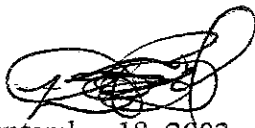
Richard Alexander "Alex"
Accountant

Christie Carney
Administrative Assistant
& Media Developer

Office Address
Jayhawk Towers
700 SW Jackson, Suite 200
Topeka, KS 66603

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

Internet
E-mail: kworcc@aol.com
Website: www.kworcc.com

Date: September 10, 2003
To: Personnel Committee
From: Dortha O. Bird 
RE: Committee Meeting September 18, 2003

As was discussed with Mr. Parrish, there is a Personnel Committee meeting on September 18, 2003 in the IMA Conference Room, directly following the regular Board Meeting.

Enclosed is a schedule showing the current wages for KWORCC personnel. Also, from the US Department of Labor, is a report showing the most recent consumer price index. From July, 2002 to July 2003, there was an increase for all urban consumers of 2.1 percent. I've included page one of Table 6 of that report, to note that for Midwest Urban Class B/C (50,000 - 1,500,000 population) the increase was 1.4% for the same time period.

Thanks for your assistance.

DOB:sif
pc:File
Enclosures

KWORCC 2003

Employee and Salary Schedule

	<u>Name/Title</u>	<u>Salary</u>	<u>Time</u>
1.	James W. Parrish Administrator	\$78,030.00	85%
2.	Dortha O. Bird Staff Counsel, Deputy Administrator Insurance Agent	\$59,160.00	100%
3.	Carlin D. Eyman, ARM-P Loss Prevention, Deputy Administrator Insurance Agent	\$59,160.00	100%
4.	Richard G. Alexander Accountant	\$20,000.00	Part-time
5.	Christine A. Carney Administrative Assistant	\$19,671.00	75%
6.	Philip J. Rippee Loss Prevention Specialist	\$32,500.00	60%

News

United States
Department
of Labor



Bureau of Labor Statistics

Washington, D.C. 20212

FOR TECHNICAL INFORMATION:

Patrick C. Jackman (202) 691-7000
CPI QUICKLINE: (202) 691-6994

FOR CURRENT AND HISTORICAL

INFORMATION: (202) 691-5200
MEDIA CONTACT: (202) 691-5902

INTERNET ADDRESS: <http://www.bls.gov/cpi/>

USDL-03-422
TRANSMISSION OF
MATERIAL IN THIS
RELEASE IS EMBARGOED
UNTIL 8:30 A.M. (EDT)
Friday, August 15, 2003

CONSUMER PRICE INDEX: JULY 2003

The Consumer Price Index for All Urban Consumers (CPI-U) increased 0.1 percent in July, before seasonal adjustment, the Bureau of Labor Statistics of the U.S. Department of Labor reported today. The July level of 183.9 (1982-84=100) was 2.1 percent higher than in July 2002.

The Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) was unchanged in July, prior to seasonal adjustment. The July level of 179.6 was 2.0 percent higher than in July 2002.

CPI for All Urban Consumers (CPI-U)

On a seasonally adjusted basis, the CPI-U rose 0.2 percent in July, the same as in June. Energy costs, which advanced sharply in the first quarter of 2003 before turning down in the second quarter, increased 0.4 percent in July. Within energy, the index for petroleum-based energy increased 1.5 percent, while the index for energy services decreased 0.5 percent. The index for food rose 0.1 percent with the index for food at home down 0.1 percent. Decreases in the indexes for nonalcoholic beverages and for other food at home more than offset small-to-moderate increases in the other four major food at home groups. The index for all items less food and energy, which was unchanged in June, increased 0.2 percent in July. The shelter index, which was virtually unchanged in June, rose 0.3 percent in July, accounting for about 85 percent of the acceleration in the all items less food and energy index.

Table A. Percent changes in CPI for Urban Consumers (CPI-U)

Expenditure Category	Seasonally adjusted							Compound annual rate 3-mos. ended July '03	Un- adjusted 12-mos. ended July '03
	Changes from preceding month								
	2003								
	Jan.	Feb.	Mar.	Apr.	May	June	July		
All Items	.3	.6	.3	-.3	.0	.2	.2	1.3	2.1
Food and beverages	-.2	.6	.2	-.1	.3	.4	.1	3.4	2.1
Housing	.4	.3	.4	-.1	.4	.1	.2	2.4	2.6
Apparel	-.9	-.2	-.4	-.6	-.3	.4	.0	.3	-2.1
Transportation	1.1	2.0	1.0	-1.7	-1.3	.3	.2	-3.2	2.0
Medical care	.1	.1	.2	.2	.4	.3	.5	4.7	3.8
Recreation	.2	.3	.1	-.1	.3	.1	.0	1.5	1.4
Education and Communication	.5	.2	-.1	-.2	-.2	-.1	.5	.7	1.2
Other goods and Services	.2	.3	-.1	.3	.0	.0	.4	1.5	1.6
Special Indexes									
Energy	4.0	5.9	4.6	-4.6	-3.1	.8	.4	-7.1	9.0
Food	-.2	.7	.2	-.1	.3	.4	.1	3.4	2.1
All Items less Food and energy	.1	.1	.0	.0	.3	.0	.2	1.9	1.5

During the first seven months of 2003, the CPI-U rose at a 2.2 percent seasonally adjusted annual rate (SAAR). This compares with an increase of 2.4 percent for all of 2002. The index for energy, which increased 10.7 percent in 2002, increased at a 13.9 percent SAAR in the first seven months of 2003. Petroleum-based energy costs increased at a 12.9 percent annual rate and charges for energy services rose at a 15.1 percent annual rate. The food index has increased at a 2.4 percent rate thus far in 2003, following a 1.5 percent rise for all of 2002. Excluding food and energy, the CPI-U advanced at a 1.2 percent SAAR in the first seven months of 2003 after advancing 1.9 percent in 2002.

The food and beverages index rose 0.1 percent in July. The index for food at home declined 0.1 percent in July, following an increase of 0.7 percent in June. Decreases in the indexes for nonalcoholic beverages and for other food at home--down 1.5 and 0.6 percent, respectively--more than offset increases of 0.3 to 0.5 percent in the other four major grocery store food groups. The index for fruits and vegetables, which increased 2.3 percent in June, rose 0.3 percent in July. The index for fresh fruits rose 1.9 percent, more than offsetting decreases in the indexes for fresh vegetables and for processed fruits and vegetables--down 0.9 and 0.4 percent, respectively. The index for meats, poultry, fish and eggs also increased less in July--up 0.4 percent after advancing 1.1 percent in June. Prices for beef and for pork continued to increase, but prices for poultry and for fish and seafood turned down in July, declining 0.2 and 0.9 percent, respectively. The index for dairy products, which declined 0.9 percent in June, rose 0.5 percent in July as prices for milk and milk products other than cheese turned up. The index for cereal and bakery products rose 0.3 percent in July, reflecting a sharp turnaround in bread prices--up 1.4 percent in July after declining 0.8 percent in June. The other two components of the food and beverage index--food away from home and alcoholic beverages--increased 0.2 percent and declined 0.1 percent, respectively.

The index for housing increased 0.2 percent in July. Shelter costs, which were virtually unchanged in June, rose 0.3 percent in July. Within shelter, the index for rent rose 0.2 percent, owners' equivalent rent rose 0.3 percent, and the index for lodging away from home increased 0.7 percent. (Prior to seasonal adjustment, the index for lodging away from home rose 2.0 percent.) The index for fuels and utilities declined 0.2 percent in July. Decreases in the indexes for natural gas and for electricity--down 0.6 and 0.4 percent, respectively--more than offset a 0.2 percent increase in the index for fuel oil. (Prior to seasonal adjustment, charges for electricity rose 0.5 percent while prices for fuel oil declined 2.0 percent.) For the 12 months ended in July, charges for natural gas have risen 27.5 percent, fuel oil prices, 16.1 percent, and charges for electricity, 3.1 percent. The index for household furnishings and operations declined for the fifth consecutive month, down 0.2 percent in July. During the last 12 months, each of the six subgroups for household commodities has declined with the only service subgroup--household operations--increasing 2.3 percent.

The transportation index increased 0.2 percent in July. The index for gasoline advanced for the second consecutive month--up 1.2 percent in July. (Prior to seasonal adjustment, gasoline prices rose 0.4 percent in July after declining in each of the three preceding months.) The index for new vehicles declined 0.1 percent in July, and during the last 12 months it has fallen 1.4 percent. The index for used cars and trucks decreased 1.4 percent in July, and this index has declined 4.6 percent in the last 12 months. The index for public transportation advanced 0.5 percent in July, reflecting an increase in airline fares. Airline fares increased for the sixth consecutive month--up 1.6 percent in July--and are now just 0.3 percent lower than their level in September 2001.

The index for apparel was unchanged in July after advancing 0.4 percent in June. (Prior to seasonal adjustment, apparel prices fell 2.8 percent, reflecting seasonal discounting of spring-summer apparel.)

Medical care costs rose 0.5 percent in July to a level 3.8 percent higher than a year ago. The index for medical care commodities--prescription drugs, nonprescription drugs, and medical supplies--increased 0.5 percent. The index for medical care services rose 0.4 percent in July. The index for professional services increased 0.2 percent and the index for hospital and related services increased 0.7 percent.

The index for recreation, which increased 0.1 percent in June, was unchanged in July. Small increases in the indexes for video and audio, for pets, pet products and services, and for sporting goods were offset by declines in prices for photography, for toys, and for admission to sporting events.

The index for education and communication rose 0.5 percent in July, following declines in each of the four preceding months. Educational costs increased 0.7 percent and communication costs rose 0.2 percent. Within the latter group, the index for telephone services increased 0.6 percent, its first advance since February. In July, local and long distance charges each increased 0.7 percent, while cellular telephone services declined 0.2 percent. Partially offsetting these increases was a 1.7 percent decline in the index for personal computers and peripheral equipment.

The index for other goods and services rose 0.4 percent in July after registering no change in each of the preceding two months. Prices for tobacco and smoking products, which had declined 0.5 percent in May and in June, rose 1.2 percent in July. The July advance was largely due to excise tax increases in some areas.

CPI for Urban Wage Earners and Clerical Workers (CPI-W)

On a seasonally adjusted basis, the CPI for Urban Wage Earners and Clerical Workers increased 0.1 percent in July.

Table B. Percent changes in CPI for Urban Wage Earners and Clerical Workers (CPI-W)

Expenditure Category	Seasonally adjusted							Compound annual rate 3-mos. ended July '03	Un- adjusted 12-mos. ended July '03
	Changes from preceding month								
	2003								
	Jan.	Feb.	Mar.	Apr.	May	June	July		
All Items	.3	.7	.5	-.5	-.1	.2	.1	.9	2.0
Food and beverages	-.1	.6	.2	-.1	.3	.4	.1	3.2	2.0
Housing	.4	.3	.6	-.1	.3	.1	.2	2.0	2.8
Apparel	-1.0	-.2	-.2	-.8	-.1	.4	-.5	-.7	-2.4
Transportation	1.2	2.2	1.1	-1.9	-1.5	.3	.1	-4.3	1.8
Medical care	.1	.1	.2	.1	.4	.3	.4	4.7	3.9
Recreation	.1	.2	.0	-.1	.2	.0	.2	1.5	1.0
Education and communication	.4	.2	-.2	-.3	-.2	-.2	.5	.4	.7
Other goods and services	.2	.3	-.3	.3	-.1	.0	.5	1.4	1.3
Special Indexes									
Energy	4.2	6.1	4.6	-4.8	-3.4	1.1	.4	-7.4	9.0
Food	-.2	.7	.1	-.1	.3	.4	.1	3.4	2.1
All Items less food and energy	.1	.1	.1	.0	.2	.1	.1	1.3	1.2

Chained Consumer Price Index for All Urban Consumers (C-CPI-U)

The C-CPI-U was unchanged in July on a not seasonally adjusted basis. The July level of 107.5 (December 1999=100) was 1.7 percent higher than in July 2002. Table 7 contains the most recent indexes for all items and the component series that are published. Data will be published monthly in the CPI Detailed Report and are available on the CPI home page: <http://www.bls.gov/cpi/>. Please note that the indexes for the post-2001 period are subject to revision.

Consumer Price Index data for August are scheduled for release on Tuesday, September 16, 2003, at 8:30 A.M. (EDT).



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OTHER AVAILABLE ECONOMIC NEWS RELEASES

Table 6. Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W): Selected areas, all items index

(1982=84=100, unless otherwise noted)

All items

CPI-W	Indexes	Percent change to			Percent change					
		July 2003 from--	June 2003	June 2002		June 2003 fr				
U.S. city average	M	179.8	179.4	179.6	179.6	2.0	0.1	0.0	2.1	-0.1
Region and area size (2)										
Northeast urban	M	189.4	189.2	189.2	190.0	2.9	0.4	0.4	2.7	-0.1
Size A - More than 1,500,000	M	189.8	189.8	190.0	190.8	3.0	0.5	0.4	2.9	0.1
Size B/C - 50,000 to 1,500,000 (3)	M	114.5	114.2	113.9	114.5	2.5	0.3	0.5	2.2	-0.5
Midwest urban	M	173.1	172.9	173.7	173.3	1.5	0.2	-0.2	1.8	0.3
Size A - More than 1,500,000	M	174.3	174.2	175.1	174.8	1.6	0.3	-0.2	1.6	0.5
Size B/C - 50,000 to 1,500,000 (3)	M	112.6	112.4	112.7	112.5	1.4	0.1	-0.2	1.8	0.1
Size D - Nonmetropolitan (less than 50,000)	M	169.3	169.3	170.1	169.1	1.1	-0.1	-0.6	2.0	0.5
South urban	M	174.7	174.0	174.3	174.3	1.9	0.2	0.0	1.9	-0.2
Size A - More than 1,500,000	M	176.3	175.7	176.2	176.2	2.3	0.3	0.0	2.3	-0.1
Size B/C - 50,000 to 1,500,000 (3)	M	112.3	111.8	112.0	111.9	1.5	0.1	-0.1	1.6	-0.3
Size D - Nonmetropolitan (less than 50,000)	M	175.4	174.6	174.8	174.6	1.5	0.0	-0.1	1.7	-0.3

About the CPI inflation calculator

The CPI inflation calculator uses the average Consumer Price Index for a given calendar year. This data represents changes in prices of all goods and services purchased for consumption by urban households. This index value has been calculated every year since 1913. For the current year, the latest monthly index value is used.

CLOSE

CPI Inflation Calculator

Inflation Calculator

\$ 100.00
in 2002
has the same buying power as
\$ 102.22
in 2003

Minutes
Meeting, Board of Trustees
Kansas Worker Risk Cooperative for Counties
Clubhouse Inn
924 SW Henderson Road, Topeka, Kansas
August 21, 2003

The August 2003 meeting of the Board of Trustees of the Kansas Workers Risk Cooperative for Counties (KWORCC) was called to order by Board President Sam Weaver on Thursday, August 21, 2003 at the Clubhouse Inn in Topeka, Kansas. Trustees participating: Sam Weaver, Cherokee County Commissioner, President; Doyle "Hooley" Alcorn, Jewell County Commissioner, Vice President; Bonnie Swartz, Gray County Clerk, Secretary, Linda Buttron, Jefferson County Clerk, Controller; Michelle Garrett, Morris County Clerk; Francis "Shep" Schoepf, Reno County Commissioner and Ralph D. Unger, Decatur County Commissioner.

Staff participating: Mr. James W. Parrish, Administrator; Ms. Dortha O. Bird, Deputy Administrator/Staff Counsel; Carl D. Eyman, ARM-P, Deputy Administrator/Loss Prevention Specialist, Philip J. Rippee, Loss Prevention Specialist; Mr. Richard Alexander, Accountant and Ms. Christie Carney, Administrative Assistant/Media Developer.

Others participating: Mr. Gus Campuzano, Ms. Annette Duncan, Mr. Paul Davis and Ms. Kristine Sullivan of Insurance Management Associates, Inc. (IMA); Mr. Dave Walker, Claims Advisor & Ombudsman of the Department of Human Resources, Division of Workers Compensation ("Division") and Ms. Marsha Payne, Branch Manager of CorVel.

President Weaver called the meeting to order at 1:00 p.m. and addressed Agenda Item No. 2, "Approval of the Agenda." Mr. Parrish requested that two items be added to the agenda: Item No. 6(c) Presentation from Ms. Payne and Item No. 10(a) Distribution of E&O and D&O Policy Renewal Information. Mr. Schoepf moved to approve the agenda with the additions. Mr. Unger seconded the motion which CARRIED unanimously.

President Weaver addressed Agenda Item No. 3, "Consideration of the Minutes of the Meeting of July, 2003." Mr. Unger noted that there was one grammatical error. Mr. Unger moved to approve the minutes with the one correction. Ms. Swartz seconded the motion which CARRIED unanimously.

President Weaver called upon Mr. Parrish to address Agenda Item No. 4, "Administrator's Report."

Mr. Parrish introduced Mr. Dave Walker, Claims Advisor and Ombudsman with the Division and explained that he had been invited to discuss various options available to volunteer firefighters for remuneration in the event of an on-the-job injury. Mr. Walker explained the coverage available under the Firefighters Relief Act as well as insurance policies available from local agents and insurance pools, such as KWORCC. Mr. Walker said the Division is not concerned with the manner

of coverage but is quite concerned that there is some responsible source to pick up the costs in the event one of these volunteer firefighters is injured while performing his or her duties. He then answered questions. Mr. Weaver thanked him for providing this useful information.

Mr. Parrish presented for approval Check No. 8792 in the amount of \$14,500 written to IMA as the eighth of 10 installments for claims adjustment fees.

Mr. Parrish stated there had been two wire transfers of funds since the last Board meeting, both of which were authorized by Ms. Buttron and Mr. Parrish. The first was completed on August 5, 2003 in the amount of \$245,716.78 from the KWORCC account at Country Club Bank in Prairie Village to the KWORCC account at Intrust Bank in Wichita for claims settlements. The second was completed on August 5, 2003 in the amount of \$35,000 from the KWORCC account at Country Club Bank in Prairie Village to the KWORCC administrative account at Kaw Valley Bank in Topeka. Ms. Swartz moved to approve Check No. 8792 and the two wire transfers as presented. Mr. Schoepf seconded the motion which CARRIED unanimously.

As requested at the last Board meeting staff provided a new draft of guidelines for KWORCC membership. After discussion, Mr. Alcorn moved to table this matter for the next monthly meeting. Mr. Schoepf seconded the motion which CARRIED unanimously.

Mr. Parrish and Ms. Bird reviewed the schedule for the vendor booth at the KAC Annual meeting and also discussed the date and time for the KWORCC/KCAMP Annual meeting. The Board Members generally agreed that the Annual Meeting could be conducted following a luncheon on the last day of the KAC Annual Convention, which will be Tuesday, November 25, 2003. This luncheon will be provided by the pools. Ms. Bird then presented items to be considered for promotional giveaways at the KWORCC booth. After some consideration, the Board Members expressed preferences among the items presented.

President Weaver then called for a 10-minute recess in the meeting.

Upon reconvening the meeting, President Weaver called upon Mr. Eyman and Mr. Rippee to address Agenda Item No. 5, "Marketing & Loss Prevention Report." Mr. Eyman reported on various county contacts and answered questions. Mr. Rippee then reported on the counties he visited and also answered questions.

Mr. Eyman then presented the Marketing Report by stating that KWORCC would be presenting a bid to Wabaunsee County the first part of September.

President Weaver addressed Agenda Item No. 6, "Claims Reports." Mr. Parrish reported that the total incurred losses through the end of July remained within the projected ultimate loss for the same time period. Ms. Duncan then reported on various claims and answered questions.

Mr. Parrish then introduced Ms. Marcia Payne, Branch Manager of CorVel, the company which provides nurse case management and medical bill review services for KWORCC. Ms. Payne presented information concerning medical bill reductions for KWORCC as a result of fee schedule and preferred provider discounts. Medical bills received on KWORCC claims during the period

July 1, 2002 through June 30, 2003 totaled \$1,460,901.03; CorVel detected fee schedule overcharges in the amount of \$365,321.41 and additional preferred provider reductions of \$30,199.49, for a total reduction of \$395,520.90. President Weaver thanked Ms. Payne for her presentation.

President Weaver called upon Mr. Alexander to address Agenda Item No. 7, "Financial Report." Mr. Alexander discussed in detail the July 2003 financial condition and responded to questions. After a brief discussion Mr. Alcorn moved to approve the July 2003 financial report as presented. Ms. Swartz seconded the motion which CARRIED unanimously.

The check register was also presented by Mr. Alexander. Mr. Unger moved to approve check numbers 8728 through 8773. Mr. Schoepf seconded the motion which CARRIED unanimously.

President Weaver called upon Mr. Parrish to address Agenda Item No. 8, "Legal Report." Mr. Parrish stated that there were no legal issues to report.

President Weaver addressed Agenda Item No. 9, "Committee Reports." As chairman of the Investment Committee, Mr. Schoepf stated that the committee recommended the adoption of Resolution No. 2003-68 in which the Board of Trustees formally approves the pool's investments in various government securities and the purchase and sale of such government securities during the period beginning April 1, 2003 and ending July 31, 2003. Mr. Unger moved to accept the Investment Committee's recommendation and approve Resolution No. 2003-68. Ms. Garrett seconded the motion which CARRIED unanimously.

President Weaver addressed Agenda Item No. 10, "Other Items." Ms. Bird explained that the the directors and officers, errors and omissions (D&O, E&O) liability policy for 2003-2004 which she distributed was intended for inclusion in the Trustees manual.

There being no further business, Mr. Unger moved to adjourn the meeting at 4:00 p.m. Ms. Swartz seconded the motion which CARRIED unanimously.

THE FOREGOING MINUTES of the Board of Trustees of Kansas Workers Risk Cooperative for Counties were approved by the Board of Trustees the 18th day of September 2003.



Bonnie Swartz, Secretary

KWORCC Board of Trustees

Minutes
Meeting, Investment Committee
Kansas Worker Risk Cooperative For Counties
Clubhouse Inn, Topeka, Kansas
August 21, 2003

On Thursday, August 21, 2003, the Investment Committee of the Kansas Workers Risk Cooperative for Counties ("KWORCC") met at the Clubhouse Inn, Topeka, Kansas. The meeting was called to order by Committee Chair, F.E. "Shep" Schoepf at 11:00 a.m. Committee Members participating included: Francis "Shep" Schoepf, Reno County Commissioner; Sam Weaver, Cherokee County Commissioner; and Ralph D. Unger, Decatur County Commissioner. Also present was James W. Parrish, Administrator.

Mr. Schoepf stated the purpose of the meeting and asked for approval of the minutes of the April 17, 2003 meeting of the Investment Committee. Upon motion duly made and seconded, the Committee approved the minutes by unanimous vote.

