

Minutes
Meeting, Board of Trustees
Kansas Worker Risk Cooperative for Counties
January 17, 2008 at 2:00 p.m.
Club House Inn
924 SW Henderson
Topeka, KS 66615

The January 2008 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, January 17, 2008 at 2:00 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. Philip J. Rippee, Loss Prevention Specialist; Mr. Richard Alexander, Accountant and Ms. Nicole Jarboe, Executive Assistant and Media Director.

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

President Unger addressed Agenda Item No. 2, "Approval of the Agenda." President Unger asked to add "Executive Session with Administrator and the Board of Trustees" under Agenda Item No. 13, "Other Items." Mr. Parrish requested the addition of Agenda Item 5d, "Meeting schedule" and 5e, "2008 Premium Receipts" under the Administrators Report. Mr. Wise moved to approve the agenda as amended. Mr. Alcorn seconded the motion, which CARRIED unanimously.

President Unger addressed Agenda Item No. 3, "Consideration of Minutes, December 20, 2007." President Unger requested the insertion of the word "the" and the addition of a period on the end of the phrase "A break was declared in meeting." Mr. Schoepf moved to approve the minutes as amended; Ms. Garrett seconded the motion, which CARRIED unanimously.

President Unger 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. He pointed out that a proposed slate of officers and committee members was included on page 61 of the Agenda book. Ms. Swartz moved to elect the slate of officers as proposed, which includes Francis "Shep" Schoepf, President; Michelle Garrett, Vice-President; Jim Wise, Secretary and Linda M. Buttron, Controller. Mr. Alcorn seconded the motion, which CARRIED unanimously. Mr. Parrish explained that this list of committee chairs and members were proposed to follow the Board's earlier directive that Board members who are not officers would serve as committee chairs. By consensus, the Board approved the staff recommendation for committee chairs and members. They include Hooley Alcorn, Chair Personnel Committee with Linda Buttron and Michelle Garrett as Committee members; Ralph D. Unger as Chair of Investment Committee with Francis "Shep" Schoepf and Jim Wise as committee members; Bonnie Swartz as Chair of Audit Committee with Jim Wise and Linda Buttron as committee members and Francis "Shep" Schoepf, Doyle "Hooley" Alcorn and Bonnie Swartz as members of the Joint KWORCC/KCAMP Committee on Cooperation.

Mr. Schoepf presented a gift of appreciation to Mr. Unger for his year of service as President of KWORCC and asked him to continue to chair the balance of the meeting.

Mr. Unger proceeded to Agenda Item No. 5, "Administrator's Report." Mr. Parrish addressed Agenda Item No. 5a, "Checks Requiring Board Approval and Ratification of Wire Transfers." Mr. Parrish itemized checks and wire transfers of funds. Ms. Buttron moved to approve the checks and ratify the wire transfers as presented. Ms. Swartz seconded the motion, which CARRIED unanimously.

Mr. Parrish proceeded to Agenda Item No. 5b, "National PRIMA Discussion" and asked Ms. Bird to present an update. She reported that she had reserved eight tickets for direct flight to Anaheim on Saturday, May 31, 2008 departing from Kansas City International Airport at approximately 11:00 a.m. The return flight is scheduled to depart Anaheim on Thursday, June 5th and would arrive in Kansas City at approximately 6:00 p.m. that day. Final payment for the tickets and a list of names of the people using the tickets are required no later than April 30, 2008. Mr. Unger asked the Trustees to let the staff know as soon as possible their plans for attending the national PRIMA conference.

Mr. Parrish next addressed Agenda Item No. 5c, "Complete Conflict of Interest Forms." He confirmed that the Board and staff members had received the conflict of interest forms and had completed them.

Mr. Parrish then addressed Agenda Item No. 5d, "Meeting Schedule: February, March and May." After discussion the date for February remained as scheduled on Tuesday the 12th at 4:00 p.m. The Personnel Committee meeting would start at 3:30 p.m. that day. Mr. Parrish suggested those commissioners attending the "Kansas Government Day" event in Topeka invite the other commissioners from their counties to attend the February KWORCC meeting. The March Board meeting was rescheduled from the 20th to the 13th at 1:00 p.m. with the Investment Committee meeting scheduled at noon that day. Mr. Parrish said that a box lunch would be provided. Trustees discussed the meeting scheduled for May 22nd and confirmed that date. Mr. Unger asked if the intention was for the June Board Meeting to be conducted by teleconference. After brief discussion Mr. Alcorn moved to approve the change in the March date, ratification of the February and May dates and the designation of the June meeting as a teleconference. Ms. Buttron seconded the motion, which CARRIED unanimously.

Next, Mr. Parrish asked Ms. Bird to address Agenda Item No. 5e, "2008 Premium Receipts." Ms. Bird reviewed a list of the premiums received thus far and explained the separation of the premiums was 70% into the claims account and 30% into the administrative account as required by the Kansas Insurance Department examiner. She assured the Board that the funds were transferred into investments as soon as administratively possible.

Mr. Parrish then introduced Carol Lauffer, the new office manager at PMCorp. He explained she will be assisting with some KWORCC matters at the office and invited her to meet the Trustees and observe a KWORCC meeting. Mr. Unger welcomed Ms. Lauffer.

Mr. Unger then proceeded to Agenda Item No. 6, "Marketing Report." In the absence of Mr. Carl Eyman, Mr. Parrish presented the marketing report. He reported that KAC requested KWORCC to advertise in the County Officials Directory, and KWORCC staff decided to sponsor the directory. Mr. Parrish further reported on current marketing activities.

Mr. Unger asked Mr. Alexander to address Agenda Item No. 7, "Financial Reports." Mr. Alexander reported on preliminary financial statements he prepared for December 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. Schoepf moved to approve check Nos. 12265 through 12300 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 December 31, 2007.

Mr. Unger addressed Agenda Item No.8, "Claims Report." Ms. Duncan reported on several claims and answered questions. She also reported on subrogation recovery during 2007.

Ms. Duncan also reviewed the Logicomp report for the period of January 1, 2007 through December 31, 2007. She stated that the total amount billed is \$4,809,658.57. The report showed actual paid amount to be \$3,006,087.14 for net savings after fees of \$1,709,637.32 or 35.55% for this twelve-month period. Mr. Alexander asked for clarification on the Logicomp report, pointing out that the column totals did not match the net savings number. Mr. Felix explained that savings from the code review and fee schedule were not included on the report and will be added to future reports.

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.

A break was declared in the meeting.

Mr. Unger called upon Mr. Rippee to address Agenda Item No. 9, "Loss Prevention and County Visits." Mr. Rippee reviewed calendars for December, January and February for the loss prevention staff. He reported that the county officials and employees have expressed approval of the new loss prevention manual format.

Mr. Unger addressed Agenda Item No.10, "Legal Report." Mr. Parrish stated there were no legal matters to report.

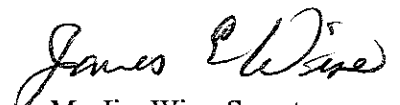
Mr. Unger addressed Agenda Item No. 11, "Committee Reports." There were no committee reports. The committee meeting schedules were confirmed with the Personnel Committee meeting February 12th at 3:30 p.m., the Investment Committee meeting March 13th at noon and the Audit Committee meeting on April 17th at noon.

Mr. Unger next proceeded to Agenda Item No. 12, "Trustee Training: Human Resources Quiz." Ms. Bird presented a nine question quiz on Human Resources. Mr. Unger thanked her for the informative session.

Mr. Unger proceeded to Agenda Item No. 13 and requested an executive session to discuss non-elected personnel with Mr. Parrish. Mr. Wise moved to recess the meeting into executive session to discuss non-elected personnel to begin at 3:47 p.m. and end no later than 4:00 p.m. with only the Trustees and Mr. Parrish in attendance. Ms. Swartz seconded the motion, which CARRIED unanimously.

The meeting reconvened at 4:00 p.m. There being no further business on the agenda, Ms. Swartz moved to adjourn at 4:01 p.m. After passing the gavel to Mr. Schoepf, Mr. Unger seconded the motion, which CARRIED unanimously.

The Board of Trustees approved the foregoing minutes of the Board of Trustees of Kansas Workers Risk Cooperative for Counties on the 12th day of February 2008.


Mr. Jim Wise, Secretary
KWORCC Board of Trustees

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Next, Mr. Felix presented an analytical review of KWORCC's claim history for policy years 2006 through 2008. Separate exhibits compared the actual paid and incurred claim payments to the estimated paid and incurred claim payments. The intent of the presentation was to provide Board members a visual comparison of the currently estimated losses, the actuarial projected losses and the budgeted losses. IMA staff emphasized these charts should not be viewed as a guarantee of either good or poor ultimate-loss performance.

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

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

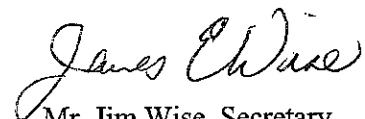
President Schoepf addressed Agenda Item No. 10, "Committee Reports." Mr. Alcorn then requested that Mr. Parrish present the Personnel Committee report. Mr. Parrish reviewed the performance of the administrative expense accounts, pointing out that the total of these expenditures came in well under budget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

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

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

There being no further business on the agenda, Ms. Swartz moved to adjourn at 5:35 p.m. Mr. Unger seconded the motion, which CARRIED unanimously.

The Board of Trustees approved the foregoing minutes of the Board of Trustees of Kansas Workers Risk Cooperative for Counties on the 13th day of March 2008.



Mr. Jim Wise, Secretary
KWORCC Board of Trustees

Minutes
Meeting, Board of Trustees
Kansas Worker Risk Cooperative for Counties
March 13, 2008 at 1:00 p.m.
Clubhouse Inn
924 SW Henderson Road
Topeka, KS 66615

The March 2008 meeting of the Board of Trustees of Kansas Workers Risk Cooperative for Counties (KWORCC) was called to order at 1:11 p.m. at the Clubhouse Inn in Topeka by Board Vice-President Michelle Garrett on Thursday, March 13, 2008. Trustees participating included, Michelle Garrett, Morris County Clerk, Vice President; Jim Wise, Miami County Commissioner, Secretary; Linda M. Buttron, Jefferson County Clerk, Controller; Bonnie Swartz, Gray County Clerk; Ralph D. Unger, Decatur County Commissioner; and Doyle "Hooley" Alcorn, Jewell County Commissioner.

Staff participating from the KWORCC office included Mr. James W. Parrish, Administrator; Ms. Dortha O. Bird, Deputy Administrator 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, Executive Assistant and Media Director.

Others present included Ms. Annette Duncan, Mr. Gus Campuzano and Mr. Paul Davis of Insurance Management Associates (IMA) and Mr. John Burrows of Logicomp Business Solutions.

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

Vice-President Garrett addressed Agenda Item No. 3, "Consideration of Minutes of Meeting of February 12, 2008." Mr. Unger noted two typographical errors and moved to approve the minutes with corrections. Mr. Wise seconded the motion, which CARRIED unanimously.

Ms. Swartz moved to excuse President Schoepf from the meeting due to illness. Mr. Alcorn seconded the motion which CARRIED unanimously.

Vice-President Garrett 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. Parrish addressed Agenda Item No. 4b, "Workers Compensation Legislation." He explained three bills currently before the Kansas House of Representatives dealing with workers compensation.

Next, Mr. Parrish asked Ms. Bird to address Agenda Item No. 4c, "Report on 2008 Receipts and 2007 Audits." Ms. Bird reviewed a list of the premiums received thus far and stated that all premiums for 2008 have been paid. She also explained the premiums are separated by depositing 70% into the claims account and 30% into the administrative account as required by the Kansas Insurance Department (KID) examiner. She stated that all of the payroll audits for 2007 policy year have been received and are still under review. The results will be presented at the next Board Meeting.

Next Ms. Bird addressed Agenda Item No. 4d, "National PRIMA Conference." She reviewed the descriptions of various events planned for the conference, tickets for which can be purchased at time of online registration or at the conference. She stated she would register attendees on or before the March 28th deadline. Regarding air travel, she said May 1st is the deadline under the Midwest Airlines contract to notify the airline who will be using the plane tickets, and she will need to provide names as they appear on government issued identification cards.

Next, Mr. Parrish addressed Agenda Item No. 4e, "KAC Vendor Booth." He reviewed the letter received from KAC about the vendor booths indicating the booths will be open only one day at this year's conference, and that will be Sunday afternoon, Nov. 16th in the afternoon and evening. The KWORCC and KCAMP annual meetings likely will be scheduled late in the afternoon on Monday, Nov. 17th.

Vice-President Garrett then proceeded to Agenda Item No. 5, "Marketing Report." Mr. Eyman reported on current marketing activities including presentations to two counties which may join the pool.

Mr. Alexander reported on financial statements he prepared for February 2008. Ms Swartz moved to receive and file the reports as presented. Mr. Unger seconded the motion, which CARRIED unanimously.

Mr. Alexander presented the check register. Ms. Buttron moved to approve check Nos. 12362 through 12418 and the direct debits, all as presented. Mr. Unger seconded the motion, which CARRIED unanimously.

Mr. Parrish then reviewed a spreadsheet showing the value of KWORCC's equity investments as of March 3, 2008. He explained that more detail would be given in the committee report.

A short break was declared in the meeting.

Vice-President Garrett 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 # 2007033881. Ms. Buttron moved for approval of the settlement as recommended; Ms. Swartz seconded the motion, which CARRIED unanimously.

Next, Mr. Davis presented an analytical review of KWORCC's claim history for policy years 2006 through 2008. Separate exhibits compared the actual paid and incurred claim payments to the estimated paid and incurred claim payments. The intent of the presentation was to provide Board members a visual comparison of the currently estimated losses, the actuarial projected losses and the budgeted losses. IMA staff emphasized these charts should not be viewed as a guarantee of either good or poor ultimate-loss performance.

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

Vice-President Garrett addressed Agenda Item No. 9, "Legal Report." Mr. Parrish reported there were no legal matters to review.

Vice-President Garrett addressed Agenda Item No. 10, "Committee Reports." Mr. Unger presented the Investment Committee report. The Investment Committee recommended the adoption of Resolution #2008-17. Mr. Unger moved to adopt the resolution. Ms. Swartz seconded the motion, which CARRIED unanimously. The Investment Committee also recommended continuing the current equity investment strategy, and to review it again in July. Mr. Unger moved to invest \$30,000 per month for the months of April, May and June 2008 and allocate this amount equally by investing \$10,000 each in Security Global Fund, the Security Mid-Cap Value Fund and the Alpha Opportunity Fund, provided that such investment will be subject to the availability of cash without incurring penalties for early sale of existing securities and that the Investment Committee review

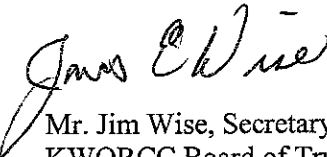
KWORCC's equity investments again immediately prior to the July 2008 meeting. Mr. Wise seconded the motion, which CARRIED unanimously.

Vice-President Garrett next proceeded to Agenda Item No. 11, "Trustee Training: Logicomp Review of Service and Report as of February 29, 2008." Mr. Burrows explained the process Logicomp goes through in reviewing medical bills. Total savings for first two months of 2008 is \$344,978 or 36% off the total billed. Ms. Garrett thanked Mr. Burrows for the informative presentation.

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

There being no further business on the agenda, Ms. Swartz moved to adjourn at 2:58 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 17th day of April 2008.

A handwritten signature in cursive script that reads "James E. Wise". The signature is written in black ink and is positioned above the printed name and title.

Mr. Jim Wise, Secretary
KWORCC Board of Trustees

I, Jim Wise, 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 13th day of March, 2008 at which a quorum was present:

RESOLUTION # 2008-17

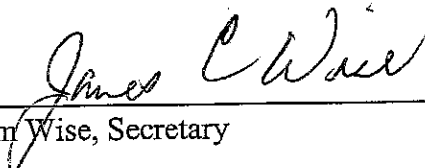
WHEREAS, KWORCC has elected to place investments pursuant to Chapter 40 of Kansas Statutes Annotated, and thus is to comply with the provisions thereof;

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

WHEREAS, KWORCC has invested in certain United States instruments during the period December 11, 2007 through March 5, 2008, 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 December 11, 2007 through March 5, 2008, 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 13th day of March, 2008.



