

I, Bonnie Swartz, Secretary of Kansas Workers Risk Cooperative for Counties, hereby certify that the following is a true and correct copy of a Resolution duly adopted by unanimous vote of the Board of Trustees of KWORCC at a meeting duly called and held on the 17th day of January, 2013 at which a quorum was present:

RESOLUTION # 2013-05

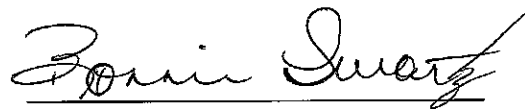
WHEREAS the Kansas Workers Risk Cooperative for Counties has determined that the financial statements and financial reports to be prepared for the year ending December 31, 2012, if prepared in conformity with the requirements of K.S.A. 75-1120a(a) will not be relevant to the requirements of the cash 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 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, 2012;

NOW, THEREFORE BE IT RESOLVED, by the Board of Trustees of Kansas Workers Risk Cooperative for Counties, in its regular meeting duly assembled this 17th day of January, 2013, that the Board of Trustees waives the requirements of K.S.A. 75-1120a(a) as they apply to Kansas Workers Risk Cooperative for Counties for the year ending December 31, 2012.

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

IN WITNESS WHEREOF, the undersigned has caused this Resolution to be executed this 17th day of January, 2013.



Bonnie Swartz, Secretary

Minutes
Meeting, Board of Trustees
Kansas Workers Risk Cooperative for Counties
January 17, 2013 at 1:00 pm
Clubhouse Inn
924 SW Henderson Road
Topeka, KS 66615

The January 2013 meeting of the Board of Trustees of Kansas Workers Risk Cooperative for Counties (KWORCC) was called to order at 1:04 p.m. on January 17, 2013 in Topeka by Board President Linda Buttron, Jefferson County Clerk. Trustees attending included: Linda Buttron, Jefferson County Clerk, President; Bonnie Swartz, Gray County Clerk, Secretary; Michelle Garrett, Morris County Clerk, Controller; Gary Caspers, Cloud County Commissioner; Steve Garten, Barber County Commissioner; Stanley McEvoy, Decatur County Commissioner and Jim Wise, Miami County Commissioner.

Staff participating included Mr. James W. Parrish, Administrator; Ms. Dortha O. Bird, Deputy Administrator and Staff Counsel; Mr. Carl Eyman, Deputy Administrator and Loss Prevention Specialist; Mr. Brandon Mann, Loss Prevention Specialist; Mr. Richard Alexander, Accountant; Mr. Ralph Unger, Member Services Representative and Ms. Nicole Jarboe-Paxson, Executive Assistant and Media Director.

Insurance Management Associates (IMA) was represented by Mr. Paul Davis, Mr. Gene Miller and Ms. Marla Dipman.

President Buttron first addressed Agenda Item No. 2, "Approval of the Agenda." Mr. Parrish recommended the addition of Agenda Item No 7b, "Interim Pre-Audit KID 4th Quarterly Filing" and then re-letter Agenda Item Nos. 2b and 2c to 2c and 2d, respectively. Ms. Swartz moved to approve the agenda with that modification. Mr. Wise seconded the motion which CARRIED unanimously.

President Buttron addressed Agenda Item No. 3, "Consideration of Minutes of Meeting of December 13, 2012." Mr. Wise moved to approve the minutes as presented. Ms. Garrett seconded the motion which CARRIED unanimously.

Next, President Buttron 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 Michelle Garrett, President; Jim Wise, Vice-President; Bonnie Swartz, Secretary and Linda Buttron, Controller. Mr. Parrish then described staff recommendations for committee chairs and membership which includes Bonnie Swartz, Chair Personnel Committee with Steven Garten and Michelle Garrett as committee members; Jim Wise as Chair of Investment Committee with Gary Caspers and Stan McEvoy as committee members; Steve Garten as Chair of Audit Committee with Linda Buttron and Michelle Garrett as committee members and Linda Buttron as Chair of the Joint KWORCC/KCAMP Committee on Cooperation with Bonnie Swartz and Jim Wise as committee members. Mr. McEvoy moved to close nominations, elect the slate of officers and to ratify appointment of committee members as proposed. Ms. Swartz seconded the motion which CARRIED unanimously.

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

President Garrett proceeded to Agenda Item No. 5a of the Administrator's Report, "Presentation to Past-President Linda Buttron." She presented a plaque and expressed appreciation to Ms. Buttron for her year of service. Ms Buttron thanked the Board members for their support during her year as President and for the opportunity to serve as Board President.

President Garrett next asked Mr. Parrish to present the remainder of Agenda Item No. 5, "Administrator's Report." Mr. Parrish first addressed Agenda Item No. 5b, "Checks Requiring Board Approval and Ratification of Wire Transfers." He advised there were no electronic transfer of funds to present and itemized the checks requiring approval. Dr. Garten moved to approve the checks as presented. Mr. Wise 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, "Waiver of GAAP, Resolution No. 2013-05." He explained the purpose of the resolution is to comply with statutory accounting as opposed to generally accepted accounting principles. Mr. Caspers moved that the resolution be adopted. Mr. McEvoy seconded the motion which CARRIED unanimously.

Ms. Bird then circulated new signature cards for the bank accounts under Agenda Item No. 5e. She asked that the trustees verify their information and sign the cards.

Mr. Parrish then asked Ms. Bird to address Agenda Item No. 5f, "PRIMA National." The annual National PRIMA conference will be in Tampa, Florida beginning June 2nd, 2013 and ending on June 5, 2013. Ms. Bird discussed itinerary, travel preferences, accommodations and registration details.

Mr. Parrish then addressed Agenda Item No. 5g, "Member Services Employment Agreement." He presented the agreement with Mr. Unger that had been approved at the last meeting.

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

President Garrett then proceeded to Agenda Item No. 7, "Financial Report." Mr. Alexander discussed in detail the pre-audited financial statements he prepared for December 2012. He stated the reports do not include the most recent actuarial review and the results of the 2012 payroll audits, so were very preliminary. Ms. Swartz moved to receive and file the financial reports. Ms. Buttron seconded the motion which CARRIED unanimously.

Mr. Alexander then discussed in detail the interim, pre-audited fourth quarterly financial report for 2012 he prepared for filing with Kansas Insurance Department. Ms. Swartz moved to approve filing the report as proposed. Mr. Wise seconded the motion which CARRIED unanimously.

Mr. Alexander presented the check register. Dr. Garten moved to approve check Nos. 15083 through 15154 and the direct debits. Ms. Buttron seconded the motion which CARRIED unanimously.

Next, Mr. Alexander reviewed reports showing the value of KWORCC's equity investments as of January 8, 2013. Messrs. Parrish and Alexander explained the investment statutes and policy applicable to KWORCC's investment strategy.

President Garrett addressed Agenda Item No. 8, "Claims Report – IMA." As to Agenda Item No. 8a, "Select Claims Review," Ms. Dipman reported on a claim and answered questions. She also requested approval of a pending settlement. Ms. Buttron moved to approve the proposed course of action for claim number 2009037526. Ms. Swartz seconded the motion which CARRIED unanimously.

Ms. Dipman then addressed Agenda Item No. 8b, "Logicomp Bill Review Report." She reported the amount billed totals \$3,105,389 for the period beginning January 1, 2012 through December 31, 2012. She said the actual paid amount for that period totals \$1,792,607, resulting in a net savings of \$1,312,783 after fees are paid. This is more than 42% 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 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 December, 2012 and should not be considered a guarantee of either good or poor ultimate-loss performance.

President Garret declared a short break at 2:07 p.m. The meeting resumed at 2:20 p.m.

President Garrett called upon Messrs. Eyman and Mann 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 Garrett addressed Agenda Item No. 10, "Legal Report." Mr. Parrish stated there was no legal report.

President Garrett turned to Agenda Item No. 11, "Committee Reports." She reminded the Board that there is a Personnel Committee meeting at noon before the February 21st Board meeting.

President Garrett then addressed Agenda Item No. 12, "Other Business." Mr. Unger thanked the board and the staff for attending his retirement party and the floral arrangement that was sent. He then reviewed the history of the pool for the new Board members. President Garrett thanked Mr. Unger for his report.

There being nothing further before the Board, Mr. Wise moved to adjourn the meeting at 2:56 p.m. Ms. Swartz seconded the motion which CARRIED unanimously.

The KWORCC Board of Trustees approved the foregoing minutes on the 21st day of February, 2013.



Bonnie Swartz, Secretary
KWORCC Board of Trustees

Minutes
Meeting, Board of Trustees
Kansas Workers Risk Cooperative for Counties
February 21, 2013 at 1:00 pm via Teleconference
700 SW Jackson, Ste 200
Topeka, KS 66603

The February 2013 meeting of the Board of Trustees of Kansas Workers Risk Cooperative for Counties (KWORCC) was called to order via teleconference at 1:03 p.m. on February 21, 2013 in Topeka by Board President Michelle Garrett. Trustees attending included: Michelle Garrett, Morris County Clerk, President; Jim Wise, Miami County Commissioner, Vice-President; Bonnie Swartz, Gray County Clerk, Secretary; Linda Buttron, Jefferson County Clerk, Controller; Steve Garten, Barber County Commissioner; Gary Caspers, Cloud County Commissioner and Stan McEvoy, 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. Brandon Mann, Loss Prevention Specialist; Mr. Richard Alexander, Accountant; Mr. Ralph D. Unger, Member Services Representative 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, Ms. Ashley Boydston and Mr. Jess Cornejo. Also in attendance was Mr. Sam Cargnel, of Centric Actuaries Solutions.

President Garrett first addressed Agenda Item No. 2, "Approval of the Agenda." Mr. Parrish stated the staff had no changes to the agenda. Ms. Swartz moved to approve the agenda as presented. Ms. Buttron seconded the motion which CARRIED unanimously.

President Garrett addressed Agenda Item No. 3, "Consideration of Minutes of the Meeting of January 17, 2013." Mr. Wise moved to approve the minutes as presented. Mr. Caspers seconded the motion which CARRIED unanimously.

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

Mr. Parrish then asked Mr. Cargnel to address Agenda Item No. 4b. "Actuarial Year-End Adjustments." Mr. Cargnel reported that 2012 was originally projected to have a total claims cost of \$3.6 million. This was raised to \$3.9 million in August, but after the end the claims cost projection was readjusted down to \$3.7 million. The average cost per claim over the last seven years has not fluctuated and continues to be around \$8,000. The number of claims per year averaged 570 from 2005 to 2008. Starting with 2009 the claims number has shown more variance, with an average of 500 claims per year. Using that data and adding in the payroll for a large county that joined KWORCC, the claims forecast for 2013 is \$4.3 million.

Next, Mr. Parrish presented an amended budget for the Trustees to review under Agenda Item No. 4c. He stated that the budget has rarely been amended; however, there were some unusual circumstances this year including the addition of a large county after the budget was finalized. There is a change in revenue for additional premium from the new county. The administrative expenses generally stay the same. The incurred loss increased due to the change in the actuarial loss pick. Mr. Parrish asked for and responded to questions. Mr. Wise moved to adopt the revised budget. Dr. Garten seconded the motion which CARRIED unanimously.

Next, Mr. Parrish proceeded to Agenda Item No. 4d, "Loss Prevention Specialist Truck." Mr. Parrish stated the staff had determined that it would be less expensive to purchase a vehicle than it would be to pay mileage for the Loss Prevention Specialist. He then presented three bids including a Chevrolet, a Dodge and a Ford. The staff recommended the purchase of the Dodge truck. Mr. Parrish asked for and responded to questions. Ms. Swartz moved to approve the purchase of the Dodge truck. Mr. Caspers seconded the motion which CARRIED unanimously.

Under Agenda Item No. 4e, "Report on 2013 Membership Receipts," Ms. Bird reported that premiums had been paid by all but two members. The total premium collected is \$5,339,860 and the outstanding premiums total \$161,300. Ms. Bird had been in contact with the members and expects receipt of the outstanding premiums soon.

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

President Garrett then proceeded to Agenda Item No. 6, "Financial Report." Mr. Alexander presented the Amended Pre-Audit 4th Quarterly report for submission to the Kansas Insurance Department. He explained the reason for filing the amended report and detailed the changes that were being made. Ms. Swartz moved to approve filing the report as proposed. Mr. Wise seconded the motion which CARRIED unanimously.

Mr. Alexander then discussed in detail the financial statements he prepared for January 2013. Ms. Buttron moved to receive and file the financial report. Ms. Swartz seconded the motion which CARRIED unanimously.

Mr. Alexander presented the check register. Mr. Wise moved to approve check Nos. 15155 through 15215 and the direct debits. Ms. Buttron seconded the motion which CARRIED unanimously.

Next, Mr. Alexander reviewed reports showing the value of KWORCC's equity investments as of February 13, 2013.

President Garrett 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. Mr. Miller also requested approval of a pending settlement. Ms. Swartz moved to approve the proposed course of action for claim number 2012043639. 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 \$267,020 for the period beginning January 1, 2013 through January 31, 2013. She said the actual paid amount for that period totals \$126,534, resulting in a net savings of \$140,486 after fees are paid. This is more than 53% 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 2009 through 2013. 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 2013 and should not be considered a guarantee of either good or poor ultimate-loss performance.

