

Minutes
Meeting, Board of Trustees
Kansas Worker Risk Cooperative for Counties
December 20, 2007 at 2:00 p.m.
Club House Inn
924 SW Henderson
Topeka, KS 66615

The December 2007 meeting of the Board of Trustees of Kansas Workers Risk Cooperative for Counties (KWORCC) was called to order by Board Vice-President Francis "Shep" Schoepf on Thursday, December 20, 2007 at 2:05 p.m. Trustees participating included Francis "Shep" Schoepf, Reno County Commissioner, Vice President; Michelle Garrett, Morris County Clerk, Secretary; Linda M. Buttron, Jefferson County Clerk, Controller; Bonnie Swartz, Gray County Clerk; Jim Wise, Miami County Commissioner; Doyle "Hooley" Alcorn, Jewell County Commissioner.

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

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

Vice-president Schoepf addressed Agenda Item No. 2, "Approval of the Agenda." Mr. Parrish recommended two additions. He asked to add Agenda Item No. 2a, "Excuse President Unger for Family Medical Reasons" and Item No. 4h, "Holiday Schedule." He also recommended moving Agenda Item No. 11, "Legal Report" to follow Agenda Item No. 5 "Marketing Report." Mr. Wise moved to approve the agenda with those changes. Ms. Buttron seconded the motion, which CARRIED unanimously.

Vice-president Schoepf addressed Agenda Item No. 2a, "Excuse President Unger for Family Medical Reasons." Mr. Wise moved that President Unger be excused for family medical reasons. The motion was seconded by Ms. Buttron and CARRIED unanimously.

Vice-president Schoepf addressed Agenda Item No. 3a, "Consideration of minutes of the meeting of October 18, 2007." President Unger asked Mr. Parrish to suggest the addition of the word "be" to page 3. Mr. Alcorn moved to approve the minutes with this amendment. Ms. Garrett seconded the motion, which CARRIED unanimously.

Vice-President Schoepf addressed Agenda Item No. 3b, "Consideration of minutes of the meeting of November 19, 2007." Ms. Swartz moved to approve the minutes as presented. Mr. Wise seconded the motion, which CARRIED unanimously.

Vice-President Schoepf proceeded to Agenda Item No. 4, "Administrator's Report." Mr. Parrish addressed Agenda Item No. 4a, "Checks Requiring Board Approval and Ratification of Wire Transfers." Mr. Parrish itemized checks and wire transfers of funds. Ms. Swartz moved to approve the checks and ratify the wire transfers as presented. Mr. Wise seconded the motion, which CARRIED unanimously.

Mr. Parrish proceeded to Agenda Item No. 4b, "Loss Cost Multiplier Filing." He presented an illustration how premiums would be affected for certain high-loss counties if KWORCC filed higher loss cost multipliers for those counties. Mr. Parrish asked the Board to consider the advantages and disadvantages of a tiered loss cost multiplier filing for future consideration, but recommended the Board take no action at this time to change the loss cost multiplier for 2008 premiums.

Mr. Parrish next addressed Agenda Item No. 4c, "Insurance Premium Statements." He reviewed how the premiums are determined and the various factors which can affect premiums. Ms. Buttron moved to adopt resolution No. 2007-77. Ms. Swartz seconded the motion, which CARRIED unanimously.

Mr. Parrish presented Resolution No. 2007-78 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, 2007. Ms. Garrett moved to adopt Resolution No. 2007-78. Mr. Wise seconded the motion, which CARRIED unanimously.

Mr. Parrish asked Ms. Bird to present contract renewals for approval by the Board of Trustees. Ms. Bird detailed the terms and changes incorporated in the renewal contracts for office space, storage space and office sharing and support staff costs. Next, Ms. Bird asked IMA to detail the terms and changes incorporated in the contract for claims, brokerage and risk management services. Ms. Bird said the proposed expenditures incorporated in these agreements were approved when the Trustees adopted the 2008 budget in October. She recommended that the Board approve the contracts as presented. Ms. Swartz moved to approve the contracts as presented by staff counsel. Ms. Buttron seconded the motion, which CARRIED unanimously.

Mr. Parrish presented a working calendar for KWORCC 2008 Board meetings. After discussion, the following dates were adopted by consensus for KWORCC Board meetings in 2008: January 17th; February 12th at 4pm; March 20th; April 17th; May 22nd; June 19th; July 17th; August 21st; September 18th; October 16th; November 17th (Annual Meeting) and December 11th. Except for the February meeting, the meetings which occur during daylight savings time would begin at 1:00 p.m., and the other meetings would begin at 2:00 p.m.

Mr. Parrish requested Mr. Felix explain reinsurance alternatives. After review and discussion, Ms. Garrett moved to renew KWORCC's reinsurance policy with Safety National Casualty Corporation at the same retention levels. Mr. Wise seconded the motion, which CARRIED unanimously.

Mr. Parrish moved on to Agenda Item No. 4h, "Holiday Schedule." He pointed out that the State of Kansas declared Christmas Eve to be a paid holiday and New Year's Eve was scheduled to be a work day. He suggested that KWORCC follow a holiday schedule that was similar to that adopted by county governments, and it was determined after discussion that the counties represented on the KWORCC Board adopted a schedule similar to the state. Ms. Buttron moved to give the KWORCC staff the day off on Christmas Eve. The motion was seconded by Ms. Garrett and CARRIED unanimously.

Vice-President Schoepf then proceeded to Agenda Item No. 5, "Marketing Report." Mr. Eyman reported on marketing activities for both current and prospective counties. He reported on the results of the competitive bids submitted by KWORCC and stated that all current County Members would remain in the pool. Mr. Eyman further reported he would be presenting the loss ratio awards to the counties.

Vice-president Schoepf addressed Agenda Item No.9, "Legal Report." Mr. Parrish stated there were no legal matters to report. He indicated that Mr. Woner was present to respond to any questions of Trustees. Mr. Woner commended the KWORCC Board and staff for responsible and professional operation of the KWORCC pool.

A break was declared in the meeting.

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

Mr. Alexander reported on financial statements he had prepared for November 2007. Mr. Wise moved to receive and file the reports as presented. Mr. Alcorn seconded the motion, which CARRIED unanimously.

Mr. Alexander presented the check register. Ms. Buttron moved to approve check Nos. 12150 through 12264 and the direct debits, all as presented. Ms. Swartz seconded the motion, which CARRIED unanimously.

Mr. Alexander then reviewed a spreadsheet showing the value of KWORCC's equity investments as of December 10, 2007.

Vice-president Schoepf addressed Agenda Item No.7, "Claims Report." Ms. Duncan reported on several claims and answered questions. She also requested approval on a pending settlement of claim # 2007031933. Ms. Buttron moved for approval of the settlement as recommended; Ms. Garrett seconded the motion, which CARRIED with Ms. Swartz abstaining.

Ms. Duncan reviewed the Logicomp report for the period of January 1, 2007 through November 30, 2007. She stated that the total amount billed is \$4,632,628.65. The report showed actual paid amount to be \$2,911,259.58 for net savings after fees of \$1,631,501.74 or 35.22% for this eleven-month period.

Next, Mr. Felix presented an analytical review of KWORCC's claim history for policy years 2005 through 2007. Separate exhibits compared the actual paid and incurred claim payments to the estimated paid and incurred claim payments. The intent of the presentation was to provide Board members a visual comparison of the currently estimated losses, the actuarial projected losses and the budgeted losses. IMA staff emphasized these charts should not be viewed as a guarantee of either good or poor ultimate-loss performance.

Vice-president Schoepf called upon Messrs. Eyman and Rippee to address Agenda Item No. 8, "Loss Prevention and County Visits." Mr. Rippee reviewed calendars for November, December and January. Mr. Eyman reported that two new classes are planned for next year and also reported on an accident involving a sheriff's deputy.

Vice-president Schoepf proceeded to Agenda Item No. 10a, "Investment Committee Report." Mr. Wise reported on the meeting of the Investment Committee held at 1:30 p.m., just prior to this meeting, and that Mr. Mark D'Andrea of Security Benefit attended the meeting to discuss the status of KWORCC investments. Mr. Wise reported that the Investment Committee recommends KWORCC continue the \$30,000 equity investments each month provided funds are available without penalties for early termination of fixed-asset investments. The funds in which the investments are to be made are Alpha Opportunity, Global Security and Midcap Value. Additionally, it was recommended the committee review its investments again in March and decide at that point if KWORCC should continue to invest in Midcap Growth. Mr. Wise moved that the recommendations of the committee accepted. Mr. Alcorn seconded the motion, which, CARRIED unanimously. Additionally, Mr. Wise moved to ratify Resolution No. 2007-86 approving purchases of United States Government-backed securities during the period beginning July 3, 2007 through December 10, 2007. The motion was seconded by Mr. Alcorn and CARRIED unanimously.

On the recommendation of Mr. Parrish, in the interest of time, the planned trustee training was postponed until January by consensus of all Board members present.

There being no further business on the agenda, Ms Swartz moved to adjourn at 4:12 p.m. Mr. Alcorn seconded the motion, which CARRIED unanimously.

The Board of Trustees approved the foregoing minutes of the Board of Trustees of Kansas Workers Risk Cooperative for Counties on the 17th day of January 2008.

 Secretary
KWORCC Board of Trustees

Minutes
Meeting, Investment Committee
Kansas Worker Risk Cooperative For Counties
Clubhouse Inn - Conference Room
924 SW Henderson Rd., Topeka KS 66615
December 20, 2007

On Thursday, December 20, 2007 at 1:30PM 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, Jim Wise. Committee Members participating included: Francis E. "Shep" Schoepf, Reno County Commissioner and Jim Wise, Miami County Commissioner. Also present was KWORCC Administrator, Jim Parrish and Marc D'Andrea, Security Benefit Group.

Mr. Schoepf moved to approve the Agenda as presented; Mr. Wise seconded the motion which APPROVED unanimously.

Chairman Wise requested consideration of minutes dated October 18, 2007. Mr. Schoepf moved to approve the minutes. Mr. Wise seconded the motion which CARRIED unanimously.

Mr. Parrish explained that Mr. Unger would be absent for the meeting due to family medical circumstances, but that Mr. Unger called to offer ideas and suggestions regarding KWORCC's equity investments. Mr. Parrish stated the input from Mr. Unger would be brought up as the meeting progressed.

Whereupon, Mr. Parrish stated that the purpose of today's meeting is to review the purchase and sale of fixed-income investments. Mr. Parrish called the Committee's attention to the trade history report attached to the agenda packet, prepared by Country Club Bank. The report indicates eight purchases of United States Government-backed securities during the period beginning July 3, 2007 through December 10, 2007. After reviewing the trades by Country Club Bank, Mr. Schoepf moved to recommend to the full KWORCC Board the adoption of Resolution No. 2007-86, a copy of which is attached to these minutes. Mr. Wise seconded the motion which carried unanimously.

Chairman Wise then stated that another purpose of this meeting is to review KWORCC's equity investments and determine whether further investment should be made. Mr. Parrish pointed out that the KWORCC Board of Trustees at its October 18, 2007 meeting, authorized the investment of \$30,000 per month for two months into three of KWORCC's current equity funds at the rate of \$10,000 per fund, per month. The three funds, all sponsored by Security Benefit, include the Security Global Fund, the Mid Cap Value Fund and the Alpha Opportunity Fund. This investment was conditioned upon the availability of uninvested funds, and Mr. Parrish explained that funds were available and these investments were made for the months of November and December. Thereupon, Mr. Parrish indicated that Mr. Marc D'Andrea of Security Benefit was available to discuss the investment of these funds and future equity investments.

Mr. D'Andrea indicated that the Board's decision in October was a good choice for the short term and further that the Board was wise to exclude further investments in the Mid Cap Growth Fund. In discussing the Mid Cap Growth Fund, Mr. D'Andrea explained that Security Benefit was very disappointed in the performance of that fund and had taken steps to recruit a new management team to take over that fund after a nation-wide

search of investment experts. A new manager of that fund, based in New York City, has been established. Mr. D'Andrea pointed out that Security Benefit now has an office in New York City in downtown Manhattan.

Mr. Parrish indicated that Mr. Unger expressed concern over KWORCC's investment in this Mid Cap Growth Fund, and while Mr. Unger recognizes the importance of creating a plan and working the plan and staying the course, he nevertheless wished to ask Mr. D'Andrea's opinion on whether or not KWORCC should remain invested in the four funds or if KWORCC should consider liquidating any of the funds and investing in other funds.

Mr. Schoepf likewise expressed concern over the performance of the Mid Cap Growth Fund and indicated that KWORCC should look carefully at it for a period of 90 days to determine whether that fund should be retained or liquidated. Mr. Wise also expressed concern over that particular fund and expressed agreement with the strategy suggested by Mr. Schoepf.

Mr. D'Andrea agreed with that strategy stating that it was premature to take any action at this time with respect to the Mid Cap Growth Fund and recommended that KWORCC watch how the new team of fund managers handles this fund in the next few months.

Mr. D'Andrea pointed out that the Alpha Opportunity Fund was being managed very skillfully by its managers. He indicated that half of the securities in the Alpha Opportunity Fund were designed to mirror the Standard and Poor Index and the other half are very actively managed by the institutional managers. The S&P Index had experienced a three percent growth year to date, compared to the entire Alpha Opportunity Fund which experienced 19.46% growth year to date. That would indicate that the work done by the portfolio managers for the half of the fund that is actively managed was managed very successfully in order to bring the over all percentage to nearly 20%.

Mr. Schoepf indicated that he expected the Dow Jones Industrial Average to creep upward over the next year, going into the presidential election. Mr. D'Andrea expressed agreement with that projection but also indicated that the third year of a presidential year is usually much better than 2007 has indicated.

Mr. Parrish asked that more data be distributed to the KWORCC Trustees on the Mid Cap Growth Fund. He pointed out that there was no written description of the activity of that fund included in the Committee's packet for this meeting. Mr. D'Andrea said that material was not available because of the change in the management team, but that he would supply that to the KWORCC Trustees as soon as a written summary was available describing the success of the new team.

Chairman Wise then asked Mr. Parrish whether KWORCC had adequate funds to invest until the next Investment Committee Meeting, and Mr. Parrish indicated that KWORCC had the ability to move forward with monthly investments into 2008 at the rate of \$30,000 per month until the next-scheduled Investment Committee Meeting.

Thereupon, Mr. Schoepf moved that the Investment Committee recommend to the full Board that KWORCC invest \$30,000 per month for the months of January and February allocating this amount equally by investing \$10,000 each in the Security Global Fund (large cap growth), the Security Mid Cap Value Fund (mid cap value) and the Alpha Opportunity Fund (mid cap growth), provided that such investments will be subject to the availability of cash without incurring penalties for early sale of the existing securities. Mr. Wise seconded the motion which CARRIED unanimously.

Chairman Wise asked Mr. Parrish to schedule another Investment Committee Meeting in March to review further investment strategy. There being no further business to come before the Committee, Mr. Wise declared the meeting to be adjourned.

THE FOREGOING MINUTES of the Investment Committee of Kansas Workers Risk Cooperative for Counties were executed by the Chair of that Committee on March 13, 2008.



Jim Wise, Chair
KWORCC Investment Committee

I, Michelle Garrett, Secretary of Kansas Workers Risk Cooperative for Counties, hereby certify that the following is a true and correct copy of a Resolution duly adopted by unanimous vote of the Board of Trustees of KWORCC at a meeting duly called and held on the 20th day of December, 2007 at which a quorum was present:

RESOLUTION # 2007-86


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 July 3, 2007 through December 10, 2007, which have been reviewed by the Board. Pursuant to that review, the Board determined said investments to be in accordance with K.S.A. 40-2a01 and KWORCC’s investment policy;

NOW, THEREFORE, it is RESOLVED by the KWORCC Board of Trustees that investment purchases made in United States Government securities from the period July 7, 2007 through December 10, 2007, having been reviewed and determined to be 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 20st day of December, 2007.



