

I, Ralph D. Unger, Secretary of Kansas Workers Risk Cooperative for Counties, hereby certify that the following is a true and correct copy of a Resolution duly adopted by unanimous vote of the Board of Trustees of KWORCC at a meeting duly called and held on the 19th day of January, 2012 at which a quorum was present:

RESOLUTION # 2012-04

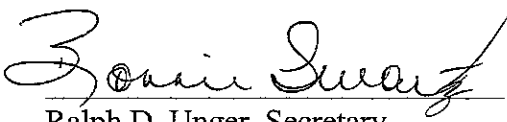
WHEREAS the Kansas Workers Risk Cooperative for Counties has determined that the financial statements and financial reports to be prepared for the year ending December 31, 2011, if prepared in conformity with the requirements of K.S.A. 75-1120a(a) will not be relevant to the requirements of the cash 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, 2011;

NOW, THEREFORE BE IT RESOLVED, by the Board of Trustees of Kansas Workers Risk Cooperative for Counties, in regular meeting duly assembled this 19th day of January, 2012, 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, 2011.

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 19th day of January, 2012.


~~Ralph D. Unger~~, Secretary
Bonnie Swartz

Minutes
Meeting, Board of Trustees
Kansas Workers Risk Cooperative for Counties
January 19, 2012 at 2:00 pm
Clubhouse Inn
924 SW Henderson Road
Topeka, KS 66615

The January 2012 meeting of the Board of Trustees of Kansas Workers Risk Cooperative for Counties (KWORCC) was called to order at 2:00 p.m. on January 19, 2012 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; Jim Wise, Miami 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, Ms. Marla Dipman, Ms. Susan May, Mr. Gene Miller and Mr. Jessie Cornejo.

President Alcorn first addressed Agenda Item No. 2, "Approval of the Agenda." Mr. Parrish recommended the addition of Agenda Item No. 5f, "2012 Premium Report." Ms. Swartz moved to approve the agenda with that addition. Ms. Garrett seconded the motion which CARRIED unanimously.

President Alcorn addressed Agenda Item No. 3, "Consideration of Minutes of the Meeting of December 15, 2011." Mr. Unger moved to approve the minutes as presented. Ms. Swartz seconded the motion which CARRIED unanimously.

Next President Alcorn asked Mr. Parrish to address Agenda Item No. 4, "Election of Officers and Establish Committees." Mr. Parrish then described the slate of officers recommended by staff after consultation with the members. The slate of officers includes Linda Buttron, President; Ralph D. Unger, Vice-President; Bonnie Swartz, Secretary and Michelle Garrett, Controller. Mr. Parrish then described staff recommendations for committee chairs and membership which includes Doyle Alcorn, Chair Personnel Committee with Bonnie Swartz and Ralph D. Unger as committee members; Jim Wise as Chair of Investment Committee with Michelle Garrett and Ralph D. Unger as committee members; Steve Garten as Chair of Audit Committee with Linda Buttron and Michelle Garrett 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. Ms. Swartz moved to close nominations, elect the slate of officers and to ratify appointment of committee members as proposed. Mr. Unger seconded the motion which CARRIED unanimously.

President Alcorn passed the gavel to President Buttron who chaired the remainder of the meeting.

President Buttron proceeded to Agenda Item No. 5a of the Administrator's Report, "Presentation to Past-President Doyle Alcorn." She thanked Mr. Alcorn for his year of service. Mr. Alcorn thanked the Board for their support during his year as President and for the opportunity to serve as Board President.

Mr. Parrish then proceeded to Agenda Item No. 5b, "Checks Requiring Board Approval and Ratification of Wire Transfers." He itemized the electronic transfer of funds and checks requiring approval. Mr. Wise moved to approve the checks and ratify the electronic transfer of funds as presented. Ms. Swartz seconded the motion which CARRIED unanimously.

Mr. Parrish then asked Ms. Bird to address Agenda Item No. 5c, "Complete Conflict of Interest Forms." Ms. Bird explained the purpose and details of the form and asked that all Trustees and staff complete the conflict of interest forms and return them to her for filing with the Kansas Insurance Department (KID).

Mr. Parrish then addressed Agenda Item No. 5d, "Request Waiver from KDOA of GAAP, Resolution No. 2012-04." He explained the purpose of the resolution. Ms. Swartz moved that the resolution be adopted. Ms. Buttron seconded the motion which CARRIED unanimously.

Mr. Parrish then asked Ms. Bird to address Agenda Item No. 5e, "PRIMA National." The annual National PRIMA conference will be in Nashville beginning June 3rd, 2012 and ending on June 6, 2012. Ms. Bird discussed itinerary, travel preferences, accommodations and registration details.

Under Agenda Item No. 5f, Ms. Bird presented details of premium receipts for policy year 2012.

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

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

Mr. Alexander then discussed in detail the interim, pre-audited fourth quarterly financial report for 2011 he prepared for filing with KID. Ms. Swartz moved to approve filing the report as proposed. Mr. Alcorn seconded the motion which CARRIED unanimously.

Mr. Alexander presented the check register. Mr. Alcorn moved to approve check Nos. 14567 through 14629 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 January 11, 2012.

President Buttron addressed Agenda Item No. 8, "Claims Report – IMA." As to Agenda Item No. 8a, "Select Claims Review," Ms. May and Mr. Miller reported on claims and answered questions. Ms. May requested approval of pending settlements. Mr. Unger moved to approve settlement of claim number 2010038967 and claim number 2011040797. Mr. Wise seconded the motion which CARRIED unanimously. Ms. Swartz moved to approve settlement of claim number 2008036493. 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 \$3,772,691 for the period beginning January 1, 2011 through December 31, 2011. He said the actual paid amount for that period totals \$1,982,270, resulting in a net savings of \$1,801,618 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 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 said the charts show the performance status as of the end of December, 2011 and should not be considered a guarantee of either good or poor ultimate-loss performance.

President Buttron 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. Next, Mr. Eyman reported on the enrollment rates and courses completed by the membership for the Gov U online courses.

President Buttron addressed Agenda Item No. 10, "Legal Report." Mr. Parrish stated there was no legal report at this time.

President Buttron turned to Agenda Item No. 11, "Committee Reports." Mr. Parrish reminded the Board there is a Personnel Committee Meeting for February 16, 2012 at 1:00 p.m.

President Buttron 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 3:06 p.m. Mr. Wise seconded the motion which CARRIED unanimously.

The KWORCC Board of Trustees approved the foregoing minutes on the 16th day of February, 2012.



Bonnie Swartz, Secretary
KWORCC Board of Trustees

KWORCC LOSS PREVENTION POLICY STATEMENT

The Board of Trustees of the Kansas Workers Risk Cooperative for Counties considers the health, safety and well-being of employees of member counties to be of paramount importance. Therefore, the Board actively promotes and supports the implementation of a loss prevention program aimed at reducing work related injuries and illnesses to an absolute minimum.

The loss prevention program adopted by the Board of Trustees will be administered by the KWORCC Administrator, but will require the involvement of all levels of county employees. Every elected official or appointed person, director, commissioner, manager, supervisor, administrator and employee is strongly encouraged to make loss prevention and safety a matter of continuing concern.

The KWORCC Board does hereby go on record as pledging their support and commitment to the implementation and administration of this policy.

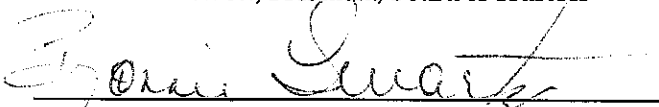
Signed and dated this 16th day of February, 2012



Linda M. Buttron, President, Board of Trustees



Ralph D. Unger, Vice President, Board of Trustees



Bonnie Swartz, Secretary, Board of Trustees



Michelle Garrett, Controller, Board of Trustees



Doyle "Hooley" Alcorn, Member, Board of Trustees



Steven Garten, Member, Board of Trustees



Jim Wise, Member, Board of Trustees



James W. Parrish, Administrator

Minutes
Meeting, Personnel Committee
Kansas Worker Risk Cooperative for Counties
February 16, 2012
Clubhouse Inn
924 SW Henderson Road
Topeka, KS 66615

On Thursday, February 16, 2012, the Personnel Committee of the Kansas Workers Risk Cooperative for Counties ("KWORCC") met at the Clubhouse Inn, Topeka, Kansas. The meeting was called to order by Committee Chair, Doyle "Hooley" Alcorn at 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 as presented. Mr. Unger seconded the motion which CARRIED unanimously. Mr. Unger recommended three changes to the minutes of the meeting of October 27, 2011: in the second paragraph the word "and" should be changed to "was;" in the fifth paragraph, second line, the word "had" should be changed to "have;" in the third line of the 5th paragraph, the words "has been" should be changed to "is being." Mr. Unger moved to approve the October 27, 2011 minutes with these amendments. Ms. Swartz seconded the motion which CARRIED unanimously.

Chairman Alcorn asked Mr. Parrish to discuss Agenda Item 4, "2011 Staff Performance Enhancements." Mr. Parrish noted that the agenda packet contained a listing of performance enhancements granted in the past and the minutes of February 17, 2011 Personnel Committee Meeting in which the performance enhancements were discussed for 2010. In reviewing the financial information provided, Mr. Parrish noted that the administrative expenses for 2011 were budgeted at \$863,625 and the actual expenditures were significantly under budget at 93% of the budgeted amount or \$803,600 (rounded). He stated the claims expenses for 2011 were only 90% of the budgeted amount. He said these performance indicators reflect a good year for KWORCC. Turning to the Statement of Condition, he noted that KWORCC ended current operations for the year 2011 at \$442,542. He stated that this was not a final number in that payroll audits were pending, but the outcome looks favorable with as much as \$200,000 being added to that year-end amount once the payroll audits are completed. He further pointed out that approximately \$400,000 of that gain resulted from an actuarial adjustment with reduced incurred loss estimates. Nevertheless, the gain at year-end will significantly exceed the \$15,000 budgeted for year-end. Finally, Mr. Parrish noted on the Statement of Operations that revenues were very close to budgeted amounts at 98.9% for premium contributions and 98% for total revenues. He said almost all expense categories came in at or under budget. State Taxes exceeded budget by \$1,594 and the Assessment by the Workers Compensation Fund resulted in an expenditure of \$36,919 over budget. These amounts are relatively insignificant and taxes and assessment are outside the control of KWORCC's staff. In summary, Mr. Parrish stated that the financial reports indicate a successful year for KWORCC in 2011.

Mr. Parrish reported that KWORCC's staff continues to perform with excellence as in past years, each going over and above their job requirements to ensure KWORCC's success. Chairman Alcorn asked if any progress had been made in developing a succession plan for KWORCC staff members planning retirement. Mr. Parrish indicated that there had been discussions but not specific progress had been made in that regard. He stated that one of the goals for 2012 was to have a succession plan in place.

Without further discussion, Mr. Unger moved to recommend to the KWORCC Board of Trustees to grant a performance enhancement of \$15,000 to the KWORCC staff for 2011, to be distributed pro rata based on salary. 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 1:25 p.m. Mr. Unger seconded the motion which CARRIED unanimously.

THE FOREGOING MINUTES of the Personnel Committee of Kansas Workers Risk Cooperative for Counties were executed by the Chair of that Committee on the 16th day of August, 2012.

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

Doyle Alcorn, Chair
KWORCC Personnel Committee

Date: 3/2/2012

2012 KWORCC Performance Enhancement

2012 KWROCC Performance Enhancement	2012 Salaries	% of Salaries	Performance Enhancement \$15,000.00
James W. Parrish	\$96,851.00	28.828%	\$4,324.14
Dortha O. Bird	\$74,375.00	22.138%	\$3,320.64
Carlin D. Eyman	\$74,375.00	22.138%	\$3,320.64
Philip J. Rippee	\$41,164.00	12.252%	\$1,837.86
Richard Alexander	\$26,139.00	7.780%	\$1,167.04
Nicole Jarboe-Paxon - 5/8 of salary	<u>\$23,062.50</u>	<u>6.865%</u>	<u>\$1,029.68</u>
Totals	<u>\$335,966.50</u>	<u>100.000%</u>	<u>\$15,000.00</u>

KWORCC Payroll History -- for 2012 Employees 1999 to 2012

	James W. Parrish Jan. 1999	Dortha O. Bird Apr. 1999	Carlin D. Eyman Sept. 1993	Philip J. Rippee 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	\$15,000 (Paid in 2012)
2012	\$96,851 (85%)	\$74,375	\$74,375	\$41,164 (60%)	\$26,139	

Minutes
Meeting, Board of Trustees
Kansas Workers Risk Cooperative for Counties
February 16, 2012 at 2:00 pm
Clubhouse Inn
924 SW Henderson Road
Topeka, KS 66615

The February 2012 meeting of the Board of Trustees of Kansas Workers Risk Cooperative for Counties (KWORCC) was called to order at 2:04 p.m. on February 16, 2012 in Topeka by Board President Linda Buttron. Trustees attending included: Linda Buttron, Jefferson County Clerk, President; Ralph D. Unger, Decatur County Commissioner, Vice-President; Bonnie Swartz, Gray County Clerk, Secretary; Michelle Garrett, Morris County Clerk, Controller; Doyle "Hooley" Alcorn, Jewell County Commissioner; Steve Garten, Barber 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 Mr. Paul Davis, Ms. Marla Dipman, Ms. Susan May, Mr. Gene Miller and Mr. Jessie Cornejo. Also present was Mr. Sam Cargnel of Centric Actuaries.

President Buttron first addressed Agenda Item No. 2, "Approval of the Agenda." Mr. Parrish recommended the agenda be approved as presented. Mr. Alcorn moved to approve the agenda. Mr. Wise seconded the motion which CARRIED unanimously.

President Buttron addressed Agenda Item No. 3, "Consideration of Minutes of the Meeting of January 19, 2012." Ms. Garrett moved to approve the minutes with minor grammatical corrections. Dr. Garten seconded the motion which CARRIED unanimously.

Next President Buttron 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 electronic transfer of funds and checks requiring approval. Mr. Unger moved to ratify the transfers and approve the checks as presented. Ms. Swartz seconded the motion, which CARRIED unanimously.

Mr. Parrish then asked Mr. Cargnel to address Agenda Item No. 4b, "Actuarial Year-End Adjustments." Mr. Cargnel reviewed the changes to the ultimate loss picks for prior years, noting there were no large changes to any particular year. The ultimate loss estimates went down slightly for policy years 2006, 2007 and 2011 and there was no increase in the ultimate loss for any of the remaining years. Average cost per claim for the past three years has decreased from a high of \$8,035 in 2008. This decrease is a result of no large claims occurring in the past three years. Referring to the number of claims each year, he noted that the total number of claims over the past three years has been unusually low. After review of loss trends and actuarial models, Mr. Cargnel reported that the "loss pick" for 2012 would be set at \$3.6 million. Mr. Cargnel then asked for and responded to questions. President Buttron thanked Mr. Cargnel for his informative report.

Mr. Parrish then addressed Agenda Item No. 4c, "Loss Prevention Policy Statement." He reviewed the policy statement. Mr. Unger moved to approve the new policy statement with the correction of two typographical errors. Dr. Garten seconded the motion which CARRIED unanimously.

Mr. Parrish then asked Ms. Bird to address Agenda Item No. 4d, "Report on 2012 Member Premium Receipts." Ms. Bird presented an itemization and reported that all but one county has paid premiums to date and the last payment was to be received before the end of the month.

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

President Buttron then proceeded to Agenda Item No. 6, "Financial Report." Mr. Alexander presented a preliminary 2011 year-end report which he described as an "interim snapshot" as well as the preliminary January 2012 financial reports. Ms. Swartz moved to receive and file the reports as presented. Mr. Alcorn seconded the motion which CARRIED unanimously.

Mr. Alexander presented the check register. Mr. Unger moved to approve check Nos. 14630 through 14670 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 February 8, 2012.

Prior to the claims report, Mr. Parrish explained to the Board that Ms. May is retiring from her position of claims adjuster for IMA and today's meeting will be her final KWORCC meeting. Mr. Parrish publicly thanked Ms. May for her dedication to KWORCC; the Board members applauded her service in recognition of her retirement.

