

Minutes

Meeting, Board of Trustees
Kansas Worker Risk Cooperative for Counties
January 15, 2009 at 2:00 p.m.
Law Office of Woner, Glenn, Reeder, Girard & Riordan, PA
5611 SW Barrington Ct South
Topeka, KS 66614

The January 2009 meeting of the Board of Trustees of Kansas Workers Risk Cooperative for Counties (KWORCC) was called to order at 1:57 p.m. at the office of Woner, Glenn, Reeder, Girard & Riordan by Board Vice-President Michelle Garrett on Thursday, January 15, 2009. Trustees present 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; Frances Garcia, Reno County Commissioner; 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 and Ms. Nicole Jarboe-Paxson, Executive Assistant and Media Director.

Insurance Management Associates appeared by Ms. Susan May, Mr. Paul Davis and Mr. Gus Campuzano.

Vice-President Garrett addressed Agenda Item No. 2, "Approval of the Agenda." Mr. Parrish asked to change the agenda to replace "Annette Duncan" with "Susan May" in two locations. Ms. Swartz moved to approve the agenda with that correction. Mr. Wise seconded the motion, which CARRIED unanimously.

Vice-President Garrett addressed Agenda Item No. 3a, "Consideration of Minutes of Meeting of December 11, 2008." Mr. Parrish pointed out there were two instances where "President Schoepf" needed to be changed to "Vice-President Garrett." Mr. Unger suggested that the last sentence of the first paragraph on page 4 be changed to read: "There are four county entities from which additional information is still needed." Finally, Mr. Unger stated that the minutes should be signed by Jim Wise as Secretary. Mr. Unger moved to approve the minutes as modified; Ms. Swartz seconded the motion, which CARRIED unanimously.

Vice-President Garrett addressed Agenda Item No. 3b, "Consideration of Minutes of Special Meeting of December 19, 2008." Mr. Unger stated that Ms. Garcia needed to be added to the list of attendees as an observer and that Mr. Wise should be the person to sign the minutes as Secretary. Mr. Unger moved to approve the minutes with those two modifications; Mr. Wise seconded the motion, which CARRIED unanimously.

Vice-President Garrett addressed Agenda Item No. 4, "Election of Officers and Establish Committees." She stated that all proposed officers and committee members had been contacted by the staff and agreed to serve. Mr. Unger moved to elect the slate of officers and ratify appointment of committee members as proposed. The officers include Michelle Garrett, President; Jim Wise, Vice-President; Doyle Alcorn, Secretary and Linda M. Buttron, Controller. The committee members include

Bonnie Swartz, Chair Personnel Committee with Linda Buttron and Doyle Alcorn as committee members; Ralph D. Unger as Chair of Investment Committee with Michelle Garrett and Jim Wise as committee members; Francis Garcia as Chair of Audit Committee with Bonnie Swartz and Linda Buttron as committee members and Ralph D. Unger as chair of the Joint KWORCC/KCAMP Committee on Cooperation with Michelle Garrett and Frances Garcia as committee members. Ms. Swartz seconded the motion, which CARRIED unanimously.

President Garrett 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 checks requiring approval. Mr. Alcorn moved to ratify the wire transfers and checks as presented. Ms. Swartz seconded the motion, which CARRIED unanimously.

Next, Mr. Parrish addressed Agenda Item No. 5b, "New Commissioners Orientation – Update." He stated that Kansas Association of Counties (KAC) has approved the request of KWORCC and KCAMP to host a social gathering after the training session on Thursday the 5th of February for the new commissioners. This is the first day of the 2-day orientation. He then asked Ms. Bird to describe possible promotional items to give to the new commissioners in attendance. Ms. Bird explained that KCAMP is giving away an attaché bag and that Tom Job sent samples for each of the KWORCC Trustees. She then presented three note pad portfolio options, Mr. Unger moved to authorize the staff to order the Manchester zippered portfolio for new commissioners attending the orientation as well as KWORCC Trustees and staff and IMA representatives. Ms. Garcia seconded the motion, which CARRIED unanimously.

Ms. Bird then addressed Agenda Item No. 5c, "Complete Conflict of Interest Forms." She asked that all Trustees and staff complete and return the conflict of interest form to her by the end of the meeting.

President Garrett addressed Agenda Item No. 6, "Marketing Report." Mr. Eyman reported that Decatur Health Systems had decided against renewing its membership. He also discussed counties with whom he made contact.

Mr. Eyman showed an example of the plaques that he gives as loss ratio awards and discussed the possibility of paper weights for the commissioners instead of plaques. The consensus of the Trustees was that the plaques were a better option as they are generally displayed for all county employees to see.

President Garrett addressed Agenda Item No. 7, "Financial Report." Mr. Alexander reported on the progress of the Kansas Insurance Department examination. He stated the examination is generally going well, but the cost undoubtedly will exceed the amount budgeted.

Mr. Alexander then reported on financial statements he prepared for December 2008. There were a few changes to some of the numbers in the copies provided, and corrected copies will be distributed at the February meeting. He recommended modifying the motion made in December to provide that a total of \$170,000 is transferred from investment income to policy year 2001. Ms. Swartz moved to change the amount transferred to 2001 in the motion adopted at the December 11, 2008 meeting from \$120,000 to \$170,000. Mr. Wise seconded the motion, which CARRIED unanimously. Ms. Swartz then moved to accept the financial reports, subject to corrections described by Mr. Alexander. Ms. Garcia seconded the motion, which CARRIED unanimously.

Mr. Alexander presented the check register. Ms. Swartz moved to approve check Nos. 12875 through 12923 and the direct debits, all as presented. Mr. Unger seconded the motion, which CARRIED unanimously.

Mr. Alexander then reviewed a spreadsheet showing the value of KWORCC's equity investments as of January 14, 2009.

President Garrett addressed Agenda Item No. 8, "Claims Report -- IMA." Mr. Campuzano addressed Agenda Item No. 8a, "Select Claims Review." He reported on several claims and answered questions. He also requested approval on a pending settlement of claim # 2006030415. Ms. Swartz moved for approval of the settlement as recommended; Mr. Wise seconded the motion, which CARRIED unanimously.

After discussion of accidents involving the use of privately owned motorcycles while on county business, Ms. Swartz moved that the KWORCC staff draft a sample recommended policy to be placed in the loss prevention manual and disseminated to the membership. The recommendation is that all member counties initiate a policy prohibiting privately-owned motorcycles from use by county employees while on county business. Mr. Alcorn seconded the motion which CARRIED unanimously.

A short break was declared in the meeting at 3:25 p.m. The meeting resumed at 3:35 p.m.

President Garrett then called upon Mr. Campuzano to address the "Logicomp Bill Review Report" under Agenda Item No. 8b for the period from January 1, 2008 through December 31, 2008. He said the report shows the total amount billed is \$4,703,028; the actual paid amount is \$2,633,388 for a net savings after fees of \$2,069,642. This is more than 44% of the amount billed for this 12-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 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. Davis emphasized these charts should not be considered as a guarantee of either good or poor ultimate loss performance.

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

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

Next, President Garret addressed agenda Item No. 11, "Committee Reports." Ms. Bird explained that dates needed to be set for the initial meetings of the primary committees. The suggested dates are February 19, 2009 at 1:00 p.m. for the Personnel Committee; March 27, 2009 at 12:00 noon for the Investment Committee; April 16, 2009 at 12:00 noon for the Audit Committee. Mr. Wise moved to approve the recommended dates. Mr. Unger seconded the motion, which CARRIED, unanimously.

Next, President Garret asked Mr. Davis to address agenda Item No. 12, "Trustee Training: Loss Costs Unleashed." Mr. Davis explained how premiums are computed and how the loss-cost multiplier is calculated. He discussed tiered filings used by other workers compensation insurance pools and


illustrated how such filings are contrary to the philosophy of the pools. Many discussions with KWORCC staff have resulted in the conclusion that tiered filings are not a good idea for KWORCC at this time. President Garret thanked Mr. Davis for an informative presentation.

President Garret then addressed Agenda Item No. 13, "Other Business." She stated that a KWORCC Directory had been distributed and asked everyone to verify the information and provide updates and changes to Ms. Jarboe-Paxson.

Ms. Bird stated that \$2,371,632 in premiums have been received thus far with \$4,383,944 outstanding.

There being no further business, Mr. Unger moved to adjourn at 4:24 p.m. Ms. Swartz seconded the motion, which CARRIED unanimously.

The KWORCC Board of Trustees approved the foregoing minutes on the 19th day of February, 2009.


Doyle Alcorn, Secretary
KWORCC Board of Trustees

Minutes
Meeting, Board of Trustees
Kansas Workers Risk Cooperative for Counties
February 19, 2009 at 2:00 p.m.
Clubhouse Inn
924 SW Henderson Road
Topeka, KS 66615

The February 2009 meeting of the Board of Trustees of Kansas Workers Risk Cooperative for Counties (KWORCC) was called to order at 2:00 p.m. at the Clubhouse Inn in Topeka by Board President Michelle Garrett on Thursday, February 19, 2009. Trustees present included Michelle Garrett, Morris County Clerk, President; Jim Wise, Miami County Commissioner, Vice-President; Doyle "Hooley" Alcorn, Jewell County Commissioner, Secretary; Linda M. Buttron, Jefferson County Clerk, Controller; Bonnie Swartz, Gray County Clerk; Frances Garcia, Reno 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 and Ms. Nicole Jarboe-Paxson, Executive Assistant and Media Director.

Insurance Management Associates appeared by Ms. Susan May and Mr. Paul Davis. Also present was Sam Cargnel of Centric Actuaries.

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

President Garrett addressed Agenda Item No. 3, "Consideration of Minutes of Meeting of January 15, 2009." Mr. Unger moved to approve the minutes with the addition of Doyle Alcorn, Jewell County Commissioner to the list of those present; Ms. Swartz seconded the motion, which CARRIED unanimously.

President Garrett addressed 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 wire transfers of funds and checks requiring approval. Mr. Wise moved to ratify the wire transfers and checks as presented. Ms. Swartz seconded the motion, which CARRIED unanimously.

Next, Mr. Parrish asked Mr. Cargnel to address Agenda Item No. 4b, "Actuarial Year-End Adjustments." Mr. Cargnel reviewed the changes to the ultimate loss picks for prior years, noting there were no large changes to any particular year. Policy year 2008 was reduced by \$200,000 due to there being no large losses. He reviewed that claims cost data, which indicates that the average cost of claims has leveled off in the last few years. For 2009, the reports show that 580 claims are expected, with an average cost of \$8,100 per claim, resulting in a loss pick for 2009 of \$4.7 million. He asked for and responded to questions. President Garrett thanked Mr. Cargnel for his presentation.

Next, Mr. Parrish asked Ms. Bird to address Agenda Item No. 4c, "Signature Cards Updated." Ms. Bird passed around the signature cards for the accounts and asked all the trustees to sign them. She said it is necessary to update the signature cards because Mr. Schoepf is no longer on the Board and Ms. Garcia has joined the Board.

Ms. Bird then addressed Agenda Item No. 4d, "Report on 2009 Member Premiums." There are only three counties which have not yet paid their premiums. However, based upon her discussion with officials from those counties, these premiums are expected to be paid soon. The total received thus far in 2009 premiums is \$6,422,222.

Ms. Bird then proceeded to Agenda Item No. 4e, "PRIMA Conferences." First she discussed MO/KS at Lake of the Ozarks. Mr. Eyman and Mr. Rippee typically attend this conference. Ms. Swartz is planning to attend as well, and Ms. Garrett stated she might be interested in attending. Ms. Bird said that anyone else interested in attending should let her know.

Ms. Bird then discussed National PRIMA in Dallas. She asked that everyone confirm his or her intentions to attend soon so that she may submit the registration information before March 15th. She stated that everyone had informed her they were planning to drive, but if anyone would like to fly, she asked they let her know and she would assist them with flight arrangements. Ms. Swartz stated she will not be attending. Most of those attending stated they would be leaving on Saturday, May 30, 2009. Ms. Bird stated that hotel reservations would be made for that Saturday and as the event gets closer, the reservations can be adjusted based on traveling plans.

President Garrett addressed Agenda Item No. 5, "Marketing Report." Mr. Eyman discussed counties with whom he made contact. Mr. Parrish recapped the New Commissioner's Meeting which was held on February 5th.

President Garrett addressed Agenda Item No. 6, "Financial Report." Mr. Alexander reported on financial statements he prepared for December 2008. He stated that there are only two items that may yet change. With regard to the format in which the information is presented, he explained that the "Total Liquid Assets" line does not take into account unrecognized gains or losses on investments. He asked the Board members if they wished him to continue with this method or if a change would be more beneficial. Board members recommended adding additional detail by including a line item for equity investments and government investments at market value under the heading, "Liquid Assets." Additionally, under the heading "Reserves," the first two lines should be captioned for loss reserves and the bottom two lines for fund reserves. Mr. Alexander stated he would make the recommended modifications and would have the new format prepared for the next Board meeting. Ms. Swartz moved to receive and file the financial reports as presented. Mr. Wise seconded the motion, which CARRIED unanimously.

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

Mr. Alexander presented the check register. Mr. Wise moved to approve check Nos. 12924 through 13000 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 February 10, 2009.

A short break was declared in the meeting at 3:04 p.m. The meeting resumed at 3:16 p.m.

President Garrett addressed Agenda Item No. 7, "Claims Report -- IMA." Ms. May addressed Agenda Item No. 7a, "Select Claims Review." She reported on several claims and answered questions. She then requested approval on three pending settlements of claims. She first explained claim No. 2008034535. Mr. Alcorn moved for approval of the settlement as recommended; Ms. Swartz seconded the motion, which

CARRIED unanimously. She then explained claim No. 2007033818. Ms. Swartz moved for approval of the settlement as recommended; Ms. Garcia seconded the motion, which CARRIED unanimously. She then explained claim No. 2007034182. Mr. Unger moved for approval of the settlement as recommended; Ms. Swartz seconded the motion, which CARRIED unanimously.

President Garrett then called upon Ms. May to address the "Shorman Bill Review Report" under Agenda Item No. 7b for the period from January 1, 2009 through January 31, 2009. She said the report shows the total amount billed is \$347,423; the actual paid amount is \$212,240 for a net savings after fees of \$135,183. This is more than 39% of the amount billed for this 1-month period.

Mr. Davis then explained the "Policy Year Performance Review" under Agenda Item No. 7c. This analytical review generated by IMA shows KWORCC's claim history for policy years 2007 through 2009. 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. Davis emphasized these charts should not be considered as a guarantee of either good or poor ultimate loss performance.

President Garrett 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 as well as the breakdown of county visits since the first of the year.

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

Next, President Garret addressed agenda Item No. 10, "Committee Reports." The Personnel Committee reported that it had met just before the Board Meeting. Ms. Swartz first thanked the staff for all they do for the Board and the pool and then presented the committee's recommendations. The Committee recommended a performance bonus that matches last year's \$12,000 allocation to be in the ratio of each staff member's salary to salary total. Ms. Swartz so moved that such a bonus be adopted, Mr. Alcorn seconded the motion. The motion CARRIED unanimously.

Next, President Garret asked Mr. Alexander to address agenda Item No. 11, "Trustee Training: How to Spot a Liar." Mr. Alexander gave a presentation on the history of lies, the search for truth and different methods used throughout history to tell if someone was lying. President Garret thanked Mr. Alexander for an informative presentation.

President Garret then addressed Agenda Item No. 12, "Other Business." There was no other business to be addressed.

There being no further business, Ms. Swartz moved to adjourn at 4:05 p.m. Mr. Unger seconded the motion, which CARRIED unanimously.

The KWORCC Board of Trustees approved the foregoing minutes on the 27th day of March, 2009.


Doyle Alcorn, Secretary
KWORCC Board of Trustees

Minutes
Meeting, Personnel Committee
Kansas Worker Risk Cooperative for Counties
February 19, 2009
Clubhouse Inn
924 SW Henderson Road
Topeka, KS 66615

On Tuesday, February 19, 2009, 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, Bonnie Swartz at 1:02 p.m. Committee Members participating included: Bonnie Swartz, Gray County Clerk; Doyle "Hooley" Alcorn, Jewell County Commissioner; and Linda M. Buttron, Jefferson County Clerk. Also present was James W. Parrish, Administrator.

The Chair called attention to the Agenda and asked if there were any additions or corrections. Ms. Buttron moved to adopt the Agenda as presented; Mr. Alcorn seconded the motion which CARRIED unanimously.

The Chair next called attention to the minutes of the Personnel Committee Meeting on September 25, 2008. Mr. Alcorn pointed to a mistake in listing the chair of the Committee and the signature line in the minutes. He then moved approve the minutes with that correction. Ms. Buttron seconded the motion which CARRIED unanimously.

Chairperson Swartz then stated the prominent purpose of the meeting was to consider performance enhancements for members of the KWORCC staff. She called upon Mr. Parrish to discuss the year-end results and staff's overall performance in 2008. Mr. Parrish distributed selected pages from the unaudited year-end financial report published in the agenda book for the regular Board meeting. He noted the revenue without including investment income totaled \$6,520,600, which is slightly over budgeted revenues. Expenses totaled \$5,889,100, for a gain of \$631,500, plus \$679,800 in investment income for a total gain for the year of \$1,311,300. He noted that both the claims expense and administrative expense totals fell under budgeted amounts. He pointed out that it is the administrative expenses over which the staff has the most direct control and that each of the line item totals in the summary statement were either equal to budget or under budget. Mr. Parrish stated that when the payroll audits are completed, the total revenue for the year may be more or less than stated in the unaudited reports, but expense items should remain the same.

Mr. Parrish discussed staff members performance indicating that there was harmony and cooperation among members of the staff. He said each staff member took initiative in accomplishing the work necessary for smooth operation of the pool. He said that although staff evaluations had not been completed, his preliminary review

of staff performance was very positive and that each staff member would have a positive evaluation.

The Committee reviewed the payroll history for KWORCC staff, beginning in 1999 through 2008 and looked at the various levels of performance enhancements that had been awarded for each year, beginning with the year 2000. The performance enhancements totals ranged from a low of \$10,000 to a high of \$13,500 which had been distributed among the staff at the direction of the Board. After Committee discussion, Ms. Buttron moved that the Personnel Committee recommend to the full Board a lump sum performance enhancement equal to that awarded last year in the amount of \$12,000 to be distributed among KWORCC staff members in the ratio of each members salary to the total salaries paid in 2008. Mr. Alcorn seconded the motion which CARRIED unanimously.

There being no further business to come before the Personnel Committee, Chairperson Swartz declared the meeting was adjourned at 1:49 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 17th day of September, 2009.


Bonnie Swartz, Chair
KWORCC Personnel Committee

I, Doyle Alcorn, Secretary of Kansas Workers Risk Cooperative for Counties, hereby certify that the following is a true and correct copy of a Resolution duly adopted by unanimous vote of the Board of Trustees of KWORCC at a meeting duly called and held on the 27th day of March, 2009 at which a quorum was present:

RESOLUTION # 2009-28

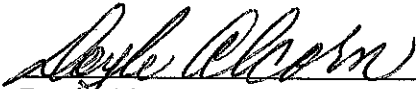
WHEREAS, KWORCC has elected to place investments pursuant to Chapter 40 of Kansas Statutes Annotated, and thus is to comply with the provisions thereof;

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 1, 2008 through March 18, 2009, 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 December 1, 2008 through March 18, 2009, 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 27th day of March, 2009.


Doyle Alcorn, 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	12/01/2008	03/19/2009		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
Security	Sec Descrip 2	Call Price	Apr Time	Settle Dt	Ent By	Yield	Fees
Port ID	Sec Descrip 3	Mat Date	Fail Del	Trd Status	Trd For	Price	Dlr Comm
	Mdy/S&P/MKT	CPN Rate	Fail Pmt	Pay/Del	Sales Crdt	P/L	Total Amt
311052617	KWORCC (302)	E/*		02/25/2009	1.0000000000	1,000,000.00	1,000,000.00
300121	FNMA 2.25 STEP UP 4.0 3/18/11	C-03/18/11		02/25/2009	Sale	100.00	.00
3136FHCY9	ONE TIME STEP	100.000		03/18/2009	skml14	2.25000000	.00
3136FHCY9	ONE TIME CALL 3/18/11	03/18/2014	n-03/18/09	01	BCT	100.0000000000	.00
011-APP	Aaa/AAA/	VAR	n-03/18/09	c/ski	400.00	4,000.00	1,000,000.00
311049866	KWORCC (302)	E/*		01/08/2009	1.0000000000	1,000,000.00	1,000,000.00
300121	FNMA 2.0 STEP UP 4.0 1/26/11	C-01/26/11		01/08/2009	Sale	100.00	.00
3136F93Y7	ONE TIME CALL 1/26/11	100.000		01/26/2009	skml14	2.00000000	.00
3136F93Y7	ONE TIME STEP	01/26/2016	n-01/26/09	09	BCT	100.0000000000	.00
011-APP	Aaa/AAA/	VAR	n-01/26/09	c/ski	600.00	6,000.00	1,000,000.00
311051877	KWORCC (302)	E/*		02/10/2009	1.0000000000	2,000,000.00	2,000,000.00
300121	FHLMC 2.0 STEP UP 3.0 2/26/10	C-08/26/09		02/10/2009	Sale	100.00	.00
3128X8KR2	QTRLY CALL BEG 8/26/09	100.000		02/26/2009	skml14	2.00000000	.00
3128X8KR2	ANNUAL STEP MEDIUM TERM NOTE	02/26/2014	n-02/26/09	09	BCT	100.0000000000	.00
011-APP	Aaa/AAA/	VAR	n-02/26/09	c/ski	700.00	7,000.00	2,000,000.00

Report Totals

Par: 4,000,000.00 P/L: 17,000.00 Prin: 4,000,000.00
 Comm: .00 Fees: .00 Int: .00
 Total: 4,000,000.00

Minutes
Meeting, Board of Trustees
Kansas Workers Risk Cooperative for Counties
March 27, 2009 at 1:00 p.m.
Clubhouse Inn
924 SW Henderson Road
Topeka, KS 66615

The March 2009 meeting of the Board of Trustees of Kansas Workers Risk Cooperative for Counties (KWORCC) was called to order at 12:57 p.m. at the Clubhouse Inn in Topeka by Board President Michelle Garrett on Friday, March 27, 2009. Trustees present included Michelle Garrett, Morris County Clerk, President; Jim Wise, Miami County Commissioner, Vice-President; Linda M. Buttron, Jefferson County Clerk, Controller; and Bonnie Swartz, Gray County Clerk.