The Committee generally discussed the equity investments and noted that as of August 20, the investments were \$22,706 above the original investment, or 103.89% of their original cost. After some discussion, it was determined that it was best to leave these investments where they are, as it appears that they are recovering as the general economic climate in the country improves.

Mr. Parrish discussed the government investments made by Chris Thompson at Country Club Bank during the four month period beginning April 1, 2003 through July 30, 2003. The committee was previously provided a list of those transactions with the Notice of Meeting. Mr Parrish to referred to a memorandum supplied by Chris Thompson summarizing Mr. Thompson's strategy in buying and selling bonds during the stated time period. Mr. Parrish asked that Mr. Thompson's remarks be entered into the minutes of this Investment Committee Meeting. The Committee agreed by consensus. The remarks are as follows:

There were seven purchases made for the KWORCC portfolio from April 30, 2003 to June 17th, 2003. Four of the seven were very short-term purchases with maturities from one week to 90 days. These purchases were primarily "liquidity" bonds which can be seen as an alternative to cash and overnight holdings. The three other purchases had maturity dates in 2006, 2008 and 2010 and are intended to add relative income to the portfolio (vs. noncallable bonds with the same maturities). Two of these three bonds feature "step up" coupons. Step-up bonds, issued by government agencies, are bonds with an ascending series of coupons. These bonds are thought to be most prudent to acquire when rates are relatively low (such as they have been). As time passes the bond will either be called (ie: paid off early) or, if the bond is not called because market rates have moved up, the ascending coupon schedule provides additional income and some degree of price protection in a falling bond market (ie: when bond yields are higher and bond prices are lower).

The strategy for the portfolio remains constant: maximizing income and quality without taking on undue principal risk by extending too far. This is achieved by staying with AAA rated government bonds and accepting "call risk" which is the risk that the bond will be called away as rates drop. And with rates at historical lows, call risk seems is diminished. Thus, I'm very comfortable with call risk right now. Alternatively, extension risk is a growing concern when rates begin to rise. This is the risk that our average maturity will extend when rates rise (because bonds previously thought to be "in the money" for a call, are not called). Again, buying higher coupon bonds and Step-up bonds decreases this risk to some degree.

Cash holdings remain constant.

After discussion, Mr. Parrish referred to proposed KWORCC Resolution 2003-68 in which the KWORCC Board would approve the investment purchases outlined. Mr. Unger moved that the Investment Committee recommend to the full Board approval of KWORCC Resolution 2003-68 when the full Board begins its meeting later in the day. Mr. Schoepf seconded the motion, which passed unanimously.

Thereupon, Mr. Parrish distributed a memorandum on economic outlook forwarded by Mr. Thompson and pointed out that although the memorandum is somewhat general, it does seem to project a cautious optimism about the future of economic growth in the American economy.

There being no further business, Mr. Schoepf declared the meeting was adjourned.

THE FOREGOING MINUTES of the Investment Committee of Kansas Workers Risk Cooperative for Counties were executed by the Chair of that Committee on September 18, 2003.


F.E. "Shep" Schoepf, Chair
KWORCC Investment Committee

8/20/2003

From: Chris Thompson / Carola Fuller @ Country Club Bank 800-288-5489
 To: KWORCC Investment Comm. Distribution List

Ralph Unger
 F.E. "Sheep" Schoepf (620) 694-2928 fx
 Sam Weaver (620) 429-1042 fx
 KWORCC offices (c/o Dortha Bird)

Re: Weekly Portfolio Update. All values are as of August 19, 2003 unless otherwise noted.

Ticker	Fund Name	Fund Objective	Fund Style	Morningstar Rating Reported on Yahoo!	24-Mar-03 NAV	CHG_PCT_YTD 52 Week High	Low	Percent Change 1 month	YTD	Cost Basis	Market Value	Gain / (Loss)	Number of Shares	Avg. Share Price
SEQAX	Security Global Fund	Capital Appreciation	Large Cap Growth	4 star (of 5 possible)	\$11.31	\$11.31	\$8.42	3.10	16.96	\$ 190,000	\$ 170,186	\$ (19,814)	15,047	\$12.63
SECUX	Security Ultra Fund	Capital Appreciation	Mid Cap Growth	3 star (of 5 possible)	\$10.83	\$10.83	\$6.48	6.49	39.02	\$ 190,000	\$ 198,933	\$ 8,933	18,369	\$10.34
SEVAX	Security Mid Cap Fund	Capital Appreciation	Mid Cap Blend	5 star (of 5 possible)	\$23.99	\$23.99	\$15.27	4.99	30.81	\$ 190,000	\$ 223,687	\$ 33,687	9,320	\$20.36
										\$ 570,000	\$ 592,708	\$ 22,708		
														3.98% as % of cost basis

	Dollar Value	Percent of Total
FDIC Insured Account @ CCB:	\$ 99,388	1.12%
REPO Sweep Account:	\$ 310,000	0.94%
Market Value of Equity Funds:	\$ 582,706	6.19%
Market Value of Bond Portfolio:	\$ 6,919,904	92.76%
TOTAL Portfolio Market Value	\$ 7,921,998	100.00%

* Recently wired funds are invested in 2 week discount notes
 Most Recently Published Top 10 Holdings:

Global Fund (SEQAX)	Ultra Fund (SECUX)	Mid Cap Fund (SEVAX)
1 Sirius Satellite Radl	Axion Corp	Mid Cap Fund (SEVAX)
2 KODI Corp	Ligand Pharmaceuticals	WIR Berkeley Corp
3 Cadence Design System	Evergreen Resources In	Amgen Corp
4 Qualcomm Inc	AI Brand Inc	Comptel Sciences Corp
5 Stratoflynnabio SA	Esperion Therapeutics	Chicago Bridge & Iron
6 Vodafone Group PLC	Matal Inc	Unilever Energy Corp
7 Bank One Corp	Scopus Co (E.W.)	ISHares S&P MidCap 400
8 Porsche AG	Hamper Holmes Inc	Murphy Oil Corp
9 Reichelt Bankleir PLC	Power-One Inc	Inamed Corp
10 ABN AMRO Holding NV	Adaptic Inc	Action-Danolds-Midland Evergreen Resources In

Reasons for purchase of equity funds	Is Goal Still Relevant?
1) A long term boiler that equities will outperform bonds	Yes.
2) A hedge against inflation which can be achieved without impacting near term liquidity	Yes.
3) Diversification from bonds and cash equivalents	Yes.

Dortha Bird

From: "Chris Thompson" <cthompson@countryclubbank.com>
To: "Richard "Alex" Alexander" <ralx@inlandnet.net>; "Ralph D. Unger" <dktr-kstr@networksplus.net>; "Lee Ann Cain" <lcain@countryclubbank.com>; "Jim Parrish" <Jim@jwparrish.com>; "Dortha Bird" <dorthabird@kworcc.com>; "D'Andrea, Marc" <marc.d'andrea@securitybenefit.com>; "Carola Fuller" <cfuller@countryclubbank.com>; "Sam (KWORCC) Weaver" <ckcomm@columbus-ks.com>
Sent: Tuesday, August 19, 2003 3:01 PM
Attach: DeAM US Economic Bullet Points - August 2003.pdf
Subject: Fw: US Economic Bullet Points - August 2003

From Marc DeAndrea at SBG. FYI.

Chris Thompson
Cthompson@countryclubbank.com
800-288-5489
816-751-1481

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----- Original Message -----

From: D'Andrea, Marc
To: [Chris Thompson \(E-mail\)](mailto:Chris Thompson (E-mail))
Sent: Sunday, August 17, 2003 10:49 PM
Subject: US Economic Bullet Points - August 2003

Chris...

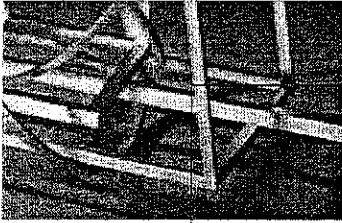
Good evening and greetings from Minneapolis. I hope you've had an enjoyable weekend.

I am attaching some recent economic commentary from our partners at Deutsche Asset Management. I hope you find the information to be both timely and relevant.

Have a great week.

Marc J. D'Andrea
Security Benefit
888) 755-2200

<<DeAM US Economic Bullet Points - August 2003.pdf>>



US Economic Bullet Points

August 2003

Economic Outlook

- Tentative signs of stronger economic activity are starting to emerge.
 - ▶ So far, they're only tentative, and by no means conclusive. Most notably, there's been some firming in business investment and consumer spending and a modest uptick in manufacturing.
- Other indicators are less upbeat; in particular, the labor market seems at best to be stabilizing.
- Still, there are reasons to expect a solid bounce in the second half of the year.
 - ▶ The fiscal stimulus should provide a sizable boost.
 - ▶ The uncertainties surrounding the Iraq war have largely lifted.
 - ▶ Financial market conditions eased in the first half of the year, with credit spreads narrowing, equity markets up, and the dollar weaker (though some of this may be negated by the recent backup in Treasury yields).
- But the economy continues to face lingering drags from the unwinding of the excesses of the late-1990s boom.
 - ▶ Households and businesses likely still have further to go in repairing stretched balance sheets.
 - ▶ And businesses may remain reticent to take risks after the excesses and scandals of the boom.
- Moreover, the economy needs more than just a temporary rebound.
 - ▶ To absorb the slack in labor and product markets and prevent inflation from declining too much further, a prolonged period of above-trend growth will likely be needed.
- For that to occur, businesses must start hiring and investing aggressively again.
 - ▶ Otherwise, any bounce that does emerge in the second half of the year will be unlikely to cumulate into a powerful, self-sustaining recovery.

Monetary Policy Outlook

- The Federal Reserve's aim is for the US economy to return to above-trend growth soon, and to stay there until the prevailing economic slack is largely taken up, preventing underlying inflation from falling too much further.

Economic & Financial Market Projections

	Real GDP (Q to Q % chg. ann rate)	Core CPI (Q4 to Q4 % chg)	Baa corp bond yield (% last mth of qtr)	S&P 500 (last mth of qtr)
2002				
3Q (A)	4.0	2.3	7.40	868
4Q (A)	1.4	2.2	7.65	899
2003				
1Q (A)	1.4	1.8	6.95	847
2Q (A)	2.4	1.5	6.19	988
3Q (F)	3.5	1.4	6.60	965
4Q (F)	4.0	1.3	6.85	975
2004				
1Q (F)	4.0	1.2	7.00	985
2Q (F)	4.3	1.2	7.10	1000
3Q (F)	3.5	1.2	7.20	1020

A—Actual
F—Forecast

Josh Feinman is a Managing Director and Chief Economist of Deutsche Asset Management in the Americas. In this position, he provides portfolio managers and clients around the world with timely analysis of global macroeconomic trends and their implications for financial markets. Josh is also responsible for authoring and editing a series of publications on global economic and financial market issues for distribution among the Bank's offices and clients. A frequent guest lecturer and commentator, Josh delivers speeches around the world and is a frequent guest on financial television programs and is often quoted in major print and electronic media.

Joshua N. Feinman
Chief Economist
Deutsche Asset Management, Americas
Phone: 212-336-1702
e-mail: josh.feinman@db.com

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- Prospects for such an outcome are reasonable given accommodative policy, the end of the war, and continued strong productivity fundamentals (which boost long-run income prospects and thus feedback favorably onto aggregate demand).
- But the risks to the forecast are asymmetric. If growth snaps back more than expected, there is little danger of overheating given the current slack. If the recovery is delayed, however, inflation could fall to undesirably low levels.
- So even if the rebound persists, the Fed will be slow to start unwinding their easy policy stance, waiting until they're convinced activity is on a self-sustained, above-trend trajectory (unlikely before H2 2004 at the earliest).
- And although there are enough signs of a pick-up in activity to keep the Fed from easing again in the near-term, if activity relapses, the Fed would quickly provide more stimulus.

Stock Market Outlook

- The equity market rally seen in the spring may have been overdone.
- Though geopolitical fears have diminished, profits have improved, and signs of an economic rebound have begun to emerge, there are still considerable risks that the return to above-trend growth may not stick.
- And equity valuations are not compelling, even after the correction of the past three years.

Fixed Income Outlook

- Treasury yields have backed up sharply, more than unwinding the spring rally, on nascent signs of firming economic activity and a removal of expectations of additional Fed easing.
- But the selloff may have gotten a bit carried away; a sustained return to above-trend growth is needed just to stop inflation from falling, and such a rebound is not assured.
- To be sure, if a powerful, self-sustaining recovery does emerge, interest rates would back up further. But the magnitude of the rise would be limited by two factors:
 - The Fed will likely keep policy easy for longer than the market is now discounting.
 - And the low inflation environment will likely be sustained, so interest rates are apt to remain in a range comparable to that seen in the 1950s/early 1960s -- the last time inflation was at such low levels. So even when the economy returns to full employment, the funds rate might only be 4% - 4-1/2%, and the 10-year Treasury yield 5% - 5-1/2%.

Notes

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Additional information is available upon request.

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I, Bonnie Swartz, Secretary of Kansas Workers Risk Cooperative for Counties ("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 21st day of August, 2003, at which a quorum was present and that said resolution has not been rescinded and is still in full force and effect:

RESOLUTION # 2003-68

WHEREAS, KWORCC has elected to place investments pursuant to Chapter 40 of Kansas Statutes Annotated, and thus is to comply with the provisions thereof;

WHEREAS, KSA 40-2a01 states, in pertinent part: "[C]ompany...may invest with the direction or approval of a majority of its board of directors or authorized committee thereof, any of its funds, or any part thereof in bonds or other evidences of indebtedness issued, assumed or guaranteed by the United States of America, or by any agency or instrumentality thereof;"

WHEREAS, KWORCC has invested in certain United States instruments during the period April 1, 2003 through July 31, 2003, which were reviewed by the Investment Committee at a meeting held at 11:00 a.m. on August 21, 2003 at the Clubhouse Inn, 924 SW Henderson Road, Topeka, Kansas 66615. Pursuant to that meeting, the Investment Committee determined said investments to be in accordance with K.S.A. 40-2a01 and KWORCC's investment policy and has made a recommendation to the KWORCC Board of Trustees to approve those investments;

NOW, THEREFORE, it is RESOLVED by the KWORCC Board of Trustees that investment purchases made in United States Government securities from the period April 1, 2003 through July 31, 2003, having been reviewed by KWORCC's Investment Committee and made in accordance with K.S.A. 40-2a01 and KWORCC's investment policy hereby are approved.

IN WITNESS WHEREOF, the undersigned has caused this Resolution to be executed this 21st day of August, 2003.


Bonnie Swartz, Secretary

Minutes
Meeting, Board of Trustees
Kansas Worker Risk Cooperative for Counties
Clubhouse Inn
924 SW Henderson Road, Topeka, Kansas
July 25, 2003

The July 2003 meeting of the Board of Trustees of the Kansas Workers Risk Cooperative for Counties (KWORCC) was called to order by Board President Sam Weaver on Friday, July 25, 2003 at the Clubhouse Inn in Topeka, Kansas. Trustees participating: Sam Weaver, Cherokee County Commissioner, President; Doyle "Hooley" Alcorn, Jewell County Commissioner, Vice President; Bonnie Swartz, Gray County Clerk, Secretary, Linda Buttron, Jefferson County Clerk, Controller; Michelle Garrett, Morris County Clerk; Francis "Shep" Schoepf, Reno County Commissioner and Ralph D. Unger, Decatur County Commissioner.

Staff participating: Mr. James W. Parrish, Administrator; Ms. Dortha O. Bird, Deputy Administrator/Staff Counsel; Carl D. Eyman, ARM-P, Deputy Administrator/Loss Prevention Specialist, Philip J. Rippee, Loss Prevention Specialist; Mr. Richard Alexander, Accountant and Ms. Christie Carney, Administrative Assistant/Media Developer.

Others participating: Mr. Gus Campuzano, Ms. Annette Duncan and Mr. Jerry Snades of Insurance Management Associates, Inc. (IMA).

President Weaver called the meeting to order at 9:00 a.m. and addressed Agenda Item No. 2, "Approval of the Agenda." Mr. Parrish requested that two items be added to the agenda: Item No. 4(e) Discussion of the Terrorist Risk Insurance Act; Item No. 8, Legal Report, Kansas Self-Insurers Annual Conference. Mr. Unger moved to approve the agenda with the additions. Ms. Swartz seconded the motion which CARRIED unanimously.

President Weaver addressed Agenda Item No. 3, "Consideration of the Minutes of the Meeting of June 12, 2003." Mr. Unger moved to approve the minutes as written. Mr. Schoepf seconded the motion which CARRIED unanimously.

President Weaver called upon Mr. Parrish to address Agenda Item No. 4, "Administrator's Report." Mr. Parrish presented for approval Check No. 8733 in the amount of \$14,500 written to IMA as the seventh of 10 installments for claims adjustment fees.

Mr. Parrish stated there had been four wire transfers of funds since the last Board meeting, all of which were authorized by Ms. Buttron and Mr. Parrish. The first was completed on June 18, 2003 in the amount of \$15,791.89 from the KWORCC account at Country Club Bank in Prairie Village to the KWORCC account at Intrust Bank in Wichita for claims settlements. The second was completed on June 18, 2003 in the amount of \$25,000 from the KWORCC account at Country Club Bank in Prairie Village to the KWORCC administrative account at Kaw Valley Bank in Topeka. The third transfer was completed on July 1, 2003 in the amount of \$206,082.27 from the KWORCC

account at Country Club Bank in Prairie Village to the KWORCC account at Intrust Bank in Wichita for June claim payments. The final transfer was completed on July 1, 2003 in the amount of \$50,000 from the KWORCC account at Country Club Bank in Prairie Village to the KWORCC administrative account at Kaw Valley Bank in Topeka. Mr. Alcorn moved to approve Check No. 8733 and the four wire transfers as presented. Ms. Swartz seconded the motion which CARRIED unanimously.

Mr. Parrish presented a draft list of membership guidelines for consideration. Through discussion, Board Members made suggestions for additions and modifications. President Weaver stated that inasmuch as the Board has a responsibility to protect the KWORCC pool, it is reasonable to set standards and perimeters for membership. President Weaver requested that staff revise the guidelines to reflect the Board's suggestions for review at the August Board meeting.

Mr. Parrish presented Resolution No. 2003-59 to admit Lane County as a member of the KWORCC self-insurance pool. Mr. Unger moved to approve Resolution No. 2003-59. Ms. Buttron seconded the motion which CARRIED unanimously.

Ms. Bird presented several items to be considered as possible giveaways for the KWORCC booth at the Fall KAC Conference. After viewing the items, Board members commented favorable on several items and offered suggestions for others for further consideration.

Ms. Bird discussed the Terrorism Risk Insurance Act (TRIA), which was signed by President Bush in November 2002. She explained that the language of TRIA was unclear as to whether or not insurance pools, generally, and municipal insurance pools, specifically, were covered by the Act. She stated that her interpretation of the July 9th publication by United States Department of Treasury (US Treasury) cast less doubt on the issue, and that KWORCC would most likely fall under TRIA. However, she has been in contact with Mario Ugoletti, an attorney for US Treasury who suggested that KWORCC request a ruling from US Treasury as to whether or not KWORCC falls under TRIA. After some discussion, the Board agreed to follow Ms. Bird's suggestion and requested that she write the US Treasury requesting a ruling on the application of TRIA to KWORCC. It was further determined that if US Treasury's ruling says KWORCC is governed by TRIA, that Member Counties would not be charged for TRIA coverage for policy year 2003; Member Counties would be charged for policy years 2004 and 2005, after which the TRIA law sunsets.

President Weaver called upon Mr. Eyman and Mr. Rippee to address Agenda Item No.5, "Marketing & Loss Prevention Report." Mr. Eyman reported on various county contacts and answered questions. Mr. Rippee then reported on the counties he had been visiting and also answered questions.

Mr. Eyman then presented the Marketing Report by stating that KWORCC was currently working on a bid for Wabaunsee County and identified several other counties that were possible bid candidates.

President Weaver addressed Agenda Item No. 6, "Claims Reports." First, Mr. Parrish reported the total incurred losses through the end of June were well within the projected ultimate loss for the same time period. Then, Ms. Duncan reported on various claims and answered questions.

President Weaver then called for a 10-minute recess in the meeting.

President Weaver called upon Mr. Alexander to address Agenda Item No. 7, "Financial Report." Mr. Alexander discussed in detail the June 2003 financial condition and responded to questions.

Mr. Alexander then reviewed the Kansas Insurance Department quarterly report as of June 30, 2003. Mr. Alexander also stated that the value of KWORCC's equity holdings was increasing and were almost at the same level as when KWORCC originally invested in equities. After a brief discussion Ms. Swartz moved to approve the June 2003 financial report and the 2003 second quarterly filing. Mr. Schoepf seconded the motion which CARRIED unanimously.

The check register was then presented by Mr. Alexander. Mr. Schoepf moved to approve check numbers 8625 through 8727. Ms. Swartz seconded the motion which CARRIED unanimously.

President Weaver called upon Mr. Parrish to address Agenda Item No. 8, "Legal Report." Ms. Bird reported that she attended the Kansas Self-Insurers Association (KSIA) Annual Conference, which was held in Overland Park on July 18, 2003. She was impressed with the quality of presentations and particularly appreciated the legislative and case law updates as well as the discussion on medicare liability. She stated that she applied for and received approval from the Kansas Continuing Legal Education Commission to receive 2.5 hours of credit for her annual 12-hour legal educational requirement. Ms. Bird indicated other subjects covered at the conference included new procedures and therapies by health care professionals and homeland security. Ms. Duncan said she also attended the conference and agreed that it was informative.

President Weaver addressed Agenda Item No. 9, "Committee Reports." The Investment Committee scheduled their next meeting for August 21, 2003 beginning at 11:00 a.m.

President Weaver addressed Agenda Item No. 10, "Other Items." Mr. Parrish stated that due to a death in her family, Insurance Commissioner Sandy Praeger was unable to attend this meeting but would be rescheduled to attend the September board meeting.

There being no further business, Mr. Unger moved to adjourn the meeting at 11:15 a.m. Ms. Swartz seconded the motion which CARRIED unanimously.

THE FOREGOING MINUTES of the Board of Trustees of Kansas Workers Risk Cooperative for Counties were approved by the Board of Trustees the 21st day of August 2003.



Bonnie Swartz, Secretary

KWORCC Board of Trustees

I, Bonnie Swartz, Secretary of Kansas Workers Risk Cooperative for Counties ("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 25th day of July, 2003, at which a quorum was present and that said resolution has not been rescinded and is still in full force and effect:

RESOLUTION # 2003-59

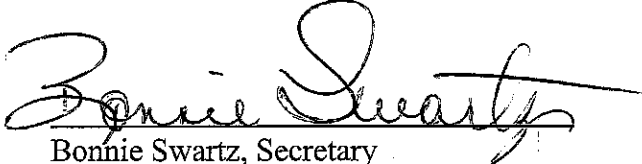
WHEREAS, KWORCC presented a competitive bid to write workers compensation coverage for Lane County for policy period of July 22, 2003 to January 1, 2004.