Jim Wise, Secretary

For Trades Executed At: Country Club Bank

Select Fields	From Value	To Value	Seq.	Totals
Entity	144	144		n
Customer Nbr.	300121	300121		n
Security ID				n
Portfolio ID				n
Salesperson				n
Enter Date				n
Trade Date	12/11/2007			n
Settle Date		03/05/2008		n
Bank Eligible		ZZ		n

Purch/Sale/Both b
 Int/Mat/Both n
 Fed Funds n
 Repo Agmnts n

Trade History Report
Country Club Bank

InTrader (onlrdhist) 03/05/2008

For Trades Executed At: Country Club Bank

Ticket Nbr	Cust S/N	Sec Descrip 1	Sec Descrip 2	Sec Descrip 3	Mdy/S&P/Mkt	Reg Type/Id	Apr By	Dt Enter	Factor	Par	Print
Cust Nbr	Sec Descrip 1	Sec Descrip 2	Sec Descrip 3	Mdy/S&P/Mkt	Reg Type/Id	Apr By	Dt Enter	Factor	Par	Print	Interest
Cusip	Sec Descrip 1	Sec Descrip 2	Sec Descrip 3	Mdy/S&P/Mkt	Call Cd-Dt	Apr Date	Trade Dt	Tran Cd	Basis	Yield	Fees
Security	Sec Descrip 1	Sec Descrip 2	Sec Descrip 3	Mdy/S&P/Mkt	Call Price	Apr Time	Settle Dt	Ent By	Price	Dlr Comm	Total Amt
Port ID	Mdy/S&P/Mkt	Bnk Elig	CPN Rate	Fail Del	Mat Date	Fail Del	Trd Status	Trd For	P/L		
				Fail Pmt		Pay/Del		Sales Crdt			
311034748	KWORCC (302)				E/*	02/25/2008	02/25/2008	1.0000000000	2,000,000.00		2,000,000.00
300121	FNMA 5.0 STEP UP 6.0 3/05/13				c-06/05/08		02/25/2008	Sale	100.00		.00
3136F87F6	OTRLY CALL BEG 6/05/08				100.000		03/05/2008	skml144	5.00000000		.00
3136F87F6	ONE TIME STEP				03/05/2018	n-03/05/08	01	BCT	100.00000000		.00
032-AGCY	/AAae/				VAR	n-03/05/08	c/ski				2,000,000.00
311035322	KWORCC (302)				E/*	03/04/2008	03/04/2008	1.0000000000	2,000,000.00		1,996,400.00
300121	FEDERAL HOME LOAN BANK DN						03/04/2008	Sale	D2.700000		.00
313384UW7	FHDN 3/28/08				.000		03/04/2008	skml144	2.70000000		.00
313384UW7	//				03/28/2008	n-03/04/08	02	BCT	99.82000000		.00
033-DISC						n-03/04/08	c/ski				1,996,400.00
311031396	KWORCC (302)				E/*	12/26/2007	12/26/2007	1.0000000000	250,000.00		250,000.00
300121	FEDERAL HOME LOAN MTG CORP				c-01/07/09		12/26/2007	Sale	100.00		.00
3128X6XG6	ONE TIME CALL 1/07/09				100.000		01/07/2008	skml144	5.00000000		.00
3128X6XG6	MEDIUM TERM NOTE				07/07/2014	n-01/07/08	09	BCT	100.00000000		.00
011-APP	AAae//				5.0	n-01/07/08	c/ski				250,000.00
311031770	KWORCC (302)				E/*	01/07/2008	01/07/2008	1.0000000000	1,000,000.00		998,070.00
300121	FEDERAL FARM CREDIT BANK				c-03/03/05		01/07/2008	Purch	99.807000		10,505.56
31331TUD1					100.000		01/07/2008	skml144	4.2540000		.00
31331TUD1					03/03/2008	n-01/07/08	09	BCT	99.80700000		.00
032-AGCY	Aaa/AAae/				3.05	n-01/07/08	c/sko				1,008,575.56
311032062	KWORCC (302)				E/*	01/10/2008	01/10/2008	1.0000000000	750,000.00		750,000.00
300121	FHLMC 4.0 STEP UP 4.25 7/15/09				c-01/15/09		01/10/2008	Sale	100.00		.00
3133F2VJ1	CONT CALL BEG 1/15/09				100.000		01/17/2008	skml144	4.00000000		.00
3133F2VJ1	MULTI STEP				07/15/2013	n-01/17/08	09	BCT	100.00000000		.00
011-APP	Aaa/AAae/				VAR	n-01/17/08	c/ski				750,000.00
311032408	KWORCC (302)				E/*	01/15/2008	01/15/2008	1.0000000000	1,250,000.00		1,250,000.00
300121	FEDERAL FARM CREDIT BANK				c-04/22/08		01/15/2008	Sale	100.00		.00
31331VPX2	CONT CALL BEG 4/22/08				100.000		01/22/2008	skml144	5.00000000		.00
31331VPX2	/AAae/				07/22/2015	n-01/22/08	09	BCT	100.00000000		.00
011-APP					5.0	n-01/22/08	c/ski				1,250,000.00
311032409	KWORCC (302)				E/*	01/15/2008	01/15/2008	1.0000000000	250,000.00		250,000.00
300121	FHFB ONE TIME CALL				c-02/14/08		01/15/2008	Purch	100.00		6,333.33
3133XEPT8	ONE TIME CALL W/5 DAYS NOTICE				100.000		01/16/2008	skml144	5.8520000		.00
3133XEPT8	Aaa/AAA/				02/14/2011	n-01/16/08	09	BCT	100.00000000		.00
032-AGCY					6.0	n-01/16/08	c/sko				256,333.33

For Trades Executed At: Country Club Bank

Ticket Nbr	Cust S/N	Sec Descrip 1	Sec Descrip 2	Sec Descrip 3	Mdy/S&P/Mkt	Bnk Elig	Reg Type/Id	Apr By	Dt Enter	Factor	Par	Prin
Cust Nbr	Call Cd-Dt	Call Price	Mat Date	CPN Rate	Trade Dt	Tran Cd	Basis	Yield	Price	Dir Comm	Total Amt	
Cusip	Fail Time	Fail Del	Fail Pmt	Trd Status	Pay/Del	Trd For	P/L	Interest	Fees			
Security	CPN Rate	CPN Rate	CPN Rate	CPN Rate	CPN Rate	Sales Crdt						
Port ID	Call Cd-Dt	Call Price	Mat Date	CPN Rate	Trade Dt	Tran Cd	Basis	Yield	Price	Dir Comm	Total Amt	
311032410	KWORCC (302)	FEDERAL HOME LOAN BANK		E/*	01/15/2008	1.0000000000	1,000,000.00				1,000,000.00	
300121				c-01/29/08	01/15/2008	Purch	100.00				24,122.22	
3133XJMK1				100.000	01/16/2008	skm144	5.0780000				.00	
3133XJMK1				01/29/2009	09	BCT	100.0000000000				.00	
032-AGCY	Aaa/AAA/			5.2	n-01/16/08						1,024,122.22	
					n-01/16/08	c/sko						
311032599	KWORCC (302)	FEDERAL NATIONAL MTG ASSN DN		E/*	01/18/2008	1.0000000000	1,350,000.00				1,348,113.38	
300121					01/18/2008	Sale	D3.87000				.00	
313588SM8				.000	01/18/2008	skm144	3.8700000				.00	
313588SM8				01/31/2008	09	BCT	99.860250000				.00	
033-Disc	//				n-01/18/08						1,348,113.38	
					n-01/18/08	c/ski						
311032940	KWORCC (302)	FEDERAL HOME LOAN BANK		E/*	01/24/2008	1.0000000000	1,000,000.00				1,000,000.00	
300121				c-01/29/10	01/24/2008	Sale	100.00				.00	
3133XPC51				100.000	01/29/2008	skm144	4.0000000				.00	
3133XPC51				01/29/2015	09	BCT	100.0000000000				.00	
011-APP	/AAAE/			4.0	n-01/29/08						1,000,000.00	
					n-01/29/08	c/ski						
311032868	KWORCC (302)	FEDERAL HOME LOAN BANK		E/*	01/24/2008	1.0000000000	1,400,000.00				1,399,455.56	
300121				c-01/29/10	01/24/2008	Sale	D2.8000				.00	
313384SK6				100.000	01/24/2008	skm144	2.8000000				.00	
313384SK6				01/29/2008	09	BCT	99.961111110				.00	
033-Disc	//				n-01/24/08						1,399,455.56	
					n-01/24/08	c/ski						
311033188	KWORCC (302)	FEDERAL HOME LOAN BANK		E/*	01/31/2008	1.0000000000	500,000.00				500,000.00	
300121				c-05/13/08	01/31/2008	Sale	100.00				.00	
3128X6Q58				100.000	02/13/2008	skm144	4.0000000				.00	
3128X6Q58				02/13/2014	09	BCT	100.0000000000				.00	
011-APP	/AAAE/			VAR	n-02/13/08						500,000.00	
					n-02/13/08	c/ski						
311033439	KWORCC (302)	FEDERAL HOME LOAN BANK		E/*	02/04/2008	1.0000000000	1,000,000.00				1,000,000.00	
300121				c-02/15/09	02/04/2008	Sale	100.00				.00	
3133F2WR2				100.000	02/14/2008	skm144	2.6520000				.00	
3133F2WR2				02/15/2016	09	BCT	100.0000000000				.00	
011-APP	Aaa/AAAE/			VAR	n-02/14/08						1,000,000.00	
					n-02/14/08	c/ski						
311033513	KWORCC (302)	FEDERAL HOME LOAN BANK		E/*	02/05/2008	1.0000000000	500,000.00				499,722.22	
300121					02/05/2008	Sale	D2.5000				.00	
313384TA7				.000	02/05/2008	skm144	2.5000000				.00	
313384TA7				02/13/2008	09	BCT	99.9444444440				.00	
033-Disc	//				n-02/05/08						499,722.22	
					n-02/05/08	c/ski						

For Trades Executed At: Country Club Bank

Ticket Nbr	Cust S/N	Reg Type/Id	Apr By	Dt Enter	Factor	Par	Prin
Sec Descrip 1	Call Cd-Dt	Call Price	Apr Date	Trade Dt	Tran Cd	Basis	Interest
Sec Descrip 2	Mat Date	CPN Rate	Fail Del	Settle Dt	Ent By	Yield	Fees
Sec Descrip 3	CPN Rate	VAR	Fail Pmt	Trd Status	Trd For	Price	Dlr Comm
Mdy/S&P/Mkt	Bnk Elig			Pay/Del	Sales Crdt	P/L	Total Amt
311033596	KWORCC (302)	E/*		02/05/2008	1.0000000000	1,000,000.00	1,000,000.00
300121	FHLB 5.0 STEP UP 6.0 2/15/13	c-05/15/08		02/05/2008	Sale	100.00	.00
3133XPK60	QTRLY CALL BEG 5/15/08	100.000		02/15/2008	skml144	5.00000000	.00
3133XPK60	ONE TIME STEP	02/15/2023	n-02/15/08	09	BCT	100.0000000000	.00
011-APP	Aaa/AAae/	VAR	n-02/15/08	c/ski			1,000,000.00
311033511	KWORCC (302)	E/*		02/05/2008	1.0000000000	3,000,000.00	2,998,012.50
300121	FEDERAL FARM CREDIT BANK DN			02/05/2008	Sale	D2.6500	.00
313312TB6	FCDN 2/14/08	.000		02/05/2008	skml144	2.65000000	.00
313312TB6	ONE TIME STEP	02/14/2008	n-02/05/08	09	BCT	99.933750000	.00
033-Disc	//		n-02/05/08	c/ski			2,998,012.50
311033975	KWORCC (302)	E/*		02/08/2008	1.0000000000	1,500,000.00	1,500,000.00
300121	FNMA 5.0 STEP UP 6.0 2/15/13	c-05/15/08		02/08/2008	Sale	100.00	.00
3136FX59	QTRLY CALL BEG 5/15/08	100.000		02/15/2008	skml144	5.00000000	.00
3136FX59	ONE TIME STEP	02/15/2023	n-02/15/08	09	BCT	100.0000000000	.00
011-APP	Aaa/AAae/	VAR	n-02/15/08	c/ski			1,500,000.00
311035122	KWORCC (302)	E/*		02/28/2008	1.0000000000	1,000,000.00	1,012,490.00
300121	FHLB ONE TIME CALL	c-08/28/08		02/28/2008	Sale	101.249000	154.17
3133XGPN8	ONE TIME CALL W/5 DAYS NOTICE	100.000		02/29/2008	skml144	3.00000000	.00
3133XGPN8	Aaa/AAA/	08/28/2012	n-02/29/08	09	BCT	101.2490000000	.00
032-agcy		5.55	n-02/29/08	c/ski			1,012,644.17

Report Totals

Par: 20,750,000.00

Prin: 20,752,263.66

Int: 41,115.28

Total: 20,793,378.94

Minutes
Meeting, Personnel Committee
Kansas Worker Risk Cooperative for Counties
February 12, 2008
Clubhouse Inn
924 SW Henderson Road
Topeka, KS 66615

On Tuesday, February 12, 2008, the Personnel Committee of the Kansas Workers Risk Cooperative for Counties ("KWORCC") met at the Clubhouse Inn, Topeka, Kansas. The meeting was called to order by Committee Chair, Doyle "Hooley" Alcorn at 3:43 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.

The Committee adopted the Agenda by consensus.

Mr. Parrish called the attention to the minutes pointing out that since the draft minutes were sent to Committee Members, he had discovered a small typographical error in the first full paragraph on the second page. Ms. Garrett moved to approve the minutes of September 20, 2007 as corrected. Ms. Buttron seconded the motion, which CARRIED unanimously.

Chairman Alcorn next stated the primary purpose of the meeting was to consider performance enhancements for members of the KWORCC staff. He asked Mr. Parrish to report on the KWORCC staff's activity over the past year. Mr. Parrish began his presentation by reviewing KWORCC's financial progress for 2007. He called attention to the unaudited year-end financial report attached to the Committee's Agenda and the financial reports contained in the full Board Agenda book. Although total expenses without investment income exceeded revenues by \$64,697, when investment income is added, the year-end results show \$957,888 in income over expenses. Mr. Parrish pointed out that these financials will be adjusted further when the payroll audits for KWORCC's members in completed. He said payroll audits had begun, and early indications would show that the net costs of payroll audits will be less than then \$230,000 budgeted for this contingency and that the unused portion of this line item would reduce expenses and improve the year end financial statement even further.

KWORCC's financial performance in 2007 was impacted drastically by one very serious injury which left a county worker permanently and totally disabled. The expenses for that claim exceeded the \$600,000 self-insurance retention, causing KWORCC's reinsurance company to incur a liability for expenses over that amount. Aside from this major claim, KWORCC's losses for 2007 were in line with projections, and in the last four months of 2007, losses fell below earlier projections. In summary, KWORCC had a successful year in 2007 with the exception of this one serious claim, and the expense of that claim was capped at \$600,000.

Members of the Committee discussed the financial statements and staff performance. They recognized that claims expenses incurred by the pool usually are not in direct control of the KWORCC staff. However, performance enhancements typically have been awarded during years when the pool is successful. Financial success is reviewed in combination with other factors. Mr. Parrish indicated that one of those factors was the utilization of funds budgeted for administrative expenses. The total of all administrative fund expenses was under budget by \$81,252. The only item of expenditures that exceeded budget was the expense of state taxes which were \$2,500 high. Mr. Parrish explained that there was no way to accurately predict what the state will assess in taxes during the budgeting process. Regarding specific administrative expenses within the administrative fund, staff's expenses were \$41,960 under budget. These administrative expenses include such things as office expenses, salaries and other personnel expenses.


Mr. Parrish pointed out difficulties in recruiting an executive assistant and media director to replace Christie Carney who resigned last year. Finally, Nicole Jarboe was hired in that position and is performing admirably. Otherwise, there was no staff turnover.

Mr. Parrish indicated that staff evaluations were completed at the end of 2007 and each staff members had a very positive evaluation.

The Committee reviewed a payroll history summary from 1999 to 2008, including performance enhancements that had been awarded during that time frame. The performance enhancements ranged from a low of \$10,000 to a high of \$13,500 to be distributed among the staff. After Committee discussion, Ms. Garrett moved that the Personnel Committee recommend to the full Board a lump sum performance enhancement in the amount of \$12,000 to be awarded to KWORCC staff and to be distributed in the ratio of each members salary to the total salaries paid in 2007. Ms. Buttron 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 4:01 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 18th day of September, 2008.