President Garrett called upon Mr. Eyman 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. Mr. Mann reported that he has been taking the training on the Field ID system to get it up and running.

President Garrett addressed Agenda Item No. 9, "Legal Report." Mr. Parrish reported the legislature is talking about revising the workers compensation act again. He stated he does not have all the details of the proposed changes but will continue to keep an eye on the situation with the legislature.

President Garrett turned to Agenda Item No. 10, "Committee Reports." Ms. Swartz stated that the personnel committee had met prior to the Board Meeting and recommended paying a performance enhancement of \$15,000 to the KWORCC personnel who were in place for the entire 2012 policy year to be distributed pro rata based on salary. Ms. Swartz moved to approve the committee's recommendation. Dr. Garten seconded the motion which CARRIED unanimously.

President Garrett then addressed Agenda Item No. 11, "Other Business." Nothing further was brought before the Board.

There being nothing further before the Board, Ms. Swartz moved to adjourn the meeting at 2:10 p.m. Ms. Buttron seconded the motion which CARRIED unanimously.

The KWORCC Board of Trustees approved the foregoing minutes on the 21st day of March, 2013.



Bonnie Swartz, Secretary
KWORCC Board of Trustees

Minutes
Meeting, Personnel Committee
Kansas Worker Risk Cooperative for Counties
February 21, 2013
Telephone Conference Meeting
700 SW Jackson – Suite 200
Topeka, KS 66603

On Thursday, February 21, 2013, the Personnel Committee of the Kansas Workers Risk Cooperative for Counties ("KWORCC") met at the Clubhouse Inn, Topeka, Kansas. The meeting was called to order by Committee Chair, Bonnie Swartz at 12:00 p.m. Committee Members participating included: Bonnie Swartz, Gray County, Steven Garten, Barber County Commissioner and Clerk and Michelle Garrett, Morris County Clerk. Also present was James W. Parrish, KWORCC Administrator.

Dr. Garten moved to adopt the agenda as presented. Ms. Garrett seconded the motion which CARRIED unanimously.

Ms. Garrett moved to approve the August 16, 2013 minutes as presented. Dr. Garten seconded the motion which CARRIED unanimously.


Chairperson Swartz asked Mr. Parrish to discuss Agenda Item 4, "Consideration of KWORCC Staff 2012 Performance Enhancement." Mr. Parrish noted that the agenda packet contained a listing of performance enhancements granted in the past and the minutes of February 16, 2012 Personnel Committee Meeting in which the performance enhancements were discussed for 2011. In reviewing the financial information, Mr. Parrish noted that while there was a 9% in expenditures over budget for personnel, the overall expenditures for administrative expenses was only .3% in excess of budget. The reason for overage on personnel is due to changes in staff. He stated that while overall 2012 currently shows a loss, there is likely no need to use investment income reserves as originally anticipated when KWORCC adopted the 2012 budget. This means that the plan to lower premiums for members may well be achieved without the use of investment income as originally budgeted.

Further, Mr. Parrish stated that for policy year 2013, KWORCC lost no members and picked up Reno County and Ness County. He stated that KWORCC staff was exceeding expectations on job performance and each of them is dedicated to the success of the KWORCC program.

After some discussion, Ms. Garrett moved that the Committee to recommend to the KWORCC Board a lump-sum payment of \$15,000 to 2012 KWORCC staff, excluding Mr. Mann, to be distributed pro rata on the basis of salary. Dr. Garten seconded the motion which CARRIED unanimously

There being no further business to come before the Personnel Committee, Ms. Garrett moved to adjourn the meeting at 12:21 p.m. Dr. Garten 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 19th day of September, 2013.


Bonnie Swartz, Chair
KWORCC Personnel Committee

Date: 2/25/2013

2013 KWORCC Performance Enhancement

2013 KWORCC Performance Enhancement	2013 Salaries	% of Salaries	Performance Enhancement \$15,000.00
James W. Parrish	\$98,788.08	32.903%	\$4,935.48
Dortha O. Bird	\$75,863.52	25.268%	\$3,790.16
Carlin D. Eyman	\$75,863.52	25.268%	\$3,790.16
Richard Alexander	\$26,661.12	8.880%	\$1,332.00
Nicole Jarboe-Paxon - 5/8 of salary	<u>\$23,062.50</u>	<u>7.681%</u>	<u>\$1,152.21</u>
Totals	<u>\$300,238.74</u>	<u>100.000%</u>	<u>\$15,000.00</u>

KWORCC Payroll History -- for 2013 Employees

	James W. Parrish	Dortha O. Bird	Carlin D. Eyman	Brandon C. Mann	Richard Alexander	Ralph D. Unger	Ben K. Woner	Performance Enhancement
Hired	Jan. 1999	Apr. 1999	Sept. 1993	Aug. 2012	Jan. 1996	Jan. 2013	Jun-13	
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		\$ 20,000			\$ 13,500 (Paid in 2004)
2004	\$79,200 (85%)	\$ 60,047	\$ 60,047		\$ 20,300			\$ 13,500 (Paid in 2005)
2005	\$81,180 (85%)	\$ 61,548	\$ 61,548		\$ 20,870			\$ 12,500 (Paid in 2006)
2006	\$84,761 (85%)	\$ 63,776	\$ 63,776		\$ 21,560			\$ 12,000 (Paid in 2007)
2007	\$87,719 (85%)	\$ 66,000	\$ 66,000		\$ 22,312			\$ 12,000 (Paid in 2008)
2008	\$89,938 (85%)	\$ 68,634	\$ 68,634		\$ 23,315			\$ 12,000 (Paid in 2009)
2009	\$92,636 (85%)	\$71,139	\$71,139		\$25,001			\$15,000 (Paid in 2010)
2010	\$94,026 (85%)	\$72,206	\$72,206		\$25,376			\$15,000 (Paid in 2011)
2011	\$94,489 (85%)	\$72,561	\$72,561		\$25,501			\$15,000 (Paid in 2012)
2012	\$96,851 (85%)	\$74,375	\$74,375	\$26,770	\$26,139			\$15,000 (Paid in 2013)
2013	\$98,788 (85%)	\$ 75,864	\$75,864	\$ 72,000	\$26,662	\$9,000	\$9.75/hr	

Minutes
Meeting, Board of Trustees
Kansas Workers Risk Cooperative for Counties
March 21, 2013 at 1:00 pm via Teleconference
700 SW Jackson, Ste 200
Topeka, KS 66603

The March 2013 meeting of the Board of Trustees of Kansas Workers Risk Cooperative for Counties (KWORCC) was called to order via teleconference at 1:03 p.m. on March 21, 2013 in Topeka by Board President Michelle Garrett. Trustees attending included: Michelle Garrett, Morris County Clerk, President; Jim Wise, Miami County Commissioner, Vice-President; Bonnie Swartz, Gray County Clerk, Secretary; Linda Buttron, Jefferson County Clerk, Controller; Steve Garten, Barber County Commissioner; Gary Caspers, Cloud County Commissioner and Stan McEvoy, 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. Brandon Mann, Loss Prevention Specialist; Mr. Richard Alexander, Accountant; Ms. Nicole Jarboe-Paxson, Executive Assistant and Media Director.

Insurance Management Associates (IMA) was represented by Ms. Marla Dipman, Mr. Gene Miller and Mr. Jess Cornejo.

President Garrett first addressed Agenda Item No. 2, "Approval of the Agenda." Mr. Parrish stated the staff had no changes to the agenda. Ms. Swartz moved to approve the agenda as presented. Dr. Garten seconded the motion which CARRIED unanimously.

President Garrett addressed Agenda Item No. 3, "Consideration of Minutes of the Meeting of February 21, 2013." Ms. Buttron moved to approve the minutes as presented. Mr. Wise seconded the motion which CARRIED unanimously.

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

Mr. Parrish then asked Ms. Bird to address Agenda Item No. 4b, "Report on 2012 Payroll Audits." Ms. Bird reported that payroll audits for the KWORCC Members have been completed and invoices were sent to those Members owing additional premium as of March 13, 2013.

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

President Garrett then proceeded to Agenda Item No. 6, "Financial Report." Mr. Alexander presented a final financial report for December 2012. He then discussed in detail the financial statements he prepared for February 2013. Mr. Alexander recommended moving \$878,694 from fund year 2012 to investment income. Ms. Swartz moved to follow Mr. Alexander's recommendation. Dr. Garten seconded the motion which CARRIED unanimously. Ms. Swartz moved to receive and file the financial reports. Ms. Buttron seconded the motion which CARRIED unanimously.

Mr. Alexander then presented the Amended Interim Pre-Audit 4th Quarterly report for submission to the Kansas Insurance Department. Ms. Swartz moved to approve filing the report as proposed. Mr. McEvoy seconded the motion which CARRIED unanimously.

Mr. Alexander presented the check register. Mr. Caspers moved to approve check Nos. 15216 through 15271 and the direct debits. Ms. Buttron seconded the motion which CARRIED unanimously.

Next, Mr. Alexander reviewed reports showing the value of KWORCC's equity investments as of March 13, 2013.

President Garrett 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 also requested approval of a pending settlement. Ms. Swartz moved to approve the proposed course of action for claim number 2006027418. Dr. Garten seconded the motion which CARRIED unanimously.

Ms. Dipman then addressed Agenda Item No. 7b, "Logicomp Bill Review Report." She reported the amount billed totals \$434,707 for the period beginning January 1, 2013 through February 28, 2013. She said the actual paid amount for that period totals \$243,629, resulting in a net savings of \$191,078 after fees are paid. This is more than 44% of the amount billed for this two-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 2009 through 2013. 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 2013 and should not be considered a guarantee of either good or poor ultimate-loss performance.

President Garrett called upon Mr. Eyman 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. Mr. Mann reported on the progress of the newly implemented Field Identification (Field ID) system for safety inspection. He said he has entered information on several of the counties and has used it for three counties. He reported that the system is working well.


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

President Garrett turned to Agenda Item No. 10, "Committee Reports." Mr. Parrish reminded the Board that the Audit Committee will meet at noon, prior to the Board of Trustees Meeting on April 25th.

President Garrett then addressed Agenda Item No. 11, "Other Business." Nothing further was brought before the Board.

There being nothing further, Ms. Buttron moved to adjourn the meeting at 1:46 p.m. Ms. Swartz seconded the motion which CARRIED unanimously.

The KWORCC Board of Trustees approved the foregoing minutes on the 25th day of April, 2013.


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 25th day of April, 2013 at which a quorum was present:

RESOLUTION #2013-36

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, 2012 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 25th day of April, 2013; and,

WHEREAS the Audit Committee, having discussed the independent audit with the auditor and having reviewed the audit reports with accompanying materials, 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, 2012 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 25th day of April, 2013.


Bonnie Swartz, Secretary

Minutes
Meeting, Board of Trustees
Kansas Workers Risk Cooperative for Counties
April 25, 2013 at 1:00 pm
Clubhouse Inn
924 SW Henderson Road
Topeka, KS 66615

The April 2013 meeting of the Board of Trustees of Kansas Workers Risk Cooperative for Counties (KWORCC) was called to order at 1:02 p.m. on April 25, 2013 in Topeka by Board President Michelle Garrett. Trustees attending included: Michelle Garrett, Morris County Clerk, President; Jim Wise, Miami County Commissioner, Vice-President; Bonnie Swartz, Gray County Clerk, Secretary; Linda Buttron, Jefferson County Clerk, Controller; Steve Garten, Barber County Commissioner; Gary Caspers, Cloud County Commissioner and Stan McEvoy, 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. Brandon Mann, Loss Prevention Specialist; Mr. Richard Alexander, Accountant; Mr. Ralph D. Unger, Member Services Representative 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, Ms. Ashley Boydston and Mr. Jess Cornejo. Also present was Mr. Eric Otting of Wendling, Noe, Nelson & Johnson, LLC.

President Garrett first addressed Agenda Item No. 2, "Approval of the Agenda." Mr. Parrish stated the staff had an addition to the Administrator's Report, Agenda Item No. 5c, "Possible Loss Prevention Intern." Mr. Wise moved to approve the agenda with that addition. Dr. Garten seconded the motion which CARRIED unanimously.

President Garrett addressed Agenda Item No. 3, "Claims Report – IMA." As to Agenda Item No. 3a, "Select Claims Review," Mr. Miller reported on claims and answered questions. Mr. Miller also requested approval of pending settlements. Mr. McEvoy moved to approve the proposed course of action for claim numbers 2010038609 and 2011041195. Mr. Wise seconded the motion which CARRIED unanimously.

Ms. Dipman then addressed Agenda Item No. 3b, "Logicomp Bill Review Report." She reported the amount billed totals \$845,153 for the period beginning January 1, 2013 through March 31, 2013. She said the actual paid amount for that period totals \$429,091, resulting in a net savings of \$416,062 after fees are paid. This is more than 49% of the amount billed for this three-month period.