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. Susan May and Mr. Gus Campuzano.

President Garrett addressed Agenda Item No. 2, "Approval of the Agenda." Mr. Parrish asked to make the following changes: add Agenda Item No. 3a, "Excuse Mr. Unger, Ms. Garcia and Mr. Alcorn from the Meeting;" add Agenda Item No. 4c, "Loss Cost Multiplier Planning" and move Agenda Item No. 9a to Agenda Item 4d. Ms. Buttron moved to approve the agenda with these changes. Mr. Wise seconded the motion, which CARRIED unanimously.

President Garrett addressed Agenda Item No. 3, "Consideration of Minutes of Meeting of February 19, 2009." Ms. Swartz moved to approve the minutes as presented; Mr. Wise seconded the motion, which CARRIED unanimously.

President Garrett addressed Agenda Item No. 3a. Mr. Wise moved to excuse Mr. Unger for weather and a funeral, Ms. Garcia for weather and Mr. Alcorn for a family emergency. Ms. Buttron seconded the motion, which CARRIED unanimously.

President Garrett addressed 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 stated there were no wire transfers of funds and itemized checks requiring approval. Mr. Wise moved to ratify the checks as presented. Ms. Buttron seconded the motion, which CARRIED unanimously.

Next, Mr. Parrish asked Ms. Bird to address Agenda Item No. 4b, "Report on 2008 Audits and 2009 Premiums." Ms. Bird stated that all premiums have been received for a total of \$6,713,871. She then itemized the results of the premium audits and stated that there may still be some changes.

Next, Mr. Parrish addressed Agenda Item No. 4c, "Loss Cost Multiplier Recommendations for Next Meeting." Mr. Parrish recommended that the Board schedule time at the next meeting to discuss and consider changes in the loss cost multiplier. He said the Board has reviewed options for

implementing a tiered system for its loss cost multiplier and determined it was not appropriate for KWORCC. He said the next step for the Board is to consider the level of the loss cost multiplier and consider the competitive environment and what effect a change would have on KWORCC's revenues. He said that some other pools are either implementing a tiered system or making changes in their loss cost multiplier. Mr. Parrish asked IMA to assist with an analysis of possible loss cost multiplier changes for presentation to the Board of Trustees.

Next, Mr. Parrish addressed Agenda Item No. 4d, "Approval of Government Security Transactions and KWORCC Resolution 2009-28." Ms. Swartz moved to approve KWORCC Resolution 2009-28, Mr. Wise seconded the motion which CARRIED unanimously.

President Garrett addressed Agenda Item No. 5, "Financial Report." Mr. Alexander reviewed a summary of the financial statements he prepared for December 2008. He stated that further alteration may be made as a result of the auditor's findings and a final version will be provided and filed when the audit is finished.

Mr. Alexander reported on financial statements he prepared for January and February 2009. Ms. Swartz moved to receive and file the reports as presented. Ms. Buttron seconded the motion, which CARRIED unanimously.

Mr. Alexander presented the check register. Ms. Buttron moved to approve check Nos. 13001 through 13061 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 March 18, 2009.

President Garrett addressed Agenda Item No. 6, "Claims Report -- IMA." Ms. May addressed Agenda Item No. 6a, "Select Claims Review." She reported on several claims and answered questions. She then requested approval on three pending settlements of claims. She first explained claim No. 200803448, approval of the settlement as recommended was granted by Board consensus; she then explained claim No. 04-4900, Ms. Buttron moved for approval of the settlement as recommended; Ms. Swartz seconded the motion, which CARRIED unanimously; she then explained claim No. 2007034271, Ms. Swartz moved for approval of the settlement as recommended; Ms. Buttron seconded the motion, which CARRIED unanimously.

President Garrett then called upon Ms. May to address the "Shorman Bill Review Report" under Agenda Item No. 6b for the period from January 1, 2009 through February 28, 2009. She said the report shows the total amount billed is \$653,391; the actual paid amount is \$364,238 for a net savings after fees of \$289,152. This is more than 44% of the amount billed for this 2-month period.

Mr. Campuzano then explained the "Policy Year Performance Review" under Agenda Item No. 6c. This analytical review generated by IMA shows KWORCC's claim history for policy years 2007 through 2009. 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. Campuzano emphasized these charts should not be considered as a guarantee of either good or poor ultimate loss performance.

A short break was declared in the meeting at 2:08 p.m., the meeting resumed at 2:15 p.m.

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

President Garrett addressed Agenda Item No. 8, "Legal Report." Mr. Woner and Mr. Parrish stated there was no legal report.

Next, President Garret addressed agenda Item No. 9, "Committee Reports." The Investment Committee meeting scheduled for noon on March 27th was cancelled and the Audit Committee meeting scheduled for noon on April 16th has been moved to 9:00 a.m. on April 16th.

Next, President Garrett asked Ms. Bird to address agenda Item No. 10, "Trustee Training: Disability Offsets on Workers Compensation Benefits." Mr. Parrish suggested the training be postponed so the absent Trustees could benefit from the training. The Board agreed by consensus.

President Garret then addressed Agenda Item No. 12, "Other Business." There was no other business to be addressed.

There being no further business, Ms. Swartz moved to adjourn at 2:23 p.m. Mr. Wise seconded the motion, which CARRIED unanimously.

The KWORCC Board of Trustees approved the foregoing minutes on the 16th day of April, 2009.


Doyle Alcorn, Secretary
KWORCC Board of Trustees

I, Doyle Alcorn, Secretary of Kansas Workers Risk Cooperative for Counties, hereby certify that the following is a true and correct copy of a Resolution duly adopted by unanimous vote of the Board of Trustees of KWORCC at a meeting duly called and held on the 16th day of April, 2009 at which a quorum was present:

RESOLUTION # 2009-34

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, 2008 as required by KSA 12-2620(b);

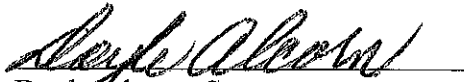
WHEREAS, the independent audit was completed and is ready to be filed with the Kansas Insurance Department;

WHEREAS auditor Eric Otting met with the KWORCC Audit Committee on the 16th day of April, 2009; 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 LLC for the fiscal year ending December 31, 2008 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 on this 16th day of April, 2009.


Doyle Alcorn, Secretary

Minutes
Meeting, Board of Trustees
Kansas Workers Risk Cooperative for Counties
April 16, 2009 at 1:00 p.m.
Clubhouse Inn
924 SW Henderson Road
Topeka, KS 66615

The April 2009 meeting of the Board of Trustees of Kansas Workers Risk Cooperative for Counties (KWORCC) was called to order at 1:00 p.m. at the Clubhouse Inn in Topeka by Board President Michelle Garrett on Thursday, April 16, 2009. Trustees present included Michelle Garrett, Morris County Clerk, President; Jim Wise, Miami County Commissioner, Vice-President; Doyle "Hooley" Alcorn, Jewell County Commissioner, Secretary; Linda M. Buttron, Jefferson County Clerk, Controller; Bonnie Swartz, Gray County Clerk; Frances Garcia, Reno 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 and Ms. Nicole Jarboe-Paxson, Executive Assistant and Media Director.

Insurance Management Associates appeared by Ms. Susan May, Mr. Paul Davis, Mr. Gene Miller and Mr. Gus Campuzano.

President Garrett addressed Agenda Item No. 2, "Approval of the Agenda." Mr. Parrish recommended the addition of discussion of Loss Cost Multiplier under other items. Ms. Swartz moved to approve the agenda as presented. Ms. Buttron seconded the motion, which CARRIED unanimously.

President Garrett addressed Agenda Item No. 3, "Consideration of Minutes of Meeting of March 27, 2009." Mr. Alcorn moved to approve the minutes as presented. Mr. Wise seconded the motion, which CARRIED unanimously.

President Garrett addressed 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 the checks requiring Board approval under KWORCC policies and the electronic transfer of funds requiring ratification. 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 asked Ms. Bird to address Agenda Item No. 4b, "PRIMA National Update." Ms. Bird stated that all Board members should have received today their registration and hotel confirmation and the education schedule. She requested that everyone let her know which educational classes they are planning to take and she will ensure they receive the appropriate handouts before the conference.

Next, Mr. Parrish addressed Agenda Item No. 4c, "Introduce Gene Miller – KWORCC Claims Adjuster." He stated that Mr. Miller has 28 years of claims experience and will be handling the northeastern counties. KWORCC Board and staff welcomed Mr. Miller.

President Garrett then proceeded to Agenda Item No. 5, "Marketing Report." Mr. Eyman discussed MARCIT's name change to Midwest Public Risk – Kansas Pool. He said starting July 1, 2009 this pool will be offering a health insurance program in Kansas. He said a single pool cannot handle both workers compensation and health insurance under state regulations.

President Garrett addressed Agenda Item No. 6, "Financial Report." Mr. Alexander reported on final, post-audit financial statements he prepared for 2008 and the final fourth quarterly financial report for 2008 to be filed with the Kansas Insurance Department (KID). Ms. Swartz moved to accept the reports as presented and approve the filing of the final fourth quarterly financial report with KID. Ms. Buttron seconded the motion, which CARRIED unanimously.

Mr. Alexander discussed in detail the financial statements he prepared for March 2009. Ms. Swartz moved to accept the reports as presented. Mr. Wise seconded the motion, which CARRIED unanimously. Mr. Alexander then discussed in detail the first quarterly financial report for 2009 he prepared for filing with the KID. Ms. Swartz moved to approve filing the report with the KID. Ms. Garcia seconded the motion, which CARRIED unanimously.

Mr. Alexander presented the check register. Mr. Unger moved to approve check Nos. 13062 through 13102 and the direct debits, all as presented. Ms. Swartz seconded the motion, which CARRIED unanimously. Next Mr. Alexander reviewed two spreadsheets showing the value of KWORCC's equity investments as of April 7, 2009 and April 14, 2009.

President Garrett addressed Agenda Item No. 7, "Claims Report -- IMA." Ms. May addressed Agenda Item No. 7a, "Select Claims Review." She reported on several claims and answered questions. She also requested approval on a pending settlement. Ms. Swartz moved to approve settlement of claim No. 2008034739 as recommended. Ms. Garcia seconded the motion, which CARRIED unanimously.

President Garrett then called upon Ms. May to address the "Shorman Bill Review Report" under Agenda Item No. 7b for the period from January 1, 2009 through March 31, 2009. She said the report shows the total amount billed is \$949,197; the actual paid amount is \$528,613, for a net savings after fees of \$420,584. This is more than 44% of the amount billed for this 3-month period.

Mr. Davis then explained the "Policy Year Performance Review" under Agenda Item No. 7c. This analytical review generated by IMA shows KWORCC's claim history for policy years 2006 through 2009. 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. Davis emphasized these charts should not be considered as a guarantee of either good or poor ultimate loss performance.

President Garrett 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 reviewed the log of the activity of the counties with regard to the video library. The activity has shown a significant improvement this year over last. Ms. Buttron suggested that three or four seasonally appropriate videos be highlighted in the KWORDS going forward.

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

Next, President Garrett addressed agenda Item No. 10, "Committee Reports." Ms. Garcia reported that the Audit Committee met independently with the auditor and that the report was favorable with no management concerns, issues or problems. Mr. Unger moved to adopt Resolution No. 2009-34. Ms. Swartz seconded the motion, which CARRIED unanimously.

Next, President Garrett asked Mr. Rippee to address Agenda Item No. 11, "Trustee Training: Safety Attitude." Mr. Rippee discussed how your attitude can affect a safe work environment. Mr. Rippee then asked for and responded to questions. Ms. Garcia suggested printing the materials in KWORDS and offering a poster to the counties for placement in break rooms as key reminders for safety attitude. President Garrett thanked Mr. Rippee for his helpful presentation.

President Garrett then addressed Agenda Item No. 12, "Other Business." Mr. Parrish stated that Mr. Davis was reviewing the options of a new loss cost multiplier as well as the options for a new tiered format. IMA and the staff plan to present options for the Board to review and discuss at the next meeting.

There being no further business, Mr. Unger moved to adjourn at 2:26 p.m. Ms. Swartz seconded the motion, which CARRIED unanimously.

The KWORCC Board of Trustees approved the foregoing minutes on the 14th day of May, 2009.


Doyle Alcorn, Secretary
KWORCC Board of Trustees

Minutes
Meeting, Board of Trustees
Kansas Workers Risk Cooperative for Counties
May 14, 2009 at 1:00 p.m.
Clubhouse Inn
924 SW Henderson Road
Topeka, KS 66615

The May 2009 meeting of the Board of Trustees of Kansas Workers Risk Cooperative for Counties (KWORCC) was called to order at 1:03 p.m. at the Clubhouse Inn in Topeka by Board President Michelle Garrett on Thursday, May 14, 2009. Trustees present included Michelle Garrett, Morris County Clerk, President; Jim Wise, Miami County Commissioner, Vice-President; Doyle "Hooley" Alcorn, Jewell County Commissioner, Secretary; Linda M. Buttron, Jefferson County Clerk, Controller; Bonnie Swartz, Gray County Clerk; Frances Garcia, Reno 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 and Ms. Nicole Jarboe-Paxson, Executive Assistant and Media Director.

Insurance Management Associates (IMA) appeared by Mr. Gene Miller and Mr. Gus Campuzano.

President Garrett addressed Agenda Item No. 2, "Approval of the Agenda." Mr. Parrish recommended approval of the agenda with the addition of the three following items: Agenda Item No. 4e, "Legislative Update;" Agenda Item No. 6d, "County Financial Report Format" and Agenda Item No. 10a, "Investment Committee Meeting Schedule." Mr. Wise moved to approve the agenda with the additional items. Ms. Swartz seconded the motion, which CARRIED unanimously.

President Garrett addressed Agenda Item No. 3, "Consideration of Minutes of Meeting of April 16, 2009." Mr. Unger moved to approve the minutes as presented. Ms. Swartz seconded the motion, which CARRIED unanimously.

President Garrett addressed Agenda Item No. 4, "Administrator's Report." Mr. Parrish addressed Agenda Item No. 4a, "Checks Requiring Board Approval and Ratification of Electronic Transfer of Funds." Mr. Parrish itemized the checks requiring Board approval under KWORCC policies and the electronic transfer of funds requiring ratification. Mr. Unger moved to approve the checks and ratify the transfers as presented. Mr. Wise seconded the motion, which CARRIED unanimously.

Next, Mr. Parrish asked Ms. Bird and Mr. Campuzano to address Agenda Item No. 4b, "Medicare Mandatory Reporting." Mr. Campuzano discussed a requirement for reporting Medicare-eligible claimants to the Center for Medicare and Medicaid Services (CMS). KWORCC is required to register as a "Responsible Reporting Entity" and to identify IMA as the "Account Designee" to submit the data. The reports must be filed electronically on a quarterly basis. Currently, the registration deadline is September 30, 2009 with test data and data submission deadline of December 31, 2009. Ms. Bird added that CMS is still working through issues, including reporting thresholds and data format requirements. She recommended that KWORCC delay registration until there is more clarity in the reporting requirements. She said KWORCC and IMA will work together to ensure compliance.

Next, Mr. Parrish addressed Agenda Item No. 4c, "Loss Cost Multiplier – Sample Tiered System." Mr. Parrish discussed a sample tiered system and how it would affect premium costs for the counties.

Next, Ms. Bird addressed Agenda Item No. 4d, "Give-Away Ideas." Ms. Bird discussed various give-away ideas and received feedback from the Board.

Next, Mr. Parrish addressed Agenda Item No. 4e, "Legislative Update." Mr. Parrish reported that several workers compensation bills were introduced during the legislative session, but no significant legislation passed.

President Garrett then proceeded to Agenda Item No. 5, "Marketing Report." Mr. Eyman discussed marketing activities identifying several counties that have expressed an interest in joining KWORCC. Marketing activities have included sponsoring activities for three county government events.

President Garrett addressed Agenda Item No. 6, "Financial Report." Mr. Alexander discussed in detail the financial statements he prepared for April 2009. Ms. Swartz moved to accept the reports as presented. Mr. Wise seconded the motion, which CARRIED unanimously.

Mr. Alexander presented the check register. Mr. Wise moved to approve check Nos. 13103 through 13149 and the direct debits, all as presented. Mr. Unger seconded the motion, which CARRIED unanimously.

Next, Mr. Alexander reviewed two spreadsheets showing the value of KWORCC's equity investments as of May 5, 2009 and May 11, 2009.

Mr. Alexander then discussed Agenda Item No. 6d, "County Financial Report Format." Questions were raised by elected officials from Member Counties about the effect prepaid expenses have on the bottom line in monthly financial statements. Early payment of these expenses causes the pool to appear to be operating at a loss during the early part of the year. Mr. Alexander reviewed some options for changing the format and agreed to prepare examples of how the financial information can be presented more clearly.

A short break was declared in the meeting at 2:42 p.m. The meeting resumed at 2:51 p.m.

President Garrett addressed Agenda Item No. 7, "Claims Report -- IMA." Mr. Miller addressed Agenda Item No. 7a, "Select Claims Review." He reported on several claims and answered questions. He also requested approval on two pending settlements. Mr. Unger moved to approve settlement of claim No. 2007033587 as recommended. Ms. Swartz seconded the motion, which CARRIED unanimously. Ms. Swartz moved to approve settlement of claim No. 2007033952 as recommended. Ms. Garcia seconded the motion, which CARRIED unanimously.

President Garrett then called upon Mr. Miller to address the "Shorman Bill Review Report" under Agenda Item No. 7b for the period of January 1, 2009 through April 30, 2009. He said the report shows the total amount billed is \$1,506,051; the actual paid amount is \$848,762, for a net savings after fees of \$657,288. This is more than 44% of the amount billed for this 4-month period.

Mr. Campuzano then explained the "Policy Year Performance Review" under Agenda Item No. 7c. This analytical review generated by IMA shows KWORCC's claim history for policy years 2007 through 2009. 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. Campuzano emphasized these charts should not be considered as a guarantee of either good or poor ultimate loss performance.

President Garrett 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 few months of the year. Ms. Buttron requested advice and coaching on how to designate the responsibility for safety coordination when most department heads do not have the time to take on these responsibilities. Staff agreed to provide ideas and options to help with this problem.

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

Next, President Garret addressed Agenda Item No. 10a, "Committee Reports." There is an investment committee scheduled for noon on July 16, 2009.

Next, President Garrett asked Mr. Eyman to address Agenda Item No. 11, "Trustee Training: Slips, Trips and Falls." Due to time constraints, Mr. Eyman gave a brief summary of the program included in the Board packet. Slips, trips and falls are main causes of KWORCC's injuries. He explained that this material will be emphasized in the county safety meetings he attends and the safety training classes he presents. President Garrett asked Mr. Eyman to provide a more in depth presentation for the Board in the near future.

President Garrett then addressed Agenda Item No. 12, "Other Business." There was no other business to discuss.

There being no further business, Mr. Wise moved to adjourn at 3:35 p.m. Ms. Swartz seconded the motion, which CARRIED unanimously.

The KWORCC Board of Trustees approved the foregoing minutes on the 18th day of June, 2009.



Doyle Alcorn, Secretary
KWORCC Board of Trustees

Minutes
Meeting, Board of Trustees
Kansas Worker Risk Cooperative for Counties
June 19, 2009 at 1:00 p.m. via Teleconference
700 SW Jackson, Ste 200
Topeka, KS 66603

The June 2009 meeting of the Board of Trustees of Kansas Workers Risk Cooperative for Counties (KWORCC) was called to order at 1:03 p.m. via teleconference in Topeka by Board President Michelle Garrett on Thursday, June 19, 2009. Trustees present included Michelle Garrett, Morris County Clerk, President; Jim Wise, Miami County Commissioner, Vice-President; Doyle "Hooley" Alcorn, Jewell 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.