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 and Mr. Miller requested approval of pending settlements. Mr. Unger moved to approve the proposed course of action for claim number 22010039997. Ms. Garrett seconded the motion which CARRIED unanimously. Ms. Swartz moved to approve settlement of claim number 2011041195. 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 \$109,561 for the period beginning January 1, 2012 through January 31, 2012. He said the actual paid amount for that period totals \$42,748, resulting in a net savings of \$66,814 after fees are paid. This is more than 61% of the amount billed for this 1-month period.

Mr. Davis then explained the "Policy Year Performance Review" under Agenda Item No. 7c. This analytical review generated by IMA shows KWORCC's claim history for policy years 2008 through 2012. 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 said the charts show the performance status as of the end of January, 2012 and should not be considered a guarantee of either good or poor ultimate-loss performance.

President Buttron called upon Messrs. Eyman and Rippee to address Agenda Item No. 8, "Loss Prevention and County Visits." Mr. Eyman reviewed January, February and March 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 Buttron addressed Agenda Item No. 9, "Legal Report." Mr. Parrish reported there are two bills we are watching with regard to workers compensation law. The bills address selection of judges and appeals board members and recusal process for justices as well as health and safety programs and filing deadlines.

President Buttron turned to Agenda Item No. 10, "Committee Reports." Mr. Alcorn asked Mr. Parrish to present the report of the Personnel Committee which met at 1:00 p.m. on this day. The committee discussed the financial performance of 2011 and the fact the administrative costs came in under budget. The committee recommended paying a performance enhancement of \$15,000 to the KWORCC staff for 2011 to be distributed pro rata based on salary. Mr. Unger moved to approve the committee's recommendation. Mr. Wise seconded the motion which CARRIED unanimously.

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, Ms. Garrett moved to adjourn the meeting at 3:20 p.m. Mr. Unger seconded the motion which CARRIED unanimously.

The KWORCC Board of Trustees approved the foregoing minutes on the 15th day of March, 2012.



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 26th day of April, 2012 at which a quorum was present:

RESOLUTION #2012-39

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, 2011 as required by KSA 12-2620(b);

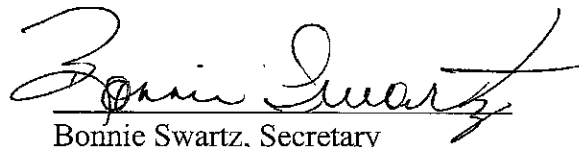
WHEREAS, the independent audit was completed and is ready to be filed with the Kansas Insurance Department and the Kansas Department of Administration;

WHEREAS auditor Eric Otting met with the KWORCC Audit Committee on the 26th day of April, 2012; 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, 2011 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 26th day of April, 2012.


Bonnie Swartz, Secretary

Minutes
Meeting, Board of Trustees
Kansas Workers Risk Cooperative for Counties
March 15, 2012 at 1:00 pm via Teleconference
700 SW Jackson, Ste 200
Topeka, KS 66603

The March 2012 meeting of the Board of Trustees of Kansas Workers Risk Cooperative for Counties (KWORCC) was called to order at 1:01 p.m. on March 15, 2012 via teleconference in Topeka by Board President Linda Buttron. Trustees attending included: Linda Buttron, Jefferson County Clerk, President; Ralph D. Unger, Decatur County Commissioner, Vice-President; Bonnie Swartz, Gray County Clerk, Secretary; Michelle Garrett, Morris County Clerk, Controller; Doyle "Hooley" Alcorn, Jewell County Commissioner; Steve Garten, Barber County Commissioner and Jim Wise, Miami County Commissioner.

Staff participating included Mr. James W. Parrish, Administrator; 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, Ms. Marla Dipman and Mr. Gene Miller.

President Buttron first addressed Agenda Item No. 2, "Approval of the Agenda." Mr. Parrish recommended that the reference to Personnel Committee be stricken. Ms. Swartz moved to approve the agenda with that modification. Dr. Garten seconded the motion which CARRIED unanimously.

President Buttron addressed Agenda Item No. 3, "Consideration of Minutes of the Meeting of February 16, 2012." Mr. Unger moved to approve the minutes as presented. Mr. Wise seconded the motion which CARRIED unanimously.

Next, President Buttron 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 check requiring approval. Mr. Alcorn moved to approve the check as presented. Mr. Unger seconded the motion which CARRIED unanimously.

Mr. Parrish then asked Mr. Alexander to report on the 2011 Payroll Audits under Agenda Item No. 4b. Payroll audits for the KWORCC Members have been completed as of March 12, 2012. The result is that KWORCC will receive additional premiums of \$186,000 for the 2011 policy year.

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

President Buttron then proceeded to Agenda Item No. 6, "Financial Report." Mr. Alexander discussed in detail the financial statements he prepared for February 2012. Ms. Swartz moved to receive and file the reports as presented. Mr. Wise seconded the motion which CARRIED unanimously.

Mr. Alexander presented the check register. Mr. Unger moved to approve check Nos. 14671 through 14715 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 March 7, 2012.

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

Mr. Miller then addressed Agenda Item No. 7b, "Logicomp Bill Review Report." Mr. Miller reported the amount billed totals \$366,038 for the period beginning January 1, 2012 through February 29, 2012. He said the actual paid amount for that period totals \$202,358, resulting in a net savings of \$163,682 after fees are paid. This is more than 45% 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 2012. 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 said the charts show the performance status as of the end of February, 2012 and should not be considered a guarantee of either good or poor ultimate-loss performance.

President Buttron 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 and courses completed by the membership for the Gov U online courses.

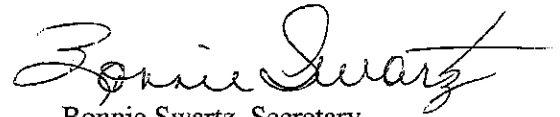
President Buttron addressed Agenda Item No. 9, "Legal Report." Mr. Parrish stated that he is still watching legislation but that no new workers compensation laws have been adopted.

President Buttron turned to Agenda Item No. 10, "Committee Reports." There were no committees that needed to report.

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. Wise moved to adjourn the meeting at 1:27 p.m. Mr. Unger seconded the motion which CARRIED unanimously.

The KWORCC Board of Trustees approved the foregoing minutes on the 26th day of April, 2012.



Bonnie Swartz, Secretary
KWORCC Board of Trustees

Minutes
Meeting, Board of Trustees
Kansas Workers Risk Cooperative for Counties
April 26, 2012 at 1:00 pm
Clubhouse Inn
924 SW Henderson Road
Topeka, KS 66615

The April 2012 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 26, 2012 in Topeka by Board President Linda Buttron. Trustees attending included: Linda Buttron, Jefferson County Clerk, President; Ralph D. Unger, Decatur County Commissioner, Vice-President; Bonnie Swartz, Gray County Clerk, Secretary; Michelle Garrett, Morris County Clerk, Controller; Doyle "Hooley" Alcorn, Jewell County Commissioner; Steve Garten, Barber 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 Mr. Paul Davis, Ms. Marla Dipman, Mr. Gene Miller and Mr. Jess Cornejo. Also present was Mr. Eric Otting of Wendling, Noe, Nelson and Johnson.

President Buttron first addressed Agenda Item No. 2, "Approval of the Agenda." Mr. Parrish recommended Agenda Item No. 4d be moved to Agenda Item No. 8a and that the Financial and Marketing reports be reversed. Ms. Garrett moved to approve the agenda as modified. Dr. Garten seconded the motion which CARRIED unanimously.

President Buttron addressed Agenda Item No. 3, "Consideration of Minutes of the Meeting of March 15, 2012." Mr. Unger moved to approve the minutes with a minor correction. Mr. Wise seconded the motion which CARRIED unanimously.

Next, President Buttron 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 electronic transfer of funds and checks requiring approval. Mr. Wise moved to approve the checks and ratify the electronic transfer of funds as presented. Ms. Swartz seconded the motion which CARRIED unanimously.

Mr. Parrish then asked Mr. Otting to present the Auditor's Report under Agenda Item No. 4b. 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 and that the auditors issued an unqualified opinion. Mr. Otting asked for and responded to questions. President Buttron thanked Mr. Otting for his report. Dr. Garten moved to approve Resolution #2012-39. Ms. Garrett seconded the motion which CARRIED unanimously.

Ms. Bird then presented the report on the 2011 Payroll Audits Receipts under Agenda Item No. 4c. The total amount of premium billed after the payroll audit was \$352,362. The total amount received thus far is \$327,648 leaving an outstanding balance \$24,714.

President Buttron then proceeded to Agenda Item No. 5, "Financial Report." Mr. Alexander discussed in detail the fourth quarterly financial report for 2011 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. He then discussed in detail the financial statements he prepared for March 2012. Finally, Mr. Alexander discussed in detail the first quarterly financial report for 2012 he prepared for filing with the KID. Ms. Swartz moved to approve filing the report with the KID. Dr. Garten seconded the motion which CARRIED unanimously.

Mr. Alexander presented the check register. Mr. Unger moved to approve check Nos. 14716 through 14776 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 April 18, 2012.

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

President Buttron addressed Agenda Item No. 7, "Claims Report – IMA." As to Agenda Item No. 7a, "Select Claims Review," Mr. Miller and Ms. Dipman reported on a claim and answered questions. They also requested approval of pending settlements. Ms. Swartz moved to approve the proposed course of action for claim number 2006027028. Mr. Wise seconded the motion which CARRIED unanimously. Mr. Unger moved to approve the proposed course of action for claim number 2010040342. Ms. Garrett seconded the motion which CARRIED unanimously. Mr. Unger moved to approve the proposed course of action for claim number 2011041348. Dr. Garten seconded the motion which CARRIED unanimously. Ms. Swartz moved to approve the proposed course of action for claim number 2010039549. 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 \$898,207 for the period beginning January 1, 2012 through March 31, 2012. He said the actual paid amount for that period totals \$489,979, resulting in a net savings of \$408,229 after fees are paid. This is more than 45% of the amount billed for this 3-month period.

Mr. Davis then explained the "Policy Year Performance Review" under Agenda Item No. 7c. This analytical review generated by IMA shows KWORCC's claim history for policy years 2008 through 2012. 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 said the charts show the performance status as of the end of March, 2012 and should not be considered a guarantee of either good or poor ultimate-loss performance.

President Buttron 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. Next, Mr. Eyman reported on the enrollment rates and courses completed by the membership for the Gov U online courses.

Under Agenda Item No. 8a, Mr. Eyman discussed the Loss Ration Report. Looking at policy years 2006 through 2011, he presented charts outlining premiums and losses of members with loss ratios above 70%. Of note, he demonstrated several instances in which the ratio was high due to only a couple of severe losses and small entities with low premiums were on the list due to a single large loss.

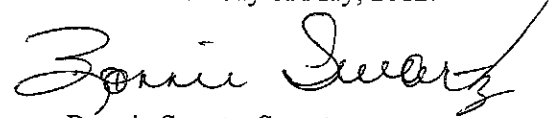
President Buttron addressed Agenda Item No. 9, "Legal Report." Mr. Parrish reported that it does not appear that any workers compensation legislation of significance will pass this legislative session. He said he would continue to monitor legislative action during the veto session.

President Buttron turned to Agenda Item No. 10, "Committee Reports." The audit committee report was presented during Agenda Item No. 4b.

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, Ms. Garrett moved to adjourn the meeting at 2:28 p.m. Mr. Wise seconded the motion which CARRIED unanimously.

The KWORCC Board of Trustees approved the foregoing minutes on the 17th day of May, 2012.



Bonnie Swartz, Secretary
KWORCC Board of Trustees

Minutes
Meeting, Board of Trustees
Kansas Workers Risk Cooperative for Counties
May 17, 2012 at 1:00 pm
Clubhouse Inn
924 SW Henderson Road
Topeka, KS 66615

The May 2012 meeting of the Board of Trustees of Kansas Workers Risk Cooperative for Counties (KWORCC) was called to order at 1:05 p.m. on May 17, 2012 in Topeka by Board Vice-President Ralph D. Unger. Trustees attending included: Ralph D. Unger, Decatur County Commissioner, Vice-President; Bonnie Swartz, Gray County Clerk, Secretary; Michelle Garrett, Morris County Clerk, Controller; Doyle "Hooley" Alcorn, Jewell County Commissioner; Steve Garten, Barber 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 Mr. Paul Davis, Ms. Marla Dipman, Mr. Gene Miller and Mr. Jess Cornejo. Also present was Ms. Carol Cast and Ms. Diane Jordan of the Kansas Department of Labor (KDOL).

Vice-President Unger first addressed Agenda Item No. 2, "Approval of the Agenda." Mr. Parrish recommended the Agenda be approved as presented. Mr. Wise moved to approve the agenda as published. Dr. Garten seconded the motion which CARRIED unanimously.

Vice-President Unger then asked for a motion to excuse Ms. Linda Buttron from the meeting for county business. Mr. Wise so moved. Dr. Garten seconded the motion which CARRIED unanimously.

Vice-President Unger addressed Agenda Item No. 3, "Consideration of Minutes of the Meeting of April 26, 2012." Ms. Garrett moved to approve the minutes as printed. Ms. Swartz seconded the motion which CARRIED unanimously.

Next, Vice-President Unger asked Ms. Cast and Ms. Jordan to present the trustee training "Ombudsman Issues and Challenges after one year under new law." Ms. Jordan reported on the many changes in the workers compensation law that went into effect May of 2011. She included the facts of several preliminary hearing order decisions on cases that have been heard under the new laws. Vice-President Unger thanked Ms. Cast and Ms. Jordan for their informative presentation.

Mr. Parrish addressed Agenda Item No. 5, "Administrator's Report." Mr. Parrish 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. Mr. Wise moved to approve the checks and ratify the electronic transfer of funds as presented. Ms. Swartz seconded the motion which CARRIED unanimously.

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

Vice-President Unger then proceeded to Agenda Item No. 7, "Financial Report." Mr. Alexander discussed in detail the financial statements he prepared for April 2012. Ms. Swartz moved to approve the financial report. Mr. Wise seconded the motion which CARRIED unanimously.

Mr. Alexander presented the check register. Ms. Swartz moved to approve check Nos. 14777 through 14824 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 9, 2012.

Vice-President Unger addressed Agenda Item No. 8, "Claims Report – IMA." As to Agenda Item No. 8a, "Select Claims Review," Mr. Miller and Ms. Dipman reported claims and answered questions.

Vice-President Unger declared a break in the meeting at 2:34 p.m. The meeting resumed at 2:46 p.m.

Ms. Dipman then addressed Agenda Item No. 8b, "Logicomp Bill Review Report." She reported the amount billed totals \$1,228,215 for the period beginning January 1, 2012 through April 30, 2012. She said the actual paid amount for that period totals \$633,729, resulting in a net savings of \$594,487 after fees are paid. This is more than 48% of the amount billed for this 4-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 2008 through 2012. 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 said the charts show the performance status as of the end of April, 2012 and should not be considered a guarantee of either good or poor ultimate-loss performance.

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

Vice-President Unger addressed Agenda Item No. 10, "Legal Report." Mr. Parrish stated there were no legal matters to report. He said although the legislature is still in session, no significant workers compensation legislation was expected to pass this year.

Vice-President Unger turned to Agenda Item No. 11, "Committee Reports." Mr. Parrish reminded the Board that an Investment Committee meeting is scheduled for noon on July 19th and a Personnel Committee meeting is scheduled from noon on August 16th.

Vice-President Unger then addressed Agenda Item No. 12, "Other Business." Under other business, the Board Members attending PRIMA National discussed details of the trip. Mr. Wise indicated he would be unable to attend the conference for personal reasons. Nothing further was presented for the Board to address.

There being nothing further before the Board, Ms. Garrett moved to adjourn the meeting at 3:03 p.m. Ms. Swartz seconded the motion which CARRIED unanimously.

The KWORCC Board of Trustees approved the foregoing minutes on the 21st day of June, 2012.



Bonnie Swartz, Secretary
KWORCC Board of Trustees

Minutes
Meeting, Board of Trustees
Kansas Workers Risk Cooperative for Counties
June 21, 2012 at 1:00 pm via Teleconference
700 SW Jackson, Ste 200
Topeka, KS 66603

The June 2012 meeting of the Board of Trustees of Kansas Workers Risk Cooperative for Counties (KWORCC) was called to order at 1:03 p.m. on June 21, 2012 via teleconference in Topeka by Board President Linda Buttron. Trustees attending included: Linda Buttron, Jefferson County Clerk, President; Ralph D. Unger, Decatur County Commissioner, Vice-President; Bonnie Swartz, Gray County Clerk, Secretary; Michelle Garrett, Morris County Clerk, Controller; Doyle "Hooley" Alcorn, Jewell County Commissioner; Steve Garten, Barber 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 Mr. Paul Davis, Ms. Marla Dipman, Mr. Gene Miller and Mr. Jess Cornejo.