Michelle Garrett, Secretary

For Trades Executed Atr: Country Club Bank

Country Club Bank

Ticket Nbr	Cust Nbr	Sec Descr 1	Sec Descr 2	Sec Descr 3	Port ID	Reg Type/Id	Call Cd-Dt	Call Price	Mat Date	CPN Rate	Abr By	Abr Date	Abr Time	Fail Del	Fail Pmt	Dt Bnter	Trade Dt	Settle Dt	Trd Status	Pay/Del	Factor	Tran Cd	Bnt By	Trd For	Sales Crdt	Par	Basis	Yield	Price	P/L	Prin	Interest	Fees	Dlr Comm	Total Amt
311023731	300121	KMORCC (302)	FEDERAL HOME LOAN BANK			E/*	C-06/14/05	100.000	12/14/2007		n-07/12/07	07/11/2007	07/11/2007			07/11/2007	07/11/2007	07/11/2007	Purch	1.0000000000					125,000.00	99.232800	5.446000	99.232000	.00	124,040.00	350.00	.00	.00	124,390.00	
311023729	300121	KMORCC (302)	FEDERAL HOME LOAN BANK			E/*	C-03/28/06	100.000	03/28/2008		n-08/02/07	08/02/2007	08/02/2007			08/02/2007	08/02/2007	08/02/2007	Purch	1.0000000000					200,000.00	99.804000	5.297000	99.804000	.00	199,608.00	3,444.44	.00	.00	203,052.44	
3133962C8	032-AGCY	AAA/AAA/				E/*	C-03/28/06	100.000	03/28/2008		n-08/16/07	08/16/2007	08/16/2007			08/16/2007	08/16/2007	08/16/2007	Purch	1.0000000000					200,000.00	99.867000	5.212000	99.867000	.00	199,734.00	3,833.33	.00	.00	203,567.33	
311026097	300121	KMORCC (302)	FEDERAL HOME LOAN BANK			E/*	C-03/28/06	100.000	03/28/2008		n-09/05/07	09/05/2007	09/05/2007			09/05/2007	09/05/2007	09/05/2007	Purch	1.0000000000					100,000.00	99.920000	5.139000	99.920000	.00	99,920.00	2,189.56	.00	.00	102,109.56	
3133962C8	032-AGCY	AAA/AAA/				E/*	C-06/14/05	100.000	12/14/2007		n-12/03/07	11/30/2007	11/30/2007			11/30/2007	11/30/2007	12/03/2007	Purch	1.0000000000					125,000.00	99.970000	4.507000	99.970000	.00	124,962.50	2,112.50	.00	.00	127,075.00	
3133962C8	032-AGCY	AAA/AAA/				E/*	C-06/14/05	100.000	12/14/2007		n-12/03/07	11/30/2007	11/30/2007			11/30/2007	11/30/2007	12/03/2007	Purch	1.0000000000					125,000.00	99.970000	4.507000	99.970000	.00	124,962.50	2,112.50	.00	.00	127,075.00	
311023732	300121	KMORCC (302)	FEDERAL HOME LOAN BANK			E/*	C-06/14/05	100.000	12/14/2007		n-07/12/07	07/11/2007	07/11/2007			07/11/2007	07/11/2007	07/11/2007	Purch	1.0000000000					200,000.00	99.804000	5.160000	99.804000	.00	199,958.00	3,958.00	.00	.00	203,916.00	
3133962C8	032-AGCY	AAA/AAA/				E/*	C-06/14/05	100.000	12/14/2007		n-07/12/07	07/11/2007	07/11/2007			07/11/2007	07/11/2007	07/11/2007	Purch	1.0000000000					200,000.00	99.804000	5.160000	99.804000	.00	199,958.00	3,958.00	.00	.00	203,916.00	
3133962C8	032-AGCY	AAA/AAA/				E/*	C-06/14/05	100.000	12/14/2007		n-07/12/07	07/11/2007	07/11/2007			07/11/2007	07/11/2007	07/11/2007	Purch	1.0000000000					200,000.00	99.804000	5.160000	99.804000	.00	199,958.00	3,958.00	.00	.00	203,916.00	
311023733	300121	KMORCC (302)	FEDERAL NATIONAL MTG ASSN DN			E/*	C-06/14/05	100.000	10/26/2007		n-07/12/07	07/11/2007	07/11/2007			07/11/2007	07/11/2007	07/11/2007	Purch	1.0000000000					300,000.00	99.804000	5.160000	99.804000	.00	299,442.00	5,558.00	.00	.00	304,000.00	
3135881C7	033-DISC	///				E/*	C-06/14/05	100.000	10/26/2007		n-07/12/07	07/11/2007	07/11/2007			07/11/2007	07/11/2007	07/11/2007	Purch	1.0000000000					300,000.00	99.804000	5.160000	99.804000	.00	299,442.00	5,558.00	.00	.00	304,000.00	
311023729	300121	KMORCC (302)	FEDERAL NATIONAL MTG ASSN DN			E/*	C-06/14/05	100.000	08/31/2007		n-07/12/07	07/11/2007	07/11/2007			07/11/2007	07/11/2007	07/11/2007	Purch	1.0000000000					150,000.00	99.28333330	5.160000	99.28333330	.00	148,925.00	1,075.00	.00	.00	149,925.00	
3135881C7	033-DISC	///				E/*	C-06/14/05	100.000	08/31/2007		n-07/12/07	07/11/2007	07/11/2007			07/11/2007	07/11/2007	07/11/2007	Purch	1.0000000000					150,000.00	99.28333330	5.160000	99.28333330	.00	148,925.00	1,075.00	.00	.00	149,925.00	
033-DISC	///	///				E/*	C-06/14/05	100.000	08/31/2007		n-07/12/07	07/11/2007	07/11/2007			07/11/2007	07/11/2007	07/11/2007	Purch	1.0000000000					150,000.00	99.28333330	5.160000	99.28333330	.00	148,925.00	1,075.00	.00	.00	149,925.00	

I, Michelle Garrett, 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 20th day of December, 2007, at which a quorum was present and that said resolution has not been rescinded and is still in full force and effect:

RESOLUTION # 2007-77

WHEREAS, the KWORCC Board of Trustees has directed staff to calculate the premiums for workers compensation coverage for Member Counties for policy year 2008, 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 amounts for KWORCC Members have been calculated;


WHEREAS, the attached itemization for estimated premium for the year 2008 reflects premium calculations by staff;

WHEREAS the insurance renewal date for the Membership is January 1, 2008;

NOW, THEREFORE, the KWORCC Board of Trustees RESOLVES to adopt the attached rates of premium for its Membership and KWORCC Staff is directed to send out the premium statements, subject to such minor adjustments as are deemed necessary by the KWORCC Administrator.

FURTHER RESOLVED by the Board that KWORCC staff prepare the worksheets, premium invoices, and certificates of coverage in accordance with the foregoing and forward the same to the Membership for payment and processing;

IN WITNESS WHEREOF, the undersigned has caused this Resolution to be executed this 20th day of December, 2007.



Michelle Garrett, Secretary

KWORCC 2008

Named Insured	2008 Premiums
Anderson County	\$92,003
Barber County	\$66,518
Bourbon County	\$ 77,696
Brown County	\$ 66,244
Chautauqua County	\$ 40,358
Cherokee County	\$89,743
Clay County	\$129,384
Cloud County	\$132,326
Comanche County	\$40,207
Comanche Hospital	\$23,777
Decatur County	\$34,397
Decatur Health Systems	\$ 47,787
Dickinson County	\$196,293
Doniphan County	\$62,403
Edwards County	\$45,818
Elk County	\$43,776
Ellis County	\$169,267
Ellsworth County	\$58,582
Ford County	\$142,345
Franklin County	\$245,230
Geary County	\$112,573
Gove County	\$36,605
Grant County	\$110,383
Gray County	\$75,129
Greenwood County	\$ 101,775
Hamilton County	\$ 47,477
Hamilton Hosp.	\$39,936
Harper County	\$85,372
Harvey County	\$141,055
Harvey-Marion CDDO	\$850
Haskell County	\$56,258
Jackson County	\$125,279
Jefferson County	\$171,708
Jewell County	\$66,540
Lane County	\$ 57,303
Lincoln County	\$98,702
Linn County	\$ 102,605
Lyon County	\$ 176,505
Marion County	\$ 135,265
Marshall County	\$40,099
Meade County	\$85,026
Miami County	\$207,566
Morris County	\$41,855
Morton County	\$54,056
Morton Health Care	\$86,272
MTAA	\$54,367
NWRRC	\$3,097
Neosho County	\$98,416
Norton County	\$64,149
Osage County	\$71,935
Osborne County	\$38,534
Ottawa County	\$58,233
Pawnee County	\$54,142
Phillips County	\$ 102,896
Pottawatomie County	\$ 140,638
Rawlins County	\$34,538
Reno County	\$723,551
Republic County	\$ 84,796
Rush County	\$56,225
Russell County	\$65,348
Saline County	\$221,941
Sheridan County	\$65,507
Sherman County	\$48,026
Smith County	\$ 54,978
Stanton County	\$ 54,624
Stevens County	\$133,998
Sumner County	\$265,297
Thomas County	\$45,221
Trego County	\$ 50,778
Wallace County	\$26,083
Total Premium	\$6,677,667

I, Michelle Garrett, Secretary of Kansas Workers Risk Cooperative for Counties, hereby certify that the following is a true and correct copy of a Resolution duly adopted by unanimous vote of the Board of Trustees of KWORCC at a meeting duly called and held on the 20th day of December, 2007 at which a quorum was present:

RESOLUTION # 2007-86

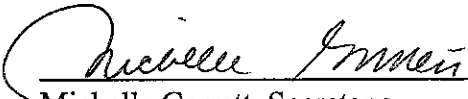
WHEREAS, KWORCC has elected to place investments pursuant to Chapter 40 of Kansas Statutes Annotated, and thus is to comply with the provisions thereof;

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 July 3, 2007 through December 10, 2007, which have been reviewed by the Board. Pursuant to that review, the Board determined said investments to be in accordance with K.S.A. 40-2a01 and KWORCC’s investment policy;

NOW, THEREFORE, it is RESOLVED by the KWORCC Board of Trustees that investment purchases made in United States Government securities from the period July 7, 2007 through December 10, 2007, having been reviewed and determined to be 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 20st day of December, 2007.



Michelle Garrett, Secretary

Ticket Nbr	Cust S/N	Reg Type/Id	Apr By	DE Amber	Factor	Par	Prin
Cust Nbr	Sec Descr: 1	Call Cg-Dt	Apr Date	Trade Dt	Tran Cd	Basis	Interest
Security	Sec Descr: 2	Call Price	Apr Time	Settle Dt	Ent By	Yield	Fees
Port ID	Sec Descr: 3	Mkt Date	Fail Del	Trd Status	Trd For	Price	Dir Comm
	Mdy/S&P/Mkt	CPN Rate	Fail Pmt	Pay/Del	Sales Crdt	P/L	Total Amt
311023731	KWORCC (302)	E/*	n-07/12/07	07/11/2007	1.0000000000	125,000.00	124,040.00
300121	FEDERAL HOME LOAN BANK	C-06/14/05	07/11/2007	07/11/2007	Purch	99.232000	350.00
3133X9M55		100.000	07/12/2007	09	skml44	5.4460000	.00
3133X9M55		12/14/2007	n-07/12/07	09	BCT	99.232000000	.00
032-AGCY	AAA/AAA/	3.6	n-07/12/07	c/sko	0.00	.00	124,390.00
311023731	KWORCC (302)	E/*	n-08/02/07	08/02/2007	1.0000000000	200,000.00	199,608.00
300121	FEDERAL HOME LOAN BANK	C-03/28/06	08/02/2007	08/02/2007	Purch	99.867000	3,444.44
3133X9C08		100.000	08/02/2007	09	skml44	5.2970000	.00
3133X9C08		03/28/2008	n-08/02/07	09	BCT	99.804000000	.00
032-AGCY	AAA/AAA/	5.0	n-08/02/07	c/sko	0.00	.00	203,052.44
311023731	KWORCC (302)	E/*	n-08/16/07	08/16/2007	1.0000000000	200,000.00	199,734.00
300121	FEDERAL HOME LOAN BANK	C-03/28/06	08/16/2007	08/16/2007	Purch	99.867000	3,833.33
3133X9C08		100.000	08/16/2007	09	skml44	5.2120000	.00
3133X9C08		03/28/2008	n-08/16/07	09	BCT	99.867000000	.00
032-AGCY	AAA/AAA/	5.0	n-08/16/07	c/sko	0.00	.00	203,567.33
311026097	KWORCC (302)	E/*	n-09/05/07	09/05/2007	1.0000000000	100,000.00	99,920.00
300121	FEDERAL HOME LOAN BANK	C-03/28/06	09/05/2007	09/05/2007	Purch	99.920000	2,180.56
3133X9C08		100.000	09/05/2007	09	skml44	5.1390000	.00
3133X9C08		03/28/2008	n-09/05/07	09	BCT	99.920000000	.00
032-AGCY	AAA/AAA/	5.0	n-09/05/07	c/sko	0.00	.00	102,100.56
311030002	KWORCC (302)	E/*	n-12/03/07	11/30/2007	1.0000000000	125,000.00	124,962.50
300121	FEDERAL HOME LOAN BANK	C-06/14/05	11/30/2007	11/30/2007	Purch	99.970000	2,112.50
3133X9M55		100.000	12/03/2007	09	skml44	4.5070000	.00
3133X9M55		12/14/2007	n-12/03/07	09	BCT	99.970000000	.00
032-AGCY	AAA/AAA/	3.6	n-12/03/07	c/sko	0.00	.00	127,075.00
311023732	KWORCC (302)	E/*	n-07/12/07	07/11/2007	1.0000000000	200,000.00	195,958.00
300121	FEDERAL HOME LOAN MFG CORP DN	C-06/14/05	07/11/2007	07/11/2007	Purch	D5.16000	.00
313396PK5		100.000	07/12/2007	07/12/2007	skml44	5.1600000	.00
313396PK5		11/30/2007	n-07/12/07	09	BCT	97.979000000	.00
032-DISC	//		n-07/12/07	c/sko	0.00	.00	195,958.00
311023733	KWORCC (302)	E/*	n-07/12/07	07/11/2007	1.0000000000	300,000.00	295,442.00
300121	FEDERAL NATIONAL MFG ASSN DN	C-06/14/05	07/11/2007	07/11/2007	Purch	D5.16000	.00
313588M5		.000	07/12/2007	07/12/2007	skml44	5.1600000	.00
313588M5		10/26/2007	n-07/12/07	09	BCT	98.48066670	.00
032-DISC	//		n-07/12/07	c/sko	0.00	.00	295,442.00
311023729	KWORCC (302)	E/*	n-07/12/07	07/11/2007	1.0000000000	150,000.00	148,925.00
300121	FEDERAL NATIONAL MFG ASSN DN	C-06/14/05	07/11/2007	07/11/2007	Purch	D5.16000	.00
313588M5		.000	07/12/2007	07/12/2007	skml44	5.1600000	.00
313588M5		08/11/2007	n-07/12/07	09	BCT	99.283333330	.00
032-DISC	//		n-07/12/07	c/sko	0.00	.00	148,925.00

I, Michelle Garrett, Secretary of Kansas Workers Risk Cooperative for Counties, hereby certify that the following is a true and correct copy of a Resolution duly adopted by unanimous vote of the Board of Trustees of KWORCC at a meeting duly called and held on the 20th day of December, 2007 at which a quorum was present:

RESOLUTION # 2007-78


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, 2007, 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, 2007,

NOW, THEREFORE BE IT RESOLVED, by the Board of Trustees of Kansas Workers Risk Cooperative for Counties, in regular meeting duly assembled this 20th day of December, 2007, 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, 2007.

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 20st day of December, 2007.



Michelle Garrett, Secretary

KWORC

KANSAS
WORKERS RISK COOPERATIVE
for COUNTIES

December 20, 2007

Trustees
Ralph D. Unger
Decatur County Commissioner
President

Francis "Shep" Schoepf
Reno County Commissioner
Vice President

Michelle Garrett
Morris County Clerk
Secretary

Linda M. Buttron
Jefferson County Clerk
Controller

Doyle "Hooley" Alcorn
Jewell County Commissioner

Bonnie Swartz
Gray County Clerk

Jim Wise
Miami 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 "Alex" Alexander
Accountant

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

Website
www.kworcc.com

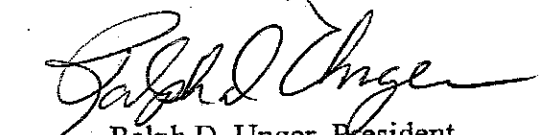
Mr. Kent Olson, Director
Division of Accounts and Reports
900 SW Jackson - Room 351S
Landon State Office Building
Topeka, Kansas 66612-1248

Dear Director:

Pursuant to KWORCC Resolution #2007-78, passed at its meeting on December 20, 2007 (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, 2007. 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,



Ralph D. Unger, President
Board of Trustees

RDU:db

pc:File

KWORCC Board of Trustees

Enclosure

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

**Hyatt Regency
400 W. Waterman Street
Wichita, Kansas 67202
November 19, 2007**

The Annual Meeting of Kansas Workers Risk Cooperative for Counties (KWORCC) was called to order by Board President Ralph Unger on Monday, November 19, 2007 at the Hyatt Regency Hotel, Wichita, Kansas. Trustees present: Ralph Unger, Decatur County Commissioner, President; Francis "Shep" Schoepf, Reno County Commissioner, Vice President; Michelle Garrett, Morris County Clerk, Secretary; Linda Buttron, Jefferson County Clerk, Controller, Doyle "Hooley" Alcorn, Jewell County Commissioner; Bonnie Swartz, Gray County Clerk and Jim Wise, Miami 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. Nicole Jarboe, Executive Assistant/Media Director.

Others present for KWORCC: Mr. Paul Davis, Ms. Annette Duncan and Mr. Tris Felix of Insurance Management Associates, Inc.

President Unger called the meeting to order at 5 p.m. and verified that a quorum was present. He announced that a total of 40 Member County representatives were present and that the quorum requirements were met.

Member County representatives were present as follows: Dudley R. Feuerborn, Anderson County Commissioner, Delegate; R. Steven Garton, Barber County Commissioner, Delegate; Charles Napier, Cherokee County Commissioner, Delegate; Bill Garrison, Cloud County Commissioner, Delegate; Ralph D. Unger, Decatur County Commissioner, Delegate; Kermit Rush, Ellsworth County Commissioner, Delegate; John Swayze, Ford County Commissioner, Delegate; Donald R. Stottlemire, Franklin County Commissioner, Delegate; Florence Whitebread, Geary County Commissioner, Delegate; Mahlon Tuttle, Gove County Commissioner, Delegate; Carl Higgs, Grant County Commissioner, Delegate; Bonnie Swartz, Gray County Clerk, Delegate; Linda Snyder, Greenwood County Commissioner, Delegate; Nikki Schwerdfeger, Hamilton County Commissioner, Delegate; Cheryl Adelhardt, Harper County Clerk, Delegate; Marge Roberson, Harvey County Commissioner, Delegate; Roy Hallauer, Jackson County Commissioner, Alternate; Linda Buttron, Jefferson County Clerk, Delegate; Doyle "Hooley" Alcorn, Jewell County Commissioner, Delegate; Marshall F. Miller, Lyon County Commissioner, Delegate; Bob Hein, Marion County Commissioner, Alternate; Clair Bender, Meade County Commissioner, Delegate; Jim Wise, Miami County Commissioner, Delegate; Jerry Britt, Morris County Commissioner, Alternate; Allen Tucker, Morton County Commissioner, Delegate; Royce Edwards, Neosho County Commissioner, Delegate; John

Miller, Norton County Commissioner, Delegate; Willaim Prescott, Osage County Commissioner, Delegate; Betty J. Pruter, Osborne County Commissioner, Delegate; Kathy M. Luthi, Ottawa County Commissioner, Delegate; Arlis Atteberry, Pawnee County Commissioner, Delegate; Rodger VanLoenen, Phillips County Commissioner, Delegate; Charles Unger, Rawlins County Commissioner, Delegate; F.E. "Shep" Schoepf, Reno County Commissioner, Delegate; Craig Stephenson, Saline County Commissioner, Delegate; Ron Schamberger, Sheridan County Commissioner, Delegate; Keith Kennedy, Sheridan County Commissioner; Gary Baker, Stevens County Commissioner, Delegate; Eldon Gracy, Sumner County Commissioner, Delegate; Paul M. Steele, Thomas County Commissioner, Delegate and R. John Miller, Wallace County Commissioner, Delegate.