Insurance Management Associates (IMA) appeared by Mr. Gene Miller, Mr. Paul Davis and Mr. Gus Campuzano.

President Garrett addressed Agenda Item No. 2, "Approval of the Agenda." Mr. Parrish recommended approval of the agenda as presented. Mr. Wise so moved, and Ms. Swartz seconded the motion, which CARRIED unanimously.

President Garrett then called for a motion to excuse Ms. Frances Garcia from the Board meeting. Ms. Swartz moved that Ms. Garcia be excused from the meeting for personal reasons. Mr. Unger seconded the motion, which CARRIED unanimously.

President Garrett addressed Agenda Item No. 3, "Consideration of Minutes of Meeting of May 14, 2009." Mr. Unger moved to approve the minutes as presented. Ms. Buttron seconded the motion, which CARRIED unanimously.

President Garrett addressed Agenda Item No. 4, "Administrator's Report." Mr. Parrish addressed Agenda Item No. 4a, "Checks Requiring Board Approval and Ratification of Electronic Transfer of Funds." Mr. Parrish presented the list of checks and electronic transfer of funds. Mr. Unger moved to approve the checks and ratify the transfers as presented. Mr. Wise seconded the motion, which CARRIED unanimously.

Next, Mr. Parrish addressed Agenda Item No. 4b, "Workers Compensation Fund Assessment." There was a sweep of monies in the most recent legislative session which has resulted in the Kansas Insurance Department issuing an assessment on all workers compensation insurance carriers for payment into the Kansas Workers Compensation Fund. A coalition of workers compensation pools has been formed to object, and KWORCC has been asked to participate. The coalition expressed two concerns with the assessment. First, the sweep of monies from a fee fund appears to be an unconstitutional tax levy. Second, the balance of funds in the Workers Compensation Fund appears to be adequate even after this sweep of funds has occurred, and an assessment does not appear to be necessary. Mr. Unger moved to direct KWORCC to join the coalition and oppose these actions provided KWORCC's cost in attorney fees does not exceed \$2,500. Mr. Wise seconded the motion, which CARRIED unanimously.

Next, Mr. Parrish asked Mr. Eyman to address Agenda Item No. 4c, "Loss Cost Multiplier Filings and NCCI Report." Mr. Eyman reviewed a spreadsheet showing the loss cost multiplier (LCM) filings of other group-funded pools in Kansas. The spreadsheet also gives the recent history of changes these pools have made in their LCM filings. This information is provided by staff in its continuing effort to address KWORCC's need to be competitive by lowering the premium factor which the LCM establishes. This would provide lower insurance costs and assist KWORCC staff in providing competitive bids. There was a discussion on whether KWORCC should adopt a single LCM or establish a tiered system of LCMs which would vary depending upon a county's experience modification factor. Ms. Swartz requested that the staff and IMA prepare recommendations for the July Board Meeting. Mr. Eyman then discussed how the experience modifications are calculated by NCCI.

President Garrett then proceeded to Agenda Item No. 5, "Marketing Report." Mr. Eyman discussed marketing activities in several counties.

President Garrett addressed Agenda Item No. 6, "Financial Report." Mr. Alexander discussed in detail the financial statements he prepared for May 2009. Ms. Swartz moved to accept the reports as presented. Ms. Buttron seconded the motion, which CARRIED unanimously.

Mr. Alexander presented the check register. Ms. Buttron moved to approve check Nos. 13150 through 13223 and the direct debits, all as presented. Ms. Swartz seconded the motion, which CARRIED unanimously.

Next, Mr. Alexander reviewed a report showing the value of KWORCC's equity investments as of June 10, 2009.

Mr. Alexander then discussed Agenda Item No. 6d, "County Financial Report Format." After a review of the sample form in the Board packet, Mr. Alexander offered another recommendation which would allow all premiums to be recognized when they are collected instead of having them allocated to each month throughout the year. He said this would be proper because all of KWORCC's premiums are earned when they are collected because KWORCC members are under a contractual obligation to remain in the pool for an entire year once the member has decided by November 1st of the previous year to remain in the pool. Further, the ultimate loss figure is available at the beginning of the year pursuant to actuarial findings. After discussion, the Board requested that Mr. Alexander prepare the financial statements with these adjustments for consideration at the July meeting.

President Garrett addressed Agenda Item No. 7, "Claims Report -- IMA." For Agenda Item No. 7a, "Select Claims Review," Mr. Miller reported on several claims and answered questions. Mr. Campuzano also reported on a claim.

President Garrett then called upon Mr. Miller to address the "Logicomp Bill Review Report" under Agenda Item No. 7b. Mr. Miller stated that because a change was made from Shorman & Associates, Inc. to Logicomp Business Solutions, Inc. for medical bill review services last month, an up-to-date report on savings is not available. He said he expected that a report would be available for the July board meeting.

Mr. Davis then explained the "Policy Year Performance Review" under Agenda Item No. 7c. This analytical review generated by IMA shows KWORCC's claim history for policy years 2006 through 2009. 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. Davis emphasized these charts should not be considered as a guarantee of either good or poor ultimate loss performance.

President Garrett called upon Messrs. Eyman and Rippee to address Agenda Item No. 8, "Loss Prevention and County Visits." Mr. Eyman 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 Garrett addressed Agenda Item No. 9, "Legal Report." Mr. Parrish stated there was no legal report.

Next, President Garret addressed Agenda Item No. 10, "Committee Reports." There is an investment committee scheduled for noon on July 16, 2009.

President Garrett then addressed Agenda Item No. 11, "Other Business." There was no other business to discuss.

There being no further business, Ms. Swartz moved to adjourn at 2:27 p.m. Mr. Unger seconded the motion, which CARRIED unanimously.

The KWORCC Board of Trustees approved the foregoing minutes on the 16th day of July, 2009.


Doyle Alcorn, Secretary
KWORCC Board of Trustees

I, Doyle Alcorn, Secretary of Kansas Workers Risk Cooperative for Counties, hereby certify that the following is a true and correct copy of a Resolution duly adopted by unanimous vote of the Board of Trustees of KWORCC at a meeting duly called and held on the 16th day of July, 2009 at which a quorum was present:

RESOLUTION # 2009-47

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 20, 2009 through June 30, 2009, 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 March 20, 2009 through June 30, 2009, 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 16th day of July, 2009.


Doyle Alcorn, Secretary

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				n
Trade Date				n
Settle Date	03/20/2009	06/30/2009		n
Bank Eligible		ZZ		n
Purch/Sale/Both			b	
Int/Mat/Both			n	
Fed Funds			n	
Repo Agmnts			n	

Ticket Nbr	Cust S/N	Reg Type/Id	Apr By	Dt Enter	Factor	Face	Prin
Cust Nbr	Sec Descrip 1	Call Cd-Dt	Apr Date	Trade Dt	Tran Cd	Par	Interest
Cusip	Sec Descrip 2	Mat Price	Apr Time	Settle Dt	Ent By	Basis	Fees
Security	Sec Descrip 3	Mat Date	Fail Del	Trd Status	Trd For	Price	Withholding
Port ID	Mdy/S&P/Mkt	CPN Rate	Fail Pmt	Conv	Yield	Penalty	Total Amt
Deal ID	Broker	CLOC/PLOC	Pay/Del	Buyback			
	Bank Elig						
	Comm Basis						
311055033	KWORCC (302)	E/*		04/16/2009	1.0000000000	4,500,000.00	4,499,425.00
300121	FEDERAL HOME LOAN BANK DN			04/16/2009	Sale	4,500,000.00	.00
313385GH3	FHDN 06/01/09	.000		04/16/2009	skml44	D.10000	.00
313385GH3	//	06/01/2009	n-04/16/09	09	BCT	99.987222220	.00
033-DISC		ccf/ccf	c/ski	na	.1000000		.00
0				n			4,499,425.00
311055376	KWORCC (302)	E/*		04/22/2009	1.0000000000	250,000.00	266,175.00
300121	FEDERAL HOME LOAN BANK	C-08/27/08		04/22/2009	Sale	250,000.00	1,555.56
3133XP051		100.000		04/23/2009	skml44	106.47000	.00
3133XP051		02/27/2013	n-04/23/09	09	BCT	106.470000000	.00
032-AGCY	Aaa/AAA/	4.0	n-04/23/09	na			.00
0		ccf/ccf	c/ski	n	2.2340000		.00
311056042	KWORCC (302)	E/*		05/01/2009	1.0000000000	1,000,000.00	1,000,000.00
300121	FANNIE MAE 2.25 STEP UP 4.00	C-08/28/09		05/01/2009	Sale	1,000,000.00	.00
3136FHRK3	5/28/11 QTRLY CALL BEG 8/28/09	100.000		05/28/2009	skml44	100.00	.00
3136FHRK3	ONE TIME STEP	05/28/2014	n-05/28/09	09	BCT	100.000000000	.00
011-APP	Aaa/AAA/	VAR	n-05/28/09	na			.00
0		ccf/ccf	c/ski	n	2.2500000		.00
311057920	KWORCC (302)	E/*		05/28/2009	1.0000000000	1,735,000.00	1,735,000.00
300121	FANNIE MAE 4.0 STEP UP 6.0	C-09/17/09		05/28/2009	Sale	1,735,000.00	.00
3136FHRZ9	6/17/14 QTRLY CALL BEG 9/17/09	100.000		06/17/2009	skml44	100.00	.00
3136FHRZ9	ONE TIME STEP	06/17/2019	n-06/17/09	09	BCT	100.000000000	.00
011-APP	Aaa/AAA/	VAR	n-06/17/09	na			.00
0		ccf/ccf	c/ski	n	4.0000000		.00
311058127	KWORCC (302)	E/*		06/02/2009	1.0000000000	2,265,000.00	2,264,729.46
300121	FEDERAL HOME LOAN BANK DN			06/02/2009	Sale	2,265,000.00	.00
313385JD9	FHDN 7/15/09	.000		06/02/2009	skml44	D.10000	.00
313385JD9	//	07/15/2009	n-06/02/09	09	BCT	99.988055560	.00
033-disc		ccf/ccf	c/ski	na	.1000000		.00
0				n			2,264,729.46
311058129	KWORCC (302)	E/*		06/02/2009	1.0000000000	1,735,000.00	1,734,898.79
300121	FEDERAL HOME LOAN BANK DN			06/02/2009	Sale	1,735,000.00	.00
313385GZ3	FHDN 06/17/09	.000		06/02/2009	skml44	D.14000	.00
313385GZ3	//	06/17/2009	n-06/02/09	09	BCT	99.994166670	.00
033-disc		ccf/ccf	c/ski	na	.1400000		.00
0				n			1,734,898.79

For Trades Executed At: Country Club Bank

Ticket Nbr	Cust S/N	Reg Type/Id	Apr By	Dt Enter	Factor	Face	Prin
Cust Nbr	Sec Descrip 1	Call Cd-Dt	Apr Date	Trade Dt	Tran Cd	Par	Interest
Cusip	Sec Descrip 2	Call Price	Apr Time	Settle Dt	Ent By	Basis	Fees
Security	Sec Descrip 3	Mat Date	Fail Del	Trd Status	Trd For	Price	Withholding
Port ID	Mdy/S&P/Mkt	CPN Rate	Fail Pmt	Conv	Yield		Penalty
Deal ID	Broker	CLOC/PLoc	Pay/Del	Buyback			Total Amt
311059397	KWORCC (302)	E/ccf		06/24/2009	1.0000000000	2,400,000.00	2,399,433.33
300121	FANNIE MAE DISCOUNT NOTE	.000		06/24/2009	Sale	2,400,000.00	.00
313589KJ1	FNDN 8/13/09	08/13/2009	n-06/25/09	06/24/2009	sKml44	D.17000	.00
313589KJ1	//	ccf/ccf	n-06/24/09	09	BCT	99.976388890	.00
033-DISC			c/ski	na			.00
0			n		.1700000		2,399,433.33

Report Totals

Par: 13,885,000.00 P/L: 10,984.93 Prin: 13,899,661.58
 Comm: .00 Fees: .00 Int: 1,555.56
 Total: 13,901,217.14

Minutes
Meeting, Investment Committee
Kansas Worker Risk Cooperative For Counties
Clubhouse Inn - Conference Room
924 SW Henderson Rd., Topeka KS 66615
July 16, 2009

On Thursday, July 16, 2009 at 12:05 PM 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; Michelle Garrett, Morris County Clerk and Jim Wise, Miami County Commissioner. Also present was KWORCC Administrator, Jim Parrish, Bradley Downard, Security Benefit and B. Christopher Thompson, Senior Vice President Investment Services Division at Country Club Bank.

Chairman Unger, acknowledging that this meeting was a working lunch, asked Mr. Downard and Mr. Thompson to proceed with discussion while committee members completed lunch. Afterward, action would be taken as needed.

Mr. Downard and Mr. Thompson agreed that Mr. Downard would begin with a discussion of equity investments.

Mr. Downard began by explaining that the Federal Reserve Open Market Committee statement on June 24, 2009 showed a willingness to keep rates low for an extended period of time while also acknowledging that the pace of economic contraction is slowing.

He said that at the beginning of 2009, credit markets were not functioning properly, were not liquid and credit spreads were near historic levels. He said there has been tremendous improvement in the credit markets during the first six months of the year, and the treasury yield curve remains steep, which has historically indicated that economic growth will improve.

As for KWORCC investments, Mr. Downard said the Alpha Opportunity Fund, a mid-cap growth fund, remains closed to new investments, and won't reopen any time soon. He said KWORCC could still redeem the money it has in this fund if KWORCC decides to do so.

Next, Mr. Downard discussed the Mid Cap Value Fund. He said this fund is performing quite well and is among the top funds in the country. He said the manager of this fund, Jim Schier, has held the fund's current positions in various companies in which he feels there is safety and stability in an uncertain market. He said this fund has invested in good companies that have strong balance sheets, positive cash flows and stable return streams. He provided the following narrative with regard to this fund:

"We stayed the course in the second quarter, holding to current positions that we feel provided safety and stability in a still uncertain market. Staying true to our process has resulted in portfolios constructed of good companies that we believe can benefit from any economic recovery while avoiding questionable entities. Our rigorous fundamental research process reinforced our continued holding of

companies with strong balance sheets, positive cash flows and stable return streams. While markets have rebounded significantly from their March lows, value indexes are negative for the year. At current valuations, we can still find attractive securities albeit with more uncertainty. Many securities are reasonably priced at these levels while others are becoming overvalued. We continue to underweight financials [companies], a very economically sensitive sector, as it is difficult to estimate credit losses and the likely fundamental changes taking place in their business models. As always, we continue to be opportunistic in our approach."

Mr. Downard then discussed KWORCC's Mid Cap Growth Fund. He said this fund is still managed by Joe O'Connor, and provided the following narrative in describing this fund:

"We remain underweight [in] health care and consumer staples as they are both traditionally defensive sectors, and because we still do not know the details of the healthcare reform bill and of its ultimate enactment. We are overweight [in] basic materials and energy as global demand improves with renewed growth in China and India. We are also overweight [in] industrials in anticipation of better economic growth later in 2009. We remain overweight Financials as we expect strong 2nd quarter EPS reports, a result of the record fixed income and equity issuance during the quarter. We are overweight [in] the consumer cyclical sector as we anticipate that the job losses will stabilize and spending will improve later in 2009. We have raised our weighting in Technology significantly during the first half of 2009, but remain lower than our benchmark weighting of 30%, as our investment discipline is not comfortable with such high sector exposure."

Finally, Mr. Downard discussed KWORCC's Security Global Fund and provided the following narrative:

"Our global region weightings were stagnant from May to June, the difference being the deployment of cash. The U.S. weight increased from 51% to almost 53%, leaving the portfolio only one percentage point below the benchmark of 54%. We made investments in Japan and non-Japan Asia, where our weightings increased from 10.8% to 12.2%, and 10% to 11%, respectively. We remain largely underweight in Europe, which continues to fund overweight positions in Asia and Japan. In the second quarter, we made additions to consumer services and commercial services, with the purchases of ITT Educational Services and Brink's Co, respectively. We continued to increase exposure to global telecom companies. Our overweight in technology services that started in August of 2008, and expanded through January of this year, was decreased to a neutral weight. The decline in the sector has funded a growing weight in energy minerals, driven by the purchases of U.S. energy company Occidental Petroleum and China's CNOOC. We have increased our financials weight through additions in insurance, investment banks and major money center banks."

After Mr. Downard's presentation, Mr. Thompson addressed KWORCC's bond portfolio and discussed its composition and projected income. Mr. Thompson explained that the KWORCC bond portfolio continues to be comprised of high quality, liquid government bonds (issuers are FannieMae, FreddieMac, Federal Home Loan Bank and Federal Farm Credit Banks). He noted that we have no mortgage backed securities, bank CDs or corporate bonds in the portfolio. All holdings are debentures of varying maturities and some have call features.

Mr. Thompson said that in January, when the average yield on the portfolio was 4.31%, he projected that \$9,000,000 (77%) of KWORCC's portfolio would either reprice or mature in 2009. He said that because of falling rates, he presumed the interest rate would fall to approximately 2% with the average portfolio yield to be 2.40%. He said that as of June 30 of this year, the portfolio yield was 2.51% because some of the bonds that were expected to be called were not called.

Mr. Thompson projected that revenues expected from the overall bond portfolio are not likely to climb much further because rates likely have moved as low as he expects them to go. Thus, he said portfolio income should remain at current levels or higher, depending on when rates begin to move up again. He said the unanswered question is how long the rates will remain at present levels. Nevertheless, he said, the portfolio is "sound and steady, liquid and ready." He emphasized that risks are not being taken with KWORCC's portfolio in order to obtain marginal additional yields.

After this discussion, Chairman Unger called upon committee members to formalize the meeting by adopting the agenda and the minutes. He pointed out a typographical error in the minutes.

Mr. Wise moved to approve the December 11, 2008 minutes with correction of the typographical error and to approve the Agenda, as published. Ms. Garrett seconded the motion which CARRIED unanimously.

Chairman Unger addressed Agenda Item No. 4, "Consideration of Investments from 3/20/09 to 6/30/09 & KWORCC Resolution No. 2009-47." Mr. Parrish explained that one purpose of the meeting was to review the purchases and sales of fixed-income assets and called the Committee's attention to Country Club Bank's "Trade History Report" included in the agenda packet. He then noted that Resolution No. 2009-47 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 is in accordance with Kansas Statutes and KWORCC's investment policy. Mr. Unger called upon committee members to recommend that the KWORCC Board of Trustees approve KWORCC Resolution No. 2009-47 by consensus. Ms. Garrett and Mr. Wise both stated their approval.

After a brief discussion of equity investments, Mr. Wise moved to recommend to the KWORCC Board of Trustees that KWORCC continue its recess in making further investments in equities and to hold its position in all current equity investments until these matters are reviewed again at a future meeting. Ms. Garrett seconded the motion, which CARRIED unanimously.

There being no further business to come before the committee, Ms. Garrett moved to adjourn the meeting at 1:01 PM. Mr. Wise seconded the motion which CARRIED unanimously.

THE FOREGOING MINUTES of the Investment Committee of Kansas Workers Risk Cooperative for Counties were executed by the Chair of that Committee on December 10, 2009.


Ralph D. Unger, Chair
KWORCC Investment Committee

FUND HIGHLIGHTS & APPLICATIONS⁴

- Invests in a diversified portfolio of 70 to 100 small- and medium-sized U.S. companies
- Selects securities of small- and medium-sized companies that appear undervalued by the overall market relative to assets, earnings, growth potential or cash flows
- Applies a valuation-focused stock selection process that combines fundamental research with a proprietary quantitative screening process to identify companies pre-disposed to outperform

INVESTMENT STRATEGY

Seeks to deliver long-term growth of capital by investing in equity securities of undervalued small- to medium-sized companies

INVESTMENT RISK

Investments in small- and/or mid-sized company securities may present additional risks such as less predictable earnings, higher volatility and less liquidity than larger, more established companies.

