

Minutes
Meeting, Board of Trustees
Kansas Workers Risk Cooperative for Counties
January 20, 2011 at 2:00 p.m. via Teleconference
700 SW Jackson, Ste 200
Topeka, KS 66603

The January 2011 meeting of the Board of Trustees of Kansas Workers Risk Cooperative for Counties (KWORCC) was called to order at 2:04 p.m. via teleconference by Board President Jim Wise on Thursday, January 20, 2011. Trustees present included: Jim Wise, Miami County Commissioner, President; Doyle "Hooley" Alcorn, Jewell County Commissioner, Vice-President; Linda Buttron, Jefferson County Clerk, Secretary; Michelle Garrett, Morris 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, Ms. Marla Dipman and Ms. Susan May.

Mr. Parrish noted for the minutes that the meeting was being conducted by teleconference because of the widespread snow storm which had caused travel to Topeka to be hazardous and impractical.

President Wise addressed Agenda Item No. 2, "Approval of the Agenda." Mr. Parrish recommended the agenda be changed to note that the meeting was being held by conference call. Ms. Swartz moved to approve the agenda with that modification. Ms. Garrett seconded the motion, which CARRIED unanimously.

President Wise addressed Agenda Item No. 3, "Consideration of Minutes of Meeting of December 16, 2010." Mr. Unger noted two spelling errors and one typographical error and moved to approve the minutes with appropriate corrections. Ms. Swartz seconded the motion, which CARRIED unanimously.

President Wise addressed Agenda Item No. 4, "Election of Officers and Establish Committees." He stated that all proposed officers and committee members had been contacted by the staff and agreed to serve. The officers include Doyle "Hooley" Alcorn, President; Linda Buttron, Vice-President; Bonnie Swartz, Secretary and Michelle Garrett, Controller. The committee members include Ralph D. Unger, Chair Personnel Committee with Bonnie Swartz and Doyle Alcorn as committee members; Jim Wise as Chair of Investment Committee with Michelle Garrett and Ralph D. Unger as committee members; Michelle Garrett as Chair of Audit Committee with Linda Buttron and the new Trustee to be appointed by the Board for the South Central District as committee members and Jim Wise as chair of the Joint KWORCC/KCAMP Committee on Cooperation with Bonnie Swartz and Linda Buttron as committee members. Mr. Unger moved to close nominations, elect the slate of officers and to ratify appointment of committee members as proposed. Ms. Buttron seconded the motion, which CARRIED unanimously.

Mr. Unger expressed appreciation on behalf of the Board to Mr. Wise for his year of service as President. Mr. Alcorn asked that Mr. Wise continue to preside over the meeting which he had convened, and Mr. Wise agreed.

As chairman of the meeting, Mr. Wise addressed Agenda Item No. 5, "Administrator's Report." Mr. Parrish first addressed Agenda Item No. 5a, "Presentation to President Wise." Mr. Parrish stated that

the Board and staff had a presentation to make to Mr. Wise and asked this item to be postponed until the February Board meeting.

Mr. Parrish then discussed Agenda Item No. 5b, "Checks Requiring Board Approval and Approval of Electronic Transfer of Funds." He itemized the electronic transfer of funds and checks requiring approval. President Alcorn moved to ratify the transfers and approve the checks as presented. Ms. Swartz seconded the motion, which CARRIED unanimously.

Mr. Parrish then addressed Agenda Item No. 5c, "Complete Conflict of Interest Forms." He asked that all Trustees and staff complete the conflict of interest forms for filing with the Kansas Insurance Department and send them to Ms. Bird.

Mr. Parrish then addressed Agenda Item No. 5d, "Consideration of Trustee Appointment." He reported that the names of two nominees to fill the position of Trustee for the South Central District had been submitted by four member counties. They are Mr. Steven Garten, Barber County Commissioner and Ms. Cheryl Adelhardt, Harper County Clerk. Mr. Parrish said that both nominees had been contacted in advance of the winter storm, and both had agreed to postpone their interviews with the Board until the February Board meeting. Mr. Unger moved to table this agenda item until the February meeting when the nominees will be present for interviews. Ms. Garrett seconded the motion, which CARRIED unanimously.

Mr. Parrish then asked Ms. Bird to address Agenda Item No. 5e, "GovU Training Contract." Ms. Bird reported that she had made several changes to the standard contract offered by the company U Incorporated, the company offering on-line training courses for KWORCC member counties. She successfully negotiated for the following changes: 1) a one year contract instead of two years; 2) an itemized billing process; 3) the right to review the training programs so that KWORCC can offer modifications before the courses are offered to the members. Mr. Parrish stated that the staff recommends entering into the contract with U Incorporation and offer on-line training for one year. He noted that the company uses the trade name of GovU. Mr. Alcorn moved to approve the proposed contract with U Incorporated. Ms. Swartz seconded the motion, which CARRIED unanimously.

Mr. Parrish next addressed Agenda Item No. 5f, "Revised Investment Policy." He reviewed the changes to the language in the investment policy. Mr. Unger moved to adopt the revised policy subject to further review and clarification of the language in the third item listed under "Goals" at the February meeting. Ms. Swartz seconded the motion, which CARRIED unanimously.

Chairman Wise then proceeded to Agenda Item No. 6, "Marketing Report." Mr. Eyman discussed marketing activities for several counties and responded to questions.

Chairman Wise addressed Agenda Item No. 7, "Financial Report." Mr. Alexander discussed in detail the preliminary, pre-audited financial statements he prepared for December 2010. Ms. Swartz moved to receive and file the reports as presented. Ms. Buttron seconded the motion, which CARRIED unanimously.

Mr. Alexander then discussed in detail the interim, pre-audited fourth quarterly financial report for 2010 he prepared for filing with the Kansas Insurance Department (KID). Ms. Swartz moved to approve filing the report with KID. Ms. Garrett seconded the motion, which CARRIED unanimously.

Mr. Alexander presented the check register. Mr. Unger moved to approve check Nos. 14033 through 14082 and the direct debits. Ms. Buttron seconded the motion, which CARRIED unanimously.

Next, Mr. Alexander reviewed a report showing the value of KWORCC's equity investments as of January 12, 2011.

Chairman Wise proceeded to Agenda Item No. 8, "Claims Report – IMA." Addressing Agenda Item No. 8a, "Select Claims Review," Ms. May and Mr. Miller reported on claims and answered questions. Ms. May requested approval of a pending settlement. Ms. Swartz moved to approve settlement of claim number 2008035743 as presented. Ms. Garrett seconded the motion, which CARRIED unanimously.

Mr. Miller then addressed Agenda Item No. 8b, "Logicomp Bill Review Report." Mr. Miller reported the amount billed totals \$4,022,222 for the period beginning January 1, 2010 through December 31, 2010. He said the actual paid amount for that period totals \$2,102,296 resulting in a net savings of \$1,919,925 after fees are paid. This is more than 48% 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 2007 through 2010. 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. He noted these charts show the status as of the end of December, 2010 and should not be considered as a guarantee of either good or poor ultimate loss performance.

Chairman Wise called upon Messrs. Eyman and Rippee to address Agenda Item No. 9, "Loss Prevention and County Visits." Mr. Eyman reviewed December, January and February calendars for the loss-prevention staff. Mr. Rippee reported that he delivered the thank you gift to Ms. Garcia and that she was very appreciative.

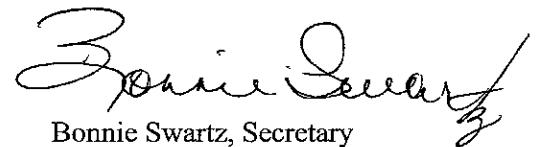
Chairman Wise addressed Agenda Item No. 10, "Legal Report." Mr. Parrish stated it was too early in the legislative session to report on specific proposals. He said that representatives of labor and industry were working on a compromise bill which likely would include numerous changes to the Kansas Workers Compensation Act. It is likely that the proposals would resemble the magnitude of the changes made to the act in 1993, addressing many issues advanced by advocates both for employers and employees. He said he expects that the proposed changes will reverse the *Bergstrom* decision and provide increases in the statutory limits on amounts to be paid for various injuries.

Next, Chairman Wise addressed Agenda Item No. 11, "Committee Reports." Mr. Unger stated there would be a Personnel Committee meeting prior to the February 17th Board Meeting. The committee would meet at 1:00 p.m.

Chairman Wise then addressed Agenda Item No. 12, "Other Business." There was no other business to bring before the Board.

There being nothing further before the Board, Ms. Swartz moved to adjourn the meeting at 3:11 p.m. Mr. Unger seconded the motion, which CARRIED unanimously.

The KWORCC Board of Trustees approved the foregoing minutes on the 17th day of February, 2011.


Bonnie Swartz, Secretary
KWORCC Board of Trustees

I, Bonnie Swartz, Secretary of Kansas Workers Risk Cooperative for Counties, hereby certify that the following is a true and correct copy of a Resolution duly adopted by unanimous vote of the Board of Trustees of KWORCC at a meeting duly called and held on the 17th day of February, 2011 at which a quorum was present:

RESOLUTION # 2011-21

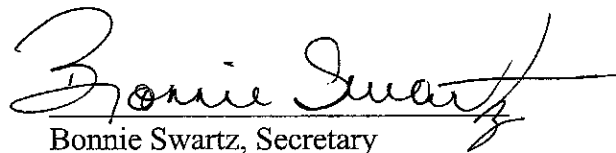
WHEREAS the Kansas Workers Risk Cooperative for Counties has determined that the financial statements and financial reports to be prepared for the year ending December 31, 2010, if prepared in conformity with the requirements of K.S.A. 75-1120a(a) will not be relevant to the requirements of the cash basis and budget basis laws of this state and are of no significant value to the Board of Trustees, members of the general public, or members of the Kansas Workers Risk Cooperative for Counties;

WHEREAS there are no revenue bond ordinances or other ordinances or resolutions of the Cooperative which would require financial statements and financial reports to be prepared in conformity with K.S.A. 75-1120a(a) for the year ending December 31, 2010;

NOW, THEREFORE BE IT RESOLVED, by the Board of Trustees of Kansas Workers Risk Cooperative for Counties, in regular meeting duly assembled this 17th day of February, 2011, that the Board of Trustees request the Director of Accounts and Reports waive the requirements of K.S.A. 75-1120a(a) as they apply to the Kansas Workers Risk Cooperative for Counties for the year ending December 31, 2010.

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

IN WITNESS WHEREOF, the undersigned has caused this Resolution to be executed this 17th day of February, 2011.


Bonnie Swartz, Secretary

Minutes
Meeting, Board of Trustees
Kansas Workers Risk Cooperative for Counties
February 17, 2011 at 2:00 pm
Clubhouse Inn
924 SW Henderson Road
Topeka, KS 66615

The February 2011 meeting of the Board of Trustees of Kansas Workers Risk Cooperative for Counties (KWORCC) was called to order at 2:00 pm on February 17, 2011 at the Clubhouse Inn in Topeka by Board President Doyle "Hooley" Alcorn. Trustees present included: Doyle "Hooley" Alcorn, Jewell County Commissioner, President; Linda Buttron, Jefferson County Clerk, Vice-President; Bonnie Swartz, Gray County Clerk, Secretary; Michelle Garrett, Morris County Clerk, Controller; Ralph D. Unger, Decatur County Commissioner and Jim Wise, Miami County Commissioner.

Staff participating included Mr. James W. Parrish, Administrator; Ms. Dortha O. Bird, Deputy Administrator and Staff Counsel; Mr. Carl Eymann, 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. Also present were Sam Cargnel of Centric Actuaries; Steve Garten, Barber County Commissioner and Cheryl Adelhardt, Harper County Clerk.

President Alcorn first addressed Agenda Item No. 2, "Presentation to President Wise." Mr. Alcorn thanked Mr. Wise for his year of service to KWORCC as President. Mr. Wise stated that he appreciated the honor of serving the membership as President and expressed best wishes for Mr. Alcorn in taking over the office.

President Alcorn addressed Agenda Item No. 3, "Approval of the Agenda." Mr. Parrish recommended three corrections or additions to the Agenda. The first was to move "Workers Compensation Legislation" from Agenda Item No. 11 to Agenda Item No. 11a; the second was to add Agenda Item No. 11b, "Bruce Woner Update" and the third was to move "Personnel Committee" from Agenda Item No. 12 to Agenda Item No. 12a. Mr. Wise moved to approve the agenda as amended. Mr. Unger seconded the motion, which CARRIED unanimously.

President Alcorn addressed Agenda Item No. 4, "Consideration of Minutes of Meeting of January 20, 2011." Mr. Unger moved to approve the minutes with a spelling correction. Ms. Swartz seconded the motion, which CARRIED unanimously.

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

Mr. Parrish then asked Mr. Cargnel to address Agenda Item No. 5b, "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. Two years went up slightly and two went down slightly. He reported that 2009 was an unusual year with more than 100 fewer claims than expected. For 2011, the

reports show that 490 claims are expected, with an average cost of \$7,350 per claim, resulting in a loss pick for 2011 of \$3.6 million. Mr. Cargnel then asked for and responded to questions.

Mr. Parrish then addressed Agenda Item No. 5c, "Request to KDOA for Waiver of GAPP, Resolution No. 2011-21." Mr. Unger moved to adopt the resolution. Ms. Garrett seconded the motion, which CARRIED unanimously.

Mr. Parrish next addressed Agenda Item No. 5d, "Revised Investment Policy." He reviewed the changes to the language in the investment policy. Ms. Swartz moved to adopt the revised policy. Mr. Unger seconded the motion, which CARRIED unanimously.

Mr. Parrish then asked Ms. Bird to address Agenda Item No. 5e, "Report on 2011 Member Premium Receipts." Ms. Bird reported on the premiums received thus far. She reported that all but three counties have paid premiums to date.

President Alcorn then proceeded to Agenda Item No. 6, "Marketing Report." Mr. Eyman discussed marketing activities for several counties and responded to questions.

President Alcorn addressed Agenda Item No. 7, "Financial Report." Mr. Alexander presented a preliminary 2010 year-end report which he described as an "interim snapshot" as well as the preliminary January 2011 financial reports. 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. Ms. Garrett moved to approve check Nos. 14083 through 14122 and the direct debits. Ms. Swartz seconded the motion, which CARRIED unanimously.

Next, Mr. Alexander reviewed reports showing the value of KWORCC's equity investments as of February 9, 2011 and February 16, 2011.

President Alcorn declared a short break in the meeting at 2:47pm. The meeting resumed at 2:59pm.

President Alcorn proceeded to Agenda Item No. 8, "Claims Report – IMA." Addressing Agenda Item No. 8a, "Select Claims Review," Ms. May reported on claims and answered questions.

Ms. May then addressed Agenda Item No. 8b, "Logicomp Bill Review Report." Ms. May reported the amount billed totals \$395,865 for the period beginning January 1, 2011 through January 31, 2011. She said the actual paid amount for that period totals \$152,712 resulting in a net savings of \$243,141 after fees are paid. This is more than 61% of the amount billed for this 1-month period.

Mr. Parrish 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 2008 through 2011. 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. He noted these charts show the status as of the end of January, 2011 and should not be considered as a guarantee of either good or poor ultimate loss performance.

Under Agenda Item No. 9, "Interview Trustee Candidates," Ms. Swartz moved that the Board recess into an executive session at 3:12 pm for a period of 30 minutes for the purpose of discussing non-elected personnel. Ms. Garrett seconded the motion, which CARRIED unanimously. At 3:36 pm, Mr. Wise moved to extend the executive session to 4:00 pm. Mr. Unger seconded the motion, which

CARRIED unanimously. The regular meeting resumed at 4:01 pm. Ms. Swartz moved to appoint Dr. Steve Garten as KWORCC Trustee for the south central district. Mr. Unger seconded the motion, which CARRIED unanimously.

President Alcorn called upon Messrs. Eyman and Rippee to address Agenda Item No. 10, "Loss Prevention and County Visits." Mr. Eyman reviewed January, February and March calendars for the loss-prevention staff. Mr. Eyman expressed his concern that information on availability of Gov U online training may not be reaching all county personnel. He stated that he and Mr. Rippee would continue to advise the counties about the online training and that KWORCC would have an article on the training. He also reported on the challenges in drafting a cell phone policy and advised that he and Ms. May are preparing training for procedures in reporting and processing claims.


President Alcorn addressed Agenda Item No. 11, "Legal Report." Mr. Parrish first reported on the components of HB 2134 as it was introduced in the Kansas House of Representatives. The bill contains many important amendments to the state's workers compensation laws. After hearings on the bill, it was passed out of committee for consideration on the floor of the house. Next, Mr. Parrish reported that KWORCC General Counsel Bruce Woner is in the hospital.

Next, President Alcorn addressed Agenda Item No. 12, "Committee Reports." Mr. Unger reported that the Personnel Committee met at 1:00 pm on this day. The committee recommended paying a performance enhancement of \$15,000 to the KWORCC staff for 2010 to be distributed in the ratio that each individual staff's salary bears to the total of all salaries. Mr. Unger moved to approve the committee's recommendation. Ms. Swartz seconded the motion, which CARRIED unanimously.

President Alcorn then addressed Agenda Item No. 13, "Other Business." Nothing further was presented for the Board to address.

There being nothing further before the Board, Mr. Unger moved to adjourn the meeting at 4:31 pm. Ms. Swartz seconded the motion, which CARRIED unanimously.

The KWORCC Board of Trustees approved the foregoing minutes on the 17th day of March, 2011.



Bonnie Swartz, Secretary
KWORCC Board of Trustees

Minutes
Meeting, Personnel Committee
Kansas Worker Risk Cooperative for Counties
February 17, 2011
Clubhouse Inn
924 SW Henderson Road
Topeka, KS 66615

On Thursday, February 17, 2011, the Personnel Committee of the Kansas Workers Risk Cooperative for Counties ("KWORCC") met at the Clubhouse Inn, Topeka, Kansas. The meeting was called to order by Committee Chair, Ralph D. Unger at 1:00 p.m. Committee Members participating included: Ralph D. Unger, Decatur County Commissioner; Bonnie Swartz, Gray County Clerk and Doyle "Hooley" Alcorn, Jewell County Commissioner. Also present was James W. Parrish, KWORCC Administrator.

Ms. Swartz moved to adopt the agenda and approve the minutes as presented. Mr. Alcorn seconded the motion which CARRIED unanimously.

The Chair reviewed the agenda packet and called upon Mr. Parrish to discuss the performance of KWORCC during the preceding year. Mr. Parrish distributed an interim summary of financial condition which indicated KWORCC posted a gain of \$228,805 for the fiscal year ending December 31, 2010. He indicated this was a very positive result, particularly in view of the fact that KWORCC budgeted \$200,000 in reserves to fund the 2010 budget to reduce premiums. The results for the year were positive enough that staff was not required to withdraw any part of the \$200,000 from reserves to fund the 2010 budget. He also explained that payroll audits were not completed, but stated his belief that it was highly unlikely that KWORCC would need to use the entire \$250,000 that has been reserved for return of premiums. Any funds remaining would add to the net gain for the year. Mr. Parrish concluded that KWORCC had a very strong year, while providing its membership the benefit of reduction in insurance premiums.

Whereupon, Chairman Unger reviewed the summary of staff salaries and performance enhancements and recommended that KWORCC provide the same level of performance enhancement afforded in 2009.

After discussion, Mr. Alcorn moved to recommend to the KWORCC Board of Trustees to grant a performance enhancement of \$15,000 to the KWORCC staff for 2010, to be distributed in the ratio that each individual staff's salary bears to the total of all staff salaries. Ms. Swartz seconded the motion which CARRIED unanimously.

There being no further business to come before the Personnel Committee, Ms. Swartz moved to adjourn the meeting at 1:35 p.m. Mr. Alcorn 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 the 22nd day of September, 2011.