President Unger then addressed Agenda Item No. 2, "Approval of the Agenda." John Miller, Wallace County Commissioner, moved to approve the agenda as presented. Charles Unger, Rawlins County Commissioner, seconded the motion, which CARRIED unanimously.

President Unger addressed Agenda Item No. 3, "Consideration of the Minutes of the Meeting of November 20, 2006." Eldon Gracy, Sumner County Commissioner, moved to approve the minutes as written. Mahlon Tuttle, Gove County Commissioner, seconded the motion, which CARRIED unanimously.

President Unger next addressed Agenda Items No. 4, "Election of KWORCC Trustees." President Unger announced that there were four positions open, with nominations received for the following: Ralph Unger, Decatur County Commissioner, incumbent for the Northwest District; F.E. "Shep" Schoepf, Reno County Commissioner, incumbent for the South Central District; Doyle "Hooley" Alcorn, Jewell County Commissioner, incumbent for the North Central District and Jim Wise, Miami County Commissioner, incumbent and Rodney Edmondson, Cherokee County Commissioner, for the Southeast District. President Unger then asked for nominations from the floor. There were no further nominations. Kermit Rush, Ellsworth County Commissioner, moved to accept the Ballot as printed. Betty Pruter Osborne County Commissioner, seconded the motion which CARRIED unanimously.

President Unger directed the membership to cast ballots voting for one nominee for each of the districts. He indicated he had appointed an election committee to be chaired by Bonnie Swartz, Gray County Clerk, and to include Dudley Feuerborn, Anderson County Commissioner and Keith Kennedy, Sheridan County Commissioner. The committee was asked to gather all the ballots and adjourn to another room to tally the votes. The results were to be announced upon their return.

President Unger addressed the membership, pursuant to Agenda Item No. 5, "President's Opening Remarks." President Unger introduced the KWORCC Board of Trustees, the KWORCC staff and the representatives from IMA. He discussed the current status of KWORCC membership, noting that the pool has 70 members including 63 county members, four county hospitals and three county instrumentalities.

President Unger explained that the KWORCC Board is made up of county officials that come from counties with small to large populations. Six of the board members each represent

one section of the state with the seventh board member representing the state at-large. The board meets once every month, except in November when the annual meeting is scheduled. He stated that the pool has three committees that meet periodically and make recommendations to the full board. They include: Personnel Committee, Investment Committee and Audit Committee.

President Unger summarized the health of the pool. He explained that the KWORCC self-insurance pool has more than \$14.5 million in liquid assets and more than \$5.5 million in the fund balance reserves making the pool stable. He also explained that IMA provides claim administration for the pool, and at least two IMA representatives attend every KWORCC monthly meeting to provide information on the status of major claims and an analysis of the policy year performance.

The election committee returned to the meeting and President Unger announced the results. Jim Wise, Miami County Commissioner was re-elected to represent the Southeast District. Doyle "Hooley" Alcorn, Jewell County Commissioner was re-elected to the North Central District. Ralph Unger, Decatur County Commissioner was re-elected to represent the Northwest District. F.E. "Shep" Schoepf, Reno County Commissioner, was re-elected to represent the South Central District.

President Unger called upon Mr. Richard Alexander to address Agenda Item No. 6, "Financial Report." Mr. Alexander presented the statement of financial condition and statement of operations as of September 30, 2007. Mr. Alexander asked for and responded to questions concerning the financial information.

President Unger called upon Mr. Carl Eyman and Mr. Phil Rippee to address Agenda Item No. 7, "Safety Services Report." Mr. Eyman and Mr. Rippee reviewed their schedules for the 2007 year to-date. Mr. Eyman explained the 2008 Loss Prevention Manual format and reviewed some of the information contained on the CD. He also presented a list of the types of safety training offered by KWORCC. Messrs. Eyman and Rippee encouraged Members to contact them to schedule safety training and to take advantage the safety videos available for check out from KWORCC's extensive video library.

Mr. Eyman addressed Agenda Item No.7, "Exceptional Loss Ratio Awards." He explained that the awards are divided into three categories, according to the Member County's premium. The awards announced by Mr. Eyman were as follows:

<u>Premium</u>	<u>Winners</u>	<u>Ratio</u>
0-\$45,000	1st—Rawlins County	.000%
	2nd—Lane County	.012%
	3rd—Sherman County	.015%
\$45,000— \$75,000	1st—Gray County	.001%
	2nd—Marshall County	.020%
	3rd—Meade County	.026%

Greater than	1st—Ellis County	.034%
\$75,000	2nd—Stevens County	.050%
	3rd—Osage County	.059%

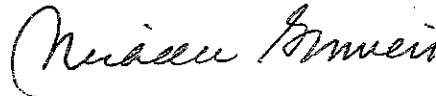
President Unger asked Mr. Parrish to address Agenda Item No. 8, "Presentation of 2008 Budget." Mr. Parrish reviewed the budget with the membership and explained that it had been approved by the Board of Trustees at the October board meeting in accordance with the bylaws. Mr. Parrish asked for and responded to questions.

Doyle "Hooley" Alcorn, Jewell County Commissioner moved to ratify the budget which had been approved by the Board of Trustees. F.E. "Shep" Schoepf seconded the motion which CARRIED unanimously.

President Unger addressed Agenda Item No. 9, "Other Business." There were no further items to be discussed.

There being no further business, Bonnie Swartz, Gray County Clerk, moved to adjourned the 2007 KWORCC Annual Meeting at 5:30 p.m. Jim Wise, Miami County Commissioner seconded the motion, which CARRIED unanimously.

Respectfully Submitted,



Michelle Garrett, Secretary

Minutes
Special Meeting, Board of Trustees
Kansas Worker Risk Cooperative for Counties
Hyatt Regency
400 W. Waterman Street
Wichita, Kansas 67202
November 19, 2007

A special meeting of the Board of Trustees of Kansas Workers Risk Cooperative for Counties (KWORCC) was called to order by Board President Ralph D. Unger on Monday, November 19, 2007 at 6:00 p.m. Trustees participating included Ralph D. Unger, Decatur County Commissioner, President; Francis "Shep" Schoepf, Reno County Commissioner, Vice President; Michelle Garrett, Morris County Clerk, Secretary; Linda M. Buttron, Jefferson County Clerk, Controller; Bonnie Swartz, Gray County Clerk; Jim Wise, Miami County Commissioner; Doyle "Hooley" Alcorn, Jewell County Commissioner.

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

Others present at the board meeting included Ms. Annette Duncan, Mr. Paul Davis and Mr. Tris Felix of Insurance Management Associates (IMA).

President Unger asked for a motion to waive formal notice for this meeting in that all Trustees were present. Ms. Swartz moved to waive formal notice of this special meeting. The motion was seconded by Mr. Alcorn and CARRIED unanimously.

The Agenda was approved by unanimous consent.

President Unger addressed Agenda Item No. 3, "Consideration of Claim Settlements." Ms. Duncan reviewed details of three claims and recommended settlement. She explained that she had reviewed the details of the settlements with the KWORCC staff. Mr. Parrish confirmed that the staff concurred with the recommendation. Mr. Alcorn moved for settlement on claim #04-9147; Mr. Schoepf seconded the motion, which CARRIED unanimously. Ms. Swartz moved for settlement on claim #2006030641; Ms. Buttron seconded the motion, which CARRIED unanimously. Mr. Alcorn moved for settlement on claim #2005024225; Mr. Wise seconded the motion, which CARRIED unanimously.

There being no further business, President Unger declared the meeting adjourned at 6:07 p.m.

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



Michelle Garrett, Secretary
KWORCC Board of Trustees

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

The October 2007 meeting of the Board of Trustees of Kansas Workers Risk Cooperative for Counties (KWORCC) was called to order by Board President Ralph D. Unger on Thursday, October 18, 2007 at 1:10 p.m. Trustees participating included Ralph D. Unger, Decatur County Commissioner, President; Francis "Shep" Schoepf, Reno County Commissioner, Vice President; Michelle Garrett, Morris County Clerk, Secretary; Linda M. Buttron, Jefferson County Clerk, Controller; Bonnie Swartz, Gray County Clerk; Jim Wise, Miami County Commissioner; Doyle "Hooley" Alcorn, Jewell County Commissioner.

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

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

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

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

President Unger proceeded to Agenda Item No. 4, "Administrator's Report." Mr. Parrish addressed Agenda Item No. 4a, "Checks Requiring Board Approval and Ratification of Wire Transfers." Mr. Parrish itemized checks and wire transfers of funds. Mr. Wise moved to approve the checks and ratify the wire transfers as presented. Ms. Swartz seconded the motion, which CARRIED unanimously.

Next, Mr. Felix presented an analytical review of KWORCC's claim history for policy years 2002 through 2007. Separate exhibits compared the actual paid and incurred claim payments to the estimated paid and incurred claim payments. The intent of the presentation was to provide Board members a visual comparison of the currently estimated losses, the actuarial projected losses and the budgeted losses. IMA staff emphasized these charts should not be viewed as a guarantee of either good or poor ultimate-loss performance.

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

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

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

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

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

A brief break in meeting was called by President Unger.

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

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

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

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

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

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

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

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

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

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

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

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

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

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



Michelle Garrett, Secretary
KWORCC Board of Trustees

Minutes
Meeting, Investment Committee
Kansas Worker Risk Cooperative For Counties
Clubhouse Inn - Conference Room
924 SW Henderson Rd., Topeka KS 66615
October 18, 2007

On Thursday, October 18, 2007 at 12:14PM 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, Jim Wise. Committee Members participating included: Francis E. "Shep" Schoepf, Reno County Commissioner; Ralph D. Unger, Decatur County Commissioner and Jim Wise, Miami County Commissioner. Also present was KWORCC Administrator, Jim Parrish, Mr. Marc D'Andrea, Security Benefit Group and Mr. B. Christopher Thompson, Country Club Bank.

Mr. Unger moved to approve the Agenda as presented; Mr. Schoepf seconded the motion which PASSED unanimously.

Chairman Wise requested consideration of minutes dated July 22, 2007. Mr. Unger moved to approve the minutes with two minor corrections. Mr. Schoepf seconded the motion which CARRIED unanimously.

Mr. Wise indicated the purpose of the meeting was to review equity investments approved at the July 19, 2007 meeting, review fixed income investments and consider further equity investments. Mr. Parrish pointed out that the KWORCC Board of Trustees at its July 19, 2007 meeting and on recommendation of the Investment Committee, authorized the investment of \$30,000 per month for three months into three of its current equity funds. This investment was conditioned upon the availability of uninvested funds, and Mr. Parrish pointed out that because of large demands resulting primarily from one claim, uninvested funds were not available to complete the entire \$90,000 investment. He said that \$30,000 had been invested into the three specified funds. Mr. Parrish then indicated that Mr. Thompson and Mr. D'Andrea were present to discuss further investment strategy and to respond to questions.

Thereupon, Mr. Thompson discussed the status of KWORCC's fixed income inventory and referred to materials attached to these minutes. These materials include an inventory of KWORCC's fixed income investments as of September 25, 2007, FOMC announcement dates, a graph and other information reflecting on the historical yield curve and a survey of economic forecasts. Mr. Thompson indicated that there was a general consensus that rates will be trending lower over the next six months. In discussing KWORCC's fixed income portfolio, he indicated that he attempted to purchase securities that produced yields that exceeded the value of "plain vanilla" treasury bonds. The average maturity of all of KWORCC's fixed-income portfolio is approximately 4.5 years. In order to obtain higher yields, many of these securities are "callable" by the issuers. Which has the effect of reducing the average maturity to about 2.5 years, because many of these securities will be "called." He pointed out that all of KWORCC's fixed-income securities are high-grade, AAA-rated securities. A part of his strategy is to maintain a level of liquidity so claim demands can be met.

Next, Mr. D'Andrea reviewed the status of KWORCC's equity investments. He pointed out that the KWORCC Investment Committee was very perceptive in recognizing that the market had reached a peak as of the July 19, 2007 meeting. Of the four funds in which KWORCC has investments, he noted that the Security

Global Fund (large cap growth fund), had appreciated in value by 3.5% since the July meeting; the Mid Cap Growth Fund (small cap growth) had declined in value by 2.5% since the July meeting; the Mid Cap Value Fund (mid cap value) had declined in value by 5% since the July meeting and the Alpha Opportunity Fund (mid cap growth) was down 5.5% since that time.

In discussing the Alpha Opportunity Fund, he indicated that the fund was relatively new and that one-half of the investments in that fund mirror the Standard and Poor Index while the other half is managed by Security Benefit with a great deal of flexibility.


He indicated the equity fund portfolio reflected a great deal of diversification for KWORCC, and he recommended that KWORCC continue to invest in the three funds at the July 19, 2007 meeting.

Mr. Wise stated that the Investment Committee would be meeting again in December and suggested that KWORCC continue its investment strategy for two additional months and reconsider that strategy at that meeting.

After questions and discussion, Mr. Unger moved that the Investment Committee recommend to the full Board that KWORCC invest \$30,000 per month for the months of November and December, allocating this amount equally among three of KWORCC's current investment funds, specifically the Security Global Fund (large cap growth), the Security Mid Cap Value Fund (mid cap value) and the Alpha Opportunity Fund (mid cap growth) and that such investments be made subject to the availability of cash without incurring penalties for early sale of existing securities. Mr. Schoepf seconded the motion which CARRIED unanimously.

There being no further business to come before the Committee, the Chair declared the meeting adjourned.

THE FOREGOING MINUTES of the Investment Committee of Kansas Workers Risk Cooperative for Counties were executed by the Chair of that Committee on December 20, 2007.



Jim Wise, Chair
KWORCC Investment Committee

Minutes
Meeting, Personnel Committee
Kansas Worker Risk Cooperative For Counties
Holiday Inn Express, Topeka, Kansas
September 20, 2007

On Thursday, September 20, 2007, the Personnel Committee of the Kansas Workers Risk Cooperative for Counties ("KWORCC") met at the Holiday Inn Express, Topeka, Kansas. The meeting was called to order by Committee Chair, Doyle "Hooley" Alcorn at 12:07 p.m. Committee Members participating included: Doyle "Hooley" Alcorn, Jewell County Commissioner; Michelle Garrett, Morris County Clerk and Linda M. Buttron, Jefferson County Clerk.. Also present was James W. Parrish, Administrator.

Mr. Parrish presented the Agenda for the meeting. Ms. Buttron moved to approve the Agenda as printed. Ms. Garrett seconded the motion which CARRIED unanimously.

Ms. Garrett moved to approve the minutes of March 22, 2007 and Ms. Buttron seconded the motion, which CARRIED unanimously.

Next, Mr. Alcorn asked Mr. Parrish to review the United States Department of Labor Bureau of Labor Statistics Consumer Price Index (CPI) materials included in the Committee Members' packet, which was mailed to them earlier. He noted that the report was effective at the end of July, 2007 and compared CPI for All Urban Consumers, as well as the Midwest Urban Area in Cities from 50,000 to 1,150,000 showed a 2.4% increase over the CPI for July of 2006. Mr. Parrish explained that the August report was just being prepared, but was not available in time for today's meeting. Therefore, he asked the Committee to base its discussion on this report.

Mr. Alcorn reminded the Committee Members that the purpose of today's meeting is to consider cost of living adjustments for KWORCC staff members to take effect January 1, 2007 and to generally review their performance and their respective salary levels. Mr. Parrish recommended that increases be given to each of the staff members who report to him (including the two deputy administrators, the lost prevention specialist and accountant) using lump sum salary adjustments which would include the cost of living adjustment as well as merit increases. He reminded the Committee that Mr. Rippee was a 60% part-time employee and Mr. Alexander was part-time working an unspecified number of hours as necessary to complete his assigned duties. He also reminded the Committee that KWORCC's Administrative Assistant formerly received paychecks from the management company and KWORCC

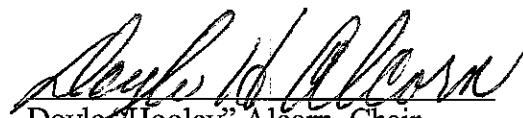
separately. After a policy change that took effect January 1, 2007, it was determined that the part-time administrative assistant should be paid completely by the management company instead of receiving separate checks from KWORCC and the management company. KWORCC would reimburse 62.5% of the cost of that person's salary, the same percentage used when the administrative assistant received two separate paychecks. Because the current Administrative Assistant began her employment during the middle of the fiscal year, her salary adjustment would not need the Committee's attention during this meeting. Mr. Parrish discussed her annual salary and the proposed increase which would take effect after her introductory period. Mr. Parrish further stated that her salary would be addressed during discussion of the budget during the regular KWORCC Board meeting in October.

Mr. Parrish reported that for the past two years, the Committee recommended to the Board, and received approval for, lump-sum cost of living adjustments of \$10,000 to be allocated to each employee in the same ratio as their salaries bare to total payroll. He indicated his recommendation this year would be to use a combination cost of living and merit increase process which would reward the persons that report directly to him.

After discussion, Ms. Buttron moved to increase KWORCC staff salaries by a total lump sum of \$10,000 to be distributed first to provide each of said employees a 2.4% cost of living wage increase and second to be distributed at the discretion of the Administrator. Ms. Garrett seconded the motion which CARRIED unanimously.

There being no further business to come before the Personnel Committee, Mr. Alcorn declared the meeting to be adjourned at 12:50 p.m.

THE FOREGOING MINUTES of the Personnel Committee of Kansas Workers Risk Cooperative for Counties were executed by the Chair of that Committee on February 12th, 2008.