Mr. Cornejo then explained the "Policy Year Performance Review" under Agenda Item No. 3c. This analytical review generated by IMA shows KWORCC's claim history for policy years 2009 through 2013. 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 2013 and should not be considered a guarantee of either good or poor ultimate-loss performance.

President Garrett then addressed Agenda Item No. 4, "Consideration of Minutes of the Meeting of March 15, 2013." Ms. Buttron moved to approve the minutes as presented. Mr. Caspers seconded the motion which CARRIED unanimously.

Next, President Garrett asked Mr. Parrish to address 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 checks requiring Board approval. Ms. Swartz moved to approve the checks as presented. Mr. McEvoy seconded the motion which CARRIED unanimously.

Mr. Parrish then asked Mr. Otting to address Agenda Item No. 5b, "Report from Independent Auditor." Mr. Otting reported that they had issued a clean opinion on the financial statements, meaning that the financials comply with state statutes. There were no adjustments. He said the strength of the balance sheet remains consistent from year to year and is in a very strong position. He asked for and responded to questions.

Mr. Parrish then proceeded to Agenda Item No. 5c. He stated that he has received an inquiry concerning establishing an internship program for a young college graduate. Mr. Parrish noted that in light of Mr. Eyman's upcoming retirement plans, it would be wise to begin training someone throughout that transition.

President Garrett was prompted to moved to Agenda Item No. 10, "Committee Reports." Dr. Garten moved to approve Resolution No. 2013-36. Ms. Buttron seconded the motion which CARRIED unanimously.

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

President Garrett then proceeded to Agenda Item No. 7, "Financial Report." Mr. Alexander reported on the Kansas Insurance Department (KID) Examination 2008-2011 under Agenda Item No. 7a. He stated the he and Ms. Bird met with the examiner and his supervisor on Monday. There were no concerns, and KID is taking steps to conclude the audit.

Mr. Alexander then presented the post-audit KID 4th Quarter Report for 2012. Ms. Swartz moved to file the KID report. Mr. Wise seconded the motion which CARRIED unanimously. He then discussed in detail the financial statements he prepared for March 2013. Ms. Buttron moved to receive and file the financial reports. Ms. Swartz seconded the motion which CARRIED unanimously.

Mr. Alexander then presented the 2013 1st Quarterly report for submission to the KID. Ms. Swartz moved to approve filing the report as proposed. Mr. Wise seconded the motion which CARRIED unanimously.

Mr. Alexander presented the check register. Ms. Swartz moved to approve check Nos. 15272 through 15322 and the direct debits. Mr. Caspers seconded the motion which CARRIED unanimously.

Next, Mr. Alexander reviewed reports showing the value of KWORCC's equity investments as of April 17, 2013.

President Garrett called upon Mr. Eyman 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.

Next, under Agenda Item No. 8a, Mr. Eyman called on Ms. Bird to report on the National Safety Council Course. Ms. Bird reviewed the classes that the Kansas and Missouri Safety and Health Council are offering. She stated that the training is exactly what is needed for the loss prevention staff. She said the training will be conducted by seasoned professionals who face safety issues daily. The program includes three or four course topics per month from July 2013 to March 2014 and that she is recommending KWORCC's loss prevention specialists attend this training in Kansas City.

Mr. Mann stated that the Kansas Department of Labor (KDOL) has recently begun emphasizing inspections of county government entities. The KDOL is inspecting labor safety issues and providing counties with lists of recommendations including a deadline for compliance. KWORCC staff will include an article in KWORDS and send correspondence to the membership to provide guidance and assistance with the KDOL inspection.

President Garrett addressed Agenda Item No. 9, "Legal Report." Mr. Parrish presented a legislative update that indicated Senate Bill 187 had passed both houses and was signed by the Governor. This bill combined several other workers compensation bills that were under consideration. The bill changes the makeup of the nominating committee for administrative law judges and members of the workers compensation board of appeals members. Heretofore, nominations had been submitted by the Kansas Chamber of Commerce and the Kansas chapter of the AFL-CIO. Under the new law, there are seven members of the nominating committee including a representative of the Kansas Self Insurance Association, the Kansas Chamber of Commerce, the AFL-CIO, the National Federation of Independent Business, a public employee representative, a representative from the Society for Human Resource Management and a designee appointed by the Kansas Secretary of Labor.

Mr. Parrish stated that another change will require medical and disability evaluations to be based upon guidelines in the 6th edition of the American Medical Association (AMA) Guides to the Evaluation of Permanent Impairment instead of the 4th edition currently in use. That change will take effect in January of 2015. He said another important change reduces the time to report an injury from 30 days to 20 days if the employee is still working for the employer. If the employee has left employment, the reporting time is changed from 20 to 10 days.

Mr. Parrish pointed out that the new workers compensation laws took effect April 25th, the day of this meeting. He stated that updated notice and injured worker information forms have been furnished to KWORCC members.

President Garrett then addressed Agenda Item No. 11, "Other Business." Mr. Parrish reminded everyone that the May meeting will be held at the Holiday Inn Express.

There being nothing further, Dr. Garten moved to adjourn the meeting at 2:17 p.m. Mr. Caspers seconded the motion which CARRIED unanimously.

The KWORCC Board of Trustees approved the foregoing minutes on the 16th day of May, 2013.



Bonnie Swartz, Secretary
KWORCC Board of Trustees

Minutes
Meeting, Board of Trustees
Kansas Workers Risk Cooperative for Counties
May 16, 2013 at 1:00 pm
Holiday Inn Express
901 SW Robinson
Topeka, KS 66606

The May 2013 meeting of the Board of Trustees of Kansas Workers Risk Cooperative for Counties (KWORCC) was called to order at 1:01 p.m. on May 16, 2013 in Topeka by Board President Michelle Garrett. Trustees attending included: Michelle Garrett, Morris County Clerk, President; Jim Wise, Miami County Commissioner, Vice-President; Bonnie Swartz, Gray County Clerk, Secretary; Linda Buttron, Jefferson County Clerk, Controller; Steve Garten, Barber County Commissioner; Gary Caspers, Cloud County Commissioner and Stan McEvoy, 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. Brandon Mann, Loss Prevention Specialist; Mr. Richard Alexander, Accountant; Mr. Bruce Woner, General Counsel; Mr. Ralph D. Unger, Member Services Representative 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 Garrett first addressed Agenda Item No. 2, "Approval of the Agenda." Mr. Parrish said the staff recommended the addition of Agenda Item No. 8a, "Discussion of GovU." Mr. Wise moved to approve the agenda with that addition. Ms. Swartz seconded the motion which CARRIED unanimously.

President Garrett then addressed Agenda Item No. 3, "Consideration of Minutes of the Meeting of April 25, 2013." Ms. Buttron moved to approve the minutes with minor typographical corrections. Mr. Caspers seconded the motion which CARRIED unanimously.

Next, President Garrett 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 checks requiring Board approval and the electronic transfer of funds to be ratified. Dr. Garten moved to approve the checks and ratify the electronic transfer of funds as presented. Mr. Wise seconded the motion which CARRIED unanimously.

Mr. Parrish then addressed Agenda Item No. 4b, "Trustee Affidavit and Kansas Insurance Department (KID) Examination Order and Report as of 12-31-11." He asked Mr. Alexander and Ms. Bird to discuss the exam in detail. This was a 4-year examination instead of the 3-year examinations conducted in the past. The KWORCC staff used a different approach and Mr. Alexander was designated as a single point of contact for the examiner. The examination report issued by KID states that KWORCC is in compliance with KID regulations and state statutes and no actions need to be taken by KWORCC at this time. Ms. Bird asked that the Trustees sign the affidavit that she had provided after they had reviewed the order and examination report. She said the affidavits would be filed with KID and that would be the end of the process.

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

President Garrett then proceeded to Agenda Item No. 6, "Financial Report." Mr. Alexander discussed in detail the financial statements he prepared for April 2013. Ms. Swartz moved to receive and file the financial reports. Ms. Buttron seconded the motion which CARRIED unanimously.

Mr. Alexander presented the check register. Mr. Wise moved to approve check Nos. 15323 through 15358 and the direct debits. Mr. McEvoy seconded the motion which CARRIED unanimously.

Next, Mr. Alexander reviewed reports showing the value of KWORCC's equity investments as of May 7, 2013.

President Garrett 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.

Ms. Dipman then addressed Agenda Item No. 7b, "Logicomp Bill Review Report." She reported the amount billed totals \$845,153 for the period beginning January 1, 2013 through April 30, 2013. She said the actual paid amount for that period totals \$659,216, resulting in a net savings of \$611,482 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. 7c. This analytical review generated by IMA shows KWORCC's claim history for policy years 2009 through 2013. 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 2013 and should not be considered a guarantee of either good or poor ultimate-loss performance.

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

Mr. Eyman reported that GovU has been purchased by Praetorian Group. He said that this acquiring company has a good reputation and will follow the same process currently in place for on-line courses. He said there would be no changes in the class offerings at this time, but said that certain police and public safety classes are available and staff will preview these to determine if they should be incorporated into the course schedule.

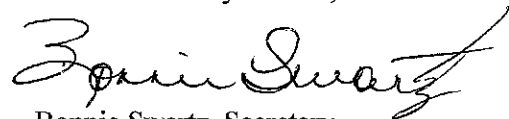
President Garrett addressed Agenda Item No. 9, "Legal Report." Mr. Parrish stated there was no legal report at this time.

President Garrett moved to Agenda Item No. 10, "Committee Reports." Mr. Parrish reminded the Board that there will be an Investment Committee meeting before the July Board Meeting and a Personnel Committee meeting before the September Board Meeting.

President Garrett then addressed Agenda Item No. 11, "Other Business." Mr. Alexander said that if 2002 has been closed out there is a fund balance that will need to be moved to reserve funds at some point before the end of the year. Ms. Buttron asked about who was attending PRIMA and a brief discussion was held about the plans for spouses and traveling.

There being nothing further, Ms. Buttron moved to adjourn the meeting at 1:47 p.m. Mr. Wise seconded the motion which CARRIED unanimously.

The KWORCC Board of Trustees approved the foregoing minutes on the 20th day of June, 2013.



Bonnie Swartz, Secretary
KWORCC Board of Trustees

Minutes
Meeting, Board of Trustees
Kansas Workers Risk Cooperative for Counties
June 20, 2013 at 1:00 pm via Teleconference
700 SW Jackson, Ste 200
Topeka, KS 66603

The June 2013 meeting of the Board of Trustees of Kansas Workers Risk Cooperative for Counties (KWORCC) was called to order via teleconference at 1:03 p.m. on June 20, 2013 in Topeka by Board President Michelle Garrett. Trustees attending included: Michelle Garrett, Morris County Clerk, President; Jim Wise, Miami County Commissioner, Vice-President; Bonnie Swartz, Gray County Clerk, Secretary; Linda Buttron, Jefferson County Clerk, Controller; Steve Garten, Barber County Commissioner; Gary Caspers, Cloud County Commissioner and Stan McEvoy, 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. Brandon Mann, Loss Prevention Specialist; Mr. Richard Alexander, Accountant; Mr. Ralph D. Unger, Member Services Representative; Ms. Nicole Jarboe-Paxson, Executive Assistant and Media Director and Mr. Benjamin Woner, Intern.

Insurance Management Associates (IMA) was represented by Mr. Paul Davis, Ms. Marla Dipman and Mr. Jess Cornejo.

President Garrett 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.

President Garrett then addressed Agenda Item No. 3, "Consideration of Minutes of the Meeting of May 16, 2013." Ms. Buttron moved to approve the minutes as presented. Mr. Caspers seconded the motion which CARRIED unanimously.

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

Mr. Parrish then addressed Agenda Item No. 4b, "Welcome Ben Woner, KWORCC Intern." He asked Mr. Woner to introduce himself. Mr. Woner said he is from Topeka and graduated last year from Kansas State University with a degree in Parks Management. Mr. Woner said he has been learning about many aspects of KWORCC and looks forward to working with everyone.

Mr. Parrish then addressed Agenda Item No. 4c, "Discussion of National PRIMA at Tampa." Mr. Eyman reported that the morning speakers were very good. Mr. Mann stated the conference went well and that he believed that the fleet management class he attended was helpful. Mr. Unger said the sessions he attended were not correctly advertised and that some of the sessions were not as good as normal. However, the key note speakers were excellent. He further stated that one of the sessions indicated that some of the reinsurance carriers would be getting out of the workers compensation market. Mr. Davis further addressed this comment by stating that the reinsurance premiums haven't been covering losses due to the medical inflation. Additionally the investment

market is not allowing them to make up any losses. Dr. Garten stated that one thing he learned was that risk management should be treated like a county department and elected officials need to be out into the workforce more. Mr. McEvoy thought it was a helpful and enjoyable conference.

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

President Garrett then proceeded to Agenda Item No. 6, "Financial Report." Mr. Alexander discussed in detail the financial statements he prepared for May 2013. Ms. Swartz moved to receive and file the financial reports. Ms. Buttron seconded the motion which CARRIED unanimously.

Mr. Alexander presented the check register. Mr. Wise moved to approve check Nos. 15359 through 15413 and the direct debits. Dr. Garten seconded the motion which CARRIED unanimously.