WHEREAS, the Board of County Commission of Lane County voted unanimously to accept KWORCC's bid to write their workers compensation insurance;

WHEREAS, it is in the best interest of KWORCC to accept Lane County into the KWORCC self-insurance pool;

NOW, THEREFORE, it is RESOLVED by the KWORCC Board of Trustees to accept Lane County for membership in KWORCC. Accordingly, KWORCC staff shall do all things necessary to provide full workers compensation coverage to same.

IN WITNESS WHEREOF, the undersigned has caused this resolution to be executed this 25th day of July, 2003.


Bonnie Swartz, Secretary

Minutes
Meeting, Board of Trustees
Kansas Worker Risk Cooperative for Counties
Clubhouse Inn
924 SW Henderson Road, Topeka, Kansas
June 12, 2003

The June 2003 meeting of the Board of Trustees of the Kansas Workers Risk Cooperative for Counties (KWORCC) was called to order by Board President Sam Weaver on Thursday, June 12, 2003 at the Clubhouse Inn in Topeka, Kansas. Trustees participating: Sam Weaver, Cherokee County Commissioner, President; Doyle "Hooley" Alcorn, Jewell County Commissioner, Vice President; Bonnie Swartz, Gray County Clerk, Secretary, Linda Buttron, Jefferson County Clerk, Controller; Michelle Garrett, Morris County Clerk; Francis "Shep" Schoepf, Reno County Commissioner and Ralph D. Unger, Decatur County Commissioner.

Staff participating: Mr. James W. Parrish, Administrator; Ms. Dortha O. Bird, Deputy Administrator/Staff Counsel; Carl D. Eyman, Deputy Administrator/Loss Prevention Specialist/ARM-P; Philip J. Rippee, Loss Prevention Specialist; Mr. Richard Alexander, Accountant and Ms. Christie Carney, Administrative Assistant/Media Developer.

Others participating: Mr. Gus Campuzano, Ms. Annette Duncan and Mr. Paul Davis of Insurance Management Associates, Inc. (IMA).

President Weaver called the meeting to order at 1:00 p.m. and addressed Agenda Item No. 2, "Approval of the Agenda." Mr. Parrish requested that three items be added to the agenda: 4(f) Consideration of a Possible Change in Date of the September Board Meeting; 4(g) Discussion of the Kansas Self-Insurers Association and 10(a) Equity Investments. Ms. Swartz moved to approve the agenda with the additions. Mr. Unger seconded the motion which CARRIED unanimously.

President Weaver addressed Agenda Item No. 3, "Consideration of the Minutes of the Meeting of May 15, 2003." Mr. Unger moved to approve the minutes as written. Ms. Swartz seconded the motion which CARRIED unanimously.

President Weaver called upon Mr. Parrish to address Agenda Item No. 4, "Administrator's Report." Mr. Parrish introduced Mr. Philip J. Rippee who was recently hired by KWORCC as Loss Prevention Specialist and who will be providing services mainly to member counties in the south-central and south-easterly part of the state. President Weaver welcomed Mr. Rippee to KWORCC.

Mr. Parrish presented three checks for approval: Check No. 8635 in the amount of \$14,500 written to IMA as the sixth of 10 installments for claims adjustment fees; Check No. 8636 in the

amount of \$51,770.84 written to the Kansas Department of Human Resources, Workers Compensation Division for FY2004 Workers Compensation Directors Fund (based upon 2.45 percent of 2002 paid losses) and Check No. 8637 in the amount of \$5,282.74 written to the Kansas Insurance Department for FY2004 Workers Compensation Fund assessment (based upon .0025 of 2002 paid losses).

Mr. Parrish stated there had been three wire transfers of funds since the last Board meeting, all of which were authorized by Ms. Buttron and Mr. Parrish. The first was completed on May 21, 2003 in the amount of \$20,000 from the KWORCC account at Country Club Bank in Prairie Village to the KWORCC account at Intrust Bank in Wichita for claim settlement. The second was completed on June 2, 2003 in the amount of \$100,000 from the KWORCC account at Country Club Bank in Prairie Village to the KWORCC administrative account at Kaw Valley Bank in Topeka. The final transfer was completed on June 2, 2003 in the amount of \$144,727.02 from the KWORCC account at Country Club Bank in Prairie Village to the KWORCC account at Intrust Bank in Wichita for May claim payments. Mr. Unger moved to approve Check Nos. 8635, 8636 and 8637 and the three wire transfers as presented. Mr. Alcorn seconded the motion which CARRIED unanimously.

Mr. Parrish next reviewed in detail amendments to the 2003 Budget. Revisions included: (1) increase member contributions to equal actual receipts; (2) an adjustment for payroll audits; (3) removal of investment income allocation; (4) salaries and county visit expenses increased to include KWORCC's new Loss Prevention Specialist and (5) adjustments to the ultimate loss and government taxes resulting from the increase in membership. Ms. Swartz moved to approve the budget with the amendments. Ms. Buttron seconded the motion which CARRIED unanimously.

Mr. Davis apprised the Board that the reinsurance cost could go up as much as 15 percent for next year but that he was still investigating all the markets to determine the best available prices for reinsurance. Mr. Alcorn agreed that the insurance market was still considered a "hard market," and at the National PRIMA Conference it was the general consensus of the insurance professionals that workers compensation premiums would increase by as much as eight percent nationwide in the year 2004 and that the hard market would remain for at least another three to five years.

Several of the Board Members provided information they had received from seminars attended at the National PRIMA Conference held May 18-21, 2003 in Reno, Nevada. Seminar topics included: pool administration and management, loss control, the state of the insurance market and claims administration. Mr. Alcorn stated that he had taken numerous notes concerning guidelines for insurance pool trustees. Mr. Parrish suggested that Mr. Alcorn's notes be transcribed for distribution to all the KWORCC Board Members.

Mr. Parrish then requested that the Board change the September meeting date to Thursday, September 18, 2003 because of a scheduling conflict. Because the Clubhouse Inn is not available, Mr. Davis confirmed that the September meeting could be held at the IMA office. After some discussion, the Board agreed by unanimous consent to move the date from Thursday, September 25, 2003, to Thursday, September 18, 2003 and that the location be the IMA Topeka office at 1631 SW Topeka Boulevard in Topeka.

Mr. Parrish distributed a letter of welcome from the Kansas Self-Insurers Association (KSIA) acknowledging KWORCC as a new member. KSIA provides legislative assistance to self-insured pools. He said Ms. Bird would attend the KSIA Annual Conference scheduled for July 17-18, 2003 in Overland Park.

President Weaver then called for a 10-minute recess in the meeting.

President Weaver called upon Mr. Eyman and Mr. Rippee to address Agenda Item No.5, "Marketing & Loss Prevention Report." Mr. Eyman first passed around a sample of the new road workers' hat. Mr. Eyman reported on various county contacts and answered questions.

Mr. Eyman reported that he received a certificate for Risk Management for Public Entities at PRIMA's 2003 Government Risk Management Seminar (GRMS). He stated that this seminar is different from PRIMA's Annual Conference seminars in that it offers professional training that allows participants the opportunity to become formally certified.

Mr. Rippee reported he had completed visiting all 21 assigned member counties and one member hospital last week. He also advised that he had concluded his first safety inspection at the beginning of the week.

Mr. Eyman then presented the Marketing Report by stating that KWORCC was currently working on a bid for Lane County.

President Weaver then addressed Agenda Item No. 6, "Claims Reports." Mr. Parrish reviewed the total incurred losses through the end of May and then calculated the ultimate loss for that same time period. He recommended that the Board review this ratio at each monthly meeting.

Ms. Duncan next reported on various open claims and answered questions. She also reviewed the settlement for Claim No.01-6911, the check having been presented and approved earlier in the meeting.

President Weaver called upon Mr. Alexander to address Agenda Item No. 7, "Financial Report." Mr. Alexander discussed in detail the May 2003 financial condition and responded to questions. Ms. Swartz moved to approve the May 2003 financial report. Mr. Alcorn seconded the motion which CARRIED unanimously.

Mr. Alexander then reviewed the amendments for both the Kansas Department of Insurance 2002 year-end filing and the 2003 first quarterly filing. After some discussion Ms. Swartz moved to approve the amendments for the 2003 year-end filing and the 2003 first quarterly filing. Mr. Unger seconded the motion which CARRIED unanimously.

The check register was then presented by Mr. Alexander. Mr. Schoepf moved to approve check numbers 8569 through 8624. Ms. Buttron seconded the motion which CARRIED unanimously.

President Weaver called upon Mr. Parrish to address Agenda Item No. 8, "Legal Report." There were no legal issues to report.

President Weaver addressed Agenda Item No. 9, "Committee Reports." There were no reports to offer.

President Weaver addressed Agenda Item No. 10, "Other Items." Mr. Parrish distributed an article from the Topeka Capital Journal on Mr. Jim Schier, vice president and senior portfolio manager at Security Benefit Group of Companies. The article covered Mr. Schier's solid investment performance over the past several years. Mr. Parrish informed the Board that Mr. Schier was responsible for handling two of KWORCC's equity investment funds. Mr. Parrish also stated that the Board would be receiving the most recent reports on investments with their monthly packet.

Mr. Parrish advised that Mr. Eyman would be on-call for jury duty the week of June 16, 2003.

There being no further business, Ms. Swartz moved to adjourn the meeting at 3:55 p.m. Mr. Unger seconded the motion which CARRIED unanimously.

THE FOREGOING MINUTES of the Board of Trustees of Kansas Workers Risk Cooperative for Counties were approved by the Board of Trustees the 25th day of July 2003.



Bonnie Swartz, Secretary
KWORCC Board of Trustees

Minutes
Meeting, Board of Trustees
Kansas Worker Risk Cooperative for Counties
May 15, 2003
Via Teleconference

The May 2003 meeting of the Board of Trustees of the Kansas Workers Risk Cooperative for Counties (KWORCC) was called to order by Board President Sam Weaver on Thursday, May 15, 2003 via teleconference. Trustees participating: Sam Weaver, Cherokee County Commissioner, President; Doyle "Hooley" Alcorn, Jewell County Commissioner, Vice President; Bonnie Swartz, Gray County Clerk, Secretary, Linda Buttron, Jefferson County Clerk, Controller; Michelle Garrett, Morris County Clerk; Francis "Shep" Schoepf, Reno County Commissioner and Ralph D. Unger, Decatur County Commissioner.

Staff participating: Mr. James W. Parrish, Administrator; Ms. Dortha O. Bird, Deputy Administrator/Staff Counsel; Mr. Richard Alexander, Accountant and Ms. Christie Carney, Administrative Assistant/Media Developer.

Others participating: Ms. Annette Duncan and Mr. Paul Davis of Insurance Management Associates, Inc. (IMA) and Mr. Eric Otting, Audit Supervisor, Wendling, Noe, Nelson & Johnson, LLP.

President Weaver called the meeting to order at 1:00 p.m. and addressed Agenda Item No. 2, "Approval of the Agenda." Mr. Schoepf moved to approve the agenda as presented. Ms. Swartz seconded the motion which CARRIED unanimously.

President Weaver addressed Agenda Item No. 3, "Consideration of the Minutes of the Meeting of April 17, 2003." Mr. Unger moved to approve the minutes as written. Ms. Swartz seconded the motion which CARRIED unanimously.

President Weaver called upon Mr. Parrish to address Agenda Item No. 4, "Administrator's Report." Mr. Parrish introduced Mr. Eric Otting, Audit Supervisor for KWORCC's independent audit for FY2002. Mr. Otting reviewed goals for the audit and his findings. He addressed numerous questions from the Board. Mr. Weaver thanked Mr. Otting for his service to KWORCC.

Mr. Parrish presented Check No. 8567 in the amount of \$14,500 written to IMA as the fifth of 10 installments for claims adjustment fees and Check No. 8568 in the amount of \$21,390.90 written to IMA for E&O/D&O policy premium for approval.

Mr. Parrish stated there had been two wire transfers of funds since the last Board meeting, both of which were completed on May 5, 2003 and authorized by Ms. Buttron and Mr. Parrish. The first was in the amount of \$60,000 from the KWORCC account at Country Club Bank in Prairie Village to the KWORCC administrative account at Kaw Valley Bank in Topeka. The second was in the amount of \$166,771.15 from the KWORCC account at Country Club Bank in Prairie Village to the KWORCC account at Intrust Bank in Wichita for April claim payments. Ms. Swartz moved to approve Check Nos. 8567 and 8568 and the two wire transfers as presented. Mr. Schoepf seconded the motion which CARRIED unanimously.

Ms. Bird reported that all payroll audits were completed, and any questions or concerns raised by the membership were resolved. Payments due to members were remitted and additional premiums collected from all but one Member County.

Mr. Parrish reviewed the employment history and qualifications of Mr. Philip J. Rippee who has been retained on a part time basis as Loss Prevention Specialist. He also reviewed the contacts made with various counties by Mr. Rippee and details of Mr Eyman's guidance and training to date. Mr. Parrish then answered questions from the Board and advised that Mr. Rippee will be attending the June Board meeting.

President Weaver called upon Mr. Parrish to address Agenda Item No.5, "Marketing & Loss Prevention Report." Mr. Carl Eyman, Deputy Administrator/Loss Prevention Specialist was absent due to previously scheduled training at a Member County. Mr. Parrish reported on various county contacts and answered questions. He explained that Mr. Eyman conducted several "Workplace and Equipment Safety" workshops throughout the state and received very favorable feedback on all of those seminars.

President Weaver called upon Ms. Duncan to address Agenda Item No. 6, "Claims Report." Ms. Duncan presented Claim No. 01-6911 for settlement approval. Mr. Schoepf moved to approve the settlement as discussed. Ms. Swartz seconded the motion which CARRIED unanimously.

Ms. Duncan also presented Claim No. 02-10489 for possible settlement. After reviewing the claim it was decided that no settlement offer would be made at this time.

President Weaver called upon Mr. Alexander to address Agenda Item No. 7, "Financial Report." Mr. Alexander discussed in detail the April 2003 financial reports and responded to questions. Ms. Swartz moved to approve the April 2003 financial reports. Mr. Alcorn seconded the motion which CARRIED unanimously.

The check register was then presented. Mr. Unger moved to approve check numbers 8503 through 8568. Mr. Schoepf seconded the motion which CARRIED unanimously.

President Weaver then called upon Mr. Parrish to address Agenda Item No. 8, "Legal Report." There were no legal issues to report.

President Weaver addressed Agenda Item No. 9, "Committee Reports." Ms. Garrett, chair of the Audit Committee, gave a briefing of the Audit Committee meeting held Wednesday, May 14, 2003 by teleconference with Mr. Otting. Ms. Garrett stated that the committee recommended the adoption of Resolution No. 2003-47 in which the Board of Trustees formally approves the December 31, 2002 year-end audit for filing as prepared by the firm of Wendling, Noe, Nelson & Johnson, LLP. Ms. Garrett also noted two typographical mistakes in the draft of the resolution that was included in the Board packet. Mr. Unger moved to accept the Audit Committee's recommendation and approve Resolution No. 2003-47 with the corrections. Mr. Schoepf seconded the motion which CARRIED unanimously.

President Weaver addressed Agenda Item No. 10, "Other Items." There were no other items to be addressed.

There being no further business, Mr. Unger moved to adjourn the meeting at 2:10 p.m. Ms. Swartz seconded the motion which CARRIED unanimously.

THE FOREGOING MINUTES of the Board of Trustees of Kansas Workers Risk Cooperative for Counties were approved by the Board of Trustees the 12th day of June 2003.



Bonnie Swartz, Secretary
KWORCC Board of Trustees

I, Bonnie Swartz, Secretary of Kansas Workers Risk Cooperative for Counties ("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 15th day of May, 2003, at which a quorum was present and that said resolution has not been rescinded and is still in full force and effect:

RESOLUTION #2003-47

WHEREAS, the KWORCC Board of Trustees has engaged the firm of Wendling, Noe, Nelson and Johnson, LLC to undertake an independent audit of KWORCC's books and records for the year ending December 31, 2002 as required by KSA 12-2620(b);

WHEREAS, the independent audit was completed and is ready to be filed with the Kansas Insurance Department;

WHEREAS auditor Eric Otting met in Executive Session with the KWORCC Audit Committee on the 14th day of May, 2003; and,

WHEREAS the Audit Committee, having discussed the independent audit with the auditor and having reviewed the audit reports with accompanying memoranda, recommends that the independent audit be accepted by the KWORCC Board of Trustees;

NOW, THEREFORE, BE IT RESOLVED, by the Board of Trustees of Kansas Workers Risk Cooperative For Counties, that the independent audit prepared by the firm of Wendling, Noe, Nelson and Johnson for the fiscal year ending December 31, 2002 shall be adopted and filed in its books and records of the Kansas Insurance Department, Kansas Department of Administration and the KWORCC Administrative files for public view.

IN WITNESS WHEREOF, the undersigned has caused this Resolution to be executed this 15th day of May, 2003.



Bonnie Swartz, Secretary

Minutes
Meeting, Investment Committee
Kansas Worker Risk Cooperative For Counties
Clubhouse Inn, Topeka, Kansas
April 17, 2003

On Thursday, April 17, 2003, the Investment Committee of the Kansas Workers Risk Cooperative for Counties ("KWORCC") met at the Clubhouse Inn, Topeka, Kansas. The meeting was called to order by Committee Chair, F.E. "Shep" Schoepf at 10:30 a.m. Committee Members participating included: Francis "Shep" Schoepf, Reno County Commissioner; Sam Weaver, Cherokee County Commissioner; and Ralph D. Unger, Decatur County Commissioner. Also present was James W. Parrish, Administrator and B. Christopher Thompson, Investment Advisor of Country Club Bank and Marc D'Andrea, Investment Broker with Security Benefit Group of Companies.

Mr. Schoepf stated the purpose of the meeting and asked for approval of the minutes of the December 19, 2002 meeting of the Investment Committee. Upon motion duly made and seconded, the Committee approved the minutes by unanimous vote.

The Committee generally discussed the equity investments and their performance. Mr. Unger asked why the Security Mid-Cap Fund was outperforming the Security Global Fund and the Security Ultra Fund. Mr. Parrish replied that the Security Mid-Cap Fund was a blend of value stocks and was more conservative.

Mr. Thompson discussed the performance of the fixed income securities and his strategy, which was to try to maximize returns as still have available liquidity for the operation of the pool. He suggested that with interest rates were at a 41-year low they are more likely to be moving up than down. Yet it is very difficult to know when this move would get underway. He indicated that any eventual move up in rates could be preceded by a prolonged period of rates simply staying at their current low levels (without dropping further). He reminded the Investment Committee of a \$30,000 gain that he realized in January by selling a security on the belief that rates would not go any lower before the bond would have been called away. In retrospect, it appears to have been the correct decision as rates are unchanged from their January 2003 levels. He presented a list of securities showing their par value at \$8,135,000 with an average weighted rate of return was 3.91% (actual average calculation would show a 4.26% return, yet weighted to consider expected length of investment, with likely call-dates, and amounts invested in each security). He then discussed the call dates and maturity dates for the 21 securities held by the pool, pointing out the average maturity was May 5, 2008. He also discussed how the weighted average life of the portfolio would vary under various rate scenarios (i.e., market yields moving up and down 3%).

Mr. D'Andrea provided information to the Investment Committee and discussed the equity securities, pointing out that the Security Mid-Cap Blend Fund and Security Ultra Growth Fund were both managed by Jim Schier for Security Benefit Group of Companies and the Security Large-Cap Growth Fund was managed by Bill Wilby. He emphasized the credentials of these individuals were very high and that they are very conservative and are doing a good job on behalf of KWORCC. He did urge that even though the equity investments have lost considerable value that the KWORCC should remember the reasons why KWORCC got into the equity markets in the first place. There was a general discussion that KWORCC had

a five-year plan in mind when it invested in securities in April of 2001, and if the Trustees are comfortable with that strategy, which was diversification, then KWORCC should stay the course. If the Trustees were uncomfortable with the strategy devised back in April of 2001, they should consider selling some of these securities. After some discussion, it was generally agreed that the Trustees should honor the strategy and remain invested in the funds.

Mr. D'Andrea also provided "The Callan Periodic Table of Investment Returns" showing how various stock indices performed from 1983 to 2002. Mr. Unger pointed out that none of the funds remained in place for a period for any longer than four consecutive years and the Security Global Fund was represented primarily by the white, blue and red boxes on the table; the Security Ultra Fund was represented primarily by the red, gold and tan boxes and the Security Mid-Cap Fund was primarily represented by the blue and purple boxes, so the table gives an idea of long-term performance for the type of equities in KWORCC's investments portfolio.

Mr. Parrish stated that KSA 40-2a01 provides that KWORCC's investments in government instruments must be approved to comply with state law and KWORCC's Investment Policy. That approval either must be by the full Board or by a committee thereof. Mr. Parrish recommended that the Investment Committee review the investments and, if approved, submit to the full Board a recommendation to pass a resolution ratifying that approval.

Whereupon, the Investment Committee reviewed the investments made on behalf of KWORCC in government securities from the period December 1, 2002 through March 31, 2003. After discussion, Mr. Unger made a motion to approve and ratify the investments and recommend to the Board of Trustees to adopt KWORCC Resolution No. 2003-38 to approve and ratify the purchases and sales of the government securities by Country Club Bank on behalf of KWORCC for the period December 1, 2002 through March 31, 2003. Mr. Weaver seconded the motion which CARRIED unanimously.

Mr. Parrish discussed KWORCC's investments in equities and responded to questions.

There being no further business, Mr. Schoepf declared the meeting was adjourned.

THE FOREGOING MINUTES of the Investment Committee of Kansas Workers Risk Cooperative for Counties were executed by the Chair of that Committee on May 15, 2003.



F.E. "Shep" Schoepf, Chair
KWORCC Investment Committee

KWORC

KANSAS
WORKERS RISK COOPERATIVE
for COUNTIES

Memo

Trustees

Sam Weaver
Cherokee County Commissioner
President

Doyle "Hooley" Alcorn
Jewell County Commissioner
Vice President

Bonnie Swartz
Gray County Clerk
Secretary

Linda M. Buttron
Jefferson County Clerk
Controller

Michelle Garrett
Morris County Clerk

Francis "Shep" Schoepf
Reno County Commissioner

Ralph D. Unger
Atter County Commissioner

Staff
James W. Parrish
Administrator

Dortha O. Bird
Deputy Administrator
& Staff Counsel

Carl Eyman
Deputy Administrator &
Loss Prevention Specialist

Richard Alexander "Alex"
Accountant

Christie Carney
Administrative Assistant
& Media Developer

Office Address
Jayhawk Towers
700 SW Jackson, Suite 200
Topeka, KS 66603

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

Internet
E-mail: kworcc@aol.com
Website: www.kworcc.com

Date: April 8, 2003
To: Investment Committee
From: Dortha O. Bird
RE: Committee Meeting April 17, 2003



This is a reminder that there is an Investment Committee meeting on **April 17, 2003 @ 10:30 AM in the Clubhouse Inn Conference Room**. All three of the Committee Members (Ralph, Shep and Sam) have hotel reservations for the evening of April 16, 2003.