Doyle "Hooley" Alcorn, Chair
KWORCC Personnel Committee

Minutes
Meeting, Board of Trustees
Kansas Worker Risk Cooperative for Counties
September 20, 2007 at 1:00 p.m.
Holiday Inn Express
901 SW Robinson
Topeka, KS 66606

The September 2007 meeting of the Board of Trustees of Kansas Workers Risk Cooperative for Counties (KWORCC) was called to order by Board President Ralph D. Unger on Thursday, September 20, 2007 at 1:00 p.m. Trustees participating included Ralph D. Unger, Decatur County Commissioner, President; Francis "Shep" Schoepf, Reno County Commissioner, Vice President; Michelle Garrett, Morris County Clerk, Secretary; Linda M. Buttron, Jefferson County Clerk, Controller; Bonnie Swartz, Gray County Clerk; Jim Wise, Miami County Commissioner; and Doyle "Hooley" Alcorn, Jewell County Commissioner.

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

Others present at the board meeting included Ms. Annette Duncan and Mr. Tris Felix of Insurance Management Associates (IMA).

President Unger informed the Board that the date for the January Board Meeting had been set for January 17, 2008 and that the date had been reserved at Clubhouse Inn.

President Unger addressed Agenda Item No. 2, "Approval of the Agenda." Ms. Swartz moved to approve the agenda. Ms. Garrett seconded the motion, which CARRIED unanimously.

President Unger addressed Agenda Item No. 3, "Consideration of minutes of the meeting of August 16, 2007." He recommended the addition of the word "the" in a sentence on the second page. Ms. Swartz moved to approve the minutes with this amendment. Mr. Schoepf seconded the motion, which CARRIED unanimously.

President Unger proceeded to Agenda Item No. 4, "Administrator's Report." Mr. Parrish addressed Agenda Item No. 4a, "Checks Requiring Board Approval and Ratification of Wire Transfers." Mr. Parrish reviewed checks for approval and the ratification of wire transfers of funds. Mr. Wise moved to approve the checks and ratify the wire transfers as presented. Mr. Schoepf seconded the motion, which CARRIED unanimously.

Next, Mr. Parrish addressed Agenda Item No. 4b, "Annual Meeting Update." An information sheet had been provided on the annual meeting as well as a list of voting delegates submitted to date. Additionally, a booth sign-up sheet was included, and the Board Members were asked to consider when they would like to help cover the booth.

President Unger reminded the Board that Mr. Richard Alexander was excused from the meeting because of a planned vacation.

President Unger addressed Agenda Item No. 4c, "Move from NCCI to IMA for Experience Modification Production." Mr. Felix reviewed the pros and cons in using NCCI versus IMA for calculating the Experience Modifications. Two advantages to moving to IMA are cost and speed. IMA could save the pool 33% on costs. IMA can produce experience modifications more than a month earlier than NCCI. This would help staff with budgeting and calculating tentative renewal premiums. The major disadvantage is that because the modification factors would not be produced by NCCI, they might not be recognized by all insurance companies. After further discussion, the issue was tabled until later in the meeting.

Mr. Parrish addressed Agenda Item No. 4d, "Options for Loss Cost Multiplier Filings – IMA." The idea is to have two or more loss cost multipliers on file with the Kansas Insurance Commission. Members with a lower loss experience would have a lower loss cost multiplier and a more favorable premium than members with higher losses. This could be an incentive for Members to use all available means to reduce losses. He said that many insurance companies use more than one loss cost multiplier. Under the new regulations, self-insurance pools can now do the same thing. Mr. Felix reviewed information on other pools which now use more than one loss cost multiplier and discussed some options for how KWORCC could use multiple tiers. Mr. Parrish recommended the Board consider adding one or more loss cost multipliers at the October meeting.

President Unger suggested the Board proceed to Agenda Item No. 11, "Trustee Training" in order to accommodate Mr. John Washburn of Kansas Insurance Department who arrived to discuss the Fireman's Relief Act. Mr. Washburn shared a power point presentation and a copy of the Fireman's Relief Act with the Board and discussed the history of the FRA and how it works. President Unger thanked Mr. Washburn for his helpful presentation.

A break in the meeting was declared at 2:50 p.m. until 3:00 p.m.

President Unger called the meeting back to order and proceeded to Agenda Item No. 5, "Marketing Report." Mr. Eyman reported on prospective bid opportunities for policy year 2008.

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

Mr. Parrish presented the check register. Mr. Schoepf moved to approve check Nos. 12053 through 12101 and the direct debits, all as presented. Mr. Alcorn seconded the motion, which CARRIED unanimously.

Mr. Parrish then reviewed a spreadsheet showing the value of KWORCC's equity investments as of September 11, 2007.

President Unger addressed Agenda Item No.7, "Claims Report." Ms. Duncan reported on several claims and answered questions. She also requested approval on pending claim settlements which were approved as follows: Ms. Swartz moved for approval of the payment recommended on claim #2005026970; Mr. Wise seconded the motion, which CARRIED unanimously. Mr. Schoepf moved for approval of the payment recommended on claim #04-5338; Ms. Buttron seconded the motion, which CARRIED unanimously. Ms. Swartz moved for approval of the payment recommended on claim #2006027345; Mr. Wise seconded the motion, which CARRIED unanimously. Ms. Garrett moved for approval of payment recommended on claim #2006030641; Ms. Swartz seconded the motion, which CARRIED unanimously.

Ms. Duncan reviewed the Logicomp report for the period of January 1, 2007 through August 31, 2007. She stated that the total amount billed is \$3,381,562.14. The report showed actual paid amount to be \$2,135,298.08 for net savings after fees of \$1,174,838.74 or 34.74% for this eight-month period.

Next, Mr. Felix presented an analytical review of KWORCC's claim history for policy years 2006 and 2007. Separate exhibits compared the actual paid and incurred claim payments to the estimated paid and incurred claim payments. The intent of the presentation was to provide Board members a visual comparison of the currently estimated losses, the actuarial projected losses and the budgeted losses. IMA staff emphasized these charts should not be viewed as a guarantee of either good or poor ultimate-loss performance.

President Unger called upon Messrs. Eyman and Rippee to address Agenda Item No. 8, "Loss Prevention and County Visits." Mr. Eyman reviewed the loss data for the last 5.5 years for members with loss ratios over 100%.

President Unger addressed Agenda Item No.9, "Legal Report." Mr. Parrish stated there were no legal matters to report.

President Unger proceeded to Committee Reports. The Personnel Committee members reported on their meeting held immediately prior to the Board meeting to consider salaries for 2008. They discussed a cost-of-living adjustment of 2.4% and merit increases for KWORCC employees. The committee recommended the Board authorize a total of \$10,000 in additional payroll to be used first to cover a 2.4% cost-of-living increase with the balance to be distributed at the Administrator's discretion. Ms. Buttron moved that the Board approve the Committee's recommendation. The motion was seconded by Mr. Alcorn and CARRIED unanimously.

Next President Unger directed the Board's attention to Agenda Item No. 12, "Other items." The Board engaged in additional discussion on the use of NCCI versus IMA for the production of experience modifications and asked for the Administrator's recommendation. Mr. Parrish recommended KWORCC continue to use NCCI and pay IMA for any time and effort IMA committed to this project since the July meeting when the Board asked IMA to proceed with the change. Ms. Swartz moved to follow the Administrator's recommendation. Her motion was seconded by Mr. Schoepf and CARRIED unanimously.

President Unger reminded the Board of the Annual Steak Fry at 6 p.m. that night at the Club House Inn.

There being no further business on the agenda, Ms. Swartz moved to adjourn at 4:28 p.m. Ms. Garrett seconded the motion, which CARRIED unanimously.

The Board of Trustees approved the foregoing minutes of the Board of Trustees of Kansas Workers Risk Cooperative for Counties on the 18th day of October 2007.



Michelle Garrett, Secretary
KWORCC Board of Trustees

Minutes
Meeting, Board of Trustees
Kansas Worker Risk Cooperative for Counties
August 16, 2007 at 1:30 p.m.
Clubhouse Inn
924 SW Henderson Road
Topeka, KS 66615

The August 2007 meeting of the Board of Trustees of Kansas Workers Risk Cooperative for Counties (KWORCC) was called to order by Board President Ralph D. Unger on Thursday, August 16, 2007 at 1:30 p.m. Trustees participating included Ralph D. Unger, Decatur County Commissioner, President; Michelle Garrett, Morris County Clerk, Secretary; Bonnie Swartz, Gray County Clerk; and Jim Wise, Miami County Commissioner.

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

Others present at the board meeting included Ms. Annette Duncan and Mr. Paul Davis of Insurance Management Associates (IMA).

President Unger addressed Agenda Item No. 2, "Approval of the Agenda." Upon staff recommendation, the following two changes were made to the agenda: Item No. 4b, "Excuse Absent Trustees" was added and Agenda Item No. 11 was postponed to the September Board Meeting. Mr. Wise moved to approve the agenda as modified. Ms. Swartz seconded the motion, which CARRIED unanimously.

President Unger addressed Agenda Item No. 3, "Consideration of minutes of the meeting of July 19, 2007." Two minor corrections were proposed. Ms. Garrett moved to approve the minutes as corrected. Ms. Swartz seconded the motion, which CARRIED unanimously.

President Unger proceeded to Agenda Item No. 4, "Administrator's Report." Mr. Parrish addressed Agenda Item No. 4a, "Checks Requiring Board Approval and Ratification of Wire Transfers." Mr. Parrish reviewed checks for approval and wire transfers of funds. Ms. Swartz moved to approve the checks and ratify the wire transfers as presented. Mr. Wise seconded the motion, which CARRIED unanimously.

Next, President Unger addressed Agenda Item No. 4b, "Excuse Absent Trustees." Mr. Parrish stated Mr. Alcorn was absent for health reasons and Mr. Schoepf and Ms. Buttron were attending to county business. Mr. Wise moved to excuse Ms. Buttron and Messrs. Schoepf and Alcorn from the meeting. Ms. Garrett seconded the motion, which CARRIED unanimously.

President Unger proceeded to Agenda Item No. 5, "Marketing Report." Mr. Eyman shared a chart showing the bids for Cowley County and noted that, although KWORCC's offered a lower cost, Cowley County chose to renew its coverage with the current carrier.

President Unger called on Mr. Alexander to address Agenda Item No. 6, "Financial Reports." Mr. Alexander discussed in detail the final financial reports for July 2007. Ms. Swartz moved to receive and file the reports as presented. Mr. Wise seconded the motion, which CARRIED unanimously.

Mr. Alexander presented the check register. Mr. Wise moved to approve check Nos. 12009 through 12052 and the direct debits, all as presented. Ms. Garrett seconded the motion, which CARRIED unanimously.

Mr. Alexander then reviewed a spreadsheet showing the value of KWORCC's equity investments as of August 16, 2007.

President Unger addressed Agenda Item No.7, "Claims Report." Ms. Duncan reported on several claims and answered questions.

Ms. Duncan reviewed the Logicom report for the period of January 1, 2007 through July 31, 2007. She stated that the total amount billed is \$3,061,878.41. The report showed actual paid amount to be \$1,925,261.26 for net savings after fees of \$1,075,997.03 or 35.14% for this seven-month period.

Next, Mr. Davis presented an analytical review of KWORCC's claim history for policy years 2006 and 2007. Separate exhibits compared the actual paid and incurred claim payments to the estimated paid and incurred claim payments. The intent of the presentation was to provide Board members a visual comparison of the currently estimated losses, the actuarial projected losses and the budgeted losses. IMA staff emphasized these charts should not be viewed as a guarantee of either good or poor ultimate-loss performance.

President Unger called upon Messrs. Eyman and Rippee to address Agenda Item No. 8, "Loss Prevention and County Visits." Mr. Eyman stated he had two safety meetings planned for this week and both were canceled due to the heat and the need for county crews to complete road projects. He also stated that the new Loss Prevention Manual should be ready for distribution at the annual meeting in November. He explained that the manual would be available on CD instead of in printed form to help keep costs down and for ease of distribution, access and updates. The staff will also research the possibility of uploading it to the KWORCC website.

President Unger addressed Agenda Item No.9, "Legal Report." Mr. Parrish stated there were no legal matters to report.

There were no committee reports for Agenda Item No. 10. President Unger reminded the Board there will be a Personnel Committee meeting prior to the September 20th Board Meeting.

Agenda Item No.11, "Trustee Training: "Firefighters Relief Act - Benefits" - John Washburn, Kansas Insurance Department (Hand-out)," was postponed until the September Board meeting.

Next President Unger directed the Board's attention to Agenda Item No. 12, "Other items." The Board conducted a brief discussion on the need to review KWORCC's loss cost multiplier filing, which will be addressed at the September meeting.

There being no further business on the agenda, Ms. Swartz moved to adjourn at 3:05 p.m. Mr. Wise seconded the motion, which CARRIED unanimously.

The Board of Trustees approved the foregoing minutes of the Board of Trustees of Kansas Workers Risk Cooperative for Counties on the 20th day of September 2007.

Michelle Garrett, Secretary
KWORCC Board of Trustees

Minutes
Meeting, Investment Committee
Kansas Worker Risk Cooperative For Counties
Clubhouse Inn - Conference Room
924 SW Henderson Rd., Topeka KS 66615
July 19, 2007

On Thursday, July 19, 2007 at 12:30PM 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, Jim Wise. Committee Members participating included: Francis E. "Shep" Schoepf, Reno County Commissioner; Ralph D. Unger, Decatur County Commissioner and Jim Wise, Miami County Commissioner. Also present was KWORCC Administrator, Jim Parrish and Mr. Marc D'Andrea with Security Benefit Group.

Mr. Schoepf moved to approve the Agenda as presented; Mr. Unger seconded the motion which PASSED unanimously.

Chairman Wise requested consideration of minutes dated March 22, 2007. Mr. Schoepf moved to approve the minutes as written. Mr. Under seconded the motion which CARRIED unanimously.

Next, Mr. Parrish presented the list of purchases and sales of government securities for the period of March 9, 2007 through July 2, 2007. Mr. Unger moved, that the Investment Committee recommend to the Board of Trustees that it approve KWORCC Resolution No. 2007-57, stating that said securities for said dates were in accordance with KWORCC's investment policy and Kansas statutory requirements. Mr. Wise seconded the motion which CARRIED by unanimous vote of the Committee Members.

Chairman Wise called upon Mr. D'Andrea to address Agenda Item No. 5, "Review Equity Investment Status." Mr. D'Andrea distributed a packet of information published by Security Benefit, including a copy of the weekly portfolio update published by Country Club Bank which itemizes details about the four funds in which KWORCC has invested. Mr. D'Andrea complimented the Committee on its recommendation to focus investments on three of the four funds in KWORCC's round of equity investments. Mr. D'Andrea next drew attention to The Callan Periodic Table of Investment Returns to show the performance of key indices ranked in order from best to worst. He discussed strength and weaknesses of investment strategies and responded to questions and comments by members of the Committee.

Mr. Parrish indicated that KWORCC was allowed to invest up to 10% of the admitted assets as shown on the last annual financial filing with Kansas Insurance Department. He noted that the total assets as of December 31, 2006 totaled \$12,883,827, which would limit total equity investments to \$1,288,382 and that KWORCC's investments to date were \$1,020,000, leaving a difference of \$268,382 which could be invested by KWORCC.


Mr. Schoepf expressed concern that the strong market which had reached historic high level may be scheduled for a down-turn. Mr. Unger suggested that KWORCC invest \$30,000 per month allocated in equal amounts among the three strongest funds for a period of time not to exceed six months. Mr. Wise suggested that KWORCC follow this approach for the next three months and schedule an Investment Committee Meeting to review the market and our investments decisions at that time.

Mr. Unger moved that KWORCC invest \$30,000 per month beginning with the month of August and during the third week of each month thereafter for three months and allocate this amount equally among three KWORCC's four current investment funds, specifically Security Global Fund (Large Cap Growth), the Security Mid-Cap Value Fund (Mid-Cap Value) and the Alpha Opportunity Fund (Mid-Cap Growth). Further, that such investments were to be subject to the availability of cash to be invested without incurring a penalty for early sale of existing securities. Mr. Schoepf seconded the motion which CARRIED unanimously.

Mr. Wise confirmed that the next Investment Committee Meeting would be Thursday October 18, 2007.

There being no further business to come before the Committee, Mr. Unger moved that the meeting be adjourned. Mr. Schoepf seconded the motion which PASSED by unanimous vote.

THE FOREGOING MINUTES of the Investment Committee of Kansas Workers Risk Cooperative for Counties were executed by the Chair of that Committee on October 18, 2007.



Jim Wise, Chair
KWORCC Investment Committee

Minutes
Meeting, Board of Trustees
Kansas Worker Risk Cooperative for Counties
July 19, 2007 at 1:00 p.m.
Clubhouse Inn
924 SW Henderson Road
Topeka, KS 66615

The July 2007 meeting of the Board of Trustees of Kansas Workers Risk Cooperative for Counties (KWORCC) was called to order by Board President Ralph D. Unger on Thursday, July 19, 2007 at 1:15 p.m. Trustees participating included Ralph D. Unger, Decatur County Commissioner, President; Francis "Shep" Schoepf, Reno County Commissioner, Vice President; Michelle Garrett, Morris County Clerk, Secretary; Linda M. Buttron, Jefferson County Clerk, Controller; Bonnie Swartz, Gray County Clerk; and Jim Wise, Miami County Commissioner.

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

Others present at the board meeting included Ms. Annette Duncan and Mr. Gus Campuzano of Insurance Management Associates (IMA).

President Unger addressed Agenda Item No. 2, "Approval of the Agenda." Upon staff recommendation, three changes to the agenda were made. Item No. 3a, "Excuse Doyle 'Hooley' Alcorn, Jewell County Commissioner" was added. In the absence of Mr. Tris Felix, his name was removed from item No. 4c, "Experience Ratings – Move Production from NCCI to IMA" and the word "Discussion" was used in its place, and in item 7c, "Policy Year Performance Review." Mr. Parrish's name was inserted in place of Mr. Felix. Mr. Wise moved to approve the agenda as modified. Ms. Swartz seconded the motion, which CARRIED unanimously.

President Unger addressed Agenda Item No. 3, "Consideration of minutes of the meeting of June 21, 2007." President Unger proposed two corrections, first that the word "resented" in the 6th paragraph of the second page be changed to "presented." Second, that the word "of" be stricken from the last sentence of the 9th paragraph on the second page making that sentence read ". . . had been many good sessions . . ." Ms. Swartz moved to approve the minutes as corrected. Mr. Schoepf seconded the motion, which CARRIED unanimously.