Next, Mr. Alexander reviewed the value of KWORCC's equity investments as of May 7, 2013.

President Garrett addressed Agenda Item No. 7, "Claims Report - IMA." As to Agenda Item No. 7a, "Select Claims Review," Ms. Dipman reported on several claims and answered questions.

Ms. Dipman then addressed Agenda Item No. 7b, "Logicomp Bill Review Report." She reported the amount billed totals \$1,547,489 for the period beginning January 1, 2013 through May 31, 2013. She said the actual paid amount for that period totals \$788,463, resulting in a net savings of \$759,027 after fees are paid. This is more than 49% 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 2013. 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 2013 and should not be considered a guarantee of either good or poor ultimate-loss performance.

President Garrett called upon Mr. Eyman 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 GovU online courses.


President Garrett addressed Agenda Item No. 9, "Legal Report." Mr. Parrish stated there was no legal report at this time. He then responded to questions about the new concealed carry laws and stated that for the most part, KCAMP would be more affected by these law changes as they may increase liability exposure.

President Garrett moved to Agenda Item No. 10, "Committee Reports." She reminded the Board that there will be an Investment Committee meeting before the July Board Meeting and a Personnel Committee meeting before the September Board Meeting.

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

There being nothing further, Mr. Wise moved to adjourn the meeting at 2:08 p.m. Ms. Swartz seconded the motion which CARRIED unanimously.

The KWORCC Board of Trustees approved the foregoing minutes on the 18th day of July, 2013.


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 18th day of July, 2013 at which a quorum was present:

RESOLUTION #2013-51


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, 2012 through June 30, 2013, 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, 2012 through June 30, 2013, 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 18th day of July, 2013.


Bonnie Swartz, Secretary

For Trades Executed At: Country Club Bank

Select Fields	From Value	To Value	Seq.	Totals
Entity	144	144		n
Customer Nbr.	300121	300121		n
Cusip Nbr.				n
Security ID				n
Portfolio ID				n
Salesperson				n
Enter Date				n
Trade Date				n
Settle Date	11/30/2012	06/30/2013		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
Cusip	Sec Descrip 2	Call Cd-Dt	Call Price	Apr Date	Trade Dt	Tran Cd	Par	Interest
Security	Sec Descrip 3	Mat Date	CPN Rate	Fail Del	Trd Status	Ent By	Basis	Fees
Port ID	Moody/StdPoor/MktRtg	Bank Elig	Cloc/Ploc	Fail Pmt	Conv	Trd For	Price	Withholding
Deal ID	Broker	Comm Basis		Pay/Del	Buyback	Yield		Penalty
								Total Amt
311117354	KWORCC (302)		E/*		12/12/2012	1.0000000000	500,000.00	500,000.00
300121	FHLB 1.5 STEP UP 1.75 12/20/16	t-12/20/14			12/12/2012	Sale	500,000.00	.00
313381KL8	QTRLY CALL BEG 6/20/13	100.000			12/20/2012	skm144	100.00	.00
313381KL8	MULTI STEP	12/20/2024		n-12/20/12	09	BCT	100.0000000000	.00
032-AGCY	Aaa/AA+	VAR		n-12/20/12	na			.00
0		ccf/ccf		c/ski	n	1.50000000		500,000.00
311118095	KWORCC (302)		E/*		12/28/2012	1.0000000000	2,000,000.00	1,994,687.50
300121	U.S. Treasury Notes				12/28/2012	Sale	2,000,000.00	.00
912828UD0		.000			12/31/2012	skm144	99.734375	.00
912828UD0		12/31/2014		n-12/31/12	09	BCT	99.734375000	.00
028-TNTS	//	.125		n-12/31/12	na			.00
0		ccf/ccf		c/ski	n	.25800000		1,994,687.50
311119193	KWORCC (302)		E/*		01/18/2013	1.0000000000	1,250,000.00	1,249,985.56
300121	U.S. Treasury Bills				01/18/2013	Sale	1,250,000.00	.00
9127957D7		.000			01/18/2013	skm144	D.032000	.00
9127957D7		01/31/2013		n-01/18/13	09	BCT	99.998844400	.00
027-TBLL	//			n-01/18/13	na			.00
0		ccf/ccf		c/ski	n	.03200000		1,249,985.56
311119420	KWORCC (302)		E/*		01/24/2013	1.0000000000	1,000,000.00	999,993.19
300121	U.S. Treasury Bills				01/24/2013	Sale	1,000,000.00	.00
9127957D7		.000			01/24/2013	skm144	D.035000	.00
9127957D7		01/31/2013		n-01/24/13	09	BCT	99.999319400	.00
027-TBLL	//			n-01/24/13	na			.00
0		ccf/ccf		c/ski	n	.03500000		999,993.19
311119434	KWORCC (302)		E/*		01/24/2013	1.0000000000	1,000,000.00	999,992.22
300121	U.S. Treasury Bills				01/24/2013	Sale	1,000,000.00	.00
9127957D7		.000			01/24/2013	skm144	D.040000	.00
9127957D7		01/31/2013		n-01/24/13	09	BCT	99.999222200	.00
027-TBLL	//			n-01/24/13	na			.00
0		ccf/ccf		c/ski	n	.04000000		999,992.22
311119642	KWORCC (302)		E/*		01/28/2013	1.0000000000	1,000,000.00	999,969.86
300121	U.S. Treasury Bills				01/28/2013	Sale	1,000,000.00	.00
9127957H8		.000			01/28/2013	skm144	D.035000	.00
9127957H8		02/28/2013		n-01/28/13	09	BCT	99.996986100	.00
027-TBLL	//			n-01/28/13	na			.00
0		ccf/ccf		c/ski	n	.03500000		999,969.86

For Trades Executed At: Country Club Bank

Ticket Nbr	Cust S/N	Reg Type/Id	Apr By	Dt Enter	Factor	Face	Prin
Cust Nbr	Sec Descrip 1	Call Cd-Dt	Apr Date	Trade Dt	Tran Cd	Par	Interest
Cusip	Sec Descrip 2	Call Price	Apr Time	Settle Dt	Ent By	Basis	Fees
Security	Sec Descrip 3	Mat Date	Fail Del	Trd Status	Trd For	Price	Withholding
Port ID	Moody/StdPoor/Mktrtg	CPN Rate	Fail Pmt	Conv	Yield		Penalty
Deal ID	Broker	CLoc/PLoc	Pay/Del	Buyback			Total Amt
311119671	KWORCC (302)	E/*		01/28/2013	1.0000000000	1,000,000.00	1,000,000.00
300121	FEDERAL HOME LOAN BANK			01/28/2013	Sale	1,000,000.00	9,333.33
313380GJ0		.000		01/31/2013	skml44	100.00	.00
313380GJ0		09/09/2022	n-01/31/13	09	BCT	100.0000000000	.00
032-AGCY	Aaa/AA+	2.0	n-01/31/13	na			.00
		ccf/ccf	c/ski	n	2.00000000		1,009,333.33
311119677	KWORCC (302)	E/*		01/28/2013	1.0000000000	550,000.00	550,000.00
300121	FHLB 1.0 STEP UP 3.0 2/13/16	t-02/13/15		01/28/2013	Sale	550,000.00	.00
313381YQ2	QTRLY CALL BEG 8/13/13	100.000		02/13/2013	skml44	100.00	.00
313381YQ2	ONE TIME STEP	08/13/2021	n-02/13/13	09	BCT	100.0000000000	.00
032-AGCY	Aaa/AA+	VAR	n-02/13/13	na			.00
		ccf/ccf	c/ski	n	1.00000000		550,000.00
311119858	KWORCC (302)	E/*		01/31/2013	1.0000000000	2,500,000.00	2,499,935.83
300121	U.S. Treasury Bills			01/31/2013	Sale	2,500,000.00	.00
9127957H8		.000		01/31/2013	skml44	D.03300	.00
9127957H8		02/28/2013	n-01/31/13	09	BCT	99.997433300	.00
027-TBLJ	//	ccf/ccf	c/ski	na	.03300000		.00
				n			2,499,935.83
311120709	KWORCC (302)	E/*		02/14/2013	1.0000000000	240,000.00	240,000.00
300121	GOLDMAN SACHS BANK USA C.D.			02/14/2013	Sale	240,000.00	.00
38147JAG7	NEW YORK, NY 33124	.000		02/20/2013	skml44	100.00	.00
38147JAG7	MEDIUM TERM CD	02/21/2023	n-02/20/13	09	BCT	100.0000000000	.00
083-CDRP	//	2.25	n-02/20/13	na			.00
		ccf/ccd	c/ski	n	2.25000000		240,000.00
311121295	KWORCC (302)	E/*		02/27/2013	1.0000000000	1,000,000.00	999,965.00
300121	U.S. Treasury Bills			02/27/2013	Sale	1,000,000.00	.00
9127957M7		.000		02/28/2013	skml44	D.0600	.00
9127957M7		03/21/2013	n-02/28/13	09	BCT	99.996500000	.00
027-TBLJ	//	ccf/ccf	c/ski	na	.06000000		.00
				n			999,965.00
311121297	KWORCC (302)	E/*		02/27/2013	1.0000000000	1,000,000.00	1,000,000.00
300121	FHLB 2.5 STEP UP 2.625 3/21/18	t-03/21/16		02/27/2013	Sale	1,000,000.00	.00
313382DA8	QTRLY CALL BEG 3/21/14	100.000		03/21/2013	skml44	100.00	.00
313382DA8	MULTI STEP	03/21/2028	n-03/21/13	09	BCT	100.0000000000	.00
032-AGCY	Aaa/AA+	VAR	n-03/21/13	na			.00
		ccf/ccf	c/ski	n	2.50000000		1,000,000.00

For Trades Executed At: Country Club Bank

Ticket Nbr	Cust S/N	Reg Type/Id	Apr By	Dt Enter	Factor	Face	Prin
Cust Nbr	Sec Descrip 1	Call Cd-Dt	Apr Date	Trade Dt	Tran Cd	Par	Interest
Cusip	Sec Descrip 2	Call Price	Apr Time	Settle Dt	Ent By	Basis	Fees
Security	Sec Descrip 3	Mat Date	Fail Del	Trd Status	Trd For	Price	Withholding
Port ID	Moody/StdPoor/MktRtg	CPN Rate	Fail Pmt	Conv	Yield		Penalty
Deal ID	Broker	CLoc/PLoc	Pay/Del	Buyback			Total Amt
311125132	KWORCC (302)	E/*		05/21/2013	1.00000000000	125,000.00	125,000.00
300121	DISCOVER BANK C.D.			05/21/2013	Sale	125,000.00	107.71
254671MX5	GREENWOOD, DE 5649	.000		05/24/2013	skml44	100.00	.00
254671MX5	MEDIUM TERM CD	04/17/2017	n-05/24/13	09	BCT	100.0000000000	.00
083-CDRP	//	.85	n-05/24/13	na			.00
0		ccd/ccd	c/ski	n	.85000000		125,107.71
311125824	KWORCC (302)	E/*		06/12/2013	1.00000000000	250,000.00	250,000.00
300121	FREDDIE MAC	c-03/05/14		06/12/2013	Purch	250,000.00	1,347.22
3134G3QR4	ONE TIME CALL 3/05/14	100.000		06/12/2013	skml44	100.00	.00
3134G3QR4		03/05/2020	n-06/12/13	09	BCT	100.0000000000	.00
032-AGCY	Aaa/AA+/	2.0	n-06/12/13	na			.00
0		ccf/ccf	c/sko	n	1.99800000		251,347.22

Report Totals

Par: 21,665,000.00 P/L: 33,386.64 Prin: 21,717,737.91
 Int: 14,288.26
 Total: 21,732,026.17

KWORCC Bond Portfolio Update: Dec 13, 2012

- Portfolio is invested in top grade US Government/Agency debentures (ie: plain, old-fashioned, bonds)
- As of Nov 30, 2012, the portfolio is comprised of 18 separate and direct holdings which trade in “steady and ready” liquid markets (ie: easily and quickly converted to cash)
- Total Par Value: \$14,945,000
- Current Portfolio Market Value: \$16,812,500 (\$125,361 unrealized gain, 0.83% of book value)
- Average “Effective” Maturity: approximately 2.25yr (“effective maturity” is the most likely maturity, which accounts for likely call options being exercised prior to stated maturity).
- Portfolio Average Coupon Rate: 2.214%
- Major market themes impacting the portfolio
 - **US Fiscal Cliff:** Over the past many months we have discussed how the current downturn in the European (and world) economy has plagued our domestic markets. In a counter intuitive fashion, all the “bad news” has driven bond prices higher and bond yields lower. This global uncertainty has been a, perversely, good event for holders of high grade US bonds. In the same vein, the so-called “Fiscal Cliff” (which is a US version of austerity measures) might be more correctly termed an “Economic Cliff.” Experts have guessed that the \$7bb in sequestrations (tax hikes and spending cuts) would have an adverse impact on our still struggling economic recovery. This “bad news” would probably boost bond values in the same way previous economic losses spurred a flight to quality by global investors to high grade US bonds.
 - **Operation Twist:** The Dec 2012 expiration date could be extended (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 ...but keep quality and price risk in mind at all times.