Enclosed is a list of the investments as well as a proposed resolution for you to present to the full Board, should you choose to do so.

Chris Thompson from Country Club Bank and Marc D'Andrea from Security Benefit Life are going to attend the meeting, yet will not arrive until 11:00 AM. Chris will be presenting to the full Board, first thing on the Administrator's report.

Thank you for your assistance.

DOB:slf
pc:File
Enclosures

I, Bonnie Swartz, Secretary of Kansas Workers Risk Cooperative for Counties ("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 April, 2003, at which a quorum was present and that said resolution has not been rescinded and is still in full force and effect:

RESOLUTION # 2003-38

WHEREAS, KWORCC has elected to place investments pursuant to Chapter 40 of Kansas Statutes Annotated, and thus is to comply with the provisions thereof;

WHEREAS, KSA 40-2a01 states, in pertinent part: "[C]ompany...may invest with the direction or approval of a majority of its board of directors or authorized committee thereof, any of its funds, or any part thereof in bonds or other evidences of indebtedness issued, assumed or guaranteed by the United States of America, or by any agency or instrumentality thereof;"

WHEREAS, KWORCC has invested in certain United States instruments during the period December 31, 2002 through March 31, 2003, which were reviewed by the Investment Committee at a meeting held at 10:00 a.m. on April 17, 2003 at the Clubhouse Inn, 924 SW Henderson Road, Topeka, Kansas 66615. Pursuant to that meeting, the Investment Committee determined said investments to be in accordance with K.S.A. 40-2a01 and KWORCC's investment policy and has made a recommendation to the KWORCC Board of Trustees to approve those investments;

NOW, THEREFORE, it is RESOLVED by the KWORCC Board of Trustees that investment purchases made in United States Government securities from the period December 1, 2003 through March 31, 2003, having been reviewed by KWORCC's Investment Committee and made in accordance with K.S.A. 40-2a01 and KWORCC's investment policy hereby are approved.

IN WITNESS WHEREOF, the undersigned has caused this Resolution to be executed this 17th day of April, 2003.

Bonnie Swartz, Secretary

Pursuant to KSA 40-2a01. "United States government obligations: [C]ompany...may invest with the direction or approval of a majority of its board of directors or authorized committee thereof, any of its funds, or any part thereof in bonds or other evidences of indebtedness issued, assumed or guaranteed by the United States of America, or by any agency or instrumentality thereof."

Government Investments of KWORCC from 12/01/02 to 03/31/03

-----PURCHASED-----

<u>Transaction Date</u>	<u>Description</u>	<u>Coupon Rate/Maturity Date</u>	<u>Par/Shares</u>	<u>Principal RCVD/Cost</u>
12/27/02	FHLB 4.25 STEP UP 5.25 12/05	4.250-12/27/12	500,000	500,000.00
01/16/03	FEDERAL HOME LOAN MTG CORP	1.217-01/30/03	1,500,000	1,499,300.00
01/16/03	FEDERAL HOME LOAN BANK DN	1.216-01/24/03	250,000	249,933.33
01/21/03	FEDERAL NAT'L MTG ASSN DN	1.206-01/31/03	750,000	749,752.08
01/24/03	FEDERAL NAT'L MTG ASSN	4.500-07/21/11	250,000	250,000.00
01/28/03	FEDERAL NAT'L MTG ASSN DN	1.227-02/14/03	700,000	699,600.03
01/30/03	FHLB ONE TIME CALL	3.150-10/30/06	500,000	500,000.00
01/30/03	FHLB 4.0 STEP UP 6.0 1/07	4.000-01/30/13	500,000	500,000.00
01/30/03	FHLMC 4.00 STEP UP 4.25 7/03	4.000-07/30/09	250,000	251,250.00
02/03/03	HOME LOAN BANK DN	1.240-05/02/03	700,000	697,912.44
02/05/03	FEDERAL HOME LOAN BANK DN	1.227-02/28/03	1,750,000	1,748,647.15
02/13/03	FEDERAL HOME LOAN BANK DN	1.217-02/28/03	1,200,000	1,199,400.00
02/14/03	FHLMC ONE TIME CALL	3.050-02/14/07	250,000	250,000.00
02/19/03	FEDERAL HOME LOAN BANK	4.320-08/19/10	280,000	280,000.00
02/28/03	FHLB ONE TIME CALL	3.270-05/21/07	375,000	375,000.00
02/28/03	FHLMC ONE TIME CALL	3.200-02/28/07	330,000	330,000.00
02/28/03	FHLMC 3.0 STEP UP 3.125 2/04	3.000-02/15/09	750,000	750,000.00
02/28/03	FEDERAL NATIONAL MTG ASSN	3.500-09/15/04	250,000	258,281.25
03/13/03	FEDERAL NATIONAL MTG ASSN	6.220-08/05/08	500,000	508,730.00
03/13/03	FHLMC 4.0 STEP UP 4.25 8/03	4.000-08/20/09	400,000	403,000.00
03/24/03	FEDERAL FARM CREDIT BANK	4.100-03/24/10	500,000	500,000.00
03/28/03	FHLB ONE TIME CALL	6.250-02/09/11	300,000	310,800.00

-----SOLD-----

01/08/03	FHLB 4.25 STEP UP 7.0 11/04	4.250-05/29/09	1,000,000	1,030,000.00
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03/25/2003

From: Chris Thompson / Country Club Bank 800-288-5489
 To: KWORCC Investment Comm. Distribution List

Ralph Unger

F.E. "Shep" Schoepf (620) 694-2928 fx

Sam Weaver (620) 429-1042 fx

KWORCC offices (c/o Dortha Bird)

Re: Weekly Portfolio Update.

All values are as of April 15, 2003

unless otherwise noted.

Value Conservative

Ticker	Fund Name	Fund Objective	Fund Style	Morningstar Rating Reported on Yahoo! 4 star (of 5 possible)	CHG_PCT_YTD		24-Mar-03 NAV	Cost Basis	Market Value	Gain / (Loss)	Number of Shares	Avg. Share Price	
					52 Week High	52 Week Low							
SEQAX	Security Global Fund	Capital Appreciation	Large Cap Growth	4 star (of 5 possible)	\$12.95	\$8.42	\$9.21	\$ 190,000	\$ 138,586	\$ (51,414)	15,047	\$12.63	
SECUX	Security Ultra Fund	Capital Appreciation	Mid Cap Growth	3 star (of 5 possible)	\$10.97	\$6.48	\$7.89	\$ 190,000	\$ 144,929	\$ (45,071)	18,369	\$10.34	
SEVAX	Security Mid Cap Fund	Capital Appreciation	Mid Cap Blend	5 star (of 5 possible)	\$24.21	\$15.27	\$18.38	\$ 190,000	\$ 171,302	\$ (18,698)	9,320	\$20.39	
								\$ 570,000	\$ 454,617	\$ (115,183)			-20.21% as % of cost basis

	Dollar Value	Percent of Total
FDIC Insured Account @ CCB:	\$ 95,360	1.12%
REPO Sweep Account:	\$ 770,000	0.94%
Market Value of Equity Funds:	\$ 454,617	5.19%
Market Value of Bond Portfolio:	\$ 8,191,073	92.76%
TOTAL Portfolio Market Value	\$ 9,511,250	100.00%

* Recently wired funds are invested in 2 week discount notes

Most Recently Published Top 10 Holdings:

Global Fund (SEQAX)	Ultra Fund (SECUX)	Mid Cap Fund (SEVAX)
1 Cadence Design Systems	Action Corp	SGR 0.05/01/21
2 Qualcomm Inc	Hyperion Solutions Cor	WR Berkley Corp
3 Rockitt Benckiser PLC	ENSCO International In	Computer Sciences Corp
4 Sanofi-Synthelabo SA	Mattel Inc	Acclaim Corp
5 KODI Corp	Shaw Group Inc/The	Unisource Energy Corp
6 Bank One Corp	Aflac Inc	Chicago Bridge & Iron
7 Microsoft Corp	Evergreen Resources In	Shaw Group Inc/The
8 Vodafone Group Plc	Scipps Co (E.W.)	Murphy Oil Corp
9 Porsche AG	Hooper Holmes Inc	Valero Energy Corp
10 Australia & New Zealand	National-Oilwell Inc	Evergreen Resources In

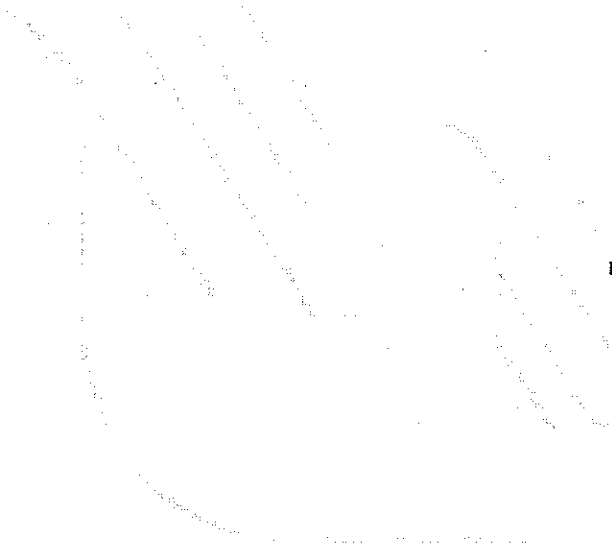
Reasons for purchase of equity funds
 1) A long term belief that equities will outperform bonds
 2) A hedge against inflation which can be achieved without impairing near term liquidity
 3) Diversification from bonds and cash equivalents

Is Goal Still Relevant?
 Yes.
 Yes.
 Yes.

2.
 Gold Blue
 Purple
 Green
 Red

red, purple, blue, green

Mid Cap Value



Jim Schler
Vice President
Senior Portfolio Manager



The Security Benefit
Group of Companies

Mid Cap Value

Portfolio Structure

as of March 31, 2003



REPRESENTATIVE HOLDINGS

MID CAP VALUE FUND	
BERKLEY (WR) CORP	3.99%
ACXIOM CORP	3.59%
COMPUTER SCIENCES CORP	3.41%
CHICAGO BRIDGE & IRON	3.02%
UNISOURCE ENERGY	2.92%
S&P MIDCAP 400/BARRA VAL	2.91%
MURPHY OIL CORPORATION	2.54%
NAMED CORPORATION	2.42%
ARCHER DANIEL S MIDLAND	2.35%
EVERGREEN RESOURCES INC	2.29%

COMPANY SIZE CAPITALIZATIONS

	Mid Cap Value Fund
Large	0.00%
Medium	42.62%
Small	57.38%
Cash	2.41%
Median Mkt. Cap	1.0

CURRENT PORTFOLIO STRUCTURE

	Mid Cap Value Fund	S & P Mid Cap Value
Forecast PE ('04)	13.1	11.0
PE/Long Term Growth Rate	0.8	0.9
Market Value (BILL - Avg Weighted)	1.7	2.0
Price/Book	1.3	1.3
Beta	0.83	0.85

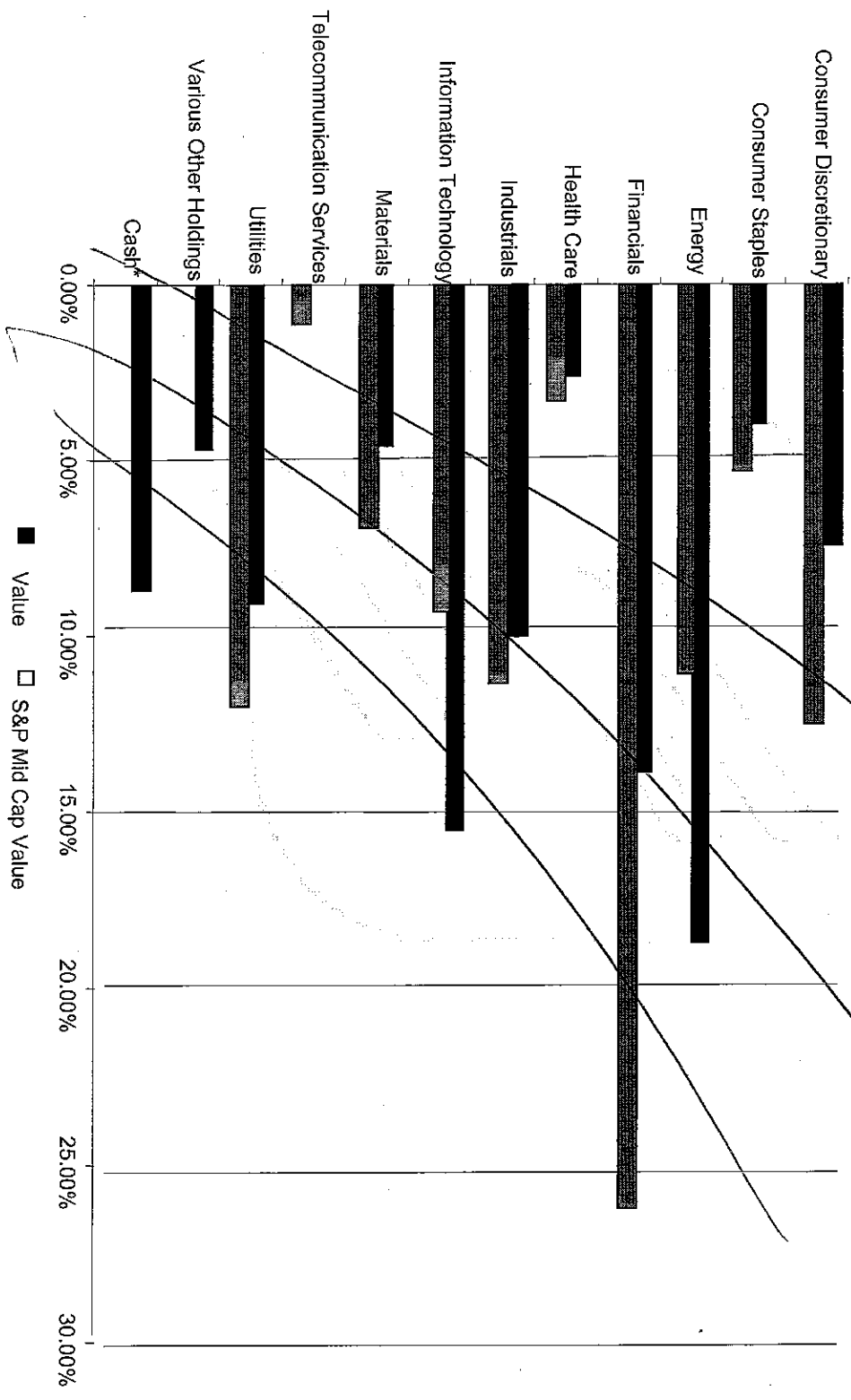


The Security Benefit Group of Companies

Mid Cap Value

Sector Weighting vs. Index

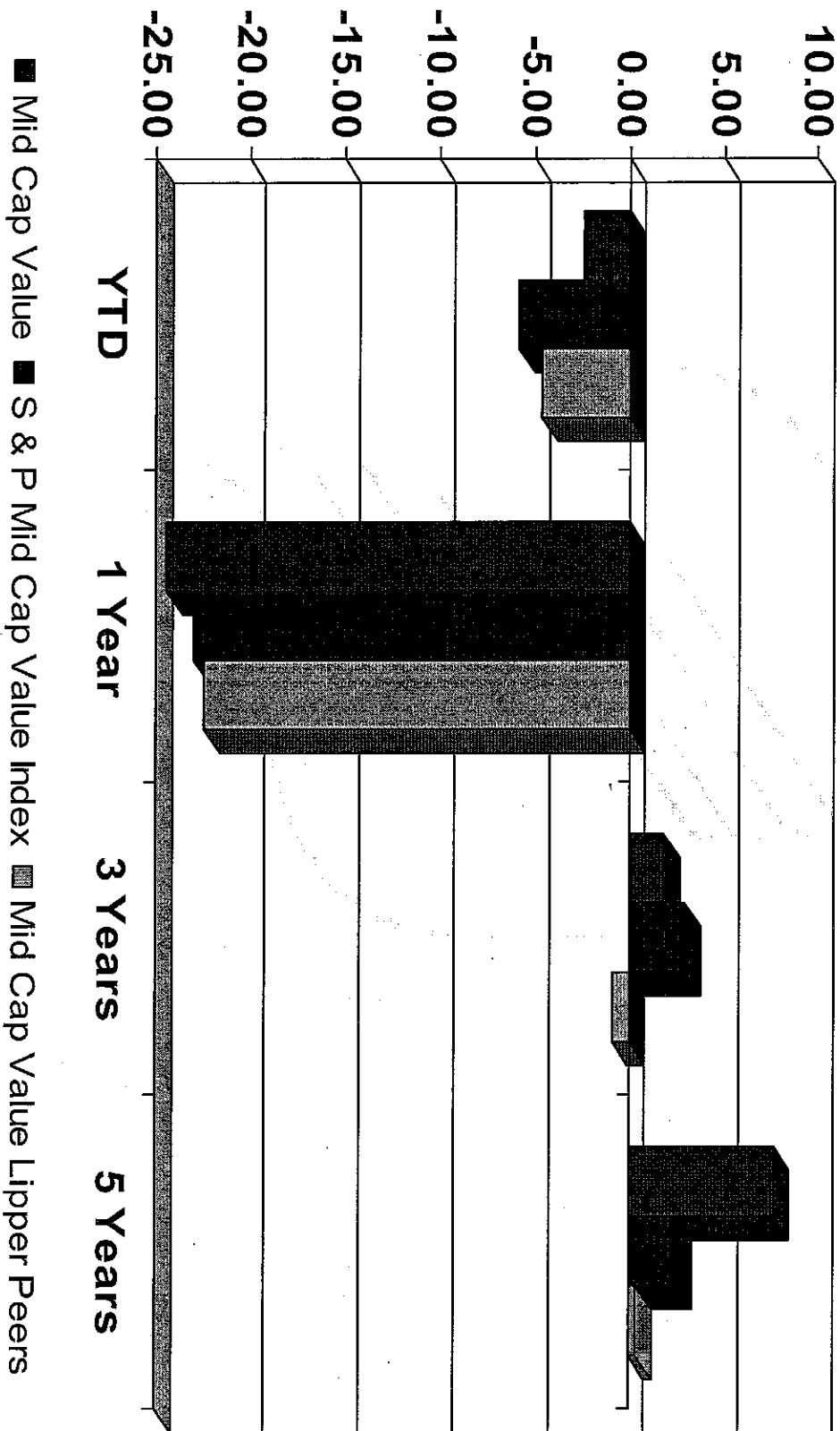
as of March 31, 2003



Incorrect

Mid Cap Value Annual Returns vs. Index and Peers

as of March 31, 2003



■ Mid Cap Value ■ S & P Mid Cap Value Index ▨ Mid Cap Value Lipper Peers

Mid Cap Value Performance

Annualized Total Returns as of March 31, 2003

Mid Cap Value Fund

1 year	-24.44%
3 years	-1.84%
5 years	7.67%
Since Inception*	2.40%

*Mid Cap Value Fund – 05/01/1997

Calendar Year Returns

Mid Cap Value Fund

2002	-14.86%
2001	11.29%
2000	26.65%
1999	21.80%
1998	16.14%



Mid Cap Growth



Jim Schier
Vice President
Senior Portfolio Manager



The Security Benefit
Group of Companies

Mid Cap Growth

Portfolio Structure

as of March 31, 2003



Morningstar Stars

REPRESENTATIVE HOLDINGS

MID CAP GROWTH FUND

ACXOM CORP	5.99%
MATTEL INCORPORATED	4.26%
EVERGREEN RESOURCES INC	3.23%
E.W. SCRIPPS COMPANY	2.87%
NATIONAL-OILWELL INC	2.68%
HYPERION SOLUTIONS CORP	2.36%
HOOPER HOLMES INC	2.33%
ADAPTEC INC.	2.28%
AT ROAD INC	2.26%
SHAW GROUP INC	2.25%

COMPANY SIZE CAPITALIZATIONS

	Mid Cap Growth Fund
Large	4.26%
Medium	29.71%
Small	66.02%
Cash	0.65%
Median Mkt. Cap	0.8

CURRENT PORTFOLIO STRUCTURE

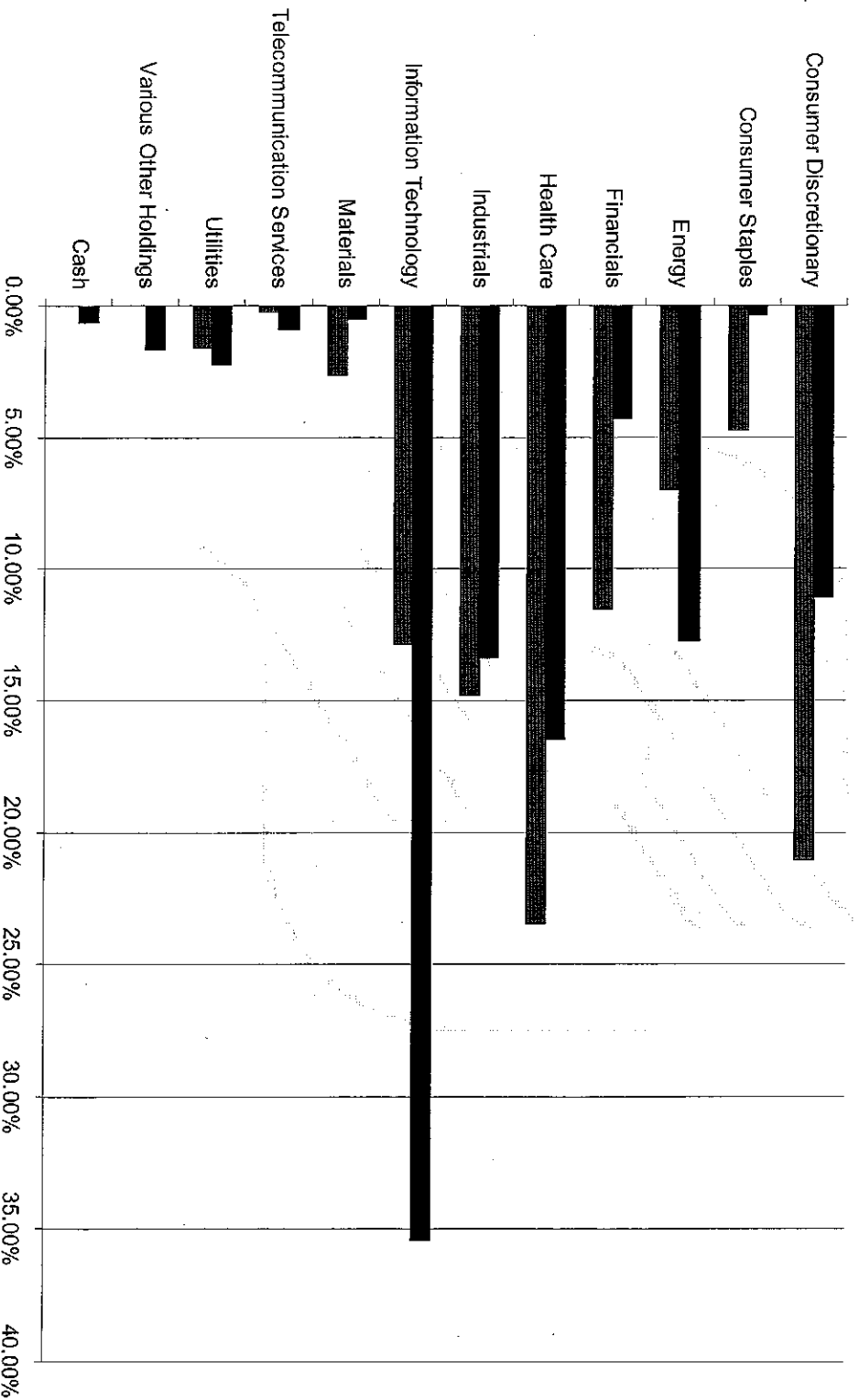
	Mid Cap Growth Fund	S & P Mid Cap Growth
Forecast PE ('04)	24.2	15.3
PE/Long Term Growth Rate	1.2	0.9
Market Value (BILL - Avg Weighted)	1.7	2.8
Price/Book	1.8	3.3
Beta	1.16	0.96