Next, President Unger addressed Agenda Item No. 3a, "Excuse Doyle 'Hooley' Alcorn, Jewell County Commissioner." Mr. Parrish stated the reason for Mr. Alcorn's absence was an emergency county budget meeting. Ms Swartz moved to excuse Mr. Alcorn from the meeting because of county business. Mr. Wise seconded the motion, which CARRIED unanimously.

President Unger proceeded to Agenda Item No. 4, "Administrator's Report." Mr. Parrish addressed Agenda Item No. 4a, "Checks Requiring Board Approval and Ratification of Wire Transfers." Mr. Parrish reviewed checks for approval and wire transfers of funds. Mr. Schoepf moved to approve the checks and ratify the wire transfers as presented. Ms. Buttron seconded the motion, which CARRIED unanimously.

Next, Mr. Parrish addressed Agenda Item No. 4b, "Loss Ratios for Members as of Second Quarter, 2007." He presented a chart showing loss ratios by county over a five and a half year period. Mr. Parrish invited discussion on structuring policies and premium payments for counties who are experiencing high losses. Mr. Parrish stated it is possible to have higher loss cost multipliers for certain counties, but the Kansas Insurance Department (KID) will require strict adherence to any criteria set for application of a higher multiplier. KWORCC would have to make any change in their rates through a filing with the KID. The question was raised regarding the possibility of setting two or three criteria for determining which members qualify for the higher multipliers – i.e. frequency of claims over a predetermined level plus a minimum amount and experience modification rate. Mr. Parrish said staff would research a tiered loss cost multiplier with factors such as this and investigate the type of system KID would approve.

Next Mr. Parrish addressed Agenda Item No. 4c, "Experience Ratings - Move Production From NCCI to IMA." Although the National Council on Compensation Insurance (NCCI) currently calculates the workers compensation experience rating for all KWORCC members, IMA has the ability to calculate them internally. This would be to KWORCC's advantage because it is less expensive and would enable KWORCC to calculate estimated premiums earlier in the year. Mr. Parrish said IMA uses the same protocol for calculating the experience rates as NCCI and recommended that KWORCC use IMA. Mr. Schoepf moved that the experience rating process be moved to IMA from NCCI. Ms. Garrett seconded the motion, which CARRIED unanimously.

Next Mr. Parrish called on Ms. Bird to address Agenda Item 4d, "Give-Away Ideas for 2007 Vendor Booth." She passed around samples of the suggested items and reviewed KWORCC's current inventory of items previously ordered. Mr. Parrish suggested that KWORCC offer bottled water at the booth. He said this was a popular item available at the vendor booth during the national PRIMA meeting in June. He said that the cost of printing the KWORCC logo on each bottle would be prohibitive, but suggested using a pre-printed sticker or bottle hanger to help identify KWORCC. President Unger suggested the discussion be postponed until later in the meeting.

President Unger proceeded to Agenda Item No. 5, "Marketing Report." Mr. Eyman addressed Agenda Item No 5a, "Approval of Membership: Harvey-Marion County CDDO, Resolution No. 2007-54." Ms. Swartz moved to pass the Resolution. Ms. Buttron seconded the motion, which CARRIED unanimously.

Next Mr. Eyman addressed Agenda Item No. 5b, "Cowley, Graham and Rooks Counties." He stated he had called on the Graham County Clerk to touch base on bidding. He said he believed Rooks County wants to bid this year, but he had not been able to reach the county clerk to verify this. He said he would make an appointment with one of the commissioners. In discussing Cowley County, Mr. Eyman recommended that KWORCC submit a bid only if KCAMP request one for inclusion in a multi-line proposal.

President Unger declared a 10-minute break in the meeting.

President Unger called on Mr. Alexander to address Agenda Item No. 6, "Financial Reports." Mr. Alexander discussed in detail the final financial reports for June 2007. Ms. Swartz moved to receive and file the reports as presented. Mr. Schoepf seconded the motion, which CARRIED unanimously.

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

Mr. Alexander presented the check register. Mr. Schoepf moved to approve check Nos. 11954 through 12008 and the direct debits, all as presented. Ms. Buttron seconded the motion, which CARRIED unanimously.

Mr. Alexander then reviewed a spreadsheet showing the value of KWORCC's equity investments as of July 10, 2007.

President Unger addressed Agenda Item No.7, "Claims Report." Ms. Duncan reported on several claims and answered questions. She also discussed all open claims since 1992.

Ms. Duncan reviewed the Logicomp report for the period of January 1, 2007 through June 30, 2007. She stated that the total amount billed is \$1,640,480.59. The report showed actual paid amount to be \$1,043,030.02 for net savings of \$567,441.00 or 34.59% for this six-month period.

Next, Mr. Parrish presented an analytical review of KWORCC's claim history for policy years 2002 through 2007. Separate exhibits compared the actual paid and incurred claim payments to the estimated paid and incurred claim payments. The intent of the presentation was to provide Board members a visual comparison of the currently estimated losses, the actuarial projected losses and the budgeted losses.

President Unger called upon Messrs. Eyman and Rippee to address Agenda Item No. 8, "Loss Prevention and County Visits." Mr. Eyman stated he is conducting a defensive driving course for Gray County and will then be presenting a safety meeting in Meade County. He reminded the Board that he would be on vacation August 6

through August 14. Regarding Agenda Item 8a, "Reno County Visits," Mr. Eyman stated that he and Mr. Rippee discussed loss prevention with officials in Reno County. He said that Reno County had reduced the size of its safety committee to a more workable number and that it had appointed a loss-prevention coordinator. Further, the county is implementing a functional capacity testing program to get a base line on abilities of its workers. Messrs. Eyman and Rippee will make an extraordinary effort to offer classes to Reno County workers and to attend as many safety committee meetings as possible.

Mr. Rippee addressed Agenda Item No. 8b, "Thomas and Sherman counties - Workplace Violence." He stated he taught three classes in each county with 72 workers in attendance in Thomas County and 40 in attendance in Sherman County.

President Unger addressed Agenda Item No.9, "Legal Report." Mr. Parrish reported House Bill 2115 had passed and has been signed into law. The new law allows the premium tax to be based upon the annual "gross" premium collected instead of the "manual" premium.

Next President Unger turned his attention to Agenda Item No. 10, "Committee Reports." Mr. Wise addressed Agenda Item No. 10a, "Investment Committee - Approval of Investments, KWORCC Resolution No. 2007-57." He stated the investment committee reviewed the reports and recommends the acceptance of resolution 2007-57. Mr. Wise then moved to approve the resolution. His motion was seconded by Mr. Schoepf and CARRIED unanimously.

Mr. Wise then proceeded to Agenda Item No. 10b, "Investment Committee - Equity Investments." He stated the investment committee had discussed equity investments and that it was recommended by committee that KWORCC invest \$30,000 per month beginning with the month of August and during the third week of each month thereafter for three months and allocate this amount equally among with \$10,000 being invested in each of the following funds: Security Global Fund, Mid Cap Value and Alpha Opportunity Fund. Further, such investments must be subject to the availability of cash without incurring a penalty on other investments. On October 18, 2007 the Investment Committee will meet with Mr. Marc D'Andrea to see how the investments are doing and consider additional equity investments at that time. Mr. Schoepf moved that the investments be made consistent with the committee's recommendation. His motion was seconded by Mr. Wise and CARRIED unanimously.

President Unger requested the Board address the "give-away" items discussed earlier. After a review of this matter, Mr. Schoepf moved to approve the purchase of 250 heart-mint tins and 250 key-chain flashlights and to purchase bottled water at the discretion of the staff. Ms. Garrett seconded the motion, which CARRIED unanimously.

Next President Unger directed the Boards attention to Agenda Item No. 11, "Trustee Training: The Core: How to Keep it Safe and Strong." Mss. Bird and Jarboe and Mr. Eyman presented the Trustees with information on the anatomy of the body's core as well as proper lifting techniques and exercises, which may be performed to strengthen the muscles of the core. Discussion by the Trustees followed.

There being no further business on the agenda, Mr. Wise moved to adjourn at 4:10 p.m. Ms. Buttron seconded the motion, which CARRIED unanimously.

The Board of Trustees approved the foregoing minutes of the Board of Trustees of Kansas Workers Risk Cooperative for Counties on the 16th day of August 2007.



Michelle Garrett, Secretary
KWORCC Board of Trustees

Minutes
Meeting, Board of Trustees
Kansas Worker Risk Cooperative for Counties
June 21, 2007 at 1:30 p.m. Via Teleconference
700 SW Jackson, Ste 200
Topeka, KS 66603

The June 2007 meeting of the Board of Trustees of Kansas Workers Risk Cooperative for Counties (KWORCC) was held by teleconference and called to order by Board President Ralph D. Unger on Thursday, June 21, 2007 at 1:35 p.m. after a roll call to verify participation. Trustees participating included Ralph D. Unger, Decatur County Commissioner, President; Francis "Shep" Schoepf, Reno County Commissioner, Vice President; Michelle Garrett, Morris County Clerk, Secretary; Linda M. Buttron, Jefferson County Clerk, Controller; Bonnie Swartz, Gray County Clerk; Doyle "Hooley" Alcorn, Jewell County Commissioner and Jim Wise, Miami County Commissioner.

Staff participating from the KWORCC office included Mr. James W. Parrish, Administrator; Ms. Dortha O. Bird, Deputy Administrator/Staff Counsel; Mr. Philip J. Rippee, Loss Prevention Specialist; Mr. Richard Alexander, Accountant and Ms. Nicole Jarboe, Administrative Assistant. Mr. Carl Eyman, Deputy Administrator and Loss Prevention Specialist, was excused from the meeting to perform safety training in the western part of the state.

Others present on the conference call included Ms. Annette Duncan, Mr. Tris Felix, Mr. Paul Davis and Mr. Gus Campuzano of Insurance Management Associates (IMA).

President Unger addressed Agenda Item No. 2, "Approval of the Agenda." Mr. Schoepf moved to approve the agenda as presented. Mr. Wise seconded the motion, which CARRIED unanimously.

President Unger addressed Agenda Item No. 3, "Consideration of minutes of the meeting of May 17, 2007." Ms. Swartz moved to approve the minutes as presented. Ms. Buttron seconded the motion, which CARRIED unanimously.

President Unger proceeded to Agenda Item No. 4, "Administrator's Report." Mr. Parrish addressed Agenda Item No. 4a, "Checks Requiring Board Approval and Ratification of Wire Transfers." Mr. Parrish reviewed checks for approval and wire transfers of funds. Mr. Wise moved to approve the checks and ratify the wire transfers as presented. Ms. Swartz seconded the motion, which CARRIED unanimously.

Mr. Parrish addressed Agenda Item No. 4b, "Annual Meeting Information." He reviewed the floor plan for KWORCC and KCAMP vendor booth locations proposed for the Kansas Association of Counties 32nd Annual Conference & Exhibition scheduled in November. Also, he reviewed a preliminary agenda, which reflects a change in schedule for the vendor booths from past years. This year, in lieu of opening at 10:00 a.m. and closing at 6:00 p.m., the booths will be open at 6:00 p.m. until 9:00 p.m. on Sunday, the first day of the conference. He reported that the annual meeting for KWORCC and KCAMP is scheduled for 5:00 p.m. on Monday November 19, 2007.

Mr. Parrish then addressed Agenda Item No. 4c, "Loss Prevention Manual - Update." He stated the staff is working on a new draft on the Loss Prevention Manual. Mr. Rippee and Mr. Eyman are preparing recommendations.

Mr. Parrish next addressed Agenda Item No. 4d, "Welcome Nicole Jarboe – Administrative Assistant." He mentioned he has worked with Nicole at his law office in the past and knew her to be a loyal and reliable employee. Furthermore, he noted that Nicole hit the ground running and has already made progress in bringing some KWORCC projects up to date. President Unger extended the Trustees' welcome to Ms. Jarboe.

President Unger asked for a report on Agenda Item No.5, "Marketing Report." Mr. Rippee stated that Mr. Eyman requested he conduct a safety evaluation in Cowley County in preparation for a bid. Ms. Bird stated a nursing home in Norton County is requesting information on KWORCC and may be applying for coverage.

President Unger called on Mr. Alexander to address Agenda Item No. 6, "Financial Reports." Mr. Alexander discussed in detail the final financial reports for May 2007. Ms. Buttron moved to receive and file the reports as presented. Mr. Wise seconded the motion, which CARRIED unanimously.

Mr. Alexander presented the check register. Mr. Schoepf moved to approve check Nos. 11903 through 11953 and the direct deposits, all as presented. Ms. Swartz seconded the motion, which CARRIED unanimously.

Mr. Alexander then reviewed a spreadsheet showing the value of KWORCC's equity investments as of June 13, 2007.

President Unger addressed Agenda Item No.7, "Claims Report." Ms. Duncan reported on several claims and answered questions.

Ms. Duncan reviewed the Logicom report for the period of January 1, 2007 through May 31, 2007. She stated that the total amount billed is \$1,324,620.25. The report showed actual paid amount to be \$826,471.56 for net savings of \$474,060.42 or 35.79% for this five-month period.

Next, Mr. Felix presented an analytical review of KWORCC's claim history for policy years 2005 through 2007. Separate exhibits compared the actual paid and incurred claim payments to the estimated paid and incurred claim payments. The intent of the presentation was to provide Board members a visual comparison of the currently estimated losses, the actuarial projected losses and the budgeted losses. IMA staff emphasized these charts should not be viewed as a guarantee of either good or poor ultimate-loss performance.

President Unger called upon Mr. Rippee to address Agenda Item No. 8, "Loss Prevention and County Visits." Mr. Rippee reported on visits to counties for safety training, inspections, commissioner meetings and other visits. He stated the calendar accurately reflects his and Mr. Eyman's activities. They are both returning to full schedule after the time devoted to loss-prevention education at the national PRIMA conference. He indicated that the schedule for classes being presented by KWORCC in the remaining months of the year reflect an increase over previous years.

President Unger addressed Agenda Item No.9, "Legal Report." Mr. Parrish had no legal matters to report.

There were no committee reports for Agenda Item No. 10

Mr. Parrish addressed Agenda Item No. 11, "Trustee Training: PRIMA National Review." He requested the input from the Trustees on what they found most helpful from PRIMA. Mr. Schoepf stated he attended an excellent three-hour session on law enforcement. Ms. Buttron stated the session on workplace wellness she attended presented many good ideas on low-cost activities to promote wellness. Mr. Wise stated he too attended a workplace wellness session, and learned keeping workers healthy is a good way to bring down insurance costs. Mr. Rippee stated he attended many good sessions including one on enforcement of prerequisites for underwriting. Mr. Parrish stated he attended a good session on using "carrots and sticks" for effective loss prevention. Ms. Buttron requested a copy of that presentation, and Mr. Parrish said he would forward it to everyone. Mr. Unger stated he attended a session on employee performance appraisals, which emphasized that employee evaluations need to be regular, real, honest and accurate, and if they are not, its better not to not do them at all. Everyone agreed there had been many good sessions from which to choose and that this was one of the best conferences any had attended.

Under Agenda Item 12 "Other Items," Mr. Parrish reminded the Trustees of the Investment Committee Meeting at 12:30 prior to the July 19, 2007 Board Meeting. Mr. Marc D'Andrea will be present to assist the committee with its consideration of equity investments.

There being no further business on the agenda, Ms. Garrett moved to adjourn at 2:39 pm. 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 on the 19th day of July 2007.


Michelle Garrett, Secretary
KWORCC Board of Trustees

I, Michelle Garrett, Secretary of Kansas Workers Risk Cooperative for Counties, hereby certify that the following is a true and correct copy of a Resolution duly adopted by unanimous vote of the Board of Trustees of KWORCC at a meeting duly called and held on the 19th day of July, 2007 at which a quorum was present:

RESOLUTION #2007-54


WHEREAS, Harvey-Marion County Community Developmental Disability Organization (H-M CDDO) requested pricing and proposal to write workers compensation coverage for H-M CDDO for policy period of July 1, 2007 to January 1, 2008.

WHEREAS, the Board of Governors of H-M CDDO voted unanimously to accept KWORCC's proposal to write their workers compensation insurance;

WHEREAS, it is in the best interest of KWORCC to accept H-M CDDO into the KWORCC self-insurance pool. This largely because of reasonable risk on the account and that Harvey and Marion counties are Members of KWORCC;

NOW, THEREFORE, it is RESOLVED by the KWORCC Board of Trustees to accept H-M CDDO 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 July, 2007.


Michelle Garrett, Secretary

I, Michelle Garrett, Secretary of Kansas Workers Risk Cooperative for Counties, hereby certify that the following is a true and correct copy of a Resolution duly adopted by unanimous vote of the Board of Trustees of KWORCC at a meeting duly called and held on the 19th day of July, 2007 at which a quorum was present:

RESOLUTION #2007-57

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 March 9, 2007 through July 2, 2007, which have been reviewed by the Investment Committee on July 19, 2007. Pursuant to that review, the Committee recommended to the KWORCC Board to approve said investments in that they were in accordance with K.S.A. 40-2a01 and KWORCC’s investment policy;

NOW, THEREFORE, it is RESOLVED by the KWORCC Board of Trustees that investment purchases made in United States Government securities from the period March 9, 2007 through July 2, 2007, having been reviewed and determined to be 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 19th day of July, 2007.