President Buttron first addressed Agenda Item No. 2, "Approval of the Agenda." Mr. Parrish recommended the Agenda be approved as presented. Mr. Wise moved to approve the agenda as published. Dr. Garten seconded the motion which CARRIED unanimously.

President Buttron addressed Agenda Item No. 3, "Consideration of Minutes of the Meeting of May 17, 2012." Mr. Unger moved to approve the minutes with a minor correction. Ms. Garrett seconded the motion which CARRIED unanimously.

Next, President Buttron asked Mr. Parrish to address Agenda Item No. 4, "Administrator's Report." Mr. Parrish addressed Agenda Item No. 4a, "Checks Requiring Board Approval and Approval of Electronic Transfer of Funds." He itemized the electronic transfer of funds and checks requiring approval. Ms. Swartz moved to approve the checks and ratify the electronic transfer of funds as presented. Mr. Unger seconded the motion which CARRIED unanimously.

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

President Buttron then proceeded to Agenda Item No. 6, "Financial Report." Mr. Alexander discussed in detail the financial statements he prepared for May, 2012. Ms. Swartz moved to receive and file the financial report. Mr. Alcorn seconded the motion which CARRIED unanimously.

Mr. Alexander presented the check register. Mr. Unger moved to approve check Nos. 14825 through 14871 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 June 13, 2012.

President Buttron addressed Agenda Item No. 7, "Claims Report – IMA." As to Agenda Item No. 7a, "Select Claims Review," Mr. Miller and Ms. Dipman reported claims and answered questions. They also requested approval of pending settlements. Ms. Swartz moved to approve the proposed course of action for claim number 2007034377. Dr. Garten seconded the motion which CARRIED unanimously. Ms. Swartz moved to approve the proposed course of action for claim number 2011041335. Mr. Wise seconded the motion which CARRIED unanimously. Ms. Swartz moved to approve the proposed course of action for claim number 2010039948. Ms. Garrett seconded the motion which CARRIED unanimously.

Ms. Dipman then addressed Agenda Item No. 7b, "Logicomp Bill Review Report." She reported the amount billed totals \$1,509,202 for the period beginning January 1, 2012 through May 31, 2012. She said the actual paid amount for that period totals \$797,644, resulting in a net savings of \$711,559 after fees are paid. This is more than 47% 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 2009 through 2012. 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 said the charts show the performance status as of the end of May, 2012 and should not be considered a guarantee of either good or poor ultimate-loss performance.

President Buttron 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.

President Buttron addressed Agenda Item No. 9, "Legal Report." Mr. Parrish stated there was nothing to report on the legal front.

President Buttron turned to Agenda Item No. 10, "Committee Reports." Mr. Parrish reminded the Board that an Investment Committee meeting is scheduled for noon on July 19th.

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 1:37 p.m. Ms. Swartz seconded the motion which CARRIED unanimously.

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



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 19th day of July, 2012 at which a quorum was present:

RESOLUTION #2012-62

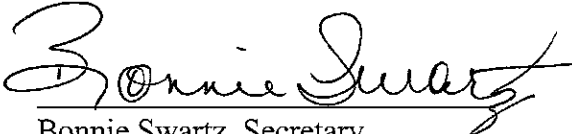
WHEREAS, KWORCC has elected to place investments pursuant to Chapter 40 of Kansas Statutes Annotated, and thus is to comply with the provisions thereof;

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, 2011 through June 30, 2012, 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, 2011 through June 30, 2012, having been reviewed and determined to be made in accordance with K.S.A. 40-2a01 and KWORCC's investment policy hereby are approved.

IN WITNESS WHEREOF, the undersigned has caused this Resolution to be executed this 19th day of July, 2012.


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	12/01/2011	06/30/2012		n
Settle Date				n
Bank Eligible		ZZ		n

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

For Trades Executed At: Country Club Bank

Ticket Nbr	Cust S/N	Sec Descrip 1	Reg Type/Id	Apr By	Dt Enter	Factor	Face	Prin
Cust Nbr	Sec Descrip 2	Call Cd-Dt	Call Price	Apr Date	Trade Dt	Tran Cd	Par	Interest
Sec Descrip 3	Mat Date	CPN Rate	Fail Del	Settle Dt	Trd Status	Ent By	Basis	Fees
Port ID	Mdy/S&P/Mkt	Cloc/Ploc	Fail Pmt	Conv	Trd For	Trd For	Price	Withholding
Deal ID	Broker	Comm Basis	Pay/Del	Buyback	Yield		Penalty	Total Amt
311103989	KWORCC (302)	FEDERAL HOME LOAN BANK	E/*		12/08/2011	1.0000000000	750,000.00	750,000.00
300121	FEDERAL HOME LOAN BANK	C-12/14/12	C-12/14/12	12/08/2011	12/08/2011	Sale	750,000.00	750,000.00
313376LFO	CONTIN CALL BEG 12/14/12	100.000	100.000	02/23/2012	02/23/2012	Sale	1,000,000.00	1,000,000.00
313376LFO		12/14/2021	12/14/2021	02/28/2012	02/28/2012	skm144	100.00	1,000,000.00
011-APP	Aaa/AA+/	3.0	3.0	09	09	BCT	100.0000000000	100,000,000.00
0		ccd/ccd	ccd/ccd	na	na			750,062.50
311105043	KWORCC (302)	FHLMC 2.0 STEP UP 2.25 7/24/15	E/*		01/04/2012	1.0000000000	1,000,000.00	1,000,000.00
300121	FHLMC 2.0 STEP UP 2.25 7/24/15	C-01/24/13	C-01/24/13	01/04/2012	01/04/2012	Sale	1,000,000.00	1,000,000.00
3134G3J0	QTRLY CALL BEG 1/24/13	100.000	100.000	01/19/2012	01/19/2012	skm144	100.00	1,000,000.00
3134G3J0	MULTI STEP MEDIUM TERM NOTE	07/24/2020	07/24/2020	09	09	BCT	100.0000000000	100,000,000.00
011-APP	Aaa/AA+/	VAR	VAR	na	na			1,000,000.00
0		ccf/ccf	ccf/ccf	n	n			25,129.20
311105827	KWORCC (302)	FEDERAL HOME LOAN BANK	E/*		01/20/2012	1.0000000000	25,000.00	25,129.20
300121	FEDERAL HOME LOAN BANK	C-01/20/12	C-01/20/12	01/19/2012	01/19/2012	Sale	25,000.00	25,129.20
313370A24		.000	.000	01/19/2012	01/19/2012	skm144	100.5167909	51.04
313370A24		10/25/2012	10/25/2012	09	09	BCT	100.516790900	.00
032-AGCY	Aaa/AA+/	.875	.875	na	na			.00
0		ccf/ccf	ccf/ccf	n	n			25,180.24
311105828	KWORCC (302)	FEDERAL HOME LOAN BANK	E/*		01/20/2012	1.0000000000	100,000.00	101,117.97
300121	FEDERAL HOME LOAN BANK	C-01/20/12	C-01/20/12	01/19/2012	01/19/2012	Sale	100,000.00	101,117.97
3133XV6U0		.000	.000	01/19/2012	01/19/2012	skm144	101.1179698	486.11
3133XV6U0		10/09/2012	10/09/2012	09	09	BCT	101.117969800	.00
032-AGCY	Aaa/AA+/	1.75	1.75	na	na			.00
0		ccf/ccf	ccf/ccf	n	n			101,604.08
311105948	KWORCC (302)	FHLMC 2.0 STEP UP 3.0 9/13/14	E/*		01/24/2012	1.0000000000	1,000,000.00	1,000,000.00
300121	FHLMC 2.0 STEP UP 3.0 9/13/14	C-03/13/12	C-03/13/12	01/24/2012	01/24/2012	Sale	1,000,000.00	1,000,000.00
3134G2E32	CALLED 3/13/12	100.000	100.000	01/24/2012	01/24/2012	skm144	1,000,000.00	1,000,000.00
3134G2E32	ONE TIME STEP	09/13/2019	09/13/2019	09	09	BCT	100.00	7,277.78
032-AGCY	Aaa/AA+/	VAR	VAR	na	na			.00
0		ccf/ccf	ccf/ccf	n	n			1,007,277.78
311107824	KWORCC (302)	FNMA .750 STEP UP 1.0 2/28/14	E/*		02/23/2012	1.0000000000	1,000,000.00	1,000,000.00
300121	FNMA .750 STEP UP 1.0 2/28/14	C-02/28/14	C-02/28/14	02/23/2012	02/23/2012	Sale	1,000,000.00	1,000,000.00
3136FTS83	QTRLY CALL BEG 2/28/14	100.000	100.000	02/28/2012	02/28/2012	skm144	100.00	1,000,000.00
3136FTS83	MULTI STEP	02/28/2017	02/28/2017	09	09	BCT	100.00	.00
032-AGCY	Aaa/AA+/	VAR	VAR	na	na			.00
0		ccf/ccf	ccf/ccf	n	n			1,000,000.00

For Trades Executed At: Country Club Bank

Ticket Nbr	Cust S/N	Sec Descrip 1	Reg Type/Id	Apr By	Dt Enter	Factor	Face	Prin
Cust Nbr	Sec Descrip 2	Call Cd-Dt	Call Price	Apr Date	Trade Dt	Tran Cd	Par	Interest
Port ID	Sec Descrip 3	Mat Date	CPN Rate	Fail Del	Settle Dt	Ent By	Basis	Fees
Deal ID	Mdy/S&P/Mkt	CLOC/PLoc	Pay/Del	Buyback	Yield	Trd For	Price	Withholding
	Broker	Comm Basis						Penalty
								Total Amt
311108803	KWORCC (302)	FEDERAL NATIONAL MTG ASSN DN	E/*		03/09/2012	1.0000000000	2,000,000.00	1,999,958.33
300121	FEDERAL NATIONAL MTG ASSN DN				03/09/2012	Sale	2,000,000.00	.00
3135880W3	FNDN 3/28/12		.000		03/13/2012	skml144	D.0500	.00
3135880W3					09	BCT	99.997916670	.00
033-DISC	//				na			.00
0			ccf/ccf	n-03/13/12	na			1,999,958.33
				c/ski	n			
311108805	KWORCC (302)		E/*		03/09/2012	1.0000000000	2,000,000.00	2,000,000.00
300121	FANNIE MAE		C-03/27/14		03/09/2012	Sale	2,000,000.00	111.11
3136FT5H8	ONE TIME CALL 3/27/14		100.000		03/28/2012	skml144	100.00	.00
3136FT5H8					09	BCT	100.000000000	.00
011-APP	Aaa/AA+/				na			.00
0			ccf/ccf	n-03/28/12	na			2,000,111.11
				c/ski	n			
311109732	KWORCC (302)		E/*		03/22/2012	1.0000000000	1,000,000.00	1,000,000.00
300121	FANNIE MAE		C-04/16/14		03/22/2012	Sale	1,000,000.00	.00
3136G0AW1	ONE TIME CALL 4/16/14		100.000		04/16/2012	skml144	100.00	.00
3136G0AW1					09	BCT	100.000000000	.00
011-APP	Aaa/AA+/				na			.00
0			ccf/ccf	n-04/16/12	na			1,000,000.00
				c/ski	n			
311110081	KWORCC (302)		E/*		03/29/2012	1.0000000000	2,000,000.00	1,999,985.83
300121	FEDERAL NATIONAL MTG ASSN DN		.000		03/29/2012	Sale	2,000,000.00	.00
313588VR3	FNDN 4/16/12				03/30/2012	skml144	D.0150	.00
313588VR3					09	BCT	99.999291670	.00
032-AGCY	//				na			.00
0			ccf/ccf	n-03/30/12	na			1,999,985.83
				c/ski	n			
311110844	KWORCC (302)		E/*		04/16/2012	1.0000000000	1,500,000.00	1,507,500.00
300121	FEDERAL HOME LOAN BANK		C-07/27/12		04/16/2012	Sale	1,500,000.00	.00
313370FC7	ONE TIME CALL 7/27/12		100.000		04/16/2012	skml144	100.500	6,583.33
313370FC7					09	BCT	100.500000000	.00
032-AGCY	Aaa/AA+/				na			.00
0			ccf/ccf	n-04/16/12	na			1,514,083.33
				c/ski	n			
311110873	KWORCC (302)		E/*		04/16/2012	1.0000000000	400,000.00	455,600.00
300121	JACKSON CNTY MO RSD 004 BLUE		.000		04/16/2012	Purch	400,000.00	2,613.33
4674860M6	SPGS MAKE WHOLE CALL +25 BP GO				04/19/2012	skml144	113.900	.00
4674860M6	UT BLD AM BDS TAXABLE C ERP				09	BCT	113.900000000	.00
069-TAXB	/AA/021				na			.00
0			ccd/ccd	n-04/19/12	na			458,213.33
				c/sko	n			

For Trades Executed At: Country Club Bank Country Club Bank

Ticket Nbr	Cust S/N	Sec Descrip 1	Reg Type/Id	Apr By	Dt Enter	Factor	Face	Prin
Cust Nbr	Sec Descrip 2	Call Cd-Dt	Call Price	Apr Date	Trade Dt	Tran Cd	Par	Interest
Sec Descrip 3	Mat Date	CPN Rate	CPN Rate	Fail Del	Settle Dt	Ent By	Basis	Fees
Port ID	MdY/S&P/Mkt	Cloc/Plac	Fail Pmt	Trd Status	Conv	Trd For	Price	Withholding
Deal ID	Broker	Comm Basis	Pay/Del	Buyback	Yield		Penalty	Total Amt
379004736	KWORCC (302)	FEDERAL HOME LOAN BANK	E/*	05/01/2012	05/01/2012	1.0000000000	500,000.00	584,530.00
300121	FEDERAL HOME LOAN BANK			05/01/2012	05/01/2012	Sale	500,000.00	2,807.29
3133XXP50			.000	05/02/2012	09	ped144	116,906	.00
3133XXP50			03/13/2020	n-05/02/12	na	BCT	116,906000000	.00
032-agcy	Aaa/AA+/		4.125	n-05/02/12	na			.00
0			ccf/ccf	c/ski	n		1.8090000	587,337.29
379004765	KWORCC (302)	FHFB 1.0 STEP 3.5 5/22/15	E/*	05/01/2012	05/01/2012	1.0000000000	1,000,000.00	1,000,000.00
300121	FHFB 1.0 STEP 3.5 5/22/15		t-05/22/14	05/01/2012	05/01/2012	Sale	1,000,000.00	.00
313379CS6	QRTLY CALL BEG 08/22/12		100.000	05/22/2012	09	ped144	100.00	.00
313379CS6	MULTI STEP		05/22/2020	n-05/22/12	na	BCT	100.000000000	.00
011-app	Aaa/AA+/		VAR	n-05/22/12	na			.00
0			ccf/ccf	c/ski	n		1.0000000	1,000,000.00
170002352	KWORCC (302)	FEDERAL HOME LOAN BANK	E/*	05/22/2012	05/22/2012	1.0000000000	1,250,000.00	1,319,538.51
300121	FEDERAL HOME LOAN BANK		.000	05/22/2012	09	skh144	1,250,000.00	15,468.75
3133XVNU1			12/12/2014	n-05/24/12	na	BCT	105,5630807	.00
3133XVNU1	Aaa/AA+/		2.75	n-05/24/12	na		105,563080700	.00
032-AGCY			ccf/ccf	c/ski	n		.5500000	1,335,007.26
0								
379006049	KWORCC (302)	U.S. Treasury Notes	E/*	05/23/2012	05/23/2012	1.0000000000	875,000.00	877,358.40
300121	U.S. Treasury Notes		.000	05/23/2012	09	ped144	875,000.00	2,178.49
912828PW4			12/31/2012	n-05/24/12	na	BCT	100,26953125	.00
912828PW4	//		.625	n-05/24/12	na		100,269531250	.00
028-tnts			ccf/ccf	c/sko	n		.1770000	879,536.89
0								
379006590	KWORCC (302)	FEDERAL HOME LOAN BANK	E/*	06/04/2012	06/04/2012	1.0000000000	500,000.00	500,850.00
300121	FEDERAL HOME LOAN BANK		c-07/27/12	06/04/2012	06/04/2012	Purch	500,000.00	3,555.56
313370FC7	ONE TIME CALL 7/27/12		100.000	06/05/2012	09	ped144	100.17	.00
313370FC7			01/27/2016	n-06/05/12	na	BCT	100,170000000	.00
032-agcy	Aaa/AA+/		2.0	n-06/05/12	na			.00
0			ccf/ccf	c/sko	n		.8160000	504,405.56
379007568	KWORCC (302)	FHFB 1.0 STEP UP 3.50 7/5/15	E/*	06/25/2012	06/25/2012	1.0000000000	1,000,000.00	1,000,000.00
300121	FHFB 1.0 STEP UP 3.50 7/5/15		t-07/05/14	06/25/2012	06/25/2012	Sale	1,000,000.00	.00
313379U64	QRTLY CALL BEG 10/5/12		100.000	07/05/2012	09	ped144	100.00	.00
313379U64	ONE TIME STEP		01/05/2021	n-07/05/12	na	BCT	100.000000000	.00
011-app	Aaa/AA+/		VAR	n-07/05/12	na			.00
0			ccf/ccf	c/ski	n		1.0000000	1,000,000.00