Ralph D. Unger, Chair
KWORCC Personnel Committee

KWORCC Payroll History -- for 2011 Employees 1999 to 2011

Hire Date:	James W. Parrish	Dortha O. Bird	Carlin D. Eyman	Philip J. Rippee	Richard Alexander	Performance Enhancement
1999	\$49,200 (60%)		\$ 52,000		\$ 12,000	
2000	\$67,500 (80%)	\$ 48,600	\$ 54,000		\$ 16,500	\$ 10,000 (Paid in 2001)
2001	\$69,252 (80%)	\$ 55,620	\$ 55,620		\$ 17,000	\$ 12,000 (Paid in 2002)
2002	\$76,500 (85%)	\$ 58,000	\$ 58,000		\$ 18,000	\$ 10,000 (Paid in 2003)
2003	\$78,030 (85%)	\$ 59,160	\$ 59,160	\$32,500 (60%)	\$ 20,000	\$ 13,500 (Paid in 2004)
2004	\$79,200 (85%)	\$ 60,047	\$ 60,047	\$32,987 (60%)	\$ 20,300	\$ 13,500 (Paid in 2005)
2005	\$81,180 (85%)	\$ 61,548	\$ 61,548	\$33,811 (60%)	\$ 20,870	\$ 12,500 (Paid in 2006)
2006	\$84,761 (85%)	\$ 63,776	\$ 63,776	\$35,035 (60%)	\$ 21,560	\$ 12,000 (Paid in 2007)
2007	\$87,719 (85%)	\$ 66,000	\$ 66,000	\$36,258 (60%)	\$ 22,312	\$ 12,000 (Paid in 2008)
2008	\$89,938 (85%)	\$ 68,634	\$ 68,634	\$37,768 (60%)	\$ 23,315	\$ 12,000 (Paid in 2009)
2009	\$92,636 (85%)	\$71,139	\$71,139	\$39,373 (60%)	\$25,001	\$15,000 (Paid in 2010)
2010	\$94,026 (85%)	\$72,206	\$72,206	\$39,963 (60%)	\$25,376	\$15,000 (Paid in 2011)
2011	\$94,489 (85%)	\$72,561	\$72,561	\$40,160 (60%)	\$25,501	

Allocation of 2010 Performance Enhancement

<u>KWORCC Staff</u>	<u>Distribution</u>
James W. Parrish	\$4,153.06
Dortha O. Bird	\$3,189.31
Carlin D. Eyman	\$3,189.31
Philip J. Rippee	\$1,765.17
Richard Alexander	\$1,120.84
Nicole Jarboe-Paxson	\$1,582.31
	\$15,000.00

I, Bonnie Swartz, Secretary of Kansas Workers Risk Cooperative for Counties, hereby certify that the following is a true and correct copy of a Resolution duly adopted by unanimous vote of the Board of Trustees of KWORCC at a meeting duly called and held on the 17th day of March, 2011 at which a quorum was present:

RESOLUTION #2011-36

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, 2010 through February 28, 2011, which have been reviewed by the Board of Trustees. 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, 2010 through February 28, 2011, 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 17th day of March, 2011.


Bonnie Swartz, 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
Cusip Nbr.				n
Security ID				n
Portfolio ID				n
Salesperson				n
Enter Date				n
Trade Date	12/01/2010	02/28/2011		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 Nbr	Cust S/N	Sec Descrip 1	Sec Descrip 2	Sec Descrip 3	Port ID	Mdy/S&P/Mkt	Deal ID	Broker	Comm Basis	Reg Type/Id	Call Cd-Dt	Call Price	Mat Date	CPN Rate	Clnc/Plnc	Apr By	Apr Date	Apr Time	Fail Del	Fail Pmt	Dt Enter	Grade Dt	Settle Dt	Trd Status	Factor	Tran Cd	Ent By	Trd For	Yield	Face	Par	Basis	Price	Prin	Interest	Fees	Withholding	Penalty	Total Amt
311084932			KWORCC (302)								E/*	C-05/01/20	100.000	05/01/2021	4.75		n-12/21/10	n-12/21/10			na	12/08/2010	12/08/2010	12/21/2010	09	1.0000000000	Sale	1,155,000.00	1,155,000.00	100.00	100.0000000000	1,155,000.00	1,155,000.00	.00	.00	.00	.00	1,155,000.00		
300121			KANSAS ST DEV	FIN AUTH REV							E/*	C-01/26/11	100.000				n-12/22/10	n-12/22/10			na	12/22/2010	12/22/2010	12/22/2010	09	1.0000000000	Purch	400,000.00	400,000.00	100.062500	100.0625000000	400,000.00	400,000.00	.00	.00	.00	.00	400,250.00		
3136F93Y7			CALLED	1/26/11							E/*	C-09/30/11	100.000				n-01/04/11	n-01/04/11			na	01/04/2011	01/04/2011	01/04/2011	09	1.0000000000	Purch	500,000.00	500,000.00	101.750000	101.7500000000	500,000.00	500,000.00	.00	.00	.00	.00	508,750.00		
3136F93Y7			ONE TIME STEP								E/*	C-09/30/11	100.000				n-01/04/11	n-01/04/11			na	01/04/2011	01/04/2011	01/04/2011	09	1.0000000000	Purch	500,000.00	500,000.00	101.750000	101.7500000000	500,000.00	500,000.00	.00	.00	.00	.00	5,277.78		
032-AGCY			Aaa/AAA/								E/*	C-09/30/11	100.000				n-01/05/11	n-01/05/11			na	01/05/2011	01/05/2011	01/05/2011	09	1.0000000000	Purch	500,000.00	500,000.00	101.750000	101.7500000000	500,000.00	500,000.00	.00	.00	.00	.00	513,972.22		
0											E/*	C-09/30/11	100.000				n-01/05/11	n-01/05/11			na	01/05/2011	01/05/2011	01/05/2011	09	1.0000000000	Purch	500,000.00	500,000.00	101.750000	101.7500000000	500,000.00	500,000.00	.00	.00	.00	.00	514,027.78		
311086192			KWORCC (302)								E/*	C-09/30/11	100.000				n-01/21/11	n-01/21/11			na	01/04/2011	01/04/2011	01/04/2011	09	1.0000000000	Purch	1,000,000.00	1,000,000.00	101.750000	101.7500000000	1,000,000.00	1,000,000.00	.00	.00	.00	.00	1,017,500.00		
300121			FEDERAL HOME LOAN BANK								E/*	C-09/30/11	100.000				n-01/21/11	n-01/21/11			na	01/04/2011	01/04/2011	01/04/2011	09	1.0000000000	Purch	1,000,000.00	1,000,000.00	101.750000	101.7500000000	1,000,000.00	1,000,000.00	.00	.00	.00	.00	12,333.33		
3133XXSC2			ONE TIME CALL	09/30/11							E/*	C-09/30/11	100.000				n-01/21/11	n-01/21/11			na	01/21/2011	01/21/2011	01/21/2011	09	1.0000000000	Purch	1,000,000.00	1,000,000.00	101.750000	101.7500000000	1,000,000.00	1,000,000.00	.00	.00	.00	.00	101,750.00		
3133XXSC2			ONE TIME CALL	09/30/11							E/*	C-09/30/11	100.000				n-01/21/11	n-01/21/11			na	01/21/2011	01/21/2011	01/21/2011	09	1.0000000000	Purch	1,000,000.00	1,000,000.00	101.750000	101.7500000000	1,000,000.00	1,000,000.00	.00	.00	.00	.00	101,750.00		
032-AGCY			Aaa/AAA/								E/*	C-09/30/11	100.000				n-01/21/11	n-01/21/11			na	01/21/2011	01/21/2011	01/21/2011	09	1.0000000000	Purch	1,000,000.00	1,000,000.00	101.750000	101.7500000000	1,000,000.00	1,000,000.00	.00	.00	.00	.00	101,750.00		
0											E/*	C-09/30/11	100.000				n-01/21/11	n-01/21/11			na	01/21/2011	01/21/2011	01/21/2011	09	1.0000000000	Purch	1,000,000.00	1,000,000.00	101.750000	101.7500000000	1,000,000.00	1,000,000.00	.00	.00	.00	.00	101,750.00		
311086213			KWORCC (302)								E/*	C-09/30/11	100.000				n-01/21/11	n-01/21/11			na	01/04/2011	01/04/2011	01/04/2011	09	1.0000000000	Purch	1,000,000.00	1,000,000.00	101.750000	101.7500000000	1,000,000.00	1,000,000.00	.00	.00	.00	.00	1,029,833.33		
300121			FNMA 3.0 STEP UP	6.0 1/21/16							E/*	C-07/21/14	100.000				n-01/21/11	n-01/21/11			na	01/04/2011	01/04/2011	01/04/2011	09	1.0000000000	Sale	1,000,000.00	1,000,000.00	100.00	100.0000000000	1,000,000.00	1,000,000.00	.00	.00	.00	.00	1,000,000.00		
3136FP2R7			ONE TIME STEP								E/*	C-07/21/14	100.000				n-01/21/11	n-01/21/11			na	01/04/2011	01/04/2011	01/04/2011	09	1.0000000000	Sale	1,000,000.00	1,000,000.00	100.00	100.0000000000	1,000,000.00	1,000,000.00	.00	.00	.00	.00	1,000,000.00		
3136FP2R7			ONE TIME STEP								E/*	C-07/21/14	100.000				n-01/21/11	n-01/21/11			na	01/04/2011	01/04/2011	01/04/2011	09	1.0000000000	Sale	1,000,000.00	1,000,000.00	100.00	100.0000000000	1,000,000.00	1,000,000.00	.00	.00	.00	.00	1,000,000.00		
032-AGCY			Aaa/AAA/								E/*	C-07/21/14	100.000				n-01/21/11	n-01/21/11			na	01/04/2011	01/04/2011	01/04/2011	09	1.0000000000	Sale	1,000,000.00	1,000,000.00	100.00	100.0000000000	1,000,000.00	1,000,000.00	.00	.00	.00	.00	1,000,000.00		
0											E/*	C-07/21/14	100.000				n-01/21/11	n-01/21/11			na	01/04/2011	01/04/2011	01/04/2011	09	1.0000000000	Sale	1,000,000.00	1,000,000.00	100.00	100.0000000000	1,000,000.00	1,000,000.00	.00	.00	.00	.00	1,000,000.00		

Ticket Nbr	Cust Nbr	Sec Descrip 1	Sec Descrip 2	Sec Descrip 3	Port ID	Deal ID	Cust S/N	Reg Type/Id	Apr By	Dt Enter	Factor	Face	Prin
								Call Cd-Dt	Apr Date	Trade Dt	Tran Cd	Par	Interest
								Call Price	Apr Time	Settle Dt	Ent By	Basis	Fees
								Mat Date	Fail Del	Trd Status	Trd For	Price	Withholding
								CPN Rate	Fail Pmt	Conv			Penalty
								Cloc/Ploc	Pay/Del	Buyback	Yield		Total Amt
311087164		KWORCC (302)						E/*		01/21/2011	1.0000000000	500,000.00	500,000.00
300121		FNMA 4.25 STEP UP 4.5 1/28/16						E-07/28/11		01/21/2011	Sale	500,000.00	500,000.00
3136FP407		QTRLY CALL BEG 7/28/11						100.000		01/28/2011	Skml44	100.00	.00
3136FP407		MULTI STEP						01/28/2026		09	BCT	100.0000000000	.00
032-AGCY		Aaa/AAA/						VAR	n-01/28/11	na			.00
								ccf/ccf	n-01/28/11	na			.00
311087405		KWORCC (302)						E/*		01/26/2011	1.0000000000	3,000,000.00	2,999,650.00
300121		FEDERAL HOME LOAN BANK DN						E-07/28/11		01/26/2011	Sale	3,000,000.00	.00
313384CF4		FHDN 2/23/11						.000		01/26/2011	Skml44	D.15000	.00
313384CF4		//						02/23/2011		09	BCT	99.988333330	.00
033-DISC								VAR	n-01/26/11	na			.00
								ccf/ccf	n-01/26/11	na			.00
311087877		KWORCC (302)						E/*		02/02/2011	1.0000000000	500,000.00	500,000.00
300121		FHLB 2.15 STEP UP 4.0 2/28/14						E-02/28/14		02/02/2011	Sale	500,000.00	500,000.00
313372LY8		ONE TIME CALL 2/28/14						100.000		02/28/2011	Skml44	100.00	.00
313372LY8		ONE TIME STEP						02/28/2018		09	BCT	100.0000000000	.00
011-APP		Aaa/AAA/						VAR	n-02/28/11	na			.00
								ccf/ccf	n-02/28/11	na			.00
311088523		KWORCC (302)						E/*		02/08/2011	1.0000000000	700,000.00	699,970.83
300121		FEDERAL HOME LOAN BANK DN						E-07/28/11		02/08/2011	Sale	700,000.00	.00
313384CF4		FHDN 2/23/11						.000		02/08/2011	Skml44	D.10000	.00
313384CF4		//						02/23/2011		09	BCT	99.995833330	.00
033-DISC								VAR	n-02/08/11	na			.00
								ccf/ccf	n-02/08/11	na			.00
311089050		KWORCC (302)						E/*		02/16/2011	1.0000000000	1,155,000.00	1,157,387.50
300121		KANSAS ST DEV FIN AUTH REV						E-05/01/20		02/16/2011	Purch	1,155,000.00	9,296.15
485429DN1		TAKABLE KS ST UNIV SER U-1						100.000		02/22/2011	Skml44	100.250	.00
485429DN1		QUALIFIED SCH ENERGY CONSV						05/01/2021		09	BCT	100.2500000000	.00
069-TAXB		Aa2/AA-/022						4.75		na			.00
								ccd/ccd	n-02/22/11	na			.00
311089052		KWORCC (302)						E/*		02/16/2011	1.0000000000	1,150,000.00	1,150,000.00
300121		FHLB 2.0 STEP UP 4.0 8/25/13						E-05/25/11		02/16/2011	Sale	1,150,000.00	.00
313372PY4		QTRLY CALL BEG 5/25/11						100.000		02/25/2011	Skml44	100.00	.00
313372PY4		ONE TIME STEP						02/25/2016		09	BCT	100.0000000000	.00
011-APP		Aaa/AAA/						VAR	n-02/25/11	na			.00
								ccf/ccf	n-02/25/11	na			.00

For Trades Executed At: Country Club Bank

Ticket Nbr	Cust S/N	Sec Descr	Reg Type/Id	Apr By	Dt Enter	Factor	Face	Prin
Cust Nbr	Sec Descr	Call Cd-Dt	Call Price	Apr Date	Trade Dt	Tran Cd	Par	Interest
Security	Sec Descr	Mat Date	CPN Rate	Fail Del	Settle Dt	Ent By	Basis	Fees
Port ID	Mdy/S&P/Mkt	CPN Rate	Cloc/Ploc	Fail Pmt	Trd Status	Trd For	Price	Withholding
Deal ID	Broker	Comm Basis		Pay/Del	Conv	Yield		Penalty
					Buyback		Total Amt	
311089307	KWORCC (302)		E/*		02/23/2011	1.0000000000	2,800,000.00	2,799,749.56
300121	FEDERAL HOME LOAN BANK DN				02/23/2011	Sale	2,800,000.00	.00
313384DK2	FHDN 3/23/11		.000		02/23/2011	skml14	D.11500	.00
313384DK2	//		03/23/2011	n-02/23/11	09	BCT	99.991055560	.00
033-DISC			ccf/ccf	n-02/23/11	na			.00
								2,799,749.56
311089316	KWORCC (302)		E/*		02/23/2011	1.0000000000	750,000.00	749,935.83
300121	FEDERAL HOME LOAN BANK DN				02/23/2011	Sale	750,000.00	.00
313384DK2	FHDN 3/23/11		.000		02/23/2011	skml14	D.11000	.00
313384DK2	//		03/23/2011	n-02/23/11	09	BCT	99.991444440	.00
033-DISC			ccf/ccf	n-02/23/11	na			.00
								749,935.83
311089317	KWORCC (302)		E/*		02/23/2011	1.0000000000	700,000.00	700,000.00
300121	FNMA .750 STEP UP 2.00 2/28/12		c-02/28/12		02/23/2011	Sale	700,000.00	.00
3136FRAC7	ONE TIME CALL 2/28/12		100.000		02/28/2011	skml14	100.00	.00
3136FRAC7	ONE TIME STEP		02/28/2014	n-02/28/11	09	BCT	100.000000000	.00
032-agcy	Aaa/AAA/		VAR	n-02/28/11	na			.00
			ccf/ccf	n-02/28/11	na			.00
								700,000.00

Report Totals

Par: 15,810,000.00
Comm: .00
P/L: 15,743.34
Fees: .00
Prin: 15,847,443.72
Int: 35,373.92
Total: 15,882,817.64

Minutes
Meeting, Board of Trustees
Kansas Workers Risk Cooperative for Counties
March 17, 2011 at 1:00 pm
Clubhouse Inn
924 SW Henderson Road
Topeka, KS 66615

The March 2011 meeting of the Board of Trustees of Kansas Workers Risk Cooperative for Counties (KWORCC) was called to order at 1:00 p.m. on March 17, 2011 at the Clubhouse Inn in Topeka by Board President Doyle "Hooley" Alcorn. Trustees present included: Doyle "Hooley" Alcorn, Jewell County Commissioner, President; Linda Buttron, Jefferson County Clerk, Vice-President; Bonnie Swartz, Gray County Clerk, Secretary; Michelle Garrett, Morris County Clerk, Controller; Steve Garten, Barber County Commissioner; Ralph D. Unger, Decatur County Commissioner and Jim Wise, Miami 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 Alcorn first addressed Agenda Item No. 2, "Approval of the Agenda." Mr. Parrish recommended moving Agenda Item No. 10b to Agenda Item No. 4c. Ms. Garrett moved to approve the agenda as amended. Mr. Unger seconded the motion, which CARRIED unanimously.

President Alcorn addressed Agenda Item No. 3, "Consideration of Minutes of Meeting of February 17, 2011." Mr. Unger moved to approve the minutes as presented. Ms. Swartz seconded the motion, which CARRIED unanimously.

President Alcorn next asked Mr. Parrish to address Agenda Item No. 4, "Administrator's Report." Mr. Parrish first addressed Agenda Item No. 4a, "Checks Requiring Board Approval and Approval of Electronic Transfer of Funds." He itemized the checks requiring approval and noted there were no transfers. Mr. Wise moved to approve the checks as presented. Mr. Unger seconded the motion, which CARRIED unanimously.

Mr. Parrish then asked Ms. Bird to address Agenda Item No. 4b, "Report on 2010 Member Premium Audits." Ms. Bird reviewed the results of the 2010 payroll audits. She stated six audits were under review because of an error discovered by one of the auditors. All audits performed by that auditor are being reopened to ensure their accuracy. Ms. Bird responded to questions.

Mr. Parrish then addressed Agenda Item No. 4c, "Meeting of the Committee on KWORCC/KCAMP Cooperation." Mr. Parrish reviewed some of the bidding history of the pools and reminded the Trustees that the Cooperation Committee was scheduled to meet immediately following the board meeting.

President Alcorn then proceeded to Agenda Item No. 5, "Marketing Report." Mr. Eyman discussed marketing activities for several counties and responded to questions.

President Alcorn addressed Agenda Item No. 6, "Financial Report." Mr. Alexander presented a 2010 year-end report as well as the February 2011 financial reports. Mr. Alexander recommended moving funds from the account for 2010 investment income into the investment income reserve account. Mr. Unger moved to transfer \$364,117 from the investment income line item of 2010 to the investment income reserve account. Mr. Wise seconded the motion, which CARRIED unanimously. Ms. Swartz then moved to receive and file the financial reports. Ms. Buttron seconded the motion, which CARRIED unanimously.

Mr. Alexander presented the check register. Mr. Unger moved to approve check Nos. 14123 through 14177 and the direct debits. Mr. Wise seconded the motion, which CARRIED unanimously.

Next, Mr. Alexander reviewed reports showing the value of KWORCC's equity investments as of March 9, 2011 and March 16, 2011.

President Alcorn declared a short break in the meeting at 2:17 p.m. The meeting resumed at 2:30 p.m.

President Alcorn proceeded to Agenda Item No. 7, "Claims Report – IMA." Addressing Agenda Item No. 8a, "Select Claims Review," Ms. May reported on claims and answered questions. Ms. May and Mr. Miller also reported on and requested approval of five pending settlements. Mr. Unger moved to approve claim settlement of claim number 2009037839. Dr. Garten seconded the motion, which CARRIED unanimously. Ms. Swartz moved to approve settlement of claim number 2009036863. Mr. Wise seconded the motion, which CARRIED unanimously. Mr. Wise moved to approve settlement of claim number 2008036493. Ms. Garrett seconded the motion, which CARRIED unanimously. Ms. Swartz moved to approve settlement of claim number 2008036476. Ms. Buttron seconded the motion, which CARRIED unanimously.

Mr. Miller then addressed Agenda Item No. 7b, "Logicomp Bill Review Report." Mr. Miller reported the amount billed totals \$661,601 for the period beginning January 1, 2011 through February 28, 2011. He said the actual paid amount for that period totals \$308,643 resulting in a net savings of \$352,946 after fees are paid. This is more than 53% of the amount billed for this 2-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 2008 through 2011. 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. He noted these charts show the status as of the end of February, 2011 and should not be considered as a guarantee of either good or poor ultimate loss performance.

President Alcorn called upon Messrs. Eyman and Rippee to address Agenda Item No. 8, "Loss Prevention and County Visits." Mr. Eyman reviewed February, March and April calendars for the loss-prevention staff. Next, Mr. Eyman reported on the enrollment rates for the Gov U online courses.

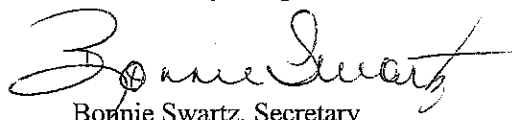
President Alcorn addressed Agenda Item No. 9, "Legal Report." Mr. Parrish reported on the status of pending workers compensation legislation.

Next, President Alcorn addressed Agenda Item No. 10, "Committee Reports." Mr. Wise reported on the Investment Committee meeting immediately preceding the board meeting. The committee recommended that resolution 2011-36 be adopted by the Board of Trustees. Mr. Wise so moved; Mr. Unger seconded the motion, which CARRIED unanimously.

President Alcorn then addressed Agenda Item No. 11, "Other Business." Nothing further was presented for the Board to address.

There being nothing further before the Board, Mr. Unger moved to adjourn the meeting at 3:11 p.m. Mr. Wise seconded the motion, which CARRIED unanimously.

The KWORCC Board of Trustees approved the foregoing minutes on the 28th day of April, 2011.