Michelle Garrett, Secretary

For Trades Executed At: Country Club Bank

Ticket Nbr	Cust Nbr	Cusidp	Security	Port ID	Cust S/N	Sec Descrip 1	Sec Descrip 2	Sec Descrip 3	Mdy/S&P/Mkt	Bank Elig	Reg Type/Id	Call Cd-Dt	Call Price	Mat Date	CPN Rate	Apr Date	Apr Time	Fail Del	Fail Pmt	Dt Enter	Trade Dt	Settle Dt	Trd Status	Pay/Del	Factor	Tran Cd	Ent By	Trd For	Sales Crdt	Par	Basis	Yield	Price	P/L	Interest	Prin	
311022303	300121				KWORCC (302)	FEDERAL NATIONAL MTG ASSN DN					E/*									06/04/2007	06/04/2007	06/04/2007	09	1.0000000000	Purch			300,000.00	D5.250000				297,681.25	.00			
313588JUR7					FNDN 7/27/07								.000			n-06/04/07				06/04/2007	06/04/2007	06/04/2007	09	BCT	skml44			5.2500000					99.227083330	.00		297,681.25	.00
033-DISC					//															c/sko					0.00											148,700.00	.00
311023405	300121				KWORCC (302)	FEDERAL NATIONAL MTG ASSN DN					E/*									07/02/2007	07/02/2007	07/02/2007	09	1.0000000000	Purch			150,000.00	D5.200000				148,700.00	.00			
313588LC7					FNDN 8/31/07								.000			n-07/02/07				07/02/2007	07/02/2007	07/02/2007	09	BCT	skml44			5.2000000					99.133333330	.00		148,700.00	.00
033-DISC					//															c/sko					0.00											148,700.00	.00

Report Totals

Par: 2,700,000.00
Comm: .00
E/L: 7,406.25
Fees: .00
Prin: 2,694,812.50
Int: 8,226.56
Total: 2,703,039.06

MEETING, AUDIT COMMITTEE
KANSAS WORKERS RISK COOPERATIVE FOR COUNTIES
CLUBHOUSE INN, TOPEKA, KANSAS
APRIL 27, 2007

A meeting of the Audit Committee of the Kansas Workers Risk Cooperative for Counties was called to order by the Committee Chair, Bonnie Swartz, Gray County Clerk at 12:03 noon on Thursday, April 27, 2007. Members present and participating in person included: Bonnie Swartz, Gray County Clerk; Linda Buttron, Jefferson County Clerk and Jim Wise, Miami County Commissioner. Also attending the meeting was Mr. Eric Otting, CPA, of the accounting firm, Wendling, Noe, Nelson and Johnson of Topeka, Kansas.

Chair Swartz, called the meeting to order and welcomed Mr. Otting. Whereupon, Mr. Otting reviewed and discussed with the Committee findings contained in the 2006 year-end audit report. He discussed the procedure for the independent audit, rules of statutory accounting governing the pool and the duties and obligations of the Audit Committee. The Committee unanimously determined to recommend to the full Board to adopt KWORCC Resolution No. 2007-27. This resolution provides for adoption of the independent audit report prepared by Wendling, Noe, Nelson and Johnson for the fiscal year ending December 31, 2006 and provides that said report be filed in the books and records of the Kansas Insurance Department, Kansas Department of Administration and the KWORCC Administrative files for public view.

There being no further business, Chair Swartz declared the meeting was adjourned.

The foregoing minutes of the Audit Committee of Kansas Workers Risk Cooperative for counties approved by the Audit Committee on May 17, 2007.


Bonnie Swartz, Chair
KWORCC Audit Committee

I, Michelle Garrett, Secretary of Kansas Workers Risk Cooperative for Counties, hereby certify that the following is a true and correct copy of a Resolution duly adopted by unanimous vote of the Board of Trustees of KWORCC at a meeting duly called and held on the 27th day of April, 2007 at which a quorum was present:

RESOLUTION #2007-27

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, 2006 as required by KSA 12-2620(b);

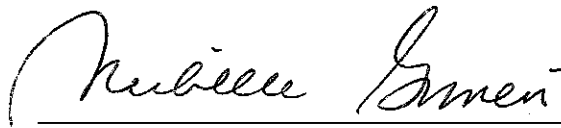
WHEREAS, the independent audit was completed and is ready to be filed with the Kansas Insurance Department;

WHEREAS auditor Eric Otting met with the KWORCC Audit Committee on the 27th day of April, 2007; 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, 2006 shall be adopted and filed in the 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 27th day of April, 2007.


Michelle Garrett, Secretary

Minutes
Meeting, Board of Trustees
Kansas Worker Risk Cooperative for Counties
May 17, 2007 at 1:00 p.m.
Clubhouse Inn
924 SW Henderson Road
Topeka, KS 66615

The May 2007 meeting of the Board of Trustees of the Kansas Workers Risk Cooperative for Counties (KWORCC) was called to order by Board President Ralph D. Unger on Thursday, May 17, 2007 at 1:00 p.m. Trustees participating included Ralph D. Unger, Decatur County Commissioner, President; Francis "Shep" Schoepf, Reno County Commissioner, Vice President; Michelle Garrett, Morris County Clerk, Secretary; Linda M. Buttron, Jefferson County Clerk, Controller; Bonnie Swartz, Gray County Clerk and Doyle "Hooley" Alcorn, Jewell County Commissioner.

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

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

President Unger addressed Agenda Item No. 2, "Approval of the Agenda." President Unger requested an addition, as follows: Item No. 3a, "Excuse Jim Wise from meeting." Ms. Swartz moved to approve the agenda with the addition. Mr. Alcorn seconded the motion, which CARRIED unanimously.

President Unger addressed Agenda Item No. 3, "Consideration of minutes of the meeting of April 27, 2007." Mr. Schoepf moved to approve the minutes as presented. Ms. Garrett seconded the motion, which CARRIED unanimously. Ms. Buttron then moved to excuse Jim Wise from the meeting for family reasons. Ms. Swartz seconded the motion, which CARRIED unanimously.

President Unger proceeded to Agenda Item No. 4, "Administrator's Report." Mr. Parrish addressed Agenda Item No. 4a, "Checks Requiring Board Approval and Ratification of Wire Transfers." Mr. Parrish reviewed checks for approval and wire transfers of funds. Mr. Alcorn moved to approve the checks and wire transfers as presented. Ms. Swartz seconded the motion, which CARRIED unanimously.

Ms. Bird addressed Agenda Item No. 4b, "2006 Premium Audit Receipts." She reviewed a handout that reflected all premium audit receipts and how they were allocated.

President Unger then addressed Agenda Item No. 4c, "PRIMA National Update." Ms. Bird recounted the registration and travel information. Mr. Felix stated that he would be giving a business ethics presentation during the conference and invited the Trustees to attend.

President Unger called on Mr. Eyman to address Agenda Item No.5, "Marketing Report." Mr. Eyman stated there was nothing to report on marketing.

President Unger called on Mr. Alexander to address Agenda Item No. 6, "Financial Reports." Mr. Alexander discussed in detail the final financial reports for April 2007. He then asked for and responded to questions. Mr. Schoepf moved to receive and file the reports as presented. Ms. Swartz seconded the motion, which CARRIED unanimously.

Mr. Alexander presented the check register. Ms. Swartz moved to approve check Nos. 11843 through 11902 as well as the direct deposits, all as presented. Ms. Buttron seconded the motion, which CARRIED unanimously.

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

President Unger addressed Agenda Item No.7, "Claims Report." Ms. Duncan reported on several claims and answered questions.

Ms. Duncan requested authorization from the Board to settle claim No 04-2984. After discussion, Ms. Swartz moved to approve the settlement as presented. Mr. Schoepf seconded the motion, which CARRIED unanimously.

Ms. Duncan reviewed the Logicomp report for the period of January 1, 2007 through April 30, 2007. She stated that the total amount billed is \$1,037,021.23. The report showed \$36,000.03 had been detected in duplicate billings that were deleted from the total amount billed. She further indicated a total of \$385,058.92 in recommended adjustments to comply with the Kansas fee schedule and for other provider write offs. Inclusive of the cost for bill review and nurse case management services of \$19,014.11, the amount KWORCC paid was reduced to \$651,962.31 for net savings of \$366,044.81 for this four-month period. Ms. Duncan then asked for and responded to questions.

Next, Mr. Felix presented an analytical review of KWORCC's claim history for policy years 2005 through 2007. Separate exhibits compared the actual paid and incurred claim payments to the estimated paid and incurred claim payments. The intent of the presentation was to provide Board members a visual comparison of the currently estimated losses, the actuarial projected losses and the budgeted losses. IMA staff emphasized these charts should not be viewed as a guarantee of either good or poor ultimate-loss performance.

President Unger declared a break in the meeting. Mr. Steve Johnson, JD arrived during the break.

President Unger reconvened the meeting and stated that in light of Mr. Johnson's availability, he proceed directly to Agenda Item No. 11, "Trustee Training: Employment Law 101." Mr. Johnson reviewed the type of questions that could and could not be asked of a potential employee as well as requirements under the Americans with Disabilities Act and sexual harassment. He answered questions throughout the presentation. President Unger thanked Mr. Johnson for his interesting and informative presentation.

President Unger called upon Mr. Eyman and Mr. Rippee to address Agenda Item No. 8, "Loss Prevention and County Visits." Mr. Eyman and Mr. Rippee reported on visits to counties for safety training, inspections, commissioner meetings and other visits. Mr. Eyman reviewed summaries of evaluations by participants of his supervisor training at the Road Scholar Program given April 24-26, 2007. Mr. Eyman requested permission to be excused from the June 21, 2007 meeting because of a scheduling conflict. President Unger excused Mr. Eyman from the June Board meeting.

President Unger addressed Agenda Item No.9, "Legal Report." Mr. Parrish stated that there was no legal report.

President Unger addressed Agenda Item No. 10a, "Schedule Investment Committee Meeting." Ms. Bird indicated that Mr. Marc D'Andrea would be available to meet with the Investment Committee at its July 19, 2007 meeting to review equity investments. The Committee members present determined to hold the meeting at Clubhouse Inn Conference room on at 12:30 pm on that date.

There being no further business on the agenda, Ms. Swartz moved to adjourn at 3:26 pm. Mr. Schoepf 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 on the 21st day of June 2007.


Michelle Garrett, Secretary
KWORCC Board of Trustees

Minutes
Meeting, Board of Trustees
Kansas Worker Risk Cooperative for Counties
April 27, 2007 at 1:00 PM
Clubhouse Inn
924 SW Henderson Road
Topeka, KS 66615

The April, 2007 meeting of the Board of Trustees of the Kansas Workers Risk Cooperative for Counties (KWORCC) was called to order by Board President Ralph D. Unger on Friday, April 27, 2007 at 1:00 p.m., Trustees participating: Ralph D. Unger, Decatur County Commissioner, President; Francis "Shep" Schoepf, Reno County Commissioner, Vice President; Michelle Garrett, Morris County Clerk, Secretary; Linda M. Buttron, Jefferson County Clerk, Controller; Jim Wise, Miami County Commissioner; Bonnie Swartz, Gray County Clerk and Doyle "Hooley" Alcorn, Jewell County Commissioner.

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

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

President Unger addressed Agenda Item No. 2, "Approval of the Agenda." President Unger requested two additions, as follows: Item 12a, "National PRIMA Update" and 12b, "Executive Session – Non-Elected Personnel. " Mr. Schoepf moved to approve the agenda with the two additions. Mr. Wise seconded the motion, which CARRIED unanimously.

President Unger addressed Agenda Item No. 3, "Consideration of minutes of the meeting of March 22, 2007." President Unger noted that Mr. Woner's appearance was not included in the minutes. Ms. Swartz moved to approve the minutes, with the indication that Mr. Bruce Woner was in attendance. Mr. Wise seconded the motion, which CARRIED unanimously.

President Unger proceeded to Agenda Item No. 4, "Administrator's Report." Mr. Parrish addressed Agenda Item No. 4a "Report from Independent Auditors, Wendling, Noe, Nelson & Johnson LLC. " Mr. Eric Otting, Member of the audit firm, reported that he met with KWORCC's Audit Committee independently earlier in the day. He stated that all statutory requirements were met by KWORCC. All financial events tied to supporting documentation. The KWORCC staff reflects good organization and cooperation with audit process. He reviewed some aspect of the report found in the Board packet, concluding that the KWORCC fund grew significantly due to investment income as well as release of reserve funds from prior years. Mr. Otting answered questions. Mr. Parrish indicated that report from Audit Committee would be forthcoming later in the meeting. President Unger thanked Mr. Otting for the independent auditor's services and his report today.

President Unger next addressed Agenda Item No. 4b, "Checks Requiring Board Approval and Ratification of Wire Transfers." Mr. Parrish reviewed checks for approval and wire transfers of funds. Ms. Swartz moved to approve the checks and wires as presented. Mr. Schoepf seconded the motion, which CARRIED unanimously.

Ms. Bird addressed Agenda Item No. 4c, "2006 Premium Audit Receipts." She reviewed a hand-out which reflected all receipts and how allocated. The total billed was \$397,998 and of that amount \$261,631 was received, leaving an outstanding balance due of \$136,367.

President Unger then asked for presentation on Agenda Item No. 4d, "Modification of 2007 Budget." Mr. Parrish reviewed the proposed modified budget, which reflected temporary allocation for investment income as well as actual costs on some items. Mr. Schoepf moved to adopt the modified budget with the temporary investment income allocation and actual costs. Ms. Swartz seconded the motion, which CARRIED unanimously.

Mr. Unger asked Mr. Felix to report on Agenda Item No. 4e, "Directors and Officers Errors and Omissions Policy Renewal." Mr. Felix stated that although the policy was taken to market, the best deal was renewal with current carrier on same terms. The premium decreased slightly compared to prior year policy. Ms. Garrett moved to approve D&O, E&O policy renewal on same terms as prior year, with reduced premium. Mr. Alcorn seconded the motion, which CARRIED unanimously.

President Unger called for Mr. Eyman to address Agenda Item No.5 "Marketing Report." Mr. Eyman stated that secretary for Cowley County's Administrator called asking for pricing. He reported that prior years the pricing never reached the Commissioners and the expense and efforts were of no value. Board Members were concerned about a need for KWORCC to have policies to ensure proposals be considered by decision makers and to have more specific ways of rewarding loyal Members.

President Unger requested that Mr. Alexander address Agenda Item No. 6, "Financial Reports." Mr. Alexander discussed in detail financial reports for December 2006 (final), March 2007 and answered questions. Ms. Swartz moved to receive and file the reports as presented. Mr. Schoepf seconded the motion, which CARRIED unanimously.

Mr. Alexander discussed in detail the Quarterly Report for First Quarter, 2007 to be filed with the Kansas Insurance Department. Ms. Swartz moved to receive and file the report. Mr. Schoepf seconded the motion, which CARRIED unanimously.

Mr. Alexander discussed in detail the Final Report for Fourth Quarter, 2006 to be filed with the Kansas Insurance Department. Ms. Swartz moved to receive and file the report. Ms. Buttron seconded the motion, which CARRIED unanimously.

Mr. Alexander presented the check register. Mr. Schoepf moved to approve check Nos. 11755 through 11842 as well as the direct deposits, all as presented. Ms. Swartz seconded the motion, which CARRIED unanimously.

Mr. Alexander then reviewed a spreadsheet showing the value of KWORCC's equity investments as of April 16, 2007.

President Unger declared a break. Mr. Jeremy Deckard with Kansas Human Rights arrived during the break.

President Unger called the meeting to order. He stated that in light of Mr. Deckard's being ready to present, the Board would address Agenda Item 11. "Trustee Training: KHRC Public Information Program Overview." Mr. Deckard described the cost-free programs he presents as Information Officer. These programs include diversity training, sexual harassment, fair housing and discrimination. The programs are presented to state agencies, counties, municipalities, schools and diverse private employers.

President Unger addressed Agenda Item No.7 "Claims Report." Ms. Duncan reported on several claims and answered questions.

Ms. Duncan requested authorization from the Board to settle claim No 04-2083. Ms. Swartz moved to approve the settlement as presented. Mr. Schoepf seconded the motion, which CARRIED.

Ms. Duncan requested authorization from the Board to settle claim No 04-2984. Mr. Schoepf moved to approve the settlement as recommended by Administrator. Mr. Wise seconded the motion, which CARRIED.

Ms. Duncan requested authorization from the Board to settle claim No 04-8392. Mr. Alcorn moved to approve the settlement as presented. Ms. Swartz seconded the motion, which CARRIED.

Ms. Duncan reviewed the LogiComp report for the period of January 1, 2007 through February 28, 2007. She stated that the total amount billed is \$845,496.72. The report showed detected duplicates in the amount of \$28,846.83, which were deleted from the total amount billed. She further indicated a total of \$323,257.37 in recommended adjustments to comply with the Kansas fee schedule, provider write-offs and other costs. Inclusive of the cost for bill review and nurse case management services of \$6,032.32, the amount KWORCC paid was reduced to \$522,239.35 for net savings of \$317,225.05. Ms. Duncan then asked for and responded to questions.

Next, Mr. Felix presented an analytical review of KWORCC's losses for policy years 2005 through 2007. Separate exhibits compared the actual paid and incurred losses to the estimated paid and incurred losses. The intent of the presentation was to provide Board members a visual comparison of the currently estimated losses, the actuarial projected losses and the budgeted losses. IMA staff emphasized these charts should not be viewed as a guarantee of either good or poor ultimate-loss performance.

President Unger called upon Mr. Eyman and Mr. Rippee to address Agenda Item No. 8, "Loss Prevention and County Visits." Mr. Eyman and Mr. Rippee reported on county inspections.

President Unger addressed Agenda Item No.9, "Legal Report." Mr. Parrish stated that there was no legal report.

President Unger addressed Agenda Item No. 10a, "Audit Committee." Ms. Swartz reported that the Audit Committee met earlier in the day with Mr. Eric Otting, Member of independent audit firm, Wendling, Noe, Nelson & Johnson, LLC. She stated that the report was thoroughly reviewed, independent of KWORCC staff. The Committee determined to recommend adoption of KWORCC Resolution No. 2007-27, which adopts the report of independent auditor. Whereupon, Ms. Swartz moved for adoption of KWORCC Resolution No. 2007-27. Mr. Wise seconded the motion, which CARRIED unanimously.

President Unger turned to Agenda Item No. 12a, "National PRIMA Update," Ms. Bird recounted the status of flights, registrations and other details and answered questions.

Whereupon, President Unger addressed Agenda Item No. 12b, "Executive Session – Non-Elected Personnel." Mr. Schoepf moved to go into executive session for 20 minutes, with KWORCC Administrator, to discuss non-elected personnel, beginning at 3:27 p.m. Mr. Wise seconded the motion, which CARRIED unanimously.

The meeting reconvened at 3:45 p.m.