For Trades Executed At: Country Club Bank

Ticket Nbr	Cust Nbr	Sec Descrip 1	Sec Descrip 2	Sec Descrip 3	Deal ID	Broker	Comm Basis	Reg Type/Id	Call Cd-Dt	Call Price	Mat Date	CPN Rate	Cloc/Ploc	Apr By	Apr Date	Apr Time	Fail Del	Fail Pmt	Pay/Del	Dt Enter	Trade Dt	Settle Dt	Trd Status	Conv	Buyback	Factor	Tran Cd	Ent By	Trd For	Yield	Face	Par	Basis	Price	Interest	Fees	Withholding	Penalty	Total Amt			
311105035	300121	KWORCC (302)						E/*	c-01/24/13											01/04/2012	01/04/2012					1.0000000000				1,000.00							1,000.00					
3134G3J0	3134G3J0	FHLMC 2.0 STEP UP 2.25 7/24/15						100.000												01/24/2012	01/24/2012					Sale-Rev				100.00												
011-APP	0	MULTI STEP MEDIUM TERM NOTE						VAR	07/24/2020											00						BCT				100.0000000000												
311108658	300121	KWORCC (302)						E/*	c-03/27/14											03/08/2012	03/08/2012					1.0000000000				2,000.000.00												
3136FT5H8	3136FT5H8	FANNIE MAE						100.000												03/27/2012	03/27/2012					Sale-Rev				2,000,000.00												
011-APP	0	ONE TIME CALL 3/27/14						2.0	03/27/2020											01						BCT				100.0000000000												
		Aaa/AA+/						ccf/ccf												na						2.00000000				2,000,000.00												

Total Reversals Par: 2,001,000.00
 Report Totals Prin: 2,001,000.00

Par: 19,901,000.00

Prin: 20,122,568.24
 Int: 41,195.29
 Total: 20,163,763.53

Minutes
Meeting, Board of Trustees
Kansas Workers Risk Cooperative for Counties
July 19, 2012 at 1:00 pm
Clubhouse Inn
924 SW Henderson Road
Topeka, KS 66615

The July 2012 meeting of the Board of Trustees of Kansas Workers Risk Cooperative for Counties (KWORCC) was called to order at 1:11 p.m. on July 19, 2012 in Topeka by Board President Linda Buttron. Trustees attending included: Linda Buttron, Jefferson County Clerk, President; Ralph D. Unger, Decatur County Commissioner, Vice-President; Bonnie Swartz, Gray County Clerk, Secretary; Michelle Garrett, Morris County Clerk, Controller; Steve Garten, Barber 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 Mr. Paul Davis, Ms. Marla Dipman and Mr. Gene Miller. Also present was Mr. Chris Thompson of Country Club Bank.

President Buttron first addressed Agenda Item No. 2, "Approval of the Agenda." Mr. Parrish asked that Mr. Eyman's name be added to Agenda Item No. 8. He also asked that an executive session be added to Agenda Item No. 11 and the Agenda be approved with that change. Mr. Wise moved to approve the agenda as amended. Dr. Garten seconded the motion which CARRIED unanimously.

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

President Buttron addressed Agenda Item No. 3, "Consideration of Minutes of the Meeting of June 21, 2012." Mr. Unger moved to approve the minutes as printed. Ms. Garrett seconded the motion which CARRIED unanimously.

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

Mr. Parrish then asked Mr. Thompson to present the Bond Portfolio Overview under Agenda Item No. 4b. Mr. Thompson reported that the portfolio is invested in US government bonds and securities. The portfolio is invested at an average rate of 2% which is high for the current market. He said the portfolio is also very liquid. By the end of the year, about half of the portfolio will be called and liquidated and Mr. Thompson is looking at options for reinvestment. Options he is considering include municipal bonds and marketable FDIC insured certificates of deposit. Mr. Thompson responded to questions. President Buttron thanked Mr. Thompson for his report.

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

President Buttron then proceeded to Agenda Item No. 6, "Financial Report." Mr. Alexander discussed in detail the financial statements he prepared for June 2012. Ms. Swartz moved to receive and file the financial report. Dr. Garten seconded the motion which CARRIED unanimously. Next, Mr. Alexander discussed in detail the second quarterly financial report for 2012 he prepared for filing with the Kansas Insurance Department (KID). Mr. Unger moved to approve filing the report with the KID. Ms. Swartz seconded the motion which CARRIED unanimously.

Mr. Alexander presented the check register. Ms. Swartz moved to approve check Nos. 14872 through 14905 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 July 11, 2012.

President Buttron declared a short break in the meeting at 2:05 p.m. The meeting resumed at 2:17 p.m.

President Buttron addressed Agenda Item No. 7, "Claims Report – IMA." As to Agenda Item No. 7a, "Select Claims Review," Mr. Miller and Ms. Dipman reported claims and answered questions. Included in this report was the status of old claims from policy years 1992 through 2001 (five claims). This report is part of a series which will review old claims which have not been closed. Mr. Miller also requested approval of pending settlements. Mr. Wise moved to approve the proposed course of action for claim number 2011041646. Mr. Unger seconded the motion which CARRIED unanimously.

Ms. Dipman then addressed Agenda Item No. 7b, "Logicomp Bill Review Report." She reported the amount billed totals \$1,884,135 for the period beginning January 1, 2012 through June 30, 2012. She said the actual paid amount for that period totals \$1,000,910, resulting in a net savings of \$883,225 after fees are paid. This is more than 47% of the amount billed for this 6-month period.

Mr. Davis then explained the "Policy Year Performance Review" under Agenda Item No. 7c. This analytical review generated by IMA shows KWORCC's claim history for policy years 2008 through 2012. 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 said the charts show the performance status as of the end of June 2012 and should not be considered a guarantee of either good or poor ultimate-loss performance.

President Buttron called upon Messrs. Eyman and Rippee to address Agenda Item No. 8, "Loss Prevention and County Visits." Mr. Eyman reviewed June, July and August 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 Buttron addressed Agenda Item No. 9, "Legal Report." Mr. Parrish stated there was nothing to report.

President Buttron turned to Agenda Item No. 10, "Committee Reports." Mr. Wise reported that the Investment Committee met prior to the Board meeting and recommended the Board adopt resolution #2012-62. Mr. Unger moved that the Board follow the committee's recommendation. Ms. Garrett seconded the motion which CARRIED unanimously.

Mr. Parrish reminded the Board that a Personnel Committee meeting is scheduled for noon on August 16th.

President Buttron then addressed Agenda Item No. 11, "Other Business." Mr. Unger moved for the Board to enter into a 15 minute executive session with the Trustees, Mr. Parrish, Ms. Bird and Mr. Eyman to discuss non-elected personnel. Mr. Wise seconded the motion which CARRIED unanimously. Executive session began at 2:58p.m. Mr. Unger moved to adjourn the executive session. Mr. Wise seconded the motion which CARRIED unanimously. Executive session ended at 3:11p.m. There was no action taken during executive session.

There being nothing further before the Board, Mr. Unger moved to adjourn the meeting at 3:12 p.m. Dr. Garten seconded the motion which CARRIED unanimously.

The KWORCC Board of Trustees approved the foregoing minutes on the 16th day of August, 2012.

A handwritten signature in cursive script, reading "Bonnie Swartz".

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
July 19, 2012

On Thursday, July 19, 2012 at 12:09 PM the Investment Committee of the Kansas Workers Risk Cooperative for Counties ("KWORCC") met at the Clubhouse Inn, Topeka, Kansas. The meeting was called to order by Committee Chairman James Wise. Committee Members participating included: James Wise, Miami County Commissioner, Ralph D. Unger, Decatur County Commissioner and Michelle Garrett, Morris County Clerk. Also present were KWORCC Administrator, Jim Parrish and B. Christopher Thompson, Senior Vice President Investment Services Division at Country Club Bank.

Chairman Wise asked for approval of the Agenda. Ms. Garrett moved to approve the agenda as published. Mr. Unger seconded the motion which CARRIED unanimously. Chairman Wise asked for approval of Minutes dated August 18, 2011 and December 15, 2011. Mr. Unger moved to approve the minutes as published. Ms. Garrett seconded the motion which CARRIED unanimously.

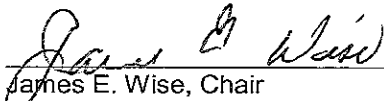
Chairman Wise asked for consideration of KWORCC Resolution No. 2012-62, with the attached itemization of purchases and sales of US Government securities from the period beginning December 1, 2011 through June 30, 2012. The Committee reviewed the investment transactions and the resolution. Ms. Garrett moved that the Investment Committee recommend that the KWORCC Board of Trustees adopt KWORCC Resolution 2012-62 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.

Chairman Wise 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 June 29, 2012 and described the twenty 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 2.216%. He explained that it is his goal to maximize yield as prudently possible while simultaneously trying not to extend too far on the curve, particularly in light of the uncertainty of the federal government's monetary policies. While these "twin goals" of liquidity and yield enhancement are sometimes mutually exclusive, to this point, they have been achieved. He said 2% is the "magic number" in that he wants to keep the yield above 2%.

Mr. Thompson referred to a document prepared for the Committee and attached to these minutes entitled "KWORCC Bond Portfolio Update: July 19, 2012." 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 given the status of "operation Twist" and "the Fed's war on savers," it would be wise to seek incremental yields in federally secured certificates of deposits and taxable municipal bonds. Mr. Thompson explained that approximately half of his work is in the municipal bond market and that his firm has extensive experience in this field.

Chairman Wise thanked Mr. Thompson for his presentation. There being no further business, Ms. Garrett moved to adjourn. Mr. Unger seconded the motion which CARRIED unanimously at 12:56 PM.

THE FOREGOING MINUTES of the Investment Committee of Kansas Workers Risk Cooperative for Counties were executed by the Chair of that Committee on December 13, 2012.



James E. Wise, Chair
KWORCC Investment Committee

KWORCC Bond Portfolio Update: July 19, 2012

- Portfolio is invested in top grade US Government/Agency debentures (ie: plain, old-fashioned, bonds)
- As of June 30, 2012, the portfolio is comprised of 20 separate and direct holdings which trade in “steady and ready” liquid markets (ie: easily and quickly converted to cash)
- Total Par Value: \$16,400,000
- Current Portfolio Market Value: \$16,812,500 (\$139,927 unrealized gain, 0.83% of book value)
- Average “Effective” Maturity: approximately 1.33yr (“effective maturity” is the most likely maturity, which accounts for likely call options being exercised prior to stated maturity).
- Portfolio Average Coupon Rate: 2.216%
- Major market themes impacting the portfolio
 - **Downgrades...again:** In August of last year the downgrade of US govt debt 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 of gov’t debt by other ratings agencies and bond prices have soared to levels many consider to be “bubble-ish.” However, on July 10th US ratings agencies downgraded many of the largest US banks. As I write this, it is yet to be seen how gov’t bonds will react but many see this as a “positive” for bonds as the “flight to quality continues.
 - **European Community continues to worry investors:** As before, the continued fiscal plague of the European Union is stoking demand for US debt. The June 17th elections in Greece seem positive (ie: a vote for continued membership in the European Union) but there is much “heavy lifting” yet to do. Greece has done nothing more than record a vote to “live healthy”...now they need to actually DO what they’ve voted for. This will be difficult and the international investment community is wary. Thus, the flight to quality remains in full force. And remember that Greece is just the “pilot case.” Spain, Portugal, Italy (to name just three) are wobbling still and could fall without further assistance. Central bank bond purchases are likely to continue (similar to what the Fed has done here in the US).
 - **Operation Twist:** Originally set to expire this month, Operation Twist has been extended to Dec 2012 (does this surprise anyone?). Recall that this latest monetary policy tool from the Fed seeks to manipulate the yield curve, hoping to send long term yields lower and possibly inching short term yields higher vis-à-vis selling Treasury securities due in 3yrs or less and buying an equal amount of maturities in the 6 – 30 year range. Thus, the Fed’s war on SAVERS continues.

- Same as before...it remains a tricky situation and the Fed is perplexed. By keeping rates so low for so long, they're enticing investors to take risks in equities markets – but the investing public is wary of equities and significant sums are finding their way to low yielding bond markets – so they extend maturities for additional income. But if the economy does begin to improve, these same bond investors will be punished by falling bond prices as yields rise. It's a trap box and the Fed is clearly struggling to fix this.
- Where to find incremental yield? CDs / Taxable Munis (Dec 2010 policy commentary didn't limit us to Build America Bonds...agreed?)

Attachments Follow:

1. Commentary from Bill Gross (PIMCO manager)
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. 5yr Note Since June 2011
7. Oil Chart: Historical chart of crude oil futures
8. Non farm payrolls: Since 2010 chart of monthly non farm payroll survey
9. Chart of Dow Jones since Jan 2011
10. Chart of S&P since Jan 2011

Treasuries Hold Gains as Stocks Fall, Gross Warns of Risk Assets

By Masaki Kondo

June 22 (Bloomberg) -- Treasuries remained higher following a gain yesterday as Asian stocks extended a global rout, boosting the allure of U.S. government bonds as a safer asset.

Ten-year notes maintained a weekly decline before German data today forecast to show a gauge of business confidence in the euro region's biggest economy slid to a two-year low. Bill Gross, who runs the world's largest mutual fund at Pacific Investment Management Co., said risk markets are vulnerable as the "monetary bag of tricks empties." Moody's Investors Service slashed credit ratings on 15 global banks yesterday, including Credit Suisse Group AG and UBS AG.

"Even Germany can't avoid a slowdown, showing the instability of Europe's financial system is affecting the region's economy," said Hiromasa Nakamura, who helps oversee the equivalent of \$42 billion as an investor at Mizuho Asset Management Co. in Tokyo. "The weakening global economy is leading to risk aversion among investors, putting downward pressure on Treasury yields."

Ten-year yields were little changed at 1.62 percent as of 10:44 a.m. in Tokyo after falling four basis points in New York yesterday. They have gained four basis points since June 15. The 1.75 percent securities due in May 2022 traded at 101 6/32.

Japan's 10-year bonds were unchanged, with yields at 0.815 percent at Japan Bond Trading Co., the nation's largest interdealer debt broker. The rates have fallen 3 1/2 basis points, or 0.035 percentage point, since June 15, poised for the first weekly decrease since the period ended June 1.

The MSCI Asia Pacific Index of shares lost 1.1 percent. The Standard & Poor's 500 Index slid 2.2 percent in New York yesterday, while the Stoxx Europe 600 Index dropped 0.5 percent.

Slower Growth

The Ifo institute's index for German business climate is estimated to drop to 105.6 in June, the lowest since March 2010, according to a Bloomberg News survey of economists. Ifo is scheduled to release the report today.

The Federal Reserve cut its estimate on June 20 for U.S. economic growth in 2012 to between 1.9 percent and 2.4 percent, from April forecasts of 2.4 percent to 2.9 percent. It lowered its inflation forecast to 1.2 percent to 1.7 percent this year, down from an April prediction of 1.9 percent to 2 percent.