Minutes
Meeting, Investment Committee
Kansas Worker Risk Cooperative for Counties
Clubhouse Inn - Conference Room
924 SW Henderson Rd., Topeka KS 66615
July 18, 2013

On Thursday, July 18, 2013 at 12:15 p.m. the Investment Committee of the Kansas Workers Risk Cooperative for Counties (“KWORCC”) met at the Clubhouse Inn, Topeka, Kansas. The meeting was called to order by Committee Chairman James Wise. Committee Members participating included: James Wise, Miami County Commissioner, Stan McEvoy, Decatur County Commissioner and Gary Caspers, Cloud County Commissioner. 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. Mr. McEvoy moved to approve the agenda as published. Mr. Caspers seconded the motion which CARRIED unanimously. Chairman Wise asked for approval of Minutes dated December 13, 2012. Mr. Caspers moved to approve the minutes as published. Mr. McEvoy seconded the motion which CARRIED unanimously.

Chairman Wise asked for consideration of KWORCC Resolution No. 2013-51, with the attached itemization of purchases and sales of US Government securities from the period beginning November 30, 2012 to June 30, 2013. The Committee reviewed the investment transactions and the resolution. Mr. McEvoy moved that the Investment Committee recommend that the KWORCC Board of Trustees adopt KWORCC Resolution 2013-51 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. Caspers seconded the motion which CARRIED unanimously.

Chairman Wise called upon Mr. Thompson to discuss KWORCC’s bond portfolio in detail. Mr. Thompson referred to a document prepared for the Committee and attached to these minutes entitled “KWORCC Bond Portfolio Update: July 30, 2013.” 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 a central market theme impacting the portfolio is the Federal Reserve’s non-standard measures to drive global bond yields lower and prop up “risky” assets – a bond-buying policy termed Quantitative Easing (QE). He also stated that KWORCC would ultimately benefit from rising yields which resulted from Federal Reserve Chairman Bernanke's comments in May which suggested the QE bond buying strategy would be tapered off if the economy continues to improve. Mr. Thompson estimates that the tapering might begin by December of this year.

Mr. Thompson referred to the list of bonds owned by KWORCC as of June 30, 2013 and described the twenty-three 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, and noted that the portfolio carried a weighted average coupon rate of 2.090%. 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 regarding the Federal Reserve's current monetary policy (QE). While the "twin goals" of liquidity and yield enhancement are sometimes mutually exclusive, to this point, they have been reasonably achieved. Mr. Thompson hopes to keep the portfolio yield above 2%. He then asked for and responded to questions from the committee members.

Chairman Wise thanked Mr. Thompson for his presentation. There being no further business, Chairman Wise adjourned the meeting at 1:03 p.m.

THE FOREGOING MINUTES of the Investment Committee of Kansas Workers Risk Cooperative for Counties were executed by the Chair of that Committee on December 19, 2013.



James E. Wise, Chair
KWORCC Investment Committee

KWORCC Bond Portfolio Update: June 30, 2013

- Portfolio is invested in top grade US Government/Agency debentures (ie: plain, old- fashioned, bonds)
- As of June 30, 2013, the portfolio is comprised of 23 separate and direct holdings which trade in “steady and ready” liquid markets (ie: easily and quickly converted to cash)
- Total Par Value: \$19,235,000
- Current Portfolio Market Value: \$19,036,586 (\$12,783 unrealized loss, 2.26% of book value)
- Average “Effective” Maturity: 3/11/2018 (“effective maturity” is the most likely maturity, which accounts for likely call options being exercised, or not, prior to stated maturity – In 2012 this was closer to mid 2014)
- Portfolio Average Coupon Rate: 2.09%
- The Fed’s QE policy is the central market theme impacting the portfolio: A “**taper tantrum**”... For many months we have discussed the Federal Reserve’s non-standard measures to drive global bond yields lower and prop up “risky” assets (eg: stocks, real estate). Prominent in the Fed’s toolbox has been the bond buying policy referred to as *Quantitative Easing* (QE) which artificially drives prices higher and yields lower by virtue of Fed involvement (abnormal buying patterns). The Fed has been very successful in this effort judging by both stock and bond price charts. Stocks, broadly, have returned 11% for the year and, until recently, bond prices were moving up as well (and bond yields lower). **But, recently, that has changed.** On May 22nd Fed Chairman Bernanke addressed a congressional joint economic committee and, among other utterances, remarked that QE “...could begin to taper off in the next few meetings if the economy continues to improve.” That’s all it took for markets to shrug! Both bond and stock markets sold off dramatically (7%+ initially). While broad stock indices are down anywhere from 3% to 4% since Bernanke’s comments, the price decline has been more pronounced in fixed income. The 10yr USTN is down 5% since May 23rd (and down 8% since May 1st – a day on which labor statistics were reported to be more cheerful than anticipated). Is this sell-off warranted? Yes, if the Fed is going to be exiting the market anytime soon. But will they? When? And to what degree? Answer: Who knows?!...nobody. And who worries about that?...every financial market participant. The reality is surely this: When things “get better”

the Fed will begin to taper the \$85bb a month buying program. In the meantime, every economic wrinkle and Fed utterance will be dissected and digested for significance.

- In prior meetings I've commented that "rates have been so low for so long, many have fallen asleep to the embedded price risk" in portfolios (including KWORCC's). On May 22nd markets awoke to this risk as demonstrated by price action since then. It reminds us why we are in high grade fixed income and why we DO NOT OWN BOND MUTUAL FUNDS which have no maturity date, and thus, no assurance that otherwise temporary/transient market losses won't be realized. This may well be a fantastic buying opportunity. We continue to be cognizant of the dual goals of liquidity and income.

Minutes
Meeting, Board of Trustees
Kansas Workers Risk Cooperative for Counties
July 18, 2013 at 1:00 pm
Clubhouse Inn
924 SW Henderson Road
Topeka, KS 66615

The July 2013 meeting of the Board of Trustees of Kansas Workers Risk Cooperative for Counties (KWORCC) was called to order at 1:07 p.m. on July 18, 2013 in Topeka by Board President Michelle Garrett. Trustees attending included: Michelle Garrett, Morris County Clerk, President; Jim Wise, Miami County Commissioner, Vice-President; Bonnie Swartz, Gray County Clerk, Secretary; Linda Buttron, Jefferson County Clerk, Controller; Steve Garten, Barber County Commissioner; Gary Caspers, Cloud County Commissioner and Stan McEvoy, 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. Brandon Mann, Loss Prevention Specialist; Mr. Richard Alexander, Accountant; Ms. Nicole Jarboe-Paxson, Executive Assistant and Media Director and Mr. Benjamin Woner, Intern.

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

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

President Garrett then addressed Agenda Item No. 3, "Consideration of Minutes of the Meeting of June 20, 2013." Mr. Wise moved to approve the minutes as presented. Ms. Swartz seconded the motion which CARRIED unanimously.

Next, President Garrett 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 Transfer of Funds." He described the check requiring Board approval and the electronic transfers of funds to be ratified. Ms. Buttron moved to approve the check and ratify the electronic transfers of funds as presented. Mr. McEvoy seconded the motion which CARRIED unanimously.

Mr. Parrish then asked Mr. Thompson to address Agenda Item No. 4b, "Bond Portfolio Overview." Mr. Thompson reviewed current bond portfolio of KWORCC and said he was happy to report that interest rates on the bonds have been going up since the first part of May due to the Federal Reserve Chairman Ben Bernanke's comment that "quantitative easing" may gradually be reduced. Mr. Thompson thinks that by December of this year, the tapering may begin. KWORCC has reaped benefits from the insecurity in the market. He stated that KWORCC's portfolio continues to be managed with the goals of liquidity and income. Mr. Thompson then asked for and responded to questions. President Garrett thanked him for his informative report.

Mr. Parrish then asked Ms. Bird and Mr. Eyman to address Agenda Item No. 4c, "Adoption of Class Code 7590: Solid Waste & Recycling." Ms. Bird stated there was confusion over how to code those solid waste workers who perform burrowing, back filling, garbage reduction plant and recycling duties. Therefore, KWORCC will eliminate two payroll codes (6217 and 8264) and maintain code 7590, Solid Waste and Recycling. This change will be to the benefit of the KWORCC members as the rate for 7590 is lower than codes 6217 and 8264.

Next, Mr. Parrish addressed Agenda Item No. 4d, "Close Policy Year 2002." Mr. Parrish asked Mr. Alexander the reasons for closing policy year 2002. Mr. Alexander stated there are no active cases in this year. He stated that in the past, the balance from policy years have been moved to the Member Protection Fund (MPF) when the year was closed out. He also suggested moving an additional \$44,000 from investment income to bring the MPF to \$2.5 million. Ms. Swartz moved to proceed as suggested by Mr. Alexander. Dr. Garten seconded the motion which CARRIED unanimously.

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

President Garrett then proceeded to Agenda Item No. 6, "Financial Report." Mr. Alexander discussed in detail the financial statements he prepared for June 2013. Ms. Swartz moved to receive and file the financial reports. Mr. Caspers seconded the motion which CARRIED unanimously.

Mr. Alexander then presented the 2013 Second Quarterly report for submission to the Kansas Insurance Department. Ms. Buttron moved to approve filing the report as proposed. Mr. Wise seconded the motion which CARRIED unanimously.

Mr. Alexander presented the check register. Dr. Garten moved to approve check Nos. 15414 through 15450 and the direct debits. Ms. Swartz seconded the motion which CARRIED unanimously.

Next, Mr. Alexander reviewed the value of KWORCC's equity investments as of July 10, 2013.

President Garrett addressed Agenda Item No. 7, "Claims Report - IMA." As to Agenda Item No. 7a, "Select Claims Review," Mr. Miller and Ms. Dipman reported on several claims and answered questions. Mr. Miller and Ms. Dipman also requested approval of pending settlements. Ms. Swartz moved to approve the proposed course of action for claim number 2012042634. Mr. Wise seconded the motion which CARRIED unanimously. Mr. McEvoy moved to approve the proposed course of action for claim number 2010038798. Mr. Caspers seconded the motion which CARRIED unanimously.

Ms. Dipman then addressed Agenda Item No. 7b, "Logicomp Bill Review Report." She reported the amount billed totals \$2,032,473 for the period beginning January 1, 2013 through June 30, 2013. She said the actual paid amount for that period totals \$1,030,990, resulting in a net savings of \$1,001,483 after fees are paid. This is more than 49% 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 2009 through 2013. 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 2013 and should not be considered a guarantee of either good or poor ultimate-loss performance.

President Garrett declared a short break in the meeting at 2:13 p.m. The meeting resumed at 2:21 p.m.

President Garrett called upon Mr. Eyman 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 GovU online courses. Ms. Bird reported on the Loss Ratios calculated over 2008-2011. This helps the loss prevention staff focus on the needs of members. In many instances a more in-depth look is required as the values can be distorted by one large claim or a low premium. The staff asked for and responded to questions.

President Garrett addressed Agenda Item No. 9, "Legal Report." Mr. Parrish presented an update on the fee sweep case. He stated that KWORCC's attorney Mike O'Neal appeared before the Kansas Court of Appeals on July 16, 2013. The court seemed receptive; however, the decision could go either way. Mr. Parrish then proceeded to a discussion of the concealed carry law, HB 2052. He stated that the law makes the requirements uniform statewide. He further stated that he does not believe that HB2052 has an impact on KWORCC.

President Garrett moved to Agenda Item No. 10, "Committee Reports." Mr. Wise stated that the Investment Committee met before the Board meeting and they recommend the board of trustees adopt resolution 2013-51. Mr. Wise moved to adopt resolution 2013-51. Mr. McEvoy seconded the motion which CARRIED unanimously.

President Garrett reminded the Board that there will be a Personnel Committee meeting at 12:15 p.m., before the September Board Meeting.

President Garrett then addressed Agenda Item No. 11, "Other Business." Mr. Parrish reminded the Board that the August meeting will be by teleconference. Ms. Buttron stated she heard from a KCAMP trustee that KCAMP is considering inviting KWORCC to a joint KWORCC/KCAMP gathering.

There being nothing further, Dr. Garten moved to adjourn the meeting at 3:00 p.m. Mr. Wise seconded the motion which CARRIED unanimously.

The KWORCC Board of Trustees approved the foregoing minutes on the 15th day of August, 2013.



Bonnie Swartz, Secretary
KWORCC Board of Trustees

Minutes
Meeting, Board of Trustees
Kansas Workers Risk Cooperative for Counties
August 15, 2013 at 1:00 pm via Teleconference
700 SW Jackson, Ste 200
Topeka, KS 66603

The August 2013 meeting of the Board of Trustees of Kansas Workers Risk Cooperative for Counties (KWORCC) was called to order via teleconference at 1:04 p.m. on August 15, 2013 in Topeka by Board President Michelle Garrett. Trustees attending included: Michelle Garrett, Morris County Clerk, President; Jim Wise, Miami County Commissioner, Vice-President; Linda Buttron, Jefferson County Clerk, Controller; Steve Garten, Barber County Commissioner; Gary Caspers, Cloud County Commissioner and Stan McEvoy, 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. Richard Alexander, Accountant; Ms. Nicole Jarboe-Paxson, Executive Assistant and Media Director; Mr. Bruce Woner, General Counsel; Mr. Ralph D. Unger, Member Services Representative and Mr. Benjamin Woner, Intern.