Doyle Hooley Alcorn, Chair
KWORCC Personnel Committee

KWORCC Payroll History
1999 to 2008

	James W. Parrish	Dorthe Bird	Carltn Eyman	Phil Rippe	Richard Alexander	Performance Enhancement
KWORCC Salary 1999	49,200/yr (60%)		52,000/yr		12,000/yr	
KWORCC Salary 2000	67,500/yr (80%)	48,600/yr	54,000/yr		16,500/yr	10,000.00 (Paid in 2001)
KWORCC Salary 2001	69,252/yr (80%)	55,620/yr	55,620/yr		17,000/yr	12,000.00 (Paid in 2002)
KWORCC Salary 2002	76,500/yr (85%)	58,000/yr	58,000/yr		18,000/yr	10,000.00 (Paid in 2003)
KWORCC Salary 2003	78,030/yr (85%)	59,160/yr	59,160/yr	32,500/yr	20,000/yr	13,500.00 (Paid in 2004)
KWORCC Salary 2004	79,200.45/yr (85%)	60,047.40/yr	60,047.40/yr	32,987.50/yr	20,300/yr	13,500.00 (Paid in 2005)
KWORCC Salary 2005	81,180.00/yr (85%)	61,548.00/yr	61,548.00/yr	33,811.00/yr	20,807.00/yr	12,500.00 (Paid in 2006)
KWORCC Salary 2006	84,761.16/yr (85%)	63,776.04/yr	63,776.04/yr	35,034.96/yr	21,560.21/yr	12,000.00 (Paid in 2007)
KWORCC Salary 2007	87,719.00/yr (85%)	66,000.00/yr	66,000.00/yr	36,258.00/yr	22,312.00/yr	
KWORCC Salary 2008	89,938.00/yr (85%)	68,634.00/yr	68,634.00/yr	37,768.00/yr	23,315.00/yr	
KWORCC Date of Hire	Jan. 1, 1999	Apr. 1, 1999	Jan. 1, 1999	May. 1, 2003	Jan. 1, 1999	
Date of Last Raise	Jan. 1, 2008	Jan. 1, 2008	Jan. 1, 2008	Jan. 1, 2008	Jan. 1, 2008	

Minutes
Meeting, Investment Committee
Kansas Worker Risk Cooperative For Counties
Clubhouse Inn - Conference Room
924 SW Henderson Rd., Topeka KS 66615
March 13, 2008

On Thursday, March 13, 2008 at 12:09PM 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, Ralph D. Unger. Committee Members participating included: Ralph D. Unger, Decatur County Commissioner and Jim Wise, Miami County Commissioner. Also present was KWORCC Administrator, Jim Parrish, Marc D'Andrea, Security Benefit Group and B. Christopher Thompson, Senior Vice President Investment Services Division at Country Club Bank

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

Chairman Unger requested consideration of minutes dated December 20, 2007 meeting. Mr. Parrish reviewed the minutes in detail. Mr. Wise moved to approve the minutes. Mr. Unger seconded the motion which CARRIED unanimously.

Mr. Parrish explained that Mr. Schoepf was absent from the meeting due to illness.

Next, Mr. Parrish stated that the purpose of today's meeting is to review the purchases and sales of fixed-income assets since the last Investment Committee meeting. Mr. Parrish called the Committee's attention to the Country Club Bank Trade History Report attached to the agenda packet. He noted 15 sales and three purchases of United States Government-backed securities beginning December 11, 2007 through March 5, 2008. Mr. Parrish indicated that Resolution 2008-17 was prepared for consideration by the Committee and the Board of Trustees. The resolution confirms that the investment activity has been reviewed and determined to be made in accordance with Kansas statute and KWORCC's investment policy. Mr. Wise moved to recommend to the Board of Trustees the adoption of Resolution No. 2008-17; Mr. Unger seconded the motion which CARRIED unanimously.

Mr. Thompson was present to discuss fixed income investments. He reviewed documentation reports which display that lower interest rates tend to be detrimental to KWORCC's income because yields on fixed income investments generally will be lower. Further, he discussed the current investments, including call dates, maturity dates and yields. He indicated that three of the investments had been called as a result of falling rates. When bonds are called, KWORCC accumulates excess cash which needs to be re-invested as prudently as possible. Mr. Thompson indicated that his strategy was to invest in short-term securities with the expectation that rates will be higher. The incidents of callable bonds, excess cash at hand and falling rates means KWORCC's income will be lower. Generally, KWORCC has avoided selling assets ahead of maturity. Now with falling rates and periodic calls, Mr. Thompson's objective will be to work hard to minimize liquidity and gain income, two concepts which seem to be at odds with each other. He gave examples of how he will attempt to find short-term securities with higher yields in order to preserve as much of KWORCC's investment income as possible.

Mr. Parrish stated that another purpose of today's meeting is to determine KWORCC's future strategy for investing in equities. Mr. Unger called upon Mr. D'Andrea to discuss the performance of equities generally and to offer comments regarding performance of KWORCC's funds. Mr. D'Andrea began his discussion by pointing out that KWORCC's Mid-Cap Growth Fund had been transferred into the hands of new investment managers described by Mr. D'Andrea at the December 20, 2007 meeting. He called attention to Appendix B in the prospectus which describes the new investment team for the Mid-Cap Growth Fund. He also referred to the description in the prospectus of the new's performance history. A formal recap of the Security Mid-Cap Growth Fund's performance would not be available until the end of the first quarter, but he believes Security Benefit's investors in this fund will profit from the activities of this new team based upon their past performance and the fact that they have been working with investments in small-to-medium companies with high growth potential since 1990. He said these managers are based in Connecticut and are now employees of Security Benefit.

Mr. D'Andrea went on to discuss the three other KWORCC equity fund investments with Security Benefit. He pointed out that all of the funds were down for the year, indicating a slowing economy. He did point out that the Alpha Opportunity Fund was showing some stability and that he believes that as long as KWORCC desires long-term investments and the other reasons for investing in equities (hedge against inflation and diversification) have not changed, he believes the funds will perform to KWORCC's expectations.

Mr. Unger asked if it would be advisable to diversify more, for example to purchase in eight funds as opposed to owning only four. Mr. D'Andrea explained that doing so would not really add much to KWORCC's diversity, given the nature of the four funds in which KWORCC currently is invested. Mr. Unger responded that KWORCC is investing for the long term and not the short term and said he believes that KWORCC should continue its strategy of investments, and "stay the course." Mr. Wise stated that the Investment Committee should continue to meet on a quarterly basis to review these investments and stated it would be his preference to wait on investing further in the Mid-Cap Growth Fund and continue with the current three funds for the next 90 days.

Mr. Wise then moved that the Investment Committee recommend to the Board of Trustees that KWORCC invest \$30,000 per month for the months of April, May and June 2008 and allocate this amount equally by investing \$10,000 each in Security Global Fund, the Security Mid-Cap Value Fund and the Alpha Opportunity Fund, provided that such investment will be subject to the availability of cash without incurring penalties for early sale of existing securities. Mr. Unger seconded the motion which CARRIED unanimously.

Mr. Parrish indicated that another Investment Committee Meeting will be scheduled for July 17, 2008 at noon, for the review of KWORCC's investment strategy.

There being no further business to come before the Committee, Chairman Unger 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 August 21, 2008.


Ralph D. Unger, Chair
KWORCC Investment Committee

Minutes
Meeting, Board of Trustees
Kansas Worker Risk Cooperative for Counties
April 17, 2008 at 1:00 p.m.
Clubhouse Inn
924 SW Henderson Road
Topeka, KS 66615

The April 2008 meeting of the Board of Trustees of Kansas Workers Risk Cooperative for Counties (KWORCC) was called to order at 12:59 p.m. at the Clubhouse Inn in Topeka by Board President F. E. "Shep" Schoepf on Thursday, April 17, 2008. Trustees participating included, F. E. "Shep" Schoepf, Reno County Commissioner, President; Michelle Garrett, Morris County Clerk, Vice President; Jim Wise, Miami County Commissioner, Secretary; Linda M. Buttron, Jefferson County Clerk, Controller; Bonnie Swartz, Gray County Clerk and Doyle "Hooley" Alcorn, Jewell County Commissioner.

Staff participating 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, Executive Assistant and Media Director.

Others present included Ms. Annette Duncan and Mr. Paul Davis of Insurance Management Associates (IMA) and Mr. Tom Groves and LuAnn Hemenway of Safety National Casualty Corporation.

President Schoepf addressed Agenda Item No. 2, "Approval of the Agenda." Mr. Parrish requested to add Item No. 2a, "Excuse Ralph D. Unger;" Item No. 4c, "KWORCC Vehicle" and Item No. 7b, "Executive Session -- Legal." Mr. Wise moved to approve the agenda as modified. Ms. Swartz seconded the motion, which CARRIED unanimously.

President Schoepf addressed Agenda Item No. 3, "Consideration of Minutes of Meeting of March 13, 2008." Mr. Parrish advised that during telephone discussion, Mr. Unger requested removal of a superfluous "that" on page two of the minutes. Ms. Buttron moved to approve the minutes as modified. Ms. Swartz seconded the motion, which CARRIED unanimously.

President Schoepf then addressed Agenda Item No. 2a, "Excuse Ralph D. Unger." Ms. Swartz moved that Mr. Unger be excused from the Board Meeting for family reasons. Mr. Wise seconded the motion, which CARRIED unanimously.

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

Next, Mr. Parrish asked Ms. Bird to address Agenda Item No. 4b, "Report 2007 Premium Audits." Ms. Bird reviewed the results of the premium audits. She stated checks and invoices have been processed.

Next, Mr. Parrish addressed Agenda Item No. 4c, "KWORCC vehicle." The KWORCC 2006 Chevrolet Silverado currently has 66,000 miles on it and has a trade-in value of \$12,000. Mr. Eyman's research shows a new vehicle would run between \$31,000 and \$34,000. Continuing to drive the current vehicle for another 60,000 miles will decrease that value by approximately \$6,000. The 2006 Silverado gets an average of 20 miles per gallon, which is better than the new similar models due to gear ratio on the rear axle. Mr. Eyman recommended that

KWORCC continue to use the current vehicle and closely monitor repairs and maintenance costs. Board members expressed agreement with this recommendation.

President Schoepf then proceeded to Agenda Item No. 5, "Marketing Report." Mr. Eyman reviewed the status of the bidding process in two counties.

Mr. Alexander reported on final, post-audit financial statements he prepared for 2007. Mr. Wise moved to accept the reports as presented. Ms Swartz seconded the motion, which CARRIED unanimously.

Mr. Alexander discussed in detail the final fourth quarterly financial report for 2007 to be filed with the Kansas Insurance Department (KID). Ms. Swartz moved to approve filing the report with the KID. Ms. Garrett seconded the motion, which CARRIED unanimously.

Mr. Alexander reported on financial statements he prepared for March 2008. Ms. Swartz moved to accept the reports as presented. Ms. Buttron seconded the motion, which CARRIED unanimously.

Mr. Alexander discussed in detail the first quarterly financial report for 2008 to be filed with the KID. Ms. Buttron moved to approve filing the report with the KID. Ms. Swartz seconded the motion, which CARRIED unanimously.

Mr. Alexander presented the check register. Mr. Wise moved to approve check Nos. 12419 through 12500 and the direct debits, all as presented. Mr. Alcorn seconded the motion, which CARRIED unanimously.

Mr. Alexander then reviewed a spreadsheet showing the value of KWORCC's equity investments as of April 4, 2008.

President Schoepf addressed Agenda Item No.7, "Claims Report." Ms. Duncan reported on several claims and answered questions. She also requested approval on two pending settlements. Ms. Swartz moved to approve settlement of claim No. 2005024932 as recommended. Ms. Buttron seconded the motion, which CARRIED unanimously. Ms. Swartz moved to approve settlement of claim No. 2006030069 as recommended. Mr. Wise seconded the motion, which CARRIED unanimously.

Ms. Duncan reviewed the Logicomp report for the period of January 1, 2008 through March 31, 2008. She stated that the total amount billed is \$1,467,883. The report showed actual paid amount to be \$900,730 for net savings after fees of \$567,153 or 39% for this three-month period.

Next, Mr. Davis presented an analytical review of KWORCC's claim history for policy years 2003 through 2008. Separate exhibits compared the actual paid and incurred claim payments to the estimated paid and incurred claim payments. The intent of the presentation was to provide Board members a visual comparison of the currently estimated losses, the actuarial projected losses and the budgeted losses. IMA staff emphasized these charts should not be viewed as a guarantee of either good or poor ultimate-loss performance.

President Schoepf called for a motion to recess into executive session to discuss a legal matter at 1:50 p.m. for a period not to exceed 15 minutes. Mr. Wise so moved and Ms. Swartz seconded. At 2:05 p.m. the executive session was terminated. President Schoepf then declared a 10-minute break. The meeting was reconvened at 2:15 p.m.

President Schoepf called upon Messrs. Eyman and Rippee to address Agenda Item No. 8, "Loss Prevention and County Visits." Mr. Eyman reviewed calendars for March, April and May for the loss prevention staff as well as the breakdown of county visits since the first of the year. Mr. Eyman then discussed two trade articles.

President Schoepf addressed Agenda Item No. 9, "Legal Report." Mr. Parrish reported there were no legal matters to review.

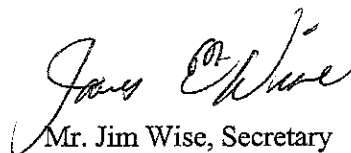
President Schoepf addressed Agenda Item No. 10, "Committee Reports." Ms. Swartz reported the committee met independently with the auditor and that the report was favorable with no management concerns, issues or problems. Ms. Swartz moved to adopt Resolution No. 2008-24. Ms. Buttron seconded the motion, which CARRIED unanimously.

President Schoepf next proceeded to Agenda Item No. 11, "Trustee Training: Safety National - Reinsurance Coverage." Mr. Groves and Ms. Hemenway explained the history and strengths of Safety National, its underlying strategies and the services it provides. Mr. Schoepf thanked Mr. Groves and Ms. Hemenway for the informative presentation.

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

There being no further business on the agenda, Ms. Swartz moved to adjourn at 2:41 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 22nd day of May 2008.

A handwritten signature in cursive script, appearing to read "Jim Wise".

Mr. Jim Wise, Secretary
KWORCC Board of Trustees

**MEETING, AUDIT COMMITTEE
KANSAS WORKERS RISK COOPERATIVE FOR COUNTIES
CLUBHOUSE INN, TOPEKA, KANSAS
APRIL 17, 2008**

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 12:00 noon on Thursday, April 17, 2008. 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 2007 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. 2008-24. This resolution provides for adoption of the independent audit report prepared by Wendling, Noe, Nelson and Johnson for the fiscal year ending December 31, 2007 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 22, 2008.


Bonnie Swartz, Chair
KWORCC Audit Committee

I, Jim Wise, 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 17th day of April, 2008 at which a quorum was present:

RESOLUTION # 2008-24

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, 2007 as required by KSA 12-2620(b);

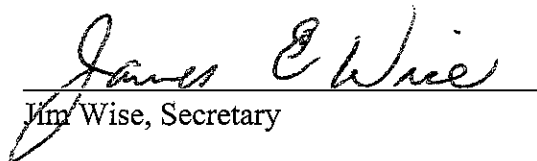
WHEREAS, the independent audit was completed and is ready to be filed with the Kansas Insurance Department;

WHEREAS auditor Eric Otting met with the KWORCC Audit Committee on the 17th day of April, 2008; 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, 2007 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 17th day of April, 2008.


Jim Wise, Secretary

Minutes

**Meeting, Board of Trustees
Kansas Worker Risk Cooperative for Counties
May 22, 2008 at 1:00 p.m.
Clubhouse Inn
924 SW Henderson Road
Topeka, KS 66615**

The May 2008 meeting of the Board of Trustees of Kansas Workers Risk Cooperative for Counties (KWORCC) was called to order at 1:05 p.m. at the Clubhouse Inn in Topeka by Board President F. E. "Shep" Schoepf on Thursday, May 22, 2008. Trustees participating included, F. E. "Shep" Schoepf, Reno County Commissioner, President; Michelle Garrett, Morris County Clerk, Vice President; Jim Wise, Miami County Commissioner, Secretary; Linda M. Buttron, Jefferson County Clerk, Controller; Ralph D. Unger, Decatur County Commissioner; Doyle "Hooley" Alcorn, Jewell County Commissioner.

Staff participating 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.

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

President Schoepf addressed Agenda Item No. 2, "Approval of the Agenda." Mr. Parrish requested to add Item No. 4c, "Excuse Bonnie Swartz." Ms. Buttron moved to approve the agenda as modified. Mr. Wise seconded the motion, which CARRIED unanimously.

President Schoepf addressed Agenda Item No. 3, "Consideration of Minutes of Meeting of April 17, 2008." Mr. Unger moved to approve the minutes as presented. Mr. Wise seconded the motion, which CARRIED unanimously.