The Fed bought \$2.3 trillion of bonds in two rounds of so-called quantitative easing, or QE, from 2008 through 2011. Policy makers refrained from introducing a third round this week and instead extended through year-end their "Operation Twist" program of selling shorter-term securities and buying the same amount of longer-term debt to lower borrowing costs. The \$400 billion program had been scheduled to end this month.

Treasuries have returned 3.2 percent since the end of March, according to Bank of America Merrill Lynch's Treasury Master index, amid concern Europe's debt crisis was worsening and U.S. growth was slowing. The S&P 500 lost 5.4 percent even after taking account of reinvested dividends.

Gross, who manages \$261 billion for the Pimco Total Return Fund, posted his comment on Twitter.

FOMC Calendar: No Change Here, Fed Keeping Rates Artificially Low

FOMC

Corp **FOMC**

FOMC ANNOUNCEMENT DATES

Historical Change In Monetary Policy and Yield Curve Reaction									
2012 FOMC Schedule of Meetings					2013 FOMC Schedule of Meetings				
Date	Rate %	Risk Assessment	Time	Release	Date	Rate %	Risk Assessment	Time	Release
1) Jan 25	0-.25	Risk to Growth	12:28		9) Jan 30	----			----
2) Mar 13	0-.25	Risk to Growth	2:15		10) Mar 20	----			----
3) Apr 25	0-.25	Risk to Growth	12:32		11) May 01	----			----
4) Jun 20	0-.25	Risk to Growth	12:32		12) Jun 19	----			----
5) Aug 01	----		----		13) Jul 31	----			----
6) Sep 13	----		----		14) Sep 18	----			----
7) Oct 24	----		----		15) Oct 30	----			----
8) Dec 11	----		----		16) Dec 18	----			----

Economists' Forecast: Higher Rates (incorrectly predicted for 3yrs)

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90 Options	Page 4/5	BN Jun 06 2012 08:51:03
B U.S. Economic Forecasts: Bloomberg Monthly Survey (Table)		91) ☆

	2Q 2012	3Q 2012	4Q 2012	1Q 2013	2Q 2013	3Q 2013	4Q 2013
Two-year note	0.27%	0.30%	0.35%	0.40%	0.51%	0.60%	0.75%
Previous survey	0.30%	0.35%	0.40%	0.45%	0.60%	0.70%	0.73%
Ten-year note	1.70%	1.90%	2.10%	2.28%	2.50%	2.65%	2.79%
Previous survey	2.10%	2.30%	2.40%	2.60%	2.70%	2.80%	3.00%
Thirty-year bond	2.80%	3.00%	3.15%	3.40%	3.50%	3.70%	3.89%
Previous survey	3.20%	3.31%	3.40%	3.53%	3.70%	3.78%	3.90%

NOTE: All figures are expressed as of the end of the quarter except for GDP and consumer spending, which are at a quarterly annualized rate.

--Editors: Alex Tanzi

*J

To contact the reporter on this story:

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Australia 61 2 9777 8600 Brazil 5511 3048 4500 Europe 44 20 7330 7500 Germany 49 69 9204 1210 Hong Kong 852 2977 6000
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 SN 654759 CDT GMT-5:00 6644-541-3 21-Jun-2012 21:41:05

Yield Curve Shift – dramatic drop, historically low yields

<HELP> for explanation.

Corp **C15**

US Treasury Actives Curve		97) Actions	98) Chart	99) Feedback	Page 1/1	Graph Curves
Last 1D 1W 1M 10/15/11 Date ▼		* Curve List		Related Curves		
○ Values and Members ● Values ○ Members ○ Constituents		Ⓜ Export				
	I25 US Treasury Actives Curve	I25 US Treasury Actives Curve	I25 US Treasury Actives Curve	I25 (Change)	I25 (Change)	
Tenor	06/21/12	05/21/12	10/15/11	06/21/12-05/21/12	06/21/12-10/14/11	
1M	0.043	0.056	0.013	-0.013	0.031	
3M	0.079	0.069	0.015	0.010	0.064	
6M	0.145	0.140	0.053	0.005	0.091	
1Y	0.170	0.190	0.099	-0.020	0.071	
2Y	0.301	0.288	0.267	0.012	0.033	
3Y	0.411	0.399	0.501	0.012	-0.091	
5Y	0.726	0.743	1.112	-0.018	-0.386	
7Y	1.098	1.167	1.711	-0.069	-0.613	
10Y	1.619	1.742	2.249	-0.124	-0.630	
30Y	2.688	2.810	3.233	-0.122	-0.544	

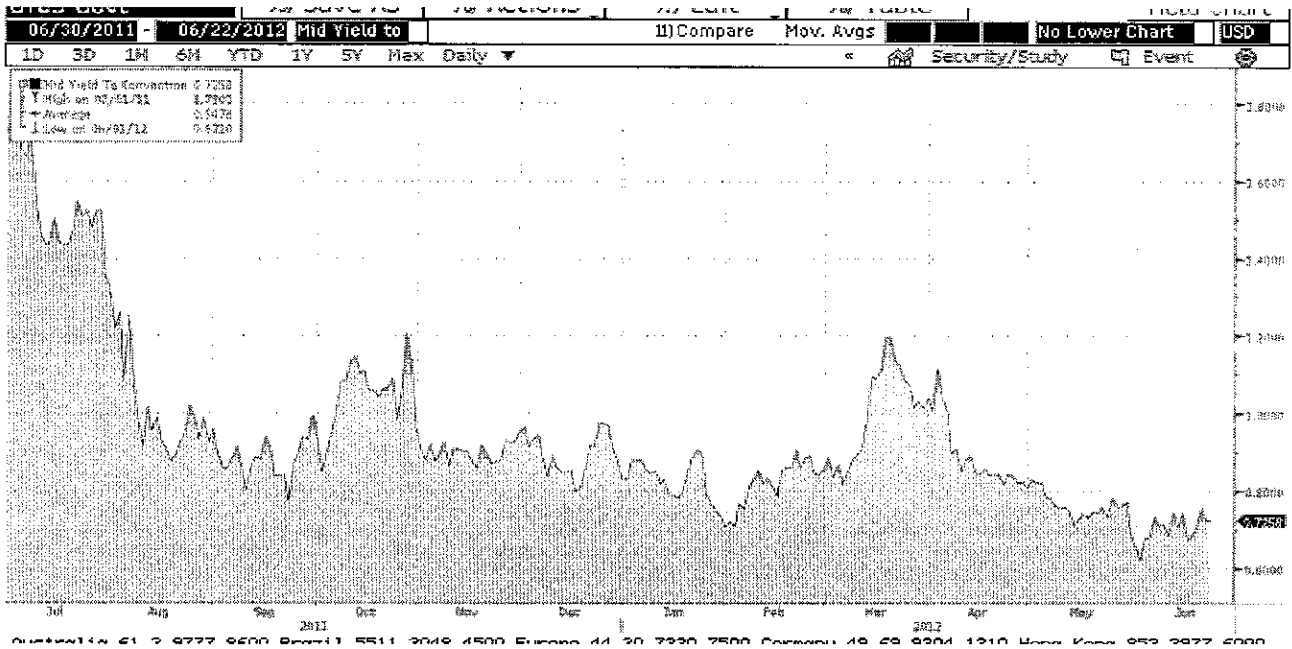
Current Treasury Curve: Disappearing US Treasury Yield Curve

<HELP> for explanation.

Corp **C4**

US Treasury Actives Curve		97) Actions	98) Chart	99) Feedback	Page 1/1	Graph Curves
Last 1D 1W 1M Date ▼		* Curve List		Related Curves		
○ Values and Members ● Values ○ Members ○ Constituents		Ⓜ Export				
	I25 US Treasury Actives Curve					
Tenor	06/21/12					
1M	0.043					
3M	0.079					
6M	0.145					
1Y	0.170					
2Y	0.301					
3Y	0.411					
5Y	0.726					
7Y	1.098					
10Y	1.619					
30Y	2.688					

5yr T-Note Since January 2011: A slow & low boat to China (no...Japan?)

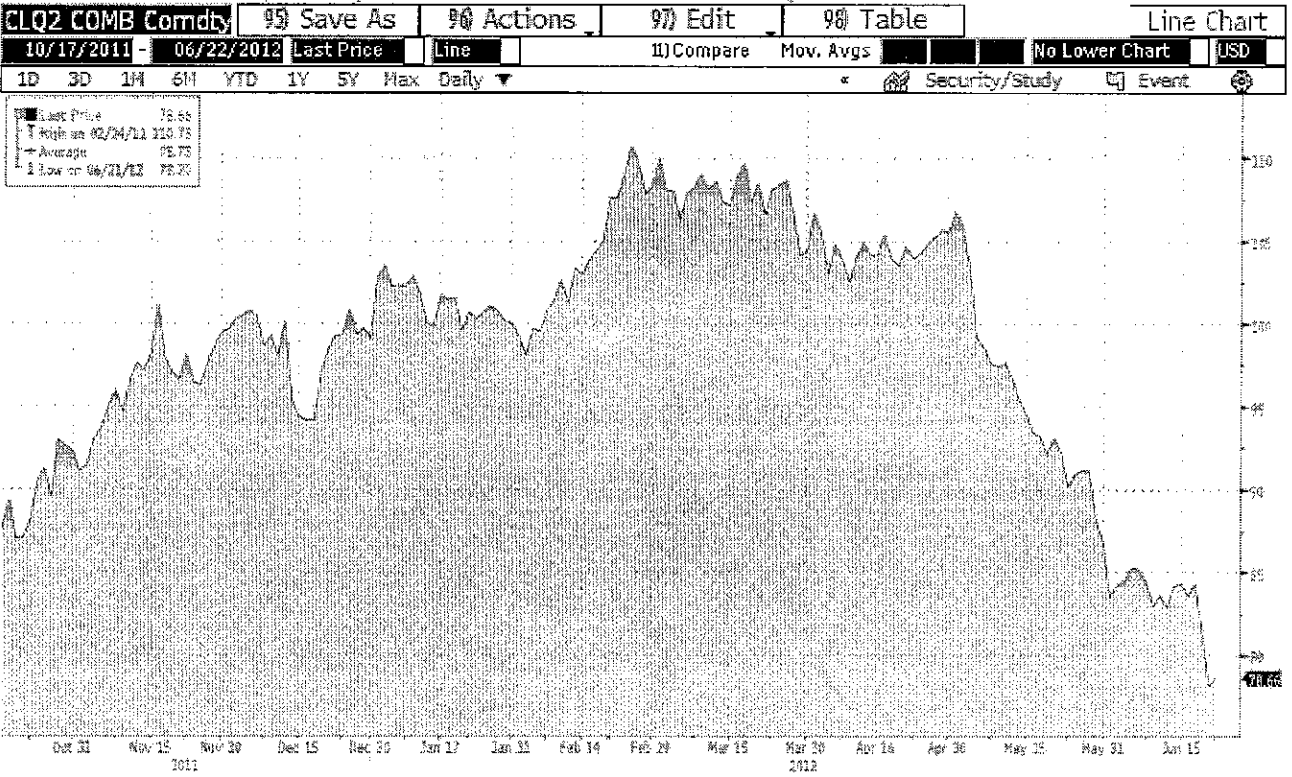


Oil Since Oct 2011: Sinking Fast!

CLQ2 ↑ 78.66 +.46 78.65/78.66

ComdtyGP

At DELAYED Vol 4,184 Op 78.11 Hi 78.66 Lo 78.10 OpInt n.a.



Texas 91 2 2201 9900 Singapore 55 5212 1000 U.S. 1 212 219 2000 Copyright 2012 Blackbox Financial L.P.

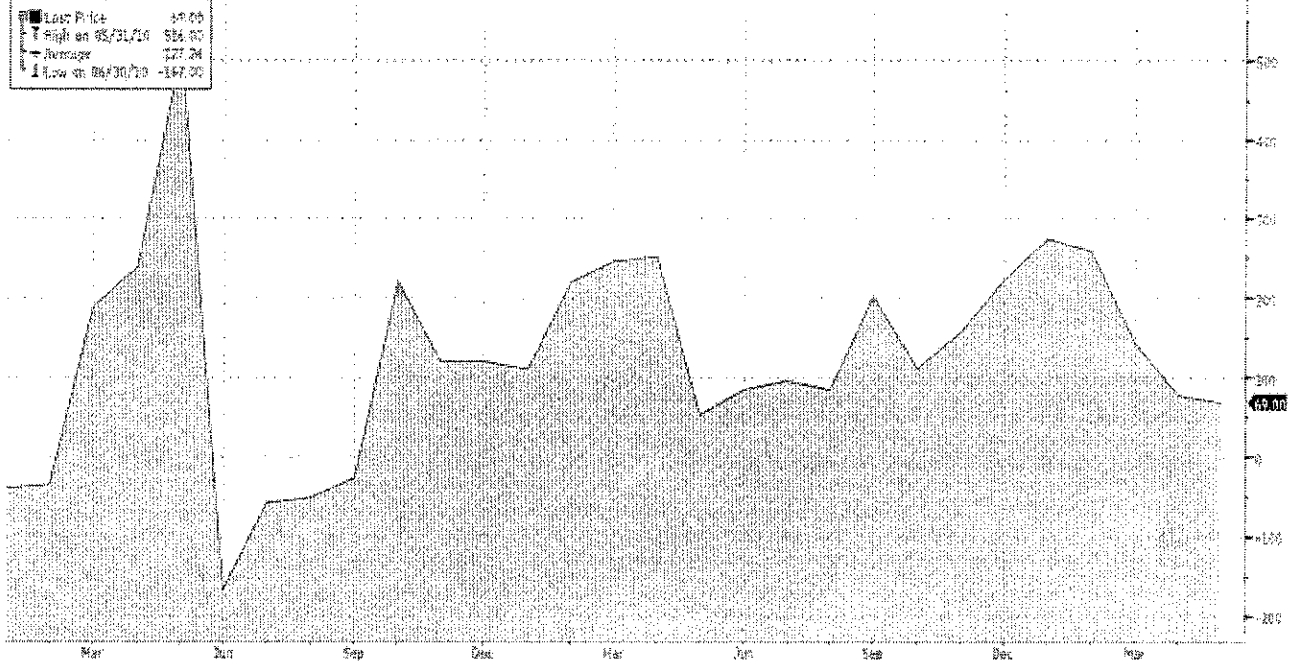
Non-Farm Payrolls Since Jan 2010: insufficient... and the key to our recovery

NFP TCH Last 69K MAY Next 07/06/12 07:30 Surv -- Index **GP**
 US Employees on Nonfarm Payrolls Total MoM Net Change SA

NFP TCH Index 99 Save As 90 Actions 97 Edit 98 Table Line Chart

01/31/2010 - 05/31/2012 Latest/Last Compare Mov. Avgs No Lower Chart

1D 3D 1M 6M YTD 1Y 5Y Max Monthly Security/Study Event



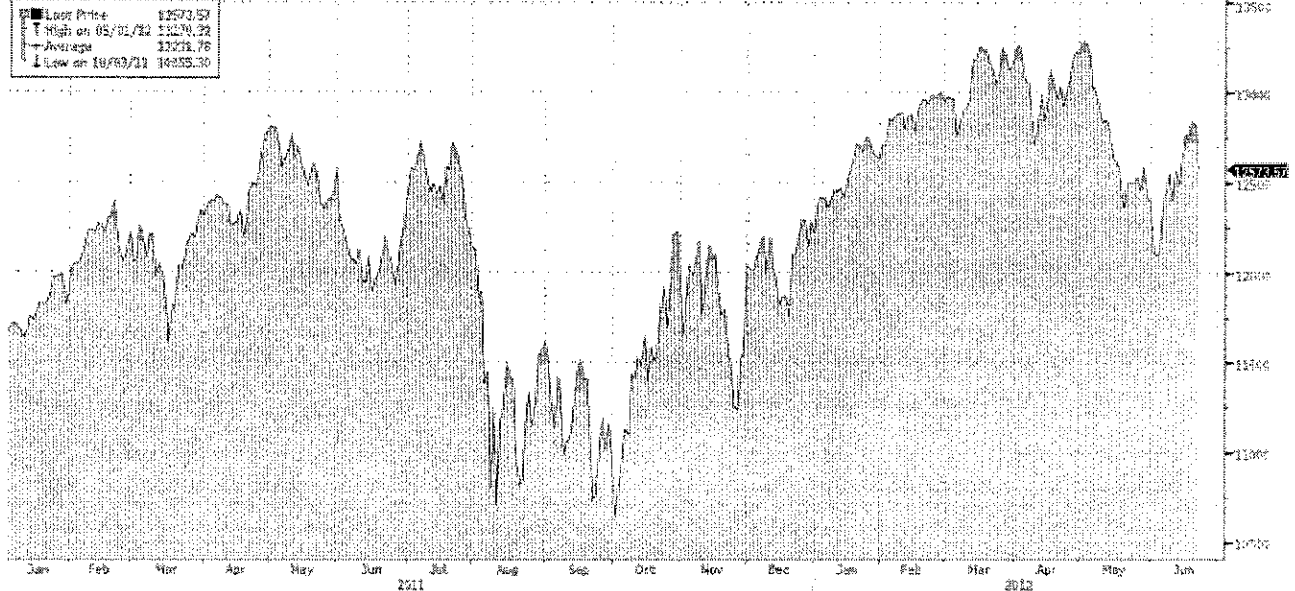
Australia 61 2 9777 8600 Brazil 5511 3048 4500 Europe 44 20 7330 7500 Germany 49 69 9204 1210 Hong Kong 852 2977 6000
 Japan 81 3 3201 8900 Singapore 65 6212 1000 U.S. 1 212 318 2000 Copyright 2012 Bloomberg Finance L.P.
 SN 654759 CDT GMT-5:00 6644-541-0 21-Jun-2012 21:48:22