Bonnie Swartz, Secretary
KWORCC Board of Trustees

I, Bonnie Swartz, Secretary of Kansas Workers Risk Cooperative for Counties, hereby certify that the following is a true and correct copy of a Resolution duly adopted by unanimous vote of the Board of Trustees of KWORCC at a meeting duly called and held on the 17th day of April, 2011 at which a quorum was present:

RESOLUTION #2011-44

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, 2010 as required by KSA 12-2620(b);

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

WHEREAS auditor Eric Otting met with the KWORCC Audit Committee on the 28th day of April, 2011; 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, 2010 shall be adopted and filed in the books and records of the Kansas Insurance Department, Kansas Department of Administration and the KWORCC administrative files for public view.

IN WITNESS WHEREOF, the undersigned has caused this Resolution to be executed this 17th day of April, 2011.


Bonnie Swartz, Secretary

Minutes
Meeting, Board of Trustees
Kansas Workers Risk Cooperative for Counties
April 28, 2011 at 1:00 pm
Clubhouse Inn
924 SW Henderson Road
Topeka, KS 66615

The April 2011 meeting of the Board of Trustees of Kansas Workers Risk Cooperative for Counties (KWORCC) was called to order at 1:00 p.m. on April 28, 2011 at the Clubhouse Inn in Topeka by Board President Doyle "Hooley" Alcorn. Trustees present included: Doyle "Hooley" Alcorn, Jewell County Commissioner, President; Linda Buttron, Jefferson County Clerk, Vice-President; Bonnie Swartz, Gray County Clerk, Secretary; Michelle Garrett, Morris County Clerk, Controller; Steve Garten, Barber County Commissioner; Ralph D. Unger, Decatur County Commissioner and Jim Wise, Miami 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. Bruce Woner, General Counsel; 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 Ms. Marla Dipman. Also present was Mr. Eric Otting of Wendling, Noe, Nelson and Johnson, LLC.

President Alcorn first addressed Agenda Item No. 2, "Approval of the Agenda." Mr. Parrish had no changes to the agenda, but requested that Agenda Item No. 7 be addressed after Agenda Item No. 4b. Mr. Wise moved to approve the agenda as presented. Dr. Garten seconded the motion which CARRIED unanimously.

President Alcorn addressed Agenda Item No. 3, "Consideration of Minutes of Meeting of March 17, 2011." Mr. Unger moved to approve the minutes as presented. Ms. Swartz seconded the motion which CARRIED unanimously.

President Alcorn next asked Mr. Parrish to address Agenda Item No. 4, "Administrator's Report." Mr. Parrish first addressed Agenda Item No. 4a, "Checks Requiring Board Approval and Ratification of Wire Transfers." He itemized the checks requiring approval and the electronic transfer of funds requiring ratification. Ms. Buttron moved to approve the checks and ratify the electronic transfer of funds as presented. Mr. Wise seconded the motion which CARRIED unanimously.

Mr. Parrish then asked Mr. Otting to address Agenda Item No. 4b, "Report from Independent Auditor." Mr. Otting reported that he had met with the Audit Committee and discussed in detail the audit findings. He further reported that everything is in good order. One adjustment was proposed but had no impact on assets or fund balance. Mr. Otting asked for and responded to questions. President Alcorn thanked Mr. Otting for his report.

President Alcorn addressed Agenda Item No. 7, "Claims Report – IMA." As to Agenda Item No. 7a, "Select Claims Review," Ms. May and Mr. Miller reported on claims and answered questions. Ms. May and Mr. Miller also reported on and requested approval of two pending settlements Ms. Buttron moved to approve settlement of claim number 2009038427. Dr. Garten seconded the motion which CARRIED unanimously. Ms. Swartz moved to approve settlement of claim number 2007034316. Ms. Garrett seconded the motion which CARRIED unanimously.

Mr. Miller then addressed Agenda Item No. 7b, "Logicomp Bill Review Report." Mr. Miller reported the amount billed totals \$1,095,701 for the period beginning January 1, 2011 through March 31, 2011. He said the actual paid amount for that period totals \$553,629 resulting in a net savings of \$542,060 after fees are paid. This is more than 49% of the amount billed for this 3-month period.

Mr. Parrish 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 2011. 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. He noted these charts show the status as of the end of March, 2011 and should not be considered a guarantee of either good or poor ultimate loss performance.

Next, Ms. Bird addressed Agenda Item No. 4c. "Follow up Report on 2010 Member Premium Audits." She reported that there were four counties which were revised after re-audit. Two of the revisions were due to error on the part of the auditor and two of the revisions were due to the member providing insufficient data to the auditor. She requested and answered questions.

Mr. Parrish then addressed Agenda Item No. 4d, "Initiatives with KCAMP." Mr. Parrish reported that he met with KCAMP Administrator Mr. Tom Job twice since the March 17th meeting to discuss ways in which KWORCC and KCAMP can work together gaining more member counties. Mr. Woner stated that it was in the best interest of both pools to find the points of harmony but that each pool has a duty to do what is best for its membership.

Mr. Wise moved that KWORCC recess into executive session to consult with the KWORCC Board of Trustees' attorney for 30 minutes starting at 1:40 p.m. Mr. Unger seconded the motion which CARRIED unanimously. At 2:10 p.m. Ms. Swartz moved to extend executive session by 30 minutes. Mr. Unger seconded the motion which CARRIED unanimously. Executive session ended at 2:40 p.m.

President Alcorn declared a short break in the meeting at 2:43 p.m. The meeting resumed at 2:51 p.m.

President Alcorn then proceeded to Agenda Item No. 5, "Marketing Report." Mr. Eyman discussed marketing activities for several counties and responded to questions.

President Alcorn addressed Agenda Item No. 6, "Financial Report." Mr. Alexander discussed in detail the fourth quarterly financial report for 2010 he prepared for filing with the Kansas Insurance Department (KID). He then discussed in detail the financial statements he prepared for March 2011. Finally, Mr. Alexander discussed in detail the first quarterly financial report for 2011 he prepared for filing with the KID. Ms. Swartz moved to approve filing the reports with the KID. Ms. Garrett seconded the motion which CARRIED unanimously.

Mr. Alexander presented the check register. Ms. Buttron moved to approve check Nos. 14178 through 14267 and the direct debits. Ms. Swartz seconded the motion which CARRIED unanimously.

Next, Mr. Alexander reviewed reports showing the value of KWORCC's equity investments as of April 20, 2011 and April 27, 2011.

President Alcorn called upon Messrs. Eyman and Rippee to address Agenda Item No. 8, "Loss Prevention and County Visits." Mr. Eyman reviewed March, April and May calendars for the loss-prevention staff. He then shared the giveaway item for the county clerks association meeting. Next, Mr. Eyman reported on the enrollment rates for the Gov U online courses.

President Alcorn addressed Agenda Item No. 9, "Legal Report." Mr. Parrish reported on the provisions of workers compensation legislation which was passed and signed by the governor and will go into effect May 15, 2011. The highlights are as follows: safety rules were given more strength; all fighting and horseplay claims can be denied; the term "probable cause" changed to "sufficient cause" for requiring drug tests after an accident; awards are reduced by the amount of pre-existing functional impairment; an injured employee cannot receive temporary total disability payments while receiving unemployment; an increase in maximum payments for several categories of benefits; an injury on the job must be determined to be the primary factor in assessing a compensable disability; after two years with no treatment, the burden of proof is on the injured employee for any future medical payments; the new law includes changes in standards for proof of disability and gives more latitude for terms of lump sum settlements; provisions are included to override certain decisions of the Kansas Supreme Court, most notably the *Bergstrom* and *CASCO* decisions.

Next, President Alcorn addressed Agenda Item No. 10, "Committee Reports." Ms. Garrett reported on the Audit Committee meeting with KWORCC's independent auditor and moved to approve Resolution #2011-44. Mr. Unger seconded the motion which CARRIED unanimously. Mr. Parrish confirmed the availability of the Joint Committee on Cooperation to meet on May 19, 2011 at 11:45 a.m.

President Alcorn then addressed Agenda Item No. 11, "Other Business." Nothing further was presented for the Board to address.

There being nothing further before the Board, Mr. Unger moved to adjourn the meeting at 3:28 p.m. Mr. Wise seconded the motion which CARRIED unanimously.

The KWORCC Board of Trustees approved the foregoing minutes on the 19th day of May, 2011.



Bonnie Swartz, Secretary
KWORCC Board of Trustees

Minutes
Meeting, Board of Trustees
Kansas Workers Risk Cooperative for Counties
May 19, 2011 at 1:00 pm
Clubhouse Inn
924 SW Henderson Road
Topeka, KS 66615

The May 2011 meeting of the Board of Trustees of Kansas Workers Risk Cooperative for Counties (KWORCC) was called to order at 1:15 p.m. on May 19, 2011 at the Clubhouse Inn in Topeka by Board President Doyle "Hooley" Alcorn. Trustees present included: Doyle "Hooley" Alcorn, Jewell County Commissioner, President; Linda Buttron, Jefferson County Clerk, Vice-President; Bonnie Swartz, Gray County Clerk, Secretary; Michelle Garrett, Morris County Clerk, Controller; Steve Garten, Barber County Commissioner; Ralph D. Unger, Decatur County Commissioner and Jim Wise, Miami 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. Bruce Woner, General Counsel; 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 Alcorn first addressed Agenda Item No. 2, "Approval of the Agenda." Mr. Parrish suggested adding to the Administrators Report an Item 4c, "Committee on Cooperation." Mr. Unger moved to approve the agenda with that modification. Mr. Wise seconded the motion which CARRIED unanimously.

President Alcorn addressed Agenda Item No. 3, "Consideration of Minutes of Meeting of April 28, 2011." Mr. Unger moved to approve the minutes as presented. Ms. Swartz seconded the motion which CARRIED unanimously.

President Alcorn next asked Mr. Parrish to address Agenda Item No. 4, "Administrator's Report." Mr. Parrish first addressed Agenda Item No. 4a, "Checks Requiring Board Approval and Ratification of Wire Transfers." He itemized the checks requiring approval and the electronic transfer of funds requiring ratification. Mr. Wise moved to approve the checks and ratify the electronic transfer of funds as presented. Dr. Garten seconded the motion which CARRIED unanimously.

Mr. Parrish then asked Mr. Davis to address Agenda Item No. 4b, "Feedback from Paul Davis Regarding KMIT Agents." Mr. Davis reported that KMIT, a self-insurance pool for Kansas cities, opted to approve the use of local insurance agents approximately 10 years ago because KMIT was encountering reluctance from cities to switch from local agents. KMIT pays a fee to the agents. The agents are available to answer questions for the city councils and provide a local office. KMIT uses local agents for approximately 28% of its insured cities.

Mr. Parrish then addressed Agenda Item No. 4c, "Committee on Cooperation Meeting" and deferred to Mr. Wise. Mr. Wise reported the committee met immediately prior to the Trustee meeting. He stated that committee members agreed that with the large number of new commissioners in the counties, there is a need to present the KWORCC and KCAMP programs to as many counties as possible. He recommended whenever possible, staff should meet with commissioners during informal meetings often referred to as study sessions so that commissioners would be more likely to ask questions. It was suggested KWORCC personnel should try to meet with county commissioners prior to the bidding process to explain the difference between the pool and a commercial insurance company. Mr. Wise reported that the committee expressed concern that during these difficult financial times, county governments feel pressure to take the lowest bid and ignore other critical factors relating to the quality of insurance coverage. He said the committee discussed a procedure whereby KWORCC and KCAMP present their bids as a package and require counties to award the insurance contract to both pools as the only option. KCAMP trustees were in favor of this procedure. KWORCC trustees explained

that the pools serve the counties better by allowing them to have a choice to select one or both pools. No agreement was reached on using this bidding procedure. Mr. Woner reported he had discovered close ties between the new commissioners in Reno County and the county's new insurance carrier and agency.

President Alcorn then proceeded to Agenda Item No. 5, "Marketing Report." Mr. Eyman discussed marketing activities for several counties and responded to questions. Mr. Eyman then shared the presentation he recently gave to the County Clerks Association describing KWORCC and the mechanics of workers compensation.

President Alcorn addressed Agenda Item No. 6, "Financial Report." Mr. Alexander discussed in detail the financial statements he prepared for April 2011. Ms. Swartz moved to receive and file the financial report. Mr. Wise seconded the motion which CARRIED unanimously.

Mr. Alexander presented the check register. Mr. Unger moved to approve check Nos. 14268 through 14303 and the direct debits. Ms. Garrett seconded the motion which CARRIED unanimously.

Next, Mr. Alexander reviewed reports showing the value of KWORCC's equity investments as of May 11, 2011 and May 18, 2011.

President Alcorn declared a break in the meeting at 2:29 p.m. The meeting resumed at 2:49 p.m.

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

Mr. Miller then addressed Agenda Item No. 7b, "Logicomp Bill Review Report." Mr. Miller reported the amount billed totals \$1,346,328 for the period beginning January 1, 2011 through April 30, 2011. He said the actual paid amount for that period totals \$669,579, resulting in a net savings of \$678,545 after fees are paid. This is more than 50% of the amount billed for this 4-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 2011. 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. He noted these charts show the status as of the end of April, 2011 and should not be considered a guarantee of either good or poor ultimate loss performance.

President Alcorn called upon Messrs. Eyman and Rippee to address Agenda Item No. 8, "Loss Prevention and County Visits." Mr. Eyman reviewed April, May and June calendars for the loss-prevention staff. Next, Mr. Eyman reported on the enrollment rates and courses completed by the membership for the Gov U online courses.

President Alcorn addressed Agenda Item No. 9, "Legal Report." Mr. Parrish stated there was not a legal report for this meeting.

President Alcorn turned to Agenda Item No. 10, "Committee Reports." Mr. Parrish stated there were no additional committee reports. He said the Investment Committee would be meeting July 21, 2011.

President Alcorn then addressed Agenda Item No. 11, "Other Business." Nothing further was presented for the Board to address.

There being nothing further before the Board, Mr. Unger moved to adjourn the meeting at 3:21 p.m. Mr. Wise seconded the motion which CARRIED unanimously.

The KWORCC Board of Trustees approved the foregoing minutes on the 16th day of June, 2011.


Bonnie Swartz, Secretary
KWORCC Board of Trustees

Minutes
Meeting, Board of Trustees
Kansas Workers Risk Cooperative for Counties
June 16, 2011 at 1:00 pm via Teleconference
700 SW Jackson, Ste 200
Topeka, KS 66603

The June 2011 meeting of the Board of Trustees of Kansas Workers Risk Cooperative for Counties (KWORCC) was called to order at 1:01 p.m. on June 16, 2011 via teleconference in Topeka by Board President Doyle "Hooley" Alcorn. Trustees present included: Doyle "Hooley" Alcorn, Jewell County Commissioner, President; Linda Buttron, Jefferson County Clerk, Vice-President; Michelle Garrett, Morris County Clerk, Controller; Steve Garten, Barber County Commissioner; Ralph D. Unger, Decatur County Commissioner and Jim Wise, Miami 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, Ms. Marla Dipman, Mr. Gene Miller and Mr. Paul Davis.

President Alcorn first addressed Agenda Item No. 2, "Approval of the Agenda." Mr. Parrish recommended the addition of item 2a "Excuse Bonnie Swartz for Personal Reasons." Mr. Wise moved to approve the agenda with that modification. Dr. Garten seconded the motion which CARRIED unanimously.

Mr. Unger moved to excuse Ms. Swartz for personal reasons. Mr. Wise seconded the motion which CARRIED unanimously.

President Alcorn addressed Agenda Item No. 3, "Consideration of Minutes of Meeting of May 19, 2011." Mr. Wise moved to change one word in the minutes. Mr. Unger seconded the motion which CARRIED unanimously. Mr. Unger moved to approve the minutes as modified. Ms. Buttron seconded the motion which CARRIED unanimously.

President Alcorn next asked Mr. Parrish to address Agenda Item No. 4, "Administrator's Report." Mr. Parrish first addressed Agenda Item No. 4a, "KID -- Workers Compensation Fund Assessment." Mr. Parrish stated that this assessment is levied annually by the Kansas Insurance Department (KID). He stated the assessments for fiscal years 2010, 2011 and 2012 are subject of a law suit because the legislature has swept \$2.355 million from the fee fund for use on state general fund expenditures causing the KID to assess the insurance carriers. Ms. Bird reported that Mike O'Neil, attorney representing the affected insurance carriers, recently filed an amended petition which includes fiscal years 2010, 2011 and 2012, a copy of which will be sent to the Trustees via email and regular mail. She said the staff recommends the assessment for fiscal year 2012 be paid under protest. Mr. Unger moved to pay the fiscal year 2012 assessment under protest. Ms. Garrett seconded the motion which CARRIED unanimously.

Mr. Parrish further stated there is concern that the 2012 workers compensation fee fund assessment rate is 2% which is higher than it has been in the past. He is also concerned that KID justified the larger assessment to cover potential claims from the Center for Medicare and Medicaid Services for repayment. The budget had been at 1% for the assessment in prior years because the actual assessment has historically been around .75%. The budget for the current year only provides for an assessment of only .75%. However, he explained that there are adequate funds in the budget to cover this larger-than-expected assessment.

Next, Mr. Parrish addressed Agenda Item No. 4b, "Checks Requiring Board Approval and Ratification of Wire Transfers." He itemized the checks requiring approval and the electronic transfer of funds requiring ratification. Ms. Buttron moved to approve the checks and ratify the electronic transfer of funds as presented. Dr. Garten seconded the motion which CARRIED unanimously.

President Alcorn then proceeded to Agenda Item No. 5, "Marketing Report." Mr. Eyman discussed marketing activities for several counties and responded to questions.

President Alcorn addressed Agenda Item No. 6, "Financial Report." Mr. Alexander discussed in detail the financial statements he prepared for May 2011. Mr. Unger moved to transfer the \$144,000 balance for 1997 fund year to the member protection fund. Mr. Wise seconded the motion which CARRIED unanimously.

Mr. Wise moved to receive and file the financial report. Ms. Buttron seconded the motion which CARRIED unanimously.

Mr. Alexander presented the check register. Mr. Unger moved to approve check Nos. 14304 through 14358 and the direct debits as well as the correction to the prior months check register on page 27 of the agenda packet. Ms. Garrett seconded the motion which CARRIED unanimously.

Next, Mr. Alexander reviewed reports showing the value of KWORCC's equity investments as of June 8, 2011 and June 11, 2011.

President Alcorn addressed Agenda Item No. 7, "Claims Report – IMA." As to Agenda Item No. 7a, "Select Claims Review," Mr. Miller requested approval on a pending settlement. Mr. Unger moved to approve settlement of claim No. 2010038634 as recommended. Mr. Wise seconded the motion which CARRIED unanimously.

Mr. Miller then addressed Agenda Item No. 7b, "Logicomp Bill Review Report." Mr. Miller reported the amount billed totals \$1,721,798 for the period beginning January 1, 2011 through May 31, 2011. He said the actual paid amount for that period totals \$899,304, resulting in a net savings of \$834,274 after fees are paid. This is more than 48% of the amount billed for this 5-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 2011. 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. He noted these charts show the status as of the end of May, 2011 and should not be considered a guarantee of either good or poor ultimate loss performance.

President Alcorn called upon Messrs. Eyman and Rippee to address Agenda Item No. 8, "Loss Prevention and County Visits." Mr. Eyman reviewed May, June and July calendars for the loss-prevention staff. Next, Mr. Eyman reported on the enrollment rates and courses completed by the membership for the Gov U online courses. He also reported that Gov U has expanded the number of classes offered each month from three courses to eight courses.

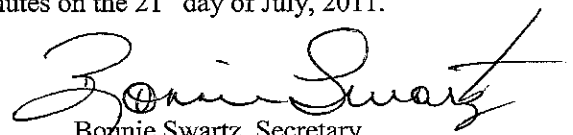
President Alcorn addressed Agenda Item No. 9, "Legal Report." Mr. Parrish stated there was not a legal report for this meeting. At the next meeting KWORCC claims attorney Ron Laskowski will report on the new workers compensation law.

President Alcorn turned to Agenda Item No. 10, "Committee Reports." Mr. Parrish stated there were no committee reports. He said the Investment Committee would be meeting July 21, 2011.

President Alcorn then addressed Agenda Item No. 11, "Other Business." Nothing further was presented for the Board to address.

There being nothing further before the Board, President Alcorn adjourned the meeting at 1:44 p.m.

The KWORCC Board of Trustees approved the foregoing minutes on the 21st day of July, 2011.


Bonnie Swartz, Secretary
KWORCC Board of Trustees

I, Bonnie Swartz, Secretary of Kansas Workers Risk Cooperative for Counties, hereby certify that the following is a true and correct copy of a Resolution duly adopted by unanimous vote of the Board of Trustees of KWORCC at a meeting duly called and held on the 21st day of July, 2011 at which a quorum was present:

RESOLUTION #2011-67

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 1, 2011 through June 30, 2011, which have been reviewed by the Board of Trustees. 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 1, 2011 through June 30, 2011, having been reviewed and determined to be made in accordance with K.S.A. 40-2a01 and KWORCC's investment policy hereby are approved.

IN WITNESS WHEREOF, the undersigned has caused this Resolution to be executed this 21st day of July, 2011.