Mid Cap Growth

Sector Weighting vs. Index

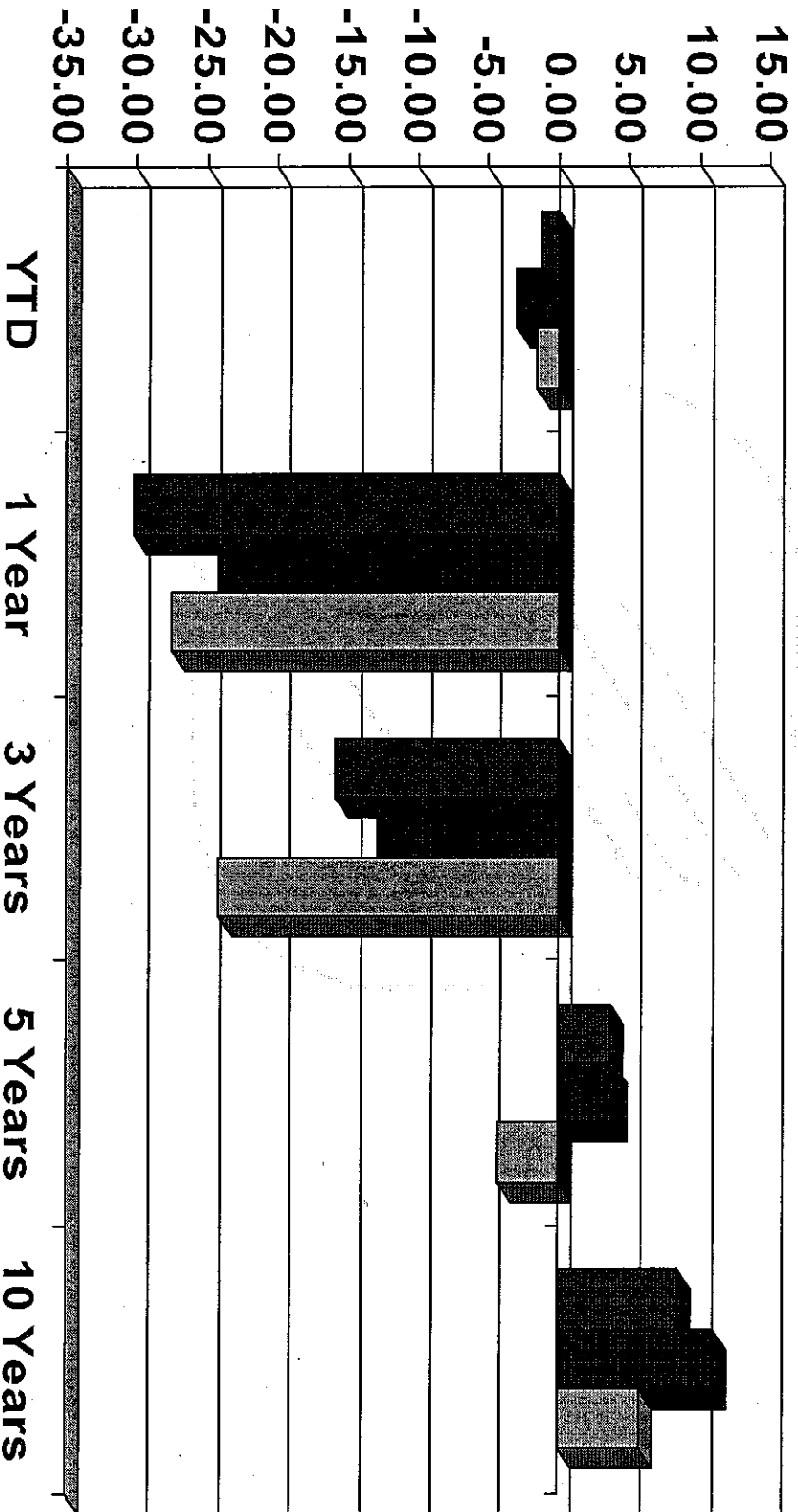
as of March 31, 2003



Mid Cap Growth

Annual Returns vs. Index and Peers

as of March 31, 2003



■ Mid Cap Growth ■ S & P Mid Cap Growth Index ■ Mid Cap Growth Lipper Peers

Mid Cap Growth Performance

Annualized Total Returns as of March 31, 2003

<u>Mid Cap Growth Fund</u>	
1 year	-30.19%
3 years	-15.91%
5 years	3.74%
10 years	8.40%
Since Inception*	-1.16%

*Mid Cap Growth Fund - 09/17/69

Calendar Year Returns

<u>Mid Cap Growth Fund</u>	
2002	-27.60%
2001	-14.61%
2000	15.83%
1999	59.73%
1998	16.22%
1997	17.86%
1996	18.13%
1995	19.21%
1994	-6.64%
1993	9.84%
1992	7.65%

Global

Bill Wilby
Sr. Vice President
OppenheimerFunds, Inc.



The Security Benefit
Group of Companies

Global

Portfolio Structure

as of March 31, 2003



GLOBAL FUND

Qualcomm, Inc.
 Cadence Design Systems, Inc.
 KDDI Corporation
 Vodaphone Group plc
 Sanofi-Synthelabo S.A.
 Reckitt Benckiser plc
 Bank One Corporation
 Microsoft Corporation
 Wolters Kluwer N.V.
 Johnson & Johnson

REPRESENTATIVE HOLDINGS

2.9%
 2.8%
 2.7%
 2.4%
 2.4%
 2.3%
 2.1%
 1.9%
 1.7%
 1.6%

TOP 10 COUNTRIES

United States	40.2%
United Kingdom	14.7%
Japan	9.0%
France	6.2%
Germany	4.9%
Netherlands	4.9%
India	3.8%
Canada	2.8%
Brazil	2.1%
Mexico	1.9%

COMPANY SIZE CAPITALIZATIONS

Large	60.7%
Medium	35.7%
Small	3.6%
Cash	0.00%
Median Mkt. Cap	10.0 bill.

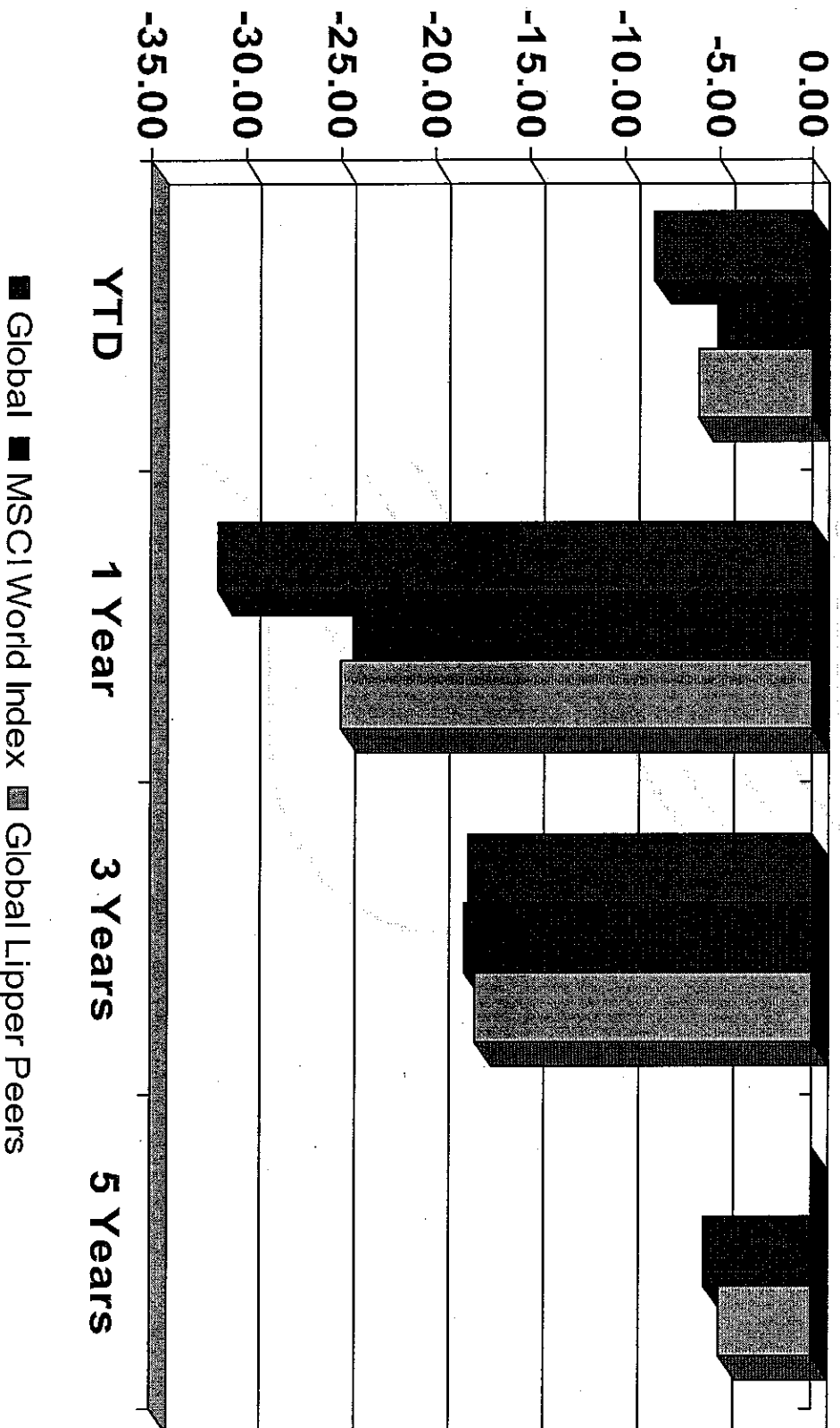
CURRENT PORTFOLIO STRUCTURE

	<u>Global Fund</u>	<u>MSCI World</u>
P/E	27.7	11.0
Beta	0.96	0.85

Global

Annual Returns vs. Index and Peers

as of March 31, 2003



■ Global ■ MSCI World Index ■ Global Lipper Peers

Global Performance

Annualized Total Returns as of March 31, 2003

Global Fund

1 year	-31.48%
3 years	-18.16%
5 years	-0.10%
Since Inception*	-8.38%

*Global Fund - 10/01/1993

Calendar Year Returns

Global Fund

2002	24.20%
2001	-14.61%
2000	15.83%
1999	59.73%
1998	16.22%
1997	17.86%
1996	18.13%
1995	19.21%
1994	-6.64%
1993	9.84%



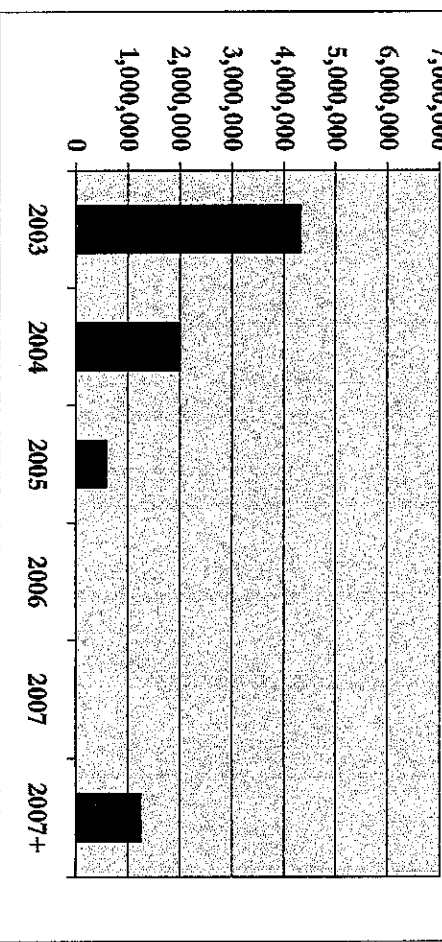
If rates look as they do today, by the first call date is there an

ITEM #	ISSUER	PAR	VALUE	CURRON	CALL DATE	MATURITY	MARKET PRICE	EXPECTED CALL?	Base Case	- 300 bp	+ 300 bp
1	FED HOME IN DISCOUNT NTI	700,000	0.800	N/C	2-May-03	2-May-03	99.942	no	2-May-03	2-May-03	2-May-03
2	FANNIE MAE	250,000	3.500	N/C	15-Sep-04	15-Sep-04	102.800	yes	15-Sep-04	15-Sep-04	15-Sep-04
3	FEDERAL HOME LOAN BANK	300,000	3.375	N/C	15-Nov-04	15-Nov-04	102.640	yes	15-Nov-04	15-Nov-04	15-Nov-04
4	FANNIE MAE	500,000	4.950	8-May-03	8-May-06	100.532	100.532	yes	8-May-03	8-May-03	8-May-06
5	FEDERAL HOME LOAN BANK	500,000	3.150	30-Jul-03	30-Oct-06	100.593	100.593	yes	30-Jul-03	30-Jul-03	30-Oct-06
6	FREDDIE MAC	500,000	5.100	16-May-03	16-Nov-06	100.593	100.593	yes	16-May-03	16-May-03	16-Nov-06
7	FREDDIE MAC	250,000	3.050	14-Feb-05	14-Feb-07	100.789	100.789	yes	14-Feb-05	14-Feb-05	14-Feb-07
8	FREDDIE MAC	350,000	3.200	28-Feb-05	28-Feb-07	101.219	101.219	yes	28-Feb-05	28-Feb-05	28-Feb-07
9	FEDERAL HOME LOAN BANK	375,000	3.270	21-Nov-03	21-May-07	100.877	100.877	yes	21-Nov-03	21-Nov-03	21-May-07
10	FEDERAL HOME LOAN BANK	100,000	3.000	27-May-03	27-Nov-07	100.182	100.182	yes	27-May-03	27-May-03	27-Nov-07
11	FANNIE MAE	500,000	6.220	5-Aug-03	5-Aug-08	101.439	101.439	yes	5-Aug-03	5-Aug-03	5-Aug-08
12	FREDDIE MAC	750,000	3.000	15-Feb-04	15-Feb-09	100.019	100.019	no	15-Feb-04	15-Feb-04	15-Feb-09
13	FREDDIE MAC	250,000	4.000	30-Jul-03	30-Jul-09	100.000	100.000	yes	30-Jul-03	30-Jul-03	30-Jul-09
14	FREDDIE MAC	400,000	4.000	20-Aug-03	20-Aug-09	100.928	100.928	yes	20-Aug-03	20-Aug-03	20-Aug-09
15	FEDERAL FARM CREDIT BANK	500,000	4.100	24-Sep-03	24-Mar-10	100.135	100.135	no	24-Sep-03	24-Sep-03	24-Mar-10
16	FEDERAL HOME LOAN BANK	280,000	4.320	19-Feb-04	19-Aug-10	100.826	100.826	yes	19-Feb-04	19-Feb-04	19-Aug-10
17	FEDERAL HOME LOAN BANK	300,000	6.250	9-Feb-04	9-Feb-11	100.000	100.000	yes	9-Feb-04	9-Feb-04	9-Feb-11
18	FANNIE MAE	500,000	6.250	19-Jul-04	19-Jul-11	105.160	105.160	yes	19-Jul-04	19-Jul-04	19-Jul-11
19	FANNIE MAE	250,000	4.500	21-Jan-04	21-Jul-11	100.598	100.598	yes	21-Jan-04	21-Jan-04	21-Jul-11
20	FREDDIE MAC	100,000	6.080	10-Aug-04	10-Aug-11	105.694	105.694	yes	10-Aug-04	10-Aug-04	10-Aug-11
21	FEDERAL HOME LOAN BANK	400,000	4.000	30-Apr-03	30-Jan-13	100.495	100.495	yes	30-Apr-03	30-Apr-03	30-Jan-13
TOTAL		8,135,000	3.91	30-Jul-03	5-May-08				8-Oct-04	28-Nov-03	5-May-08

avg coupon 4.175
 14.75% strength recovery

covered maturity

KWORCC Maturity and Call Distribution (Base Case)



Settle 4-30-03

YEAR	PAR	% of Portfolio	Cumulative
2003	4,325,000	53.165%	53.165%
2004	1,980,000	24.339%	77.505%
2005	580,000	7.130%	84.634%
2006	0	0.000%	77.505%
2007	0	0.000%	77.505%
2007+	1,250,000	15.366%	100.000%
TOTAL	8,135,000	100.000%	

ISSUER	PAR	% of Portfolio	Cumulative
FANNIE MAE	2,000,000	24.585%	24.585%
FEDERAL HOME LOAN BANK	3,335,000	41.242%	65.827%
FREDDIE MAC	2,280,000	28.027%	93.854%
FEDERAL FARM CREDIT BANK	500,000	6.146%	100.000%
TOTAL	8,135,000	100.000%	

Account Balance:	
Government REPO	\$ 770,000
FDIC Insured DDA	\$ 97,504

GRAE

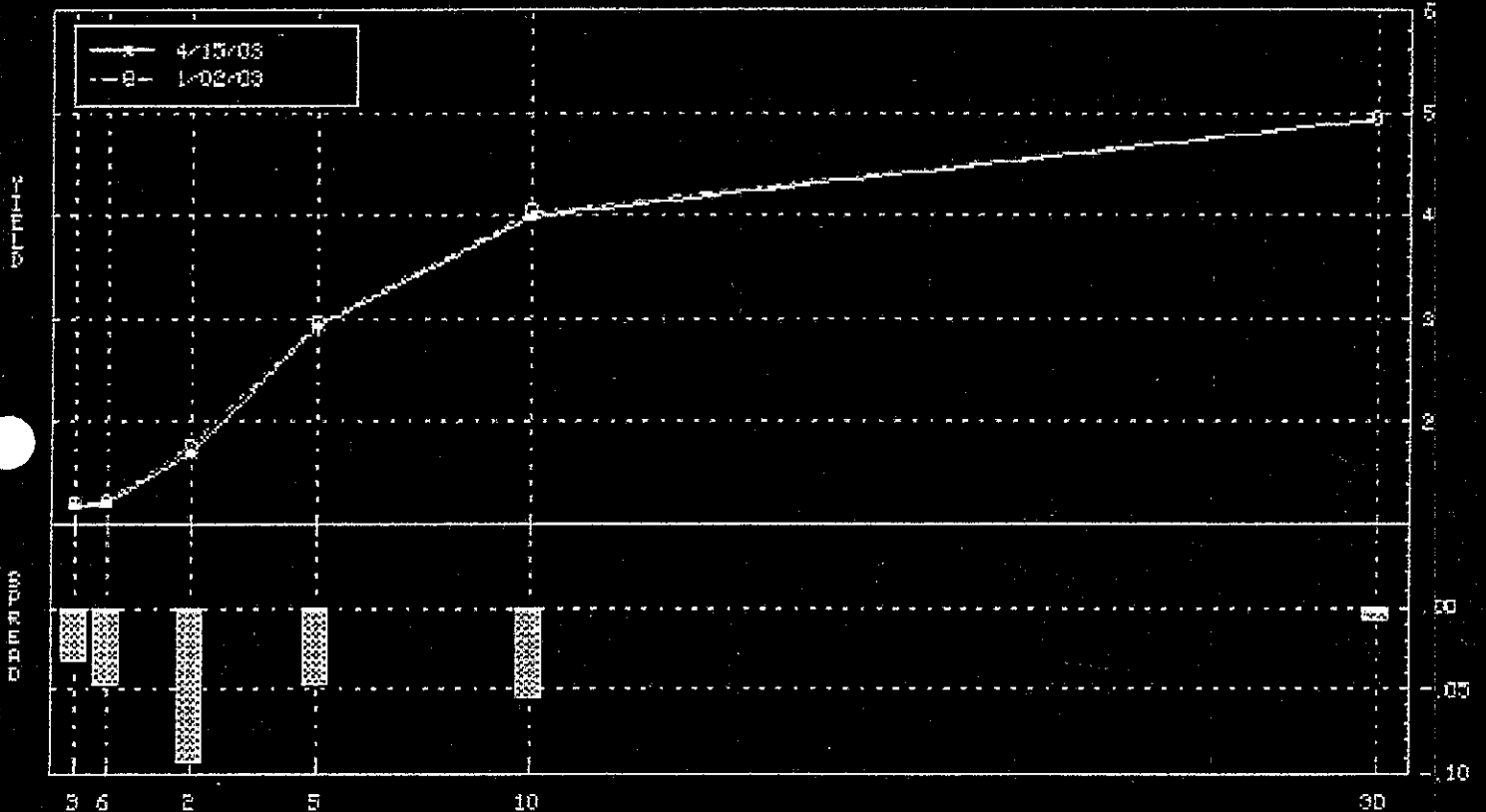
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HISTORICAL YIELD CURVE