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

Next, Mr. Parrish asked Ms. Bird to address Agenda Item No. 4b, "National PRIMA Update." Ms. Bird reviewed materials provided to those traveling to the conference, including airlines, hotel and conference reservations. She also reviewed materials for the daily educational sessions, noting that there was a pooling track included in every session. Ms. Bird then answered questions.

President Schoepf then addressed Agenda Item No. 4c, "Excuse Bonnie Swartz." Mr. Alcorn moved that Ms. Swartz be excused from the Board Meeting for family reasons. Mr. Unger seconded the motion, which CARRIED unanimously.

President Schoepf then proceeded to Agenda Item No. 5, "Marketing Report." Mr. Eyman discussed marketing efforts in three counties.

Mr. Alexander reported on financial statements he prepared for April 2008. Ms. Buttron moved to accept the reports as presented. Ms. Garrett seconded the motion, which CARRIED unanimously.

Mr. Alexander presented the check register. Mr. Wise moved to approve check Nos. 12501 through 12560 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 May 12, 2008.

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

Ms. Duncan reviewed the Logicomp report for the period of January 1, 2008 through April 30, 2008. She stated that the total amount billed is \$1,845,641. The report showed actual paid amount to be \$1,101,750 for net savings after fees of \$743,871 or 40% for this four-month period.

Next, Mr. Parrish reviewed an analytical review generated by IMA showing KWORCC's claim history for policy years 2007 and 2008. The review documents consist of graphs which compared the actual paid and incurred losses to the estimated paid and incurred losses and to show the actuarial projections. The intent of the presentation was to provide Board members a visual comparison of these and their relationship to the actuarial projected losses. Mr. Parrish pointed out that IMA staff emphasizes these charts should not be viewed as a guarantee of either good or poor ultimate-loss performance.

President Schoepf called upon Messrs. Eyman and Rippee to address Agenda Item No. 8, "Loss Prevention and County Visits." Mr. Eyman reviewed calendars for April, May and June for the loss-prevention staff as well as the breakdown of county visits since the first of the year. Mr. Eyman also reviewed materials provided by an internet training provider.

President Schoepf addressed Agenda Item No. 9, "Legal Report." Mr. Parrish reported there were no legal matters to review.

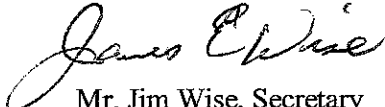
President Schoepf addressed Agenda Item No. 10, "Committee Reports." There were no Committees to report. Mr. Parrish stated that the next committee meeting would be in July.

President Schoepf next proceeded to Agenda Item No. 11, "Trustee Training: Report from Mo/Kan PRIMA Conference." Messrs. Eyman and Rippee provided highlights of various seminars. One dealt with ways loss prevention specialists can re-engineer their communication patterns. Another explained the "something more doctrine" enacted in some states which permits a negligence suit against a supervisor or employer in addition to workers compensation. Another described how to minimize the use of time with lawyers and avoid unnecessary legal fees, and another dealt with the importance of developing a good "safety attitude." IMA presented a seminar on the aging workforce which will be presented to the KWORCC Trustees as trustee training later this year. President Schoepf thanked Messrs. Eyman and Rippee for the comprehensive presentation.

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

There being no further business on the agenda, Mr. Unger moved to adjourn at 2:20 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 19th day of June 2008.



Mr. Jim Wise, Secretary
KWORCC Board of Trustees

Minutes

**Meeting, Board of Trustees
Kansas Worker Risk Cooperative for Counties
June 19, 2008 at 1:00 p.m. via Teleconference
700 SW Jackson, Ste 200
Topeka, KS 66603**

The June 2008 meeting of the Board of Trustees of Kansas Workers Risk Cooperative for Counties (KWORCC) was called to order at 1:02 p.m. via teleconference in Topeka by Board President F. E. "Shep" Schoepf on Thursday, June 19, 2008. Trustees participating included, F. E. "Shep" Schoepf, Reno County Commissioner, President; Michelle Garrett, Morris County Clerk, Vice President; Jim Wise, Miami County Commissioner, Secretary; Linda M. Buttron, Jefferson County Clerk, Controller; Bonnie Swartz, Gray County Clerk; Ralph D. Unger, Decatur County Commissioner; Doyle "Hooley" Alcorn, Jewell County Commissioner.

Staff participating included Mr. James W. Parrish, Administrator; Ms. Dortha O. Bird, Deputy Administrator and Staff Counsel; Mr. Philip J. Rippee, Loss Prevention Specialist; Mr. Richard Alexander, Accountant and Ms. Nicole Jarboe-Paxson, Executive Assistant and Media Director.

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

President Schoepf addressed Agenda Item No. 2, "Approval of the Agenda." Mr. Parrish requested two changes to the Agenda, first by changing the date of the Investment Committee Meeting to August 21, 2008 and second by adding Agenda Item 10a, "FY2009 Mileage and Meal Reimbursement." Ms. Swartz moved to approve the agenda with these additions. Ms. Garrett seconded the motion, which CARRIED unanimously.

President Schoepf addressed Agenda Item No. 3, "Consideration of Minutes of Meeting of May 22, 2008." Mr. Unger moved to approve the minutes as presented. Ms. Buttron seconded the motion, which CARRIED unanimously.

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

Next, Mr. Parrish addressed Agenda Item No. 4b, "KAC Vendor Booth and KWORCC/KCAMP Annual Meetings." Mr. Parrish reviewed materials provided, indicating that the vendor booth is limited to Sunday this year and that the KWORCC and KCAMP annual meetings are slated for 5:00 p.m. on Monday. Mr. Unger moved that KWORCC obtain a gold sponsorship of the KAC annual meeting, including a quarter-page advertisement in the meeting program, and request that the KWORCC and KCAMP annual meetings be included on the final conference agenda. Ms. Swartz seconded the motion, which CARRIED unanimously.

President Schoepf then proceeded to Agenda Item No. 5, "Financial Report." Mr. Alexander reported on financial statements he prepared for May 2008. Ms. Swartz moved to accept the reports as presented. Ms. Buttron seconded the motion, which CARRIED unanimously.

Mr. Alexander presented the check register. Mr. Unger moved to approve check Nos. 12561 through 12608 and the direct debits, all as presented. Ms. Garrett seconded the motion, which CARRIED unanimously.

Mr. Parrish then reviewed a spreadsheet showing the value of KWORCC's equity investments as of June 9, 2008.

President Schoepf addressed Agenda Item No. 9, "Committee Reports." There were no committee reports. Mr. Parrish stated that the next committee meeting would be the Investment Committee on August 21st at 12:00 p.m. The meeting originally was scheduled for July 17, but the Security Benefit advisors cannot be present for the July meeting. After a discussion by Trustees of investment strategy, Mr. Unger moved that KWORCC invest \$21,000 for each of the months of July and August 2008 and allocate this investment equally by investing \$7,000 each in the Security Global Fund, the Security Mid-Cap Value Fund and the Alpha Opportunity Fund, provided that such investment will be subject to the availability of cash without incurring penalties for early sale of existing securities. Mr. Wise seconded the motion which CARRIED unanimously.

President Schoepf addressed Agenda Item No. 6, "Claims Report." Ms. Duncan reported on several claims and answered questions.

Ms. Duncan reviewed the Logicomp report for the period of January 1, 2008 through May 31, 2008. She stated that the total amount billed is \$2,120,777. The report showed actual paid amount to be \$1,263,464 for net savings after fees of \$857,314 or more than 40% of the amount billed for this five-month period.

Next, Mr. Davis explained an analytical review generated by IMA showing KWORCC's claim history for policy years 2007 and 2008. The documents consist of graphs which compared the actual paid and incurred losses to the estimated paid and incurred losses and show the actuarial projections. The intent of the presentation was to provide Board members a visual comparison of these and their relationship to the actuarial projected losses. Mr. Davis emphasized these charts should not be considered as a guarantee of either good or poor ultimate-loss performance.

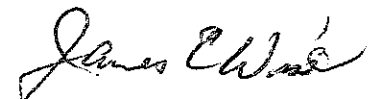
President Schoepf called upon Mr. Rippee to address Agenda Item No. 7, "Loss Prevention and County Visits." Mr. Rippee reviewed calendars for May, June and July for the loss-prevention staff as well as the breakdown of county visits since the first of the year.

President Schoepf addressed Agenda Item No. 8, "Legal Report." Mr. Parrish reported there were no legal matters to review.

President Schoepf proceeded to Agenda Item No. 10, "Other items." Mr. Parrish addressed Agenda Item No. 10a, "FY2009 Mileage and Meal Reimbursement." He reviewed the changes in state reimbursement policy for FY2009 which starts July 1, 2008.

There being no further business, Mr. Unger moved to adjourn at 1:40 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 17th day of July 2008.



Mr. Jim Wise, Secretary
KWORCC Board of Trustees

Minutes
Meeting, Board of Trustees
Kansas Worker Risk Cooperative for Counties
July 17, 2008 at 1:00 p.m.
Clubhouse Inn
924 SW Henderson Road
Topeka, KS 66615

The July 2008 meeting of the Board of Trustees of Kansas Workers Risk Cooperative for Counties (KWORCC) was called to order at 1:05 p.m. at the Clubhouse Inn in Topeka by Board President F. E. "Shep" Schoepf on Thursday, July 17, 2008. Trustees participating included F. E. "Shep" Schoepf, Reno County Commissioner, President; Michelle Garrett, Morris County Clerk, Vice President; Jim Wise, Miami County Commissioner, Secretary; Linda M. Buttron, Jefferson County Clerk, Controller; Bonnie Swartz, Gray County Clerk; and Ralph D. Unger, Decatur County Commissioner.

Staff participating 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 and Ms. Nicole Jarboe-Paxson, Executive Assistant and Media Director.

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

President Schoepf addressed Agenda Item No. 2, "Approval of the Agenda." Mr. Parrish recommended adding Agenda Item No. 2a "Excuse Mr. Doyle Alcorn for County Business" and moving Agenda Item No. 7c to 4c and moving 4c to 4d. Mr. Wise moved to approve the agenda with the suggested modifications. Mr. Unger seconded the motion, which CARRIED unanimously.

President Schoepf addressed Agenda Item No. 2a, "Excuse Mr. Doyle Alcorn for County Business." Ms. Swartz moved to excuse Mr. Alcorn from the Board meeting. Ms. Buttron seconded the motion, which CARRIED unanimously.

President Schoepf addressed Agenda Item No. 3, "Consideration of Minutes of Meeting of June 19, 2008." Mr. Unger moved to approve the minutes as presented. Ms. Garrett seconded the motion, which CARRIED unanimously.

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

Next, Mr. Parrish addressed Agenda Item No. 4b, "KERIT and MARCIT -- Insurance Pools Discussion." Mr. Parrish and Mr. Felix shared information concerning structure and activities of these two insurance pools.

Next, Mr. Parrish asked Mr. Felix to discuss Agenda Item No 4c, "Policy Year Performance Review." Mr. Felix explained an analytical review generated by IMA showing KWORCC's claim history for policy years 2003 through 2008. The documents consist of graphs which compared the actual paid and incurred losses to the estimated paid and incurred losses and show the actuarial projections. Mr. Felix emphasized these charts should not be considered as a guarantee of either good or poor ultimate-loss performance.

Next Mr. Parrish asked Ms. Bird and Mr. Eyman to address Agenda Item No. 4c, "Annual KWORCC/KCAMP Gathering." They explained that KCAMP board members requested a dinner gathering of the KWORCC and KCAMP boards, without staff. KCAMP suggested the date of September 25, 2008. This would require moving the September KWORCC Board meeting from the 18th to the 25th. Ms. Swartz moved to reschedule the September KWORCC Board meeting from the 18th to the 25th and to attend the annual gathering as requested by KCAMP. Ms. Garrett seconded the motion, which CARRIED unanimously.

President Schoepf then proceeded to Agenda Item No. 5, "Marketing Report." Mr. Eyman discussed marketing activities.

President Schoepf then proceeded to Agenda Item No. 6, "Financial Report." Mr. Alexander reported on financial statements he prepared for June 2008. Mr. Alexander pointed out that there are no further claims to be paid out for 1994, and there remains a balance for that year of \$103,457. He recommended that this balance be transferred to the Member Protection Fund and the 1994 claim year be closed at the end this year. Ms. Swartz moved to accept Mr. Alexander's recommendation. Mr. Unger seconded the motion, which CARRIED unanimously. Ms. Buttron moved to accept the financial reports as presented. Mr. Wise seconded the motion, which CARRIED unanimously.

Mr. Alexander discussed in detail the second quarterly financial report for 2008 to be filed with the Kansas Insurance Department (KID). Ms. Swartz moved to approve filing the report with the KID. Ms. Garrett seconded the motion, which CARRIED unanimously.

Mr. Alexander presented the check register. Mr. Unger moved to approve check Nos. 12609 through 12655 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 July 8, 2008.

President Schoepf addressed Agenda Item No. 6, "Claims Report." Ms. Duncan reported on several claims and answered questions. She also requested approval on two pending settlements. Ms. Swartz moved to approve settlement of claim No. 2006030990 as recommended. Ms. Buttron seconded the motion, which CARRIED unanimously. Ms. Swartz moved to approve settlement of claim No. 2006027946 as recommended. Ms. Garrett seconded the motion, which CARRIED unanimously.

A short break was declared in the meeting at 2:25 p.m. The meeting reconvened at 2:40 p.m.

Ms. Duncan reviewed the Logicomp report for the period of January 1, 2008 through June 30, 2008. She stated that the total amount billed is \$2,452,506. The report showed actual paid amount to be \$1,463,343 for net savings after fees of \$989,164 or more than 40% of the amount billed for this six-month period.

Ms. Duncan reported the Kansas Supreme Court denied review of case number 06-97254-A.

President Schoepf called upon Messrs. Eyman and Rippee to address Agenda Item No. 7, "Loss Prevention and County Visits." Mr. Eyman reviewed calendars for June, July and August for the loss-prevention staff as well as the breakdown of county visits since the first of the year.

President Schoepf addressed Agenda Item No. 9, "Legal Report." Mr. Parrish reported there were no legal matters to review.

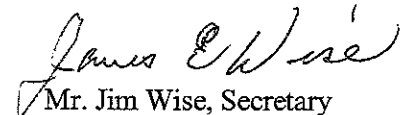
President Schoepf addressed Agenda Item No. 10, "Committee Reports." There were no committee reports. Mr. Parrish stated that the next committee meeting would be the Investment Committee on August 21, 2008 at 12:00 p.m.

President Schoepf next proceeded to Agenda Item No. 11, "Trustee Training: PRIMA National Review." Mr. Parrish led a discussion about the Public Risk Management Association's 29th Annual Conference. Board members shared highlights of training sessions they attended at the conference.

President Schoepf proceeded to Agenda Item No. 10, "Other items." Mr. Unger mentioned taking advantage of the low prices in the automobile and truck market to secure a replacement for KWORCC's truck. After discussion, the issue was tabled for further discussion in September.

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

The Board of Trustees approved the foregoing minutes of the Board of Trustees of Kansas Workers Risk Cooperative for Counties on the 21st day of August 2008.


Mr. Jim Wise, 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
August 21, 2008

On Thursday, August 21, 2008 at 12:07PM 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, Ralph D. Unger. Committee Members participating included: Ralph D. Unger, Decatur County Commissioner and Jim Wise, Miami County Commissioner. Also present was KWORCC Administrator, Jim Parrish, Bradley Downard, Security Benefit Group and B. Christopher Thompson, Senior Vice President Investment Services Division at Country Club Bank.

Chairman Unger requested consideration of minutes dated March 13, 2008 meeting. Mr. Parrish reviewed the minutes in detail. Mr. Wise moved to approve the minutes. Mr. Unger seconded the motion which CARRIED unanimously.

Chairman Unger requested the Agenda be approved by consensus and Committee Members agreed.

Chairman Unger addressed Agenda Item No. 4, "Approval of Government Purchases - List of Purchases and Proposed Resolution." Mr. Parrish explained that one purpose of the meeting was to review the purchases and sales of fixed-income assets from March 11, 2008 through July 23, 2008. Mr. Parrish called the Committee's attention to Country Club Bank's "Trade History Report" included in the agenda packet. He noted there were six sales and three purchases of United States government-backed securities during the period indicated. He then noted that Resolution No. 2008-58 is included in the agenda packet and offered for consideration by the Committee and the Board of Trustees. The resolution confirms that the investment activity has been reviewed and are in accordance with Kansas Statutes and KWORCC's investment policy. Mr. Schoepf moved to recommend to the KWORCC Board of Trustees the adoption of KWORCC Resolution 2008-58; Mr. Wise seconded the motion, which CARRIED unanimously.