INCOME DISTRIBUTION FREQUENCY

Annual, if applicable

FUND TYPE

Domestic Equity

TRADING HOURS

PHONE: 9:30 A.M. - 4:00 P.M. ET

PORTFOLIO MANAGER

Security Global Investors
Jim Schler, CFA

BENCHMARK COMPARISON

Russell 2500[®] Value Index

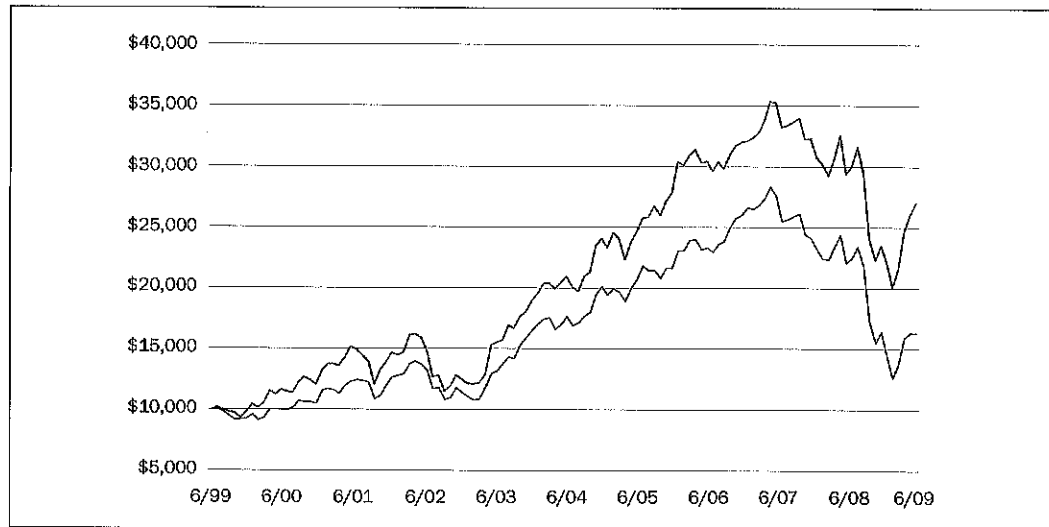
AVERAGE ANNUAL TOTAL RETURNS (AS OF 6/30/2009)

	YTD ¹	1-Year	3-Year	5-Year	10-Year	Total Gross/Net Expense Ratio ²	Inception Date
A-Class (w/load)	8.31%	-13.30%	-5.73%	3.99%	9.62%	1.37%/1.37%	5/1/1997
A-Class (NAV)	14.92%	-8.01%	-3.85%	5.23%	10.27%	1.37%/1.37%	5/1/1997
B-Class (w/load)	9.44%	-12.62%	-5.17%	4.22%	9.52%	2.12%/2.12%	5/1/1997
B-Class (NAV)	14.44%	-8.68%	-4.56%	4.45%	9.52%	2.12%/2.12%	5/1/1997
C-Class (w/load)	13.47%	-9.48%	-4.56%	4.45%	9.36%	2.12%/2.12%	1/29/1999
C-Class (NAV)	14.47%	-8.68%	-4.56%	4.45%	9.36%	2.12%/2.12%	1/29/1999
Russell 2500 [®] Value Index ³	-0.62%	-26.24%	-11.23%	-1.56%	4.97%	-	-

Performance displayed represents past performance, which is no guarantee of future results. Investment return and principal value will fluctuate so that when shares are redeemed, they may be worth more or less than original cost. Returns reflect the reinvestment of all dividends. Current performance may be lower or higher than the performance data quoted. Performance shown reflects maximum sales charges. Class A-Shares have a maximum sales charge of 5.75%. Class B-Shares have a maximum sales charge of 5.00%. Class C-Shares have a maximum sales charge of 1.00%. For up-to-date fund performance, including performance current to the most recent month-end, visit www.rydex-sgi.com. For additional information, see the fund's prospectus.

GROWTH OF \$10,000 (Since 6/30/1999 - 6/30/2009)

■ Rydex | SGI Mid Cap Value Fund ■ Russell 2500[®] Value Index



The hypothetical \$10,000 investment assumes an investment on 6/30/2009 is plotted monthly, includes changes in share price and reinvestment of dividends and capital gains and does not include the effects of the maximum 5.75% sales charge. If sales charges were included, performance would have been lower. There is no direct correlation between a hypothetical investment and the anticipated performance of the fund.

For information, call
800.820.0888 or visit
www.rydex-sgi.com

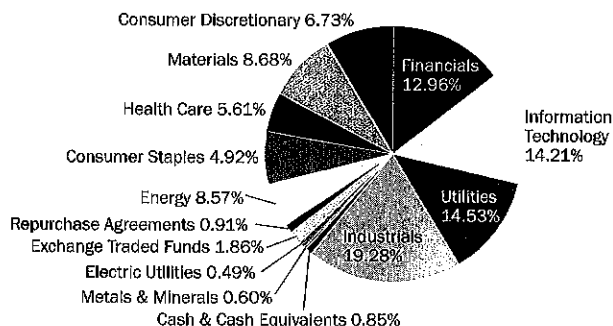
¹ Partial year returns are cumulative, not annualized. Performance results are short-term and may not provide an adequate basis for evaluating the performance potential of the fund over varying market conditions or economic cycles. ² Total expense ratio is as of fiscal year ended 9/30/2008. ³ The index is unmanaged and not available for direct investment. ⁴ This fund may not be suitable for all investors. An investment in the funds will fluctuate and is subject to investment risks, which means investors could lose money. The intrinsic value of the underlying stocks may never be realized or the stocks may decline in value. Investments in small- and/or mid-sized company securities may present additional risks such as less predictable earnings, higher volatility and less liquidity than larger, more established companies.

RYDEX | SGI MID CAP VALUE FUND TOP 10 HOLDINGS

(AS OF 6/30/2009)

1. Computer Sciences Corporation	3.62%	6. Global Industries, Ltd.	2.34%
2. IXYS Corporation	3.06%	7. McDermott International, Inc.	2.28%
3. Hanover Insurance Group, Inc.	2.58%	8. JM Smucker Company	2.26%
4. Bemis Company, Inc.	2.46%	9. Chico's FAS, Inc.	2.12%
5. Maxwell Technologies, Inc.	2.44%	W.R. Berkley Corporation	1.99%

SECTOR BREAKDOWNS (AS OF 6/30/2009)



PORTFOLIO CHARACTERISTICS—FUND VS. BENCHMARK

	Fund	Russell 2500® Value Index
Price/Earnings (P/E) Ratio	12.82	11.63
Price/Book (P/B) Ratio	1.25	1.03
Return on Equity	2.20%	0.98%
Earnings Per Share (EPS) Growth	17.17%	12.61%
Number of Equity Holdings	97	1754

THREE YEAR FUND DATA (AS OF 6/30/2009)

Standard Deviation ⁵	20.03
R-Squared ⁶	92.35
Beta ⁷	0.85

⁵ Standard Deviation: A statistical measure of the historical volatility of an investment, usually computed using 36 monthly returns. More generally, a measure of the extent to which numbers are spread around their average. The higher the number, the more volatility is to be expected.

⁶ R-Squared: A measurement of how closely an investment's performance correlates with the performance of a benchmark, such as the S&P 500®, and thus a measurement of what portion of its performance may be explained by the performance of the overall market or index. Values for R-Squared range from 0 to 100, where 0 indicates no correlation and 100 indicates perfect correlation.

⁷ Beta: A measure of a fund's sensitivity to market movements. The Beta of the market is 1.00 by definition. Morningstar calculates Beta by comparing a fund's excess return over Treasury bills to the market's excess return over Treasury bills, so a Beta of 1.10 shows that the fund has performed 10% better than its benchmark index in up markets and 10% worse in down markets, assuming all other factors remain constant. Conversely, a Beta of 0.85 indicates that the fund's excess return is expected to perform 15% worse than the market's excess return during up markets and 15% better during down markets.

SYMBOL & CUSIPS

	Symbol	Cusip #
A-Class	SEVAX	814219887
B-Class	SVSBX	814219879
C-Class	SEVSX	814219820

RYDEX | SGI
SECURITY GLOBAL INVESTORSSM

For information, call 800.820.0888
or visit www.rydex-sgi.com

Investors should consider the investment objectives, risks, and charges and expenses of the mutual funds available under the Rydex | SGI funds carefully before investing. You may obtain a prospectus that contains this and other information about the mutual funds by calling 800.820.0888. You should read the prospectus carefully before investing. Investing in mutual funds involves risk and there is no guarantee of investment results.

Shares of the funds are not deposits of, or guaranteed or endorsed by, any financial institution; are not insured by the Federal Deposit Insurance Corporation (FDIC), the Federal Reserve Board or any other agency; and involve risk, including the possible loss of the principal amount invested. See the prospectus for details on the specific risks of each fund.

The funds are distributed by Rydex Distributors, Inc. (RDI). Security Global InvestorsSM is the investment advisory arm of Security Benefit Corporation (Security Benefit). Security Global Investors consists of Security Global Investors, LLC, Security Investors, LLC and Rydex Investments. Rydex Investments is the primary business name for PADCO Advisors, Inc. and PADCO Advisors II, Inc. SGI and RDI are affiliates and are all subsidiaries of Security Benefit.

SGIFS-SMCV-0609 x0909 #39123



Contact: Dawn Kahler
301.296.5360
dkahler@sg-investors.com

SECURITY GLOBAL INVESTORS AND RYDEX INVESTMENTS LAUNCH UNIFIED BRAND STRATEGY

New brand strategy reflects the enhanced value that an integrated Security Global Investors and Rydex Investments bring to the marketplace, including a full range of investment management solutions spanning the asset allocation spectrum

May 27, 2009...Rockville, MD—Security Global Investors today announced the launch of a brand strategy that reflects its recent integration with Rydex Investments. The combined asset management business will operate as SGI|Security Global Investors—a brand name that represents its complete range of investment management capabilities available to institutional clients and financial intermediaries.

“Since the SGI/Rydex integration earlier this year, we have enjoyed significant momentum in our institutional and financial intermediary businesses, including strong investment management performance and positive net sales across our product offerings despite a challenging market environment,” says Rich Goldman, CEO at Security Global Investors. “Our new brand strategy reflects the best of what each firm has to offer and will enable us to more effectively compete in a crowded marketplace.”

Institutional Marketplace Brand – SGI|Security Global Investors

SGI|Security Global Investors will continue to serve as the brand name in the institutional marketplace, where Security Global Investors has gained increased recognition among institutional consultants and clients. The firm’s institutional brand, SGI|Security Global Investors, will also continue to apply to its separately managed account (SMA) offerings, which are designed for the high net worth advisory segment.

Financial Intermediary Marketplace Brand – Rydex|SGI

In the financial intermediary market, the firm will build on Rydex’s brand recognition among wealth managers and financial advisors, while also reinforcing Security Global Investors’ expertise with fundamental, actively managed investment strategies. Rydex|SGI will replace the Rydex Investments brand name in the financial intermediary space to showcase the firm’s comprehensive investment management capabilities, including: fundamental fixed-income, global, value and growth equity strategies, as well as ‘40 Act alternative investment strategies and asset allocation solutions.

As part of the firm's unified branding strategy, the web addresses for Rydex Investments' public and financial professional web sites will redirect indefinitely to www.rydex-sgi.com/index.shtml and www.rydex-sgi-fp.com.

In addition, the Rydex|SGI brand name will apply to the following Rydex and Security Funds, as well as to the firm's variable insurance trust lineup.

Former Brand	New Brand
Rydex Managed Futures Strategy Fund	Rydex SGI Managed Futures Strategy Fund
Rydex Multi-Hedge Strategies Fund	Rydex SGI Multi-Hedge Strategies Fund
Rydex Alternative Strategies Allocation Fund	Rydex SGI Alternative Strategies Allocation Fund
Rydex Essential Portfolio Aggressive	Rydex SGI Essential Portfolio Aggressive
Rydex Essential Portfolio Conservative	Rydex SGI Essential Portfolio Conservative
Rydex Essential Portfolio Moderate	Rydex SGI Essential Portfolio Moderate
Rydex Global 130/30 Strategy Fund	Rydex SGI Global 130/30 Strategy Fund
Rydex Global Market Neutral Fund	Rydex SGI Global Market Neutral Fund
Rydex International Opportunity Fund	Rydex SGI International Opportunity Fund
Rydex All-Cap Opportunity Fund	Rydex SGI All-Cap Opportunity Fund
Security Global Fund	Rydex SGI Global Fund
Security All Cap Value Fund	Rydex SGI All Cap Value Fund
Security Large Cap Value Fund	Rydex SGI Large Cap Value Fund
Security Mid Cap Value Fund	Rydex SGI Mid Cap Value Fund
Security Small Cap Value Fund	Rydex SGI Small Cap Value Fund
Security Equity Fund®	Rydex SGI Equity Fund
Security Mid Cap Growth Fund	Rydex SGI Mid Cap Growth Fund
Security Select 25 Fund	Rydex SGI Select 25 Fund
Security Small Cap Growth Fund	Rydex SGI Small Cap Growth Fund
Security Alpha Opportunity Fund	Rydex SGI Alpha Opportunity Fund
Security U.S. Intermediate Bond Fund	Rydex SGI U.S. Intermediate Bond Fund

Rydex's traditional lineup of leveraged and inverse mutual funds or target beta products will continue to carry the Rydex brand name, as will the firm's exchange traded products.

"As a combined firm, we believe that we are well-positioned to meet the diverse and evolving needs of institutional investors and financial intermediaries alike by providing high quality, innovative investment management solutions and outstanding service," says Goldman. "The launch of a unified brand strategy represents a milestone for our firm in presenting this value proposition to the marketplace."

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About SGI | Security Global Investors and Rydex|SGI

SGI|Security Global Investors represents the asset management arm of Security Benefit Corporation, a diversified financial holding company. SGI|Security Global Investors consists of Security Global Investors, LLC, Security Investors, LLC and Rydex Investments. Rydex Investments is the primary business name for PADCO Advisors, Inc. and PADCO Advisors II, Inc. The combined firm manages approximately \$17 billion in assets, and offers institutional investors and financial intermediaries a broad spectrum of traditional and nontraditional investment options that span five distinct disciplines—

actively managed specialty fixed-income, value, growth and global equity strategies, as well as quantitative investment management solutions.

For more complete information regarding the funds, [click here for a prospectus](#). Investors should consider the investment objectives, risks, charges and expenses of a fund carefully before investing. The fund's prospectus contains this and other information about the fund. Read the prospectus carefully before you invest or send money.

The alternative funds may not be suitable for all investors because of the sophisticated and aggressive investment techniques the funds employ, such as leverage, derivatives and short selling. See a prospectus for additional details on these and other risks.

The funds are distributed by Security Distributors, Inc. (SDI) and/or Rydex Distributors, Inc. (RDI). Security Global InvestorsSM is the investment advisory arm of Security Benefit Corporation (Security Benefit). Security Global Investors consists of Security Global Investors, LLC, Security Investors, LLC and Rydex Investments. Rydex Investments is the primary business name for PADCO Advisors, Inc. and PADCO Advisors II, Inc. SGI, SDI, Rydex Investments and RDI are affiliates and are all subsidiaries of Security Benefit.

Minutes

Meeting, Board of Trustees
Kansas Worker Risk Cooperative for Counties
July 16, 2009 at 1:00 p.m.
Clubhouse Inn
924 SW Henderson Road
Topeka, KS 66615

The July 2009 meeting of the Board of Trustees of Kansas Workers Risk Cooperative for Counties (KWORCC) was called to order at 1:10 p.m. at the Clubhouse Inn in Topeka by Board President Michelle Garrett on Thursday, July 16, 2009. Trustees present included Michelle Garrett, Morris County Clerk, President; Jim Wise, Miami County Commissioner, Vice-President; Linda M. Buttron, Jefferson County Clerk, Controller; Bonnie Swartz, Gray County Clerk; Frances Garcia, Reno 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; and Ms. Nicole Jarboe-Paxson, Executive Assistant and Media Director.

Insurance Management Associates (IMA) appeared by Ms. Susan May, Mr. Gene Miller, Mr. Paul Davis and Mr. Gus Campuzano.

President Garrett addressed Agenda Item No. 2, "Approval of the Agenda." Mr. Parrish recommended the addition of Agenda Item No. 3a, "Excuse Doyle 'Hooley' Alcorn for County Business." Mr. Wise moved to approve the agenda with that addition. Ms. Buttron seconded the motion, which CARRIED unanimously.

President Garrett addressed Agenda Item No. 3, "Consideration of Minutes of Meeting of June 18, 2009." Mr. Unger moved to approve the minutes as presented. Ms. Swartz seconded the motion, which CARRIED unanimously.

President Garrett addressed Agenda Item No. 3a, "Excuse Doyle 'Hooley' Alcorn for County Business." Mr. Unger moved that Mr. Alcorn be excused from the board meeting. Mr. Wise seconded the motion, which CARRIED unanimously.

President Garrett addressed Agenda Item No. 4, "Administrator's Report." Mr. Parrish addressed Agenda Item No. 4a, "Checks Requiring Board Approval and Ratification of Electronic Transfer of Funds." Mr. Parrish itemized the checks and the electronic transfer of funds. Ms. Swartz moved to approve the checks and ratify the transfers as presented. Mr. Wise seconded the motion, which CARRIED unanimously.

Next, Mr. Parrish addressed Agenda Item No. 4b, "Workers Compensation Fund Assessment." Mr. Parrish reported that he signed, subject to Trustee approval, an engagement letter which specified an estimated cost for the assessment challenge not exceed \$5,000 for KWORCC. He stated that at least 10 associations are participating in the challenge and they would be assessed according to the size of each insurance pool. Mr. Unger moved to ratify the letter of engagement signed by Mr. Parrish. Ms. Garcia seconded the motion, which CARRIED unanimously.

Then, Mr. Parrish asked Mr. Davis to join him in addressing Agenda Item No. 4c, "Loss Cost Multiplier Filings." Mr. Parrish and Mr. Davis pointed out there are advantages and disadvantages to using a tiered system of loss cost multipliers (LCM) instead of the single LCM KWORCC currently uses. A single LCM is easier to administer, but a multi-tiered system would allow KWORCC to be more competitive with counties with low loss ratios. Mr. Davis stated that approximately half the pools in Kansas use a single LCM, and the other half uses a tiered system. He then pointed out that there is a trend toward lower LCMs in other pools similar to KWORCC, including pools which may become KWORCC competitors. Mr. Parrish said that the main question before the Board is, "What is the fair premium amount for the KWORCC Members?"

President Garrett then proceeded to Agenda Item No. 5, "Marketing Report." Mr. Eyman discussed marketing activities in several counties.

Next, Mr. Parrish addressed Agenda Item No. 4d, "Annual KWORCC KCAMP Joint Dinner." At the request of Ms. Bird, KCAMP provided two alternative dates for the KWORCC KCAMP joint dinner, September 17th or October 16th. The Board agreed that the September date works better. The staff will communicate this to KCAMP and help facilitate the gathering.

Mr. Parrish then asked Ms. Bird to address Agenda Item No. 4e, "KAC Annual Booth." Ms. Bird discussed the location of the KWORCC booth at the KAC Annual Meeting. She also presented two additional give away options.

President Garrett declared a break in the meeting at 2:51 p.m.; the meeting resumed at 3:03 p.m.

President Garrett addressed Agenda Item No. 6, "Financial Report." Mr. Alexander discussed in detail the financial statements he prepared for June 2009, presenting both the historic format and a new format. Mr. Alexander then discussed the revised format of the financial statements to be sent to the Members. Ms. Swartz moved to accept the reports in the new format as presented. Mr. Wise seconded the motion, which CARRIED unanimously.

Mr. Alexander then discussed in detail the second quarterly financial report for 2009 he prepared for filing with the Kansas Insurance Department (KID). This report also reflects the new format. Ms. Swartz moved to approve filing the report with the KID. Ms. Buttron seconded the motion, which CARRIED unanimously.

Mr. Alexander presented the check register. Mr. Unger moved to approve check Nos. 13224 through 13266 and the direct debits, all as presented. Mr. Wise seconded the motion, which CARRIED unanimously.

Next, Mr. Alexander reviewed a report showing the value of KWORCC's equity investments as of July 8, 2009.

President Garrett addressed Agenda Item No. 7, "Claims Report -- IMA." Under Agenda Item No. 7a, "Select Claims Review," Ms. May and Mr. Miller reported on several claims and answered questions. Mr. Miller also requested approval on a pending settlement. Mr. Wise moved to approve settlement of claim No. 2008033257 as recommended. Mr. Unger seconded the motion, which CARRIED unanimously.

President Garrett then called upon Ms. May to address the "Shorman Bill Review Report" under Agenda Item No. 7b for the period from January 1, 2009 through June 30, 2009. Ms. May said the report shows the total amount billed is \$2,335,221.12; the actual paid amount is \$1,399,126.30 for a net savings after fees of \$942,034.80. This is more than 40% of the amount billed for this 6-month period.

Mr. Davis then explained the "Policy Year Performance Review" under Agenda Item No. 7c. This analytical review generated by IMA shows KWORCC's claim history for policy years 2006 through 2009. 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. Davis emphasized these charts should not be considered as a guarantee of either good or poor ultimate loss performance.

Mr. Campuzano reported that KWORCC is now completely set up for Medicare reporting.

President Garrett called upon Messrs. Eyman and Rippee to address Agenda Item No. 8, "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.

Mr. Eyman also presented the loss ratios for all member counties over the last five and a half years. Mr. Rippee discussed how these numbers compare to last year, stating several counties are improving their loss ratio.

Mr. Eyman then presented statistical information concerning non-fatal injuries and accidental deaths.