PAGE 1 OF 2

DATE RANGE 1/27/03 4/15/03

MTY RANGE 3M 30Y

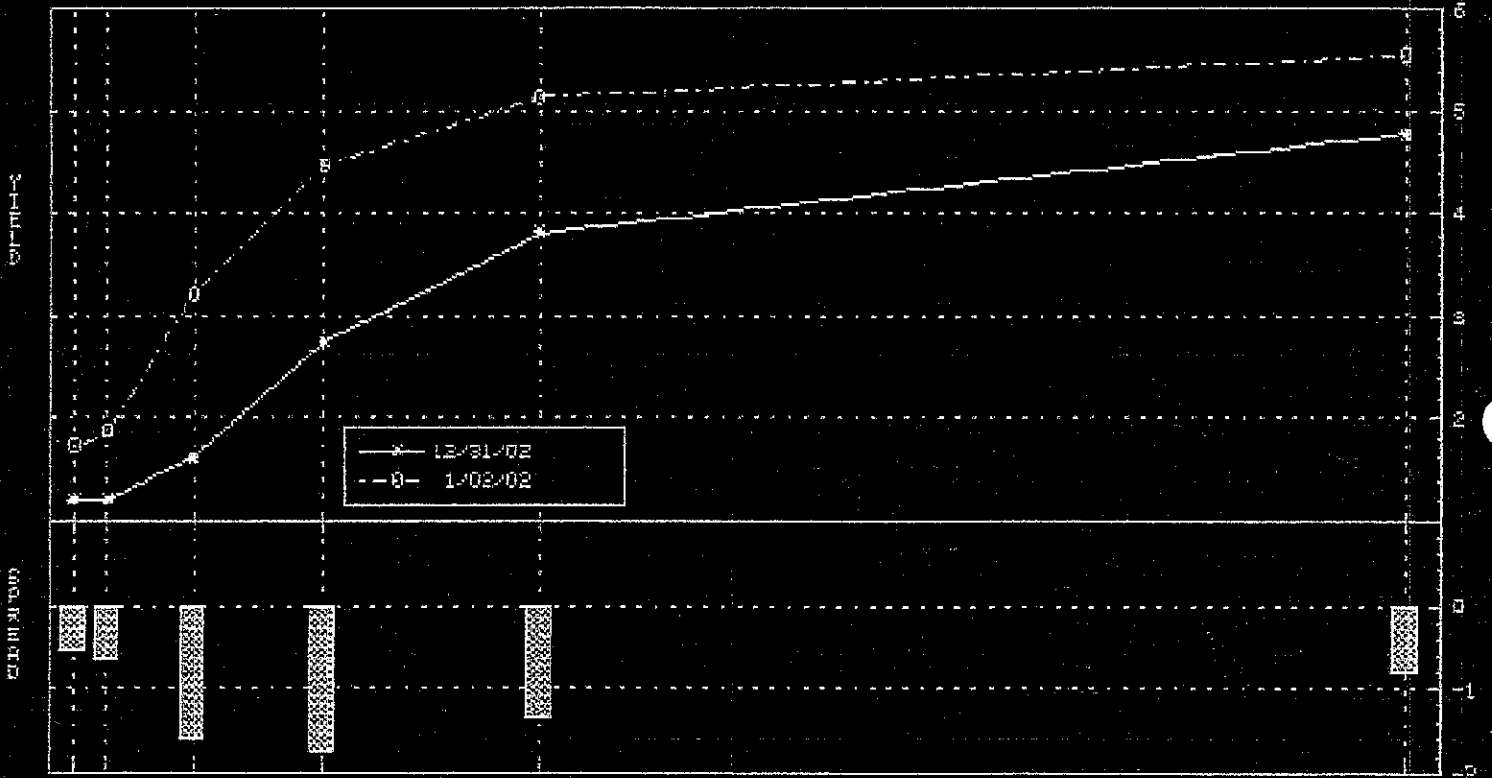


Australia 61 2 3777 6200 Brazil 5511 3048 4500 Europe 44 20 7390 7500 Germany 49 69 930410
 Hong Kong 652 2577 6000 Japan 61 3 3201 6900 Singapore 65 6212 1000 U.S. 1 212 316 2000 Copyright 2003 Bloomberg L.P.
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HISTORICAL YIELD CURVE

DATE RANGE 1/2/02 12/31/02

MTY RANGE 911 913



Australia 61 2 8777 9500 Brazil 5511 3049 4500 Europe 44 20 7390 7500 Germany 49 69 920410
 Hong Kong 852 2377 6000 Japan 81 3 3201 6300 Singapore 65 6212 1000 U.S. 1 212 318 2000 Copyright 2002 Bloomberg L.P.
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GRAB

Muni C15

HISTORICAL YIELD CURVE

PAGE 2 OF 2

DATE RANGE 1/2/02 12/31/02

MTY RANGE 3M 30Y

	<u>1/02/02</u>	<u>12/31/02</u>	<u>CHANGE</u>
3 MONTH	1.731	1.190	-0.5412
6 MONTH	1.842	1.204	-0.6382
2 YEAR	3.201	1.598	-1.6027
5 YEAR	4.467	2.734	-1.7330
10 YEAR	5.157	3.814	-1.3437
30 YEAR	5.555	4.779	-0.7763

GRAB

Index GP

At 15:30 Op 8347.66 Hi 8402.43 Lo 8307.54

Line Chart

INDU Index

1/5

Range 1/1/02 - 12/31/02

Period D Daily

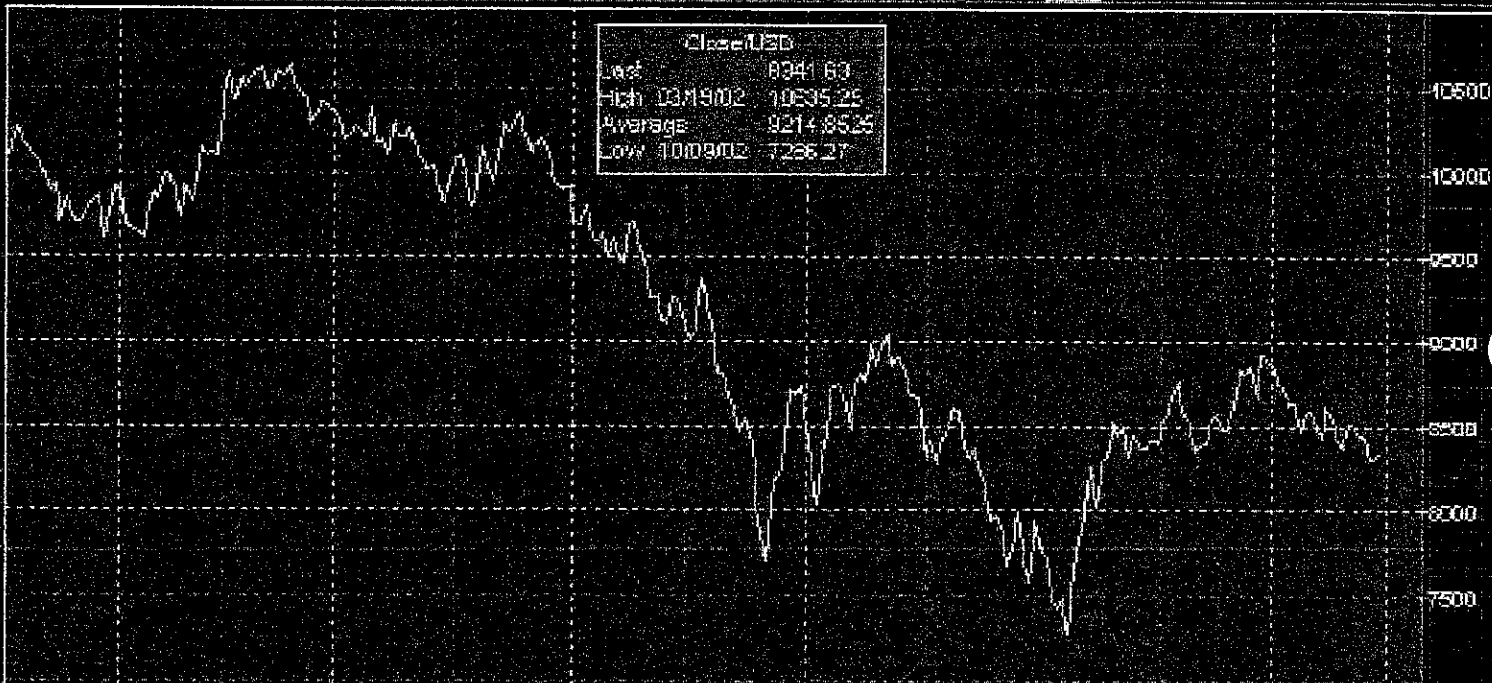
Base Currency: USD

Upper Chart: Line Chart

Moving Averages

Lower Chart: No additional graph(s) Moving Average

1) News



2002 Jan	2002 Feb	2002 Mar	2002 Apr	2002 May	2002 Jun	2002 Jul	2002 Aug	2002 Sep	2002 Oct	2002 Nov	2002 Dec
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Australia 61 2 8777 8500 Brazil 5511 3048 4500 Europe 44 20 7290 7500 Germany 48 89 930410
 Hong Kong 832 2577 6000 Japan B1 9 3201 5900 Singapore 65 6212 1000 U.S. 1 212 318 8000 Copyright 2003 Bloomberg L.P.
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GRAB

Index GP

At 15:30 Op 8347.66 Hi 8402.43 Lo 8307.54

Line Chart

INDU Index

1/3

Range 1/1/03 - 4/15/03

Period Daily

Base Currency: USD

Upper Chart: Line Chart

Moving Averages

Lower Chart: No additional graph(s) Moving Average

1) News



Australia 61 2 8777 8200 Brazil 5511 3048 4500 Europe 44 20 7390 7500 Germany 49 69 920410
 Hong Kong 652 2577 6000 Japan B1 3 3201 8300 Singapore 65 6212 1000 U.S. 1 212 318 2000 Copyright 2003 Bloomberg L.P.
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Search

GOV

Options

Related info

BN 03/24/2003 0:24

U.S. 1st-Quarter 2004 Forecasts: BN Quarterly Survey (Table)

Page 1/15

Washington, March 24 (Bloomberg) -- The following table shows economists' first-quarter 2004 forecasts as surveyed by Bloomberg News from March 17 to March 21. All figures are as of the end of the quarter except for GDP, which is expressed at a quarterly annualized rate.

Firm	Economist	1Q GDP	Unemp. Rate	CPI YOY	Fed Funds	2-Yr Note	10-Yr Note
Number of replies		62	60	59	52	50	57
Median		3.5%	5.6%	2.2%	1.88%	2.70%	4.60%
Average (mean)		3.7%	5.7%	2.1%	1.81%	2.70%	4.56%
High forecast		5.7%	6.3%	3.5%	3.25%	4.20%	5.85%
Low forecast		2.0%	4.6%	1.1%	0.00%	1.00%	3.00%
ABN Amro	S. Ricchiuto	3.9%	5.8%	1.9%	1.50%	2.50%	4.20%
Argus Research	R. Yamarone	3.3%	6.0%	3.5%	1.50%	2.00%	4.35%
Bank One Invest.	A. Chan	3.4%	5.5%	2.7%	n/a	1.75%	3.80%
Bank of Montreal	S. Guatleri	3.8%	5.5%	2.0%	2.25%	4.20%	5.10%
Banknorth	A. Day	2.5%	6.0%	2.8%	1.00%	1.75%	3.75%

Australia 61 2 9777 8200

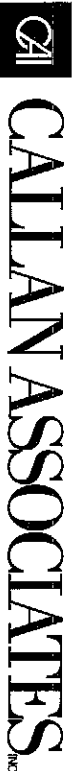
Brazil 5511 3048 4500

Europe 44 20 7330 7500

Germany 49 89 920410

Hong Kong 852 2577 6000 Japan 81 3 3201 5300 Singapore 65 6212 1000 U.S. 1 212 318 5000

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6476-323-0 15-Apr-03 17:53:08



The Callan Periodic Table of Investment Returns (1983–2002)

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Callan also has offices to serve you in:
Atlanta
Chicago
Denver
Morristown

Note: A printable copy of The Callan Periodic Table of Investment Returns is available on our website at www.callan.com/resource/.

The Callan Periodic Table of Investment Returns conveys a vast amount of information. Above all, the table shows that the **case for diversification**, across investment styles (growth vs. value), capitalization (large vs. small), and equity markets (U.S. vs. international) is strong.

While past performance is no indication of the future, consider the following observations:

- The Table illustrates the unique experience of the 1995–1999 period, when **large cap growth** significantly outperformed all other asset classes, and the U.S. stock market in general enjoyed one of its strongest five-year runs ever.
- The subsequent three years (2000–2002) saw consecutive declines in **large cap stocks** for the first time since 1929–32. The S&P 500 suffered its largest loss since 1974, and has now declined 42% since the market peaked in March 2000.
- 2002 marked the fourth year in a row that **small cap** stocks outperformed large cap, and the third consecutive year that small cap value topped the performance rankings among equities. While the purpose of the table is to compare relative rather than absolute performance, such rankings ring hollow to investors in a year like 2002, as all equity categories suffered double-digit losses in 2002.
- Value has outperformed growth in both large and small cap equity markets since the bursting of the technology bubble in March 2000. However, the huge disparity in performance between the two styles that was seen during 1997–2000 in large cap has disappeared, while the spread in small cap remains very wide.
- **Fixed income** ranked first in 2002 after ranking second during the two previous years. Nervous investors clung to the relative safety and quality of bonds in the face of the third and worst year of equity market declines. The Federal Reserve cut interest rates aggressively during 2001, and rates fell even further in 2002, increasing the value of existing fixed income securities.
- The table highlights the uncertainty inherent in all capital markets. Rankings change every year. Note the difference between absolute and relative performance. For example, notice the variability of returns for **international equity** while it ranked eighth for four straight years 1989–1992.

This analysis assumes market indices are reasonable representations of the asset classes and depict the returns an investor could expect from exposure to these styles of investment. In fact, investment manager performance relative to the different asset class indices has varied widely across the asset classes during the past 20 years.

Please visit our website for our quarterly Capital Market Review newsletter containing our commentary on changes in the capital markets (www.callan.com – click on the “resource center” and “periodicals”).

The Callan Periodic Table of Investment Returns



Annual Returns for Key Indices (1983-2002)

Ranked in order of performance (Best to Worst)

1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
Russell 2000 Value 38.63%	LB Agg 15.15%	MSCI EAFE 56.14%	MSCI EAFE 69.46%	MSCI EAFE 24.64%	Russell 2000 Value 29.47%	S&P 500 BARBRA 500 Growth 36.40%	LB Agg 8.96%	Russell 2000 Value 51.18%	Russell 2000 Value 29.15%	MSCI EAFE 32.57%	MSCI EAFE 7.78%	S&P 500 BARBRA 500 Growth 38.13%	S&P 500 BARBRA 500 Growth 23.97%	S&P 500 BARBRA 500 Growth 36.52%	S&P 500 BARBRA 500 Growth 42.16%	Russell 2000 Value 43.09%	Russell 2000 Value 22.83%	Russell 2000 Value 14.03%	LB Agg 10.25%
Russell 2000 Value 28.89%	S&P 500 BARBRA 500 Value 10.52%	S&P 500 BARBRA 500 Value 33.31%	S&P 500 BARBRA 500 Value 21.67%	S&P 500 BARBRA 500 Value 6.50%	S&P 500 BARBRA 500 Value 28.26%	S&P 500 BARBRA 500 Value 31.69%	S&P 500 BARBRA 500 Value 0.20%	Russell 2000 Value 46.05%	S&P 500 BARBRA 500 Value 18.42%	Russell 2000 Value 23.86%	S&P 500 BARBRA 500 Value 3.14%	S&P 500 BARBRA 500 Value 37.58%	S&P 500 BARBRA 500 Value 22.96%	S&P 500 BARBRA 500 Value 33.38%	S&P 500 BARBRA 500 Value 28.58%	S&P 500 BARBRA 500 Value 28.25%	LB Agg 11.63%	MSCI EAFE 6.44%	Russell 2000 Value -11.43%
MSCI EAFE 23.69%	S&P 500 Index 6.27%	Russell 2000 Value 31.04%	LB Agg 15.30%	S&P 500 BARBRA 500 Value 3.68%	Russell 2000 Value 20.38%	Russell 2000 Value 20.16%	Russell 2000 Value -6.85%	S&P 500 BARBRA 500 Value 38.37%	Russell 2000 Value 7.77%	S&P 500 BARBRA 500 Value 18.61%	S&P 500 BARBRA 500 Value -0.64%	Russell 2000 Value 31.04%	Russell 2000 Value 21.37%	S&P 500 BARBRA 500 Value 29.96%	S&P 500 BARBRA 500 Value 14.69%	Russell 2000 Value 21.26%	S&P 500 BARBRA 500 Value -3.03%	Russell 2000 Value -9.23%	S&P 500 BARBRA 500 Value -20.48%
Russell 2000 Value 20.14%	Russell 2000 Value 2.27%	Russell 2000 Value 30.97%	Russell 2000 Value 7.41%	Russell 2000 Value -7.12%	S&P 500 BARBRA 500 Value 16.61%	LB Agg 14.53%	Russell 2000 Value -19.50%	S&P 500 BARBRA 500 Value 22.56%	LB Agg 7.40%	S&P 500 BARBRA 500 Value 10.06%	Russell 2000 Value -1.81%	Russell 2000 Value 25.75%	Russell 2000 Value 11.32%	Russell 2000 Value 12.93%	Russell 2000 Value 1.23%	S&P 500 BARBRA 500 Value 12.72%	MSCI EAFE -14.17%	S&P 500 BARBRA 500 Value -11.48%	S&P 500 BARBRA 500 Value -22.10%
S&P 500 BARBRA 500 Growth 16.24%	Russell 2000 Value -7.13%	S&P 500 BARBRA 500 Value 29.68%	Russell 2000 Value 5.69%	Russell 2000 Value -6.76%	S&P 500 BARBRA 500 Value 11.95%	Russell 2000 Value 12.43%	Russell 2000 Value -21.77%	LB Agg 16.07%	S&P 500 BARBRA 500 Value 5.06%	LB Agg 9.75%	Russell 2000 Value -2.44%	LB Agg 18.46%	MSCI EAFE 6.05%	LB Agg 9.64%	Russell 2000 Value -2.55%	LB Agg -0.82%	S&P 500 BARBRA 500 Growth -22.06%	S&P 500 BARBRA 500 Growth -12.73%	S&P 500 BARBRA 500 Growth -23.59%
LB Agg 6.19%	Russell 2000 Growth -15.84%	LB Agg 22.13%	Russell 2000 Growth 3.59%	Russell 2000 Growth -10.48%	LB Agg 7.85%	MSCI EAFE 10.53%	MSCI EAFE -23.45%	MSCI EAFE 12.14%	MSCI EAFE -12.18%	LB Agg 1.86%	LB Agg -2.92%	MSCI EAFE 11.21%	LB Agg 3.64%	MSCI EAFE 1.78%	Russell 2000 Value -6.46%	Russell 2000 Value -1.46%	Russell 2000 Growth -22.43%	MSCI EAFE -21.44%	Russell 2000 Growth -30.26%

S&P 500 Index measures the performance of large capitalization U.S. stocks. The S&P 500 is a market-value-weighted index of 500 stocks that are traded on the NYSE, AMEX and NASDAQ. The weightings make each company's influence on the Index performance directly proportional to that company's market value.

S&P/BARRA 500 Growth and **S&P/BARRA 500 Value** indices measure the performance of the growth and value styles of investing in large cap U.S. stocks. The indices are constructed by dividing the stocks in the S&P 500 Index according to price-to-book ratios. The Growth index contains stocks with higher price-to-book ratios. The Value index contains stocks with lower price-to-book ratios. The indices are market-capitalization-weighted, and their constituents are mutually exclusive.

Russell 2000 Index measures the performance of small capitalization U.S. stocks. The Russell 2000 is a market-value-weighted index of the 2,000 smallest stocks in the broad-market Russell 3000 Index. These securities are traded on the NYSE, AMEX and NASDAQ.

Russell 2000 Value and **Russell 2000 Growth** indices measure the performance of growth and value styles of investing in small cap U.S. stocks. The Value index contains those Russell 2000 securities with a less-than-average growth orientation, while the Growth index contains those securities with a greater-than-average growth orientation. Securities in the Value index generally have lower price-to-book and price-earnings ratios than those in the Growth index. The constituent securities are NOT mutually exclusive.

MSCI EAFE is a Morgan Stanley Capital International index that is designed to measure the performance of the developed stock markets of Europe, Australasia, and the Far East.

LB Agg is the Lehman Brothers Aggregate Bond index. This index includes U.S. government, corporate and mortgage-backed securities with maturities up to 30 years.

Minutes
Meeting, Board of Trustees
Kansas Worker Risk Cooperative for Counties
Clubhouse Inn
924 SW Henderson Road, Topeka, Kansas
April 17, 2003

The April 2003 meeting of the Board of Trustees of the Kansas Workers Risk Cooperative for Counties (KWORCC) was called to order by Board President Sam Weaver on Wednesday, April 17, 2003 at the Clubhouse Inn in Topeka, Kansas. Trustees present: Sam Weaver, Cherokee County Commissioner, President; Doyle "Hooley" Alcorn, Jewell County Commissioner, Vice President; Bonnie Swartz, Gray County Clerk, Secretary, Linda Buttron, Jefferson County Clerk, Controller; Michelle Garrett, Morris County Clerk; Francis "Shep" Schoepf, Reno County Commissioner and Ralph D. Unger, Decatur County Commissioner.

Staff present: Mr. James W. Parrish, Administrator; Ms. Dortha O. Bird, Deputy Administrator/Staff Counsel; Mr. Carl Eyman, Deputy Administrator/Loss Prevention Specialist; Mr. Richard Alexander, Accountant and Ms. Christie Carney, Administrative Assistant/Media Developer.

Others present: Mr. Gus Campuzano, Ms. Annette Duncan, Mr. Paul Davis and Ms. Christy Sullivan of Insurance Management Associates, Inc. (IMA) and Mr. B. Christopher Thompson, Senior Vice President, Investment Services Division of Country Club Bank.

President Weaver called the meeting to order at 1:00 p.m. and addressed Agenda Item No. 2, "Approval of the Agenda." Mr. Schoepf moved to approve the agenda as presented. Mr. Unger seconded the motion which CARRIED unanimously.

President Weaver addressed Agenda Item No. 3, "Consideration of the Minutes of the Meeting of March 19, 2003." Mr. Unger noted two spelling errors. Mr. Unger then moved to approve the minutes with the corrections. Ms. Buttron seconded the motion which CARRIED unanimously.

President Weaver then introduced Mr. Thompson from Country Club Bank, and Mr. Davis introduced, Ms. Sullivan, his assistant at IMA.