Mr. Thompson discussed the government securities. Chairman Unger requested that Mr. Thompson provide some perspective on the matter of Federal Home Loan Mortgage Corporation (Freddie Mac) and the Federal National Mortgage Association (Fannie Mae). Mr. Thompson advised that the matter, while very serious, will likely not impact KWORCC's bond portfolio in that interest and principal payments will not be interrupted. Specifically, the Freddie Mac and Fannie Mae bonds KWORCC owns are senior debentures. While the Fannie/Freddie equity, preferred stock and subordinated debenture holders are not likely to enjoy protection in any "bailout" scenario, the senior debt (what KWORCC owns) is believed to be above the fray and most likely to be supported under the terms of Federal intervention. The markets are not certain what shape this intervention may take, however. To help stabilize markets, Treasury Secretary Henry Paulson asked Congress to temporarily empower Treasury to offer Fannie/Freddie a backstop if needed. Consequently the housing bill, which was passed July 26, 2008, now includes provisions that allow the Treasury, over the next 18 months, to offer

Fannie/Freddie an unlimited line of credit and the authority to buy stock in the companies. By most accounts this is a case of being "too big to fail." It is not in the best interests of the US economy to allow these behemoths to flounder.

Next, Mr. Parrish introduced Mr. Downard, who distributed an introduction sheet (attached and incorporated by reference) identifying him as a member of SBG's team May of 1995. Mr. Downard reviewed the performance of the equity investments. He echoed Mr. Thompson's assessment of the Fannie/Freddie situation, stating that such holdings in the Alpha Opportunity Fund are short term discount notes used primarily as a cash substitute and not the highly publicized publicly traded stock. Mr. Parrish stated that one of the purposes of the meeting was to consider further equity investments and that Kansas law provides a limitation on such investments to 10% of the prior year-end admitted assets, as filed with the Commissioner of Insurance. That filing shows assets of \$13,931,471. KWORCC's has invested \$1,302,000, thus an additional \$91,000 could be invested. Mr. Parrish recommended that KWORCC invest \$5,000 per month in each of the four SBG funds in which KWORCC currently has investments, subject to fund availability for each of the remaining months of 2008, beginning with September.

Mr. Wise moved that the Investment Committee recommend to the KWORCC Board of Trustees that KWORCC invest \$20,000 per month for the months of September, October, November and December of 2008, and allocate this amount equally by investing \$5,000 each in the Security Global Fund, Security Mid-Cap Value Fund, Alpha Opportunity Fund and Security Mid-Cap Growth Fund, provided such investment is subject to the availability of cash, without incurring penalties for early sale of existing securities. Mr. Schoeph seconded the motion, which CARRIED unanimously.

There being no further business to come before the Committee, Chairman Unger 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 11, 2008.


Ralph D. Unger, Chair
KWORCC Investment Committee

I, Jim Wise, 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 August, 2008 at which a quorum was present:

RESOLUTION # 2008-58

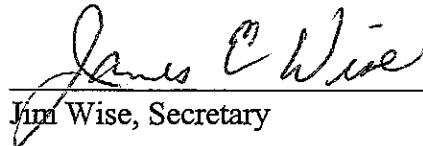
WHEREAS, KWORCC has elected to place investments pursuant to Chapter 40 of Kansas Statutes Annotated, and thus is to comply with the provisions thereof;

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 11, 2008 through July 23, 2008, 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 March 11, 2008 through July 23, 2008, 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 21st day of August, 2008.



Jim Wise, Secretary

InTrader (onltrdhist) 08/12/2008

Trade History Report
Country Club Bank

For Trades Executed At: Country Club Bank

Ticket Nbr	Cust Nbr	Cust S/N	Reg Type/Id	Apr By	Tr Enter	Factor	Par	Prin
Sec Descr 1	Sec Descr 2	Sec Descr 3	Call Cd-Dt	Apr Date	Trade Dt	Tran Cd	Basis	Interest
Port ID	Mdy/Sep/Mkt	Bnk Ellg	Call Price	Apr Time	Settle Dt	Ent By	Yield	Fees
			Mat Date	Fall Del	Trd Status	Trd For	Price	Dlr Comm
			CPN Rate	Fall Pmt	Pay/Del	Sales Crdt	P/L	Total Amt
311035916	300121	KWORCC (302)	E/*		03/11/2008	1.0000000000	500,000.00	500,000.00
3136F9DA8	011-APP	FNMA 5.125 STEP UP 6.125 3/13	C-06/17/08		03/11/2008	Sale	100.00	.00
		OTRLY CALL BEG 6/17/08	100.000		03/17/2008	SKM14	5.1250000	.00
		ONE TIME STEP	03/17/2023	n-03/17/08	09	BCT	100.000000000	.00
		/AAae/	VAR	n-03/17/08	c/ski		500,000.00	
311037762	300121	KWORCC (302)	E/*		04/10/2008	1.0000000000	1,250,000.00	1,250,000.00
3136F9HM8	032-AGCY	FNMA 4.0 STEP UP 6.0 4/30/11	C-07/30/08		04/10/2008	Sale	100.00	.00
		OTRLY CALL BEG 7/30/08	100.000		04/30/2008	SKM14	4.0000000	.00
		ONE TIME STEP	04/30/2018	n-04/30/08	09	BCT	100.000000000	.00
		/AAae/	VAR	n-04/30/08	c/ski		1,250,000.00	
311039519	300121	KWORCC (302)	E/*		05/15/2008	1.0000000000	1,000,000.00	1,001,310.00
3136F3M85	032-AGCY	FEDERAL NATIONAL MTG ASSN	C-07/16/04		05/15/2008	Sale	100.13100	10,250.00
		AAA/AAA/	100.000		05/19/2008	SKM14	2.1480000	.00
			07/16/2008	n-05/19/08	09	BCT	100.131000000	.00
			3.0	n-05/19/08	c/ski		1,011,560.00	
311039523	300121	KWORCC (302)	E/*		05/15/2008	1.0000000000	1,000,000.00	1,000,690.00
3136F9YGN6	032-AGCY	FEDERAL HOME LOAN BANK	C-09/26/08		05/15/2008	Sale	100.06900	8,822.92
		AAA/AAA/	100.000		05/16/2008	SKM14	2.1830000	.00
			07/15/2008	n-05/16/08	09	BCT	100.069000000	.00
			2.625	n-05/16/08	c/ski		1,009,512.92	
311040325	300121	KWORCC (302)	E/*		06/03/2008	1.0000000000	500,000.00	500,000.00
3136F9TP8	011-APP	FEDERAL NATIONAL MTG ASSN	C-09/26/08		06/03/2008	Sale	100.00	.00
		ONE TIME CALL 9/26/08	100.000		06/26/2008	SKM14	4.5000000	.00
		AAA/AAA/	06/26/2013	n-06/26/08	09	BCT	100.000000000	.00
			4.5	n-06/26/08	c/ski		500,000.00	
311041683	300121	KWORCC (302)	E/*		07/03/2008	1.0000000000	1,000,000.00	1,000,115.73
313339YGN6	032-AGCY	FEDERAL HOME LOAN BANK	C-09/26/08		07/03/2008	Purch	100.0115726	12,250.00
		AAA/AAA/	100.000		07/03/2008	SKM14	2.2500000	.00
			07/15/2008	n-07/03/08	09	BCT	100.011572600	.00
			2.625	n-07/03/08	c/ski		1,012,365.73	
311042637	300121	KWORCC (302)	E/*		07/23/2008	1.0000000000	1,200,000.00	1,197,258.33
313384D63	033-DISC	FEDERAL HOME LOAN BANK-DN	C-09/26/08		07/23/2008	Sale	D2.35000	.00
		FHDN 08/27/08	100.000		07/23/2008	SKM14	2.3500000	.00
		AAA//	08/27/2008	n-07/23/08	09	BCT	99.771527780	.00
				n-07/23/08	c/ski		1,197,258.33	

Minutes
Meeting, Board of Trustees
Kansas Worker Risk Cooperative for Counties
August 21, 2008 at 1:00 p.m.
Clubhouse Inn
924 SW Henderson Road
Topeka, KS 66615

The August 2008 meeting of the Board of Trustees of Kansas Workers Risk Cooperative for Counties (KWORCC) was called to order at 1:09 p.m. at the Clubhouse Inn in Topeka by Board President F. E. "Shep" Schoepf on Thursday, August 21, 2008. Trustees participating included F. E. "Shep" Schoepf, Reno County Commissioner, President; Michelle Garrett, Morris County Clerk, Vice President; Jim Wise, Miami County Commissioner, Secretary; Linda M. Buttron, Jefferson County Clerk, Controller; Bonnie Swartz, Gray County Clerk; Doyle "Hooley" Alcorn, Jewell County Commissioner; and Ralph D. Unger, Decatur County Commissioner.

Staff participating 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; Mr. Bruce Woner, Board Counsel and Ms. Nicole Jarboe-Paxson, Executive Assistant and Media Director.

Insurance Management Associates appeared by Ms. Annette Duncan, Mr. Paul Davis and Mr. Gus Campuzano.

President Schoepf addressed Agenda Item No. 2, "Approval of the Agenda." Mr. Parrish recommended the following two additions to the agenda: Item No. 12a. "Joint Board Dinner Discussion" and Item No. 12b "Special Recognition." Mr. Wise moved to approve the agenda as amended. Ms. Swartz seconded the motion, which CARRIED unanimously.

President Schoepf addressed Agenda Item No. 3, "Consideration of Minutes of Meeting of July 17, 2008." Ms. Swartz noted a spelling correction on the last page and then moved to approve the minutes as corrected. Ms. Garrett seconded the motion, which CARRIED unanimously.

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

Next, Mr. Parrish addressed Agenda Item No. 4b, "Master Repurchase Agreement from CCB." Mr. Parrish reviewed the renewal agreement with Country Club Bank and answered questions. Mr. Unger moved to approve the repurchase agreement. Ms. Swartz seconded the motion, which CARRIED unanimously.

Next, Mr. Parrish asked Ms. Bird to discuss Agenda Item No 4c, "Suggestions for KAC Vendor Booth Give Away Items." Ms. Bird presented several options and the Board indicated preferences.

President Schoepf then proceeded to Agenda Item No. 5, "Marketing Report." Mr. Eyman discussed marketing activities.

President Schoepf addressed Agenda Item No. 6, "Financial Report." Mr. Alexander reported on financial statements he prepared for July 2008. Ms. Swartz moved to accept the financial reports as presented. Ms. Garrett seconded the motion, which CARRIED unanimously.

Mr. Alexander presented the check register. Mr. Unger moved to approve check Nos. 12656 through 12700 and the direct debits, 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 August 12, 2008.

President Schoepf addressed Agenda Item No. 6, "Claims Report." Ms. Duncan reported on several claims and answered questions.

Ms. Duncan reviewed the Logicomp report for the period of January 1, 2008 through July 31, 2008. She stated that the total amount billed is \$2,639,711. The report showed actual paid amount to be \$1,569,304 for net savings after fees of \$1,070,409 or more than 41% of the amount billed for this seven-month period.

Mr. Davis explained an analytical review generated by IMA showing KWORCC's claim history for policy years 2007 and 2008. The documents consist of graphs which compared the actual paid and incurred losses to the estimated paid and incurred losses and show the actuarial projections. Mr. Davis emphasized these charts should not be considered as a guarantee of either good or poor ultimate-loss performance.

President Schoepf called upon Messrs. Eyman and Rippee to address Agenda Item No. 7, "Loss Prevention and County Visits." Mr. Eyman reviewed calendars for July, August and September for the loss-prevention staff as well as the breakdown of county visits since the first of the year. Mr. Eyman then reviewed the loss data for the last 5.5 years for members with loss ratios over 100%. Finally, Mr. Eyman gave a report on the video library and the counties' use of the available materials since the first of the year.

President Schoepf declared a break at 1:55 p.m. The meeting resumed at 2:15 p.m.

President Schoepf addressed Agenda Item No. 9, "Legal Report." Mr. Parrish reported there were no legal matters to review. Mr. Woner had no official legal report, but said a few words about the changing political climate.

President Schoepf addressed Agenda Item No. 10, "Committee Reports." Mr. Unger addressed Agenda Item No. 10a, "Investment Committee - Approval of Investments, KWORCC Resolution No. 2008-58." He stated the investment committee reviewed the investments with Christopher Thompson of Country Club Bank and Bradley Downard of Security Benefit. Of particular note is that the Federal Home Loan Mortgage Corporation (Freddie Mac) and the Federal National Mortgage Association (Fannie Mae) investments held by KWORCC are short term discount notes guaranteed by the United States Government and used primarily as a cash substitute and not the highly publicized publicly-traded stock. Mr. Unger stated the Committee recommends that KWORCC invest \$5,000 per month in each of the four Security Benefit equity funds for the months of September through December of this year, provided funds are available without incurring a penalty for early sale of securities. Mr. Unger moved to adopt the Committee's recommendation. Mr. Wise seconded the motion which CARRIED unanimously. Mr. Unger then moved for the acceptance of resolution 2008-58, which approves government investments for the period March 11, 2008 through July 23, 2008. The motion was seconded by Ms. Buttron and CARRIED unanimously.

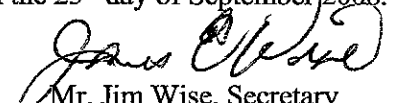
President Schoepf proceeded to Agenda Item No. 11, "Trustee Training: Workers Compensation Benefit Reduction by Retirement Benefits." Ms. Bird discussed how retirement benefits reduce workers compensation indemnity payments. After questions and discussion, President Schoepf thanked Ms. Bird for an informative presentation.

President Schoepf proceeded to Agenda Item No. 12, "Other items." Mr. Eyman addressed Agenda Item No. 12a, "Joint Board Dinner Discussion." He updated details of the KWORCC and KCAMP Board dinner scheduled September 25th, and the Trustees provided a head-count for reservations. Final details will be disseminated when available.

Next Mr. Parrish addressed Agenda Item No. 12b, "Special Recognition." He announced that it was Mr. Alexander's birthday and presented Alex with a card and cake. Board and staff expressed appreciation and well wishes.

Ms. Swartz moved to adjourn at 2:59 p.m. Mr. Unger seconded the motion, which CARRIED unanimously.

The KWORCC Board of Trustees approved the foregoing minutes on the 25th day of September 2008.


Mr. Jim Wise, Secretary
KWORCC Board of Trustees

Minutes
Meeting, Personnel Committee
Kansas Worker Risk Cooperative for Counties
Clubhouse Inn, Topeka, Kansas
September 25, 2008

On Thursday, September 25, 2008, the Personnel Committee of the Kansas Workers Risk Cooperative for Counties ("KWORCC") met at the Clubhouse Inn, Topeka, Kansas. The meeting was called to order by Committee Chair, Doyle "Hooley" Alcorn at 12:05 pm. 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 stated that a meeting packet had been sent to the Committee members which included the minutes of the two prior meetings, September 20, 2007 and February 12, 2008. Also included were five documents which describe changes in the Consumer Price Index (CPI) and salary adjustments expected in the job market for 2009.

Ms. Buttron moved to approve the minutes of February 12, 2008 and Ms. Garrett seconded the motion, which CARRIED unanimously.

Mr. Alcorn asked Mr. Parrish to discuss KWORCC's financial health and to report on whether KWORCC will operate within its budget for this policy year and whether KWORCC can support a cost of living adjustment (COLA) for its employees. Mr. Parrish stated the revenue and expenses are budgeted each year to be fairly close to keep premiums low and not show an excessive profit. The budget includes the results of actuarial study conducted in September which gives the KWORCC staff ultimate loss figures for claims. That amount is included with cost estimates for reinsurance, claims management, taxes and administration. Any sudden changes in KWORCC's expected ultimate loss will factor on the profitability of KWORCC for a given year. Because there have been no large claims so far this year, Mr. Parrish expects the September actuarial study to show a reduction in the ultimate loss for 2008 which will allow KWORCC to add to its reserves and KWORCC should have no trouble preparing a budget to cover a reasonable COLA for its employees. He pointed out that for several years now, KWORCC's net value has increased and administrative expenses have remained reasonable and have consistently fallen below budget.

Mr. Alcorn asked Mr. Parrish to discuss the job market data provided to the Committee. Mr. Parrish reviewed the memo provided by Dortha Bird and briefly discussed the percentages outlined in each of those documents. He pointed out that Ms. Bird sampled the membership and learned that a majority of those sampled were proposing a 3% budget increase in wages for their county workers. Ms. Buttron stated that Jefferson County planned for a 3.75% increase in a formula that takes into consideration COLA and merit increases. Ms. Garrett Morris County allocated 5% increase for those purposes.