Insurance Management Associates (IMA) was represented by Mr. Paul Davis, Ms. Marla Dipman, Mr. Gene Miller and Mr. Jess Cornejo.

President Garrett first addressed Agenda Item No. 2, "Approval of the Agenda." Mr. Parrish suggested the addition of Agenda Item No. 2a to excuse Ms. Bonnie Swartz, Gray County Clerk, Secretary, for personal business. Mr. Wise moved to approve the agenda with that addition and to excuse Ms. Swartz from the meeting. Dr. Garten seconded the motion which CARRIED unanimously.

President Garrett then addressed Agenda Item No. 3, "Consideration of Minutes of the Meeting of July 18, 2013." Mr. McEvoy moved to approve the minutes as presented. Mr. Caspers seconded the motion which CARRIED unanimously.

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

Mr. Parrish then addressed Agenda Item No. 4b, "Draft Budget 2014." Mr. Parrish went over the budget items and answered questions. He said the final budget will be presented at the September meeting for the Board's approval.

Ms. Bird addressed Agenda Item No. 4c, "KAC Vendor Booth & KWORCC Annual Meeting Status Report." She summarized the location for the vendor booth schedule, the list of delegates and the nominees for the trustee positions scheduled for election. She also discussed the responsiveness of the membership in meeting details and delegate selection. The annual meeting will be Wednesday, October 30, 2013 at 5 p.m.

President Garrett then proceeded to Agenda Item No. 5, "Marketing Report." Mr. Eyman discussed marketing activities and responded to questions. He reported that Cowley County has joined KWORCC as of August 13, 2013.

President Garrett then proceeded to Agenda Item No. 6, "Financial Report." Mr. Alexander discussed in detail the financial statements he prepared for July 2013. Mr. Wise moved to receive and file the financial reports. Dr. Garten seconded the motion which CARRIED unanimously.

Mr. Alexander presented the check register. Mr. McEvoy moved to approve check Nos. 15451 through 15486 and the direct debits. Ms. Buttron seconded the motion which CARRIED unanimously.

Next, Mr. Alexander reviewed the value of KWORCC's equity investments as of August 7, 2013.

President Garrett addressed Agenda Item No. 7, "Claims Report - IMA." As to Agenda Item No. 7a, "Select Claims Review," Mr. Miller and Ms. Dipman reported on several claims and answered questions. Ms. Dipman also requested approval of pending settlements. Mr. Caspers moved to approve the proposed course of action for claim number 2008036493. Mr. McEvoy seconded the motion which CARRIED unanimously. Ms. Buttron moved to approve the proposed course of action for claim number 2011041208. Mr. Wise seconded the motion which CARRIED unanimously. Mr. McEvoy moved to approve the proposed course of action for claim number 2010038798. Mr. Caspers seconded the motion which CARRIED unanimously.

Ms. Dipman then addressed Agenda Item No. 7b, "Logicomp Bill Review Report." She reported the amount billed totals \$2,297,869 for the period beginning January 1, 2013 through July 31, 2013. She said the actual paid amount for that period totals \$1,186,872, resulting in a net savings of \$1,110,998 after fees are paid. This is more than 48% of the amount billed for this 7-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 2009 through 2013. 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 2013 and should not be considered a guarantee of either good or poor ultimate-loss performance.

President Garrett 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 GovU online courses.

President Garrett addressed Agenda Item No. 9, "Legal Report." Mr. Parrish stated there was no legal report at this time. Mr. Woner stated that he had no legal matters to report.

President Garrett moved to Agenda Item No. 10, "Committee Reports." President Garrett reminded the Board that there will be a Personnel Committee meeting at 12:15 p.m., before the September 19th Board meeting.

President Garrett then addressed Agenda Item No. 11, "Other Business." Ms. Bird stated pictures of the Board and staff will be taken just prior to the September meeting in the lobby of the Clubhouse Inn.

There being nothing further, Ms. Buttron moved to adjourn the meeting at 2:06 p.m. Mr. McEvoy seconded the motion which CARRIED unanimously.

The KWORCC Board of Trustees approved the foregoing minutes on the 19th day of September, 2013.

A handwritten signature in cursive script, appearing to read "Bonnie Swartz".

Bonnie Swartz, Secretary
KWORCC Board of Trustees

Minutes
Meeting, Personnel Committee
Kansas Worker Risk Cooperative for Counties
September 19, 2013
Clubhouse Inn
924 SW Henderson Road
Topeka, KS 66615

On Thursday, September 19, 2013, the Personnel Committee of the Kansas Workers Risk Cooperative for Counties ("KWORCC") met at the Clubhouse Inn, Topeka, Kansas. The meeting was called to order by Committee Chair, Bonnie Swartz at 12:20 p.m. Committee Members participating included: Bonnie Swartz, Gray County Clerk; Michelle Garrett, Morris County Clerk and Steven Garten, Barber County Commissioner. Also present was James W. Parrish, KWORCC Administrator and Bruce Woner, General Counsel.

Chairperson Swartz asked if there were any changes to the agenda. Mr. Parrish indicated that there would be an addition as Item No. 4a "Review Percentage of Employee Allocation." Ms. Garrett moved to approve the agenda as amended. Dr. Garten seconded the motion which CARRIED unanimously. Dr. Garten moved to approve the personnel committee meeting minutes dated February 21, 2013 as written. Ms. Garrett seconded the motion which CARRIED unanimously.

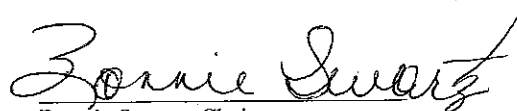
Whereupon, Chairperson Swartz requested discussion of the proposed revisions to the Personnel Policy. Mr. Parrish explained that KWORCC's personnel policy did not address employee possession of firearms while occupying a KWORCC owned or hired vehicle. The proposed change provides that firearms are prohibited unless the employee has a concealed carry license. If the employee has a concealed carry license, the firearm can be in the vehicle, but must be concealed. Ms. Garrett moved to recommend to the KWORCC Board of Trustees the changes to the personnel policy, as outlined KWORCC Resolution #2013-74. Dr. Garten seconded the motion which CARRIED unanimously.

Chairperson Swartz next asked the committee to consider the research and information provided by staff concerning COLA for 2014. This included the August 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 Government Executive as well as the results of contacts made to KWORCC members concerning COLA and/or merit increases. Whereupon, Ms. Garrett 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 2014. Dr. Garten seconded the motion which CARRIED by unanimous vote.

Next, Chairperson Swartz asked Mr. Parrish to address the allocation of KWORCC personnel for 2014, as a percentage of full-time. He distributed a summary which did not include Nicole Jarboe Paxson, who works 62% of her time for KWORCC. Mr. Parrish explained that the allocations were based on the changing needs of KWORCC staff. He indicated that he would be moving to full time to help accommodate for the administrative support needed because Mr. Eyman is moving to 62% time. He also noted that there are rather significant changes occurring -- or potentially occurring -- due to retirements and other factors that will require more attention by existing KWORCC employees.

There being no further business to come before the Personnel Committee, Ms. Garrett moved to adjourn the meeting at 12:52 p.m. Dr. Garten 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 20th day of February, 2014.



Bonnie Swartz, Chair
KWORCC Personnel Committee

Minutes
Meeting, Board of Trustees
Kansas Workers Risk Cooperative for Counties
September 19, 2013 at 1:00 pm
Clubhouse Inn
924 SW Henderson Road
Topeka, KS 66615

The September 2013 meeting of the Board of Trustees of Kansas Workers Risk Cooperative for Counties (KWORCC) was called to order at 1:09 p.m. on September 19, 2013 in Topeka by Board President Michelle Garrett. Trustees attending included: Michelle Garrett, Morris County Clerk, President; Jim Wise, Miami County Commissioner, Vice-President; Bonnie Swartz, Gray County Clerk, Secretary; Linda Buttron, Jefferson County Clerk, Controller; Steve Garten, Barber County Commissioner; Gary Caspers, Cloud County Commissioner and Stan McEvoy, 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. Richard Alexander, Accountant; Ms. Nicole Jarboe-Paxson, Executive Assistant and Media Director; Mr. Ralph D. Unger, Member Services Representative and Mr. Benjamin Woner, Intern.

Insurance Management Associates (IMA) was represented by Mr. Paul Davis, Ms. Marla Dipman, Mr. Gene Miller and Mr. Jess Cornejo. Also present was Mr. Sam Cargnel of Centric Actuarial Solutions.

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

President Garrett then addressed Agenda Item No. 3, "Consideration of Minutes of the Meeting of August 15, 2013." Mr. Wise moved to approve the minutes as presented. Ms. Swartz seconded the motion which CARRIED unanimously.

Next, President Garrett 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 Transfer of Funds." He described the checks requiring Board approval and the electronic transfers of funds to be ratified. Ms. Swartz moved to approve the checks and ratify the electronic transfers of funds as presented. Mr. Caspers seconded the motion which CARRIED unanimously.

Mr. Parrish then asked Mr. Cargnel to address Agenda Item No. 4b, "Actuarial Report as of 8/31/13." Mr. Cargnel reported that after review of loss data and having discussed this with KWORCC and IMA staff, he made adjustments to the ultimate loss projections for each of the past seven years. While five of the last seven years were adjusted downward, the ultimate loss for 2012 increased, for a total reduction in ultimate loss estimates for all these years of \$192,442. Based upon the losses reported for the first eight months of 2013, Mr. Cargnel's loss forecast decreased from \$4.3 million to \$4.2 million. He said the average cost per claim has been flat at approximately \$8,000 for this 7-year time period and that the number of claims has a general downward trend. Next he discussed his findings for 2014, concluding that the loss pick would be approximately \$1.81 per \$100 of payroll. Based upon the payroll estimates from the membership, the ultimate loss for 2014 is projected to be \$4.3 million. Mr. Cargnel then asked for and responded to questions. President Garrett thanked Mr. Cargnel for his report.

Mr. Parrish then addressed Agenda Item No. 4c, "Budget 2014." Mr. Parrish went over the budget items and answered questions. Mr. Parrish stated that the budget included ultimate loss estimates from Centric that changed slightly from the preliminary budget discussed at the August meeting. Ms. Swartz moved to approve the 2014 budget as presented. Mr. Wise seconded the motion which CARRIED unanimously.

Ms. Bird addressed Agenda Item No. 4d, "KAC Vendor Booth & KWORCC Annual Meeting Update." She summarized the schedule and location for the vendor booth. For the annual meeting, she reported the list of delegates and the nominees for the trustee positions scheduled for election. She also discussed the responsiveness of the membership. The annual meeting will be Wednesday, October 30, 2013 at 5:00 p.m.

Next, Mr. Parrish turned attention to Agenda Item No. 4e, "Kaw Valley Bank Request." The bank is installing a new system and requested new signature cards for the accounts. Ms. Bird informed the bank that the signatories are the same as provided in January of this year. While signature cards will not need to be re-signed, the bank does need to follow regulations and requires the social security number for all signers to verify identities for the new banking system. To maintain confidentiality, the trustees were given forms and an envelope in which to enclose their personal information. The sealed envelopes will be hand-delivered to the bank officer who promised to destroy the forms once the information is verified.

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

President Garrett then proceeded to Agenda Item No. 6, "Financial Report." Mr. Alexander discussed in detail the financial statements he prepared for August 2013. Ms. Swartz moved to receive and file the financial reports. Dr. Garten seconded the motion which CARRIED unanimously.

Mr. Alexander presented the check register. Mr. Wise moved to approve check Nos. 15487 through 15523 and the direct debits. Mr. Caspers seconded the motion which CARRIED unanimously.

Next, Mr. Alexander reviewed the value of KWORCC's equity investments as of September 11, 2013.

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

Ms. Dipman then addressed Agenda Item No. 7b, "Logicomp Bill Review Report." She reported the amount billed totals \$2,575,242 for the period beginning January 1, 2013 through August 31, 2013. She said the actual paid amount for that period totals \$1,329,079, resulting in a net savings of \$1,246,164 after fees are paid. This is more than 48% of the amount billed for this 8-month period.

Mr. Davis then explained the "Policy Year Performance Review" under Agenda Item No. 7c. This analytical review generated by IMA shows KWORCC's claim history for policy years 2009 through 2013. 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 2013 and should not be considered a guarantee of either good or poor ultimate-loss performance.

President Garrett declared a short break in the meeting at 2:13 p.m. The meeting resumed at 2:22 p.m.