There being nothing further, Ms. Swartz moved to adjourn the meeting at 3:28 p.m. Mr. Schoepf 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 May, 2007.



Michelle Garrett, Secretary
KWORCC Board of Trustees

Minutes
Meeting, Personnel Committee
Kansas Worker Risk Cooperative For Counties
Holiday Inn Express, Topeka, Kansas
March 22, 2007

On Thursday, March 22, 2007, the Personnel Committee of the Kansas Workers Risk Cooperative for Counties ("KWORCC") met at the Holiday Inn Express, Topeka, Kansas. The meeting was called to order by Committee Chair, Doyle "Hooley" Alcorn at 11:57 a.m. Committee Members participating included: Doyle "Hooley" Alcorn, Jewell County Commissioner; Michelle Garrett, Morris County Clerk and Linda M. Buttron, Jefferson County Clerk. Also present was James W. Parrish, Administrator.

Ms. Garrett moved to adopt the Agenda. Ms. Buttron seconded the motion which CARRIED unanimously.

Ms. Buttron moved to approve the minutes of September 14, 2006 with corrections. Ms. Garrett seconded the motion, which CARRIED unanimously.

Chairman Alcorn stated the primary purpose of the meeting was to consider performance enhancements for members of the KWORCC staff. Mr. Parrish asked Members to review the unaudited year-end financial report for KWORCC published on page 12 of the agenda packet for the Board meeting scheduled later in the day. He pointed out that the statement reflects an operating loss of \$522,153 before considering investment income. He indicated that the investment income totaled \$606,294, leaving a positive net operating income of \$84,141. Mr. Parrish acknowledged that 2006 was shaping up to be a difficult year for KWORCC because a large number of expensive claims, including three death claims that occurred during the last four months of the year. He said it was unusual to have that many death claims in a year and particularly unusual that this has occurred for two years in a row. Mr. Parrish discussed the results of the 2006 payroll audits which will provide approximately \$260,000 in additional revenue. He also pointed out that the budgeted payroll audit premium reserve of \$230,000 will not be needed. Thus, KWORCC's income statement benefitted by approximately \$490,000, reducing the operating loss which was previously estimated to exceed \$1 million.

Members of the Committee discussed various factors to be considered when deciding whether a performance enhancement was justified. While recognizing that most of the loss activity is beyond the direct control of KWORCC's staff, the Committee generally agreed that the performance enhancement should be a reflection of the financial success of the pool for the year in question. It was also pointed out during the discussion that there has been very little turnover among members of the staff and that KWORCC has more than doubled in size over the past eight years in the number of county entities as well as the number of premium dollars

collected. The staff has done so with only the addition of one part-time loss-prevention specialists and slight increases in the time commitments of other personnel. Mr. Parrish expressed concern that factors such as aging workforce and rising medical costs have impacted KWORCC's bottomline and will continue to do so.

Mr. Parrish explained that each member of KWORCC's staff was performing well individually and that the staff worked well together as a team. Each year the staff becomes more experienced and better equipped to deal with the challenges that KWORCC presents both in the field and in the office. As Deputy Administrator and Staff Counsel, Ms. Bird was performing very effectively in her administrative and legal duties and has helped in marketing on occasions when scheduling conflicts arose. Following the resignation of Christie Carney, Ms. Bird has taken on additional administrative and clerical responsibilities and has helped in recruiting and training a replacement. Ms. Bird plays a vital role in the smooth operation of the home office and has developed valuable rapport with county officials throughout the state.

In his role as Deputy Administrator and Loss Prevention Specialist, Mr. Eyman increasingly provides assistance at the home office as well as continually expanding and improving his efforts in loss prevention, safety education and marketing. This year KWORCC's marketing efforts have involved the retention of existing KWORCC members as much as it has been in recruiting and making presentations to new members. Both Ms. Bird and Mr. Eyman have played key roles in this marketing effort by analyzing the members' history and performance and preparing for presentations.

Mr. Rippee has become an invaluable resource for KWORCC as he continues to work 60% of full time. His long years of experience in loss prevention and his knowledge of many of the county elected and non-elected officials have helped him undertake the responsibility for a large portion of the state, assisting Mr. Eyman in loss prevention, safety education and marketing. He displays a good attitude and work ethic and is always willing to help with any task he is asked to perform.

Mr. Richard Alexander continues in his superlative performance as KWORCC's Accountant. He meets all deadlines for financial reports and assists with the auditing and actuarial process. Mr. Alexander can always be counted on to provide quick, accurate answers to accounting and financial questions, whether they are posed by staff, Trustees or the KWORCC membership.

Mr. Parrish explained that Ms. Pamela Banks has come on board to fill the position vacated by Ms. Carney. She was recruited by an employment agency and will become a permanent employee of KWORCC after 350 hours of service as an employee of the agency.

Committee Members then discussed the performance enhancements granted over the past several years. It was pointed out that the total amounts allocated toward performance-enhancements have ranged from a low of \$10,000 to a high of \$13,500 in the past several years. Committee Members noted the overall performance of the pool for 2006 did not justify the

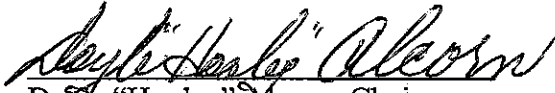
amounts granted for 2004 or 2005. However, they concluded that performance should be weighed along with the quality of the contributions made to KWORCC by staff members, the fact that there has been no increase in staff and none has been requested for 2007 and that much of which happens in the insurance world is beyond the immediate control of staff.

Thereupon, Ms. Buttron moved that the Personnel Committee recommend to the full Board that the performance-enhancement pool be funded at \$12,000. Ms. Garrett seconded the motion which CARRIED unanimously.

After further discussion, Ms. Buttron moved that the Personnel Committee recommend to the full Board that the performance-enhancement pool be divided among the five employees remaining at the end of 2006 proportionately in the ratio that each of the five employee's salary bare to the total of their salaries. Ms. Garrett seconded the motion which CARRIED unanimously.

There being no further business to come before the Personnel Committee, Mr. Alcorn declared that the meeting was adjourned at 12:51 p.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 20th day of September, 2007.


Doyle "Hooley" Alcorn, Chair
KWORCC Personnel Committee

KWORCC

KANSAS
WORKERS RISK COOPERATIVE
for COUNTIES

Memo

Trustees
Ralph D. Unger
Decatur County Commissioner
President

Francis "Shep" Schoepf
Reno County Commissioner
Vice President

Michelle Garrett
Morris County Clerk
Secretary

Linda M. Buttron
Jefferson County Clerk
Controllor

Doyle "Hooley" Alcorn
Jewell County Commissioner

Bonnie Swartz
Gray County Clerk

Jim Wise
ami 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 "Alex" Alexander
Accountant

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

Website
www.kworcc.com

Date: March 26, 2007
To: KWORCC Personnel Committee Members
From: Jim Parrish 
RE: Draft Minutes for Meeting of March 22, 2007

Please review the attached draft of minutes of our recent Personnel Committee meeting. Let me know if you have any corrections or changes. I'm sending these out early while our memories are still fresh. If there are no changes, we will put these in the file and make them available for presentation at the next Personnel Committee meeting.

JWP:db
pc:File


Minutes
Meeting, Investment Committee
Kansas Worker Risk Cooperative For Counties
Holiday Inn Express, Topeka, Kansas
March 22, 2007

On Thursday, March 22, 2007 at 12:50PM 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, Jim Wise. Committee Members participating included: Francis E. "Shep" Schoepf, Reno County Commissioner; Ralph D. Unger, Decatur County Commissioner and Jim Wise, Miami County Commissioner. Also present was KWORCC Administrator, Jim Parrish.

Next, Mr. Parrish presented the list of purchases and sales of government securities for the period of November 29, 2006 through March 8, 2007. Mr. Wise pointed out an error in maturity date of a security listed. Mr. Unger moved, with that correction, that the Investment Committee recommend to the Board of Trustees that it approve KWORCC Resolution No. 2007-22, stating that said securities for said dates were in accordance with KWORCC's investment policy and Kansas statutory requirements. Mr. Schoepf seconded the motion which PASSED by unanimous vote of the Committee Members.

There being no further business to come before the Committee, Mr. Schoepf moved that the meeting be adjourned. Mr. Unger seconded the motion which PASSED by unanimous vote.

THE FOREGOING MINUTES of the Investment Committee of Kansas Workers Risk Cooperative for Counties were executed by the Chair of that Committee on July 19, 2007.



Jim Wise, Chair
KWORCC Investment Committee

Minutes
Meeting, Board of Trustees
Kansas Worker Risk Cooperative for Counties
March 22, 2007 at 1:00 PM
Holiday Inn Express
901 SW Robinson Ave
Topeka, KS 66606

The March, 2007 meeting of the Board of Trustees of the Kansas Workers Risk Cooperative for Counties (KWORCC) was called to order by Board President Ralph D. Unger on Thursday, March 22, 2007 at 1:10 p.m., Trustees participating: Ralph D. Unger, Decatur County Commissioner, President; Francis "Shep" Schoepf, Reno County Commissioner, Vice President; Michelle Garrett, Morris County Clerk, Secretary; Linda M. Buttron, Jefferson County Clerk, Controller; Jim Wise, Miami County Commissioner; Bonnie Swartz, Gray County Clerk and Doyle "Hooley" Alcorn, Jewell County Commissioner.

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

Others present: Ms. Annette Duncan and Mr. Tris Felix of Insurance Management Associates (IMA) and Bruce Wonder of Wonder, Glenn, Reeder, Girard & Riordan, PA.

President Unger addressed Agenda Item No. 2, "Approval of the Agenda." Mr. Parrish requested the addition of Item No. 10b, "Investment Committee KWORCC Resolution #2007-22." Mr. Wise moved to approve the agenda with this addition. Ms. Swartz seconded the motion, which CARRIED unanimously.

President Unger addressed Agenda Item No. 3, "Consideration of minutes of the meeting of February 15, 2007." Mr. Schoepf moved to approve the minutes. Ms. Garrett seconded the motion, which CARRIED unanimously.

President Unger proceeded to Agenda Item No. 4, "Administrator's Report." Mr. Parrish addressed Agenda Item No. 4a, "Checks Requiring Board Approval and Ratification of Wire Transfers." Mr. Parrish reviewed checks for approval and wire transfer of funds. Ms. Swartz moved to approve the checks and wires as presented. Mr. Wise seconded the motion, which CARRIED unanimously.

Ms. Bird addressed Agenda Item No. 4b, "Report on 2007 Receipts and 2006 Audits." She reviewed her report published in the Board packet itemizing the premium receipts from members for 2007. Next, she explained the status of payroll audits for the 2006 policy year, which would result in a net increase in 2006 premiums of \$260,758.

Ms. Bird addressed Agenda Item No. 4c, "National PRIMA Conference." She and Ms. Banks completed flight and room reservations. She reviewed participants, the registration form and answered questions.

Mr. Unger addressed Agenda Item No. 4d, "Bank Account Forms- Circulated for Signature by All Trustees." He explained that the forms could be completed during the meeting and that each trustee would be signatories on the accounts.

President Unger called for Mr. Eyman to address Agenda Item No.5 "Marketing Report." Mr. Eyman stated that there were no updates on marketing.

President Unger requested that Mr. Alexander address Agenda Item No. 6, "Financial Reports." Mr. Alexander discussed in detail financial reports for December 2006 (revised), January 2007 and February 2007 and answered questions. Ms. Swartz moved to receive and file the reports as presented. Mr. Schoepf seconded the motion, which CARRIED unanimously.

Mr. Alexander discussed in detail the Interim Report for Fourth Quarter, 2006 (amended) to be filed with the Kansas Insurance Department. Ms. Swartz moved to receive and file the report. Mr. Schoepf seconded the motion, which CARRIED unanimously.

Mr. Alexander presented the check register. Mr. Schoepf moved to approve check Nos. 11697 through 11754 as well as the direct deposits, all as presented. Mr. Wise seconded the motion, which CARRIED unanimously.

Mr. Alexander then reviewed a spreadsheet showing the value of KWORCC's equity investments as of March 12, 2007.

President Unger addressed Agenda Item No.7 "Claims Report." Ms. Duncan reported on several claims and answered questions.

Ms. Duncan requested authorization from the Board to settle claim No 04-4741. Ms. Swartz moved to approve the settlement as presented. Ms. Buttron seconded the motion, which CARRIED with one abstention.

Ms. Duncan reviewed the Logicomp report for the period of January 1, 2007 through February 28, 2007. She stated that the total amount billed is \$557,264.59. The report showed detected duplicates in the amount of \$22,755.53, which were deleted from the total amount billed. She further indicated a total of \$207,371.55 in recommended adjustments to comply with the Kansas fee schedule, provider write-offs and other costs. Inclusive of the cost for bill review and nurse case management services of \$4,504.83, the amount KWORCC paid was reduced to \$344,334.34 for net savings of \$202,865.24. Ms. Duncan then asked for and responded to questions.

Next, Mr. Felix presented an analytical review of KWORCC's losses for policy years 2002 through 2007. Separate exhibits compared the actual paid and incurred losses to the estimated paid and incurred losses. The intent of the presentation was to provide Board members a visual comparison of the currently estimated losses, the actuarial projected losses and the budgeted losses. IMA staff emphasized these charts should not be viewed as a guarantee of either good or poor ultimate-loss performance.

President Unger called upon Mr. Eyman and Mr. Rippee to address Agenda Item No. 8, "Loss Prevention and County Visits." Mr. Eyman and Mr. Rippee reported on county inspections and stated that training is going well, despite adverse weather earlier in the year causing rescheduling.

Mr. Eyman addressed Miami County's request for KWORCC's participation in the cost of driver simulator training. After discussion, Ms. Swartz moved to approve \$500 to participate in driver simulation training in Miami County. Ms. Buttron seconded the motion, which CARRIED with one abstention.

President Unger addressed Agenda Item No.9, "Legal Report." Mr. Parrish stated that there was no legal report.

President Unger addressed Agenda Item No. 10a, "Personnel Committee." Mr. Alcorn reported that the Personnel Committee met earlier in the day and discussed performance enhancements for KWORCC Staff employed as of January 1, 2007. After discussion, Ms. Swartz moved that the staff employed by KWORCC as of January 1, 2007 receive a performance enhancement in the amount of \$12,000 distributed proportionately in the ratio that each employee's salary bears to the total of their salaries. Mr. Alcorn seconded the motion, which CARRIED unanimously.

Next, President Unger called upon Mr. Wise to report for the Investment Committee, pursuant to Agenda Item 10b, "Investment Committee-KWORCC Resolution No. 2007-22." Mr. Wise stated that the Investment Committee reviewed the list of purchases and sales of government securities for the period of November 29, 2006 through March 8, 2007. Mr. Wise pointed out an error in maturity date of a security listed, but other than that, he said the committee approved said purchases. After some discussion, Mr. Wise moved to adopt KWORCC Resolution No. 2007-22. Mr. Alcorn seconded the motion, which CARRIED unanimously.

President Unger called upon Mr. Felix to address Agenda Item No. 11, "Trustee Training: Nutz-N-Boltz of Directors and Officers Liability." Mr. Felix presented current coverages and answered questions. Mr. Unger thanked Mr. Felix for his helpful presentation.

President Unger asked if there were any "Other Items" to present under Agenda Item No. 12. There was discussion regarding monthly meeting times. Ms. Swartz moved to begin the monthly Board meetings at 1:00 p.m. during Daylight Savings Time and 2:00 p.m. during the rest of the year. Mr. Wise seconded the motion, which CARRIED unanimously.

President Unger requested that monthly meeting Board packet covers include the KWORCC toll free number and the phone number for the meeting location.

There being nothing further, Ms. Swartz moved to adjourn the meeting at 3:05 p.m. Mr. Schoepf 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 27th day of April, 2007.



Michelle Garrett, Secretary
KWORCC Board of Trustees

Minutes
Meeting, Board of Trustees
Kansas Worker Risk Cooperative for Counties
Via Teleconference
700 SW Jackson – Suite 200, Topeka, Kansas
February 15, 2007

The February, 2007 meeting of the Board of Trustees of the Kansas Workers Risk Cooperative for Counties (KWORCC) was held by teleconference and called to order by Board President Ralph D. Unger on Thursday, February 15, 2007 at 1:05 p.m. Trustees participating: Ralph D. Unger, Decatur County Commissioner, President; Francis "Shep" Schoepf, Reno County Commissioner, Vice President; Michelle Garrett, Morris County Clerk, Secretary; Linda M. Buttron, Jefferson County Clerk, Controller; Jim Wise, Miami County Commissioner; Bonnie Swartz, Gray County Clerk and Doyle "Hooley" Alcorn, Jewell County Commissioner.

Staff participating: Mr. James W. Parrish, Administrator; Ms. Dortha O. Bird, Deputy Administrator/Staff Counsel; Mr. Carl Eyman, ARM-P, Deputy Administrator/Loss Prevention Specialist; Mr. Phil Rippee, Loss Prevention Specialist and Mr. Richard Alexander, Accountant.

Others participating: Ms. Annette Duncan, Mr. Paul Davis and Mr. Tris Felix all of IMA of Kansas and Sam Cargnel with Centric Actuarial Services.

President Unger addressed Agenda Item No. 2, "Approval of the Agenda." Mr. Parrish requested deletion of Items No. 4d, 6c and 11, modification of Item No. 10a, adding the word "Reschedule" and addition of Item No. 12a, "Time of Next Meeting." Mr. Schoepf moved to approve the agenda with these changes. Mr. Wise seconded the motion, which CARRIED unanimously.

President Unger addressed Agenda Item No. 3, "Consideration of minutes of meeting of January 25, 2007." Mr. Wise moved to approve the minutes with one date change; Ms. Garrett seconded the motion, which CARRIED unanimously.

President Unger proceeded to Agenda Item No. 4, "Administrator's Report." Mr. Parrish presented checks and wires for ratification and approval. Ms. Swartz moved to approve the checks and wire transfers as presented. Mr. Schoepf seconded the motion, which CARRIED unanimously.

Mr. Parrish requested that Mr. Cargnel present his findings on the year-end actuarial evaluation. Mr. Cargnel explained his evaluation and adjustments to ultimate loss projections for all open fund years and answered questions. President Unger thanked Mr. Cargnel for his comprehensive report.