Bonnie Swartz, 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
Cusip Nbr.				n
Security ID				n
Portfolio ID				n
Salesperson				n
Enter Date				n
Trade Date				n
Settle Date	03/01/2011	06/30/2011		n
Bank Eligible		ZZ		n
Purch/Sale/Both	b			b
Int/Mat/Both	n			n
Fed Funds	n			n
Repo Agmnts	n			n

For Trades Executed At: Country Club Bank Country Club Bank

Ticket Nbr	Cust S/N	Sec Descr 1	Sec Descr 2	Sec Descr 3	Mdy/S&P/Mkt	Broker	Comm Basis	Reg Type/Id	Apr Date	Apr Time	Apr Del	Apr Pmt	Buy/Del	Dt Enter	Trade Dt	Settle Dt	Trd Status	Factor	Tran Cd	Ent By	Trd For	Yield	Face	Par	Basis	Price	Interest	Prin	Fees	Penalty	Total Amt	
311092694	300121	KWORCC (302)	FREDDIE MAC DN					E/*	04/25/2011				04/25/2011	04/25/2011	04/25/2011	09	09	1.0000000000	Sale			1.0000000000	2,400,000.00		2,400,000.00				2,398,744.00			
313396MH3			FMDN 9/29/11					.000	09/29/2011				n-04/25/11	04/25/2011	04/25/2011	09	09	1.0000000000	Sale			1.0000000000	2,400,000.00		2,400,000.00				2,398,744.00			
033-DISC			//					ccf/ccf					n-04/25/11	04/25/2011	04/25/2011	09	09	1.0000000000	Sale			1.0000000000	2,400,000.00		2,400,000.00				2,398,744.00			
379002724	300121	KWORCC (302)	FHLB 3.0 STEP UP 4.0 06/15/14					E/*	05/19/2011				05/19/2011	05/19/2011	05/19/2011	09	09	1.0000000000	Sale			1.0000000000	1,000,000.00		1,000,000.00				1,000,000.00			
313373XY3			ORLY CALL BEG 12/15/11					100.000	06/15/2026				n-06/15/11	06/15/2011	06/15/2011	09	09	1.0000000000	Sale			1.0000000000	1,000,000.00		1,000,000.00				1,000,000.00			
011-app			MULTI STEP					VAR					n-06/15/11	06/15/2011	06/15/2011	09	09	1.0000000000	Sale			1.0000000000	1,000,000.00		1,000,000.00				1,000,000.00			
			Aaa/AAA/					ccf/ccf					n-06/15/11	06/15/2011	06/15/2011	09	09	1.0000000000	Sale			1.0000000000	1,000,000.00		1,000,000.00				1,000,000.00			
311094262	300121	KWORCC (302)	FEDERAL HOME LOAN BANK DN					E/*	06/01/2011				06/01/2011	06/01/2011	06/01/2011	09	09	1.0000000000	Sale			1.0000000000	2,000,000.00		2,000,000.00				1,999,956.67			
313384GX1			FHDN 6/15/11					.000	06/15/2011				n-06/02/11	06/02/2011	06/02/2011	09	09	1.0000000000	Sale			1.0000000000	2,000,000.00		2,000,000.00				1,999,956.67			
313384GX1			//					06/15/2011					n-06/02/11	06/02/2011	06/02/2011	09	09	1.0000000000	Sale			1.0000000000	2,000,000.00		2,000,000.00				1,999,956.67			
033-DISC			//					ccf/ccf					n-06/02/11	06/02/2011	06/02/2011	09	09	1.0000000000	Sale			1.0000000000	2,000,000.00		2,000,000.00				1,999,956.67			
311095150	300121	KWORCC (302)	FEDERAL HOME LOAN BANK DN					E/*	06/15/2011				06/15/2011	06/15/2011	06/15/2011	09	09	1.0000000000	Sale			1.0000000000	1,000,000.00		1,000,000.00				999,961.11			
313384JB6			FHDN 07/13/11					.000	07/13/2011				n-06/15/11	06/15/2011	06/15/2011	09	09	1.0000000000	Sale			1.0000000000	1,000,000.00		1,000,000.00				999,961.11			
313384JB6			//					07/13/2011					n-06/15/11	06/15/2011	06/15/2011	09	09	1.0000000000	Sale			1.0000000000	1,000,000.00		1,000,000.00				999,961.11			
033-DISC			//					ccf/ccf					n-06/15/11	06/15/2011	06/15/2011	09	09	1.0000000000	Sale			1.0000000000	1,000,000.00		1,000,000.00				999,961.11			
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			//					ccf/ccf					n-06/15/11	06/15/2011	06/15/2011	09	09	1.0000000000	Sale			1.0000000000	1,000,000.00		1,000,000.00				999,961.11			
			//					ccf/ccf					n-06/15/11	06/15/2011	06/15/2011	09	09	1.0000000000	Sale			1.0000000000	1,000,000.00		1,000,000.00				999,961.11			
			//					ccf/ccf					n-06/15/11	06/15/2011	06/15/2011	09	09	1.0000000000	Sale			1.0000000000	1,000,000.00		1,000,000.00				999,961.11			
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			//					ccf/ccf					n-06/15/11	06/15/2011	06/15/2011	09	09	1.0000000000	Sale			1.0000000000	1,000,000.00		1,000,000.00				999,961.11			
			//					ccf/ccf					n-06/15/11	06/15/2011	06/15/2011	09	09	1.0000000000	Sale			1.0000000000	1,000,000.00		1,000,000.00				999,961.11			
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			//					ccf/ccf					n-06/15/11	06/15/2011	06/15/2011	09	09	1.0000000000	Sale			1.0000000000	1,000,000.00		1,000,000.00				999,961.11			
			//					ccf/ccf					n-06/15/11	06/15/2011	06/15/2011	09	09	1.0000000000	Sale			1.0000000000	1,000,000.00		1,000,000.00				999,961.11			
			//					ccf/ccf					n-06/15/11	06/15/2011	06/15/2011	09	09	1.0000000000	Sale			1.0000000000	1,000,000.00		1,000,000.00				999,961.11			
			//					ccf/ccf					n-06/15/11	06/15/2011	06/15/2011	09	09	1.0000000000	Sale			1.0000000000	1,000,000.00		1,000,000.00				999,961.11			
			//					ccf/ccf					n-06/15/11	06/15/2011	06/15/2011	09	09	1.0000000000	Sale			1.0000000000	1,000,000.00		1,000,000.00				999,961.11			
			//					ccf/ccf					n-06/15/11	06/15/2011	06/15/2011	09	09	1.0000000000	Sale			1.0000000000	1,000,000.00		1,000,000.00				999,961.11			
			//					ccf/ccf					n-06/15/11	06/15/2011	06/15/2011	09	09	1.0000000000	Sale			1.0000000000	1,000,000.00		1,000,000.00				999,961.11			
			//					ccf/ccf					n-06/15/11	06/15/2011	06/15/2011	09	09	1.0000000000	Sale			1.0000000000	1,000,000.00		1,000,000.00				999,961.11			
			//					ccf/ccf					n-06/15/11	06/15/2011	06/15/2011	09	09	1.0000000000	Sale			1.0000000000	1,000,000.00		1,000,000.00				999,961.11			
			//					ccf/ccf					n-06/15/11	06/15/2011	06/15/2011	09	09	1.0000000000	Sale			1.0000000000	1,000,000.00		1,000,000.00				999,961.11			
			//					ccf/ccf					n-06/15/11	06/15/2011	06/15/2011	09	09	1.0000000000	Sale			1.0000000000	1,000,000.00		1,000,000.00				999,961.11			
			//					ccf/ccf					n-06/15/11	06/15/2011	06/15/2011	09	09	1.0000000000	Sale			1.0000000000	1,000,000.00		1,000,000.00				999,961.11			
			//					ccf/ccf					n-06/15/11	06/15/2011	06/15/2011	09	09	1.0000000000	Sale			1.0000000000	1,000,000.00		1,000,000.00				999,961.11			
			//					ccf/ccf					n-06/15/11	06/15/2011	06/15/2011	09	09	1.0000000000	Sale			1.0000000000	1,000,000.00		1,000,000.00				999,961.11			
			//					ccf/ccf					n-06/15/11	06/15/2011	06/15/2011	09	09	1.0000000000	Sale			1.0000000000	1,000,000.00		1,000,000.00				999,961.11			
			//					ccf/ccf																								

Minutes
Meeting, Board of Trustees
Kansas Workers Risk Cooperative for Counties
July 21, 2011 at 8:30 am via Teleconference
700 SW Jackson, Ste 200
Topeka, KS 66603

The July 2011 meeting of the Board of Trustees of Kansas Workers Risk Cooperative for Counties (KWORCC) was called to order at 8:32 a.m. on July 21, 2011 via teleconference in Topeka by Board Immediate Past President Jim Wise. Trustees present included: Bonnie Swartz, Gray County Clerk, Secretary; Michelle Garrett, Morris County Clerk, Controller; Steve Garten, Barber County Commissioner; Ralph D. Unger, Decatur County Commissioner and Jim Wise, Miami County Commissioner. Linda Buttron, Jefferson County Clerk was present briefly before her telephone connection was disrupted.

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

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

Mr. Wise first addressed Agenda Item No. 2, "Approval of the Agenda." Mr. Parrish recommended the addition of item 2b, "Excuse Doyle Alcorn for Personal Reasons." He also recommended that Agenda Item No. 7 be postponed until the September board meeting. Mr. Unger moved to approve the modified agenda and to excuse Mr. Alcorn for personal reasons and to excuse Ms. Buttron. Ms. Swartz seconded the motion which CARRIED unanimously.

Mr. Wise addressed Agenda Item No. 3, "Consideration of Minutes of Meeting of June 16, 2011." Mr. Unger moved to approve the minutes as presented. Dr. Garten seconded the motion which CARRIED unanimously.

Mr. Wise next asked Mr. Parrish to present Agenda Item No. 4, "Administrator's Report." Mr. Parrish first addressed Agenda Item No. 4a, "Checks Requiring Board Approval and Ratification of Wire Transfers." He identified the check requiring approval and the electronic transfers of funds requiring ratification. Ms. Swartz moved to approve the check and ratify the electronic transfers of funds as presented. Mr. Unger seconded the motion which CARRIED unanimously.

Next, Mr. Parrish addressed Agenda Item No. 4b, "Workers Compensation Fee Fund – Discussion." Mr. Parrish reported on a conversation he had with Mike O'Neal who expected District Court Judge Theis to render a decision on the litigation later in the summer. He further reported that he shared with Mr. O'Neal a suggestion Mr. Wise had learned from State Senator Pat Apple who recommended legislation to transfer custody of the Workers Compensation Fund to a third party administrator. This would help discourage the legislature from misappropriating monies in the fund reserved for workers compensation purposes. Mr. Wise said that Senator Apple was willing to sponsor the legislation in the State Senate. Mr. Parrish stated that Judge Theis' decision will help determine exactly what legislative action is needed.

Mr. Wise then proceeded to Agenda Item No. 5, "Financial Report." Mr. Alexander discussed in detail the financial statements he prepared for June 2011. Ms. Swartz moved to receive and file the financial report. Ms. Garrett seconded the motion which CARRIED unanimously.

Mr. Alexander then discussed in detail the 2011 second quarterly financial report he prepared for filing with the Kansas Insurance Department (KID). Ms. Swartz moved to approve filing the report with the KID. Ms. Garrett seconded the motion which CARRIED unanimously.

Mr. Alexander presented the check register. Dr. Garten moved to approve check Nos. 14359 through 14398 and the direct debits. Mr. Unger seconded the motion which CARRIED unanimously.

Next, Mr. Alexander reviewed reports showing the value of KWORCC's equity investments as of July 13, 2011.

Mr. Wise addressed Agenda Item No. 6, "Claims Report – IMA." As to Agenda Item No. 6a, "Select Claims Review," Ms. May and Mr. Miller reported on claims and answered questions.

Mr. Miller then addressed Agenda Item No. 6b, "Logicomp Bill Review Report." Mr. Miller reported the amount billed totals \$2,041,474 for the period beginning January 1, 2011 through June 30, 2011. He said the actual paid amount for that period totals \$1,073,931, resulting in a net savings of \$978,795 after fees are paid. This is more than 48% of the amount billed for this 6-month period.

Mr. Davis 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 2011. 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. He noted these charts show the status as of the end of June, 2011 and should not be considered a guarantee of either good or poor ultimate loss performance.

Agenda Item No. 7 was tabled until the September meeting.

Mr. Wise called upon Mr. Rippee to address Agenda Item No. 8, "Loss Prevention and County Visits." Mr. Rippee reviewed June, July and August calendars for the loss-prevention staff. Next, Mr. Rippee reported on the enrollment rates and courses completed by the membership for the Gov U online courses.

Mr. Wise addressed Agenda Item No. 9, "Legal Report." Mr. Parrish stated there was not a legal report for this meeting.

Mr. Wise turned to Agenda Item No. 10, "Committee Reports." Mr. Parrish stated there were no committee reports. He said the Investment Committee would be meeting August 18, 2011. GTrust will visit the committee meeting and Chris Thompson of Country Club Bank will attend the regular board meeting. Mr. Parrish then recommended the adoption of Resolution #2011-67 approving the government investments for the period March 1, 2011 to June 30, 2011. Mr. Unger moved to adopt the resolution. Ms. Garrett seconded the motion which CARRIED unanimously.

Mr. Wise then addressed Agenda Item No. 11, "Other Business." Nothing further was presented for the Board to address.

There being nothing further before the Board, Mr. Unger moved to adjourn the meeting at 9:16 a.m. Ms. Garrett seconded the motion which CARRIED unanimously.

The KWORCC Board of Trustees approved the foregoing minutes on the 18th day of August, 2011.


Bonnie Swartz, Secretary
KWORCC Board of Trustees

Minutes
Meeting, Investment Committee
Kansas Worker Risk Cooperative for Counties
Clubhouse Inn - Conference Room
924 SW Henderson Rd., Topeka KS 66615
August 18, 2011 at 12:15 PM

On Thursday, August 18, 2011 at 12:15 PM the Investment Committee of Kansas Workers Risk Cooperative for Counties ("KWORCC") met at the Clubhouse Inn, Topeka, Kansas. The meeting was called to order by Committee Chair, Jim Wise. Committee Members participating included: Ralph D. Unger, Decatur County Commissioner; Michelle Garrett, Morris County Clerk and Jim Wise, Miami County Commissioner. Also present was Rudy Wrenick, Sheryl Berhenn and Steve Page with GTrust Financial Partners and KWORCC Administrator, Jim Parrish

Chairman Wise called the meeting to order at 12:15 PM. Mr. Unger moved to approve the Agenda. Ms. Garrett seconded the motion which CARRIED unanimously.

Next, Chairman Wise called upon GTrust to address KWORCC's equity investments. GTRUST reported that the Market Value of the Investment Account as of July 31, 2011, was \$2,042,685 which was a total return of 2.7% for the year to date. The account was opened with \$1,941,910 and had increased in value to over \$2,150,000 before declining in the second quarter of 2011. Since July 31, 2011, the market has declined approximately 10%.

The account continues to be diversified with 30% invested in International Funds and 70% invested in Large Cap, Multi and Small Cap growth and value funds, along with Real Estate and Commodity Real return funds. While the US stock funds in the account performed better than the S&P 500 Stock Index, the International Funds underperformed the EAFE Index. The emerging market funds led the decline.

The sharp decline in the market since July 31, 2011, took all of the funds below their cost value. The increased volatility of the market led the GTRUST committee to reduce the exposure to the markets, and on August 9, 2011, twenty percent of the account was liquidated. The plan is to reinvest these funds in the market when the markets show more stability.

The current Asset Allocation is 80% in Equity mutual funds and 20% in Cash Equivalents. The 80 % in equities is invested 30% in International funds and 70% in US stock funds.

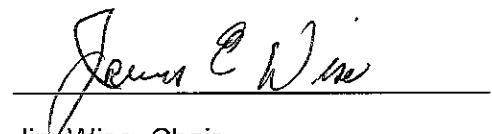
GTRUST reported that the Economic expansion continues to decelerate. The consumer spending softened during the 2nd Quarter and actually declined in June. The Consumer Sentiment fell to a 30 year low. The US economy is primarily driven by the consumer, with the consumer accounting for almost 70% of the activity.

Unemployment rate has not improved, and the housing market remains in a deep slump with huge inventory of distressed properties. The Federal Open Market Committee announced they do not plan to increase rates until 2013 at the earliest, and Core Inflation remains near record lows. While corporate earnings are ahead of the averages, small businesses continue to struggle. Most of the new jobs normally are created by small businesses which needs to improve for the economy to grow. Another concern is the financial crisis in Europe. The potential for defaults creates a serious threat to global growth. Nevertheless, the emerging markets will continue to power global growth.

In 2011, the unexpected has prevailed. Known risks going forward include: 1) Euro-zone credit concerns; 2) Fiscal retrenchment by US government; 3) Odds on the US economy entering a new recession now appear to be 33 to 50%.

There being no further business to come before the Committee Ms. Garrett moved to adjourn. Mr. Unger seconded the motion which CARRIED unanimously at 12:58 PM.

THE FOREGOING MINUTES of the Investment Committee of Kansas Workers Risk Cooperative for Counties were executed by the Chair of that Committee on July 19, 2012.

A handwritten signature in cursive script, reading "Jim E. Wise", is written above a horizontal line.

Jim Wise, Chair

KWORCC Investment Committee

August 18, 2011

KWORCC EQUITY Fund

<u>Economy & Markets</u>	<u>2009</u>	<u>2010</u>	<u>6/30/2011</u>	<u>8/16/2011</u>
• GDP Growth	-2.6%	2.9%	1.5%	
• Unemployment	9.9	9.4	9.2	9.1
• CPI	-0.3	1.6	3.6	
• S&P 500	1115	1258	1321	1203
• Crude Oil	\$70	\$81	\$95	\$88
• Gold	1,098	1,421	1,500	1789

YTD 2011(thru July 31) Fund Returns

- Overall 2.7%

Asset Allocation

- July 31: 100% Equities
- August 16: 80% Equities/ 20% Cash Equivalents

Economy & Markets

- Economic expansion continues to decelerate.
- Consumer spending softened during the 2nd Quarter & actually declined during June.
- Unemployment rate has not improved,
- Housing market remains in deep slump with huge inventory of distressed properties.
- Core inflation remains near record lows. Core CPI at 1.6% during the period.
- FOMC sees no increase in rates until 2013 at the earliest.
- Corporate earnings ahead of averages. But small businesses continue to struggle.
- Emerging Markets will continue to power global growth.
- But financial crisis in Europe poses serious threat to global growth.
- In 2011, the unexpected has prevailed. Known risks going forward: 1) Euro-zone; 2) Fiscal retrenchment; 3) Odds on new recession now at 33-50%.

planning forward

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Minutes
Meeting, Board of Trustees
Kansas Workers Risk Cooperative for Counties
August 18, 2011 at 1:00 pm
Clubhouse Inn
924 SW Henderson Road
Topeka, KS 66615

The August 2011 meeting of the Board of Trustees of Kansas Workers Risk Cooperative for Counties (KWORCC) was called to order at 1:05 p.m. on August 18, 2011 in Topeka by Board Vice-President Linda Buttron. Trustees present included: Linda Buttron, Jefferson County Clerk, Vice-President; Bonnie Swartz, Gray County Clerk, Secretary; Michelle Garrett, Morris County Clerk, Controller; Steve Garten, Barber County Commissioner; Ralph D. Unger, Decatur County Commissioner and Jim Wise, Miami County Commissioner.

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

Insurance Management Associates (IMA) appeared by Ms. Susan May, Mr. Jess Cornejo, Mr. Gene Miller, Ms. Marla Dipman and Mr. Paul Davis. Also in attendance was Mr. Chris Thompson of Country Club Bank.

Vice-President Buttron first addressed Agenda Item No. 2, "Approval of the Agenda." Mr. Parrish recommended the modification of item 2a, "Excuse Bonnie Swartz for Personal Reasons" to "Excuse Doyle Alcorn for Personal Reasons." Mr. Unger moved to approve the modified agenda and to excuse Mr. Alcorn for personal reasons. Ms. Swartz seconded the motion which CARRIED unanimously.

Vice-President Buttron addressed Agenda Item No. 3, "Consideration of Minutes of Meeting of July 21, 2011." Mr. Unger moved to approve the minutes as presented. Ms. Garrett seconded the motion which CARRIED unanimously.

Vice-President Buttron next asked Mr. Parrish to present Agenda Item No. 4, "Administrator's Report." Mr. Parrish first addressed Agenda Item No. 4a, "Checks Requiring Board Approval and Ratification of Wire Transfers." He identified the check requiring approval and the electronic transfers of funds requiring ratification. Dr. Garten moved to approve the check and ratify the electronic transfers of funds as presented. Ms. Swartz seconded the motion which CARRIED unanimously.