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

Next, President Garrett addressed Agenda Item No. 10, "Committee Reports." Mr. Unger reported that the Investment Committee met immediately prior to this Board Meeting and received reports from Chris Thompson from Country Club Bank on fixed income investments and Brad Downard from Security Benefit on equity investments. Those reports indicate that even though income will decrease from KWORCC's fixed income investments, KWORCC's funds were being invested carefully to maximize safety and return and to ensure that funds are available without penalty when needed for claims and expenses. He said that Mr. Thompson was avoiding the temptation of chasing higher yields by investing long-term because that strategy could prove more costly in the long term. Mr. Unger said that KWORCC's equity investments have stabilized, and one of the four funds was doing quite well considering the condition of the equity market. Mr. Unger said the Investment Committee reviewed the sales and purchases of securities as required by law, and recommended the adoption of KWORCC Resolution No. 2009-47. Mr. Unger then moved for the adoption of KWORCC Resolution No. 2009-47. Ms. Buttron seconded the motion, which CARRIED unanimously. Mr. Unger then reported that the Investment Committee recommended continuing its recess from further equity investments and that KWORCC hold its current position in its four equity funds. Mr. Unger then moved to do so. Ms. Swartz seconded the motion, which CARRIED unanimously.

President Garrett postponed the Trustee training to a later meeting.

President Garrett then addressed Agenda Item No. 11, "Other Business." There was no other business to discuss.

There being no further business, Mr. Wise moved to adjourn at 4:01 p.m. Mr. Unger seconded the motion, which CARRIED unanimously.

The KWORCC Board of Trustees approved the foregoing minutes on the 13th day of August, 2009.



Doyle Alcorn, Secretary
KWORCC Board of Trustees

Minutes
Meeting, Board of Trustees
Kansas Workers Risk Cooperative for Counties
August 13, 2009 at 1:00 p.m.
Clubhouse Inn
924 SW Henderson Road
Topeka, KS 66615

The August 2009 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 Michelle Garrett on Thursday, August 13, 2009. Trustees present included Michelle Garrett, Morris County Clerk, President; Jim Wise, Miami County Commissioner, Vice-President; Doyle 'Hooley' Alcorn, Jewell 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.

Insurance Management Associates (IMA) appeared by Ms. Susan May, Mr. Gene Miller, Mr. Paul Davis and Mr. Gus Campuzano.

Also present was Mr. Scott Heidner, Executive Director of Kansas Self Insurers Association.

President Garrett addressed Agenda Item No. 2, "Approval of the Agenda." Mr. Parrish recommended the addition of Agenda Item No. 3a, "Excuse Frances Garcia due to Illness" and No. 5c, "October Meeting Date." Mr. Unger moved to approve the agenda as modified. Mr. Wise seconded the motion, which CARRIED unanimously.

President Garrett addressed Agenda Item No. 3, "Consideration of Minutes of Meeting of July 16, 2009." Mr. Unger moved to approve the minutes as presented. Mr. Wise seconded the motion, which CARRIED unanimously.

President Garrett addressed Agenda Item No. 3a, "Excuse Frances Garcia due to Illness." Ms. Swartz moved that Ms. Garcia be excused from the board meeting. Mr. Unger seconded the motion, which CARRIED unanimously.

President Garrett addressed Agenda Item No. 4, "Trustee Training." Mr. Heidner presented information on the major trends in workers compensation. He said the good news is employers continue to get consistently safer. The bad news is the medical claim cost and the indemnity claim costs continue to climb. The age of the workforce is also increasing because many older workers are not in a financial position to retire, and many are not required to retire because of poor health. Paradoxically, older workers are more vulnerable to work-related injuries, and their medical costs are higher. Rising rates of obesity in the workforce is also a large factor in the number and severity of workers compensation claims filed.

Mr. Heidner also discussed the legislative activity that would have an effect on workers compensation laws. The issues most important to employers include not being liable for pre-existing conditions, not being liable when injury is not predominantly caused by work and not being liable for work disability award when employee in accommodated position is laid off due to economic conditions. Labor unions and other employee advocates are pushing for increases in indemnity payments, employee choice of physician and a statute which would permit two or more scheduled injuries to be compensated under the formula used for an injury to "whole body" as provided in the law.

Finally, Mr. Heidner recommended networking with elected officials and establishing relationships so that county elected officials involved with KWORCC are trusted by legislators and recognized as constituents with knowledge of the impact of proposed workers compensation legislation. Mr. Heidner asked for and responded to questions. President Garrett thanked Mr. Heidner for an informative presentation.

President Garrett addressed Agenda Item No. 5, "Administrator's Report." Mr. Parrish addressed Agenda Item No. 5a, "Checks Requiring Board Approval and Ratification of Electronic Transfer of Funds." Mr. Parrish itemized the checks and the electronic transfer of funds. Mr. Wise moved to approve the checks and ratify the transfers as presented. Mr. Alcorn seconded the motion, which CARRIED unanimously.

Next, Mr. Parrish addressed Agenda Item No. 5b, "Annual KWORCC KCAMP Joint Dinner." Mr. Parrish reviewed the dates proposed by KCAMP for the dinner. The Board concluded that none of these dates are compatible with the KWORCC meeting calendar. There also was discussion of scheduling a family dinner for Trustees and staff with the possibility of having such a dinner this fall. This item was tabled for later discussion.

Mr. Parrish then addressed changing the date of the October Board meeting due to scheduling conflicts. Mr. Parrish suggested October 23rd and asked the Board members to check their calendars and let the staff know if that will work. Mr. Wise moved to schedule the October meeting for the 23rd unless after a review of calendars a conflict arises. Ms. Swartz seconded the motion, which CARRIED unanimously.

President Garrett then proceeded to Agenda Item No. 6, "Marketing Report." Mr. Eyman discussed marketing activities in several counties.

President Garrett addressed Agenda Item No. 7, "Financial Report." Mr. Alexander discussed in detail the financial statements he prepared for July 2009 and asked for questions. Ms. Swartz moved to accept the reports as presented. Ms. Buttron seconded the motion, which CARRIED unanimously.

Mr. Alexander presented the check register. Mr. Unger moved to approve check Nos. 13267 through 13302 and the direct debits, all as presented. Ms. Swartz seconded the motion, which CARRIED unanimously.

Next, Mr. Alexander reviewed two reports showing the value of KWORCC's equity investments as of August 5 and August 12, 2009.

President Garrett addressed Agenda Item No. 8, "Claims Report -- IMA." Under Agenda Item No. 8a, "Select Claims Review," Ms. May and Mr. Miller reported on several claims and answered questions. Ms. May and Mr. Miller each also requested approval on a pending settlement. Ms. Buttron moved to approve settlement of claim No. 2008034847 as recommended. Mr. Alcorn seconded the motion, which CARRIED by five affirmative votes with Mr. Wise abstaining. Mr. Wise moved to approve settlement of claim No. 2008034985 as recommended. Ms. Swartz seconded the motion, which CARRIED unanimously.

President Garrett then called upon Mr. Davis to address the "Logicomp Bill Review Report" under Agenda Item No. 8b for the period from January 1, 2009 through July 31, 2009. Mr. Davis said the report shows the total amount billed is \$2,488,778; the actual paid amount is \$1,615,651 for a net savings after fees of \$878,998. This is more than 35% of the amount billed for this 7-month period. Duplicate billings are no longer included in the savings column and this is the reason the total savings and the percent saved are both lower than reported in July.

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 2006 through 2009. 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. Davis emphasized these charts should not be considered as a guarantee of either good or poor ultimate loss performance.

President Garrett called upon Messrs. Eyman and Rippee to address Agenda Item No. 9, "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.

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

Next, President Garrett addressed Agenda Item No. 11, "Committee Reports." Mr. Parrish reminded the Board that there is a Personnel Committee meeting scheduled for noon on September 17, just before the Board Meeting.

President Garrett then addressed Agenda Item No. 12, "Other Business." Further discussion ensued about a proposed family and staff dinner. Mr. Unger moved to delay the proposed gathering until April or May with attendance by KWORCC Board, staff, family and guests and to extend the same invitation to KCAMP. Ms. Swartz seconded the motion which CARRIED unanimously.

Ms. Swartz moved to go into executive session to consult with KWORCC's staff counsel at 2:35 p.m. to last 20 minutes. Mr. Unger seconded the motion which CARRIED unanimously.

There being no further business, Mr. Unger moved to adjourn at 2:55 p.m. Ms. Swartz seconded the motion, which CARRIED unanimously.

The KWORCC Board of Trustees approved the foregoing minutes on the 17th day of September, 2009.


Doyle Alcorn, Secretary
KWORCC Board of Trustees

Minutes
Meeting, Personnel Committee
Kansas Worker Risk Cooperative for Counties
Clubhouse Inn, Topeka, Kansas
September 17, 2009

On Thursday, September 17, 2009, the Personnel Committee of the Kansas Workers Risk Cooperative for Counties (KWORCC) met at the Clubhouse Inn, Topeka, Kansas. Because committee members Doyle "Hooley" Alcorn, Jewell County Commissioner and Linda M. Buttron, Jefferson County Clerk were unable to attend the meeting, KWORCC President Michelle Garrett, Morris County Clerk, appointed herself and Trustee Ralph D. Unger, Decatur County Commissioner, to serve in their place *pro tempore* for this meeting. Thus, committee members participating included: Bonnie Swartz, Gray County Clerk, Ms. Garrett and Mr. Unger. Also James W. Parrish, KWORCC Administrator, was present. The meeting was called to order by Chairperson Swartz at 12:05 pm.

Mr. Parrish stated that a meeting packet had been sent to the Committee members and included the minutes of the two prior meetings, September 25, 2008 and February 19, 2009. Also included were five documents which describe changes in the Consumer Price Index (CPI) and salary adjustments expected in the job market for 2010.

Mr. Unger moved to approve the minutes of February 19, 2009. Ms. Garrett seconded the motion, which CARRIED unanimously.

Chairperson Swartz stated that the primary purpose of the meeting was to consider cost of living adjustments (COLA) for members of KWORCC staff for KWORCC's 2010 calendar and fiscal year and to discuss any other personnel matters that might come before the committee.

Mr. Parrish referred to the memorandum submitted to the committee from Deputy Administrator Dortha O. Bird with documentation attached showing the United States Department of Labor Consumer Price Index (CPI) for all urban consumers decreased 2.1 percent from July 2008 to July 2009. The memo compares that index with the CPI for Midwest Urban Workers in cities between 50,000 and 1,500,000 which shows a 2.52 percent decrease. The memo further indicated that Deputy Administrator Carl Eyman surveyed various KWORCC members and found that some counties are giving no COLA increases and that others are giving an average of 2.0 percent. He said that there is no discernable pattern among Kansas counties.

Chairperson Swartz and Ms. Garrett indicated that their counties were not giving a COLA for the 2010 fiscal year to their employees.

Mr. Parrish reported that members of the KWORCC staff were performing admirably, and that there had been no personnel issues of concern that have arisen since the last personnel meeting.

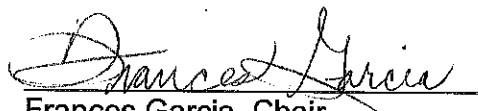
Committee members then discussed the state of the economy and the difficulty Kansas counties were experiencing in balancing their budgets. Mr. Parrish pointed out that even though the CPI showed a negative number, many costs were increasing and the benefit of these lower indexes were not being experienced by many workers, including employees of KWORCC. Committee members voiced their appreciation for the professional work being performed by KWORCC staff members and the fact that the pool is having a good year. The general consensus among committee members was that salary increases for KWORCC staff members at this time would not be in the best interest of KWORCC or its members. Committee Members expressed hope that the staff would understand why a COLA increase would not be appropriate at this time.

Mr. Unger then moved that the Committee recommend to the KWORCC Board of Trustees that KWORCC staff salaries for 2010 remain at the current level and that the Committee review salaries and performance enhancements at its next personnel meeting which will be scheduled either in February or March of next year. Ms. Garrett seconded the motion, which CARRIED unanimously.

Ms. Garrett then suggested that KWORCC staff could be rewarded with an additional day off during the holiday season and suggested Christmas Eve, December 24, 2009. Mr. Unger moved that the Committee recommend to the KWORCC Board of Trustees the KWORCC staff be given an additional paid holiday on December 24, 2009 as a reward for its good service and to help compensate for the fact that there will not be a COLA approved. Ms. Garrett seconded the motion, which CARRIED unanimously.

There being no further business to come before the Personnel Committee, Ms. Garrett moved to adjourn. Mr. Unger seconded the motion which CARRIED unanimously.

THE FOREGOING MINUTES of the Personnel Committee of Kansas Workers Risk Cooperative for Counties were executed by the Chair of that Committee on March, 11, 2010.


Frances Garcia, Chair
KWORCC Personnel Committee

Minutes
Meeting, Board of Trustees
Kansas Workers Risk Cooperative for Counties
September 17, 2009 at 1:00 p.m.
Clubhouse Inn
924 SW Henderson Road
Topeka, KS 66615

The September 2009 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 Michelle Garrett on Thursday, September 17, 2009. Trustees present included Michelle Garrett, Morris County Clerk, President; Jim Wise, Miami County Commissioner, Vice-President; 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.

Insurance Management Associates (IMA) appeared by Ms. Susan May, Mr. Gene Miller and Mr. Paul Davis.

President Garrett addressed Agenda Item No. 2, "Approval of the Agenda." Mr. Parrish recommended the addition of Agenda Item No. 3a, "Excuse Frances Garcia and Linda Buttron for county business and Doyle 'Hooley' Alcorn for illness." Ms Swartz moved to approve the agenda as modified. Mr. Wise seconded the motion, which CARRIED unanimously.

President Garrett addressed Agenda Item No. 3, "Consideration of Minutes of Meeting of August 13, 2009." Mr. Unger moved to approve the minutes as presented. Ms. Swartz seconded the motion, which CARRIED unanimously.

President Garrett addressed Agenda Item No. 3a, "Excuse Frances Garcia and Linda Buttron for county business and Doyle 'Hooley' Alcorn for illness." Ms. Swartz moved that the Ms. Garcia, Ms. Buttron and Mr. Alcorn be excused from the board meeting for the reasons stated. Mr. Unger seconded the motion, which CARRIED unanimously.

President Garrett addressed Agenda Item No. 4, "Administrator's Report." Mr. Parrish first drew attention to correspondence from Commissioner Walters of Lyon County thanking Messrs. Eyman and Rippee for their presentation regarding loss prevention and ratios. Ms. Walters is a new commissioner who replaced Mr. Marshall Miller. Mr. Parrish then addressed Agenda Item No. 4a, "Checks Requiring Board Approval and Ratification of Electronic Transfer of Funds." Mr. Parrish itemized the checks and the electronic transfer of funds. Mr. Unger moved to approve the checks and ratify the transfers as presented. Mr. Wise seconded the motion, which CARRIED unanimously.

Next, Mr. Parrish addressed Agenda Item No. 4b, "Draft Budget 2010." Mr. Parrish presented a draft budget to assist the board in making decisions with regard to the loss cost multiplier. The staff responded to questions and offered insight into some of the budget items. A final budget will be presented for approval at the October meeting.

Mr. Parrish then addressed Agenda Item No. 4c, "Loss Cost Multiplier." He reminded the Trustees of the extensive discussions on this subject in previous meetings. He noted that the draft budget may provide an opportunity for KWORCC to lower its loss cost multiplier which will result in lower premiums. However, this decision needs to be made in connection with staff's underwriting analysis and final approval of the rates by the Kansas Insurance Department. He indicated that more information would be available by the next board meeting.

Next, Mr. Parrish called on Ms. Bird to address Agenda Item No. 4d, "Annual Meeting Update." Ms. Bird reported the KWORCC's vendor booth would be open on Sunday, November 15th from 3:30 p.m. until 6:00 p.m. and on Monday, November 16th from 7:00 a.m. until 10:15 a.m. A sign-up schedule to work the booth will be distributed with the next board packet. The annual meeting is scheduled for 5:00 p.m. on Monday. She then reviewed the nominations for the Board positions that are scheduled for election and reported on the individuals designated as delegates and alternates from Member counties.

Mr. Jeremy Deckard, Public Information Officer for the Kansas Human Rights Commission joined the meeting at 1:30. President Garrett asked him to proceed with Agenda Item No. 11, "Trustee Training: Diversity Food for Thought." Mr. Deckard stated that the training he provides is free and available to anyone in Kansas. He said that his normal presentation is an hour long and consists of a 20-minute video, a power point and a question-and-answer session. Mr. Deckard then shared the video portion of the presentation with the Board. Mr. Deckard asked for and responded to questions. President Garrett thanked Mr. Deckard for an interesting presentation.

In order to accommodate IMA staff's need to depart the meeting by 3:00 p.m., President Garrett next addressed Agenda Item No. 7, "Claims Report – IMA." Addressing Agenda Item No. 7a, "Select Claims Review," Ms. May and Mr. Miller reported on several claims and answered questions. Mr. Miller also requested approval on two pending settlements. Mr. Wise moved to approve settlement of claim No. 2008034739 as recommended. Ms. Swartz seconded the motion, which CARRIED unanimously. Ms. Swartz moved to approve settlement of claim No. 2005025004 as recommended. Mr. Unger seconded the motion, which CARRIED unanimously.

President Garrett then called upon Ms. May to address the "Logicomp Bill Review Report" under Agenda Item No. 7b for the period from January 1, 2009 through August 31, 2009. Ms. May said the report shows the total amount billed is \$2,696,764; the actual paid amount is \$1,742,928 for a net savings after fees of \$959,706. This is more than 35% of the amount billed for this 8-month period.

Mr. Davis then explained the "Policy Year Performance Review" under Agenda Item No. 7c. This analytical review generated by IMA shows KWORCC's claim history for policy years 2006 through 2009. 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. Davis emphasized these charts should not be considered as a guarantee of either good or poor ultimate loss performance.

A short break was declared in the meeting at 2:15 p.m. The meeting resumed at 2:27 p.m.

President Garrett then proceeded to Agenda Item No. 5, "Marketing Report." Mr. Eyman discussed marketing activities in several counties.

President Garrett addressed Agenda Item No. 6, "Financial Report." Mr. Alexander discussed in detail the financial statements he prepared for August 2009 and asked for questions. 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. Unger moved to approve check Nos. 13303 through 13356 and the direct debits, all as presented. Ms. Swartz seconded the motion, which CARRIED unanimously.

Next, Mr. Alexander reviewed a report showing the value of KWORCC's equity investments as of September 8, 2009.

President Garrett 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.

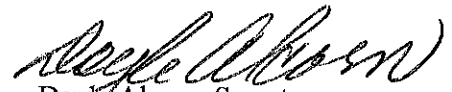
President Garrett addressed Agenda Item No. 9, "Legal Report." Mr. Parrish stated there was no legal report.

Next, President Garrett addressed Agenda Item No. 10, "Committee Reports." Ms. Swartz reported on the meeting of the personnel committee that had taken place earlier in the day. The personnel committee recommended to give the staff Christmas Eve, December 24, 2009, off as a paid holiday and to hold salaries at their current level and to review personnel COLA adjustments again at the next personnel committee meeting. Mr. Wise moved to adopt the recommendations of the personnel committee. Mr. Unger seconded the motion which CARRIED unanimously.

President Garrett then addressed Agenda Item No. 12, "Other Business." She requested that former board members be invited to the KWORCC's annual Christmas Party.

There being nothing further before the Board, Mr. Unger moved to adjourn at 2:48 p.m. Mr. Wise seconded the motion, which CARRIED unanimously.

The KWORCC Board of Trustees approved the foregoing minutes on the 23rd day of October, 2009.


Doyle Alcorn, Secretary
KWORCC Board of Trustees

Minutes
Meeting, Board of Trustees
Kansas Workers Risk Cooperative for Counties
October 23, 2009 at 1:00 p.m.
Holiday Inn Holidome
605 SW Fairlawn
Topeka, KS 66606

The October 2009 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 Holiday Inn Holidome in Topeka by Board President Michelle Garrett on Friday, October 23, 2009. Trustees present included Michelle Garrett, Morris County Clerk, President; Jim Wise, Miami County Commissioner, Vice-President; Doyle 'Hooley' Alcorn, Jewell County Commissioner, Secretary; Linda Buttron, Jefferson County Clerk, Controller; Bonnie Swartz, Gray County Clerk; Francis Garcia, Reno 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 and Ms. Nicole Jarboe-Paxson, Executive Assistant and Media Director.

Insurance Management Associates (IMA) appeared by Ms. Susan May, Mr. Gene Miller, Ms. Ashley Boydston and Mr. Paul Davis. Also present was Mr. Sam Cargnel of Centric Actuarial Solutions.

President Garrett addressed Agenda Item No. 2, "Approval of the Agenda." Mr. Unger asked to add a discussion of the proposed changes to the KCAMP bylaws as Agenda Item No. 12a. Mr. Unger moved to approve the agenda with the addition. Mr. Wise seconded the motion, which CARRIED unanimously.

President Garrett addressed Agenda Item No. 3, "Consideration of Minutes of Meeting of September 17, 2009." Mr. Unger moved to approve the minutes as presented. Ms. Swartz seconded the motion, which CARRIED unanimously.