Mr. Parrish then referred a schedule of salaries for KWORCC employees for 2007 and 2008 with the distribution of the COLA for 2008. He reminded the Committee that at its September 2007 meeting, it allowed for a lump-sum amount of \$10,000 as a COLA to be distributed to KWORCC employees in a manner which gave each employee a minimum of 2.4% COLA with the balance to be distributed at the discretion of the Administrator. He provided examples of lump-sum amounts and the percentage increases for each example.

After considerable discussion, committee members suggested COLA of 3.7%. Mr. Parrish indicated that percentage calculates to be a lump-sum of \$10,741. Ms. Garrett suggested the number be rounded to an even lump-sum number. Mr. Alcorn suggested that number should be \$11,000. Mr. Parrish stated that would an increase of 3.79%.

After further discussion, Ms. Garrett moved to increase KWORCC's staff member salaries beginning January 1, 2009 by a total lump-sum of \$11,000, provided that each employee be given a minimum cost of living increase of 3% of current salary, with the balance of the lump-sum to be allocated to staff at the discretion of the Administrator. The motion was seconded by Ms. Buttron and CARRIED unanimously.

There being no further business to come before the Personnel Committee, Mr. Alcorn declared the meeting to be adjourned at 12:54 pm.

THE FOREGOING MINUTES of the Personnel Committee of Kansas Workers Risk Cooperative for Counties were executed by the Chair of that Committee on February 19th, 2009.


Doyle "Hooley" Alcorn, Chair
KWORCC Personnel Committee

Minutes
Meeting, Board of Trustees
Kansas Worker Risk Cooperative for Counties
September 25, 2008 at 1:00 p.m.
Clubhouse Inn
924 SW Henderson Road
Topeka, KS 66615

The September 2008 meeting of the Board of Trustees of Kansas Workers Risk Cooperative for Counties (KWORCC) was called to order at 1:02 p.m. at the Clubhouse Inn in Topeka by Board President F. E. "Shep" Schoepf on Thursday, September 25, 2008. Trustees participating included F. E. "Shep" Schoepf, Reno County Commissioner, President; Michelle Garrett, Morris County Clerk, Vice President; Jim Wise, Miami County Commissioner, Secretary; Linda M. Buttron, Jefferson County Clerk, Controller; Bonnie Swartz, Gray County Clerk and Doyle "Hooley" Alcorn, Jewell County Commissioner.

Staff participating 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; Mr. Bruce Woner, Board Legal Counsel and Ms. Nicole Jarboe-Paxson, Executive Assistant and Media Director.

Insurance Management Associates appeared by Ms. Annette Duncan, Mr. Paul Davis and Mr. Gus Campuzano.

President Schoepf addressed Agenda Item No. 2, "Approval of the Agenda." Mr. Parrish recommended the addition of three Items to the Agenda: Item 3a, "Excuse Mr. Ralph D. Unger for Personal Business;" Item 7d, "Safety National Status" and Item 9a, "Work Comp Legislative Activity." Mr. Wise moved to approve the agenda as modified. Ms. Swartz seconded the motion, which CARRIED unanimously.

President Schoepf addressed Agenda Item No. 3, "Consideration of Minutes of Meeting of August 21, 2008." Ms. Swartz moved to approve the minutes as presented; Ms. Garrett seconded the motion, which CARRIED unanimously.

President Schoepf addressed Agenda Item No. 3a, "Excuse Mr. Unger for Personal Business." Ms. Swartz moved to excuse Mr. Unger for personal business; Ms. Buttron seconded the motion, which CARRIED unanimously.

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

Next, Mr. Parrish addressed Agenda Item No. 4b, "Annual Meeting Update." Mr. Parrish asked Ms. Bird to review the arrangements for the annual meeting. Ms. Bird reviewed the location of the booths for the KAC meeting and reviewed the persons nominated for the trustee positions and the delegates from the counties planning to attend the KWORCC annual meeting.

Next, Mr. Parrish asked Ms. Bird to discuss Agenda Item No 4c, "Kansas Insurance Department Exam Fee Notice." Ms. Bird discussed the fees being charged by the Kansas Insurance Department. She further stated that the exam is underway and that KWORCC has received the first bill.

President Schoepf then proceeded to Agenda Item No. 5, "Marketing Report." Mr. Eyman discussed marketing activities, including a review of counties that have notified KWORCC of an intention to seek competitive bids for workers compensation insurance this year.

President Schoepf addressed Agenda Item No. 6, "Financial Report." Mr. Alexander reported on financial statements he prepared for August 2008. Ms. Swartz moved to accept the financial reports as presented. Ms. Garrett seconded the motion, which CARRIED unanimously.

Mr. Alexander presented the check register. Mr. Alcorn moved to approve check Nos. 12701 through 12750 and the direct debits, 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 September 16, 2008.

President Schoepf addressed Agenda Item No. 7a, "Claims Report." Ms. Duncan reported on several claims and answered questions. She also requested approval on three pending settlements. After discussion of these three claims, Ms. Swartz moved to approve settlement of claim No. 2008034448 as recommended. Ms. Garrett seconded the motion, which CARRIED unanimously. Mr. Wise moved to approve settlement of claim No. 2007032553 as recommended. Ms. Buttron seconded the motion, which CARRIED unanimously. Ms. Swartz moved to approve settlement of claim No. 04-2984 as recommended. Ms. Garrett seconded the motion, which CARRIED unanimously.

In addressing Agenda Item No. 7b, Ms. Duncan reviewed the Logicomp report for the period of January 1, 2008 through August 31, 2008. She stated that the total amount billed is \$2,960,122. The report showed actual paid amount to be \$1,754,451 for net savings after fees of \$1,205,673 or more than 41% of the amount billed for this seven-month period.

In addressing Agenda Item No. 7c, Mr. Davis explained an analytical review generated by IMA showing KWORCC's claim history for policy years 2007 and 2008. The documents consist of graphs which compared the actual paid and incurred losses to the estimated paid and incurred losses and show the actuarial projections. Mr. Davis emphasized these charts should not be considered as a guarantee of either good or poor ultimate-loss performance.

Mr. Davis proceeded to Agenda Item No 7d, "Safety National Status." Mr. Davis referred to notice received from Safety National Casualty Corporation (SNCC) which reported a strong financial position, notwithstanding the difficulties of AIG. Specifically, SNCC's holding company owns no AIG stock and has insignificant holdings in AIG bonds. While the current AIG bailout plan does not involve sale of its book of business, should any of those become available, SNCC will follow current underwriting standards. Mr. Davis emphasized that AIG does not plan to sell its insurance portfolio, which would limit the repercussions on the insurance industry from the bailout of AIG. If AIG would sell its interests in insurance, that could have repercussions on all insurance companies nationwide. In addition, he stated the reinsurance rates for KWORCC should remain consistent with 2008 rates.

President Schoepf addressed Agenda Item No. 9, "Legal Report." Mr. Parrish reported the Kansas Legislature's Joint Committee on Economic Development heard several hours of testimony last week concerning the workers compensation issues. He highlighted some of the issues and anticipates considerable activity this legislative session addressing the Kansas Workers Compensation Act.

Mr. Woner stated that changing market conditions require that KWORCC examine additional marketing strategies. He emphasized diligence on the financial front in both placement of accounts and monitoring pool assets. Options for including local agents were discussed.

President Schoepf called for a break at 2:23 p.m. The meeting resumed at 2:36 p.m.

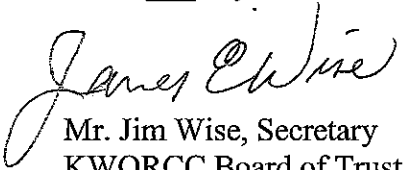
President Schoepf called upon Messrs. Eyman and Rippee to address Agenda Item No. 8, "Loss Prevention and County Visits." Mr. Eyman reviewed calendars for August, September and October for the loss-prevention staff as well as the breakdown of county visits since the first of the year. Mr. Eyman reported that the Kansas Department of Transportation is requiring flaggers to be certified and carry a certification card. Mr. Eyman is certified to conduct a day-long flagger training course, but is hopeful that Mr. John Dahl with the Kansas Engineers Association will develop a two-hour course that can be used instead.

President Schoepf addressed Agenda Item No. 10, "Committee Reports." Mr. Alcorn asked Mr. Parrish to report on the Personnel Committee meeting. Mr. Parrish stated the committee reviewed various documents describing cost-of-living trends in the Midwest as well as other parts of the country. He said that Ms. Bird had sampled some of the Member Counties and learned that a majority of those sampled adopted budgets which increased wages of their county workers by at least three percent. He then reviewed the action KWORCC took last year to provide a cost-of-living increase in wages for 2008. He said that after reviewing all the information and discussing the finances of the pool, the Committee adopted a recommendation to provide a lump-sum increase in KWORCC staff salaries of \$11,000 to be allocated in a manner which gives each staff member a minimum cost-of living increase of three percent of the current base salary with the balance of the lump-sum to be allocated to staff at the discretion of the Administrator with all increases to commence on January 1, 2009. Mr. Alcorn moved to adopt the Committee's recommendation. Ms. Garrett seconded the motion which CARRIED unanimously.

President Schoepf proceeded to Agenda Item No. 11, "Trustee Training: Mega-Trends Influencing Workers' Comp Insurance Industry." Mr. Eyman discussed how trends in the workforce and the economy affect the costs incurred by workers compensation insurance providers. After questions and discussion, President Schoepf thanked Mr. Eyman for an informative presentation.

President Schoepf proceeded to Agenda Item No. 12, "Other items." There were no other items to discuss. Ms. Swartz moved to adjourn at 3:09 p.m. Mr. Wise seconded the motion, which CARRIED unanimously.

The KWORCC Board of Trustees approved the foregoing minutes on the ___ day of October 2008.


Mr. Jim Wise, Secretary
KWORCC Board of Trustees

Minutes
Meeting, Board of Trustees
Kansas Worker Risk Cooperative for Counties
October 16, 2008 at 1:00 p.m.
Clubhouse Inn
924 SW Henderson Road
Topeka, KS 66615

The October 2008 meeting of the Board of Trustees of Kansas Workers Risk Cooperative for Counties (KWORCC) was called to order at 12:58 p.m. at the Clubhouse Inn in Topeka by Board President F. E. "Shep" Schoepf on Thursday, October 16, 2008. Trustees participating included F. E. "Shep" Schoepf, Reno County Commissioner, President; Michelle Garrett, Morris County Clerk, Vice President; Linda M. Buttron, Jefferson County Clerk, Controller; Bonnie Swartz, Gray County Clerk; Ralph D. Unger, Decatur County Commissioner and Doyle "Hooley" Alcorn, Jewell County Commissioner.

Staff participating 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 and Ms. Nicole Jarboe-Paxson, Executive Assistant and Media Director.

Insurance Management Associates appeared by Ms. Annette Duncan, Mr. Paul Davis, Mr. Tris Felix and Mr. Gus Campuzano. Mr. Sam Cargnel and Mr. Dustin Gary of Cenric Actuarial Solutions, LLC were also present.

President Schoepf addressed Agenda Item No. 2, "Approval of the Agenda." Mr. Parrish recommended four changes to the Agenda. First, the addition of Agenda Item No. 3a "Excuse Jim Wise for personal business," second the addition of Agenda Item 4f. "Contract for Independent Audit," third the addition of Agenda Item No. 6b. "KID Quarterly Report" and fourth, renumbering Agenda Item No. 6b "Check Register" to Agenda Item No. 6c. Mr. Unger moved to approve the agenda as modified. Ms. Garrett seconded the motion, which CARRIED unanimously.

President Schoepf addressed Agenda Item No. 3, "Consideration of Minutes of Meeting of September 25, 2008." Mr. Unger moved to approve the minutes as presented; Ms. Swartz seconded the motion, which CARRIED unanimously.

Next, President Schoepf proceeded to Agenda Item No. 3a "Excuse Jim Wise for Personal Business." Ms. Swartz moved to excuse Trustee Wise. Mr. Unger seconded the motion, which CARRIED unanimously.

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

Next, Mr. Parrish asked Mr. Cargnel to address Agenda Item No. 4b, "Actuarial Report: Centric Presentation." He gave a Powerpoint presentation summarizing the August 31, 2008 actuarial findings. This included estimates of ultimate liabilities, changes in ultimate liabilities to prior years, an outlook for 2009 and a confidence-level analysis for the 2009 forecast. He asked for and responded to questions.

He noted the full report was previously provided to the trustees and he consulted with Ms. Bird and Mr. Davis in the process of his actuarial review. Ms. Swartz moved to receive and file the actuarial report. Ms. Garrett seconded the motion which CARRIED unanimously.

Next, Messrs. Davis and Felix attended to Agenda Item No 4c, "IMA Address." Mr. Felix began with Trustee Training - Stewardship Report. He explained how KWORCC has grown over the last nine years as well as how costs have changed over the same time period. He detailed the service personnel and recourses IMA provides for KWORCC.

Thereafter, Mr. Felix addressed Reinsurance. He reported that last year IMA took KWORCC's reinsurance to market and found that Safety National continued to be the best option for KWORCC this year. IMA will be asking for a rate decrease from Safety National based on the good performance of the pool. He also explained that IMA will research options for Accidental Death and Dismemberment policy as further protection for the pool. More information will be available in December and a decision can be made at that time.

Next, Mr. Parrish requested Messrs Davis and Felix discuss the IMA contract renewal. Mr. Davis reviewed a summary of the increases being asked for by IMA. Ms. Swartz moved to approve the increase and renew the contract. Mr. Unger seconded the motion which CARRIED unanimously.

Mr. Parrish then addressed Agenda Item No. 4d "2009 KWORCC Budget Approval." Mr. Parrish reviewed the proposed budget. He asked for and responded to questions. Mr. Alcorn moved to adopt the budget as presented. Ms. Buttron seconded the motion which CARRIED unanimously.

Next Mr. Parrish asked Ms. Bird to address Agenda Item No. 4e "KAC Vendor Booth and KWORCC Annual Meeting." Ms. Bird stated that enough delegate forms had been returned that a quorum is likely. She discussed the schedule for Trustees and staff to attend the vendor booth and promised to provide packets and updated information before the annual meeting.

Mr. Parrish proceeded to Agenda Item No. 4f "Contract for Independent Audit". He reviewed the agreement as proposed by Wendling Noe, Nelson and Johnson and recommended approval. Ms. Garrett moved to approve the contract. Ms. Buttron seconded the motion which CARRIED unanimously.

President Schoepf turned to Agenda Item No. 5, "Marketing Report." Mr. Eyman discussed marketing activities, including a review of members that have notified KWORCC of an intention to seek competitive bids for workers compensation insurance this year.

President Schoepf recommended Frances Garcia, Reno County Commissioner fill his position after he retires. He would like to bring her to the next board meeting so that the board can meet her and ask her questions.

Thereupon President Schoepf declared a break in the meeting at 2:16. The meeting resumed at 2:32 p.m.

President Schoepf addressed Agenda Item No. 6, "Financial Report." Mr. Alexander reported on financial statements he prepared for September 2008. Ms. Swartz moved to accept the financial reports as presented. Ms. Garrett seconded the motion, which CARRIED unanimously.

Mr. Alexander presented the check register. Mr. Unger moved to approve check Nos. 12751 through 12789 and the direct debits, all as presented. Ms. Buttron seconded the motion, which CARRIED unanimously.

Mr. Alexander discussed in detail the third quarterly financial report for 2008 to be filed with the Kansas Insurance Department. Ms. Swartz moved to receive and file that report. Mr. Unger seconded the motion, which CARRIED unanimously.

Mr. Alexander then reviewed a spreadsheet showing the value of KWORCC's equity investments as of October 8, 2008.

President Schoepf addressed Agenda Item No. 7a, "Claims Report." Ms. Duncan reported on several claims and answered questions. She also requested approval on a pending settlement. After discussion of the claim, Mr. Unger moved to approve settlement of claim No. 2007033145 as recommended. Ms. Swartz seconded the motion, which CARRIED unanimously.

In addressing Agenda Item No. 7b, Ms. Duncan reviewed the Logicomp report for the period of January 1, 2008 through September 30, 2008. She stated that the total amount billed is \$3,560,579. The report showed actual paid amount to be \$2,021,012 for net savings after fees of \$1,539,568 or more than 43% of the amount billed for this seven-month period.

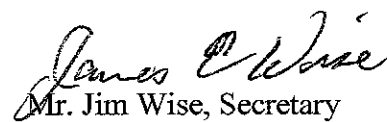
In addressing Agenda Item No. 7c, Mr. Felix explained an analytical review generated by IMA showing KWORCC's claim history for policy years 2003 through 2008. The documents consist of graphs which compare the actual paid and incurred losses to the estimated paid and incurred losses and show the actuarial projections. Mr. Felix emphasized these charts should not be considered as a guarantee of either good or poor ultimate-loss performance.