Next, Mr. Parrish asked Chris Thompson to address Agenda Item No. 4b, "Fixed Assets Report." Mr. Thompson reminded the board that he manages KWORCC's fixed income portfolio. He says he manages by two mandates, liquidity and income, explaining that he must be prepared to address the need for ready liquidity to pay claims while maintaining income from the investments. Mr. Thompson stated that bond prices have risen, driving yields down. He emphasized that "default" is not a credible concern for KWORCC's holdings. Bonds are paying as presented. He said banks and corporations are stockpiling cash as there is no confidence that the economic climate will get better soon. Even though inflation is not being felt in a significant way, inflation is a problem. He explained that although the Consumer Price Index (CPI) reports do not reflect large inflationary numbers, he pointed out that they generally do not include food (up 4.5%) and energy (up 8%). The value of bonds KWORCC owns has increased, but Mr. Thompson said the real concern is the thinning income stream caused by the extended period of low interest rates. Mr. Thompson then asked for and responded to questions. Vice-President Buttron thanked Mr. Thompson for his informative report.

Mr. Parrish then addressed Agenda Item No 4c, "Experience Modification Filing, Preliminary Review." Mr. Parrish began the discussion by pointing out that the Travelers group of insurance companies has become aggressive competitors in the market. Additionally there has been a statutory change which gives the private insurance industry more flexibility in pricing, giving them the ability to vary premiums by as much as 25% either higher or lower in their discretion. Mr. Parrish then asked Mr. Davis to discuss projections for premium income using sample loss cost multipliers (LCM) and showing the use of two or more tiers. He pointed out that KWORCC currently has two tiers, and each county's experience modification factor determines the tier into which that county falls. Mr. Davis discussed the possibility of using more than one tier and also discussed the possibility that the Kansas Insurance Department (KID) may be receptive to developing different criteria for placement of member counties into one tier or the other. He said that he has raised this possibility with KID and will have a response soon. He is exploring ways KWORCC can have more flexibility in setting premiums to be in a better position to compete. Mr. Parrish asked Board members to begin considering how aggressive KWORCC should be in pricing its policies for 2012.

Vice-President Buttron then proceeded to Agenda Item No. 5, "Marketing Report." Mr. Eyman discussed marketing activities for several counties and responded to questions.

Vice-President Buttron declared a break in the meeting at 2:27 p.m. The meeting resumed at 2:41 p.m.

Vice-President Buttron then proceeded to Agenda Item No. 6, "Financial Report." Mr. Alexander discussed in detail the financial statements he prepared for July 2011. Mr. Swartz moved to receive and file the financial report. Ms. Garrett seconded the motion which CARRIED unanimously.

Mr. Alexander presented the check register. Mr. Wise moved to approve check Nos. 14399 through 14425 and the direct debits. Dr. Garten seconded the motion which CARRIED unanimously.

Next, Mr. Alexander reviewed reports showing the value of KWORCC's equity investments as of August 9, 2011.

Vice-President Buttron addressed Agenda Item No. 7, "Claims Report – IMA." As to Agenda Item No. 7a, "Select Claims Review," Ms. May and Mr. Miller reported on claims and answered questions. Ms. May also reported on and requested approval of two pending settlements. Mr. Unger moved to approve settlement of claim number 2005024367. Mr. Wise seconded the motion which CARRIED unanimously. Ms. Swartz moved to approve settlement of claim number 2008034666. Dr. Garten seconded the motion which CARRIED unanimously.

Mr. Miller then addressed Agenda Item No. 7b, "Logicomp Bill Review Report." Mr. Miller reported the amount billed totals \$2,371,348 for the period beginning January 1, 2011 through July 31, 2011. He said the actual paid amount for that period totals \$1,211,152, resulting in a net savings of \$1,171,393 after fees are paid. This is more than 49% of the amount billed for this 7-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 2011. 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. He noted these charts show the status as of the end of July, 2011 and should not be considered a guarantee of either good or poor ultimate loss performance.

Vice-President Buttron called upon Messrs. Eyman and Rippee to address Agenda Item No. 8, "Loss Prevention and County Visits." Mr. Eyman reviewed July, August and September calendars for the loss-prevention staff. Next, Mr. Eyman reported on the enrollment rates and courses completed by the membership for the Gov U online courses.

Vice-President Buttron addressed Agenda Item No. 9, "Legal Report." Mr. Parrish reminded the Board that Ron Laskowski would be at the September meeting to discuss the new Workers Compensation law. He also reported that the decision of the judge in the fee sweep case is not definitive and is somewhat confusing. He said a meeting is scheduled for August 29th for representatives of the plaintiffs and their attorney Mike O'Neal to discuss various alternative courses of action. Mr. Parrish said he plans to attend this meeting.

Vice-President Buttron turned to Agenda Item No. 10, "Committee Reports." Mr. Wise reported that the Investment Committee met prior to the board meeting. He asked Mr. Parrish to summarize the meeting. Mr. Parrish explained that GTrust representatives attended the committee meeting and reported that the KWORCC account continues to be diversified with 30% invested in international funds and 70% invested in large cap, multi and small cap growth and value funds, along with real estate and commodity real return funds. While the US stock funds in the account performed better than the S&P 500 stock index, the international funds underperformed the EAFE index. The emerging market funds led the decline. Mr. Parrish said GTrust officials reported that the market value of the investment account as of July 31, 2011, was \$2,042,685 which was a total return of 2.7% as of that date. The account was opened with \$1,941,910 and had increased in value to over \$2,150,000 before declining in the second quarter of 2011. Since July 31, 2011, the market has declined approximately 10%. Mr. Wise moved to accept the report of the Investment Committee. Mr. Unger seconded the motion which CARRIED unanimously.

Mr. Parrish reminded the Board the Personnel Committee would be meeting September 22, 2011 at noon. Mr. Parrish also reminded everyone the September meeting will be held at the IMA Topeka Office, 3024 SW Wanamaker Road, Suite 203.

Vice-President Buttron then addressed Agenda Item No. 11, "Other Business." Nothing further was presented for the Board to address.

There being nothing further before the Board, Mr. Unger moved to adjourn the meeting at 3:25 p.m. Mr. Wise seconded the motion which CARRIED unanimously.

The KWORCC Board of Trustees approved the foregoing minutes on the 22nd day of September, 2011.


Bonnie Swartz, Secretary
KWORCC Board of Trustees

Minutes
Meeting, Board of Trustees
Kansas Workers Risk Cooperative for Counties
September 22, 2011 at 1:00 pm via Teleconference
700 SW Jackson, Ste 200
Topeka, KS 66603

The September 2011 meeting of the Board of Trustees of Kansas Workers Risk Cooperative for Counties (KWORCC) was called to order at 1:02 p.m. on September 22, 2011 via teleconference in Topeka by Board President Doyle "Hooley" Alcorn. Trustees participating in the teleconference included: Doyle "Hooley" Alcorn, Jewell County Commissioner, President; Linda Buttron, Jefferson County Clerk, Vice-President; Bonnie Swartz, Gray County Clerk, Secretary; Michelle Garrett, Morris County Clerk, Controller; Steve Garten, Barber County Commissioner; Ralph D. Unger, Decatur County Commissioner and Jim Wise, Miami 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) was represented in the teleconference by Ms. Susan May, Mr. Gene Miller, Ms. Marla Dipman and Mr. Paul Davis. Also Mr. Sam Cargnel from Centric Actuarial Solutions, LLC participated in the teleconference.

President Alcorn expressed thanks to the board and staff for their encouragement and support during his illness.

President Alcorn first addressed Agenda Item No. 2, "Approval of the Agenda." Mr. Parrish recommended removal of Agenda Item No. 2a and tabling Agenda Item Nos. 4c and 10a until the October meeting. Mr. Wise moved to approve the modified agenda. Dr. Garten seconded the motion which CARRIED unanimously.

President Alcorn addressed Agenda Item No. 3, "Consideration of Minutes of Meeting of August 18, 2011." Mr. Unger moved to approve the minutes as presented. Ms. Buttron seconded the motion which CARRIED unanimously.

President Alcorn next asked Mr. Parrish to present Agenda Item No. 4, "Administrator's Report." Mr. Parrish first addressed Agenda Item No. 4a, "Checks Requiring Board Approval and Ratification of Wire Transfers." He identified the check requiring approval and the electronic transfer of funds requiring ratification. Ms. Swartz moved to approve the check and ratify the electronic transfer of funds as presented. Mr. Unger seconded the motion which CARRIED unanimously.

Next, Mr. Parrish asked Mr. Cargnel to address Agenda Item No. 4b, "Actuarial Report: Centric Presentation." Mr. Cargnel explained there were increases in cost of claims occurring in 2005 and 2006, caused in part by the *Bergstrom* decision. He indicated claims costs in more recent years are developing better than expected in that the cost per claim has been flat and the number of claims has been decreasing. For 2012, Mr. Cargnel expects 490 claims averaging \$7,500 for a total loss estimate of \$3,700,000. Mr. Cargnel asked for and responded to questions.

Mr. Parrish then asked Mr. Davis to discuss Agenda Item No. 4d, "Loss Cost Multiplier Filing Update." Mr. Davis stated he has proposed to the Kansas Insurance Department (KID) a 3-tier loss cost multiplier (LCM) instead of the current 2-tier LCM. Mr. Davis will continue to work with KID to secure the LCM filing.

President Alcorn then asked Mr. Parrish to address Agenda Item No. 4e, "Classification of County Administrators." Mr. Parrish explained that a controversy had developed over the discrepancy between how KWORCC is classifying county administrators and how Kansas Municipal Insurance Trust (KMIT) is classifying city managers. He discussed this with IMA, the payroll auditors and KMIT. Mr. Parrish recommended KWORCC utilize classification code 8742 for county administrators. Ms. Swartz moved to change the classification of county administrators from classification code 9410 to classification 8742. Mr. Wise seconded the motion which CARRIED unanimously.

President Alcorn then proceeded to Agenda Item No. 5, "Marketing Report." Mr. Eyman discussed marketing activities for several counties and responded to questions.

President Alcorn then proceeded to Agenda Item No. 6, "Financial Report." Mr. Alexander discussed in detail the financial statements he prepared for August 2011. Upon review of policy year results, he recommended investment income be allocated for policy years 2001 and 2007. Ms. Swartz moved to allocate \$160,000 in investment income to 2001 and \$40,000 in investment income to 2007. Mr. Unger seconded the motion which CARRIED unanimously. Ms. Swartz moved to receive and file the financial report. Mr. Wise seconded the motion which CARRIED unanimously.

Mr. Alexander presented the check register. Ms. Swartz moved to approve check Nos. 14426 through 14456 and the direct debits. Ms. Buttron seconded the motion which CARRIED unanimously.

Next, Mr. Alexander reviewed reports showing the value of KWORCC's equity investments as of September 14, 2011.

President Alcorn addressed Agenda Item No. 7, "Claims Report – IMA." As to Agenda Item No. 7a, "Select Claims Review," Ms. May and Mr. Miller reported on claims and answered questions. They also reported on and requested approval of two pending settlements. Mr. Unger moved to approve settlement of claim number 2009038335 as recommended. Ms. Swartz seconded the motion which CARRIED unanimously. Mr. Wise moved to approve settlement of claim number 2008034666 as recommended. Ms. Swartz seconded the motion which CARRIED unanimously.

Mr. Miller then addressed Agenda Item No. 7b, "Logicomp Bill Review Report." Mr. Miller reported the amount billed totals \$2,624,724 for the period beginning January 1, 2011 through August 31, 2011. He said the actual paid amount for that period totals \$1,379,809, resulting in a net savings of \$1,256,111 after fees are paid. This is more than 48% of the amount billed for this 8-month period.

Dr. Garten left the teleconference call at 2:00 p.m.

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 2011. 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. He noted these charts show the status as of the end of August, 2011 and should not be considered a guarantee of either good or poor ultimate-loss performance.

President Alcorn called upon Messrs. Eyman and Rippee to address Agenda Item No. 8, "Loss Prevention and County Visits." Mr. Eyman reviewed August, September and October calendars for the loss-prevention staff. Next, Mr. Eyman reported on the enrollment rates and courses completed by the membership for the Gov U online courses.

President Alcorn addressed Agenda Item No. 9, "Legal Report." Mr. Parrish stated there was no legal report at this time

President Alcorn turned to Agenda Item No. 10, "Committee Reports." Mr. Parrish indicated that the Personnel Committee would be meeting October 27, 2011 at noon and the Investment Committee would meet December 15, 2011 at 1:00 p.m.

President Alcorn then addressed Agenda Item No. 11, "Other Business." Nothing further was presented for the Board to address.

There being nothing further before the Board, Ms. Garrett moved to adjourn the meeting at 2:06 p.m. Ms. Swartz seconded the motion which CARRIED unanimously.

The KWORCC Board of Trustees approved the foregoing minutes on the 27th day of October, 2011.



Bonnie Swartz, Secretary
KWORCC Board of Trustees

Minutes
Meeting, Personnel Committee
Kansas Worker Risk Cooperative for Counties
October 27, 2011
Clubhouse Inn
924 SW Henderson Road
Topeka, KS 66615

On Thursday, October 27, 2011, the Personnel Committee of the Kansas Workers Risk Cooperative for Counties ("KWORCC") met at the Clubhouse Inn, Topeka, Kansas. The meeting was called to order by Committee Chair, Ralph D. Unger at 12:06 p.m. Committee Members participating included: Ralph D. Unger, Decatur County Commissioner; Bonnie Swartz, Gray County Clerk and Doyle "Hooley" Alcorn, Jewell County Commissioner. Also present was James W. Parrish, KWORCC Administrator.

The agenda was approved by consensus as presented.

Ms. Swartz moved to approve the Personnel Committee meeting minutes dated February 17, 2011 as written. Mr. Alcorn seconded the motion which CARRIED unanimously.

Whereupon the committee members discussed the plans in their respective counties to address cost-of-living increases. Further, there was discussion regarding the cost of health care for county employees. Next, Chairman Unger reviewed the press releases and salary reviews from various sources, including the Bureau of Labor Statistics of the United States Department of Labor. The committee discussed the issue of cost of living adjustment (COLA) for KWORCC employees. It was noted that there was no COLA given to KWORCC employees for the current fiscal year. Whereupon, Ms. Swartz moved that the Personnel Committee recommend to the full KWORCC Board of Trustees approval of a 2.5% cost-of-living adjustment for KWORCC employees for 2012. Mr. Alcorn seconded the motion which passed by unanimous vote.

Mr. Parrish indicated that the staff continues to do an excellent job and will be very appreciative of the COLA, if approved by the KWORCC Board. He indicated that Messrs. Eyman and Rippee have discussed retirement. He pointed out that some progress is being made in developing a succession plan, but nothing definitive has been done to implement such a plan. Mr. Unger stated that it is important to have a succession plan in place and suggested that the Administrator should look for and possibly hire someone to assist Messrs Eyman and Rippee and learn how to deliver loss prevention and safety services to KWORCC.

There being no further business to come before the Personnel Committee, Ms. Swartz moved to adjourn the meeting at 12:33 p.m. Mr. Alcorn 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 the 16th day of February, 2012.



Doyle Alcorn, Chair
KWORCC Personnel Committee

KWORCC Payroll History -- for 2012 Employees 1999 to 2012

	James W. Parrish Jan. 1999	Dortha O. Bird Apr. 1999	Carlín D. Eyman Sept. 1993	Philip J. Rippe May, 2003	Richard Alexander Jan. 1996	Performance Enhancement
1999	\$49,200 (60%)		\$ 52,000		\$ 12,000	
2000	\$67,500 (80%)	\$ 48,600	\$ 54,000		\$ 16,500	\$ 10,000 (Paid in 2001)
2001	\$69,252 (80%)	\$ 55,620	\$ 55,620		\$ 17,000	\$ 12,000 (Paid in 2002)
2002	\$76,500 (85%)	\$ 58,000	\$ 58,000		\$ 18,000	\$ 10,000 (Paid in 2003)
2003	\$78,030 (85%)	\$ 59,160	\$ 59,160	\$32,500 (60%)	\$ 20,000	\$ 13,500 (Paid in 2004)
2004	\$79,200 (85%)	\$ 60,047	\$ 60,047	\$32,987 (60%)	\$ 20,300	\$ 13,500 (Paid in 2005)
2005	\$81,180 (85%)	\$ 61,548	\$ 61,548	\$33,811 (60%)	\$ 20,870	\$ 12,500 (Paid in 2006)
2006	\$84,761 (85%)	\$ 63,776	\$ 63,776	\$35,035 (60%)	\$ 21,560	\$ 12,000 (Paid in 2007)
2007	\$87,719 (85%)	\$ 66,000	\$ 66,000	\$36,258 (60%)	\$ 22,312	\$ 12,000 (Paid in 2008)
2008	\$89,938 (85%)	\$ 68,634	\$ 68,634	\$37,768 (60%)	\$ 23,315	\$ 12,000 (Paid in 2009)
2009	\$92,636 (85%)	\$71,139	\$71,139	\$39,373 (60%)	\$25,001	\$15,000 (Paid in 2010)
2010	\$94,026 (85%)	\$72,206	\$72,206	\$39,963(60%)	\$25,376	\$15,000 (Paid in 2011)
2011	\$94,489 (85%)	\$72,561	\$72,561	\$40,160 (60%)	\$25,501	
2012	\$96,851 (85%)	\$74,375	\$74,375	\$41,164 (60%)	\$26,139	

Minutes
Meeting, Board of Trustees
Kansas Workers Risk Cooperative for Counties
October 27, 2011 at 1:00 pm
Clubhouse Inn
924 SW Henderson Road
Topeka, KS 66615

The October 2011 meeting of the Board of Trustees of Kansas Workers Risk Cooperative for Counties (KWORCC) was called to order at 12:59 p.m. on October 27, 2011 in Topeka by Board President Doyle "Hooley" Alcorn. Trustees attending included: Doyle "Hooley" Alcorn, Jewell County Commissioner, President; Linda Buttron, Jefferson County Clerk, Vice-President; Bonnie Swartz, Gray County Clerk, Secretary; Michelle Garrett, Morris County Clerk, Controller; Steve Garten, Barber County Commissioner; Ralph D. Unger, Decatur County Commissioner and Jim Wise, Miami 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) was represented by Ms. Susan May, Mr. Gene Miller and Mr. Paul Davis. Also present was Mr. Ron Laskowski, KWORCC defense attorney.

President Alcorn first addressed Agenda Item No. 2, "Approval of the Agenda." Mr. Parrish recommended that Agenda Item No. 9, "Work Comp Law Update" be considered as Agenda Item No. 3a so that it can be considered early in the meeting. He also recommended that the Board consider a proposed settlement of a case immediately after Mr. Laskowski's presentation because he is defending KWORCC in the case. Mr. Unger moved to approve the agenda with these recommended changes. Mr. Wise seconded the motion which CARRIED unanimously.

President Alcorn addressed Agenda Item No. 3, "Consideration of Minutes of Meeting of September 22, 2011." Mr. Unger moved to approve the minutes as presented. Ms. Garrett seconded the motion which CARRIED unanimously.

President Alcorn welcomed Mr. Laskowski. Mr. Laskowski stated he would be presenting an overview of the changes in the Workers Compensation statutes that were adopted by the state legislature in the 2011 session. He stated that the changes were wide sweeping and that he would cover the highlights. The most important change was what constitutes a work injury. A prevailing factor test was added to the law. Prevailing factor applies to accident, injury and disability. The law also made a change to pre-existing impairment and set forth a formula for how the credit for pre-existing impairment is calculated. Additionally, the rules regarding repetitive trauma have been re-written; the claimant now must show the injury was not something that a person would be exposed to in everyday life.

Work disability is still based on wage and task loss. However, a worker must have a functional impairment greater than 7.5% impairment to the body of the whole to qualify for work disability. Both wage loss and task loss have to be caused by injury. Average weekly wage is calculated by taking the worker's total earnings over the 26 weeks preceding the injury and dividing that number by 26. The maximum amounts for indemnity payments were increased. Bilateral injuries are now general bodily injuries. Finally, the guidelines for providing notice were changed so that the worker must report the injury within 30 calendar days of the injury or 20 calendar days of the first date of treatment. Notice may be given orally or in writing. If employer designates a person to receive notice, notice to anyone else is insufficient. If no one is designated to receive notice, then any supervisor or manager is qualified to receive notice. Mr. Alcorn thanked Mr. Laskowski for an informative presentation.

Mr. Miller and Mr. Laskowski then reviewed a pending settlement. Ms. Swartz moved to approve settlement of claim number 2007033637 as recommended. Ms. Buttron seconded the motion which CARRIED unanimously.

President Alcorn next asked Mr. Parrish to present Agenda Item No. 4, "Administrator's Report." Mr. Parrish first addressed Agenda Item No. 4a, "Checks Requiring Board Approval and Ratification of Wire Transfers." He identified the checks requiring approval and the electronic transfer of funds requiring ratification. Mr. Unger moved to approve the checks and ratify the electronic transfer of funds as presented. Mr. Wise seconded the motion which CARRIED unanimously.

Next, Mr. Parrish asked Mr. Davis to take up Agenda Item No. 4b, "Loss Cost Multiplier Discussion." Mr. Davis discussed the Loss Cost Multiplier (LCM) calculation technique that has been proposed to the state. This would allow risk evaluation to be part of the LCM calculation. The LCM would be three tiered. Ms. Swartz moved to approve the three tiered plan outlined by Mr. Davis. Ms. Garrett seconded the motion which CARRIED unanimously.