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

President Garrett addressed Agenda Item No. 9, "Legal Report." Mr. Parrish referred to an e-mail from legal counsel Mike O'Neal who represents KWORCC and others, and reported that the Kansas Court of Appeals reversed the Shawnee County District Court and remanded the case for determination on the merits. The opinion states that the plaintiffs had standing because their injury (paying into the fund to replace the amounts swept out) is different than that suffered by members of the public at large. Furthermore, the court found that plaintiffs' alleged injury is a justiciable controversy directly traceable to the State's attempt to balance its budget by transferring funds from the agency fee funds to the General Fund. In addition, it was ruled that the plaintiffs have standing to bypass the agencies and sue the State and the state officials responsible for sweeping the accounts. As

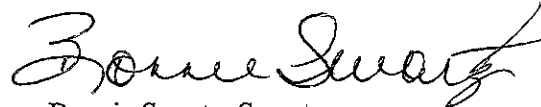
to the State's mootness argument, there is no showing that the legislature cannot undo what it has done. Similarly the ripeness argument is not valid because plaintiffs are not requesting that the court enjoin the legislature from passing future legislation – only challenging the constitutionality of H.B. 2373. Concerning the State's position that the case involves a political question, the court found that the legislature must conform to the Kansas Constitution. For that same reason, plaintiffs need not proceed under the Kansas Judicial Review Act – no state agency (via Insurance Commissioner, Bank Commissioner or Real Estate Commission) has the authority to declare a law unconstitutional. Mr. Parrish said there is a chance the State would appeal to the Kansas Supreme Court.

President Garrett moved to Agenda Item No. 10, "Committee Reports." Ms. Swartz reported that the Personnel Committee met and discussed a revision to the KWORCC personnel policy regarding the presence of firearms in KWORCC vehicles. The new policy will prohibit firearms in the vehicle unless the employee holds a license to carry a concealed weapon and further requires the employee keep the firearm concealed. Ms. Swartz moved to adopt KWORCC Resolution #2013-74. Ms. Butttron seconded the motion which CARRIED unanimously. She further reported that the Personnel Committee recommends a 2% cost of living increase for the staff effective January 1, 2014. Ms. Swartz moved to approve a 2% salary increase for the staff beginning January 1, 2014. Mr. McEvoy seconded the motion which CARRIED unanimously.

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

There being nothing further, Ms. Swartz moved to adjourn the meeting at 2:42 p.m. Mr. Wise seconded the motion which CARRIED unanimously.

The KWORCC Board of Trustees approved the foregoing minutes on the 14th day of November, 2013.



Bonnie Swartz, Secretary
KWORCC Board of Trustees

Minutes of the KWORCC
Annual Meeting
Hyatt Regency - Eagle Grand Ballroom FGH
400 West Waterman
Wichita, Kansas 67202
October 30, 2013

The Annual Meeting of Kansas Workers Risk Cooperative for Counties (KWORCC) was held on October 30, 2013 in Wichita at the Hyatt Regency Hotel. Trustees attending included: Michelle Garrett, Morris County Clerk, President; Jim Wise, Miami County Commissioner, Vice-President; Bonnie Swartz, Gray County Clerk, Secretary; Linda Buttron, Jefferson County Clerk, Controller; Steve Garten, Barber County Commissioner; Gary Caspers, Cloud County Commissioner and Stan McEvoy, Decatur County Commissioner.

Staff present: 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; Ms. Nicole Jarboe-Paxson, Executive Assistant and Media Director; Mr. Ralph D. Unger, Member Services Representative and Mr. Benjamin Woner, Intern.

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

President Garrett called the meeting to order at 5:01 p.m. and verified that a quorum was present. Mr. Parrish announced that a total of 37 Member County representatives were present and that the quorum requirements were met.

Member County representatives were present as follows: Phyllis Gettler, Anderson County Clerk, Delegate; R. Steven Garten, Barber County Commissioner, Delegate; R. Allen Warren, Bourbon County Commissioner, Delegate; Gary Caspers, Cloud County Commissioner, Delegate; Stan McEvoy, Decatur County Commissioner, Delegate; LaVerne Myers, Dickinson County Commissioner, Delegate; LaVerne Wetzel, Edwards County Commissioner, Delegate; Dean Haselhorst, Ellis County Commissioner, Delegate; Brenda Pogue, Ford County Commissioner, Delegate; Don Stottlemire, Franklin County Commissioner, Delegate; Ben Bennett, Geary County Commissioner, Delegate; Mahlon Tuttle, Gove County Commissioner, Delegate; Bonnie Swartz, Gray County Clerk, Delegate; Nikki Schwerdfeger, Hamilton County Commissioner, Delegate; G.A "Chip" Westfall, Harvey County Commissioner, Delegate; Linda Buttron, Jefferson County Clerk, Delegate; Thomas J. Bennett, Lane County Commissioner, Alternate; David Lamb, Linn County Commissioner, Alternate; Scott A Briggs, Lyon County Commissioner, Alternate; Sonya Stohs, Marshall County Clerk, 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; Jay Harris, Ness County Commissioner, Delegate; Kenneth Kuykendall, Osage County Commissioner, Delegate; Bryan Byrd, Osborne County Commissioner, Delegate; Kathy Luthi, Ottawa

County Commissioner, Alternate; Kathy Bowman, Pawnee County Commissioner, Alternate; Ken Urban, Rush County Commissioner, Alternate; Gary Skibbe, Scott County Commissioner, Delegate; Doyle Kauk, Sheridan County Commissioner, Alternate; Steve Evert, Sherman County Commissioner, Delegate; John D. Smith, Stanton County Commissioner, Delegate; Pat Hall, Stevens County Commissioner, Delegate; Mike Baughn, Thomas County Commissioner, Delegate and Adam W. Smith, Wallace County Commissioner, Delegate.

President Garrett then addressed Agenda Item No. 2, "Approval of the Agenda." Jim Wise, Miami County Commissioner, moved to approve the agenda as presented. Stan McEvoy, Decatur County Commissioner, seconded the motion which CARRIED unanimously.

President Garrett addressed Agenda Item No. 3, "Consideration of the Minutes of the Meeting of November 14, 2012." Steve Evert, Sherman County Commissioner, moved to approve the minutes as presented. Steve Garten, Barber County Commissioner, seconded the motion which CARRIED unanimously.

President Garrett next addressed Agenda Item No. 4, "Election of KWORCC Trustees." She announced that there were four positions open, with nominations received for the following: Jim Wise, Miami County Commissioner, incumbent for the Southeast District; Stan McEvoy, Decatur County Commissioner, incumbent for the Northwest District; Steve Garten, Barber County Clerk, incumbent, for the South Central District; Gary Caspers, Cloud County Commissioner, incumbent for the North Central District. President Garrett then asked for nominations from the floor. There were no further nominations. President Garrett called for a motion to close nominations. Mahlon Tuttle, Gove County Commissioner, moved to close nominations and cast a unanimous ballot. Kathy Luthi, Ottawa County Commissioner, seconded the motion which CARRIED unanimously.

President Garrett addressed the membership, pursuant to Agenda Item No. 5, "President's Opening Remarks." President Garrett 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 72 members including 67 county members, two hospitals and three county instrumentalities.

President Garrett 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 Garrett reported that KWORCC has more than \$21 Million in assets and is stronger than ever. She explained that because of higher losses in 2012 and added services (such as health department and ambulance) many members will experience an increase in premiums for policy year 2014. She said KWORCC continues to strive to keep premiums down, thus for a third year in a row, the Trustees have committed substantial reserve funds to reduce premiums in 2014. She explained that this also rewards members for continued loyalty. President Garrett said another strategy for reducing premiums is that KWORCC highlights continuous promotion of workplace safety to prevent injury to -- and death of -- employees of members.

President Garrett 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, 2013.

President Garrett 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. 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. Mann then explained that loss prevention staff will deliver plaques to the members who have the best loss ratios in three categories created according to premium. The 2012 awards are as follows:

<u>Premium</u>	<u>Winners</u>	<u>Loss Ratio</u>
0-\$50,000	1 st – Scott County	0.000%
	2 nd – Edwards County	1.942%
	3 rd – Lane County	3.345%
\$51,000— \$125,000	1 st – Jackson County	0.930%
	2 nd – Haskell County	1.046%
	3 rd – Doniphan County	1.232%
	Honorable Mention ~ Elk County	1.355%
	Honorable Mention ~ Brown County	1.368%
Greater than \$125,000	1 st – Jefferson County	5%
	2 nd – Franklin County	26%
	3 rd – Harper County	33%

President Garrett asked Mr. Parrish to address Agenda Item No. 8, "Presentation of 2014 Budget." Mr. Parrish reviewed the budget with the membership and explained that it had been approved by the Board of Trustees at the September board meeting in accordance with the bylaws and is presented each year at the annual meeting.

President Garrett addressed Agenda Item No. 9, "Other Business."

There being no further business Vicki Swartz, Hamilton County Commissioner, moved to adjourn the meeting at 5:21p.m. R. Allen Warren, Bourbon County Commissioner, seconded the motion which CARRIED unanimously.


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 19th day of September, 2013 at which a quorum was present:

RESOLUTION #2013-74

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:

At no time shall any form of alcoholic beverage be present in any personal vehicle while it is being used during the conduct of KWORCC business. In addition, no firearm shall be present in any personal vehicle while it is being used during the conduct of KWORCC business. "Firearm" includes a weapon designed to, or may readily be converted to, expel a projectile by action of any explosive; the frame or receiver or muffler or silencer of such weapon; destructive device (e.g. explosive, incendiary or poison gas bomb, grenade, mine, rocket, missile); and machine gun. Provided, however, if an employee is certified and licensed to carry a concealed firearm, the firearm shall be concealed while the employee is using the personal vehicle during the conduct of KWORCC business.

At no time shall any form of alcoholic beverage be present in any vehicle owned by or rented on behalf of KWORCC when such vehicle is being used on KWORCC business. In addition, no firearm shall be present in any personal vehicle while it is being used during the conduct of KWORCC business. "Firearm" includes a weapon designed to, or may readily be converted to, expel a projectile by action of any explosive; the frame or receiver or muffler or silencer of such weapon; destructive device (e.g. explosive, incendiary or poison gas bomb, grenade, mine, rocket, missile); and machine gun. Provided, however, if an employee is certified and licensed to carry a concealed firearm, the firearm shall be concealed while the employee is using KWORCC-provided vehicle during the conduct of KWORCC business.

IN WITNESS WHEREOF, the undersigned has caused this Resolution to be executed this 19th day of September, 2013.


Bonnie Swartz, Secretary

Minutes
Special Meeting, Board of Trustees
Kansas Workers Risk Cooperative for Counties
October 30, 2013 at 4:00 pm
Hyatt Regency Grand Ballroom FGH
400 West Waterman
Wichita, KS 67202

The October 2013 special meeting of the Board of Trustees of Kansas Workers Risk Cooperative for Counties (KWORCC) was called to order at 3:57 p.m. on October 30, 2013 in Wichita by Board President Michelle Garrett. Trustees attending included: Michelle Garrett, Morris County Clerk, President; Jim Wise, Miami County Commissioner, Vice-President; Bonnie Swartz, Gray County Clerk, Secretary; Linda Buttron, Jefferson County Clerk, Controller; Steve Garten, Barber County Commissioner; and 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; Ms. Nicole Jarboe-Paxson, Executive Assistant and Media Director; Mr. Ralph D. Unger, Member Services Representative and Mr. Benjamin Woner, Intern.

Insurance Management Associates (IMA) was represented by Mr. Gene Miller.

President Garrett first addressed Agenda Item No. 2, "Approval of the Agenda." Dr. Garten moved to approve the agenda with the addition of Agenda Item No. 2a, "Excuse Stan McEvoy." Ms. Swartz seconded the motion which CARRIED unanimously.

Ms. Swartz moved to excuse Mr. Stan McEvoy, Decatur County Commissioner from the meeting. Mr. Caspers seconded the motion which CARRIED unanimously.

President Garrett then addressed Agenda Item No. 3, "Financial Report." Mr. Alexander discussed in detail the financial statements he prepared for September 2013. Ms. Swartz moved to receive and file the financial reports. Mr. Wise seconded the motion which CARRIED unanimously.

Mr. Alexander then presented the 2013 Third Quarterly report for submission to the Kansas Insurance Department. Ms. Buttron moved to approve filing the report as proposed. Dr. Garten seconded the motion which CARRIED unanimously.

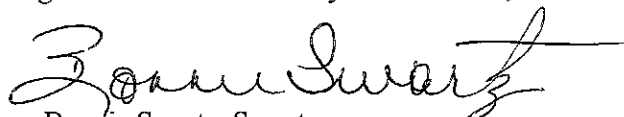
Mr. Alexander presented the check register. Mr. Wise moved to approve check Nos. 15524 through 15587 and the direct debits. Ms. Swartz seconded the motion which CARRIED unanimously.

President Garrett addressed Agenda Item No. 4, "Claims Settlement- IMA." Mr. Miller reported on and requested approval of two pending settlements. Ms. Swartz moved to approve the proposed course of action for claim number 2010039741. Dr. Garten seconded the motion which CARRIED unanimously. Mr. Wise moved to approve the proposed course of action for claim number 2011041617. Mr. Caspers seconded the motion which CARRIED unanimously.

President Garrett then addressed Agenda Item No. 5, "Other Business." There was no additional business.

There being nothing further, Ms. Swartz moved to adjourn the meeting at 4:09 p.m. Dr. Garten seconded the motion which CARRIED unanimously.