Dow Since Jan 2011: Up from the depths

INDU Index 99 Save As 90 Actions 97 Edit 98 Table Line Chart

01/03/2011 - 06/22/2012 Last Price Line Compare Mov. Avgs No Lower Chart USD

1D 3D 1M 6M YTD 1Y 5Y Max Daily Security/Study Event



Australia 61 2 9777 8600 Brazil 5511 3048 4500 Europe 44 20 7330 7500 Germany 49 69 9204 1210 Hong Kong 852 2977 6000

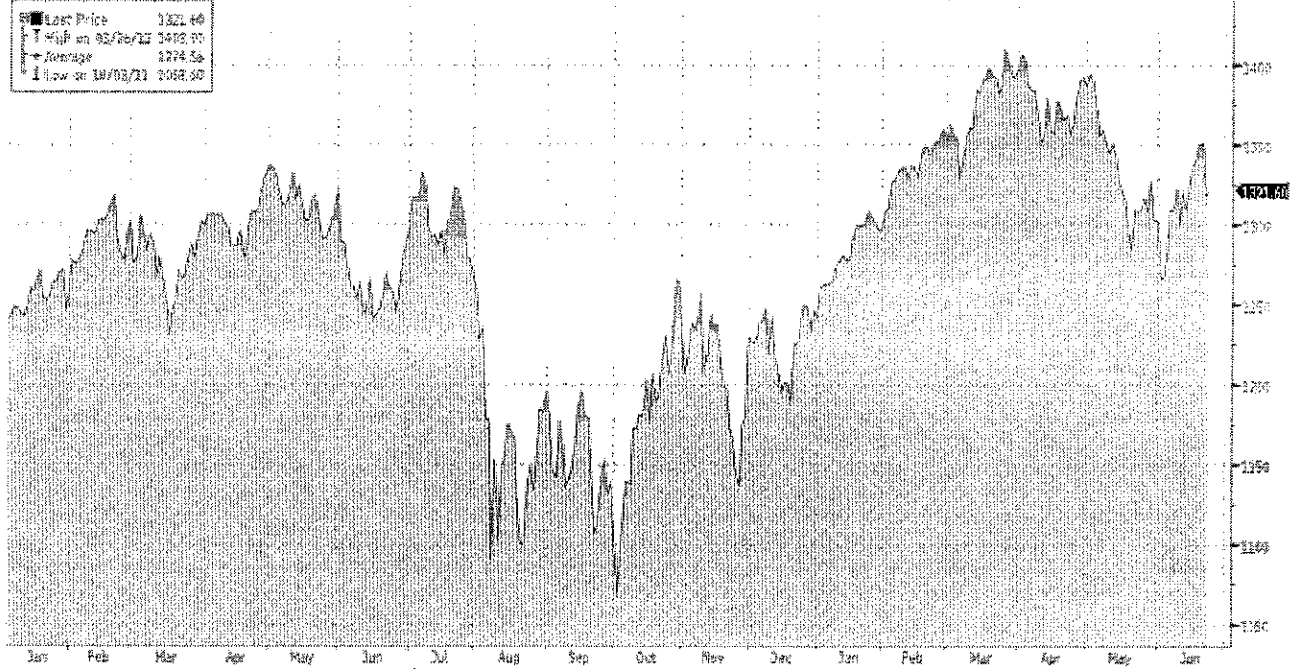
S&P Since Jan 2011: Soaring! (climbing a wall of worry)

SPU2 **↑1321.60** +3.30 1321.30/1322.00

Index **GP**

At DELAYED Vol 274 Op 1319.00 Hi 1322.50 Lo 1318.30 OpInt n.a.

SPU2 COMB Index	95 Save As	96 Actions	97 Edit	98 Table	Line Chart
01/03/2011 - 06/22/2012	Last Price	Line	1) Compare	Mov. Avgs	No Lower Chart
1D 3D 1M 6M YTD 1Y 5Y Max Daily					USD
					Security/Study



Australia 61 2 9777 8600	Brazil 5511 3048 4500	Europe 44 20 7330 7500	Germany 49 69 9204 1210	Hong Kong 852 2977 6000
Japan 81 3 3201 8900	Singapore 65 6212 1000	U.S. 1 212 318 2000	Copyright 2012 Bloomberg Finance L.P.	
SN 654759 CDT GMT-5:00 6644-541-0 21-Jun-2012 21:50:20				

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 16th day of August, 2012 at which a quorum was present:

RESOLUTION #2012-70

WHEREAS, KWORCC has a personnel policy that for its employees;

WHEREAS the KWORCC Personnel Committee have found it to be in the best interest of KWORCC to revise provisions of the personnel policy and have reviewed and recommend to the Board of Trustees to do the same;

NOW, THEREFORE, it is RESOLVED by the KWORCC Board of Trustees that KWORCC's Personnel Policy be revised as follows:

Regular, full-time employees with fewer than five years of service with KWORCC may accumulate up to 18 vacation days (144 hours). Regular, full-time employees with five or more years, but less than 10 years of service with KWORCC may accumulate up to 22 vacation days (176 hours). Regular, full-time employees with 10 or more years, but less than 15 years of service with KWORCC may accumulate up to 26 vacation days (208 hours). Regular, full-time employees with 15 or more years of service with KWORCC may accumulate up to 30 vacation days (240 hours).

This policy (including the amount per month of vacation time and the maximum amount allowed for the accumulation of vacation time) shall apply to regular, part-time employees in the proportion to the time they work during an average work week in the current year.

IN WITNESS WHEREOF, the undersigned has caused this Resolution to be executed this 16th day of August, 2012.


Bonnie Swartz, Secretary

Minutes
Meeting, Board of Trustees
Kansas Workers Risk Cooperative for Counties
August 16, 2012 at 1:00 pm
Clubhouse Inn
924 SW Henderson Road
Topeka, KS 66615

The August 2012 meeting of the Board of Trustees of Kansas Workers Risk Cooperative for Counties (KWORCC) was called to order at 1:08 p.m. on August 16, 2012 in Topeka by Board President Linda Buttron. Trustees attending included: Linda Buttron, Jefferson County Clerk, President; Ralph D. Unger, Decatur County Commissioner, Vice-President; Bonnie Swartz, Gray County Clerk, Secretary; Michelle Garrett, Morris County Clerk, Controller; Steve Garten, Barber County Commissioner; Doyle "Hooley" Alcorn, Jewell 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 Mr. Paul Davis, Ms. Marla Dipman, Mr. Gene Miller and Mr. Jesse Cornejo.

President Buttron first addressed Agenda Item No. 2, "Approval of the Agenda." Mr. Parrish asked that Agenda Item No. 4c be added to the Administrators Report titled, "Discussion of Vehicle Replacement" and that the Agenda be approved with that change. Mr. Unger moved to approve the agenda as amended. Mr. Wise seconded the motion which CARRIED unanimously.

President Buttron addressed Agenda Item No. 3, "Consideration of Minutes of the Meeting of July 19, 2012." Mr. Unger moved to approve the minutes as printed. Ms. Swartz seconded the motion which CARRIED unanimously.

Next, President Buttron asked Mr. Parrish to address Agenda Item No. 4, "Administrator's Report." Mr. Parrish addressed Agenda Item No. 4a, "Checks Requiring Board Approval and Approval of Electronic Transfer of Funds." He itemized the electronic transfer of funds and a check requiring approval. Mr. Alcorn moved to approve the check and ratify the electronic transfers of funds as presented. Mr. Wise seconded the motion which CARRIED unanimously.

Under Agenda Item No. 4b, Mr. Parrish presented a plaque to Mr. Rippee and thanked him for his 25 years as loss prevention specialist for the citizens of Kansas and his service to KWORCC from 2003 to 2012. The Board members also extended their gratitude to Mr. Rippee.

Next, Mr. Parrish proceeded to Agenda Item No. 4c, "Discussion of Vehicle Replacement." He stated that KWORCC's pick-up truck currently has approximately 68,000 miles and was purchased two years ago. He noted that KWORCC normally trades vehicles when the mileage exceeds 70,000 miles but has less than 80,000 miles in order to get the maximum value from the used vehicle. He noted that there are 2012 trucks still available at prices well below retail. He also noted that Mr. Brandon Mann will be starting as KWORCC Loss Prevention Specialist on August 20th and KWORCC should consider the acquisition of a second vehicle for his use. Mr. Unger mentioned the possibility of purchasing a vehicle

through federal surplus. He noted that many of the vehicles have reasonably low mileage and are significantly cheaper than purchasing a vehicle from a dealer. Staff advised they would prepare specifications on the proper form and submit it to the federal surplus office.

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

President Buttron then proceeded to Agenda Item No. 6, "Financial Report." Mr. Alexander discussed in detail the financial statements he prepared for July 2012. Ms. Swartz moved to receive and file the financial report. Dr. Garten seconded the motion which CARRIED unanimously.

Mr. Alexander presented the check register. Ms. Swartz moved to approve check Nos. 14906 through 14941 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 August 8, 2012.

President Buttron addressed Agenda Item No. 7, "Claims Report – IMA." As to Agenda Item No. 7a, "Select Claims Review," Mr. Miller and Ms. Dipman reported claims and answered questions. Included in this report was the status of stale claims from policy years 2002 and 2003 (four claims). Mr. Miller also requested approval of a pending settlement. Mr. Unger moved to approve the proposed course of action for claim number 22010039636. Mr. Wise seconded the motion which CARRIED unanimously.

Ms. Dipman then addressed Agenda Item No. 7b, "Logicomp Bill Review Report." She reported the amount billed totals \$2,106,977 for the period beginning January 1, 2012 through July 31, 2012. She said the actual paid amount for that period totals \$1,159,203, resulting in a net savings of \$947,775 after fees are paid. This is more than 45% 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 2008 through 2012. 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 said the charts show the performance status as of the end of July 2012 and should not be considered a guarantee of either good or poor ultimate-loss performance.

President Buttron called upon Mr. Eyman 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.

President Buttron addressed Agenda Item No. 9, "Legal Report." Mr. Parrish reported he received an updated on the sweep case. He stated that the court has denied the motions for clarifications and has stood fast on its ruling that the plaintiffs don't have the proper standing to pursue the case. Plaintiffs' attorney, Mr. Michael R. O'Neal, is encouraged that we now have an appealable order and will appeal this decision.

President Buttron turned to Agenda Item No. 10, "Committee Reports." Mr. Alcorn asked Mr. Parrish to present the Personnel Committee report. Mr. Parrish reported that the committee recommends substituting the phrase "regular, full-time employees" for "employees" in the vacation accumulation paragraph of the personnel policy. The second paragraph of revisions deals with how this will be handled for part-time employees. Ms. Swartz moved to approve the language change as set forth in Resolution

#2012-70. Mr. Unger seconded the motion which CARRIED unanimously. Mr. Parrish then stated that the second item discussed by the committee was a cost of living adjustment (COLA) for the KWORCC staff. After looking at consumer price index, other research and interviewing selected individual counties, the committee recommends a 2% COLA for KWORCC employees. Mr. Unger moved to adopt a 2% COLA for staff for 2013. Ms. Swartz seconded the motion which CARRIED unanimously. Finally, Mr. Parrish reported that the last item discussed was the addition of Mr. Brandon Mann to the KWORCC staff. Mr. Mann will be starting on Monday, August 20th, 2012. Mr. Rippee's last day will be August 17th, 2012. After searching and conducting interviews for the KWORCC Loss Prevention Specialist position, KWORCC received communication from Mr. Mann that he would like to be considered for the position.

President Buttron then addressed Agenda Item No. 11, "Other Business." President Buttron reminded everyone that the September Board Meeting will be by teleconference.

There being nothing further before the Board, Ms. Swartz moved to adjourn the meeting at 2:05 p.m. Mr. Unger seconded the motion which CARRIED unanimously.

The KWORCC Board of Trustees approved the foregoing minutes on the 20th day of September, 2012.

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

Bonnie Swartz, Secretary
KWORCC Board of Trustees

Minutes
Meeting, Personnel Committee
Kansas Worker Risk Cooperative for Counties
August 16, 2012
Clubhouse Inn
924 SW Henderson Road
Topeka, KS 66615

On Thursday, August 16, 2012, the Personnel Committee of the Kansas Workers Risk Cooperative for Counties ("KWORCC") met at the Clubhouse Inn, Topeka, Kansas. The meeting was called to order by Committee Chair, Doyle "Hooley" Alcorn at 12:03 p.m. Committee Members participating included: Doyle "Hooley" Alcorn, Jewell County Commissioner; Ralph D. Unger, Decatur County Commissioner and Bonnie Swartz, Gray County Clerk. Also present was James W. Parrish, KWORCC Administrator.

Ms. Swartz moved to approve the agenda. Mr. Unger seconded the motion which CARRIED unanimously. Mr. Unger moved to approve the personnel committee meeting minutes dated February 16, 2012 as written. Ms. Swartz seconded the motion which CARRIED unanimously.

Whereupon Chairman Alcorn requested discussion of the proposed revisions to the Personnel Policy. Mr. Parrish explained that the language concerning the accumulation of vacation was arguably ambiguous and the revisions clarify the intent that permanent, part-time employees accumulate according to the time worked per week. Ms. Swartz moved to recommend the changes to the personnel policy, as outlined KWORCC Resolution #2012-70. Mr. Unger seconded the motion which CARRIED unanimously.

Chairman Alcorn next asked the committee to consider the research and information provided by staff concerning COLA for 2013. This included the June press release published by the Bureau of Labor Statistics of the United States Department of Labor. Also included were summary data from studies conducted by Hay Group and WorldatWork as well as the results of contacts made to KWORCC members concerning COLA and/or merit increases. Whereupon, Ms. Swartz moved that the Personnel Committee recommend to the full KWORCC Board of Trustees approval of a 2% cost-of-living adjustment for KWORCC employees for 2013. Mr. Unger seconded the motion which CARRIED by unanimous vote.

Next, Chairman Alcorn asked Mr. Parrish to provide an update on KWORCC's loss prevention personnel. Mr. Parrish indicated Mr. Rippee's last day will be August 17, 2012. He reminded the committee that Mr. Rippee gave notice of retirement in July. Mr. Parrish reported that Brandon Mann was hired for safety, loss prevention and marketing services and will begin work on August 20, 2012. Mr. Eyman was still planning to retire in April of 2013, yet he would be available on a contract basis for part-time work thereafter. The details were still being worked out for those purposes.

There being no further business to come before the Personnel Committee, Ms. Swartz moved to adjourn the meeting at 12:45 p.m. Mr. Unger seconded the motion which CARRIED unanimously.

THE FOREGOING MINUTES of the Personnel Committee of Kansas Workers Risk Cooperative for Counties were executed by the Chair of that Committee on the 21st day of February, 2013.