Mr. Parrish then asked Mr. Unger to discuss Agenda Item No. 4c, "Personnel Committee Report." Mr. Unger as chairman of the Personnel Committee reported that the committee had met and recommends to the board that for 2012 a 2.5% cost of living adjustment (COLA) for KWORCC personnel beginning January 1, 2012. Mr. Unger moved to adopt the recommendation of the committee. Ms. Swartz seconded the motion which CARRIED unanimously.

President Alcorn then asked Mr. Parrish to address Agenda Item No. 4d, "Budget 2012." Mr. Parrish reviewed the proposed budget for 2012. Ms. Swartz moved that the proposed budget, which includes the use of investment income for premium reduction, be approved. Mr. Wise seconded the motion which CARRIED unanimously.

Mr. Parrish then asked Ms. Bird to address Agenda Item No. 4e, "Annual Meeting Update." Ms. Bird reported she has received 42 delegate forms from the members and that several more are using the delegates for last year. As 31 member representatives present are needed for a quorum, she said she believed that achieving a quorum should not be a problem. She also reported that unless there are nominations from the floor, all currently serving trustees will be unopposed. Ms. Bird then reviewed the vendor location at the Expocentre and the location of the annual meeting in Heritage Hall. She then requested volunteers to help with the vendor booth.

President Alcorn then proceeded to Agenda Item No. 5, "Marketing Report." Mr. Eyman discussed marketing activities for several counties and responded to questions.

President Alcorn then proceeded to Agenda Item No. 6, "Financial Report." Mr. Alexander discussed in detail the financial statements he prepared for September 2011. Ms. Swartz moved to receive and file the financial report. Dr. Garten seconded the motion which CARRIED unanimously.

Mr. Alexander then discussed in detail the 2011 third quarterly financial report he prepared for filing with the Kansas Insurance Department (KID). Ms. Swartz moved to approve filing the report with the KID. Mr. Wise seconded the motion which CARRIED unanimously.

Mr. Alexander presented the check register. Mr. Unger moved to approve check Nos. 14457 through 14505 and the direct debits. Ms. Buttron seconded the motion which CARRIED unanimously.

Next, Mr. Alexander reviewed reports showing the value of KWORCC's equity investments as of October 19, 2011.

A short break was declared in the meeting at 3:07 p.m. The meeting resumed at 3:17 p.m.

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

Mr. Miller then addressed Agenda Item No. 7b, "Logicomp Bill Review Report." Mr. Miller reported the amount billed totals \$2,734,186 for the period beginning January 1, 2011 through September 30, 2011. He said the actual paid amount for that period totals \$1,461,265, resulting in a net savings of \$1,284,118 after fees are paid. This is more than 47% 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 2007 through 2011. 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. He noted these charts show the status as of the end of September, 2011 and should not be considered a guarantee of either good or poor ultimate-loss performance.

President Alcorn called upon Messrs. Eyman and Rippee to address Agenda Item No. 8, "Loss Prevention and County Visits." Mr. Eyman reviewed September, October and November calendars for the loss-prevention staff. Next, Mr. Eyman reported on the enrollment rates and courses completed by the membership for the Gov U online courses.

President Alcorn addressed Agenda Item No. 9, "Legal Report." Mr. Parrish reported on a subrogation case that was being litigated.

President Alcorn turned to Agenda Item No. 10, "Committee Reports." There were no items to discuss.

President Alcorn then addressed Agenda Item No. 11, "Other Business." Nothing further was presented for the Board to address.

There being nothing further before the Board, Mr. Unger moved to adjourn the meeting at 3:39 p.m. Ms. Garrett seconded the motion which CARRIED unanimously.

The KWORCC Board of Trustees approved the foregoing minutes on the 15th day of December, 2011.



Bonnie Swartz, Secretary
KWORCC Board of Trustees

Minutes of the KWORCC
Annual Meeting
Capital Plaza Hotel and Convention Center
1717 SW Topeka Blvd
Topeka, Kansas 66612
November 14, 2011

The Annual Meeting of Kansas Workers Risk Cooperative for Counties (KWORCC) was called to order by Board President Doyle "Hooley" Alcorn on Monday, November 14, 2011 at the Capital Plaza Hotel and Convention Center, Topeka, Kansas. Trustees present: Doyle "Hooley" Alcorn, Jewell County Commissioner, President; Linda Buttron, Jefferson County Clerk, Vice-President; Bonnie Swartz, Gray County Clerk, Secretary; Michelle Garrett, Morris County Clerk, Controller; Steven Garten, Barber County Commissioner; Jim Wise, Miami County Commissioner and Ralph D. Unger, Decatur County Commissioner.

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

Others present for KWORCC: Ms. Susan May, Ms. Marla Dipman and Mr. Gene Miller of Insurance Management Associates, Inc.

President Alcorn called the meeting to order at 5:02 p.m. and verified that a quorum was present. Mr. Parrish announced that a total of 33 Member County representatives were present and that the quorum requirements were met.

Member County representatives were present as follows: Dudley R. Feuerborn, Anderson County Commissioner, Delegate; R. Steven Garten, Barber County Commissioner, Delegate; J. Paul Cox, Barber County Commissioner, Alternate; David M. Thurlow, Clay County Commissioner, Delegate; Ralph D. Unger, Decatur County Commissioner, Delegate; LaVerne Myers, Dickinson County Commissioner, Alternate; Terry Kueser, Ellsworth County Commissioner, Delegate; Don Stottlemire, Franklin County Commissioner, Delegate; John Taylor, Franklin County Commissioner; Ben Bennett, Geary County Commissioner; Mahlon Tuttle, Gove County Commissioner, Delegate; Bonnie Swartz, Gray County Clerk, Delegate; Edward Buckle, Greenwood County Commissioner, Delegate; Gordon Wassell, Greenwood County Commissioner, Alternate; Nikki Schwerdfeger, Hamilton County Commissioner, Delegate; Cheryl Adelhardt, Harper County Clerk, Delegate; Marge Roberson, Harvey County Commissioner, Delegate; Guy W. (Bill) Lower, Haskell County Commissioner, Delegate; Linda Buttron, Jefferson County Clerk, Delegate; Doyle "Hooley" Alcorn, Jewell County Commissioner, Delegate; Thomas J. Bennett, Lane County Commissioner, Delegate; Al Joe Wallace, Lincoln County Commissioner, Delegate; Teresa Walters, Lyon County Commissioner, Delegate; Roger K. Fleming, Marion County Commissioner, Delegate; Charles R. Loiseau, Marshall County Commissioner, Delegate; Claire Bender, Meade County Commissioner, Delegate; Jim Wise, Miami County Commissioner, Delegate; Michelle Garrett, Morris County Clerk, Delegate; Teresa Harder, Morton County Commissioner, Delegate; John Miller, Norton County Commissioner, Delegate; Kenneth Kuykendall, Osage County Commissioner, Delegate; Bryan Byrd, Osborne County Commissioner, Delegate; Kathy Bowman, Pawnee County Commissioner, Delegate; Norman Legleiter, Rush County Commissioner, Delegate; John A. Reynolds, Saline County Commissioner, Delegate; Jerry Fowler, Saline County Commissioner, Alternate; James Minnix, Scott County Commissioner, Alternate; Doyle Kauk, Sheridan County Commissioner, Alternate and Adam Smith, Wallace County Commissioner, Delegate.

President Alcorn then addressed Agenda Item No. 2, "Approval of the Agenda." Dr. R. Steven Garten, Barber County Commissioner, moved to approve the agenda as presented. Mr. Jim Wise, Miami County Commissioner seconded the motion, which CARRIED unanimously.

President Alcorn addressed Agenda Item No. 3, "Consideration of the Minutes of the Meeting of November 15, 2010." Mr. Ralph D. Unger, Decatur County Commissioner, moved to approve the minutes as presented. Ms. Michelle Garrett, Morris County Clerk, seconded the motion, which CARRIED unanimously.

President Alcorn next asked Mr. Parrish to address Agenda Items No. 4, "Election of KWORCC Trustees." Mr. Parrish announced that there were four positions open, with nominations received for the following: Doyle "Hooley" Alcorn, Jewell County Commissioner, incumbent for the North Central District; Ralph D. Unger, Decatur County Commissioner, incumbent for the Northwest District; Dr. Steve Garten, Barber County Commissioner, incumbent for the South Central District and Jim Wise, Miami County Commissioner, incumbent, for the Southeast District. Mr. Parrish then asked for nominations from the floor. There were no further nominations. Mr. Dudley Feuerborn, Anderson County Commissioner, moved to accept the ballot as printed and approve a unanimous ballot for the positions. Mr. John Taylor, Franklin County Commissioner, seconded the motion which CARRIED unanimously.

President Alcorn addressed the membership, pursuant to Agenda Item No. 5, "President's Opening Remarks." President Alcorn introduced the members of the KWORCC Board of Trustees, the KWORCC staff and the representatives from IMA. He discussed the current status of KWORCC membership, noting that the pool has 67 members including 62 county members, two county hospitals, two county cooperatives and an airport authority.

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

President Alcorn then called upon Mr. Richard Alexander to address Agenda Item No. 6, "Financial Report." Mr. Alexander presented the statement of financial condition and statement of operations as of September 30, 2011.

President Alcorn asked that Messrs. Carl Eyman and Phil Rippee address Agenda Item No. 7, "Safety Services Report." Messrs. Eyman and Rippee reported on their visits to counties for loss-prevention visits and inspections. The loss prevention staff has presented almost 200 physical classes and almost 1000 online classes have been taken by member employees. On average the loss prevention staff has visited each member 4.4 times in the last 12 months. They encouraged Members to contact KWORCC to schedule safety training and to take advantage of the safety videos available for check out from KWORCC's extensive video library. Mr. Eyman indicated that KWORCC staff has visited with the County Clerks and presenting training for them over the last year. Mr. Eyman also reported the Loss Prevention Manual has been updated and will be available online. Photo copies and CD copy are available upon request.

Mr. Eyman then explained that the awards are given to counties in three categories created according to premium. The awards are as follows:

<u>Premium</u>	<u>Winners</u>	<u>Ratio</u>
0-\$50,000	1 st – Sheridan County 2 nd – Decatur County 3 rd – Sherman County	0.000% 0.006% 0.013%
\$51,000— \$125,000	1 st – Morton County 2 nd – Anderson County 3 rd – Cloud County	0.001% 0.014% 0.021%
Greater than \$125,000	1 st – Stevens County 2 nd – Pottawatomie County 3 rd – Cherokee County	0.00% 0.09% 0.10%

President Alcorn asked Mr. Parrish to address Agenda Item No. 8, "Presentation of 2012 Budget." Mr. Parrish reviewed the budget with the membership and explained that it had been approved by the Board of Trustees at the October board meeting in accordance with the bylaws and is presented each year at the annual meeting.

President Alcorn addressed Agenda Item No. 9, "Other Business." There was no other business to bring before the Membership.

There being no further business President Alcorn declared the meeting adjourned at 5:26 PM.

Respectfully Submitted for Approval

Ralph D. Unger, Secretary

I, Bonnie Swartz, 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 15th day of December, 2011 at which a quorum was present:

RESOLUTION #2011-137

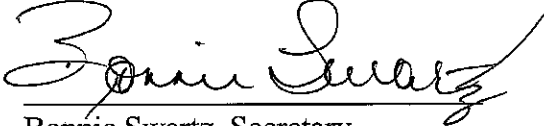
WHEREAS, KWORCC has elected to place investments pursuant to Chapter 40 of Kansas Statutes Annotated, and thus is to comply with the provisions thereof;

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, 2011 through November 30, 2011, which have been reviewed by the Board of Trustees. 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, 2011 through November 30, 2011, 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 15th day of December, 2011.


Bonnie Swartz, Secretary

InTrader (trdhist) 12/02/11

Trade History Report
Country Club Bank

For Trades Executed At: Country Club Bank

Select Fields	From Value	To Value	Seq.	Totals
Entity	144	144		n
Customer Nbr.	300121	300121		n
Cusip Nbr.				n
Security ID				n
Portfolio ID				n
Salesperson				n
Enter Date	07/01/2011	11/30/2011		n
Trade Date				n
Settle Date				n
Bank Eligible		22		n
Purch/Sale/Both				b
Int/Mat/Both				n
Red 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	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
	Bnk Elig						
	Comm Basis						
311103435	KWORCC (302)	E/*		11/29/2011	1.0000000000	750,000.00	750,000.00
300121	FEDERAL HOME LOAN BANK	c-12/14/12		11/29/2011	Sale	750,000.00	.00
313376LFO	CONTIN CALL BEG 12/14/12	100.000		12/14/2011	skm144	100.00	.00
313376LFO		12/14/2021	n-12/14/11	01	BCT	100.0000000000	.00
011-APP	Aaa/AA+/	3.0	n-12/14/11	na		.00	.00
		ccd/ccd	c/ski	n	3.00000000	1,875.00	750,000.00
311096531	KWORCC (302)	E/*		07/11/2011	1.0000000000	500,000.00	500,000.00
300121	FHLMC 2.0 STEP UP 3.0 7/29/13	c-07/29/13		07/11/2011	Sale	500,000.00	.00
3134G2SJ2	BIENNIAL CALL BEG 7/29/13	100.000		07/29/2011	skm144	100.00	.00
3134G2SJ2	MULTI STEP	07/29/2021	n-07/29/11	09	BCT	100.0000000000	.00
032-AGCY	Aaa/AA+/	VAR	n-07/29/11	na		.00	.00
		ccf/ccf	c/ski	n	2.00000000	500,000.00	999,999.08
311096643	KWORCC (302)	E/*		07/13/2011	1.0000000000	1,000,000.00	999,999.08
300121	FEDERAL HOME LOAN BANK DN	.000		07/13/2011	Sale	1,000,000.00	.00
313384KL2	FHDN 8/15/11	08/15/2011	n-07/13/11	09	skm144	D.00100	.00
313384KL2	//	ccf/ccf	n-07/13/11	na	BCT	99.999908330	.00
033-DISC			c/ski	n	.00100000	999,999.08	999,999.08
311098167	KWORCC (302)	E/*		08/09/2011	1.0000000000	1,000,000.00	1,000,000.00
300121	FREDDIE MAC	c-08/22/12		08/09/2011	Sale	1,000,000.00	.00
3134G2WK4	ONE TIME CALL 8/22/12	100.000		08/22/2011	skm144	100.00	.00
3134G2WK4	MEDIUM TERM NOTE	08/22/2017	n-08/22/11	09	BCT	100.0000000000	.00
032-AGCY	Aaa/AA+/	2.0	n-08/22/11	na		.00	.00
		ccd/ccf	c/ski	n	2.00000000	1,000,000.00	1,000,000.00
311098499	KWORCC (302)	E/*		08/11/2011	1.0000000000	1,000,000.00	1,000,000.00
300121	FANNIE MAE	c-08/24/12		08/11/2011	Sale	1,000,000.00	.00
3136FRP98	ONE TIME CALL 8/24/12	100.000		08/24/2011	skm144	100.00	.00
3136FRP98		08/24/2018	n-08/24/11	09	BCT	100.0000000000	.00
011-APP	Aaa/AA+/	2.0	n-08/24/11	na		.00	.00
		ccd/ccd	c/ski	n	2.00000000	1,000,000.00	1,000,000.00
311099492	KWORCC (302)	E/*		09/01/2011	1.0000000000	1,000,000.00	1,000,000.00
300121	FHLMC 2.0 STEP UP 3.0 9/13/14	t-03/13/12		09/01/2011	Sale	1,000,000.00	444.44
3134G2E32	QTRLY CALL BEG 3/13/12	100.000		09/21/2011	skm144	100.00	.00
3134G2E32	ONE TIME STEP	09/13/2019	n-09/21/11	09	BCT	100.0000000000	.00
032-AGCY	Aaa/AA+/	VAR	n-09/21/11	na		.00	.00
		ccf/ccf	c/ski	n	1.99900000	1,000,444.44	1,000,444.44

For Trades Executed At: Country Club Bank Country Club Bank

Ticket Nbr	Cust S/N	Sec Descrip 1	Sec Descrip 2	Sec Descrip 3	Reg Type/Id	Apr By	Apr Date	Dt Enter	Factor	Face	Prin
Cust Nbr	Sec Descrip 1	Sec Descrip 2	Sec Descrip 3	Port ID	Call Cd-Dt	Apr Time	Trade Dt	Tran Cd	Ent By	Par	Interest
Deal ID	Broker	Bank Elig	Comm Basis	Mat Date	CPN Rate	Fail Del	Settle Dt	Trd Status	Trd For	Basis	Withholding
					Cloc/Proc	Fail Pmt	Conv	Yield		Price	Penalty
						Pay/Del	Buyback		Total Amt		
311099559	300121	KWORCC (302)	FANNIE MAE		E/*		09/06/2011	09/06/2011	1.0000000000	500,000.00	500,000.00
3136FPJP3	3136FPJP3	03-28/2016	03/28/2016	09/06/2011	09/06/2011	09/06/2011	09/06/2011	09/06/2011	1.0000000000	500,000.00	500,000.00
032-AGCY	0	Aaa/AA+/	2.0	n-09/06/11	09	BCT	09	BCT	100.0000000000	100.00	100.00
			ccf/ccf	c/sko	n	1.9830000				504,388.89	
311100292	300121	KWORCC (302)	FHLMC 2.25 STEP UP 2.5 9/30/14		E/*		09/15/2011	09/15/2011	1.0000000000	1,000,000.00	1,000,000.00
3134G2H47	3134G2H47	09/30/2021	09/30/2021	09/30/2011	09/30/2011	09/30/2011	09/30/2011	09/30/2011	1.0000000000	1,000,000.00	1,000,000.00
032-AGCY	0	Aaa/AA+/	VAR	n-09/30/11	09	BCT	09	BCT	100.0000000000	100.00	100.00
			ccf/ccf	c/skl	n	2.2500000				1,000,000.00	
311100717	300121	KWORCC (302)	FNMA 2.0 STEP UP 5.0 3/28/15		E/*		09/23/2011	09/23/2011	1.0000000000	1,000,000.00	1,000,000.00
3136ER7E7	3136ER7E7	09/28/2026	09/28/2026	09/28/2011	09/28/2011	09/28/2011	09/28/2011	09/28/2011	1.0000000000	1,000,000.00	1,000,000.00
032-AGCY	0	/AA+/	VAR	n-09/28/11	09	BCT	09	BCT	100.0000000000	100.00	100.00
			ccf/ccf	c/skl	n	2.0000000				1,000,000.00	
311100950	300121	KWORCC (302)	U.S. Treasury Notes		E/*		09/29/2011	09/29/2011	1.0000000000	2,000,000.00	2,010,781.25
912828PW4	912828PW4	09/29/2011	09/29/2011	09/29/2011	09/29/2011	09/29/2011	09/29/2011	09/29/2011	1.0000000000	2,000,000.00	2,010,781.25
028-TMRS	0	//	12/31/2012	n-09/29/11	09	BCT	09	BCT	100.5390625	100.5390625	3,091.03
			.625	n-09/29/11	na		09	BCT	100.539062500	100.539062500	3,091.03
			ccf/ccf	c/skl	n	.1940000				2,013,872.28	
311101261	300121	KWORCC (302)	JACKSON CNTY MO RSD 004 BLUE		E/*		10/14/2011	10/14/2011	1.0000000000	400,000.00	447,768.00
467486UM6	467486UM6	10/19/2011	10/19/2011	10/19/2011	10/19/2011	10/19/2011	10/19/2011	10/19/2011	1.0000000000	400,000.00	447,768.00
069-TAXB	0	/AA/021	03/01/2021	n-10/19/11	09	BCT	09	BCT	111.942000000	111.942000000	2,613.33
			4.9	n-10/19/11	na		09	BCT	111.942000000	111.942000000	2,613.33
			ccd/ccd	c/skl	n	3.4000000				450,381.33	
311101686	300121	KWORCC (302)	FEDERAL HOME LOAN BANK DN		E/*		10/21/2011	10/21/2011	1.0000000000	1,000,000.00	999,999.33
313384PF0	313384PF0	11/14/2011	11/14/2011	10/21/2011	10/21/2011	10/21/2011	10/21/2011	10/21/2011	1.0000000000	1,000,000.00	999,999.33
033-DISC	0	//	11/14/2011	n-10/21/11	09	BCT	09	BCT	99.999933330	99.999933330	999,999.33
			ccf/ccf	c/skl	n	.0010000				999,999.33	

**Minutes
Meeting, Investment Committee
Kansas Worker Risk Cooperative For Counties
Clubhouse Inn - Conference Room
924 SW Henderson Rd., Topeka KS 66615
December 15, 2011**

On Thursday, December 15, 2011 at 1:15 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 Ralph D. Unger. Committee Members participating included: Ralph D. Unger, Decatur County Commissioner and Michelle Garrett, Morris County Clerk. Also present was KWORCC Administrator, Jim Parrish and B. Christopher Thompson, Senior Vice President Investment Services Division at Country Club Bank.

Mr. Parrish advised that Chairman Wise was absent due to illness. Mr. Unger offered to conduct the meeting. Ms. Garrett moved to appoint Mr. Unger as Chair Pro Tem. Mr. Unger seconded the motion which CARRIED unanimously.