President Schoepf called upon Messrs. Eyman and Rippee to address Agenda Item No. 8, "Loss Prevention and County Visits." Mr. Eyman reviewed calendars for September, October and November for the loss-prevention staff as well as the breakdown of county visits since the first of the year. Mr. Eyman reported he has been asked to help with the LTAP meetings again in 2009 and shared the dates in February. He further reported that he is awaiting information from KDOT on their requirements for flagging certification.

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

President Schoepf proceeded to Agenda Item No. 10, "Other items." There were no other items to discuss. Ms. Swartz moved to adjourn at 3:03 p.m. Ms. Buttron seconded the motion, which CARRIED unanimously.

The KWORCC Board of Trustees approved the foregoing minutes on the 11th day of December 2008.


Mr. Jim Wise, Secretary
KWORCC Board of Trustees

Minutes of the KWORCC
Annual Meeting
Hyatt Regency
400 W. Waterman Street
Wichita, Kansas 67202
November 17, 2008

The Annual Meeting of Kansas Workers Risk Cooperative for Counties (KWORCC) was called to order by Board President Francis "Shep" Schoepf on Monday, November 17, 2008 at the Hyatt Regency Hotel, Wichita, Kansas. Trustees present: Francis "Shep" Schoepf, Reno County Commissioner, President; Michelle Garrett, Morris County Clerk, Vice President; Jim Wise, Miami County Commissioner, Secretary; Linda Buttron, Jefferson County Clerk, Controller; Doyle "Hooley" Alcorn, Jewell County Commissioner; Bonnie Swartz, Gray County Clerk and Ralph D. Unger, Decatur County Commissioner.

Staff present: Mr. James W. Parrish, Administrator; Ms. Dortha O. Bird, Deputy Administrator/Staff Counsel; Mr. Carl Eymann, Deputy Administrator/Loss Prevention Specialist; Mr. Philip Rippee, Loss Prevention Specialist; Mr. Richard Alexander, Accountant and Ms. Nicole Jarboe-Paxson, Executive Assistant/Media Director.

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

President Schoepf called the meeting to order at 5:28 p.m. and verified that a quorum was present. He announced that a total of 39 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; Steve Garten, Barber County Commissioner, Delegate; David M. Thurlow, Clay County Commissioner, Delegate; Ralph D. Unger, Decatur County Commissioner, Delegate; Everett Kolling, Dickinson County Commissioner, Delegate; Terry Kueser, Ellsworth County Commissioner, Delegate; John Swayze, Ford County Commissioner, Delegate; Don Hay, Franklin County Commissioner, Delegate; Florence Whitebread, Geary County Commissioner, Delegate; Mahlon Tuttle, Gove County Commissioner, Delegate; Ronnie Jantz, Gray County Commissioner, Alternate; Edward E. Buckle, Greenwood County Commissioner, Delegate; Nikki Schwerdfeger, Hamilton County Commissioner, Delegate; Cheryl Adelhardt, Harper County Clerk, Delegate; Marge Roberson, Harvey County Commissioner, Delegate; Raymond Brown, Haskell County Commissioner, Delegate; Roy Hallauer, Jackson County Commissioner, Delegate; Linda Buttron, Jefferson County Clerk, Delegate; Doyle "Hooley" Alcorn, Jewell County Commissioner, Delegate; Kathlyn Delaney, Lane County Commissioner, Delegate; Herb Pemberton, Linn County Commissioner, Delegate; Marshall F. Miller, Lyon County Commissioner, Delegate; Bob Hein, Marion County Commissioner, Delegate; Clair Bender, Meade County Commissioner, Alternate; Jim Wise, Miami County Commissioner, Delegate; Michelle Garrett, Morris County Clerk, Delegate; John Miller, Norton County Commissioner, Alternate; William Prescott, Osage County Commissioner, Delegate; Betty J. Pruter, Osborne County Commissioner, Alternate; Kathy M. Luthi, Ottawa County Commissioner, Delegate; Kathy Bowman, Pawnee County Commissioner, Delegate; F.E. "Shep" Schoepf, Reno County Commissioner, Delegate; Shaerri Barragree, Saline County Commissioner, Alternate; Doyle Kauk, Sheridan County Commissioner, Delegate; Sharon Dimitt, Stanton County Clerk, Alternate; Gary Baker, Stevens County Commissioner, Alternate; Eldon Gracy, Sumner County Commissioner, Delegate; Byron Sowers, Thomas County Commissioner, Delegate and R. John Miller, Wallace County Commissioner, Delegate.

President Schoepf then addressed Agenda Item No. 2, "Approval of the Agenda." Marshall Miller, Lyon County Commissioner, moved to approve the agenda as presented. Florence Whitebread, Geary County Commissioner, seconded the motion, which CARRIED unanimously.

President Schoepf addressed Agenda Item No. 3, "Consideration of the Minutes of the Meeting of November 19, 2007." Ralph D. Unger, Decatur County Commissioner, mentioned there were two minor corrections to the minutes and moved to approve the minutes with those corrections. Herb Pemberton, Linn County Commissioner, seconded the motion, which CARRIED unanimously.

President Schoepf next addressed Agenda Items No. 4, "Election of KWORCC Trustees." President Schoepf announced that there were three positions open, with nominations received for the following: Bonnie Swartz, Gray County Clerk, incumbent for the Southwest District; Linda Buttron, Jefferson County Clerk, incumbent for the Northeast District; and Michelle Garrett, Morris County Clerk, incumbent, and Byron Sowers, Thomas County Commissioner, for the Trustee At Large Position. President Schoepf then asked for nominations from the floor. There were no further nominations. Linda Buttron, Jefferson County Clerk, moved to accept the ballot as printed. Doyle "Hooley" Alcorn, Jewell County Commissioner, seconded the motion which CARRIED unanimously.

President Schoepf directed the membership to cast ballots and to vote for no more than one nominee for each of the districts and one for the At Large position. He asked for volunteers to collect and count the ballots. Sharon Dimitt, Stanton County Clerk, Florence Whitebread, Geary County Commissioner and Marge Roberson, Harvey County Commissioner, volunteered, collected the ballots and adjourned to another room to tally the votes. The results were to be announced upon their return.

President Schoepf addressed the membership, pursuant to Agenda Item No. 5, "President's Opening Remarks." President Schoepf introduced the members of 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 two county cooperatives and an airport authority.

President Schoepf explained that the KWORCC Board consists of county elected officials who serve as trustees. The board meets each month and has three primary committees consisting of the Investment Committee, the Personnel Committee and the Audit Committee that meet periodically and make recommendations to the full board.

President Schoepf stated KWORCC has more than \$17 million in liquid assets, and the pool is strong and stable.

President Schoepf 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, 2008.

The election volunteers returned to the meeting, and President Schoepf announced the results. Bonnie Swartz, Gray County Clerk was re-elected to represent the Southwest District. Michelle Garret, Morris County Clerk was re-elected to the Trustee At Large position and Linda Buttron, Jefferson County Clerk was re-elected to represent the Northeast District.

President Schoepf asked that Mr. Carl Eyman and Mr. Phil Rippee address Agenda Item No. 7, "Safety Services Report." Messrs. Eyman and Rippee reported on their visits to counties for loss-prevention

visits and inspections. Mr. Eyman reported on new safety requirements for road crew flag personnel. He encouraged Members to contact KWORCC to schedule safety training and to take advantage of 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 given to counties in three categories created according to three ranges of premiums. The awards announced by Mr. Eyman are as follows:

<u>Premium</u>	<u>Winners</u>	<u>Ratio</u>
0-\$50,000	1st—Comanche County	1.0%
	2nd—Sheridan County	1.3%
	3rd—Edwards County	1.4%
\$50,000— \$125,000	1st—Cloud County	0.3%
	2nd—Haskell County	1.0%
	3rd—Brown County	1.2%
Greater than \$125,000	1st—Clay County	1.0%
	2nd—Stevens County	1.7%
	3rd—Marion County	4.0%

President Schoepf asked Mr. Parrish to address Agenda Item No. 8, "Presentation of 2009 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 and is presented each year at the annual meeting.

President Schoepf called for a motion to destroy the ballots from the election. Ralph D. Unger, Decatur County Commissioner so moved, and Steve Garten, Barber County Commissioner, seconded the motion. The motion CARRIED unanimously.

President Schoepf addressed Agenda Item No. 9, "Other Business." There were no further items to be discussed. Thereafter, he adjourned the 2008 KWORCC Annual Meeting at 5:55 PM.

Respectfully Submitted for Approval


Doyle Alcorn, Secretary

I, Jim Wise, 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 11th day of December, 2008 at which a quorum was present:

RESOLUTION # 2008-83


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, 2008, 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, 2008,

NOW, THEREFORE BE IT RESOLVED, by the Board of Trustees of Kansas Workers Risk Cooperative for Counties, in regular meeting duly assembled this 11th day of December, 2008, 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, 2008.

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 11th day of December, 2008.



Jim Wise, Secretary

I, Jim Wise, 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 11th day of December, 2008 at which a quorum was present:

RESOLUTION # 2008-89

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 24, 2008 through November 30, 2008, which have been reviewed by the Investment Committee. 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 24, 2008 through November 30, 2008, 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 11th day of December, 2008.



Jim Wise, Secretary

For Trades Executed At: Country Club Bank

Trade History Report
Country Club Bank

Select Fields	From Value	To Value	Seq.	Totals
Entity	144	144		n
Customer Nbr.	300121	300121		n
Cusip Nbr.				n
Security ID				n
Portfolio ID				n
Salesperson				n
Enter Date	07/24/2008	12/01/2008		n
Trade Date	07/24/2008	12/01/2008		n
Settle Date				n
Bank Eligible		ZZ		n
Purch/Sale/Both			b	
Int/Mat/Both			n	
Fed Funds			n	
Repo Agmnts			n	

For Trades Executed At: Country Club Bank

Ticket Nbr	Cust S/N	Reg Type/Id	Apr By	Dt Enter	Factor	Par	Prin
Cust Nbr	Sec Descrip 1	Call Cd-Dt	Apr Date	Trade Dt	Tran Cd	Basis	Interest
Cusip	Sec Descrip 2	Call Price	Apr Time	Settle Dt	Ent By	Yield	Fees
Security	Sec Descrip 3	Mat Date	Fail Del	Trd Status	Trd For	Price	Dlr Comm
Port ID	Mdy/S&P/Mkt	CPN Rate	Fail Pmt	Pay/Del	Sales Crdt	P/L	Total Amt
311045633	KWORCC (302)	E/ccf		09/26/2008	1.0000000000	510,000.00	509,447.50
300121	FEDERAL HOME LOAN BANK DN			09/26/2008	Sale	D1.50000	.00
313384L64	FHDN 10/22/08	.000	n-09/29/08	09/26/2008	skm144	1.5000000	.00
313384L64	//	10/22/2008	n-09/26/08	09	BCT	99.891666670	.00
033-DISC				c/ski	0.00	.00	509,447.50
311046964	KWORCC (302)	E/*		10/31/2008	1.0000000000	200,000.00	199,816.67
300121	FEDERAL HOME LOAN BANK DN			10/31/2008	Sale	D1.00000	.00
313384R84	FHDN 12/03/08	.000	n-10/31/08	10/31/2008	skm144	1.0000000	.00
313384R84	//	12/03/2008	n-10/31/08	09	BCT	99.908333330	.00
033-DISC			n-10/31/08	c/ski	0.00	201.67	199,816.67

Report Totals

Par: 710,000.00 P/L: 201.67 Prin: 709,264.17
 Comm: .00 Fees: .00 Int: .00
 Total: 709,264.17

Minutes
Meeting, Board of Trustees
Kansas Worker Risk Cooperative for Counties
December 11, 2008 at 2:00 p.m.
Clubhouse Inn
924 SW Henderson Road
Topeka, KS 66615

The December 2008 meeting of the Board of Trustees of Kansas Workers Risk Cooperative for Counties (KWORCC) was called to order at 2:07 p.m. at the Clubhouse Inn in Topeka by Board President F. E. "Shep" Schoepf on Thursday, December 11, 2008. Trustees present included F. E. "Shep" Schoepf, Reno County Commissioner, President; Michelle Garrett, Morris County Clerk, Vice President; Jim Wise, Miami County Commissioner, Secretary; Linda M. Buttron, Jefferson County Clerk, Controller; Bonnie Swartz, Gray County Clerk and Ralph D. Unger, Decatur County Commissioner.

Staff participating 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; Mr. Bruce Woner, General Counsel and Ms. Nicole Jarboe-Paxson, Executive Assistant and Media Director.

Insurance Management Associates appeared by Ms. Annette Duncan, Mr. Paul Davis and Mr. Gus Campuzano. Also present were Chris Thompson, Country Club Bank and Brad Downard, Security Global Investors.

President Schoepf addressed Agenda Item No. 2, "Approval of the Agenda." Mr. Parrish recommended "Excuse Mr. Alcorn" be added to the Agenda as Item No. 2a, that Agenda Item No. 4 "Consideration of Minutes" be moved ahead of Agenda Item No. 3 "Trustee Training" and that the "Investment Committee Report," Agenda Item No. 11, immediately follow Agenda Item No. 3. Mr. Unger moved to approve the agenda as modified. Mr. Wise seconded the motion, which CARRIED unanimously.

President Schoepf addressed Agenda Item No. 2a, "Excuse Mr. Alcorn." Ms. Swartz moved to excuse Mr. Alcorn; Mr. Unger seconded the motion which CARRIED unanimously.

President Schoepf addressed Agenda Item No. 4, "Consideration of Minutes of Meeting of October 16, 2008." Mr. Unger moved to approve the minutes as presented; Ms. Garrett seconded the motion, which CARRIED unanimously.

President Schoepf asked Mr. Thompson and Mr. Downard to address Agenda Item No. 3 "Trustee Training; State of the Economy and KWORCC's Investments." Mr. Thompson addressed the fixed-income investments, which constitute 92.5% of KWORCC's portfolio. He stated that these fixed-income Government bonds have not been affected by the downturn in the market and explained how debenture securities function. Essentially they are similar to a CD you purchase at a bank and can be liquidated at any time. In the future, he recommends considering some Bank CDs to add to the portfolio.

Mr. Thompson further stated that as of December 1, 2008, KWORCC owned bonds with a value of \$11,950,000 with an average book yield of approximately 4.56% and an average maturity of 8.3 years. KWORCC's estimated annual income is just a bit higher than \$500,000.

Mr. Thompson said that interest rates are at historical lows and the economy is on "soft ground" as recessionary language tops all economists' forecast. Currently the overnight interest rates are targeted at 1%, but it is widely anticipated that the FOMC will cut this target rate to as little as 0.25%, probably at its meeting next week. He described this as the latest in a series of unprecedented liquidity-injecting maneuvers from the Federal Reserve as it attempts to revive the nation's economy. He said to expect lower rates going forward. Rates were quite low at the first of the year and are even lower now. The current 8.3-year weighted average maturity will not likely persist as rates continue to decline and bonds are called. Frequent call notices are expected, resulting in a lot of cash and it will need to be reinvested. While rates are low, we will need to take what the market offers us. We will try to stay as short as we can and resist the temptation for long term investments maturities in order to attain additional yield. He believes that would be a mistake because it potentially will create massive unrealized losses when rates do move up, and KWORCC would be locked into historically low yields. Overall, the market situation will result in more of KWORCC's portfolio being repriced than he had originally intended as new purchases will be at lower rates. This repricing will negatively impact KWORCC's annual income.

Mr. Downard addressed the equity funds investments, stating that the Alpha Opportunity Fund is currently closed to new money. This fund uses a long, short strategy. A global ban on short sales was in place, but has currently been lifted in the United States. However, there is not adequate credit available to do the short sales at this time. The strongest fund is Mid Cap Value Fund, which has a market value which exceeds the cost basis. Messrs. Thompson and Downard asked for and responded to questions from the Board.

President Schoepf proceeded to Agenda Item No. 11, "Investment Committee Report." Mr. Unger reported on the meeting of the Investment Committee which met just prior to this meeting. He said Mr. Brad Downard of Security Global Investors and Mr. Chris Thompson of Country Club Bank attended the meeting to discuss the status of KWORCC investments. Mr. Unger reported that the Investment Committee recommends KWORCC retain its current equity investments, but not invest any new money at this time and review it every meeting. Mr. Unger moved that KWORCC recess further investments in equities and review this policy monthly. Ms. Swartz seconded the motion, which CARRIED unanimously. Additionally, Mr. Unger moved to ratify Resolution No. 2008-89 approving purchases of United States Government-backed securities during the period beginning July 24, 2008 through November 30, 2008. The motion was seconded by Mr. Wise and CARRIED unanimously.