Mr. Parrish requested that Ms. Bird give a report on 2007 premiums. Ms. Bird provided a detailed review of the receipts, deposits and wire transfers of 2007 premium receipts.

President Unger called upon Mr. Eyman to address Agenda Item No. 5, "Marketing Report." Mr. Eyman stated there was no marketing activity at this time.

President Unger requested that Mr. Alexander address Agenda Item No. 6, "Financial Report." Mr. Alexander discussed in detail the preliminary revised December 2006 financial reports and answered questions. Ms. Swartz moved to receive and file the report as presented. Mr. Wise seconded the motion, which CARRIED unanimously.

Mr. Alexander discussed in detail the Iterim Report for Fourth Quarter, Kansas Insurance Department filing. Ms. Swartz moved to receive and file the report. Ms. Buttron seconded the motion which CARRIED unanimously.

Mr. Alexander presented the check register. Mr. Schoepf moved to approve check Nos. 11664 through 11696 as well as the direct deposits, all as presented. Ms. Swartz seconded the motion, which CARRIED unanimously.

Mr. Alexander then reviewed a spreadsheet showing the value of KWORCC's equity investments as of February 5, 2007.

President Unger addressed Agenda Item No.7, "Claims Reports." Ms. Duncan reported on various claims and answered questions.

Ms. Duncan reviewed the Logicomp report for the period of January 1, 2007 through January 31, 2007. She stated that the total amount billed is \$260,244.16. The report showed detected duplicates in the amount of \$15,636.42, which were deleted from the total amount billed. She further indicated a total of \$99,856.04 in recommended adjustments to comply with the Kansas fee schedule, provider write-offs and other costs. Inclusive of the cost for bill review and nurse case management services of \$3,009.20, the amount KWORCC paid was reduced to \$157,378.92 for an over all savings of \$102,865.24. Ms. Duncan then asked for and responded to questions.

Next, Mr. Felix presented an analytical review of KWORCC's losses for policy years 2005 and 2006. Separate exhibits compared the actual paid and incurred losses to the estimated paid and incurred losses. The intent of the presentation was to provide Board members a visual comparison of the currently estimated losses, the actuarial projected losses and the budgeted losses. IMA staff emphasized these charts should not be viewed as a guarantee of either good or poor ultimate-loss performance.

President Unger called upon Mr. Eyman and Mr. Rippee to address Agenda Item No. 8, "Loss Prevention and County Visits." Mr. Eyman and Mr. Rippee reported on county inspections, training and county commission visits.

President Unger called upon Mr. Parrish to address Agenda Item No. 10, "Legal Report." Mr. Parrish reported that Senate Bill 234 would allow a Missouri pool to write workers compensation and multi-line insurance, which would not be in the best interest of either the

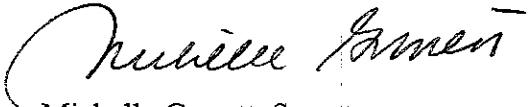
KWORCC or KCAMP Membership. He stated that while the bill was deferred to next session, it could be revitalized at any time and that staff would watch that bill and work to better understand the intent of the Missouri pool.

President Unger addressed Agenda Item No. 10a "Rescheduling Personnel Committee." Mr. Alcorn, chairman of the committee stated the Committee would meet March 22, 2007 at noon.

President Unger asked if there were any "Other Items" to present under Agenda Item 12. Mr. Parrish stated that the time of the next meeting needed to be discussed. Because the Clubhouse Inn conference room was not available on March 22, 2007, the Trustees would be meeting at the Holiday Inn Express. The Investment Committee would meet at 12:50 p.m. and the Board could take up its regular meeting at 1:00 p.m. This was agreeable to everyone.

There being nothing further, Mr. Schoepf moved to adjourn the meeting at 2:20 p.m. Mr. Wise 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 March, 2007.


Michelle Garrett, Secretary
KWORCC Board of Trustees

I, Michelle Garrett, Secretary of Kansas Workers Risk Cooperative for Counties, hereby certify that the following is a true and correct copy of a Resolution duly adopted by unanimous vote of the Board of Trustees of KWORCC at a meeting duly called and held on the 22nd day of March, 2007 at which a quorum was present:

RESOLUTION # 2007-22

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 November 29, 2006 through March 8, 2007, which have been reviewed by the Investment Committee on March 22, 2007. Pursuant to that review, the Committee recommended to the KWORCC Board to approve said investments in that they were in accordance with K.S.A. 40-2a01 and KWORCC’s investment policy;

NOW, THEREFORE, it is RESOLVED by the KWORCC Board of Trustees that investment purchases made in United States Government securities from the period November 29, 2006 through March 8, 2007, having been reviewed and determined to be 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 22nd day of March, 2007.


Michelle Garrett, Secretary

Minutes
Meeting, Board of Trustees
Kansas Worker Risk Cooperative for Counties
Clubhouse Inn – Conference Room
924 SW Henderson Rd., Topeka, Kansas
January 25, 2007

The January, 2007 meeting of the Board of Trustees of the Kansas Workers Risk Cooperative for Counties (KWORCC) was called to order by Board President Linda Buttron on Thursday, January 25, 2007 at 2:03 p.m. Trustees participating: Linda M. Buttron, Jefferson County Clerk, President; Ralph D. Unger, Decatur County Commissioner, Vice President; Francis "Shep" Schoepf, Reno County Commissioner, Secretary; Michelle Garrett, Morris County Clerk, Controller; Jim Wise, Miami County Commissioner and Bonnie Swartz, Gray County Clerk.

Staff participating: Mr. James W. Parrish, Administrator; Ms. Dortha O. Bird, Deputy Administrator/Staff Counsel; Mr. Carl Eyman, ARM-P, Deputy Administrator/Loss Prevention Specialist; Mr. Phil Rippee, Loss Prevention Specialist and Mr. Richard Alexander, Accountant.

Others participating: Ms. Annette Duncan, Mr. Paul Davis and Mr. Tris Felix all of IMA of Kansas.

President Buttron addressed Agenda Item No. 2, "Approval of the Agenda." Mr. Parrish requested addition of Items No. 4a, "Excuse Doyle 'Hooley' Alcorn for Health Reasons" and 5c, "2007 Premium Receipts." Mr. Schoepf moved to approve the agenda with these changes. Mr. Wise seconded the motion, which CARRIED unanimously.

President Buttron addressed Agenda Item No. 3a, "Meeting of December 12, 2006." Mr. Unger pointed out two minor errors in the minutes presented. Ms. Swartz moved to approve these minutes as corrected. Ms. Garrett seconded the motion, which CARRIED unanimously.

President Buttron proceeded to Agenda Item No. 3b, "Special Meeting of January 8, 2007." Ms. Swartz noted she had attended the telephone meeting, yet was not listed in the minutes. Mr. Wise moved to approve these minutes as corrected. Mr. Unger seconded the motion, which CARRIED unanimously.

President Buttron then addressed Agenda Item No.4, "Election of Officers." Mr. Parrish stated that in the past, officers have been elected under a rotation system, which gives each Board Member the opportunity, if desired, to move sequentially through each of the officer positions. Ms. Swartz moved, in keeping with that tradition, that the list of officers under consideration be nominated and that a unanimous ballot be cast for Ralph D. Unger, President; Francis "Shep" Schoepf, Vice President; Michelle Garrett, Secretary and Linda M. Buttron, Controller. Mr. Wise seconded the motion, which CARRIED unanimously.

Whereupon, Mr. Unger assumed the position as President and presented a gift of appreciation to Ms. Buttron for her year of service as President of KWORCC.

President Unger addressed Agenda Item 4a, "Excuse Hooley Alcorn from Board Meeting for Health Reasons." Ms. Bird explained that Mr. Alcorn called the day before the meeting to say that he was suffering from influenza. Mr. Schoepf moved to excuse Mr. Alcorn from the meeting. Ms. Buttron seconded the motion, which CARRIED unanimous.

President Unger requested that Mr. Parrish address Agenda Item No. 5, "Administrator's Report."

Mr. Parrish presented three checks for approval, as follows: check No. 11666 in the amount of \$17,500 written to IMA for the first of 10 payments for 2007 claims management; check No. 11667 in the amount of \$55,000 written to IMA for 2007 brokerage and risk management services and check No. 11673 in the amount of \$5,410 written to IMA for excess insurance premium for policy year 2005 resulting from audit.

Mr. Parrish stated there were four wire transfers of funds since the last Board meeting, all authorized by Ms. Garrett and Mr. Parrish: 1) January 5, 2007 in the amount of \$30,160.53 from the KWORCC account at Country Club Bank in Prairie Village to the KWORCC claims account at Kaw Valley Bank in Topeka for December claims payments; 2) January 18, 2007 in the amount of \$281,886.36 from the KWORCC claims account at Kaw Valley Bank in Topeka to the KWORCC account at Country Club Bank in Prairie Village for investment of 70% of premium receipts, less special billing for settlements and death benefits; 3) January 22, 2007 in the amount of \$269,303.10 from the KWORCC claims account at Kaw Valley Bank in Topeka to the KWORCC account at Country Club Bank in Prairie Village for investment of 70% of premium receipts, less special billing for claim settlement and 4) January 24, 2007 in the amount of \$192,359.30 from the KWORCC claims account at Kaw Valley Bank in Topeka to the KWORCC account at Country Club Bank in Prairie Village for investment of 70% of premium receipts. Mr. Schoepf moved to approve the checks and wire transfers as presented. Mr. Wise seconded the motion, which CARRIED unanimously.

Mr. Parrish confirmed that the Board and staff members completed the conflict of interest forms.

Mr. Parrish requested that Ms. Bird give a report on 2007 premiums. Ms. Bird provided a detailed review of the receipts, deposits and wire transfers of 2007 premium receipts, the total of which was \$1,689,280. She said premiums receivable currently total \$4,486,819.

President Unger called upon Mr. Eyman to address Agenda Item No. 6, "Marketing Report." Mr. Eyman reported that Northwest Regional Recycling Center would be joining KWORCC.

Mr. Parrish reviewed some of the marketing challenges for KWORCC. He stated that having a local resident advocating for KWORCC would be very helpful, noting that KMIT used local insurance agents for some of its policies. Mr. Schoepf stated that it would be a good idea to explore this issue further and to ask the KWORCC and KCAMP Joint Committee on Cooperation to discuss it also.

President Unger requested that Mr. Alexander to address Agenda Item No. 7a, "Financial Report." Mr. Alexander discussed in detail the preliminary December 2006 financial reports and answered questions. Ms. Swartz moved to accept the reports as presented. Ms. Buttron seconded the motion, which CARRIED unanimously.

Mr. Alexander presented the check register. Mr. Schoepf moved to approve check Nos. 11607 through 11663 as well as the direct deposits, all as presented. Mr. Wise seconded the motion, which CARRIED unanimously.

Mr. Alexander then reviewed a spreadsheet showing the value of KWORCC's equity investments as of January 15, 2007.

President Unger called for a 10-minute break in the meeting.

President Unger addressed Agenda Item No.8, "Claims Reports." Ms. Duncan reported on various claims and answered questions. Ms. Duncan then presented claim No. 04-5747 for settlement approval. Ms. Swartz moved to approve the settlement as discussed. Mr. Schoepf seconded the motion, which CARRIED, five voting in favor and one opposing the motion.

Ms. Duncan reviewed the Logicomp report for the period of January 1, 2006 through December 31, 2006. She stated that the total amount billed is \$2,770,546.19. The report showed detected duplicates in the amount of \$224,639.12, which were deleted from the total amount billed. She further indicated a total of \$1,091,739.90 in recommended adjustments to comply with the Kansas fee schedule, provider write-offs and other costs. Inclusive of the cost for bill review and nurse case management services of \$37,882.54, the amount KWORCC paid was reduced to \$1,640,923.75. She noted that the average savings for the year was 39.41%. Ms. Duncan then asked for and responded to questions.

Next, Mr. Felix presented an analytical review of KWORCC's claims experience for policy years 2005 and 2006. Separate exhibits compared the actual paid and incurred experience to the estimated paid and incurred experience. He also provided exhibits showing that 2006 had high volume of claims experience for the final third of the year, when compared to the same period for the previous five years. The intent of the presentation was to provide Board members a visual comparison of the currently estimated claims experience with that projected by the actuarial firm the budgeted amount. Mr. Felix predicted that the actuarial firm would increase the ultimate loss estimate for policy year 2006 by approximately \$1.5 million.

President Unger called upon Mr. Eyman and Mr. Rippee to address Agenda Item No. 9, "Loss Prevention and County Visits." Mr. Eyman and Mr. Rippee reported on county inspections, training and county commission visits. Mr. Eyman reported that Mr. Parrish and he would be providing new-commissioner training at the Kansas Association of County seminar on February 1, 2007.

President Unger called upon Mr. Parrish to address Agenda Item No. 10, "Legal Report." There were no legal matters to report.

President Unger addressed Agenda Item No. 11, "Committee Reports," stating that the Committee meetings would be at 1:00 p.m. on the dates indicated. Mr. Parrish made a request to reschedule the February meetings from Wednesday, February 14, 2007 to Thursday, February 15, 2007. Ms. Swartz stated that she could accommodate that date if the meeting would start at 1:00 p.m. rather than 2:00 p.m. None of the other Trustees had conflicts with this rescheduling. Whereupon, Mr. Wise moved to reschedule the February regular Board Meeting to Thursday, February 15, 2007, starting at 1:00 p.m. and to schedule the committee meetings as follows: Personnel Committee, Thursday, February 15, 2007 at 12:00 noon; Investment Committee, March 22, 2007 at 1:00 p.m. and Audit Committee April 27, 2007 at 1:00 p.m. Ms. Swartz seconded the motion, which CARRIED unanimously.


President Unger asked Ms. Bird to make her presentation for Agenda Item No. 12, "Trustee Training: Death Benefits III – Overview & No Dependents." Ms. Bird gave a brief overview and answered questions concerning materials previously presented on death benefit under the Kansas Workers Compensation Act for surviving spouse and children as well as other wholly or partially dependent survivors. Then, she outlined what Kansas law provides concerning such payments that would (or may) be due in the event a deceased worker has no surviving dependents. This entails payments to legal heirs or the Kansas Self Insurance Fund. President Unger thanked Ms. Bird for the presentation.

President Unger asked if there were any "Other Items" to present under Agenda Item 13. Seeing none, he proceeded to Agenda Item 13a, "Executive Session – Personnel Matter." Whereupon, Ms. Garrett moved to go into executive session to discuss non-elected personnel matters beginning at 4:38 p.m. and ending at 4:48 p.m. Ms. Swartz seconded the motion, which CARRIED unanimously.

The meeting reconvened at 4:48 p.m.

President Unger asked if there was any further business to be brought before the meeting. Seeing none, Ms. Swartz made a motion to adjourn the meeting at 4:49 p.m. Mr. Schoepf 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 February, 2007.


Michelle Garrett, Secretary
KWORCC Board of Trustees

Minutes
Meeting, Board of Trustees
Kansas Worker Risk Cooperative for Counties
Via Teleconference, KWORCC Office
700 SW Jackson St., Ste 200, Topeka, Kansas
January 8, 2007

A special meeting of the Board of Trustees of the Kansas Workers Risk Cooperative for Counties (KWORCC) was held by teleconference and called to order by Board President Linda Buttron on Monday, January 8, 2007. Trustees participating: Linda Buttron, Jefferson County Clerk, President; Ralph D. Unger, Decatur County Commissioner, Vice President; Francis "Shep" Schoepf, Reno County Commissioner, Secretary; Michelle Garrett, Morris County Clerk, Controller; Doyle "Hooley" Alcorn, Jewell County Commissioner; Jim Wise, Miami County Commissioner and Bonnie Swartz, Gray County Clerk.

Staff participating: Mr. James W. Parrish, Administrator; Ms. Dortha O. Bird, Deputy Administrator/Staff Counsel; and Mr. Carlin D. Eyman, Deputy Administrator/Loss Prevention Specialist.

President Buttron called the meeting to order and stated that purpose of the meeting was to review the proposed premiums for 2007 developed by staff. She called upon Mr. Parrish for discussion.

Mr. Parrish stated Ms. Bird, Mr. Eyman and he participated in developing the proposed premiums for 2007 and recommended their tentative approval subject to minor adjustments necessary to ensure that the premium total meets the approved 2007 budget. He stated this process was usually undertaken prior to the December meeting, yet due to the high volume of bidding the staff did not have the information available to complete the process until recently. He pointed out that the Miami county premium needed more review and that he and staff members planned to travel to Miami county later in the week to meet with commissioners during a work session.

After further discussion, Mr. Schoepf moved to approve the premiums, subject to final adjustment by KWORCC staff. Ms. Swartz seconded the motion which CARRIED unanimously.

There being no further business, Mr. Unger moved to adjourn the meeting. 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 25th day of January, 2007.


Michelle Garrett, Secretary
KWORCC Board of Trustees

I, F.E. Schoepf, Secretary of Kansas Workers Risk Cooperative for Counties, hereby certify that the following is a true and correct copy of a Resolution duly adopted by unanimous vote of the Board of Trustees of KWORCC at a meeting duly called and held on the 21st day of December, 2006 at which a quorum was present:

RESOLUTION # 2006-91

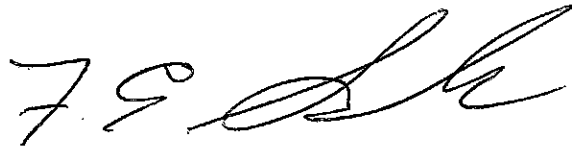
WHEREAS the Kansas Workers Risk Cooperative for Counties has determined that the financial statements and financial reports to be prepared for the year ending December 31, 2006, if prepared in conformity with the requirements of K.S.A. 75-1120a(a) will not be relevant to the requirements of the cash 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, 2006,

NOW, THEREFORE BE IT RESOLVED, by the Board of Trustees of Kansas Workers Risk Cooperative for Counties, in regular meeting duly assembled this 21st day of December, 2006, 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, 2006.

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 21st day of December, 2006.



F.E. Schoepf, Secretary