Mr. Unger asked for consideration of KWORCC Resolution No. 2011-137, with the attached itemization of purchases and sales of US Government securities from the period beginning July 1, 2001 through November 30, 2011. The Committee reviewed the investment transactions and the resolution. Ms. Garrett moved that the Investment Committee recommend that the KWORCC Board of Trustees adopt KWORCC Resolution 2011-137 and further that the Committee convey to the Board that it has reviewed the transactions attached to the resolution and determined that they were made in accordance with KWORCC Investment policy and KSA 40-2a01. Mr. Unger seconded the motion which CARRIED unanimously.

Mr. Unger called upon Mr. Thompson to discuss KWORCC's bond portfolio in detail. Mr. Thompson first referred to the list of bonds owned by KWORCC as of December 7, 2011 and described the seventeen listed investments in detail. Mr. Thompson said the portfolio was liquid, pointing out that this was necessary to make response to KWORCC claims on a timely basis. However, he noted that the portfolio presented a weighted average coupon rate of 2.19% and explained that it is his goal to create yield as much as possible while staying short in his investments, particularly in light of the uncertainty of the federal government's monetary policies.

Mr. Thompson referred to a document prepared for the Committee and attached to these minutes entitled "KWORCC Bond Portfolio Updated: December 7, 2011." This document summarized many of the comments Mr. Thompson made in explaining the status of the bond market and the considerations he's required to make in creating a strategy for investing KWORCC's funds. He noted that even this week at its meeting on Tuesday, December 13, 2011, the fund made no change in rates and re-emphasized its commitment to keep rates low through 2013. Mr. Thompson explained that the federal reserve as a goal of keeping rates low in order to "reflate the housing market."

Mr. Unger thanked Mr. Thompson for his detailed presentation. There being no further business to come before the Committee, Ms. Garrett moved to adjourn. Mr. Unger seconded the motion which CARRIED unanimously at 2:05PM.

THE FOREGOING MINUTES of the Investment Committee of Kansas Workers Risk Cooperative for Counties were executed by the Chair of that Committee on July 19, 2012.



James E. Wise, Chair
KWORCC Investment Committee

KWORCC Bond Portfolio Update: Dec 7, 2011

- The portfolio continues to invest in US Government Agency bonds
- As of November 30, 2011, the portfolio is comprised of 17 separate and direct holdings which trade in a steady and ready, liquid market
- Total Par Value: \$15,750,000
- November 30 Portfolio Market Value: \$15,974,652 (\$26,636 unrealized gain, 0.16% of book value)
- Wtg Avg Mat: 9/26/2013
- Portfolio Average Coupon Rate: 2.19%
- Portfolio Average Book Dollar Price: 101.257
- Major market themes impacting the portfolio
 - **August Standard and Poor's downgrade of Government debt:** This was a "tidal wave" event which washed over the marketplace. Bonds and equities originally traded lower. However, since then, there has been no follow-on downgrades by other ratings agencies and many market commentaries have been more critical of S&P (including rival ratings firms). In fact, bond prices of government debt have made a major move UP (and yields DOWN) since this action. Given the serious fiscal concerns overseas, US debt is the best looking nag in the glue factory. Dollar denominated debt has soared since summer.
 - **European Community:** *S&P will downgrade all 17 Euro countries.* Without doubt, the continued fiscal unrest in the European Union is stoking demand for US debt. As the Eurozone wobbles and its members argue as to what the prescription for a brighter tomorrow may be, Germany and France are looked to for leadership and credit underwriting. With Europe's largest banks teetering, central bank bond purchases and currency support are likely to continue (despite political pressures).
 - **Operation Twist:** The latest monetary policy tool from the Fed is "Operation Twist"...seeking to manipulate the yield curve and attempting to drive long term yields lower, while possibly inching short term yields higher. The Fed will actively sell \$400bb of Treasury securities due in 3yrs or less. This puts downward price pressure on maturities in this range. Conversely, the Fed will be buying an equal amount of maturities in the 6 – 30 year range. Accordingly, price pressure will be upwardly enhanced in those maturities (and yields are expected to move commensurately lower...prices up/yields down). Policy makers anticipate that this will inform mortgage rates as well (and it has). This is simply the latest offensive in the Fed's war on SAVERS. The (relatively) risk-free investor class has been cast under the heavy and dysfunctional wheels of a real estate market looking for traction.

- **Japan Scenario:** Market participants are not of one mind as to how long rates will remain at these ultra-low levels. Some see the current environment as departure from the norm which will run its course over the next 12 – 24 months. Others believe we are following in the footsteps of Japan, which has endured a decade+ period of low and lingering government bond yields. The US Treasury 10yr bond currently yields 2.03%, while Japan's 10yr bond trades at 1.03%. Which way will yields go from here? Ultimately, this is an argument as to our greatest risk: INFLATION or DEFLATION.
- It remains a tricky situation and the Fed is no closer to a solution. Rates are low, but inflation fears persist (even in the absence of data suggesting the threat is growing). The "risk trade" is still on - enticing investors to take risks in equities markets. Thus far, this have proven less than successful. Add to that, stimulative fed policy has not resurrected the housing market. Massive sums are still migrating to fixed income. But if the economy does begin to improve, these same bond investors will be punished by falling bond prices as yields rise. Maturity/Price risk is the key to current bond investing.
- Given the entirety of the picture, I'm still comfortable adding to our govt debt portfolio with defensive structures (ie: high coupon callables, step ups, taxable munis with call protection). I don't expect our wtd. maturity to vary significantly.

Attachments Follow:

1. Financial Warning: FINRA Warns of High-Yield Alternative Investments' Risk
2. Fed Calendar: FOMC
3. Economic Forecast: Yields and Employment
4. Yield Curve Shift Table: yield curve adjustment since Feb 2011
5. Today's Treasury yield curve
6. 10yr Note Since Jan 2011
7. Oil Chart: Historical chart of crude oil futures
8. Non farm payrolls: 2011 Historical Chart of monthly non farm payroll survey
9. Chart of Dow Jones since Jan 2011
10. Chart of S&P since Jan 2011

I, Bonnie Swartz, 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 15th day of December, 2011 at which a quorum was present:

RESOLUTION #2011-131


IN THE MATTER OF AMENDING THE SECURITY BENEFIT (SBG) 457 DEFERRED COMPENSATION PLAN.

WHEREAS, the Board of Trustees (the "Board") of KWORCC (the "Employer"), finds it is in the best interest of the Employer and its employees to amend the SBG 457 Deferred Compensation Plan (hereafter the "Plan") to comply with government mandates.

NOW THEREFORE, BE IT RESOLVED that the Pension Protection Act, Heroes Earnings Assistance and Relief Tax Act of 2008 and Worker, Retiree and Employer Recovery Act of 2008 Amendment to the Plan (the "Amendment"), substantial form of which is attached hereto and incorporated herein, is hereby approved and adopted;

FURTHER RESOLVED that the Administrator of Employer be and is hereby authorized and directed to execute all documents and to do such other acts as are necessary to effectuate the adoption of the Amendment.

IN WITNESS WHEREOF, the undersigned has caused this Resolution to be executed this 15th day of December, 2011.


Bonnie Swartz, Secretary

**AMENDMENT FOR
PENSION PROTECTION ACT ("PPA")
HEROES EARNINGS ASSISTANCE AND RELIEF TAX ACT OF 2008 ("HEART")
WORKER, RETIREE AND EMPLOYER RECOVERY ACT OF 2008 ("WRERA")**

GOVERNMENTAL 457(b) Plan

**ARTICLE I
PREAMBLE**

- 1.1 Effective date of Amendment.** The Employer adopts this Amendment to the Plan to reflect recent law changes. This Amendment is effective as indicated below for the respective provisions.
- 1.2 Superseding of inconsistent provisions.** This Amendment supersedes the provisions of the Plan to the extent those provisions are inconsistent with the provisions of this Amendment.
- 1.3 Employer's election.** The Employer adopts all the default provisions of this Amendment except as otherwise elected in Article II.
- 1.4 Construction.** Except as otherwise provided in this Amendment, any reference to "Section" in this Amendment refers only to sections within this Amendment, and is not a reference to the Plan. The Article and Section numbering in this Amendment is solely for purposes of this Amendment, and does not relate to any Plan article, section or other numbering designations.
- 1.5 Effect of restatement of Plan.** If the Employer restates the Plan, then this Amendment shall remain in effect after such restatement unless the provisions in this Amendment are restated or otherwise become obsolete (*e.g.*, if the Plan is restated onto a plan document which incorporates these HEART and WRERA provisions).

**ARTICLE II
EMPLOYER ELECTIONS**

The Employer only needs to complete the questions in Sections 2.2 through 2.6 below in order to override the default provisions set forth below.

- 2.1 Default Provisions.** Unless the Employer elects otherwise in this Article, the following defaults will apply:
- a. Unforeseeable emergency distributions to a Participant's beneficiary are not allowed.
 - b. The Plan permits any deferral contributions from any amount a Participant receives following Severance from Employment
 - c. Effective for Plan Years beginning after December 31, 2009, non-spouse beneficiary rollovers are allowed on distributions.
 - d. Continued benefit accruals pursuant to the Heroes Earnings Assistance and Relief Tax Act of 2008 (HEART Act) are not provided.
 - e. Differential wage payments are treated as Compensation for all Plan benefit purposes.
 - f. The Plan permits distributions pursuant to the HEART Act on account of "deemed" severance of employment.

- g. Requirement Minimum Distributions (RMDs) for 2009 were suspended unless a Participant or Beneficiary elected to receive such distributions.

2.2 Unforeseeable emergency distributions

- a. Distributions to a Participant's beneficiary are allowed.

2.3 Deferrals from Post-Severance Compensation

(a) **Regular pay.** Post-Severance Compensation *includes* (unless the Employer elects either in (a)(1) or in (a)(2) below not to include some or all of the amounts described in this (a)) regular pay after Severance of Employment if: (i) the payment is regular compensation for services during the Participant's regular working hours, or compensation for services outside the Participant's regular working hours (such as overtime or shift differential), commissions, bonuses, or other similar payments; and (ii) the payment would have been paid to the Participant prior to a Severance from Employment if the Participant had continued in employment with the Employer. *(Choose only one of (1) or (2), if applicable).*

(1) **Election *not* to include regular pay.** The Employer elects not to include any of the amounts described in this Section 2.3(a) as Post-Severance Compensation.

(2) **Election to *include last paycheck ONLY.*** Of the amounts described in this Section 2.3(a), the Employer elects to include only such amounts that are included in the final paycheck paid to the Participant at the end of the pay period that includes the Participant's date of severance from employment.

(b) **Leave cashouts and deferred compensation.** Post-Severance Compensation *includes* (unless the Employer elects in (b)(1) below not to include all of the amounts described in this (b)) leave cashouts if those amounts would have been included in the definition of Compensation if they were paid prior to the Participant's Severance from Employment, and the amounts are payment for unused accrued bona fide sick, vacation, or other leave, but only if the Participant would have been able to use the leave if employment had continued. In addition, Post-Severance Compensation includes payments of deferred compensation if the compensation would have been included in the definition of Compensation if it had been paid prior to the Participant's Severance from Employment, and the compensation is received pursuant to a nonqualified unfunded deferred compensation plan, but only if the payment would have been paid at the same time if the Participant had continued in employment with the Employer and only to the extent that the payment is includible in the Participant's gross income.

(1) **Election *not* to include leave cashouts and deferred compensation.** The Employer elects not to include any of the amounts described in this (b) as Post-Severance Compensation.

(c) **Salary continuation payments for military service Participants.** Post-Severance Compensation does *not* include (unless the Employer elects (c)(1) below to include all of the amounts described in this (c)) payments to an individual who does not currently perform services for the Employer by reason of Qualified Military Service (as described in Code §414(u)(1)) to the extent those payments do not exceed the amounts the individual would have received if the individual had continued to perform services for the Employer rather than entering Qualified Military Service.

(1) **Election to *include salary continuation payments for military service Participants.*** The Employer elects to *include* all of the amounts described in this (c) as Post-Severance Compensation.

(d) **Salary continuation payments for disabled Participants.** Post-Severance does *not* include Compensation paid to a Participant who is permanently and totally disabled (as defined in Code §22(e)(3)) (unless the Employer elects to include all of the amounts described in this (d)). If elected, this provision will apply either only to non-highly compensated Participants or to all Participants for the fixed or determinable period specified in Section 2.3(d)(1)(ii) below.

(1) **Election to include salary continuation payments for disabled Participants.** The Employer elects to *include* all of the amounts described in this (d) as Post-Severance Compensation. In addition, this provision will apply as follows (*Choose only one of (i) or (ii)*):

(i) **Non-highly compensated only.** This provision applies only to disabled employees who are non-highly compensated employees immediately before becoming disabled.

(ii) **Fixed or determinable period.** This provision applies to all employees who are permanently and totally disabled, for the following period: _____
(*e.g., for a period of two years from the date of the disability*). [Note: The election in this Section 2.3(d)(1)(ii) applies only if the Employer's disability plan actually provides disability payments to all permanently and totally disabled Participants.]

2.4 Non-spouse beneficiary rollover right. For distributions in plan years beginning after December 31, 2009, and unless otherwise elected in Section 2.4a below, for distributions after December 31, 2006, a non-spouse beneficiary who is a "designated beneficiary" under Code §401(a)(9)(E) and the regulations thereunder, by a direct trustee-to-trustee transfer ("direct rollover"), may roll over all or any portion of his or her distribution to an individual retirement account ("IRA") the beneficiary establishes for purposes of receiving the distribution. In order to be able to roll over the distribution, the distribution otherwise must satisfy the definition of an eligible rollover distribution.

a. For distributions after December 31, 2006, and prior to the first day of the first plan year beginning after December 31, 2009 (select one):

1. Non-spousal rollovers are not allowed.

2. Non-spousal rollovers are allowed effective _____ (not earlier than January 1, 2007 and not later than January 1, 2010).

2.5 HEART ACT provisions (Article X).

Continued benefit accruals. Amendment Section 10.2 will not apply unless elected below:

a. The provisions of Amendment Section 10.2 apply effective as of: (select one)

1. the first day of the 2007 Plan Year

2. _____ (may not be earlier than the first day of the 2007 Plan Year).

However, the provisions no longer apply effective as of: (select if applicable)

3. _____.

Differential pay. Differential wage payments (as described in Amendment Section 10.3) will be treated, for Plan Years beginning after December 31, 2008, as compensation for all Plan benefit purposes unless b. is elected below:

b. In lieu of the above default provision, the employer elects the following (select all that apply; these selections do not affect the operation of Amendment Section 10.3(ii)):

1. the inclusion is effective for Plan Years beginning after _____
(may not be earlier than December 31, 2008).

2. the inclusion only applies to Compensation for purposes of Elective Deferrals.

Distributions for deemed severance of employment. The Plan permits distributions pursuant to Amendment Section 10.4 unless otherwise elected below:

- c. The Plan does not permit such distributions.
- d. The Plan permits such distributions effective as of _____ (may not be earlier than January 1, 2007).

2.6 WRERA (RMD waivers for 2009). The provisions of Amendment Section 11.1 apply (RMDs are suspended unless a Participant or Beneficiary elects otherwise) unless otherwise elected below:

- a. The provisions of Amendment Section 11.2 apply (RMDs continued unless otherwise elected by a Participant or Beneficiary).
- b. RMDs continued in accordance with the terms of the Plan without regard to this Amendment (i.e., no election available to Participants or Beneficiaries).
- c. Other: _____

For purposes of Amendment Section 11.3, the Plan will also treat the following as eligible rollover distributions in 2009: (If no election is made, then a direct rollover will be offered only for distributions that would be eligible rollover distributions without regard to Code §401(a)(9)(H)):

- d. 2009 RMDs and Extended 2009 RMDs (both as defined in Article XI of this Amendment).
- e. 2009 RMDs (as defined in Article XI of this Amendment) but only if paid with an additional amount that is an eligible rollover distribution without regard to Code §401(a)(9)(H).

ARTICLE III DEFINITION OF UNFORESEEABLE EMERGENCY

3.1 Application. Effective for taxable years beginning after December 31, 2001, this Article III applies only if the Plan permits a distribution to a Participant on account of an unforeseeable emergency.

3.2 Definition of unforeseeable emergency. An unforeseeable emergency is a severe financial hardship of a Participant or Beneficiary resulting from: (1) illness or accident of the Participant, the Participant's Beneficiary, or the Participant's or Beneficiary's spouse or dependent (as defined in Code §152, and, for taxable years beginning on or after January 1, 2005, without regard to Code §152(b)(1), (b)(2), and (d)(1)(B)); (2) loss of the Participant's or Beneficiary's property due to casualty; (3) the need to pay for the funeral expenses of the Participant's or Beneficiary's spouse or dependent (as defined in Code §152, and, for taxable years beginning on or after January 1, 2005, without regard to Code §152(b)(1), (b)(2), and (d)(1)(B)); or (4) other similar extraordinary and unforeseeable circumstances arising from events beyond the Participant's or Beneficiary's control.

3.1 Definition of Beneficiary. The Participant's Beneficiary is a person who a Participant designates and who is or may become entitled to a Participant's Plan account upon the Participant's death.

ARTICLE IV DEFERRALS FROM POST-SEVERANCE COMPENSATION

4.1 Post-severance deferrals limited to Post-Severance Compensation. For taxable years beginning after December 31, 2001, deferrals are permitted from an amount received following Severance from Employment only if the amount is Post-Severance Compensation as defined in Section 2.3.

4.2 Post-Severance Compensation defined. Post-Severance Compensation for purposes of this

Article IV includes the amounts described in 2.3 (a) and (b), paid after a Participant's Severance from Employment with the Employer, but only to the extent such amounts are paid by the later of 2½ months after Severance from Employment or the end of the calendar year that includes the date of such Severance from Employment. The Employer, by its election in this Amendment, may elect to *exclude* from the definition of Post-Severance Compensation the amounts described in 2.3(a) or (b). The Employer, by its election in this Amendment, also may elect to *include* in the definition of Post-Severance Compensation the amounts described in 2.3 (c) or (d), or both.

- 4.3 Limitation on Post-Severance Compensation.** Any payment of Compensation paid after Severance of Employment that is not described in Section 2.3 (a), (b), (c) or (d) is not Post-Severance Compensation, even if payment is made by the later of 2½ months after Severance from Employment or by the end of the calendar year that includes the date of such Severance of Employment.

ARTICLE V QUALIFIED DOMESTIC RELATIONS ORDERS

- 5.1 Permissible QDROs.** Effective April 6, 2007, a domestic relations order that otherwise satisfies the requirements for a qualified domestic relations order ("QDRO") will not fail to be a QDRO: (i) solely because the order is issued after, or revises, another domestic relations order or QDRO; or (ii) solely because of the time at which the order is issued, including issuance after the annuity starting date or after the Participant's death.
- 5.2 Other QDRO requirements apply.** A domestic relations order described in Section 5.1 is subject to the same requirements and protections that apply to QDROs.

ARTICLE VI PARTICIPANT DISTRIBUTION NOTIFICATION

- 6.1 180-day notification period.** For any distribution notice issued in plan years beginning after December 31, 2006, any reference to the 90-day maximum notice period prior to distribution in applying the notice requirements of Code §402(f) (the rollover notice relating to an eligible rollover distribution), means 180 days.

ARTICLE VII DIRECT ROLLOVER OF NON-SPOUSE BENEFICIARY DISTRIBUTION

- 7.1 Certain requirements not applicable.** Although a non-spouse beneficiary may roll over directly a distribution as provided in Section 7.1, any distribution made prior to the first day of the first plan year beginning after December 31, 2009, is not subject to the direct rollover requirements of Code §401(a)(31) (including Code §401(a)(31)(B), the notice requirements of Code §402(f) or the mandatory withholding requirements of Code §3405(c)). If a non-spouse beneficiary receives a distribution from the Plan, the distribution is not eligible for a "60-day" rollover.
- 7.2 Trust beneficiary.** If the Participant's named beneficiary is a trust, the Plan may make a direct rollover to an individual retirement account on behalf of the trust, provided the trust satisfies the requirements to be a designated beneficiary within the meaning of Code §401(a)(9)(E).
- 7.3 Required minimum distributions not eligible for rollover.** A non-spouse beneficiary may not roll over an amount which is a required minimum distribution, as determined under applicable Treasury regulations and other Revenue Service guidance. If the Participant dies before his or her required beginning date and the non-spouse beneficiary rolls over to an IRA the maximum amount eligible for rollover, the beneficiary may elect to use either the 5-year rule or the life expectancy

rule, pursuant to Treas. Reg. §1.401(a)(9)-3, A-4(c), in determining the required minimum distributions from the IRA that receives the non-spouse beneficiary's distribution.