President Garrett addressed Agenda Item No. 4, "Administrator's Report." Mr. Parrish then addressed Agenda Item No. 4a, "Checks Requiring Board Approval and Ratification of Electronic Transfer of Funds." Mr. Parrish itemized the checks and the electronic transfer of funds. Mr. Wise moved to approve the checks and ratify the transfers as presented. Ms. Garcia seconded the motion, which CARRIED unanimously.

Next, Mr. Parrish asked Mr. Cargnel to address Agenda Item No 4b, "Actuarial Report: Centric Presentation." There were decreases in the ultimate loss picks for 2006 and 2008 totaling \$375,000. He explained that losses for 2009 are lower than expected, resulting in reduction of the estimated ultimate loss by \$500,000. Forecasting for 2010, the loss pick is \$4,700,000. President Garrett thanked Mr. Cargnel for his report.

Next, Mr. Parrish addressed Agenda Item No. 4c, "Budget 2010." Mr. Parrish presented the proposed budget to the Board and asked for and responded to questions. Ms. Swartz moved to approve the budget as presented. Ms. Garcia seconded the motion, which CARRIED unanimously.

Mr. Parrish then addressed Agenda Item No. 4d, "Loss Cost Multiplier." Mr. Parrish reviewed a handout showing the past and current loss cost filings for various pools in the state. Based on research and underwriting evaluations, he recommended that KWORCC submit a request to amend its filing to 1.46 for accounts with an experience mod of 1.20 or less and 1.56 for accounts with an experience mod above 1.20. Mr. Parrish asked for and responded to questions from the Board. Ms. Swartz moved to adopt the recommendation of the staff. Ms. Garcia seconded the motion, which CARRIED unanimously.

Next, Mr. Parrish called on Ms. Bird to address Agenda Item No. 4e, "Annual Meeting Update." Ms. Bird reported on the location of the annual meeting and asked for volunteers to complete the vendor booth schedule.

Ms. Bird then addressed Agenda Item No. 4f, "CCB Treasury Master Repurchase Agreement." She explained in detail the changes in the agreement, which was included in the board packet. Ms. Swartz moved to accept the master repurchase agreement; Mr. Wise seconded the motion, which CARRIED unanimously.

President Garrett then proceeded to Agenda Item No. 5, "Marketing Report." Mr. Eyman discussed marketing activities in several counties.

President Garrett addressed Agenda Item No. 6, "Financial Report." Mr. Alexander discussed in detail the financial statements he prepared for September 2009 and asked for questions. Ms. Swartz moved to receive and file the reports as presented. Mr. Wise seconded the motion, which CARRIED unanimously.

Mr. Alexander then recommended that the Board allocate investment income to fund years, as follows: \$30,000 to 2001 and \$45,000 to 2004. He explained that these allocations do not change the equity position of the pool. Ms. Swartz moved to follow the recommendation as presented. Ms. Garcia seconded the motion, which CARRIED unanimously.

Mr. Alexander then discussed in detail the third quarterly financial report for 2009 he prepared for filing with the Kansas Insurance Department (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. Unger moved to approve check Nos. 13357 through 13398 and the direct debits, all as presented. Mr. Wise seconded the motion, which CARRIED unanimously.

Next, Mr. Alexander reviewed two reports showing the value of KWORCC's equity investments as of October 14 and October 22, 2009.

President Garrett announced a short break in the meeting at 2:06 p.m. The meeting resumed at 2:21 p.m.

President Garrett next addressed Agenda Item No. 7, "Claims Report – IMA." Addressing Agenda Item No. 7a, "Select Claims Review," Ms. May and Mr. Miller reported on several claims and answered questions. Ms. May also requested approval on two pending settlements. Ms. Swartz moved to approve settlement of claim No. 2007033923 as recommended. Mr. Wise seconded the motion, which CARRIED unanimously. Mr. Unger moved to approve settlement of claim No. 2009037306 as recommended. Ms. Swartz seconded the motion, which CARRIED unanimously.

Mr. Alexander recommended an additional investment income allocation based upon the settlement of one of these claims for policy year 2001. After discussion, Mr. Unger moved to increase the allocation of investment income for 2001 to \$90,000. Ms. Swartz seconded the motion, which CARRIED unanimously.

President Garrett then called upon Ms. May to address the "Logicomp Bill Review Report" under Agenda Item No. 7b for the period from January 1, 2009 through September 30, 2009. Ms. May reported that the total amount billed is \$3,332,432; the actual paid amount is \$2,075,662 for a net savings after fees of \$1,262,641. This is more than 38% of the amount billed for this 9-month period.

Mr. Davis then explained the "Policy Year Performance Review" under Agenda Item No. 7c. This analytical review generated by IMA shows KWORCC's claim history for policy years 2006 through 2009. 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. Davis emphasized these charts should not be considered as a guarantee of either good or poor ultimate loss performance.

President Garrett 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.

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


Next, President Garrett addressed Agenda Item No. 10, "Committee Reports." There were no committees to report. Mr. Parrish reminded the Board that there will be an investment committee meeting in December.

President Garrett then called upon Ms. Bird to address Agenda Item No. 11, "Trustee Training: Bergstrom v. Spears." Ms. Bird explained the basis of the Supreme Court's opinion. She then presented an example of how the Bergstrom decision could affect a claim. Ms. Bird also discussed the dissenting opinion. She then asked for and responded to questions. President Garrett thanked Ms. Bird for her presentation.

President Garrett then addressed Agenda Item No. 12, "Other Business." Mr. Unger reported on the proposed changes to the KCAMP Bylaws.

There being nothing further before the Board, Mr. Unger moved to adjourn at 3:31 p.m. Mr. Wise seconded the motion, which CARRIED unanimously.

The KWORCC Board of Trustees approved the foregoing minutes on the 10th day of December, 2009.


Doyle Alcorn, Secretary
KWORCC Board of Trustees

Minutes
Special Meeting, Board of Trustees
Kansas Workers Risk Cooperative for Counties
November 16, 2009 at 6:00 p.m.
Sheraton Convention Center
6100 College Blvd
Overland Park, Kansas 66211

The November 2009 Special Meeting of the Board of Trustees of Kansas Workers Risk Cooperative for Counties (KWORCC) was called to order at 5:59 p.m. at the Sheraton Convention Center in Overland Park by Board President Michelle Garrett on Monday, November 16, 2009. Trustees present included Michelle Garrett, Morris County Clerk, President; Jim Wise, Miami County Commissioner, Vice-President; Doyle 'Hooley' Alcorn, Jewell County Commissioner, Secretary; Linda Buttron, Jefferson County Clerk, Controller; Bonnie Swartz, Gray County Clerk; Francis Garcia, Reno 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 and Ms. Nicole Jarboe-Paxson, Executive Assistant and Media Director.

Insurance Management Associates (IMA) appeared by Ms. Susan May, Mr. Gene Miller and Mr. Paul Davis.

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

President Garrett addressed Agenda Item No. 3, "Consideration of Claim Settlement." Ms. May reported on and requested approval of a pending settlement. Mr. Unger moved to approve settlement of claim No. 2008035172 as recommended. Mr. Wise seconded the motion, which CARRIED unanimously.

President Garrett then addressed Agenda Item No. 4, "Other Business." There was no other business to discuss.

There being nothing further before the Board, Mr. Alcorn moved to adjourn at 6:00 p.m. Mr. Wise seconded the motion, which CARRIED unanimously.

The KWORCC Board of Trustees approved the foregoing minutes on the 10th day of December, 2009.



Doyle Alcorn, Secretary
KWORCC Board of Trustees

I, Doyle Alcorn, 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 10th day of December, 2009 at which a quorum was present:

RESOLUTION #2009-97

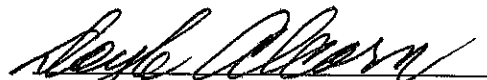
WHEREAS, KWORCC has elected to place investments pursuant to Chapter 40 of Kansas Statutes Annotated, and thus is to comply with the provisions thereof;

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 1, 2009 through November 30, 2009, 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 1, 2009 through November 30, 2009, 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 10th day of December, 2009.


Doyle Alcorn, Secretary

InTrader (trdbist) 12/01/09

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				n
Trade Date	07/01/2009	11/30/2009		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 Country Club Bank

Ticket Nbr	Cust Nbr	Cust S/N	Sec Descrip 1	Sec Descrip 2	Sec Descrip 3	Port ID	Deal ID	Reg Type/Id	Apr By	Apr Date	Call Cd-Dt	Call Price	Mat Date	CPN Rate	Cloc/Plcc	De Enter	Trade Dt	Settle Dt	Trd Status	Conv	Yield	Factor	Tran Cd	Ent By	Trd For	Face	Par	Basis	Price	Withholding	Penalty	Total Amt
311066693	300121	KWORCC (302)	FHMC 2.0 STEP UP 3.0	6/18/12				E/*			C-06/18/10	100.000	12/18/2014	VAR		11/19/2009	11/19/2009	01	na	na	1.000000000	1.000000000	1.000000000	1,000,000.00	1,000,000.00	100.00	100.000000000			1,000,000.00		
3128X9NM6	011-APP	Aaa/AAA/	ORLY CALL BEG	6/18/10				E/*			100.000	12/18/2014	VAR			12/18/2009	12/18/2009	01	na	na	1.000000000	1.000000000	1.000000000	1,000,000.00	1,000,000.00	100.00	100.000000000			1,000,000.00		
311060640	300121	FEDERAL HOME LOAN BANK DN						E/*								07/16/2009	07/16/2009				1.000000000	1.000000000	1.000000000	Sale	2,265,000.00	2,265,000.00	D.12000			2,264,894.30		
313385JU1	033-DISC	//						07/30/2009	n-07/16/09	n-07/16/09						07/16/2009	07/16/2009				1.000000000	1.000000000	1.000000000	Sale	2,265,000.00	2,265,000.00	D.12000			2,264,894.30		
311061399	300121	FHMC 3.25 STEP UP 4.0	8/25/11					E/*			C-11/25/09	100.000	08/25/2016	VAR		07/31/2009	07/31/2009				1.000000000	1.000000000	1.000000000	Sale	1,000,000.00	1,000,000.00	100.00	100.000000000			1,000,000.00	
3128X86F2	032-AGCY	Aaa/AAA/	MULTI STEP					08/25/2016	n-08/25/09	n-08/25/09						08/25/2009	08/25/2009				1.000000000	1.000000000	1.000000000	Sale	1,000,000.00	1,000,000.00	D.12000			999,916.67		
313385KW5	033-DISC	//						08/25/2009	n-08/03/09	n-07/31/09						07/31/2009	07/31/2009				1.000000000	1.000000000	1.000000000	Sale	1,000,000.00	1,000,000.00	D.12000			999,916.67		
311061401	300121	FEDERAL HOME LOAN BANK DN						E/c/f								07/31/2009	07/31/2009				1.000000000	1.000000000	1.000000000	Sale	1,000,000.00	1,000,000.00	D.12000			999,916.67		
313385KW5	033-DISC	//						08/25/2009	n-08/03/09	n-07/31/09						07/31/2009	07/31/2009				1.000000000	1.000000000	1.000000000	Sale	1,000,000.00	1,000,000.00	D.12000			999,916.67		
311061933	300121	FEDERAL HOME LOAN BANK						E/*								08/12/2009	08/12/2009				1.000000000	1.000000000	1.000000000	Sale	275,000.00	275,000.00	275,000.00			288,123.00		
3133XGLE2	032-AGCY	Aaa/AAA/						09/10/2010	n-08/12/09	n-08/12/09						08/12/2009	08/12/2009				1.000000000	1.000000000	1.000000000	Sale	275,000.00	275,000.00	275,000.00			288,123.00		
3133XGLE2	032-AGCY	Aaa/AAA/						09/10/2010	n-08/12/09	n-08/12/09						08/12/2009	08/12/2009				1.000000000	1.000000000	1.000000000	Sale	275,000.00	275,000.00	275,000.00			288,123.00		
311062419	300121	FEDERAL HOME LOAN BANK DN						E/c/f								08/18/2009	08/18/2009				1.000000000	1.000000000	1.000000000	Sale	2,700,000.00	2,700,000.00	D.13000			2,699,717.25		
313385I08	033-DISC	//						09/16/2009	n-08/19/09	n-08/18/09						08/18/2009	08/18/2009				1.000000000	1.000000000	1.000000000	Sale	2,700,000.00	2,700,000.00	D.13000			2,699,717.25		
313385I08	033-DISC	//						09/16/2009	n-08/19/09	n-08/18/09						08/18/2009	08/18/2009				1.000000000	1.000000000	1.000000000	Sale	2,700,000.00	2,700,000.00	D.13000			2,699,717.25		
033-DISC	0							09/16/2009	n-08/19/09	n-08/18/09						08/18/2009	08/18/2009				1.000000000	1.000000000	1.000000000	Sale	2,700,000.00	2,700,000.00	D.13000			2,699,717.25		
033-DISC	0							09/16/2009	n-08/19/09	n-08/18/09						08/18/2009	08/18/2009				1.000000000	1.000000000	1.000000000	Sale	2,700,000.00	2,700,000.00	D.13000			2,699,717.25		
033-DISC	0							09/16/2009	n-08/19/09	n-08/18/09						08/18/2009	08/18/2009				1.000000000	1.000000000	1.000000000	Sale	2,700,000.00	2,700,000.00	D.13000			2,699,717.25		
033-DISC	0							09/16/2009	n-08/19/09	n-08/18/09						08/18/2009	08/18/2009				1.000000000	1.000000000	1.000000000	Sale	2,700,000.00	2,700,000.00	D.13000			2,699,717.25		
033-DISC	0							09/16/2009	n-08/19/09	n-08/18/09						08/18/2009	08/18/2009				1.000000000	1.000000000	1.000000000	Sale	2,700,000.00	2,700,000.00	D.13000			2,699,717.25		
033-DISC	0							09/16/2009	n-08/19/09	n-08/18/09						08/18/2009	08/18/2009				1.000000000	1.000000000	1.000000000	Sale	2,700,000.00	2,700,000.00	D.13000			2,699,717.25		
033-DISC	0							09/16/2009	n-08/19/09	n-08/18/09						08/18/2009	08/18/2009				1.000000000	1.000000000	1.000000000	Sale	2,700,000.00	2,700,000.00	D.13000			2,699,717.25		
033-DISC	0							09/16/2009	n-08/19/09	n-08/18/09						08/18/2009	08/18/2009				1.000000000	1.000000000	1.000000000	Sale	2,700,000.00	2,700,000.00	D.13000			2,699,717.25		
033-DISC	0							09/16/2009	n-08/19/09	n-08/18/09						08/18/2009	08/18/2009				1.000000000	1.000000000	1.000000000	Sale	2,700,000.00	2,700,000.00	D.13000			2,699,717.25		
033-DISC	0							09/16/2009	n-08/19/09	n-08/18/09						08/18/2009	08/18/2009				1.000000000	1.000000000	1.000000000	Sale	2,700,000.00	2,700,000.00	D.13000			2,699,717.25		
033-DISC	0							09/16/2009	n-08/19/09	n-08/18/09						08/18/2009	08/18/2009				1.000000000	1.000000000	1.000000000	Sale	2,700,000.00	2,700,000.00	D.13000			2,699,717.25		
033-DISC	0							09/16/2009	n-08/19/09	n-08/18/09						08/18/2009	08/18/2009				1.000000000	1.000000000	1.000000000	Sale	2,700,000.00	2,700,000.00	D.13000			2,699,717.25		
033-DISC	0							09/16/2009	n-08/19/09	n-08/18/09						08/18/2009	08/18/2009				1.000000000	1.000000000	1.000000000	Sale	2,700,000.00	2,700,000.00	D.13000			2,699,717.25		
033-DISC	0							09/16/2009	n-08/19/09	n-08/18/09						08/18/2009	08/18/2009				1.000000000	1.000000000	1.000000000	Sale	2,700,000.00	2,700,000.00	D.13000			2,699,717.25		
033-DISC	0							09/16/2009	n-08/19/09	n-08/18/09						08/18/2009	08/18/2009				1.000000000	1.000000000	1.000000000	Sale	2,700,000.00	2,700,000.00	D.13000			2,699,717.25		
033-DISC	0							09/16/2009	n-08/19/09	n-08/18/09						08/18/2009	08/18/2009				1.000000000	1.000000000	1.000000000	Sale	2,700,000.00	2,700,000.00	D.13000			2,699,717.25		
033-DISC	0							09/16/2009	n-08/19/09	n-08/18/09						08/18/2009	08/18/2009				1.000000000	1.000000000	1.000000000	Sale	2,700,000.00	2,700,000.00	D.13000			2,699,717.25		
033-DISC	0							09/16/2009	n-08/19/09	n-08/18/09						08/18/2009	08/18/2009				1.000000000	1.000000000	1.000000000	Sale	2,700,000.00	2,700,000.00	D.13000			2,699,717.25		
033-DISC	0							09/16/2009	n-08/19/09	n-08/18/09						08/18/2009	08/18/2009				1.000000000	1.000000000	1.000000000	Sale	2,700,000.00	2,700,000.00	D.13000			2,699,717.25		
033-DISC	0							09/16/2009	n-08/19/09	n-08/18/09						08/18/2009	08/18/2009				1.000000000	1.000000000	1.000000000	Sale	2,700,000.00	2,700,000.00	D.13000			2,699,717.25		
033-DISC	0							09/16/2009	n-08/19/09	n-08/18/09						08/18/2009	08/18/2009				1.000000000	1.000000000	1.000000000	Sale	2,700,000.00	2,700,000.00	D.13000			2,699,717.25		
033-DISC	0							09/16/2009	n-08/19/09	n-08/18/09						08/18/2009	08/18/2009				1.000000000	1.000000000	1.000000000	Sale	2,700,000.00	2,700,000.00	D.13000			2,699,717.25		
033-DISC	0							09/16/2009	n-08/19/09	n-08/18/09						08/18/2009	08/18/2009				1.000000000	1.000000000	1.000000000	Sale	2,700,000.00	2,700,000.00	D.13000			2,699,717.25		
033-DISC	0							09/16/2009	n-08/19/09	n-08/18/09																						

Ticket Nbr	Cust S/N	Sec Descrip 1	Sec Descrip 2	Sec Descrip 3	Port ID	Deal ID	Reg Type/Id	Apr By	Dt Enter	Factor	Face	Prtn
Cust Nbr							Call Cd-Dt	Apr Date	Trade Dt	Tran Cd	Par	Interest
Cusip							Call Price	Apr Time	Settle Dt	Ent By	Basis	Fees
Security							Mat Date	Fail Del	Trd Status	Trd For	Price	Withholding
Port ID							CPN Rate	Fail Pmt	Conv	Yield		Penalty
Deal ID							Cloc/Ploc	Pay/Del	Buyback		Total Amt	
311064420	300121	KWORCC (302)	FEDERAL HOME LOAN BANK DN				E/*		09/22/2009	1.0000000000	3,000,000.00	2,999,760.00
313385NN2	FHDN	10/28/09	.000	n-09/22/09	na	09	09/22/2009	Sale	10/30/2009	1.0000000000	3,000,000.00	.00
313385NN2			10/28/2009	n-09/22/09	na	09	09/22/2009	Skml144	10/30/2009	1.0000000000	D.08000	.00
033-DISC			ccf/ccf	n-09/22/09	na	BCT		BCT			99.992000000	.00
												2,999,760.00
311064993	300121	KWORCC (302)	FHLB 3.0 STEP UP 4.0 10/29/12				E/*		10/13/2009	1.0000000000	1,000,000.00	1,000,000.00
3133XVBX6	FHDN	12/09/09	100.000	n-10/29/09	na	09	10/13/2009	Sale	10/30/2009	1.0000000000	1,000,000.00	.00
3133XVBX6			10/29/2019	n-10/29/09	na	09	10/29/2009	Skml144	10/30/2009	1.0000000000	100.00	.00
011-APP			VAR	n-10/29/09	na	BCT		BCT			100.000000000	.00
			ccf/ccf	n-10/29/09	na							1,000,000.00
												2,999,800.00
311065474	300121	KWORCC (302)	FEDERAL HOME LOAN BANK DN				E/*		10/30/2009	1.0000000000	3,000,000.00	2,999,800.00
313385QG4	FHDN	12/09/09	.000	n-10/30/09	na	09	10/30/2009	Sale	10/30/2009	1.0000000000	3,000,000.00	.00
313385QG4			12/09/2009	n-10/30/09	na	09	10/30/2009	Skml144	10/30/2009	1.0000000000	D.0600	.00
033-DISC			ccf/ccf	n-10/30/09	na	BCT		BCT			99.993333330	.00
												2,999,800.00
311065670	300121	KWORCC (302)	FHLB 3.0 STEP UP 4.0 10/29/12				E/*		11/04/2009	1.0000000000	500,000.00	500,000.00
3133XVBX6	FHDN	12/09/09	100.000	n-11/04/09	na	09	11/04/2009	Purch	11/04/2009	1.0000000000	500,000.00	208.33
3133XVBX6			10/29/2019	n-11/04/09	na	09	11/04/2009	Skml144	11/04/2009	1.0000000000	100.00	.00
032-AGCY			VAR	n-11/04/09	na	BCT		BCT			100.000000000	.00
			ccf/ccf	n-11/04/09	na							500,208.33
												2,999,800.00
311065473	300121	KWORCC (302)	FEDERAL HOME LOAN BANK DN				E/*		10/30/2009	1.0000000000	3,000,000.00	2,999,800.00
313385QG4	FHDN	12/09/09	.000	n-10/30/09	na	09	10/30/2009	Sale-Rev	10/30/2009	1.0000000000	3,000,000.00	.00
313385QG4			12/09/2009	n-10/30/09	na	09	10/30/2009	Skml144	10/30/2009	1.0000000000	D.06000	.00
011-APP			ccf/ccf	n-10/30/09	na	BCT		BCT			99.993333330	.00
												2,999,800.00

Total Reversals
 Report Totals

Par: 3,000,000.00
 Prin: 2,999,800.00
 Par: 18,740,000.00

Int: .00
 Total: 2,999,800.00
 Prin: 18,752,011.22
 Int: 6,159.02
 Total: 18,758,170.24

I, Doyle Alcorn, 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 10th day of December, 2009 at which a quorum was present:

RESOLUTION #2009-89

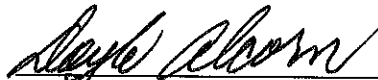
WHEREAS, Scott County requested pricing and proposal to write workers compensation coverage for policy period of January 1, 2010 to January 1, 2011.