President Weaver called upon Mr. Parrish to address Agenda Item No. 4, "Administrator's Report." Mr. Parrish stated that Mr. Thompson addressed the Investment Committee earlier and was invited to give an update on current KWORCC investments as well as investment trends to the full Board. Mr. Thompson proceeded to give an overview of the pool's investments. He went into detail concerning KWORCC's investment in bonds and other government instruments and responded to questions.

Mr. Parrish then explained that the July board meeting was rescheduled to coincide with KCAMP's meeting so that both pools could meet at a luncheon with new Insurance Commissioner Sandy Praeger. He stated that the meeting date was set for Friday, July 25, 2003 and would begin at 9:00 a.m. At the conclusion of the meeting KWORCC Trustees and staff together with KCAMP Trustees and staff would join with Commissioner Praeger for a luncheon followed by a discussion session.

Mr. Parrish explained that due to a computer error there was a miscalculation on the refund summary sheet requiring that adjustments be made to the 2002 premium audit. He noted the premium audit refund was smaller, which improves the 2002 operating results.

In response to questions from Trustees following the March Board meeting, Mr. Parrish reviewed adjustments to the 2002 operating statement. These adjustments include educational seminar expenses, miscellaneous administrative expenses, net return of premiums after payroll audit and the actuary's adjustment to the ultimate loss.

Mr. Parrish presented Check No. 8526 in the amount of \$14,500 written to IMA as the fourth of 10 installments for claims adjustment fees for approval.

Mr. Parrish stated there had been three wire transfers of funds since the last Board meeting, all of which were authorized by Ms. Buttron and Mr. Parrish. The first was completed on March 26, 2003 in the amount of \$50,000 from the KWORCC account at Country Club Bank in Prairie Village to the KWORCC administrative account at Kaw Valley Bank in Topeka. The second was completed on April 1, 2003 in the amount of \$188,625.66 from the KWORCC account at Country Club Bank in Prairie Village to the KWORCC account at Intrust Bank in Wichita for March claim payments. The final transfer was completed on April 1, 2003 in the amount of \$25,000 from the KWORCC account at Country Club Bank in Prairie Village to the KWORCC administrative account at Kaw Valley Bank in Topeka. Ms. Swartz moved to approve Check No. 8526 and the three wire transfers as presented. Mr. Alcorn seconded the motion which CARRIED unanimously.

President Weaver called upon Mr. Eyman to address Agenda Item No.5, "Marketing & Loss Prevention Report." Mr. Eyman reported on various county contacts and answered questions.

Mr. Eyman stated that he had completed developing his presentation for the Local Technical Assistance Program ("LTAP") classes and distributed a response sheet summary. Mr. Eyman then gave a brief example of the "PowerPoint" presentation he had been using to conduct the LTAP classes.

President Weaver then addressed Agenda Item No. 6, "Claims Report." Ms. Duncan reported on various open claims and answered questions.

Thereupon, President Weaver declared a 10-minute recess in the meeting.

When the meeting reconvened, President Weaver called upon Mr. Alexander to address Agenda Item No. 7, "Financial Report." Mr. Alexander reviewed the revised pre-audit report for the fiscal year ending 2002. Mr. Alexander explained in detail certain revisions to the format of the financial reports and responded to questions. He noted that the policy years 1995 and 1998 are now closed out, consistent with previous Board action. He then discussed the March 2003 financial reports in detail and responded to questions. Ms. Swartz moved to approve the fiscal year 2002 pre-audit financial report and the March 2003 financial reports. Mr. Alcorn seconded the motion which CARRIED unanimously.

Mr. Alexander then reviewed the Kansas Insurance Department's quarterly filing report and answered questions. Ms. Swartz moved to approve the quarterly report. Mr. Unger seconded the motion which CARRIED unanimously.

The check register was then presented. Mr. Alcorn moved to approve check numbers 8392

through 8502. Mr. Schoepf seconded the motion which CARRIED unanimously.

President Weaver then called upon Mr. Parrish to address Agenda Item No. 8, "Legal Report." There were no legal issues to report.

President Weaver addressed Agenda Item No. 9, "Committee Reports." As chairman of the Investment Committee, Mr. Weaver stated that the committee recommended the adoption of Resolution No. 2003-38 in which the Board of Trustees formally approves the pool's investments in various government securities and the purchase and sale of such government securities during the period beginning December 1, 2002 and ending March 31, 2003. Mr. Unger moved to accept the Investment Committee's recommendation and approve Resolution No. 2003-38. Ms. Swartz seconded the motion which CARRIED unanimously.

President Weaver addressed Agenda Item No. 10, "Other Items." Mr. Unger referred to one of the publications received from Mr. Marc D'Andrea, Investment Broker of Security Benefit Group of Companies, which had been distributed during the Investment Committee meeting. This document entitled "The Callan Periodic Table of Investment Returns" shows how various stock indices performed from 1983 through 2002. Mr. Unger pointed out that none of the funds listed on this document performed at the same level for any longer than four consecutive years. For clarification in reading the table, he explained that the Security Global Fund was represented primarily by the white, blue and red boxes on the table; the Security Ultra Fund was represented primarily by the red, gold and tan boxes and the Security Mid-Cap Fund was primarily represented by the blue and purple boxes. The table gives an idea of long-term performance for the type of equities in KWORCC's investments portfolio. A copy of that publication is attached to these minutes and made a part hereof by this reference.

There being no further business, Mr. Unger moved to adjourn the meeting at 3:20 p.m. Ms. Swartz seconded the motion which CARRIED unanimously.

THE FOREGOING MINUTES of the Board of Trustees of Kansas Workers Risk Cooperative for Counties were approved by the Board of Trustees the 15th day of May 2003.



Bonnie Swartz, Secretary
KWORCC Board of Trustees

I, Bonnie Swartz, Secretary of Kansas Workers Risk Cooperative for Counties ("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 April, 2003, at which a quorum was present and that said resolution has not been rescinded and is still in full force and effect:

RESOLUTION # 2003-38

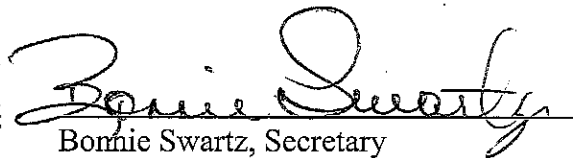
WHEREAS, KWORCC has elected to place investments pursuant to Chapter 40 of Kansas Statutes Annotated, and thus is to comply with the provisions thereof;

WHEREAS, KSA 40-2a01 states, in pertinent part: "[C]ompany...may invest with the direction or approval of a majority of its board of directors or authorized committee thereof, any of its funds, or any part thereof in bonds or other evidences of indebtedness issued, assumed or guaranteed by the United States of America, or by any agency or instrumentality thereof;"

WHEREAS, KWORCC has invested in certain United States instruments during the period December 31, 2002 through March 31, 2003, which were reviewed by the Investment Committee at a meeting held at 10:00 a.m. on April 17, 2003 at the Clubhouse Inn, 924 SW Henderson Road, Topeka, Kansas 66615. Pursuant to that meeting, the Investment Committee determined said investments to be in accordance with K.S.A. 40-2a01 and KWORCC's investment policy and has made a recommendation to the KWORCC Board of Trustees to approve those investments;

NOW, THEREFORE, it is RESOLVED by the KWORCC Board of Trustees that investment purchases made in United States Government securities from the period December 1, 2002 through March 31, 2003, having been reviewed by KWORCC's Investment Committee and made in accordance with K.S.A. 40-2a01 and KWORCC's investment policy hereby are approved.

IN WITNESS WHEREOF, the undersigned has caused this Resolution to be executed this 17th day of April, 2003.


Bonnie Swartz, Secretary

Pursuant to KSA 40-2a01. "United States government obligations: [C]ompany... may invest with the direction or approval of a majority of its board of directors or authorized committee thereof, any of its funds, or any part thereof in bonds or other evidences of indebtedness issued, assumed or guaranteed by the United States of America, or by any agency or instrumentality thereof."

Government Investments of KWORCC from 12/01/02 to 03/31/03

-----PURCHASED-----

<u>Transaction Date</u>	<u>Description</u>	<u>Coupon Rate/Maturity Date</u>	<u>Par/Shares</u>	<u>Principal RCVD/Cost</u>
12/27/02	FHLB 4.25 STEP UP 5.25 12/05	4.250-12/27/12	500,000	500,000.00
01/16/03	FEDERAL HOME LOAN MTG CORP	1.217-01/30/03	1,500,000	1,499,300.00
01/16/03	FEDERAL HOME LOAN BANK DN	1.216-01/24/03	250,000	249,933.33
01/21/03	FEDERAL NAT'L MTG ASSN DN	1.206-01/31/03	750,000	749,752.08
01/24/03	FEDERAL NAT'L MTG ASSN	4.500-07/21/11	250,000	250,000.00
01/28/03	FEDERAL NAT'L MTG ASSN DN	1.227-02/14/03	700,000	699,600.03
01/30/03	FHLB ONE TIME CALL	3.150-10/30/06	500,000	500,000.00
01/30/03	FHLB 4.0 STEP UP 6.0 1/07	4.000-01/30/13	500,000	500,000.00
01/30/03	FHLMC 4.00 STEP UP 4.25 7/03	4.000-07/30/09	250,000	251,250.00
02/03/03	HOME LOAN BANK DN	1.240-05/02/03	700,000	697,912.44
02/05/03	FEDERAL HOME LOAN BANK DN	1.227-02/28/03	1,750,000	1,748,647.15
02/13/03	FEDERAL HOME LOAN BANK DN	1.217-02/28/03	1,200,000	1,199,400.00
02/14/03	FHLMC ONE TIME CALL	3.050-02/14/07	250,000	250,000.00
02/19/03	FEDERAL HOME LOAN BANK	4.320-08/19/10	280,000	280,000.00
02/28/03	FHLB ONE TIME CALL	3.270-05/21/07	375,000	375,000.00
02/28/03	FHLMC ONE TIME CALL	3.200-02/28/07	330,000	330,000.00
02/28/03	FHLMC 3.0 STEP UP 3.125 2/04	3.000-02/15/09	750,000	750,000.00
02/28/03	FEDERAL NATIONAL MTG ASSN	3.500-09/15/04	250,000	258,281.25
03/13/03	FEDERAL NATIONAL MTG ASSN	6.220-08/05/08	500,000	508,730.00
03/13/03	FHLMC 4.0 STEP UP 4.25 8/03	4.00-08/20/09	400,000	403,000.00
03/24/03	FEDERAL FARM CREDIT BANK	4.100-03/24/10	500,000	500,000.00
03/28/03	FHLB ONE TIME CALL	6.250-02/09/11	300,000	310,800.00
-----SOLD-----				
01/08/03	FHLB 4.25 STEP UP 7.0 11/04	4.250-05/29/09	1,000,000	1,030,000.00

Minutes
Meeting, Board of Trustees
Kansas Worker Risk Cooperative for Counties
Clubhouse Inn
924 SW Henderson Road, Topeka, Kansas
March 19, 2003

The March 2003 meeting of the Board of Trustees of the Kansas Workers Risk Cooperative for Counties (KWORCC) was called to order by Board President Sam Weaver on Wednesday, March 19, 2003 at the Clubhouse Inn in Topeka, Kansas. Trustees present: Sam Weaver, Cherokee County Commissioner, President; Doyle "Hooley" Alcorn, Jewell County Commissioner, Vice President; Bonnie Swartz, Gray County Clerk, Michelle Garrett, Morris County Clerk and Ralph Unger, Decatur County Commissioner.

Staff present: Mr. James W. Parrish, Administrator; Ms. Dortha O. Bird, Deputy Administrator/Staff Counsel; Mr. Carl Eymán, Deputy Administrator/Loss Prevention Specialist; Mr. Richard Alexander, Accountant and Ms. Christie Carney, Administrative Assistant/Media Developer.

Others present: Mr. Gus Campuzano and Ms. Annette Duncan of Insurance Management Associates, Inc. (IMA) and Alvin Perez, Republic County Highway Administrator.

Before calling the meeting to order President Weaver requested that Ms. Bird lead the group in a short prayer for the well being of our troops and our county during this time of war. The prayer was as follows:

"Heavenly Father, who inhabits eternity and the hearts of mankind, we ask to feel Your presence with us now. We ask for the Prince of Peace to stabilize us so we may discern and move forward strong of heart and faith.

Dear Lord, we pray for strength and protection for our brothers and sisters who have traveled to another land and for their families and loved ones.

We ask for the highest and best to come forward—for our leaders to be moved to do good for all concerned. Divine Father, we ask for healing for humanity.

We take this opportunity to give thanks for our many blessings, for each other and for Your love. Amen."

President Weaver then called the meeting to order at 1:10 p.m. and addressed Agenda Item No. 2, "Approval of the Agenda." Mr. Parrish requested that Resolution No. 2003-23 be added as Item 4a. Mr. Parrish noted that Page 12 needed to be added under Item 4e and that Agenda Item No. 5 and Agenda Item No. 6 needed to be switched to accommodate Mr. Campuzano who asked to leave early due to a prior commitment. Mr. Unger moved to approve the agenda with the additions and changes. Ms. Swartz seconded the motion which CARRIED unanimously.

President Weaver addressed Agenda Item No. 3, "Consideration of the Minutes of the Meeting of February 12, 2003." Mr. Unger noted one grammatical error. Mr. Unger then moved to approve the minutes as corrected. Ms. Buttron seconded the motion which CARRIED unanimously.

Mr. Parrish presented Resolution No. 2003-23 to admit Republic County as a member of the KWORCC self-insurance pool. President Weaver then asked Mr. Perez if he had any questions or comments. He indicated that he and Mr. Campuzano had met prior to the meeting to discuss several issues relating to the program and that he had received the information he needed. Ms. Swartz moved to approve Resolution No. 2003-23. Mr. Alcorn seconded the motion which CARRIED unanimously.

Before continuing with the agenda, Ms. Swartz moved to excuse Ms. Linda Buttron, Jefferson County Clerk from the meeting for personal reasons and Mr. Francis "Shep" Schoepf, Reno County Commissioner who had a scheduling conflict. Mr. Unger seconded the motion which CARRIED unanimously.

President Weaver called upon Mr. Parrish to address Agenda Item No. 4, "Administrator's Report." Mr. Parrish presented two checks for approval: Check No. 8436 in the amount of \$33,855.42 written to IMA for claims settlements and Check No. 8437 in the amount of \$14,500 written to IMA as the third of 10 installments for claims adjustment fees.

Mr. Parrish stated there had been two wire transfers of funds since the last Board meeting, both of which were authorized by Ms. Buttron and Mr. Parrish. The first was completed on February 13, 2003 in the amount of \$400,000 from the KWORCC administrative account at Kaw Valley Bank in Topeka to the KWORCC account at Country Club Bank in Prairie Village for investment. The second was completed on March 4, 2003 in the amount of \$135,075.44 from the KWORCC administrative account at Kaw Valley Bank in Topeka to the KWORCC account at Intrust Bank in Wichita for February claim payments. Mr. Alcorn moved to approve Check Nos. 8436 and 8437 and the two wire transfers as presented. Ms. Swartz seconded the motion which CARRIED unanimously.

Mr. Parrish discussed setting a date that would coincide with KWORCC's and KCAMP's board meetings in which the two boards could join together for a discussion with Kansas Insurance Commissioner Sandy Praeger. Mr. Parrish noted that KCAMP's July board meeting was scheduled for Friday, July 25. He also learned that Commissioner Praeger was available on that date. After some discussion the Board agreed to reserve the morning of July 25 for its regular monthly meeting subject to approval of the two absent board members and subject to confirmation with KCAMP and Commissioner Praeger.

Ms. Bird reported that premium audits were completed. Member counties were being billed or would be receiving remittance checks for refunds.

Mr. Parrish recommended that the Board reallocate to the deficit fund years (2000, 2001 and 2003) from the excess fund years (1993, 1994, 1995 and 1998) the amount of 105 percent of the deficit, plus \$70,000. After discussion, Ms. Swartz moved to approve the Administrator's recommendation for reallocation. Ms. Garrett seconded the motion which CARRIED by a majority vote with Mr. Unger abstaining.

Due to the time and Mr. Campuzano's need to leave, President Weaver next addressed Agenda Item No. 6, "Claims Report." Ms. Duncan reported on various open claims and answered questions. Ms. Duncan also presented Claim No. 01-2275 for settlement approval. Ms. Swartz moved to approve the settlement as presented. Mr. Alcorn seconded the motion which CARRIED unanimously.

The meeting then returned to the "Administrators Report."

Mr. Parrish recommended that the Board close the books on fund years 1995 and 1998 and transfer the excess funds to the Member Protection Fund. The recommendation was made because all claims for these years have been resolved. After some discussion, Mr. Unger moved to accept the recommendation of the Administrator and close the books on fund years 1995 and 1998. Ms. Swartz seconded the motion which CARRIED unanimously.

Ms. Bird explained that the Kansas Insurance Department finalized its report of examination of KWORCC for fund years 1995 through 2000. Also, the Insurance Commissioner entered her order adopting that report. Ms. Bird reminded the Trustees that the report and order were previously mailed to them, and requested that to finalize the process, they sign affidavits acknowledging receipt. The affidavits were distributed, executed by the Trustees and returned to Ms. Bird for notarization.

Thereupon, President Weaver declared a 10 minute break.

President Weaver called upon Mr. Eyman to address Agenda Item No.5, "Marketing & Loss Prevention Report." Mr. Eyman reported on various county contacts and answered questions.

President Weaver called upon Mr. Alexander to address Agenda Item No. 7, "Financial Report." Mr. Alexander reviewed the January and February 2003 financial reports in detail and answered questions. Mr. Alcorn moved to approve the financial reports as presented. Ms. Swartz seconded the motion which CARRIED unanimously.

The check register was then presented. Mr. Unger moved to approve check numbers 8310 through 8391. Ms. Swartz seconded the motion which CARRIED unanimously.

President Weaver then called upon Mr. Parrish to address Agenda Item No. 8, "Legal Report." Mr. Parrish explained that he was following several bills before the Kansas legislature which could have an impact on workers compensation insurance. One of such bills was SB181 which, among other things, attempts to give the administrative law judge more discretion in determining whether a prior disability contributes to the overall disability for which compensation is claimed. Mr. Alcorn requested more information on this senate bill so that he could write letters of support to legislators from his area.

Mr. Parrish then stated that he had been in contact with Mr. Bruce Woner and Mr. Pat Riordan and advised them that there were no legal matters which required their attendance at the meeting.

At the request of Mr. Parrish, Ms. Swartz moved to recess the meeting into Executive Session for the purpose of discussing non-elected personnel matters with the Executive Session to begin at 3:58 p.m. and end at 4:15 p.m.. Mr. Unger seconded the motion which CARRIED unanimously. The Board then recessed into Executive Session.

The board reconvened at 4:15 p.m., and President Weaver addressed Agenda Item No. 9, "Committee Reports." The Investment Committee set their next meeting for April 17, 2003 at 10:30 a.m. Mr. Chris Thompson would be joining this meeting at 11:00 a.m.

President Weaver addressed Agenda Item No. 10, "Other Items." Ms. Bird then assisted Trustees with forms and information for the National PRIMA Convention.

There being no further business, Mr. Unger moved to adjourn the meeting at 4:15 p.m. Ms. Swartz seconded the motion which CARRIED unanimously.

THE FOREGOING MINUTES of the Board of Trustees of Kansas Workers Risk Cooperative for Counties were approved by the Board of Trustees the 17th day of April 2003.

Bonnie Swartz
Bonnie Swartz
Bonnie Swartz, Secretary
KWORCC Board of Trustees

I, Bonnie Swartz, Secretary of Kansas Workers Risk Cooperative for Counties ("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 19th day of March, 2003, at which a quorum was present and that said resolution has not been rescinded and is still in full force and effect:

RESOLUTION # 2003-23

WHEREAS, KWORCC presented a competitive bid to write workers compensation coverage for Republic County for policy period of April 14, 2003 to January 1, 2004.

WHEREAS, the Board of County Commission of Republic County voted unanimously to accept KWORCC's bid to write their workers compensation insurance;

WHEREAS, it is in the best interest of KWORCC to accept Republic County into the KWORCC self-insurance pool;

NOW, THEREFORE, it is RESOLVED by the KWORCC Board of Trustees to accept Republic County for membership in KWORCC. Accordingly, KWORCC staff shall do all things necessary to provide full workers compensation coverage to same.

IN WITNESS WHEREOF, the undersigned has caused this resolution to be executed this 19th day of March, 2003.


Bonnie Swartz, Secretary

Minutes
Meeting, Board of Trustees
Kansas Worker Risk Cooperative for Counties
Clubhouse Inn
924 SW Henderson Road, Topeka, Kansas
February 12, 2003

The February 2003 meeting of the Board of Trustees of the Kansas Workers Risk Cooperative for Counties (KWORCC) was called to order by Board President Sam Weaver on Wednesday, February 12, 2003 at the Clubhouse Inn in Topeka, Kansas. Trustees present: Sam Weaver, Cherokee County Commissioner, President; Doyle "Hooley" Alcorn, Jewell County Commissioner, Vice President; Bonnie Swartz, Gray County Clerk, Secretary; Linda Buttron, Jefferson County Clerk, Controller; Michelle Garrett, Morris County Clerk; Francis "Shep" Schoepf, Reno County Commissioner and Ralph Unger, Decatur County Commissioner.

Staff present: Mr. James W. Parrish, Administrator; Ms. Dortha O. Bird, Deputy Administrator/Staff Counsel; Mr. Carl Eyman, Deputy Administrator/Loss Prevention Specialist; Mr. Richard Alexander, Accountant and Ms. Christie Carney, Administrative Assistant/Media Developer.

Others present: Mr. Gus Campuzano and Ms. Annette Duncan of Insurance Management Associates, Inc. (IMA).

President Weaver called the meeting to order at 9:00 a.m. and addressed Agenda Item No. 2, "Approval of the Agenda." Mr. Parrish advised the Board that Tom Job, Administrator of Kansas Counties Association Multiline Pool (KCAMP) requested an appearance before the Board at this meeting to discuss matters concerning a prior employee of KWORCC and KCAMP. Mr. Schoepf moved to approve the agenda and allow time for Mr. Job to address the Board upon his arrival. Mr. Unger seconded the motion which CARRIED unanimously.

President Schoepf addressed Agenda Item No. 3, "Consideration of the Minutes of the Meeting of January 23, 2003." Mr. Unger noted one grammatical error. Mr. Unger moved to approve the minutes with the one correction. Ms. Buttron seconded the motion which CARRIED unanimously.

President Schoepf called upon Mr. Parrish to address Agenda Item No. 4, "Administrator's Report." Mr. Parrish presented three checks for approval: Check No. 8329 in the amount of \$32,836.50 written to the Commissioner of Insurance for premium taxes for group-funded pools; Check No. 8330 in the amount of \$14,500 written to IMA as the second of 10 installments for claims adjustment fees and Check No. 8331 in the amount of \$17,940.57 written to IMA for claims settlements.