ARTICLE VIII HEALTH AND LONG-TERM CARE INSURANCE DISTRIBUTIONS

- 8.1 Election to deduct from distribution.** For distributions in taxable years beginning after December 31, 2006, an Eligible Retired Public Safety Officer may elect annually for that taxable year to have the Plan deduct an amount from a distribution which the Eligible Retired Public Safety Officer otherwise would receive and include in income. The plan will pay such deducted amounts directly to the provider as described in Section 8.2, to pay qualified health insurance premiums.
- 8.2 Direct payment.** The Plan will pay directly to the provider of the accident or health plan or qualified long-term care insurance contract the amounts the Eligible Retired Public Safety Officer has elected to have deducted from the distribution. Such amounts may not exceed the lesser of \$3,000 or the amount the Participant paid for such taxable year for qualified health insurance premiums, and which otherwise complies with Code §402(l).
- 8.3 Definitions.**
- (a) **Eligible retired public safety officer.** An "Eligible Retired Public Safety Officer" is an individual who, by reason of disability or attainment of normal retirement age, is separated from service as a Public Safety Officer with the Employer.
 - (b) **Public safety officer.** A "Public Safety Officer" has the same meaning as in Section 1204(9)(A) of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3796b(9)(A)).
 - (c) **Qualified health insurance premiums.** The term "qualified health insurance premiums" means premiums for coverage for the Eligible Retired Public Safety Officer, his/her spouse, and dependents (as defined in Code §152), by an accident or health plan or qualified long-term care insurance contract (as defined in Code §7702B(b)).

ARTICLE IX DIRECT ROLLOVER TO ROTH

- 9.1 Roth IRA rollover.** For distributions made after December 31, 2007, a Participant may elect to roll over directly an eligible rollover distribution to a Roth IRA described in Code §408A(b).

ARTICLE X HEART ACT PROVISIONS

- 10.1 Death benefits.** In the case of a death occurring on or after January 1, 2007, if a Participant dies while performing qualified military service (as defined in Code §414(u)), the Participant's Beneficiary is entitled to any additional benefits (other than benefit accruals relating to the period of qualified military service) provided under the Plan as if the Participant had resumed employment and then terminated employment on account of death. Moreover, the Plan will credit the Participant's qualified military service as service for vesting purposes, as though the Participant had resumed employment under USERRA immediately prior to the Participant's death.
- 10.2 Benefit accrual.** If the Employer elects in Amendment Section 2.5 to apply this Section 10.2, then effective as of the date specified in Amendment Section 2.5, for benefit accrual purposes, the

Plan treats an individual who dies or becomes disabled (as defined under the terms of the Plan) while performing qualified military service with respect to the Employer as if the individual had resumed employment in accordance with the individual's reemployment rights under USERRA, on the day preceding death or disability (as the case may be) and terminated employment on the actual date of death or disability.

- a. **Determination of benefits.** The Plan will determine the amount of employee contributions and the amount of elective deferrals of an individual treated as reemployed under this Section 10.2 for purposes of applying paragraph Code §414(u)(8)(C) on the basis of the individual's average actual employee contributions or elective deferrals for the lesser of: (i) the 12-month period of service with the Employer immediately prior to qualified military service; or (ii) the actual length of continuous service with the Employer.

- 10.3 **Differential wage payments.** For years beginning after December 31, 2008: (i) an individual receiving a differential wage payment, as defined by Code §3401(h)(2), is treated as an employee of the employer making the payment; (ii) the differential wage payment is treated as compensation for purposes of Code §415(c)(3) and Treas. Reg. §1.415(c)-2 (e.g., for purposes of Code §415, including the definition of post-severance compensation for deferral purposes under Treas. Reg. §1.457-4(d)(1)); and (iii) the Plan is not treated as failing to meet the requirements of any provision described in Code §414(u)(1)(C) (or corresponding plan provisions) by reason of any contribution or benefit which is based on the differential wage payment. Differential wage payments (as described herein) will also be considered compensation for all Plan purposes unless otherwise elected at Amendment 2.5.

Section 10.3(iii) above applies only if all employees of the Employer performing service in the uniformed services described in Code §3401(h)(2)(A) are entitled to receive differential wage payments (as defined in Code §3401(h)(2)) on reasonably equivalent terms and, if eligible to participate in a retirement plan maintained by the Employer, to make contributions based on the payments on reasonably equivalent terms (taking into account Code §§410(b)(3), (4), and (5)).

- 10.4 **Deemed Severance.** Notwithstanding Section 10.3(i), if a Participant performs service in the uniformed services (as defined in Code §414(u)(12)(B)) on active duty for a period of more than 30 days, the Participant will be deemed to have a severance from employment solely for purposes of eligibility for distribution of amounts not subject to Code §412. However, the Plan will not distribute such a Participant's account on account of this deemed severance unless the Participant specifically elects to receive a benefit distribution hereunder. If a Participant elects to receive a distribution on account of this deemed severance, then the individual may not make an elective deferral or employee contribution during the 6-month period beginning on the date of the distribution. If a Participant would be entitled to a distribution on account of a deemed severance, and a distribution on account of another Plan provision (such as a qualified reservist distribution), then the other Plan provision will control and the 6-month suspension will not apply.

ARTICLE XI WAIVER OF 2009 REQUIRED DISTRIBUTIONS

- 11.1 **Suspension of RMDs unless otherwise elected by Participant.** This paragraph does not apply if the Employer elected Amendment Section 2.6a, b, or c. Notwithstanding the provisions of the Plan relating to required minimum distributions under Code §401(a)(9), a Participant or Beneficiary who would have been required to receive required minimum distributions for 2009 but for the enactment of Code §401(a)(9)(H) ("2009 RMDs"), and who would have satisfied that requirement by receiving distributions that are (1) equal to the 2009 RMDs or (2) one or more payments in a series of substantially equal distributions (that include the 2009 RMDs) made at least annually and expected to last for the life (or life expectancy) of the Participant, the joint lives (or joint life expectancy) of the Participant and the Participant's designated Beneficiary, or for a period of at least 10 years ("Extended 2009 RMDs"), will not receive those distributions for 2009

unless the Participant or Beneficiary chooses to receive such distributions. Participants and Beneficiaries described in the preceding sentence will be given the opportunity to elect to receive the distributions described in the preceding sentence.

11.2 Continuation of RMDs unless otherwise elected by Participant. This paragraph applies if Amendment Section 2.6a is selected. Notwithstanding the provisions of the Plan relating to required minimum distributions under Code §401(a)(9), a Participant or Beneficiary who would have been required to receive required minimum distributions for 2009 but for the enactment of Code §401(a)(9)(H) ("2009 RMDs"), and who would have satisfied that requirement by receiving distributions that are (1) equal to the 2009 RMDs or (2) one or more payments in a series of substantially equal distributions (that include the 2009 RMDs) made at least annually and expected to last for the life (or life expectancy) of the Participant, the joint lives (or joint life expectancy) of the Participant and the Participant's designated Beneficiary, or for a period of at least 10 years ("Extended 2009 RMDs"), will receive those distributions for 2009 unless the Participant or Beneficiary chooses not to receive such distributions. Participants and Beneficiaries described in the preceding sentence will be given the opportunity to elect to stop receiving the distributions described in the preceding sentence.

11.3 Direct Rollovers. Notwithstanding the provisions of the Plan relating to required minimum distributions under Code §401(a)(9), and solely for purposes of applying the direct rollover provisions of the Plan, certain additional distributions in 2009, as elected by the Employer in Amendment Section 2.6, will be treated as eligible rollover distributions. If no election is made by the Employer in Amendment Section 2.6 then a direct rollover will be offered only for distributions that would be eligible rollover distributions without regard to Code §401(a)(9)(H).

* * * * *


EXECUTION PAGE

This Amendment has been executed this 15th day of December, 2011.

Name of Plan: KWORCC 457 DEFERRED COMPENSATION PLAN

Plan Number: 612682

Name of Employer: KANSAS WORKERS RISK COOPERATIVE FOR COUNTIES

By: 
EMPLOYER James W. Parrish, Administrator

I, Bonnie Swartz, 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 15th day of December, 2011 at which a quorum was present:

RESOLUTION #2011-130

IN THE MATTER OF ESTABLISHING A DEFERRED COMPENSATION PLAN FOR KANSAS WORKERS RISK COOPERATIVE FOR COUNTIES (KWORCC) AND TO ADOPT 457 DEFERRED COMPENSATION PLAN DOCUMENTS.

WHEREAS, the Board of Trustees (the "Board") of KWORCC (the "Employer"), pursuant to its authority to adopt employee benefit programs, wishes to adopt plan documents to make benefits of the GTrust 457 Deferred Compensation Plan available to its Employees (the "Plan"); and

WHEREAS, certain tax benefits could accrue to KWORCC employees participating in said Plan and the Board wishes to take any action necessary to adopt such trust accounts, annuity contracts or custodial accounts as are necessary to establish funding vehicles with GTrust affiliates for the Plan, to receive and invest contributions in such investment options as are selected by Employees participating in the Plan.

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

WHEREAS, GTrust is providing the Employer with a Plan document which outline the terms and conditions of the Plan;

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

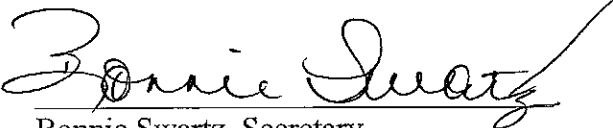
The Board, meeting in regular scheduled meeting this 15th day of December, 2011 hereby adopts the plan document for the GTrust 457 Deferred Compensation Plan for the benefit of the Employees of KWORCC;

Pursuant to the Plan, the Board further establishes funding accounts with GTrust for receipt of the investment contributions made under the Plan, as directed by participating Employees;

That the Administrator of Employer is hereby authorized and directed to execute the plan documents for the Plan, to communicate the terms of the Plan to Employees, to designate Employees as eligible for participation in the plan, and to take such further actions as may be necessary and appropriate to implement the Plan and effectuate the terms and intent of these resolutions.

The Plan shall be effective as of January 1, 2012.

IN WITNESS WHEREOF, the undersigned has caused this Resolution to be executed this 15th day of December, 2011.


Bonnie Swartz, Secretary

I, Bonnie Swartz, 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 15th day of December, 2011 at which a quorum was present:

RESOLUTION #2011-129

IN THE MATTER OF FREEZING THE SECURITY BENEFIT (SBG) 457 DEFERRED COMPENSATION PLAN.

WHEREAS, the Board of Trustees (the "Board") of KWORCC (the "Employer"), finds it is in the best interest of the Employer and its employees to freeze the SBG 457 Deferred Compensation Plan (hereafter the "Plan") as of January 1, 2012.

NOW THEREFORE, BE IT RESOLVED that the Plan is hereby frozen and no additional or further contributions by employees will be made to the Plan;

FURTHER RESOLVED, the assets of said Plan be kept in place, but with no further contributions to the Plan, effective January 1, 2012; and,

FURTHER RESOLVED that the Administrator of Employer be and is hereby authorized and directed to execute all documents and to do such other acts as are necessary to effectuate the freezing of the Plan effective January 1, 2012.

IN WITNESS WHEREOF, the undersigned has caused this Resolution to be executed this 15th day of December, 2011.


Bonnie Swartz, Secretary

Minutes
Meeting, Board of Trustees
Kansas Workers Risk Cooperative for Counties
December 15, 2011 at 2:00 pm
Clubhouse Inn
924 SW Henderson Road
Topeka, KS 66615

The December 2011 meeting of the Board of Trustees of Kansas Workers Risk Cooperative for Counties (KWORCC) was called to order at 2:10 p.m. on December 15, 2011 in Topeka by Board President Doyle "Hooley" Alcorn. Trustees attending included: Doyle "Hooley" Alcorn, Jewell County Commissioner, President; Linda Buttron, Jefferson County Clerk, Vice-President; Bonnie Swartz, Gray County Clerk, Secretary; Michelle Garrett, Morris County Clerk, Controller; Steve Garten, Barber 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) was represented by Mr. Paul Davis, Mr. Gene Miller and Mr. Jessie Cornejo. Also present was Mr. Chris Thompson of Country Club Bank.

President Alcorn first addressed Agenda Item No. 2, "Approval of the Agenda." Mr. Parrish recommended the addition of Item Nos. 2a, "Excuse Mr. Jim Wise" and 5g, "Excess Insurance." Ms. Swartz moved to approve the agenda with those additions. Dr. Garten seconded the motion which CARRIED unanimously.

Mr. Unger moved to excuse Mr. Wise from the meeting. Ms. Garrett seconded the motion which CARRIED unanimously.

President Alcorn addressed Agenda Item No. 3, "Consideration of Minutes of Meeting of October 27, 2011." Mr. Unger moved to approve the minutes as presented. Ms. Swartz seconded the motion which CARRIED unanimously.

President Alcorn welcomed Mr. Thompson. Mr. Thompson presented the portfolio update for the US Government bonds. This is a highly liquid portfolio that could be converted to cash at any time. This portfolio is managed for liquidity and income. The average maturity of the bonds in the portfolio is two years and the average yield is just over 2%. With the downgrade of the US Treasury, the value of the bonds increased. The Federal Reserve lowered the rate to near zero three years ago and has left it there. Yields have fallen. The federal government is selling short term bonds and buying long term bonds. We are currently in a steep curve which should predict rising rates, so keeping the bonds short is a good plan. Mr. Thompson requested and responded to questions. President Alcorn thanked Mr. Thompson for his informative report.

President Alcorn next asked Mr. Parrish to present Agenda Item No. 5, "Administrator's Report." Mr. Parrish first addressed Agenda Item No. 5a, "Checks Requiring Board Approval and Ratification of Wire Transfers." He identified the electronic transfer of funds requiring ratification. Mr. Unger moved to ratify the electronic transfer of funds as presented. Ms. Swartz seconded the motion which CARRIED unanimously.

Next, Mr. Parrish asked Ms. Bird to explain Agenda Item No. 5b, "Contract Renewals." Ms. Bird presented the contract renewal for IMA. She explained that the contract is the same as last year except for the dates. Ms. Swartz moved to approve the renewal of the IMA contract. Ms. Garrett seconded the motion which CARRIED unanimously. Ms. Bird presented the contract renewal for Parrish Management Corporation, noting a slight increase in the cost of services, approved earlier by the Board during consideration of the 2012 budget. Ms. Swartz moved to approve the contract renewal with Parrish Management Corporation. Ms. Buttron seconded the motion which CARRIED unanimously. Next Ms. Bird presented the lease renewal with Jayhawk Tower Partners. She stated there was an increase in the rent from \$320 per month to \$350 per month. She further reported that the rent had not increased in the last 10 years and that the increase was reflected in the budget passed in October. Ms. Buttron moved to approve the lease with Jayhawk Tower Partners. Ms. Swartz seconded the motion which CARRIED unanimously. Ms. Bird then presented the contract renewal for Wendling, Noe, Nelson and Johnson (WNNJ) for independent audit services. She reviewed the terms and the rates. Ms. Buttron moved to approve the contract renewal with WNNJ for the next three years. Ms. Swartz seconded the motion which CARRIED unanimously. Finally, Ms. Bird presented the agreements with GovU and KAC for approval by the Board of Trustees. Ms. Bird stated the cost for both contracts was the same as in 2011 and that the expenditures were approved in the 2012 budget. Ms. Bird recommended that the Board approve the GovU and KAC contracts as presented. Dr. Gartner moved to approve the contracts as presented by staff counsel. Ms. Swartz seconded the motion, which CARRIED unanimously.

Mr. Parrish then asked Mr. Davis to address Agenda Item No. 5c, "Loss Cost Multiplier Filing." Mr. Davis presented the 3-tiered Loss Cost Multiplier (LCM) filing which had been approved by the Kansas Insurance Department as of January 1, 2012. He explained that the filing for the current year (2011) included an LCM of 1.58 for counties with experience modification factor of up to and including 1.20 and an LCM of 1.68 for those counties with an experience modification factor of greater than 1.20. The 2012 LCMs would be based on a point system with points given for loss control, management and claims. With those obtaining fewer than 50 points in the "non-standard" tier, those between 51 and 74 points being in the "standard" tier and those with 75 points or more in the "preferred" tier. The LCMs recommended by the staff are 1.45 for the non-standard tier, 1.35 for the standard tier and 1.25 for the preferred tier. He noted the concept of this tiered strategy had previously been approved by the Board.

Ms. Bird then addressed Agenda Item No. 5d, "Schedule 2011 KWORCC Board Meetings." After discussion, the following dates were chosen for KWORCC Board meetings in 2012: Thursday, January 19th; Thursday, February 16th; Thursday, March 15th via teleconference; Thursday, April 26th; Thursday, May 17th; Thursday, June 21st via teleconference; Thursday, July 19th; Thursday, August 16th; Thursday, September 20th via teleconference; Thursday, October 18th; Wednesday, November 14th (Annual Meeting) and Thursday, December 13th. The annual meeting is planned to coincide with the annual conference of the Kansas Association of Counties (KAC) beginning Tuesday, November 13th. The January meeting for 2013 is scheduled for Thursday, January 17, 2013. Ms. Swartz 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. Dr. Gartner seconded the motion, which CARRIED unanimously.

Mr. Parrish then addressed Agenda Item No. 5e, "2012 Premiums Approval." Mr. Parrish presented a worksheet itemizing data and proposed 2012 premiums for each member. After discussion, Ms. Swartz moved to approve the premiums as presented, subject to staff verification of final calculations. Ms. Buttron seconded the motion, which CARRIED unanimously.

Mr. Parrish then addressed Agenda Item No. 5f, "Employee 457 Plan Discussion, Resolution Nos. 2011-129, 2011-130 and 2011-131." This plan allows employees to set aside, pre-tax, money to retirement accounts. These resolutions would allow the freezing of Security Benefit deferred compensation accounts, the opening of accounts with GTrust and comply with federal government regulations. Ms. Buttron moved to approve resolution Nos. 2011-129, 2011-130 and 2011-131. Ms. Swartz seconded the motion which CARRIED unanimously.

Mr. Parrish then addressed Agenda Item No 5g, "Excess Insurance." He explained the quote for excess insurance with coverage the same as the current policy for 2011 was quoted at \$28,000 more than the budget estimate adopted at the October meeting. He said Safety National, KWORCC's current carrier, has provided additional proposals with quotes reducing the premium by either lowering the aggregate excess limit or increasing the self-insurance risk. Mr. Davis explained the difference between the aggregate excess limit options. He then responded to questions from the Trustees. After discussion, Ms. Swartz moved to keep the \$600,000 self insurance risk with an aggregate limit of \$3 million. Mr. Unger seconded the motion which CARRIED unanimously.

President Alcorn declared a break in the meeting at 3:37 p.m. The meeting resumed at 3:50 pm.

President Alcorn then proceeded to Agenda Item No. 6, "Marketing Report." Mr. Eyman discussed marketing activities for several counties and responded to questions. He reported that as a result of the bidding, all current member counties were retained and two additional counties will be joining the pool.

President Alcorn then proceeded to Agenda Item No. 7, "Financial Report." Mr. Alexander discussed in detail the financial statements he prepared for October and November 2011. Ms. Swartz moved to receive and file the financial reports. Ms. Garrett seconded the motion which CARRIED unanimously.

Mr. Alexander presented the check register. Mr. Unger moved to approve check Nos. 14506 through 14566 and the direct debits. Ms. Swartz seconded the motion which CARRIED unanimously.

Next, Mr. Alexander reviewed reports showing the value of KWORCC's equity investments as of December 7, 2011.

President Alcorn addressed Agenda Item No. 8, "Claims Report – IMA." As to Agenda Item No. 8a, "Select Claims Review," Mr. Miller reported on claims and answered questions. Mr. Miller requested approval of a pending settlement. Ms. Swartz moved to approve claim number 2011040991. Dr. Garten seconded the motion, which CARRIED unanimously.

Mr. Miller then addressed Agenda Item No. 8b, "Logicomp Bill Review Report." Mr. Miller reported the amount billed totals \$3,455,408 for the period beginning January 1, 2011 through November 30, 2011. He said the actual paid amount for that period totals \$1,817,848, resulting in a net savings of \$1,648,756 after fees are paid. This is more than 48% of the amount billed for this 11-month period.

Mr. Davis then explained the "Policy Year Performance Review" under Agenda Item No. 8c. This analytical review generated by IMA shows KWORCC's claim history for policy years 2007 through 2011. 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. He noted a pattern of responsible reserving on claims is evidenced by the graphs in all years. He said the charts show the performance status as of the end of November, 2011 and should not be considered a guarantee of either good or poor ultimate-loss performance.

President Alcorn called upon Messrs. Eyman and Rippee to address Agenda Item No. 9, "Loss Prevention and County Visits." Mr. Eyman reviewed November, December and January calendars for the loss-prevention staff. Next, Mr. Eyman reported on the enrollment rates and courses completed by the membership for the Gov U online courses. He noted that 1,118 courses have been taken in 2011 as of December 14th.

President Alcorn addressed Agenda Item No. 10, "Legal Report." Mr. Parrish reported that the subrogation case mentioned in October has settled, and KWORCC should be receiving a check.

President Alcorn turned to Agenda Item No. 11, "Committee Reports." Mr. Unger reported that the Investment Committee met prior to the Board meeting and recommended the Board adopt resolution #2011-137. Mr. Unger moved that the Board follow the committee's recommendation; Ms. Swartz seconded the motion which CARRIED unanimously.

President Alcorn then addressed Agenda Item No. 12, "Other Business." Nothing further was presented for the Board to address.

There being nothing further before the Board, Mr. Unger moved to adjourn the meeting at 4:46 p.m. Ms. Garrett seconded the motion which CARRIED unanimously.

The KWORCC Board of Trustees approved the foregoing minutes on the 19th day of January, 2012.


Bonnie Swartz, Secretary
KWORCC Board of Trustees