WHEREAS, the Board of County Commissioners of Scott County voted to accept KWORCC's proposal to write their workers compensation insurance;

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

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

IN WITNESS WHEREOF, the undersigned has caused this Resolution to be executed this 10th day of December, 2009.



Doyle Alcorn, Secretary

Minutes
Meeting, Investment Committee
Kansas Worker Risk Cooperative for Counties
Clubhouse Inn - Conference Room
924 SW Henderson Rd., Topeka KS 66615
December 10, 2009

On Thursday, December 10, 2009 at 1:03 p.m. 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 KWORCC President, Michelle Garrett, Morris County Clerk. The Chairman of the Committee, Ralph D. Unger, Decatur County Commissioner, had notified the Administrator that he would arrive a few minutes after the scheduled meeting time and asked that the meeting begin in his absence and that he join as soon as possible (Chairman Unger arrived at 1:20p.m.). President Garrett stated she would conduct the meeting until Chairman Unger arrived. Also present for the Committee was Jim Wise, Miami County Commissioner. KWORCC Administrator, Jim Parrish, Bradley Downard of Security Benefit and B. Christopher Thompson, Senior Vice President Investment Services Division at Country Club Bank also appeared for the meeting.

Mr. Wise moved to adopt the Agenda. Ms. Garrett seconded the motion, which CARRIED unanimously. Mr. Wise moved to approve the minutes of the July 16, 2009 meeting. Ms. Garrett seconded the motion, which CARRIED unanimously.

Mr. Parrish explained that one purpose of the meeting was to review the purchases and sales of fixed-income assets and called the Committee's attention to Country Club Bank's "Trade History Report" included in the agenda packet. He then noted that Resolution No. 2009-97 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 is in accordance with Kansas Statutes and KWORCC's investment policy. Mr. Wise moved that the Committee recommend that the KWORCC Board of Trustees approve KWORCC Resolution No. 2009-97. Ms. Garrett seconded the motion, which CARRIED unanimously.

President Garrett called upon Mr. Downard to explain the status of the security investments and offer suggestions for future investment. Mr. Downard stated that while there may be indications from a macroeconomic standpoint that the economy may be stabilizing, in the third quarter, the economy and markets remain uncertain with contradictory information. He noted that the jobless rate is still unusually high and expressed concern that consumer spending is still quite soft and 70% of the nation's economy is based on consumer spending.

He then discussed the pool's Midcap Value Fund, pointing out that it had experienced a 33.97% increase year-to-date (as of September 30, 2009). He indicated that Jim Schier and his investment team continue to be a leader nationwide in managing this fund. He stated this fund is emphasizing investments in less cyclical industries such as packaging, utilities and staples. He said the fund is underemphasizing credit-sensitive financial investments, especially in view of the fact that it is difficult to estimate the extent of credit losses for many financial companies and that there is a likelihood that there will be fundamental changes occurring in the financial industry which may result in a prolonged lower return.

In discussing the pool's Midcap Growth Fund, Mr. Downard said the year-to-date results for this fund indicate a 37.68% increase in value as of September 30, 2009. In this fund, the investment team is deemphasizing its healthcare and consumer staples, particularly in view of the uncertainty of the final health care reform legislation. This fund is emphasizing basic materials and energy as global demands improve with the growth in China and India. Also, the fund is emphasizing industrials and is still emphasizing financials. The fund is also focusing on the "consumer cyclical sector" in anticipation that job losses will begin to stabilize and spending will improve. He stated there is heavy exposure in this fund to technology, but that emphasis is lower than the benchmark weighting of 30% which is viewed to be too high for the fund's investment discipline in this industry.

Turning to the Security Global Fund, Mr. Downard indicated the fund had increased its value by 17.43% year-to-date as of September 30, 2009. In this fund, financial companies remain the largest exposure, and the fund is strong in such major sectors as consumer non-durables, software, services and global hardware. The fund does not emphasize health care, materials and processing, utilities and manufacturing. He discussed the fund's investment allocations to Japan and various countries in Europe as part of the portfolio.

In discussing the Alpha Opportunity Fund, Mr. Downard said the fund had increased in value by 21.13% year-to-date, but is still closed to new investment.

Mr. Downard stated that Security Benefit has had a great year with \$3 billion in net sales for the year as of September 30, 2009. He said inflation will be a factor that will influence the markets greatly. However, some inflation is actually good, and too much is bad. For now, inflation has been contained. Mr. Thompson then interjected that in his industry, a little inflation is a good thing. However, he said that high inflation rates are bad for bonds. He said bonds get queasy on news of inflation but pointed out that one of the Federal Reserve Board governors from Kansas City has been vocal that inflation is a serious concern and that interest rates are actually too low and are "dangerously inflationary."

Mr. Thompson described his role as a "high grade bond manager." He proceeded to report on the fixed income portfolio and distributed a summary sheet wherein he projects that 72% (\$8,260,000) of the current \$11,510,000 portfolio would be called or mature in the coming 12 months. That portion of the portfolio is currently earning 2.71%, and the sum portfolio average yield is 2.759% (compared to 2.51% in June 2009). If these dollars are reinvested at 2% or greater, the predicted future average yield on the portfolio would be 2.244% (not including unrealized gains/losses). Thus, a decrease in portfolio income of nearly \$60,000 on an annualized basis is forecasted.

He explained that the portfolio still produces a yield which is attractively in excess of the risk free Treasury curve, yet possessing no additional risk – other than the risk that bonds will be called too soon. These yields are accomplished by the same strategy which has been successfully employed over the past many years of using US government agencies, callable and non callable, to assemble a highly liquid portfolio with enhanced yields.

Mr. Thompson stated that the declining yield in the portfolio is a result of the steadily declining market yields (e.g. five year Treasury note declined from 2.81% in June 2009 to 2.10% currently). To the extent that this general yield decline has been largely concluded, the portfolio is not likely to suffer large yield drops from this point forward. To the extent that yields tend to rise, the portfolio yield should move higher as well, due to the relatively short average maturity.

He said one of the two greatest risks to the portfolio is rapidly rising rates, in which case the bond prices would fall appreciably. This would not cause a true loss unless bonds were sold prior to

maturity. The second risk is a steadily decline in rates, which result in bond prices rising, but income drifting lower. Of the two, Mr. Thompson believes the greater risk to be rapidly rising rates, but doesn't believe it to be a likely event. He does expect rates to rise (and bond prices to fall) but thinks the Federal Reserve Board will work diligently to manage inflation expectations and keep markets "sane," thereby avoiding a "panic" yield adjustment upward.

The Committee discussed each of the funds and discussed strategies for investing in three of the funds, excluding the Alpha Opportunity Fund. Mr. Unger raised the prospect of liquidating the Alpha Opportunity Fund and even possibly the Midcap Growth Fund.

Finally, the Committee determined that it should recommend to the KWORCC Board of Trustees that no action be taken to liquidate any funds at this time because it is so close to the end of the year, and very often investors will sell off their positions for tax reasons which would have the effect of depressing the value of the fund. Further, the committee members concluded that there was no particular advantage in investing in any of the funds this late in the year and concluded the pool would be better served to address these matters right after the first of next year.

Whereupon, Mr. Wise moved to recommend to the full Board that KWORCC take no action to invest or liquidate at this meeting, but to take a look at all of those options at a meeting to be scheduled just prior to the January Board meeting. Mr. Unger seconded the motion which CARRIED unanimously.

Chairman Unger then moved to ask the full Board to give the Investment Committee authority to liquidate the Alpha Opportunity Fund at any time between now and the January meeting, should circumstances occur that would allow KWORCC to do so at a price which is comparable to the fund's high point before the economic downturn a year ago. Mr. Wise seconded the motion which CARRIED unanimously.

Next, Chairman Unger moved to adjourn the meeting; Mr. Wise seconded the motion, and the meeting was adjourned.

THE FOREGOING MINUTES of the Investment Committee of Kansas Workers Risk Cooperative for Counties were executed by the Chair of that Committee on January 14, 2009.


Ralph D. Unger, Chair
KWORCC Investment Committee

11/30/09

KWORCC Projection

Item	Cntrl #	Likelihood	Next Call Date	Maturity	Cusip	Short Desc	Rate	Yield	Par_Val	Book_Val	Market_Val
1	1	Maturing 12/9/2009	non callable	12/9/2009	313385Q4	FHLMC Disc Note	0.004	0.004	3,000,000	2,999,960	3,000,000
2	4	Maturing 12/17/2009	non callable	12/17/2009	3136F9DA8	FNMA 5.125	5.125	5.125	500,000	500,000	501,562
3	10	likely call 1/29/2010	1/29/2010	1/29/2015	3133XPC51	FHLB 4.0 1/2	4.000	4.000	1,000,000	1,000,000	1,006,250
4	7	likely call 2/15/2010	2/15/2010	2/15/2023	3136F8X59	FNMA STEP UP	5.000	5.000	1,500,000	1,500,000	1,484,531
5	8	likely call 3/17/2010	3/17/2010	6/17/2019	3136FHZR9	FNMA STEP UP	4.000	4.000	1,735,000	1,735,000	1,731,746
6	9	likely call 3/26/2010	3/26/2010	3/26/2012	3128X5N61	FHLMC 5.0 3/	5.000	5.000	250,000	250,000	254,008
7	2	Maturing 9/10/2010	non callable	9/10/2010	3133XGLE2	FHLB 5.125	5.125	0.673	275,000	284,436	286,000
8	3	not repricing in '09/'10	non callable	2/27/2013	3133XPU51	FHLB 4.000	4.000	2.234	250,000	263,627	268,281
9	6	not repricing in '09/'10	3/18/2011	3/18/2014	3136FHXY9	FNMA STEP UP	2.250	2.250	1,000,000	1,000,000	1,015,000
10	11	not repricing in '09/'10	1/26/2011	1/26/2016	3136F93Y7	FNMA STEP UP	2.000	2.000	1,000,000	1,000,000	1,002,812
11	12	not repricing in '09/'10	7/12/2011	7/12/2016	3133XG4P6	FHLB 7/12/16	6.000	6.000	500,000	500,000	536,718
12	5	not repricing in '09/'10	1/29/2010	10/29/2019	3133XVBY6	FHLB Multit Step	3.000	3.000	500,000	500,000	494,375
									\$ 11,510,000	\$ 11,533,023	\$ 11,581,283

	Par Value	% of Port	Book Yield
Repricing in 2009/2010	\$ 8,260,000	72%	2.7179
Not repricing in 2009/10	\$ 3,250,000	28%	2.8642
Total	\$ 11,510,000	100%	2.7592

Portfolio Current Book Yield	2.759%
Annual Income at Current Book Income	\$ 317,581
Projected Replacement Yield	2.0000
Portfolio Projected Book Yield	2.244%
Annual Income at Projected Book Income	\$ 258,285

Decrease in Portfolio Income	\$ 59,296	18.7%
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SECURITY GLOBAL INVESTORS QUARTERLY COMMENTARY

RYDEX | SGI
SECURITY GLOBAL INVESTORSSM

Third Quarter 2009

MACROECONOMIC REVIEW

While there are indications that the economy may be stabilizing from a macroeconomic standpoint in the third quarter, the economy and markets remain uncertain with contradictory information. The statement released by the Federal Open Market Committee from its meeting on Sept. 23 showed an economy that was slowly improving. Moody's Investor Service recently lowered its outlook for corporate bond defaults. This may make owning riskier assets more rewarding as the implied default rate declines and prices increase. Fixed-income factors we follow continue to point to improving economic growth as the yield curve remains historically steep, and monetary policy remains accommodative. A positive indicator for the equity markets is the direction of earnings revisions, which is higher. The cost of capital is cheap, as interest rates remain very low with no sign of inflation. Therefore, companies are able to expand, but it is through merger and acquisition activity rather than organic growth.

While markets historically rally in anticipation of a recovery, and experts consider unemployment a lagging indicator, these same factors give us pause. The equity markets have rallied more than 50% off mid-March lows as unemployment continues to climb. It is hard to imagine a stabilizing and growing economy as more people lose their jobs and consumers, which make up approximately 70% of the economy, continue to pay down debt. The labor market remains very weak and unemployment continues to climb. For the economy to have a sustained recovery, job creation will be the linchpin that will allow the consumer to increase spending.

As the economy recovers, a central question is whether companies will be able to grow revenues rather than maintain profits with massive cost-cutting measures. If so, it is more likely to be at what investors are referring to as the "new normal"—increasing revenues from the now lower levels rather than returning to the higher levels of the past.

U.S. EQUITY—VALUE

Our portfolios continue to emphasize companies that are financially resilient in a world where capital is available on a sporadic basis. With many industries going through a process of business and capacity rationalization in a lower demand environment, financial flexibility provides an advantage to those companies that have opportunities to gain market share or acquire desirable assets from disadvantaged competitors. We are overweight less cyclical industries such as packaging, utilities and staples. In addition, we continue to underweight credit-sensitive financials. We continue to find it difficult to estimate the ultimate credit losses for many companies and believe that the likely fundamental changes that are occurring could lead to a business environment that will provide a prolonged lower return environment for most of the survivors. As always, we continue to be opportunistic in our approach.

Class A-Shares Net Performance as of September 30, 2009	Inception Date	YTD	1-Year	3-Year	5-Year	10-Year	Since Inception	Net/Gross Expense Ratio
Large Cap Value Fund (at NAV)	8/7/1944	23.61%	-5.59%	-4.63%	3.17%	-0.22%	8.45%	1.25%/1.36% ¹
Large Cap Value (including sales charge of 5.75%)		16.45%	-11.02%	-6.50%	1.95%	-0.82%	8.35%	—
Russell 1000 Value		14.85%	-10.62%	-7.87%	0.90%	2.59%	n/a	—
Mid Cap Value (at NAV)	5/1/1997	33.97%	6.90%	1.86%	8.52%	12.48%	14.73%	1.37%/1.37%
Mid Cap Value (including sales charge of 5.75%)		26.27%	0.77%	-0.13%	7.24%	11.82%	14.19%	—
Russell 2500 Value		22.00%	-8.33%	-5.65%	2.51%	8.12%	8.34%	—
All Cap Value (at NAV)	10/3/2008	24.66%	n/a	n/a	n/a	n/a	2.10%	1.35%/1.50% ¹
All Cap Value (including sales charge of 5.75%)		17.49%	n/a	n/a	n/a	n/a	-3.77%	—
Russell 3000 Value		14.97%	n/a	n/a	n/a	n/a	-5.48%	—
Small Cap Value (at NAV)	7/14/2008	55.22%	24.15%	n/a	n/a	n/a	33.64%	1.30%/6.10% ²
Small Cap Value (including sales charge of 5.75%)		46.30%	17.01%	n/a	n/a	n/a	27.32%	—
Russell 2000 Value		16.36%	-12.61%	n/a	n/a	n/a	-5.25%	—

Index Source Data: FactSet. Performance displayed represents past performance, which is no guarantee of future results. Investment return and principal value will fluctuate so that when shares are redeemed, they may be worth more or less than original cost. Current performance may be lower or higher than the performance data quoted. Returns reflect the reinvestment of all dividends. For additional information, please see the fund's prospectus. ¹ Expense ratios are as of fiscal year ended 9/30/08. The investment manager has contractually agreed to waive fees and/or reimburse fund expenses until January 31, 2010. ² Expense ratios are as of fiscal year ended 9/30/08. The investment manager has contractually agreed to waive fees and/or reimburse fund expense until January 31, 2011.

U.S. EQUITY—GROWTH

We remain underweight health care and consumer staples as they are both traditionally defensive sectors, and because we are still awaiting the final details of the health care reform bill. We are overweight basic materials and energy as global demand improves with renewed growth in China and India. We are overweight industrials in anticipation of better economic growth later in 2009. We remain overweight financials as we expect strong third quarter earnings per share reports due to the record fixed-income and equity issuance during the quarter. We are also overweight the consumer cyclical sector as we anticipate that the job losses will begin to stabilize and spending will improve later in 2009. We have a heavy exposure in technology, but we remain lower than our benchmark weighting of 30%, which is an exposure level that is too high for our investment discipline.

Class A-Shares Net Performance as of September 30, 2009	Inception Date	YTD	1-Year	3-Year	5-Year	10-Year	Since Inception	Net/Gross Expense Ratio
Select 25 Fund (at NAV)	1/29/1999	25.45%	0.58%	-8.20%	-0.47%	-3.17%	-2.51%	1.35%/1.72% ¹
Select 25 Fund (including sales charges of 5.75%)		18.20%	-5.18%	-9.99%	-1.65%	-3.74%	-3.05%	
Russell 1000 Value		27.11%	-1.85%	-2.50%	1.86%	-2.56%	-2.35%	-
Mid Cap Growth Fund (at NAV)	9/17/1969	37.68%	2.32%	-8.32%	-0.72%	3.32%	9.70%	1.50%/1.50% ²
Mid Cap Growth Fund (including sales charges of 5.75%)		29.76%	-3.51%	-10.11%	-1.89%	2.72%	9.54%	
Russell MidCap Growth		37.12%	-0.40%	-3.10%	3.75%	2.18%	n/a	-
Small Cap Growth Fund (at NAV)	10/15/1997	26.01%	-6.89%	-9.68%	-2.56%	-0.13%	2.10%	1.83%/1.83% ²
Small Cap Growth Fund (including sales charges of 5.75%)		18.79%	-12.26%	-11.44%	-3.70%	-0.72%	1.59%	
Russell 2000 Value		29.12%	-6.32%	-2.60%	2.91%	1.10%	n/a	-

Index Source Data: FactSet. Performance displayed represents past performance, which is no guarantee of future results. Investment return and principal value will fluctuate so that when shares are redeemed, they may be worth more or less than original cost. Current performance may be lower or higher than the performance data quoted. For additional information, please see the fund's prospectus. ¹ Expense ratios are as of fiscal year end 9/30/08. The investment manager has contractually agreed to waive fees and/or reimburse fund expenses until January 31, 2010. ² Expense ratios are as of year end 9/30/08.

GLOBAL EQUITIES

From a sector perspective, finance remains our largest exposure, although it is now slightly below market weight as various positions have achieved price targets. Among other major sectors, we have a slight overweight in consumer nondurables, software and services and global hardware. We are underweight health care, materials and processing, utilities and producer manufacturing.

Geographically, we have normalized our exposures in Europe. Japan remains an equal weight relative to the benchmark, while Asia Ex-Japan is slightly overweight. As a result, the increased exposure to Europe has come out of North America. In September, all geographic regions contributed positively to performance. Currently, we do not have any significant regional biases. Europe's periphery, primarily Portugal, Ireland, Italy, Greece and Spain, remains weak. Japanese exporters will have to deal with the effects of the strengthening yen as companies struggle with anemic demand. In the U.S., we have certainly seen improvements in various economic indicators. Nonetheless, the employment situation remains precarious and may hit double-digit unemployment by the end of the year.