Mr. Parrish stated there had been three wire transfers of funds since the last Board meeting, all of which were authorized by Ms. Buttron and Mr. Parrish. The first was completed on January 27, 2003 in the amount of \$750,000 from the KWORCC administrative account at Kaw Valley Bank in Topeka to the KWORCC account at Country Club Bank in Prairie Village for investment. The second was completed on February 3, 2003 in the amount of \$204,580.19 from the KWORCC administrative account at Kaw Valley Bank in Topeka to the KWORCC account at Intrust Bank in Wichita for January claim payments. The final transfer was completed on February 5, 2003 in the amount of \$425,000 from the KWORCC administrative account at Kaw Valley Bank in Topeka to the KWORCC account at Country Club Bank in Prairie Village for investment. Mr. Schoepf moved to approve Check Nos. 8329, 8330 and 8331 and the three wire transfers as presented. Mr. Alcorn seconded the motion which CARRIED unanimously.

Mr. Parrish presented Resolution No. 2003-12 to admit Chautauqua County as a member of the KWORCC self-insurance pool. Ms. Swartz moved to approve Resolution No. 2003-12. Ms. Garrett seconded the motion which CARRIED unanimously.

Mr. Parrish next discussed the 25th Annual PRIMA Conference being held May 18-21, 2003 in Reno, Nevada. He stated that room reservations had been made for those Trustees who had expressed an interest in attending and that there would still be time to cancel in the event of scheduling conflicts. KWORCC staff was checking into transportation accommodations for airline flights and Amtrak tickets. Mr. Parrish said that Mr. Eyman was chosen through a random drawing to attend the PRIMA Conference in Reno with the registration being complimentary.

Mr. Parrish said that Mr. Eyman and Ms. Bird would be attending the KS-MO PRIMA Conference being held April 23-25, 2003 at Lake of the Ozarks. Mr. Eyman said that this conference has an informal atmosphere, but the programs are well laid out and very informative.

Mr. Parrish and Mr. Eyman handed out copies of the newly revised KWORCC Board of Trustees Manual. Mr. Parrish explained the contents of the manual by referring to each section. Under the "General Administration" section, three new policies were added which currently are in use but had not formally been adopted. They are: Gift/Gratuity Policy, Loss Prevention Policy and Voting Delegate Policy. Mr. Schoepf moved to adopt these three new policies. Mr. Unger seconded the motion which CARRIED unanimously.

Mr. Parrish presented Resolution Nos. 2003-13, 2003-14, 2003-15 and 2003-16 requiring signatures from the newly elected KWORCC Officers to carry out financial matters for KWORCC. Ms. Swartz moved to adopt Resolution Nos. 2003-13, 2003-14, 2003-15 and 2003-16. Ms. Buttron seconded the motion which CARRIED unanimously.

President Weaver called on Mr. Eyman to address Agenda Item No.5, "Marketing & Loss Prevention Report." Mr. Eyman explained that he had put together a PowerPoint presentation for his "road scholar" classes. He said he would like the opportunity to present a portion of it to the Board at a future date. He also stated that he would be attending a "Train the Trainer" flagging course next month which would allow him the necessary training needed to certify flaggers.

Mr. Eyman next reported on various county contacts and answered questions.

Thereupon, President Weaver recessed the meeting for 5 minutes.

When the meeting reconvened, KCAMP Administrator Tom Job addressed the Board concerning an unemployment claim by a former employee of KWORCC and KCAMP. Although KWORCC was not included in the claim, Mr. Job requested that KWORCC contribute to any final payment should KCAMP reach a settlement with the claimant. Mr. Job responded to questions by Board Members, and the Board deferred the matter for further discussion during the "Legal Report."

President Weaver then called upon Ms. Duncan to address Agenda Item No. 6, "Claims Reports." Ms. Duncan reported on various open claims and answered questions.

As follow up to Ms. Duncan's claims report, Mr. Campuzano provided information concerning CorVel's medical bill review for the month of January 2003. He pointed out that there were 288 medical bills reviewed by CorVel that initially totaled \$209,365.27. There were reductions in those bills totaling \$64,143.22. For this service CorVel charged \$1,896.24. Mr. Campuzano pointed out that for every dollar spent on CorVel, the pool saved \$33.83.

President Weaver called upon Mr. Alexander to address Agenda Item No. 7, "Financial Report." Mr. Alexander reviewed the revised preliminary financial statements for December of 2002 in detail, stating that it was essentially the same report that was presented in January. He then answered questions.

Mr. Alexander then reviewed the Kansas Insurance Department's quarterly filing report and answered questions. Ms. Swartz moved to approve the quarterly report for filing. Mr. Schoepf seconded the motion which CARRIED unanimously.

The check register was then presented. Mr. Unger moved to approve check numbers 8255 through 8309. Ms. Swartz seconded the motion which CARRIED unanimously.

President Weaver then called upon Mr. Parrish to address Agenda Item No. 8, "Legal Report." Mr. Parrish reviewed the Supreme Court's opinion in the case of Lincoln County vs. Nielander.

In reference to the earlier request of Mr. Job, Mr. Parrish recommended that KWORCC assist KCAMP in funding any settlement that might be reached with the claimant. The Board requested that Mr. Parrish negotiate on its behalf and provide status reports as the matter progresses.

President Weaver addressed Agenda Item No. 9, "Committee Reports." Mr. Unger, a member of the Personnel Committee, moved to recess the meeting into executive session for 10 minutes to discuss non-elected personnel matters. Mr. Schoepf seconded the motion which CARRIED unanimously. Mr. Parrish would remain and be a part of the session. The executive session began at 10:28 a.m.

The meeting resumed at 10:38 am. Mr. Unger reported that the Personnel Committee had met earlier in the day and had recommended a performance enhancement of \$10,000 to be allocated to KWORCC staff for its performance in 2002. He noted that although this amount was lower than the amount given last year, he pointed out that the counties were experiencing tough economic times

and that the Committee agreed to consider a possible supplemental performance enhancement in September. Mr. Unger moved to approve the performance enhancement recommended by the Personnel Committee to be distributed at the discretion of the Administrator with the maximum amount for the Administrator being specifically determined by the Board in the same ratio that the Administrator's salary bears to the total KWORCC staff salaries. Mr. Alcorn seconded the motion which CARRIED unanimously.

President Weaver addressed Agenda Item No. 10, "Other Items."

Mr. Parrish presented framed pictures of the recognition of out-going president Schoepf by incoming president Weaver to both Mr. Schoepf and Mr. Weaver.

Ms. Bird displayed an assortment of shirts and invited Board Members to make selections for both dress and casual use. After selections were made, she stated the orders would be placed.

There being no further business, Mr. Alcorn moved to adjourn the meeting at 11:55 a.m. Ms. Garrett seconded the motion which CARRIED unanimously.

THE FOREGOING MINUTES of the Board of Trustees of Kansas Workers Risk Cooperative for Counties were approved by the Board of Trustees the 19th day of March 2003.



Bonnie Swartz, Secretary
KWORCC Board of Trustees

Minutes
Meeting, Personnel Committee
Kansas Worker Risk Cooperative For Counties
Clubhouse Inn, Topeka, Kansas
February 12, 2003

On Wednesday, February 12, 2003, the Personnel Committee of the Kansas Workers Risk Cooperative for Counties ("KWORCC") met at the Clubhouse Inn, Topeka, Kansas. The meeting was called to order by Committee Chair, Ralph D. Unger at 8:15 a.m. Committee Members participating included: Doyle "Hooley" Alcorn, Jewell County Commissioner; Michelle Garrett, Morris County Clerk and Ralph D. Unger, Decatur County Commissioner. Also present was James W. Parrish, Administrator.

Chairman Unger stated the purpose of the meeting was to consider performance enhancements for KWORCC staff members. Mr. Parrish described the performance enhancements that had been granted in the previous two years and how they were distributed to staff. He pointed out that the staff had not only done an excellent job in handling its duties throughout the past year, but the pool has grown from 54 counties and two instrumentalities to 61 counties and four instrumentalities. Mr. Parrish stated that the 2003 budget did not provide for the hiring of additional staff, yet did provide enough flexibility so that KWORCC could increase its attention to loss prevention efforts. This could entail contracting for additional loss prevention service, share an employee with KCAMP or hire an employee on a part-time basis. Further, an employee could be hired on a full-time basis if that occurred during the last half of the year. He noted that Carl Eyman had done an excellent job in loss prevention and marketing, but with 65 insured entities, Mr. Eyman will be needing some help soon.

Chairman Unger asked Mr. Parrish for recommendations on performance enhancements. Mr. Parrish stated that staff's performance had been equal to or better than that of last year. He did note that many counties are having tough times financially and that the Committee and Board should take that into consideration when making a decision on performance enhancements.

After discussion, the Committee concluded that the performance of KWORCC staff had been equal to or superior to that of last year, and, but for the depressed economic conditions prevailing throughout the state and the country, the performance enhancement should be equal to or even greater than last year. Whereupon, Mr. Alcorn, made a motion to recommend to the full Board of Trustees to allocate to KWORCC staff a \$10,000 performance enhancement immediately, the exact distribution of which to be determined by the Administrator, provided no more than \$3,360 would be allotted to the Administrator, with review and further recommendation by the Personnel Committee at the August 21, 2003 meeting of possible additional performance enhancement. Ms. Garrett seconded the motion with CARRIED unanimously.

Mr. Unger asked if there were any further questions or comments. Upon hearing none, he thanked all for attendance and participation and stated that the Personnel Committee meeting was adjourned by consensus at 8:55 a.m.

THE FOREGOING MINUTES of the Personnel Committee of Kansas Workers Risk Cooperative for Counties were executed by the Chair of that Committee on the 19th day of March, 2002.


Ralph D. Unger, Chair
KWORCC Personnel Committee

I, Bonnie Swartz, Secretary of Kansas Workers Risk Cooperative for Counties ("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 23rd day of January, 2003, at which a quorum was present and that said resolution has not been rescinded and is still in full force and effect:

RESOLUTION # 2003-12

WHEREAS, KWORCC presented a competitive bid to write workers compensation coverage for Chautauqua County for policy period of January 28, 2003 to January 1, 2004.

WHEREAS, the Board of County Commission of Chautauqua County voted unanimously to accept KWORCC's bid to write their workers compensation insurance;

WHEREAS, it is in the best interest of KWORCC to accept Chautauqua County into the KWORCC self-insurance pool;

NOW, THEREFORE, it is RESOLVED by the KWORCC Board of Trustees to accept Chautauqua County for membership in KWORCC. Accordingly, KWORCC staff shall do all things necessary to provide full workers compensation coverage to same.

IN WITNESS WHEREOF, the undersigned has caused this resolution to be executed this 12th day of February, 2003.


Bonnie Swartz, Secretary

Minutes
Meeting, Board of Trustees
Kansas Worker Risk Cooperative for Counties
Clubhouse Inn
924 SW Henderson Road, Topeka, Kansas
January 23, 2003

The January 2003 meeting of the Board of Trustees of the Kansas Workers Risk Cooperative for Counties (KWORCC) was called to order by Board President Francis "Shep" Schoepf on Thursday, January 23, 2003 at the Clubhouse Inn in Topeka, Kansas. Trustees present: Francis "Shep" Schoepf, Reno County Commissioner, President; Sam Weaver, Cherokee County Commissioner, Vice President; Doyle "Hooley" Alcorn, Jewell County Commissioner, Secretary; Linda Buttron, Jefferson County Clerk, Controller; Michelle Garrett, Morris County Clerk; Bonnie Swartz, Gray County Clerk and Ralph Unger, Decatur County Commissioner.

Staff present: Mr. James W. Parrish, Administrator; Ms. Dortha O. Bird, Deputy Administrator/Staff Counsel; Mr. Richard Alexander, Accountant and Ms. Christie Carney, Administrative Assistant/Media Developer.

Others present: Ms. Annette Duncan of Insurance Management Associates, Inc. (IMA).

President Schoepf called the meeting to order at 1:05 p.m. and addressed Agenda Item No. 2, "Approval of the Agenda." Mr. Parrish requested that two additional items be added under the "Legal Report": 9(a) Terrorist Risk Insurance Act (TRIA), and 9(b) non-elected personnel matters. Ms. Swartz moved to approve the agenda with the additions. Mr. Alcorn seconded the motion which CARRIED unanimously.

President Schoepf addressed Agenda Item No. 3, "Consideration of the Minutes of the Meeting of December 19, 2002." Ms. Buttron moved to approve the minutes as written. Ms. Swartz seconded the motion which CARRIED unanimously.

President Schoepf then addressed Agenda Item No. 4, "Election of Officers and Committee Appointments." Mr. Parrish requested that this item be tabled until Mr. Unger joined the meeting.

President Schoepf called upon Mr. Parrish to address Agenda Item No. 5, "Administrator's Report." Mr. Parrish presented two checks for approval: Check No. 8274 in the amount of \$14,500 written to IMA as the first of 10 installments for claims adjustment fees and Check No. 8275 in the amount of \$50,000 written to IMA for brokerage and risk management service fees.

Mr. Parrish stated there had been eight wire transfers of funds since the last Board meeting, all of which were authorized by Ms. Buttron and Mr. Parrish. The first was completed on December 23, 2002 in the amount of \$44,961.90 from the KWORCC account at Country Club Bank in Prairie

Village to the KWORCC account at Intrust Bank in Wichita for claim settlement. The second was completed on December 30, 2002 in the amount of \$168,019.10 from the KWORCC account at Country Club Bank in Prairie Village to the KWORCC account at Intrust Bank in Wichita for December claim payments. The third was completed on December 30, 2002 in the amount of \$50,000 from the KWORCC account at Country Club Bank in Prairie Village to the KWORCC administrative account at Kaw Valley Bank in Topeka. The fourth was completed on January 14, 2003 in the amount of \$192,332.00 from the KWORCC administrative account at Kaw Valley Bank in Topeka to IMA's account at Emprise Bank in Wichita for reinsurance premiums. The fifth was completed on January 14, 2003 in the amount of \$13,662.63 from the KWORCC administrative account at Kaw Valley Bank in Topeka to the KWORCC account at Intrust Bank in Wichita for claim settlement. The sixth was completed on January 14, 2003 in the amount of \$550,000 from the KWORCC administrative account at Kaw Valley Bank in Topeka to the KWORCC account at Country Club Bank in Prairie Village for investment. The seventh was completed on January 17, 2003 in the amount of \$675,000.00 from the KWORCC administrative account at Kaw Valley Bank in Topeka to the KWORCC account at Country Club Bank in Prairie Village for investment. The final transfer was completed on January 21, 2003 in the amount of \$525,000 from the KWORCC administrative account at Kaw Valley Bank in Topeka to the KWORCC account at Country Club Bank in Prairie Village for investment. Ms. Swartz moved to approve Check Nos. 8274 and 8275 and the eight wire transfers as presented. Mr. Alcorn seconded the motion which CARRIED unanimously.

Mr. Parrish presented Resolution No. 2003-6 to admit Doniphan County, Haskell County and Pottawatomie County as members of the KWORCC self-insurance pool. Mr. Alcorn moved to approve Resolution No. 2003-6. Ms. Swartz seconded the motion which CARRIED unanimously.

Upon the arrival of Mr. Unger, President Schoepf returned to Agenda Item No. 4. President Schoepf asked the Board for nominations for officers. Mr. Unger made nominations as follows: Sam Weaver, President; Doyle "Hooley" Alcorn, Vice President; Bonnie Swartz, Secretary and Linda Buttron to remain as Controller. Mr. Unger moved that all nominations cease and a unanimous ballot be cast for the nominees as presented. Mr. Schoepf seconded the motion which CARRIED unanimously.

Newly elected President Weaver then presented a plaque to outgoing President Francis "Shep" Schoepf thanking him for his outstanding and dedicated service as President of KWORCC in 2002. The meeting then continued with President Weaver presiding.

Ms. Bird next presented the chair and member lists for the 2003 committees. The committee appointments approved by President Weaver are as follows: Audit Committee – Michelle Garrett, Chair; Bonnie Swartz and Linda Buttron, Members; Investment Committee – Francis "Shep" Schoepf, Chair; Sam Weaver and Ralph Unger, Members; Personnel Committee – Ralph Unger, Chair; Michelle Garrett and Doyle "Hooley" Alcorn, Members; KWORCC/KCAMP Joint Committee – Francis "Shep" Schoepf, Chair; Sam Weaver and Doyle "Hooley" Alcorn, Members.

Ms. Bird discussed the logistics of the 25th Annual PRIMA Conference to be held May 18-21, 2003 in Reno Nevada. Several board members expressed an interest in attending the conference. Staff was instructed to reserve rooms and assist in making travel arrangements for those who wished to attend.

Ms. Bird then informed the Board that KWORCC had received approximately one half of the premium payments from the membership so far this year.

Mr. Parrish and Ms. Bird discussed several options for a new format for this year's annual KWORCC meeting to be held in November in Overland Park.

Ms. Bird then collected conflict-of-interest disclosure forms that had been mailed out previously to the Trustees and given to staff for filing with the Kansas Insurance Department.

Mr. Parrish presented a report of non-elected personnel salary and percent adjustments made by the Administrator beginning in January 2003 pursuant to the guidelines adopted at the September 19, 2002 meeting.

President Weaver called on Mr. Parrish to address Agenda Item No.6, "Marketing & Loss Prevention Report." Mr. Carl Eyman, Deputy Administrator/Loss Prevention Specialist was absent from the meeting due to a previously scheduled course he was teaching for a Member County. Mr. Parrish reported that Mr. Eyman generally tried to visit each Member County at least four times a year. With the expansion of the membership this goal was becoming more difficult to achieve. Mr. Parrish presented to the Board the possibility of hiring someone part-time that would be able to assist Mr. Eyman in maintaining the hands-on, personal contact with KWORCCs member counties, thus leaving Mr. Eyman with time to continue his other duties as Loss Prevention Specialist.

Mr. Parrish next reported that the bid KWORCC had prepared for Chautauqua County was \$5,000 lower than the current commercial insurance company. KWORCC was hopeful that Chautauqua County would join on as a member for 2003. The County Commissioners were scheduled to meet today and possibly make a decision then.

President Weaver then called upon Ms. Duncan to address Agenda Item No. 7, "Claims Reports." Ms. Duncan reported on various open claims and answered questions.

Thereupon, President Weaver recessed the meeting for 15 minutes.

When the meeting resumed, President Weaver called upon Mr. Alexander to address Agenda Item No. 8, "Financial Report." Mr. Alexander reviewed the preliminary financial statements for December of 2002 in detail and answered questions. Ms. Swartz moved to accept the preliminary December 2002 financial report as presented. Mr. Unger seconded the motion which CARRIED unanimously.

The check register was then presented. After discussion, Mr. Unger moved to approve check numbers 8186 through 8254. Ms. Swartz seconded the motion which CARRIED unanimously.

President Weaver then called upon Mr. Parrish to address Agenda Item No. 9, "Legal Report." Mr. Parrish asked Ms. Bird to report on the Terrorist Risk Insurance Act (TRIA). Ms. Bird indicated that this federal legislation was signed by the President last November as a way for the federal government to help fund catastrophic loss (a minimum of \$5 Million) in the event of a foreign terrorist attack. It would not include a domestic terrorist attack. In the event of a pay-out to an entity insured under the Act, every insured would be required to pay an increase in their

insurance premiums of up to three-percent until all the paid-out funds are repaid to the federal government. She pointed out that the Act provides that the Secretary of Treasury (who administers the Act) has the latitude of including self-insured public entities and public entity pools. She stated that Harold Pumford, the CEO of AGRIP, recently discussed TRIA with the Treasury Department and determined that the Secretary of Treasury is leaning very strongly toward an "opt-in" policy for public self-insured entities and pools. Ms. Bird advised that should KWORCC be declared to fall under the Act — or elect to participate, depending upon what the Treasury Department dictates — there would be a premium charge to the Members of .02 per \$100 of payroll, according to NCCI publication for Kansas workers compensation carriers. Ms. Bird concluded with a recommendation that KWORCC do nothing under TRIA until the Treasury Department writes regulations concerning public entity pools.

Next, Mr. Parrish advised that Board the Tom Job, Administrator of Kansas Counties Association Multiline Pool (KCAMP) requested that he have an opportunity to attend a KWORCC meeting in the near future. Although Mr. Parrish had not yet spoken to Tom about the subject matter, he was advised by staff that Mr. Job wishes to discuss a prior employee of KWORCC and KCAMP. The Board requested that Mr. Parrish advise Mr. Job of KWORCC meeting dates and invite him to appear before the Board at his earliest convenience.

President Weaver addressed Agenda Item No. 11, "Committee Reports." Committee meetings for 2003 were set as follows: Personnel Committee is scheduled to meet on February 12, 2003 at 8:30 a.m. at the Clubhouse Inn in Topeka; the Investment Committee is scheduled to meet on April 17, 2003 at 10:30 a.m. at the Clubhouse Inn in Topeka with Chris Thompson from Country Club Bank present; the Audit Committee is scheduled to meet on June 12, 2003 at 10:30 a.m. at the Clubhouse Inn in Topeka. Notices would be sent out to all Committee members prior to the meetings. Members would be informed of any date, time or location changes well in advance of their meeting.

President Weaver addressed Agenda Item No. 12, "Other Items." There were no items to be discussed.

There being no further business, Ms. Swartz moved to adjourn the meeting at 3:45 p.m. Mr. Unger seconded the motion which CARRIED unanimously.

THE FOREGOING MINUTES of the Board of Trustees of Kansas Workers Risk Cooperative for Counties were approved by the Board of Trustees the 12th day of February 2003.


Bonnie Swartz, Secretary
KWORCC Board of Trustees

I, Bonnie Swartz, Secretary of Kansas Workers Risk Cooperative for Counties ("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 23rd day of January, 2003, at which a quorum was present and that said resolution has not been rescinded and is still in full force and effect:

RESOLUTION # 2003-6

WHEREAS, KWORCC presented a competitive bid to write workers compensation coverage for Pottawatomie, Haskell and Doniphan Counties for policy period of January 1, 2003 to January 1, 2004.

WHEREAS, the Board of County Commission of Pottawatomie, Haskell and Doniphan Counties voted unanimously to accept KWORCC's bid to write their workers compensation insurance;

WHEREAS, it is in the best interest of KWORCC to accept Pottawatomie, Haskell and Doniphan Counties into the KWORCC self-insurance pool;

NOW, THEREFORE, it is RESOLVED by the KWORCC Board of Trustees to accept Pottawatomie, Haskell and Doniphan Counties for membership in KWORCC. Accordingly, KWORCC staff shall do all things necessary to provide full workers compensation coverage to same.

IN WITNESS WHEREOF, the undersigned has caused this resolution to be executed this 23rd day of January, 2003.


Bonnie Swartz, Secretary