Bonnie Swartz, Chair
KWORCC Personnel Committee

Minutes
Meeting, Board of Trustees
Kansas Workers Risk Cooperative for Counties
September 20, 2012 at 1:00 pm via Teleconference
700 SW Jackson, Ste 200
Topeka, KS 66603

The September 2012 meeting of the Board of Trustees of Kansas Workers Risk Cooperative for Counties (KWORCC) was called to order via teleconference at 1:00 p.m. on September 20, 2012 in Topeka by Board President Linda Buttron. Trustees attending included: Linda Buttron, Jefferson County Clerk, President; Ralph D. Unger, Decatur County Commissioner, Vice-President; Bonnie Swartz, Gray County Clerk, Secretary; Michelle Garrett, Morris County Clerk, Controller; Steve Garten, Barber County Commissioner; Doyle "Hooley" Alcorn, Jewell County Commissioner and Jim Wise, Miami County Commissioner. Also on the call was Gary Caspers, Cloud 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. Brandon Mann, 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, Ms. Marla Dipman, Mr. Gene Miller and Mr. Jesse Cornejo.

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

Next, President Buttron called upon Mr. Parrish to address Agenda Item No. 3, "Acknowledge Commissioner Gary Caspers, Cloud County Commissioner." Mr. Parrish stated that he invited Mr. Caspers to attend the September and October Board Meetings. Mr. Caspers has expressed an interest in joining the Board and met with Mr. Parrish to discuss KWORCC and the Trustee position. Mr. Parrish stated that Mr. Caspers is a Cloud County commissioner residing in the North Central District and is eligible for the Trustee position when Mr. Alcorn retires at the end of this year. Mr. Caspers expressed his appreciation for being invited to the meeting and stated his desire to serve on the KWORCC Board.

President Buttron addressed Agenda Item No. 4, "Consideration of Minutes of the Meeting of August 16, 2012." Mr. Unger moved to approve the minutes with a spelling correction. Dr. Garten seconded the motion which CARRIED unanimously.

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

Under Agenda Item No. 5b, Mr. Parrish asked the Board to join in welcoming Mr. Brandon Mann. Mr. Parrish gave a brief rundown of Mr. Mann's resume. Brandon stated he was excited about working with the Membership as well as the Board and staff and said KWORCC is a good fit for his aspirations and qualifications.

Next, Mr. Parrish proceeded to Agenda Item No. 5c, "Automobile Purchase." Mr. Parrish stated that Mr. Eyman researched several trucks and published these to the Board. The best deal needed to be finalized quickly, so the purchase was approved by the Board via email prior to the meeting. Mr. Unger moved to ratify the purchase. Ms. Garrett seconded the motion which CARRIED unanimously.

Addressing Agenda Item No. 5d, "Review Draft Budget 2013," Mr. Parrish went over the budget items and answered questions. He specifically noted that there were increases due to KWORCC hiring a full-time person who will office in Topeka and will be driving a KWORCC vehicle next year. Mr. Parrish stated that the draft budget also included ultimate loss estimates from the Centric Actuarial Solutions, LLC. He said the final budget will be presented at the October meeting for the Board's approval.

Ms. Bird addressed Agenda Item No 5e, "Annual meeting Update." She summarized the location for the vendor booth, the booth schedule, the delegates, the nominees for the Board of Trustee positions that are up for election and responsiveness of the membership in meeting details and delegate selection.

President Buttron then proceeded to Agenda Item No. 6, "Marketing Report." Mr. Eyman discussed marketing activities for several counties and responded to questions. Mr. Mann also commented on a prospect to market and follow up.

President Buttron then proceeded to Agenda Item No. 7, "Financial Report." Mr. Alexander discussed in detail the financial statements he prepared for August 2012. Ms. Swartz moved to receive and file the financial report. Ms. Garrett seconded the motion which CARRIED unanimously.

Mr. Alexander presented the check register. Mr. Unger moved to approve check Nos. 14942 through 14991 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 August 12, 2012.

President Buttron addressed Agenda Item No. 8, "Claims Report – IMA." As to Agenda Item No. 8a, "Select Claims Review," Mr. Miller and Ms. Dipman reported on claims and answered questions. Included in this report was the status of stale claims from policy year 2004 (three claims). Mr. Miller also requested approval of a pending settlement. Mr. Unger moved to approve the proposed course of action for claim number 2008034985. Mr. Alcorn seconded the motion which CARRIED unanimously.

Ms. Dipman then addressed Agenda Item No. 8b, "Logicomp Bill Review Report." She reported the amount billed totals \$2,365,685 for the period beginning January 1, 2012 through August 31, 2012. She said the actual paid amount for that period totals \$1,318,674, resulting in a net savings of \$1,047,012 after fees are paid. This is more than 44% of the amount billed for this 8-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 2008 through 2012. 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 said the charts show the performance status as of the end of August 2012 and should not be considered a guarantee of either good or poor ultimate-loss performance.

Mr. Unger excused himself from the meeting at 1:50 p.m.

President Buttron called upon Messrs. Eyman and Mann to address Agenda Item No. 9, "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. Mr. Mann discussed his research and contacts with the state to streamline the inspection process.

President Buttron addressed Agenda Item No. 10, "Legal Report." Mr. Parrish stated there was no legal report at this time.

President Buttron turned to Agenda Item No. 11, "Committee Reports." There were no committee reports.

President Buttron then addressed Agenda Item No. 12, "Other Business." Nothing further was brought before the Board.

There being nothing further before the Board, Ms. Garrett moved to adjourn the meeting at 1:54 p.m. Mr. Alcorn seconded the motion which CARRIED unanimously.

The KWORCC Board of Trustees approved the foregoing minutes on the 18th day of October, 2012.



Bonnie Swartz, Secretary
KWORCC Board of Trustees

Minutes
Meeting, Board of Trustees
Kansas Workers Risk Cooperative for Counties
October 18, 2012 at 1:00 p.m.
Clubhouse Inn
924 SW Henderson Road
Topeka, KS 66615

The October 2012 meeting of the Board of Trustees of Kansas Workers Risk Cooperative for Counties (KWORCC) was called to order at 1:00 p.m. on October 18, 2012 in Topeka by Board President Linda Buttron. Trustees attending included: Linda Buttron, Jefferson County Clerk, President; Ralph D. Unger, Decatur County Commissioner, Vice-President; Bonnie Swartz, Gray County Clerk, Secretary; Michelle Garrett, Morris County Clerk, Controller; Steve Garten, Barber 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. Brandon Mann, 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. Gene Miller and Mr. Jesse Comejo. Also present was Sam Cargnel of Centric Actuarial Solutions, LLC (Centric).

President Buttron first addressed Agenda Item No. 2, "Approval of the Agenda." Mr. Parrish recommended the addition of item 2a, "Excuse Doyle Hooley Alcorn for personal reasons." Mr. Wise moved to approve the agenda with that addition. Mr. Unger seconded the motion which CARRIED unanimously.

Ms. Swartz moved to excuse Mr. Alcorn for personal reasons under Agenda Item No. 2a. Ms. Garrett seconded the motion which CARRIED unanimously.

President Buttron addressed Agenda Item No. 3, "Consideration of Minutes of the Meeting of September 20, 2012." Mr. Unger moved to approve the minutes as presented. Dr. Garten seconded the motion which CARRIED unanimously.

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

Under Agenda Item No. 4b, Mr. Parrish asked Mr. Cargnel to present the Actuarial Report. Mr. Cargnel explained there were increases in cost of claims occurring in 2007, 2009 and 2011. He also stated that he has increased the loss pick for 2012 to \$3.9 million from \$3.6 million. The average cost of claims has been stable over the last several years at \$8,000 per claim; however, due to frequency in 2012, he is now projecting 532 claims by the end of 2012. For 2013, a loss rate of 1.83 per \$100 payroll is predicted which equates to a loss pick of \$3.9 million.

Next, Mr. Parrish proceeded to Agenda Item No. 4c, "Budget 2013." Mr. Parrish went over the budget items and answered questions. He specifically noted that there were increases due to KWORCC hiring a full-time person who will have an office in Topeka and will be driving a KWORCC vehicle next year. Mr. Parrish stated that the budget also included ultimate loss estimates from Centric. Mr. Unger moved to approve the budget with a modification to one heading for clarity. Ms. Swartz seconded the motion which CARRIED unanimously.

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

President Buttron then proceeded to Agenda Item No. 6, "Financial Report." Mr. Alexander discussed in detail the financial statements he prepared for September 2012. Ms. Swartz moved to receive and file the financial report. Ms. Garrett seconded the motion which CARRIED unanimously. Mr. Unger moved to allocate \$70,000 in investment income to policy year 2007. Mr. Wise seconded the motion which CARRIED unanimously. Next, Mr. Alexander discussed in detail the third quarterly financial report for 2012 he prepared for filing with the Kansas Insurance Department (KID). Ms. Swartz moved to approve filing the report with the KID. Dr. Garten seconded the motion which CARRIED unanimously.

Mr. Alexander presented the check register. Ms. Swartz moved to approve check Nos. 14992 through 15025 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 October 10, 2012.

A short break was declared in the meeting at 1:50 p.m. The meeting resumed at 2:03 p.m.

President Buttron addressed Agenda Item No. 7, "Claims Report – IMA." As to Agenda Item No. 7a, "Select Claims Review," Mr. Miller reported on claims and answered questions. Included in this report was the status of stale claims from policy year 2005 (seven claims). Mr. Miller also requested approval of a pending settlement. Dr. Garten moved to approve the proposed course of action for claim number 2012042568. Ms. Swartz seconded the motion which CARRIED unanimously.

Mr. Miller then addressed Agenda Item No. 7b, "Logicomp Bill Review Report." He reported the amount billed totals \$2,612,860 for the period beginning January 1, 2012 through September 30, 2012. He said the actual paid amount for that period totals \$1,485,701, resulting in a net savings of \$1,127,160 after fees are paid. This is more than 43% of the amount billed for this 9-month period.

Mr. Cornejo 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 2012. 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 said the charts show the performance status as of the end of September 2012 and should not be considered a guarantee of either good or poor ultimate-loss performance.

President Buttron called upon Messrs. Eyman and Mann to address Agenda Item No. 8, "Loss Prevention and County Visits." Mr. Mann discussed additional information on completing inspection reports while in the field and streamlining the process of sending the completed reports to the counties. 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 Buttron addressed Agenda Item No. 9, "Legal Report." Mr. Parrish stated that attorney Mike O'Neal was appointed staff counsel for Kansas Chamber of Commerce, yet received authority to continue as lead counsel on the sweep case. Other than that, there was no progress or anything additional to report with regard to the sweep case.

President Buttron turned to Agenda Item No. 10, "Committee Reports." She reminded the Investment Committee that they would meet immediately preceding the Board meeting in December.

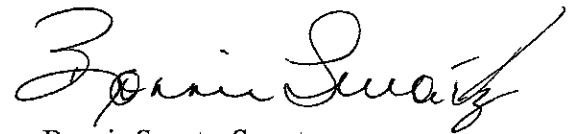
President Buttron then addressed Agenda Item No. 11, "Other Business." Mr. Unger identified two potentials for appointment to his position on the KWORCC Board. He discussed their merits and why they would be an asset. Mr. Parrish also discussed inviting Commissioner Casper to the December meeting to discuss his appointment to Mr. Alcorn's seat as a trustee when Mr. Alcorn retires in January.

Ms. Bird reminded the Board that the KAC meeting is Tuesday, November 13th through Thursday, November 15th. The vendor booth is Tuesday evening and Wednesday morning. Ms. Bird encouraged everyone to sign up to work the booth. The KWORCC annual meeting will be Wednesday evening in Heritage Hall.

Mr. Wise reported that Miami County voted to stay with KWORCC for workers compensation insurance in 2013.

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

The KWORCC Board of Trustees approved the foregoing minutes on the 13th day of December, 2012.



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, 2012

The Annual Meeting of Kansas Workers Risk Cooperative for Counties (KWORCC) was called to order by Board President Linda Buttron, Jefferson County Clerk, on Wednesday, November 14, 2012 at the Capital Plaza Hotel and Convention Center, Topeka, Kansas. Trustees present: Linda Buttron, Jefferson County Clerk, President; Ralph D. Unger, Decatur County Commissioner, Vice-President; Bonnie Swartz, Gray County Clerk, Secretary; Michelle Garrett, Morris County Clerk, Controller; Steve Garten, Barber County Commissioner; and Jim Wise, Miami County Commissioner.

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

Others present for KWORCC: Mr. Jess Cornejo, Ms. Marla Dipman, Mr. Paul Davis and Mr. Gene Miller of Insurance Management Associates, Inc.

President Buttron called the meeting to order at 5:22 p.m. and verified that a quorum was present. Mr. Parrish announced that a total of 36 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; R. Allen Warren, Bourbon County Commissioner, Delegate; Gary Caspers, Cloud County Commissioner, Delegate; Ralph D. Unger, Decatur County Commissioner, Delegate; Brad Homman, Dickinson County Commissioner, Delegate; Jerry King, Ford County Commissioner, Delegate; Don Stottlemire, Franklin County Commissioner, Alternate; Florence Whitebread, Geary County Commissioner, Delegate; Mahlon Tuttle, Gove County Commissioner, Delegate; Bonnie Swartz, Gray County Clerk, Delegate; Edward Buckle, Greenwood County Commissioner, Delegate; Nikki Schwerdfeger, Hamilton County Commissioner, Delegate; Mike Lewis, Hamilton County Commissioner, Alternate; Cheryl Adelhardt, Harper County Clerk, Delegate; Marge Roberson, Harvey 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, Alternate; Michael Page, Linn County Commissioner, Delegate; Rollie Martin, Lyon County Commissioner, Delegate; Daniel Holub, Marion County Commissioner, Delegate; Thomas K. Holle, Marshall County Commissioner, Delegate; Jim Wise, Miami County Commissioner, Delegate; Tom Claussen, Mitchell County Commissioner, Delegate; Michelle Garrett, Morris County Clerk, Delegate; Teresa Harder, Morton County Commissioner, Delegate; John Miller, Norton County Commissioner, Alternate; Kenneth Kuykendall, Osage County Commissioner, Delegate; Bryan Byrd, Osborne County Commissioner, Delegate; James P. Kay, Ottawa County Commissioner, Alternate; Kathy Bowman, Pawnee County Commissioner, Delegate; Leonard A. Mastroni,

Rush County Commissioner, Delegate; James Minnix, Scott County Commissioner, Delegate; Doyle Kauk, Sheridan County Commissioner, Delegate; Dave Bozone, Stevens County Commissioner, Delegate and Dean L. Papes, Trego County Commissioner, Alternate.

President Buttron then addressed Agenda Item No. 2, "Approval of the Agenda." Ralph Unger, Decatur County Commissioner moved to approve the agenda as presented. R. Steven Garten, Barber County Commissioner seconded the motion which CARRIED unanimously.

President Buttron addressed Agenda Item No. 3, "Consideration of the Minutes of the Meeting of November 14, 2011." Ralph D. Unger, Decatur County Commissioner, moved to approve the minutes as presented. Jim Wise, Miami County Commissioner, seconded the motion which CARRIED unanimously.

President Buttron next addressed Agenda Item No. 4, "Election of KWORCC Trustees." She announced that there were three positions open, with nominations received for the following: Michelle, Garrett, Morris County Clerk, incumbent for the At Large position; Linda Buttron, Jefferson County Clerk, incumbent for the Northeast District; Bonnie Swartz, Gray County Clerk, incumbent, for the Southwest District. President Buttron then asked for nominations from the floor. There were no further nominations. President Buttron called for a motion to close nominations. Doyle "Hooley" Alcorn, Jewell County Commissioner, so moved and was seconded by Vernon Hay, Morris County Commissioner. The motion CARRIED unanimously. Dudley R. Feuerborn, Anderson County Commissioner, then moved to accept the ballot as printed and approve a unanimous ballot for the positions. Florence Whitebread, Geary County Commissioner, seconded the motion which CARRIED unanimously.

President Buttron addressed the membership, pursuant to Agenda Item No. 5, "President's Opening Remarks." President Buttron introduced the members of the KWORCC Board of Trustees, the KWORCC staff and the representatives from IMA. She discussed the current status of KWORCC membership, noting that the pool has 69 members including 64 county members, two hospitals and three county instrumentalities.

President Buttron 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 Buttron 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, 2012.