Net Performance as of September 30, 2009	Inception Date	YTD	1-Year	3-Year	5-Year	10-Year	Since Inception	Net/Gross Expense Ratio
Global Fund A-Shares (at NAV)	10/1/1993	17.43%	-2.71%	-4.38%	4.28%	5.18%	7.57%	1.73%/1.73% ¹
Global Fund (including sales charges of 5.75%)		10.65%	-8.29%	-6.25%	3.05%	4.65%	7.17%	
MSCI World Net USD		24.90%	-2.29%	-4.35%	3.51%	0.92%	5.80%	-
Global Market Neutral Fund H-Shares (at NAV)	3/31/2009	n/a	n/a	n/a	n/a	n/a	-3.64%	2.75%/2.75% ²
HF/RX U.S. Equity Market Neutral Index		n/a	n/a	n/a	n/a	n/a	-3.94%	-
Global 130/30 Fund H-Shares (at NAV) ³	9/23/2002	11.01%	-14.99%	n/a	n/a	n/a	3.68%	2.73%/2.73% ³
MSCI Daily TR Net World USD		24.90%	-2.29%	n/a	n/a	n/a	8.08%	-
Russell 3000 Total Return		21.19%	-6.42%	n/a	n/a	n/a	6.21%	

There are increased risks associated with an investment in global markets—such as currency fluctuations and economic and political factors—not associated with investing exclusively in the U.S.

Index Source Data: FactSet. Performance displayed represents past performance, which is no guarantee of future results. Investment return and principal value will fluctuate so that when shares are redeemed, they may be worth more or less than original cost. Current performance may be lower or higher than the performance data quoted. For up-to-date fund performance, including performance current to the most recent month-end, please visit www.rydex-sgi.com. Returns reflect the reinvestment of all dividends. For additional information, please see the fund's prospectus. ¹ Expense ratio is as of fiscal year end 9/30/08. ² The fund is new, and total expense ratios are estimated. ³ Performance of Rydex|SGI Global 130/30 Strategy Fund through March 31, 2009 reflects Multi-Cap Core Equity Fund strategy, which did not include investments in short positions nor investments of over 100% of the fund assets in long positions. Performance shown reflects maximum sales charges or contingent deferred sales charges (CDSC) as applicable. Total expense ratio has been estimated based on the investment strategy change and sub-advisory agreement effective April 1, 2009. Please see the prospectus for more information.

Chris Corporate low rated debt

FIXED INCOME-HIGH-YIELD

We are cautiously optimistic even after the recent runup and the lack of visibility of the overall economy. This runup has been an opportunity to take profits from select holdings. New issuance continues to help struggling companies reissue debt, thereby decreasing the default rate and lowering expectations of future defaults. Two key factors to an improving economy will be third quarter earnings and unemployment. We will be looking for whether firms are able to increase revenue rather than simply reduce costs, and whether unemployment figures will begin to show the return of jobs. We will also continue to watch the high-yield mutual fund flows closely to determine whether we should add or reduce our risk exposure.

Class A-Shares Net Performance as of September 30, 2009	Inception Date	YTD	1-Year	3-Year	5-Year	10-Year	Since Inception	Net/Gross Expense Ratio ¹
High Yield Bond Fund (at NAV)	8/5/1996	62.30%	26.16%	5.62%	6.39%	5.76%	6.05%	1.10%/1.45%
High Yield Bond Fund (including sales charges of 4.75%)		54.67%	20.12%	3.94%	5.36%	5.25%	5.66%	
Barclays High Yield Index		48.98%	22.34%	5.31%	6.14%	6.25%	6.44%	-

Investing in high-yield or lower rated securities is speculative and involve greater risks, including default, than higher rated securities. Therefore, they may entail greater risks of loss of principal and interest than investments in higher rated securities.

Index Source Data: FactSet. Performance displayed represents past performance, which is no guarantee of future results. Investment return and principal value will fluctuate so that when shares are redeemed, they may be worth more or less than original cost. Current performance may be lower or higher than the performance data quoted. For up-to-date fund performance, including performance current to the most recent month-end, please visit www.rydex-sgi.com. For additional information, please see the fund's prospectus. ¹ Expense ratios are as of fiscal year ended 12/31/08. The investment manager has contractually agreed to waive fees and/or reimburse fund expenses until May 1, 2010.

FIXED INCOME-U.S. INTERMEDIATE BOND

The corporate bond rally continued in September. Although it is not realistic to expect this pace of performance to continue, we are still positive on the outlook for corporate bonds versus other sectors of the investment grade market. We will continue to overweight corporate bonds and underweight U.S. Treasuries as the improving credit trend plays out over the next 12 months. Names we have added this quarter include Citigroup, Raymond James Financial, RenaissanceRe and Airgas.

Class A-Shares Net Performance as of September 30, 2009	Inception Date	YTD	1-Year	3-Year	5-Year	10-Year	Since Inception	Net/Gross Expense Ratio ¹
U.S. Intermediate Bond Fund (at NAV)	8/15/1985	9.68%	2.11%	0.31%	1.15%	3.57%	5.98%	0.95%/1.37%
U.S. Intermediate Bond Fund (including sales charges of 4.75%)		4.43%	-2.83%	-1.31%	0.16%	3.07%	5.76%	
Barclays Intermediate Term Government/Credit		4.92%	10.01%	6.15%	4.68%	5.90%	8.81%	-

These # includes price appreciation and plus a corporate They are total return numbers! An average yield 5 1/2 - 6% at least

Index Source Data: FactSet. Performance displayed represents past performance, which is no guarantee of future results. Investment return and principal value will fluctuate so that when shares are redeemed, they may be worth more or less than original cost. Current performance may be lower or higher than the performance data quoted. For the Intermediate Bond composite above, gross performance numbers reflect the reinvestment of dividends and other earnings are net of non-reclaimable foreign withholding taxes applicable to U.S. investors and reflect the deduction of all trading expenses. For up-to-date fund performance, including performance current to the most recent month-end, please visit www.rydex-sgi.com. Returns reflect the reinvestment of all dividends. For additional information, please see the fund's prospectus. ¹ Expense ratios are as of fiscal year ended 12/31/08. The investment manager has contractually agreed to waive fees and/or reimburse fund expenses until May 1, 2010.

ALTERNATIVES

The alternative landscape saw healthy returns throughout the quarter. Most of the hedge fund categories continued their strong showing in 2009. The top performers have been mostly in convertible arbitrage and emerging markets. Market-neutral strategies are roughly flat to down due to strong directional equity movement. Managed futures funds, for the most part, had a reasonably good quarter, but remain slightly negative on the year. Short-biased funds are experiencing the greatest drawdown with mostly negative double-digit returns.

The U.S. dollar and commodity prices have had an inverse relationship for much of the quarter. The Australian dollar, Canadian dollar, yen and euro all have had positive momentum relative to the U.S. currency. Precious metals, gold and silver moved to new year-to-date highs, while industrial metals did even better with copper and lead. The energy complex has seen oil stay relatively flat over the quarter, while natural gas, after experiencing some all-time lows intra-quarter due to oversupply, has rebounded significantly.

The third quarter earnings should provide some greater clarity as to the state of the financial markets. The fundamental factors that will help drive positive momentum—unemployment, housing and overall market volatility—remain tenuous.

Class H-Shares Net Performance as of September 30, 2009	Inception Date	YTD	1-Year	3-Year	5-Year	Since Inception	Net/Gross Expense Ratio
Managed Futures Strategy Fund	3/2/2007	-2.43%	5.58%	n/a	n/a	5.00%	2.17%/2.30% ^{1,2}
S&P Diversified Trends Indicator		-3.89%	3.78%	n/a	n/a	5.40%	-
S&P 500 TR		19.26%	-6.91%	n/a	n/a	-7.96%	-
Long/Short Commodities Strategy	6/25/2009	n/a	n/a	n/a	n/a	2.48%	1.83%/2.06% ³
JPM C-JGAR Sigma		n/a	n/a	n/a	n/a	5.34%	-
Multi-Hedge Strategies Fund	9/19/2005	-3.07%	-13.19%	-5.44%	n/a	-3.18%	2.15%/2.44% ^{2,4,5}
HRFX Global Hedge Fund Index		10.77%	-3.63%	-2.24%	n/a	-0.35%	-
S&P 500 TR		19.26%	-6.97%	-5.43%	n/a	-1.77%	-
Alternative Strategies Allocation Fund	3/7/2008	0.39%	-11.83%	n/a	n/a	-10.74%	1.43%/1.43% ⁶
Barclays Aggregate Bond Index		5.72%	10.56%	n/a	n/a	6.58%	-
S&P 500 TR		19.26%	-6.97%	n/a	n/a	-9.93%	-

Investing in alternative investments may not be suitable for all investors and involves special risks, such as risk associated with short sales, leveraging the investment, potential adverse market forces, regulatory changes and potential illiquidity. Investing in alternative strategies presents the opportunity for significant losses. There is no assurance that the investment objective will be attained.

Index Source Data: FactSet. *Performance displayed represents past performance which is no guarantee of future results. Investment returns and principal value will fluctuate so that when shares are redeemed, they may be worth more or less than original cost. Total returns reflect the reinvestment of all dividends. Current performance may be lower or higher than the performance data quoted. For up-to-date fund performance, including performance current to the most recent month-end, please visit our web site at www.rydex-sgi.com. For additional information, please see the fund's prospectus. Alternative funds may not be suitable for all investors because of the sophisticated and aggressive investment techniques the funds employ, such as leverage, derivatives and short selling. See a prospectus for additional details on these and other risks.*

¹ Managed Futures Strategy Fund expense ratio is as of 12/31/2008. ² The advisor has contractually agreed to waive the management fee it receives from the fund in an amount equal to the management fee paid to the advisor by the subsidiary in which the fund invests. This waiver will continue in effect for so long as the fund invests in the subsidiary and may not be terminated by the advisor unless the advisor first obtains the prior approval of the fund's Board of Trustees for such termination. ³ Long/Short Commodities Strategy Fund is new and expense ratios are based on estimated amounts for the current fiscal year. ⁴ Multi-Hedge Strategies Fund expense ratios are as of 3/31/2009. ⁵ The total expense ratio figure for the fund includes short sales dividends as an expense of 0.66%. If these costs had been treated as transaction costs or capital items rather than as expenses, the net expense ratio would have equaled 1.49% for H-Class. ⁶ Alternative Strategies Allocation Fund expense ratios are as of 03/31/09.

ABOUT RYDEX|SGI

The Firm

Rydex|SGI is dedicated to providing high-quality, innovative investment solutions across the asset allocation spectrum to meet advisors' diverse and evolving needs. We offer a wide array of alternative investment strategies in addition to index-based

and fundamental strategies—including actively managed global, value, growth and fixed income. We also provide advisors with a broad array of value-added programs focused on investment education and practice management.

Read the fund's prospectus carefully before investing. It contains the fund's investment objectives, risks, charges, expenses and other information. Obtain a prospectus at www.rydex-sgi.com or call 800.258.4332.

The funds are distributed by Rydex Distributors, Inc. (RDI), Security Global InvestorsSM is the investment advisory arm of Security Benefit Corporation (Security Benefit). Security Global Investors consists of Security Global Investors, LLC, Security Investors, LLC and Rydex Investments. Rydex Investments is the primary business name for PADCO Advisors, Inc. and PADCO Advisors II, Inc. SGI and RDI are affiliates and subsidiaries of Security Benefit.

SGI-QTRR-0909 x1209 #232

Minutes
Meeting, Board of Trustees
Kansas Workers Risk Cooperative for Counties
December 10, 2009 at 2:00 p.m.
Clubhouse Inn
924 SW Henderson Road
Topeka, KS 66615

The December 2009 meeting of the Board of Trustees of Kansas Workers Risk Cooperative for Counties (KWORCC) was called to order at 2:18 p.m. at the Clubhouse Inn in Topeka by Board President Michelle Garrett on Thursday, December 10, 2009. Trustees present included Michelle Garrett, Morris County Clerk, President; Jim Wise, Miami County Commissioner, Vice-President; Doyle 'Hooley' Alcorn, Jewell County Commissioner, Secretary; Bonnie Swartz, Gray County Clerk; Francis Garcia, Reno 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 and Ms. Nicole Jarboe-Paxson, Executive Assistant and Media Director.

Insurance Management Associates (IMA) appeared by Ms. Susan May, Mr. Gene Miller and Mr. Paul Davis.

President Garrett addressed Agenda Item No. 2, "Approval of the Agenda." Mr. Parrish recommended the addition of Agenda Item No. 3c, "Excuse Linda Buttron, Jefferson County Clerk, for county business" and the removal of Agenda Item No. 4h. He asked that Agenda Item No 4b be handled in executive session. Mr. Wise moved to approve the agenda with those changes. Mr. Unger seconded the motion, which CARRIED unanimously.

President Garrett addressed Agenda Item No. 3a, "Consideration of Minutes of Meeting of October 23, 2009." Mr. Unger moved to approve the minutes as presented. Mr. Alcorn seconded the motion, which CARRIED unanimously.

President Garrett addressed Agenda Item No. 3b, "Consideration of Minutes of Special Meeting of November 16, 2009." Mr. Unger moved to approve the minutes as presented. Mr. Alcorn seconded the motion, which CARRIED unanimously.

President Garret next called for a motion pursuant to Agenda Item No. 3c to excuse Linda Buttron for county business. Mr. Unger so moved; Ms. Swartz seconded the motion, which CARRIED unanimously.

President Garrett addressed Agenda Item No. 4, "Administrator's Report." Mr. Parrish first discussed Agenda Item No. 4a, "Checks Requiring Board Approval and Ratification of Electronic Transfer of Funds." He itemized the electronic transfer of funds and explained that there were no checks to approve. Ms. Garcia moved to ratify the transfers as presented. Mr. Wise seconded the motion, which CARRIED unanimously.

Next, Mr. Parrish asked for an executive session until 2:45 to address Agenda Item No. 4b, "Acknowledge Gus Campuzano." Ms. Swartz moved to enter executive session to discuss non-elected personnel to begin at 2:20 p.m. and to continue until 2:45 p.m. with the KWORCC Board and Staff present. Mr. Unger seconded the motion, which CARRIED unanimously. At 2:45 p.m. Mr. Wise moved to extend the executive session to 3:00 p.m. Ms. Garcia seconded the motion, which CARRIED unanimously. At 3:00 p.m. Mr. Unger moved to extend to the executive session to 3:10 p.m. Mr. Wise seconded the motion which, CARRIED unanimously.

Next, Mr. Parrish addressed Agenda Item No. 4c, "Contract Renewals." Under Agenda Item No. 4ci, Mr. Unger moved to table the discussion of "IMA - Brokerage and Claims" for further review by the Board. Mr. Alcorn seconded the motion, which CARRIED unanimously.

Mr. Parrish asked Ms. Bird to present contract renewals with Parrish Management Corporation and Jayhawk Tower Partners 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 and noted that these contracts reflect the same costs as the 2009 contracts. Ms. Bird said the proposed expenditures incorporated in these agreements were approved when the Trustees adopted the 2010 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. Mr. Wise seconded the motion, which CARRIED unanimously.

Mr. Parrish then asked Mr. Eyman to address Agenda Item No. 4d, "Review Underwriting Worksheet." Mr. Eyman explained factors considered when advance discounts are calculated for the members.

Next, Mr. Parrish addressed Agenda Item No. 4e, "Accept New Member(s) into KWORCC Pool." He reported that Scott County has accepted KWORCC's bid. Mr. Unger moved to adopt resolution number 2009-89 to accept Scott County into the pool. Ms. Swartz seconded the motion, which CARRIED unanimously. Mr. Wise moved to admit Barton County into the pool if the county accepts the bid submitted by KWORCC. Mr. Unger seconded the motion, which CARRIED unanimously.

Ms. Bird then addressed Agenda Item No. 4f, "Schedule 2010 KWORCC Board Meetings." After discussion, the following dates were chosen for KWORCC Board meetings in 2010: January 14th, February 18th, March 11th, April 23rd, May 20th, June 17th, July 16th, August 19th, September 9th, October 21st, November 15th (Annual Meeting) and December 16th. Mr. Wise moved to approve the dates noting that 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.

Mr. Parrish then addressed Agenda Item No. 4g, "2010 Premiums Approval." Mr. Parrish presented a worksheet itemizing data and proposed 2010 premiums for each member. After discussion, Ms. Swartz moved to approve the premiums as presented. Ms. Garcia seconded the motion, which CARRIED unanimously.

President Garrett then proceeded to Agenda Item No. 5, "Marketing Report." Mr. Eyman discussed marketing activities in several counties.

President Garrett announced a short break in the meeting at 3:53 p.m. The meeting resumed at 4:02 p.m.

President Garrett addressed Agenda Item No. 6, "Financial Report." Mr. Alexander discussed in detail the financial statements he prepared for October 2009 and November 2009. Ms. Swartz moved to receive and file the reports as presented. Ms. Garcia seconded the motion, which CARRIED unanimously.

Mr. Alexander made a recommendation for fund year allocation. Ms. Swartz moved to allocate \$85,000 in investment income to fund year 2004. Mr. Wise seconded the motion, which CARRIED unanimously.

Mr. Alexander presented the check register. Mr. Unger moved to approve check Nos. 13399 through 13460 and the direct debits, all as presented. Ms. Swartz seconded the motion, which CARRIED unanimously.

Next, Mr. Alexander reviewed two reports showing the value of KWORCC's equity investments as of December 1 and December 9, 2009.

President Garrett next addressed Agenda Item No. 7, "Claims Report – IMA." Addressing Agenda Item No. 7a, "Select Claims Review," Ms. May and Mr. Miller reported on claims and answered questions.

For Agenda Item No. 7b, "Logicomp Bill Review Report," Ms. May reported that for the period from January 1, 2009 through November 30, 2009, the total amount billed is \$3,935,348; the actual paid amount is \$2,402,118 for a net savings after fees of \$1,533,232. This is more than 38% of the amount billed for this 11-month period.

Mr. Davis then explained the "Policy Year Performance Review" under Agenda Item No. 7c. This analytical review generated by IMA shows KWORCC's claim history for policy years 2006 through 2009. 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. Davis emphasized these charts should not be considered as a guarantee of either good or poor ultimate loss performance.

President Garrett called upon Messrs. Eyman and Rippee to address Agenda Item No. 8, "Loss Prevention and County Visits." Mr. Eyman reviewed calendars for November, December and January for the loss-prevention staff as well as the breakdown of county visits since the first of the year.

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

Next, President Garrett addressed Agenda Item No. 10, "Committee Reports." Mr. Wise reported that the Investment Committee met just before the board meeting and recommends continuing to refrain from making further investments. He said the Investment Committee will meet in January to review further the state of the investments. After further discussion, Mr. Alcorn moved to grant authority to the Investment Committee to liquidate KWORCC's holdings in Alpha Opportunity Fund provided there will not be a substantial loss. Mr. Unger seconded the motion, which CARRIED unanimously.

Mr. Unger moved to adopt KWORCC Resolution No. 2009-97 approving the purchase and sales of government securities for the period beginning July 1, 2009 and ending November 30, 2009. Mr. Wise seconded the motion, which CARRIED unanimously.

President Garrett then called upon Mr. Eyman to address Agenda Item No. 11, "Trustee Training: Whole Body Vibration." Mr. Eyman discussed a new concept of whole body vibration. Among other important points, Mr. Eyman explained that there are no current standards for whole body vibration; however, it most likely will become a common source sited for repetitive trauma injury, especially lower back claims. President Garrett thanked Mr. Eyman for his presentation.

President Garrett then addressed Agenda Item No. 12, "Other Business." Mr. Unger moved to allocate \$100 for staff to purchase a memento of appreciation for Mr. Campuzano. Ms Swartz seconded the motion which CARRIED unanimously.

There being nothing further before the Board, Ms. Swartz moved to adjourn at 4:27 p.m. Ms. Garcia seconded the motion, which CARRIED unanimously.

The KWORCC Board of Trustees approved the foregoing minutes on the 14th day of January, 2010.



Linda Buttron, Secretary
KWORCC Board of Trustees

Minutes

Special Meeting, Board of Trustees
Kansas Workers Risk Cooperative for Counties
December 29, 2009 at 1:15 p.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 called to order at 1:18 p.m. via teleconference in Topeka by Board President Michelle Garrett on Tuesday, December 29, 2009. Trustees participating included Michelle Garrett, Morris County Clerk, President; Jim Wise, Miami County Commissioner, Vice-President; Doyle 'Hooley' Alcorn, Jewell County Commissioner, Secretary; Linda Buttron, Jefferson County Clerk, Controller; Bonnie Swartz, Gray County Clerk; Francis Garcia, Reno 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 and Ms. Nicole Jarboe-Paxson, Executive Assistant and Media Director.

President Garrett stated the purpose of the meeting was to consider the IMA services contract for 2010. Ms. Bird reviewed the contract terms and recommended that KWORCC enter the contract. This matter was laid on the table at the December 10th regular monthly meeting, and Trustees agreed by unanimous consent to take this issue from the table for immediate consideration. Mr. Parrish reported that the communication concerns with IMA had been addressed satisfactorily. Ms. Swartz moved to approve the contract with IMA for 2010 as recommended. Ms. Garcia seconded the motion, which CARRIED unanimously.

Mr. Unger suggested that notice of this special meeting be waived by consensus as all Trustees were present on the teleconference. Thereupon, the trustees agreed by consensus to waive notice of this special meeting.

There being nothing further before the Board, the meeting was adjourned by President Garrett at 1:30 p.m.

The KWORCC Board of Trustees approved the foregoing minutes on the 14th day of January, 2010.



Linda M. Buttron, Secretary
KWORCC Board of Trustees