President Schoepf proceeded to Agenda Item No. 5, "Administrator's Report." Mr. Parrish addressed Agenda Item No. 5a, "Checks Requiring Board Approval and Ratification of Wire Transfers." Mr. Parrish itemized wire transfers of funds and said there were no checks requiring approval. Mr. Wise moved to ratify the wire transfers as presented. Ms. Swartz seconded the motion, which CARRIED unanimously.

Next, Mr. Parrish introduced Frances Garcia, Reno County Commissioner to the Board. Mr. Unger moved to appoint Ms. Garcia to fill the remaining year of President Schoepf's term. Ms. Garret seconded the motion, which CARRIED unanimously.

Vice-President Garrett addressed Agenda Item No. 5c, "Presentation to President Schoepf." Ms. Garret thanked Mr. Schoepf for his years of service to KWORCC and his past year as President. Mr. Schoepf thanked the Board. Mr. Woner then said a few words to thank Mr. Schoepf for his public service.

President Schoepf then passed the gavel to Vice President Garrett who chaired the remainder of the meeting.

Mr. Parrish presented Resolution No. 2008-83 requesting the Kansas Department of Administration to waive the GAAP requirements of K.S.A. 75-1120a(a) as they apply to KWORCC for the year ending December 31, 2008. Ms. Swartz moved to adopt Resolution No. 2008-83. 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. Ms. Bird said the proposed expenditures incorporated in these agreements were approved when the Trustees adopted the 2009 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 then addressed Agenda Item No. 5f, "Investment Income Allocation." He recommended that investment income be allocated to fund years, as follows: \$110,000 to 2000, \$120,000 to 2001 and \$600,000 to 2004, for a total allocation of \$830,000. He explained that this allocation does not change the equity position of the pool. Mr. Unger moved to follow the recommendation as presented. Ms. Swartz seconded the motion, which CARRIED unanimously.

Mr. Parrish presented a proposed calendar for KWORCC 2009 Board meetings. After discussion, the following dates were chosen for KWORCC Board meetings in 2009: January 15th, February 19th, March 27th, April 16th, May 14th, June 18th, July 16th, August 13th, September 17th, October 16th, November 16th (Annual Meeting) and December 10th. Mr. Unger moved to approve the dates as well as January 21, 2010. All of the meetings which occur during daylight savings time will begin at 1:00 p.m., and the other meetings will begin at 2:00 p.m. Ms. Swartz seconded the motion which CARRIED unanimously.

Next, Mr. Davis discussed excess insurance renewal and a proposal to add an accidental death and dismemberment to the reinsurance package for 2009. After testing the market and negotiating with Safety national, he said he would recommend renewing the reinsurance policy. The proposed premium will be five percent lower than the premium for 2008 for the same coverage. Ms. Swartz moved to accept the proposal from Safety National for reinsurance. Mr. Wise seconded the motion, which CARRIED unanimously. Mr. Davis reviewed a hand-out describing an additional reinsurance policy covering accidental death or dismemberment. He said he had concluded that the premium offered on this additional policy was too high that it is unlikely that it would be a cost-effective purchase, considering the history of claims experienced by the pool.

Mr. Parrish next discussed the strategy for KWORCC's participation in the Kansas Association of Counties (KAC) orientation program for newly-elected county commissioners scheduled next February 5th and 6th in Topeka. KAC has guaranteed KWORCC and KCAMP will be included in the agenda. He said this event also provides an opportunity for KWORCC and KCAMP to host a dinner or reception for the new commissioners. The general consensus of the Trustees was that all new commissioners should be invited, even if they are not from member counties, and that a reception would be better than a dinner.

Mr. Parrish then stated that the proposed premiums for KWORCC members could not be finalized for consideration by the Trustees at this meeting because several members had not made a final decision on membership. He proposed a special meeting be conducted by teleconference on Friday, December 19 at 10:00 a.m. to consider the premiums for approval. There are four county entities from which additional information is still needed.

Finally, Mr. Parrish addressed Agenda Item No. 5k, "Day after Christmas or Day after New Years." He pointed out that the State of Kansas declared the day after Christmas to be a paid holiday and the day after New Year's Day 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. Mr. Unger moved to give the KWORCC staff the day off on the day after Christmas. The motion was seconded by Ms. Swartz and CARRIED unanimously.

Vice-President Garrett turned to Agenda Item No. 6, "Marketing Report." Mr. Eyman stated that two county hospitals are still considering KWORCC membership. He said the Metropolitan Topeka Airport Authority (MTAA) chose to stay with KWORCC and Atchison County decided to stay with KERIT.

Thereupon Vice-President Garrett declared a break in the meeting at 3:49 p.m. The meeting resumed at 4:03 p.m.

Vice-President Garrett addressed Agenda Item No. 7, "Financial Report." Mr. Alexander reported on financial statements he prepared for October and November. Ms. Swartz moved to accept the financial reports as presented. Ms. Buttron seconded the motion, which CARRIED unanimously.

After Mr. Alexander's explanation that all claims had been paid for policy year 1996, Mr. Unger moved to close this policy year on KWORCC's books and transfer the balance to the Member Protection Fund. Mr. Wise seconded the motion, which CARRIED unanimously.

Mr. Alexander presented the check register. Mr. Unger moved to approve check Nos. 12790 through 12874 and the direct debits, all as presented. Mr. Schoepf seconded the motion, which CARRIED unanimously.

Mr. Alexander then reviewed a spreadsheet showing the value of KWORCC's equity investments as of November 30, 2008.

Vice-President Garrett addressed Agenda Item No. 8, "Claims Report -- IMA." Ms. Duncan addressed Agenda Item No. 8a, "Select Claims Review." She reported on several claims and answered questions.

Ms. Duncan then reviewed the "Logicomp Bill Review Report" under Agenda Item No. 8b for the period from January 1, 2008 through November 30, 2008. She said the report shows the total amount billed is \$4,365,568; the actual paid amount is \$2,421,952 for net savings after fees of \$1,944,017. This is more than 45% of the amount billed for this eleven-month period.

Mr. Davis then explained the "Policy Year Performance Review" under Agenda Item No. 8c. This analytical review generated by IMA shows KWORCC's claim history for policy years 2007 and 2008. The documents consist of graphs which compare the actual paid and incurred losses to the

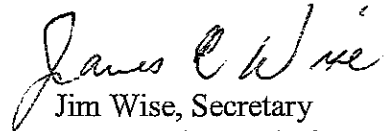
estimated paid and incurred losses and shows the actuarial projections. Mr. Davis emphasized these charts should not be considered as a guarantee of either good or poor ultimate-loss performance.

Vice-President Garrett called upon Messrs. Eymann and Rippee to address Agenda Item No. 9, "Loss Prevention and County Visits." Mr. Eymann reviewed calendars for November and December for the loss-prevention staff as well as the breakdown of county visits since the first of the year.

Vice-President Garrett addressed Agenda Item No. 10, "Legal Report." Mr. Parrish stated there was no legal report.

There being no further business on the agenda, Ms. Swartz moved to adjourn at 4:26 p.m. Mr. Unger seconded the motion, which CARRIED unanimously.

The KWORCC Board of Trustees approved the foregoing minutes on the 15th day of January, 2009.


Jim Wise, 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 11, 2008

On Thursday, December 11, 2008 at 1:10PM 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, Ralph D. Unger. Committee Members participating included: Ralph D. Unger, Decatur County Commissioner; F.E. Schoepf, Reno County Commissioner and Jim Wise, Miami County Commissioner. Also present was KWORCC Administrator, Jim Parrish, Bradley Downard, Security Benefit Group and B. Christopher Thompson, Senior Vice President Investment Services Division at Country Club Bank.

Mr. Parrish recommended changes in the Agenda as follows: Item 4, Review for Approval of Government Purchases; Item 5, Review of Fixed Income Investments – B. Christopher Thompson; Item 6, Review of Equity Investments – Brad Downard. Mr. Wise moved to approve the Agenda, as revised. Mr. Schoepf seconded the motion, which CARRIED unanimously.

Chairman Unger requested consideration of minutes dated August 21, 2008. Mr. Schoepf moved to approve the minutes as presented. Mr. Wise seconded the motion which CARRIED unanimously.

Chairman Unger addressed Agenda Item 4, "Review and Approval of Government Purchases." Mr. Parrish explained that one purpose of the meeting was to review the purchases and sales of fixed-income assets from July 24, 2008 through November 30, 2008. Mr. Parrish called the Committee's attention to Country Club Bank's "Trade History Report" included in the agenda packet. He noted there were two sales of United States government-backed securities during the period indicated. He then noted that Resolution No. 2008-89 is included in the agenda packet and offered for consideration by the Committee and the Board of Trustees. The resolution confirms that the investment activity has been reviewed and are in accordance with Kansas Statutes and KWORCC's investment policy. Mr. Schoepf moved to recommend to the KWORCC Board of Trustees the adoption of KWORCC Resolution 2008-89; Mr. Wise seconded the motion, which CARRIED unanimously.

The Chairman then asked Messrs. Thompson and Downard to discuss KWORCC's investments. Mr. Thompson proceeded to review KWORCC's fixed-income portfolio. He said the portfolio is invested in safe, highly liquid government bonds issued by Federal Home Loan Mortgage Corporation (FreddieMac), the Federal National Mortgage Association (FannieMae), Federal Home Loan Bank (FHLB) and Federal Farm Credit Bank (FFCB). He emphasized that none of the bonds are "mortgage-backed securities." All bonds are senior debentures of the issuing party, and a debenture is a "plain vanilla" bond that pays a coupon twice a year and then pays off at maturity or on the call date. There is no specific collateral for these bonds, but they are a general liability of the issuer.

Mr. Thompson further pointed out that FreddieMac and FannieMae are still in conservatorship, and the nation's new elected leadership must resolve what to do with these entities. Mr. Thompson reassured the committee that the investment in FreddieMac and FannieMae is safe. He said that it was the preferred shares that lost value when these institutions were placed into conservatorship. What KWORCC owns is senior debt.

He stated that as of December 1, 2008, KWORCC owned bonds with a value of \$11,950,000 with an average book yield of approximately 4.56% and an average maturity of 8.3 years. KWORCC's estimated annual income is just a bit higher than \$500,000.

Mr. Thompson said that interest rates are at historical lows and the economy is on "soft ground" as recessionary language tops all economists' forecast. Currently the overnight interest rates are targeted at 1%, but it is widely anticipated that the FOMC will cut this target rate to as little as 0.25% at its meeting next week. He described this as the latest in a series of unprecedented liquidity-injecting maneuvers from the Federal Reserve as it attempts to revive the nation's economy. He said to expect lower rates going forward. Rates were quite low at the first of the year and are even lower now. The current 8.3-year weighted average maturity will not likely persist as rates continue to decline and bonds are called. Frequent call notices are expected, resulting in a lot of cash, and it will need to be reinvested. While rates are low, KWORCC will need to take what the market offers. He said he plans to stay as "short" as possible and resist the temptation for long-term investment maturities in order to attain additional yield. He believes that would be a mistake because it potentially will create massive unrealized losses when rates move up, and KWORCC would be locked into historically low yields. Overall, the market situation will result in more of KWORCC's portfolio being repriced than he had originally intended as new purchases will be at lower rates. This repricing will negatively impact KWORCC's annual income.

He further stated that the portfolio is holding its value, and equities are only a small portion of that portfolio.

Mr. Downard then discussed KWORCC's equity portfolio. He reviewed the four funds into which KWORCC has invested. As of November 30, 2008, the total invested in these four funds was \$1,352,000, and the current market value is \$1,124,302, or an unrealized loss of \$227,694 - a loss of 16.84% as a percent of cost.

He said there is not a cohesive message coming from the investment community as a whole, and that there is a lack of trust as investors see that the economy is in trouble. In recent weeks, fear and panic have driven the market prices down.

Mr. Schoepf asked if KWORCC should sell its securities. He said he was worried about a further decline in values and was not comfortable investing more money in equities at this time. Mr. Unger pointed out that selling at today's low prices would completely eliminate KWORCC's ability to recover these losses, should the market return. He said he believes that KWORCC should take a recess in investing in equities to see what new direction the economy takes, but that there was no need to rush to sell these equities while their values are so low.

Mr. Downard reviewed the reasons for purchasing equity funds which were the basis of KWORCC's purchase of equities. They include a long-term belief that equities will out-perform bonds these are a hedge against inflation without impairing near-term liquidity. Finally equities provide diversification from bonds and cash equivalents.

Mr. Unger said history would indicate that inflation will return as the economies pendulum swings from one extreme to the other. Mr. Wise pointed out that fixed-income investments are a good alternative to continued investment in equities at this time, and that returns on fixed-income investments will exceed interest income from lower-paying money market accounts.

Mr. Thompson pointed out that only 7.5% of KWORCC's funds are invested in equities, leaving 92.5% invested in fixed-income securities.

Mr. Downard stated that the Alpha Opportunity Fund owned by Security Benefit has been suspended for new investment as a result of the bar on short sales. Although most of that restriction has been lifted in the US domestic market, it is still in place in some parts of the world. The fund does not want to take on more investments if it can't short-sell, and that fund's management philosophy has not changed. The fund is not closed, but the managers are not accepting new investment at this time.

Chairman Unger moved to recommend to the KWORCC Board of Trustees that KWORCC take a recess in making further investments in equities and review this decision at future meetings. Mr. Wise seconded the motion, which CARRIED unanimously.

There being no further business to come before the committee, Chairman Unger 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 July 16, 2009.


Ralph D. Unger, Chair
KWORCC Investment Committee

Minutes – Special Meeting

Board of Trustees

Kansas Worker Risk Cooperative for Counties

December 19, 2008 at 10:00 a.m. via Teleconference

700 SW Jackson, Ste 200

Topeka, KS 66603

A Special Meeting of the Board of Trustees of Kansas Workers Risk Cooperative for Counties (KWORCC) was held via teleconference and called to order by Board Vice President Michelle Garrett at 10:00 a.m. on Friday, December 19, 2008. Trustees on the call included F. E. “Shep” Schoepf, Reno County Commissioner, President; Michelle Garrett, Morris County Clerk, Vice President; James E. Wise, Miami County Commissioner, Secretary; Linda M. Buttron, Jefferson County Clerk, Controller; Bonnie Swartz, Gray County Clerk; Ralph D. Unger, Decatur County Commissioner and Doyle “Hooley” Alcorn, Jewell County Commissioner.

Staff participating included Mr. James W. Parrish, Administrator; Ms. Dortha O. Bird, Deputy Administrator and Staff Counsel and Mr. Carl Eyman, Deputy Administrator and Loss Prevention Specialist.

Also present was Frances Garcia, Reno County Commissioner and Trustee elect.

At the request of Mr. Schoepf, Ms. Garrett agreed to preside and called the meeting to order at 10:02 a.m.

Mr. Parrish stated that the special meeting was called to allow the Trustees to review and approve the 2009 premiums. He explained in detail the process for developing the premiums for KWORCC’s insured county entities. He stressed the importance in calculating KWORCC’s total projected income from these premiums in order to cover budgeted expenses. At the time of the December Trustee meeting, staff did not have adequate information to recommend premiums, and for this reason, this special meeting was scheduled. Mr. Parrish said staff now has the information necessary to propose premiums to the Trustees for approval, and the proposed premiums had been sent to Trustees electronically and by regular mail. Trustees discussed the allocation of advance discounts and other factors involved in determining the final premium amounts. Mr. Unger pointed out that the loyalty of KWORCC members is an important factor to consider in determining the amount of the advance discount.

After discussion and review of the proposed premiums, President Schoepf moved to approve the premiums as presented. Ms. Swartz seconded the motion, which CARRIED unanimously.

Vice President Garrett asked if there was further business to come before the Trustees. Mr. Parrish said that the current state of the economy and automobile market may provide an opportunity to replace KWORCC’s pickup truck at a bargain price. The KWORCC vehicle has more than 80,000

miles of use and has no remaining factory warranty. After discussion, Mr. Unger moved to direct the KWORCC staff to investigate the vehicle market and email recommendations of replacement vehicles to the Trustees for review. If staff recommends a purchase, and there are no objections to the purchase from Trustees, staff should proceed to purchase a replacement truck. Ms. Swartz seconded the motion, which CARRIED unanimously.

There being no further business, Vice President Garrett declared the meeting adjourned.

The KWORCC Board of Trustees approved the foregoing minutes on the 15th day of January 2009.


Jim Wise, Secretary
KWORCC Board of Trustees