President Buttron asked that Messrs. Carl Eyman and Brandon Mann address Agenda Item No. 7, "Safety Services Report." Messrs. Eyman and Mann reported on their visits to counties for loss-prevention visits and inspections. The loss prevention staff has made 302 county visits including 6 claims investigations, 30 education classes, 76 safety classes and 208 safety inspections. They encouraged the member representatives to contact KWORCC to schedule safety training and to take advantage of the online training and safety videos available for check out from KWORCC's extensive video library.

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

<u>Premium</u>	<u>Winners</u>	<u>Loss Ratio</u>
0-\$50,000	1 st – Comanche County	0.23%
	2 nd – Lane County	2.78%
	3 rd – Wallace County	3.12%
\$51,000—	1 st (tie) – Norton County	0.00%
	1st (tie) - Jewell County	0.00%
\$125,000	2 nd – Doniphan County	0.15%
	3 rd – Morton County	1.23%
Greater than \$125,000	1 st – Jefferson County	1.18%
	2 nd – Geary County	7.87%
	3 rd – Pottawatomie County	9.10%

President Buttron asked Mr. Parrish to address Agenda Item No. 8, "Presentation of 2013 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 Buttron addressed Agenda Item No. 9, "Other Business." Mr. Unger thanked the membership for their confidence in his and Hooley's leadership over the years. He also encouraged members to promote the pools to their neighbor counties.

There being no further business President Buttron declared the meeting adjourned at 5:44 p.m.

Respectfully Submitted for Approval



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 13th day of December, 2012 at which a quorum was present:

RESOLUTION #2012-102


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, 2012 through November 30, 2012, 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, 2012 through November 30, 2012, having been reviewed and determined to be made in accordance with K.S.A. 40-2a01 and KWORCC’s investment policy hereby are approved.

IN WITNESS WHEREOF, the undersigned has caused this Resolution to be executed this 13th day of December, 2012.


Bonnie Swartz, Secretary

InTrader (trdhist) 12/03/12

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	07/01/2012	11/30/2012		n
Trade Date				n
Settle Date				n
Bank Eligible		ZZ		n
Purch/Sale/Both				b
Int/Mat/Both				n
Fed Funds				n
Repo Agmnts				n

For Trades Executed At: Country Club Bank Country Club Bank

Ticket Nbr	Cust 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	Rees
Port ID	Sec Descrip 3	Mat Date	Fail Del	Trd Status	Trd For	Price	Withholding
Deal ID	Moody/StdPoor/MktRtg	CPN Rate	Fail Pmt	Conv	Yield	Penalty	Total Amt
	Broker	Cloc/Proc	Pay/Del	Buyback			
	Comm Basis						
31111815	KWORCC (302)	E/*		08/01/2012	1.0000000000	1,000,000.00	1,000,000.00
300121	FANNIE MAE	C-08/21/13		08/01/2012	Sale	1,000,000.00	41.67
3136GOW1	QTRLY CALL BEG 8/21/13	100.000		08/22/2012	skml44	100.00	.00
3136GOW1		02/21/2020	n-08/22/12	09	BCT	100.000000000	.00
011-APP	Aaa/AA+/	1.5	n-08/22/12	na			.00
0		ccf/ccf	c/skl	n	1.5000000		1,000,041.67
311112293	KWORCC (302)	E/*		08/14/2012	1.0000000000	250,000.00	252,878.82
300121	FREDDIE MAC	C-03/05/14		08/14/2012	Sale	250,000.00	2,222.22
3134G3QR4	ONE TIME CALL 3/05/14	100.000		08/15/2012	skml44	101.1515284	.00
3134G3QR4		03/05/2020	n-08/15/12	09	BCT	101.151528400	.00
032-AGCY	Aaa/AA+/	2.0	n-08/15/12	na			.00
0		ccf/ccf	c/skl	n	1.2500000		255,101.04
31114746	KWORCC (302)	E/*		10/15/2012	1.0000000000	420,000.00	420,000.00
300121	FANNIE MAE	C-10/30/14		10/15/2012	Sale	420,000.00	.00
3136G0U66	ONE TIME CALL 10/30/14	100.000		10/30/2012	skml44	100.00	.00
3136G0U66		10/30/2024	n-10/30/12	09	BCT	100.000000000	.00
032-agcy	Aaa/AA+/	2.25	n-10/30/12	na			.00
0		ccf/ccf	c/skl	n	2.2500000		420,000.00
311115984	KWORCC (302)	E/*		11/15/2012	1.0000000000	1,000,000.00	1,000,000.00
300121	FREDDIE MAC	C-11/26/14		11/15/2012	Sale	1,000,000.00	166.67
3134G3X54	ONE TIME CALL 11/26/14	100.000		11/29/2012	skml44	100.00	.00
3134G3X54	MEDIUM TERM NOTE	05/26/2023	n-11/29/12	09	BCT	100.000000000	.00
032-AGCY	Aaa/AA+/	2.0	n-11/29/12	na			.00
0		ccf/ccf	c/skl	n	2.0000000		1,000,166.67
311116188	KWORCC (302)	E/*		11/20/2012	1.0000000000	1,000,000.00	999,988.89
300121	U.S. Treasury Bills	.000		11/20/2012	Sale	1,000,000.00	.00
9127956U0		11/29/2012	n-11/21/12	09	skml44	D.05000	.00
9127956U0			n-11/21/12	na	BCT	99.998888900	.00
027-TBALL	//						.00
0		ccf/ccf	c/skl	n	.0500000		999,988.89

Report Totals

Par: 3,670,000.00

Prin: 3,672,867.71
 Int: 2,430.56
 Total: 3,675,298.27

Minutes
Meeting, Board of Trustees
Kansas Workers Risk Cooperative for Counties
December 13, 2012 at 2:00 pm
Clubhouse Inn
924 SW Henderson Road
Topeka, KS 66615

The December 2012 meeting of the Board of Trustees of Kansas Workers Risk Cooperative for Counties (KWORCC) was called to order at 2:07 p.m. on December 13, 2012 in Topeka by Board President Linda Buttron, Jefferson County Clerk. Trustees attending included: Linda Buttron, Jefferson County Clerk, President; Ralph D. Unger, Decatur County Commissioner, Vice-President; Bonnie Swartz, Gray County Clerk, Secretary; Michelle Garrett, Morris County Clerk, Controller; Doyle "Hooley" Alcorn, Jewell County Commissioner; Steve Garten, Barber 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. Brandon Mann, 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) was represented by Mr. Paul Davis, Mr. Gene Miller and Mr. Jessie Cornejo. Also present was Mr. Chris Thompson of Country Club Bank, Mr. Stanley McEvoy, Decatur County Commissioner and Mr. Gary Caspers, Cloud County Commissioner.

President Buttron first addressed Agenda Item No. 2, "Approval of the Agenda." Mr. Parrish recommended the addition of Agenda Item No. 5h, "Reinsurance Proposals," under the Administrator's Report. Mr. Wise moved to approve the agenda with that addition. Mr. Unger seconded the motion which CARRIED unanimously.

President Buttron addressed Agenda Item No. 3, "Consideration of Minutes of Meeting of October 18, 2012." Mr. Unger moved to approve the minutes with minor typographical correction. Ms. Swartz seconded the motion which CARRIED unanimously.

President Buttron welcomed Mr. Thompson. Mr. Thompson presented the portfolio update for KWORCC's fixed income holdings. 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 and a half years and the average yield is approximately 2.2%. Mr. Thompson requested and responded to questions. President Buttron thanked Mr. Thompson for his informative report.

President Buttron 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 advised there were no checks to present and identified the electronic transfers of funds requiring ratification. Ms. Swartz moved to ratify the electronic transfers of funds as presented. Mr. Wise seconded the motion which CARRIED unanimously.

Next, Mr. Parrish addressed Agenda Item No. 5b, "Presentations to Ralph D. Unger and Doyle 'Hooley' Alcorn." Mr. Parrish spoke of the dedication and leadership afforded to KWORCC by Messrs. Unger and Alcorn. President Buttron presented inscribed plaques with clock insert and thanked Mr. Alcorn for his service to KWORCC from 1995 to 2012 and Mr. Unger for his service to KWORCC from 1993 to 2012.

Next, Mr. Parrish asked Ms. Bird to explain Agenda Item No. 5c, "Contracts." Ms. Bird presented the contract renewal for IMA. She explained that the contract is the same as last year except for the dates and the addition of Cornerstone Risk Solutions as a third party to the contract and other changes necessitated by that change. Ms. Swartz moved to approve the renewal of the IMA contract. Dr. Garten 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 2013 budget and a couple of changes made for clarification. Ms. Swartz moved to approve the contract renewal with Parrish Management Corporation. Ms. Garrett seconded the motion which CARRIED unanimously. Next Ms. Bird presented the lease renewal with Jayhawk Tower Partners. She stated the only change is the dates. Ms. Swartz moved to approve the lease with Jayhawk Tower Partners. Mr. Wise 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 2012 and that the expenditures were approved in the 2013 budget. Ms. Bird recommended that the Board approve the GovU and KAC contract renewals. Ms. Garrett moved to approve the contracts as presented by staff counsel. Mr. Unger seconded the motion which CARRIED unanimously.

Mr. Parrish then addressed Agenda Item No. 5d, "Consideration of Employment Agreement with Ralph D. Unger." He explained this was a recommendation by the staff to allow KWORCC to take advantage of Mr. Unger's experience and location in the extreme northwest part of the state. This would be a part time position with a provision that Mr. Unger would not be required to travel more than 150 miles of his home. Ms. Garrett moved to approve the creation of an employment contract with Mr. Unger. Mr. Wise seconded the motion which CARRIED with Mr. Unger abstaining.

Mr. Parrish then addressed Agenda Item No. 5e, "2013 Premiums Approval." Mr. Parrish presented a worksheet itemizing data and proposed 2013 premiums for each member. After discussion, Ms. Swartz moved to approve the premiums as presented, subject to staff verification of final calculations. Ms. Garrett seconded the motion which CARRIED unanimously.

Next, Mr. Parrish addressed Agenda Item No. 5f, "Appointment of Trustees." He explained there will be two vacancies on the KWORCC Board with the departure of Mr. Alcorn and Mr. Unger in January, and these positions both have unexpired terms. Mr. Parrish recommended the Board appoint Mr. Caspers to the north central seat being vacated by Mr. Alcorn and Mr. McEvoy to fill the northwest seat being vacated by Mr. Unger. Ms. Swartz moved to appoint Messrs. Caspers and McEvoy as Trustees for KWORCC. Mr. Unger seconded the motion which CARRIED unanimously.

Ms. Bird then addressed Agenda Item No. 5g, "Schedule 2013 KWORCC Board Meetings." After discussion, the following dates were chosen for KWORCC Board meetings in 2013: Thursday, January 17th; Thursday, February 21st; Thursday, March 21st via teleconference; Thursday, April 25th; Thursday, May 16th; Thursday, June 20th via teleconference; Thursday, July 18th; Thursday, August 15th via teleconference; Thursday, September 19th; Wednesday, October 30th (Annual Meeting); Thursday, November 14th via teleconference and Thursday, December 19th. The annual meeting is planned to coincide with the annual conference of the Kansas Association of Counties (KAC) beginning Tuesday, October 29th. Ms. Swartz moved to approve the dates, and that all of the meetings begin at 1:00 p.m. Mr. Wise seconded the motion which CARRIED unanimously.

Mr. Parrish then addressed Agenda Item No. 5h, "Reinsurance Proposals." He presented three proposals and stated that the staff recommended accepting "Option 1." Mr. Davis stated that there are three main reinsurance providers, Midwest Employers Mutual, Safety National Casualty Company (SNCC) and New York Magic. After discussing options, SNCC was the only company that would give KWORCC coverage comparable to what it has had. In Option 3, SNCC is proposing an increase in

retention to \$750,000 and the premiums would go down slightly. In Option 2, SNCC is proposing that the retention for police officers and fire fighters would be \$750,000 , and \$650,000 would be the retention for all other county employees. This option would be the same cost as the 2012 plan. In Option 1, SNCC is proposing \$650,000 retention on all claims with a 7% increase in premiums. Mr. Unger moved to approve Option 1. Ms. Swartz seconded the motion which CARRIED unanimously.

President Buttron declared a break in the meeting at 3:15 p.m. The meeting resumed at 3:30 pm.

President Buttron 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 one additional county will be joining the pool. There are still a few outstanding bids that will be presented before the end of the year.

Next, upon the request of staff, President Buttron addressed Agenda Item No. 9a, "Field ID Demonstration." Mr. Mann connected via the internet with Field ID and Darcie Dasilva. Mr. Dasilva gave a presentation on the Field ID system. This paperless system allows safety inspections and reports to occur simultaneously with instant notification to all concerned and reminders to follow up and compliance. He stated there was a \$2,500 start up fee and a \$2,700 annual cost for one user. Additional full users would cost \$1,200 per year. Partial users would cost \$780 per year. There is also the option of getting up to 10 reporting users at the rate of \$600 a year.

President Buttron then proceeded to Agenda Item No. 7, "Financial Report." Mr. Alexander discussed in detail the financial statements he prepared for October and November 2012. Ms. Swartz moved to receive and file the financial reports. Mr. Wise seconded the motion which CARRIED unanimously.

Mr. Alexander presented the check register. Mr. Unger moved to approve check Nos. 15026 through 15082 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 December 5, 2012.

President Buttron addressed Agenda Item No. 8, "Claims Report – IMA." As to Agenda Item No. 8a, "Select Claims Review," Mr. Miller and Ms. Dipman reported on claims and answered questions. Included in this report was the status of stale claims from policy year 2006 (six claims). Mr. Miller also requested approval of a pending settlement. Ms. Swartz moved to approve the proposed course of action for claim number 2010038507. Ms. Garrett seconded the motion which CARRIED unanimously.

Ms. Dipman then addressed Agenda Item No. 8b, "Logicomp Bill Review Report." Ms. Dipman reported the amount billed totals \$2,909,576 for the period beginning January 1, 2012 through November 30, 2012. She said the actual paid amount for that period totals \$1,691,639, resulting in a net savings of \$1,217,937 after fees are paid. This is more than 42% 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 2008 through 2012. 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, 2012 and should not be considered a guarantee of either good or poor ultimate-loss performance.

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

President Buttron turned to Agenda Item No. 11, "Committee Reports." Mr. Wise reported that the Investment Committee met prior to the Board meeting and recommended the Board adopt resolution #2012-102. Mr. Unger moved that the Board follow the committee's recommendation; Ms. Garrett seconded the motion which CARRIED unanimously.

President Buttron 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 4:35 p.m. Ms. Garrett seconded the motion which CARRIED unanimously.

The KWORCC Board of Trustees approved the foregoing minutes on the 17th day of January, 2013.

A handwritten signature in cursive script, reading "Bonnie Swartz". The signature is written in black ink and is positioned above the printed name and title.

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
December 13, 2012

On Thursday, December 13, 2012 at 1:00 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 Jim Wise, Committee Chairman. The other 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.

Chairman Wise asked for consideration of the Agenda. Ms. Garrett moved to approve the published agenda. Mr. Unger seconded the motion which CARRIED unanimously.

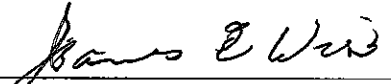
Chairman Wise asked for consideration of the Committee meeting on July 19, 2012. Mr. Unger moved to approve the minutes as published. Ms. Garrett seconded the motion which CARRIED unanimously.

Chairman Wise asked for consideration of KWORCC Resolution No. 2012-102, with the attached itemization of purchases and sales of US Government securities from the period beginning July 1, 2011 through November 30, 2012. The Committee reviewed the investment transactions and the resolution. Mr. Unger moved that the Investment Committee recommend that the KWORCC Board of Trustees adopt KWORCC Resolution 2012-102 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. Ms. Garrett seconded the motion which CARRIED unanimously.

Chairman Wise called upon Mr. Thompson to discuss KWORCC's bond portfolio. Mr. Thompson referred to a document prepared for the Committee and attached to these minutes (and made a part hereof) entitled "KWORCC Bond Portfolio Update: December 13, 2012." This document summarizes details of the bond holdings, major market themes impacting the portfolio and Mr. Thompson's investment strategy. Mr. Thompson then responded to questions.

Chairman Wise 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 2:01 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 18, 2013.



James E. Wise, Chair
KWORCC Investment Committee