The KWORCC Board of Trustees approved the foregoing minutes on the 14th day of November, 2013.



Bonnie Swartz, Secretary
KWORCC Board of Trustees

Minutes
Meeting, Board of Trustees
Kansas Workers Risk Cooperative for Counties
November 14, 2013 at 1:00 pm via Teleconference
700 SW Jackson, Ste 200
Topeka, KS 66603

The November 2013 meeting of the Board of Trustees of Kansas Workers Risk Cooperative for Counties (KWORCC) was called to order via teleconference at 1:03 p.m. on November 14, 2013 in Topeka by Board President Michelle Garrett. Trustees attending included: Michelle Garrett, Morris County Clerk, President; Jim Wise, Miami County Commissioner, Vice-President; Linda Buttron, Jefferson County Clerk, Controller; Steve Garten, Barber County Commissioner; Gary Caspers, Cloud County Commissioner and Stan McEvoy, 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. Richard Alexander, Accountant; Ms. Nicole Jarboe-Paxson, Executive Assistant and Media Director; Mr. Brandon Mann, Loss Prevention Specialist; Mr. Ralph D. Unger, Member Services Representative and Mr. Benjamin Woner, Intern.

Insurance Management Associates (IMA) was represented by Mr. Paul Davis, Ms. Marla Dipman and Mr. Gene Miller.

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

President Garrett then addressed Agenda Item No. 3a & 3b, "Consideration of Minutes of the Meeting of September 19, 2013" and "Consideration of Minutes of the Special Meeting of October 30, 2013." Mr. Caspers moved to approve both sets of minutes as presented. Ms. Swartz seconded the motion which CARRIED unanimously.

Next, President Garrett 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 Transfer of Funds." He stated there were no checks for approval and described the electronic transfers of funds to be ratified. Mr. McEvoy moved to ratify the electronic transfers of funds as presented. Mr. Wise seconded the motion which CARRIED unanimously.

Mr. Parrish then asked Ms. Bird to address Agenda Item No. 4b, "Status of 2014 Renewals." She stated that the staff has received payrolls and experience modification factors and are working to determine premiums for 2014. The suggested premiums will be presented at the December board meeting for review and approval.

Mr. Parrish asked Mr. Alexander to address Agenda Item No. 4c, "Investment Income Transfer, Policy Year 2012." He stated that after the actuarial review, Policy Year 2012 shows a negative balance. He asked that \$150,000 be transferred from investment income to Policy Year 2012. Ms Swartz moved make the transfer as recommended. Mr. McEvoy seconded the motion which CARRIED unanimously.

Ms. Bird addressed Agenda Item No. 4d, "Christmas Party." She stated that the dinner will be at the North Star Steakhouse and that the menu was in the Board packet. Former KWORCC trustees have received invitations.

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

President Garrett then proceeded to Agenda Item No. 6, "Financial Report." Mr. Alexander discussed in detail the financial statements he prepared for October 2013. Ms. Swartz moved to receive and file the financial reports. Ms. Buttron seconded the motion which CARRIED unanimously.

Mr. Alexander presented the check register. Mr. Wise moved to approve check Nos. 15588 through 15605 and the direct debits. Mr. Caspers seconded the motion which CARRIED unanimously.

Next, Mr. Alexander reviewed the value of KWORCC's equity investments as of November 6, 2013.

President Garrett addressed Agenda Item No. 7, "Claims Report - IMA." As to Agenda Item No. 7a, "Select Claims Review," Mr. Miller and Ms. Dipman reported there were no claims to be addressed at this time.

Ms. Dipman then discussed Agenda Item No. 7b, "Logicomp Bill Review Report." She reported the amount billed totals \$3,104,722 for the period beginning January 1, 2013 through October 31, 2013. She said the actual paid amount for that period totals \$1,594,924, resulting in a net savings of \$1,509,798 after fees are paid. This is more than 49% of the amount billed for this 10-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 2013. 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 October 2013 and should not be considered a guarantee of either good or poor ultimate-loss performance.

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

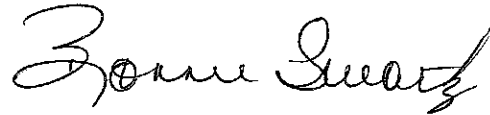
President Garrett addressed Agenda Item No. 9, "Legal Report." Mr. Parrish stated there was no legal report at this time.

President Garrett moved to Agenda Item No. 10, "Committee Reports." President Garrett reminded the Board that there will be an Investment Committee meeting at noon, before the December 19th Board meeting.

President Garrett then addressed Agenda Item No. 11, "Other Business." Ms. Bird reminded everyone that the December meeting is being held at the Holiday Inn Express. In addition, suggested 2014 meeting dates have been emailed to all Trustees and will be finalized at the December meeting.

There being nothing further, Mr. Caspers moved to adjourn the meeting at 1:34 p.m. Mr. Wise seconded the motion which CARRIED unanimously.

The KWORCC Board of Trustees approved the foregoing minutes on the 19th day of December, 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

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 December, 2013 at which a quorum was present:

RESOLUTION #2013-104

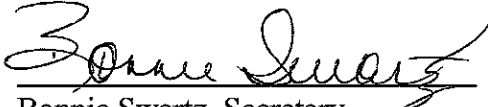
WHEREAS, KWORCC has elected to place investments pursuant to Chapter 40 of Kansas Statutes Annotated, and thus is to comply with the provisions thereof;

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 2, 2013 through November 30, 2013, 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, 2013 through November 30, 2013, 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 December, 2013.


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	07/01/2013	11/30/2013		n
Settle Date				n
Bank Eligible		ZZ		n
Purch/Sale/Both				b
Int/Mat/Both				n
Fed Funds				n
Repo Agmnts				n

Ticket Nbr	Cust S/N	Reg Type/Id	Apr By	Dt Enter	Factor	Face	Prin
Cust Nbr	Sec Descrip 1	Call Cd-Dt	Apr Date	Trade Dt	Tran Cd	Par	Interest
Cusip	Sec Descrip 2	Call Price	Apr Time	Settle Dt	Ent By	Basis	Fees
Security	Sec Descrip 3	Mat Date	Fall Del	Trd Status	Trd For	Price	Withholding
Port ID	Woody/StdPeer/MkRtgy	CPN Rate	Fall Pmt	Conv	Yield	P/L	Penalty
Deal ID	Broker	Cloc/Ploc	Pay/Del	Buyback			Total Amt
311129490	KMORCC (302)	E/*		07/03/2013	1.0000000000	1,000,000.00	998,203.13
300121	U.S. Treasury Notes	.000		07/03/2013	Purch	1,000,000.00	10.19
912828UD0		12/31/2014	n-07/03/13	09	skml44	99.8203125	.00
912828UD0		.125	n-07/03/13	na	BCT	99.820312500	.00
028-INTS	//	ccf/ccf	c/sko	n		.00	998,213.32
31129490	KMORCC (302)	E/*		09/19/2013	1.0000000000	1,000,000.00	1,000,500.00
300121	FNMA .750 STEP UP 1.0 2/28/14	c-02/28/14		09/19/2013	Purch	1,000,000.00	458.33
3136FMS83	QTRLY CALL BEG 2/28/14	100.000	n-09/20/13	09	skml44	100.0500	.00
3136FMS83	MULTI STEP	02/28/2017	n-09/20/13	na	BCT	100.050000000	.00
032-AGCY	Aaa/AA+/	VAR	n-09/20/13	na		.00	.00
0		ccf/ccf	c/sko	n		.00	1,000,958.33

Report Totals
 Par: 2,000,000.00
 P/L: .00

Prin: 1,998,703.13
 Int: 468.52
 Total: 1,999,171.65

Minutes
Meeting, Investment Committee
Kansas Worker Risk Cooperative for Counties
Clubhouse Inn - Conference Room
924 SW Henderson Rd., Topeka KS 66615
December 19, 2013

On Thursday, December 19, 2013 at 12:11 PM the Investment Committee of Kansas Workers Risk Cooperative for Counties ("KWORCC") met at the Clubhouse Inn, Topeka, Kansas. The meeting was called to order by Committee Chair, Jim Wise. Committee Members participating included: Jim Wise, Miami County Commissioner; Stan McEvoy, Decatur County Commissioner and Gary Caspers, Cloud County Commissioner. Also present was KWORCC Administrator, Jim Parrish and GTrust representatives: Rudy Wrenick, Steve Page and Sheryl Burhenn.

Chairman Wise called the meeting to order at 12:11 PM. Mr. McEvoy moved to approve the Agenda as presented. Mr. Caspers seconded the motion which CARRIED unanimously.

Chairman Wise asked consideration of the Committee's meeting on July 18, 2013. Mr. Caspers made a motion to approve the minutes as presented. Mr. McEvoy seconded the motion which CARRIED unanimously.

Next, the Committee took up KWORCC Resolution 2013-104 with attached itemization of investment purchases made in United States Government securities from the period July 1, 2013 through November 30, 2013. Upon review, the Committee determined that the transactions were in accordance with KWORCC Investment Policy and K.S.A. 40-2a01. Mr. McEvoy moved to recommend that the KWORCC Board of Trustees adopt KWORCC Resolution 2013-104. Mr. Caspers seconded the motion which CARRIED unanimously.

Next, Chairman Wise asked GTrust to address KWORCC's equity investments. Mr. Page reviewed the performance of the account through November 30, 2013. He stated that the portfolio increased by 21.3% through November, and some of the asset classes increased by over 36% (e.g., Large Cap Value), while the international investments lagged. Mr. Page stated that it is important to remain diversified to provide a balanced return each period.

Mr. Page then reviewed a hand-out, titled "The Randomness of Returns" (copy attached to these minutes). The data provided shows that with only a few exceptions industry categories did not repeat with the highest return from year to year, and the leadership changed each year. In addition, in only six out of 15 years did all the sectors provide positive returns. Importantly, the international emerging markets provided similar results; returns from 21 different countries showed only three countries lead in returns for two out of the 15 years. The international developed markets 25 year study reflected similar results. He said it was interesting to note the United States was the leader in one year, while Austria and Hong Kong were the leaders for four years each. A review of the world market capitalization as of December, 2012, showed that the United States only represented 46%. Of the developed markets United Kingdom and Japan represented 7% of the world capitalization, and France, Germany, Switzerland and Australia had 3% each. As the other countries' economies continue to grow, the U.S. percentage share slowly will decline. Mr. Page explained that it is necessary to have an exposure to each category (Large Cap, Small Cap, Value, Growth, International, etc.), as well as the


various sectors of the market (Consumer, Industrial, Financial, Technology, etc.) to provide a steady return for the portfolio. He stressed the importance of diversifying investments throughout the world markets as well as the United States markets.

Next, Mr. Page reviewed the outlook for the markets. He said that while a market adjustment is anticipated and in some ways welcomed, the markets are expected to provide a positive return for next year, but less than the returns experienced in 2013. Mr. Page said it will be important to be diversified between the different markets to minimize the volatility in the portfolio. Messrs. Page and Wrenick and Ms. Berhenn then asked for and answered questions from the Committee. Chairman Wise stated that the Committee was pleased with the returns on KWORCC's equities and thanked the GTrust representatives for the comprehensive report.

Mr. Parrish suggested that KWORCC staff review the applicable laws and standards and make a recommendation to the Investment Committee for future equity investments to be presented at the January 16, 2014 Board of Trustees meeting. Chairman Wise agreed with the suggestion.

There being no further business to come before the Committee Chairman Wise adjourned the meeting.

THE FOREGOING MINUTES of the Investment Committee of Kansas Workers Risk Cooperative for Counties were executed by the Chair of that Committee on January 16, 2014.



Jim Wise, Chair
KWORCC Investment Committee

The Randomness of Returns

Annual Return (%)

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Highest Return	28.6	66.4	31.0	14.0	7.6	69.2	35.1	34.5	36.0	39.8	8.8	79.0	28.1	9.4	21.2
	23.1	33.0	22.8	12.3	5.1	66.8	33.2	24.1	33.0	8.2	6.6	48.6	26.9	3.4	18.6
	15.6	30.2	9.0	8.4	3.8	60.2	32.1	22.6	32.6	8.0	4.7	47.8	24.5	2.3	18.2
	10.2	21.5	8.3	7.3	3.6	56.3	30.6	15.1	27.5	6.3	-28.9	44.8	20.7	2.1	18.1
	9.7	21.3	7.3	6.4	3.4	47.3	26.0	13.8	26.3	6.3	-33.8	28.5	19.2	0.6	17.5
	8.4	21.0	7.0	2.5	-2.9	46.0	22.3	7.0	23.5	6.2	-36.8	27.2	19.2	0.4	17.1
	7.8	7.4	4.0	-2.4	-6.0	36.2	18.3	4.9	22.2	5.9	-37.0	26.5	15.5	-4.2	16.8
	5.9	4.0	-2.0	-5.6	-11.4	30.0	16.5	4.7	18.4	5.5	-39.2	20.6	15.1	-5.5	16.4
	-2.6	3.6	-3.0	-6.5	-13.8	28.7	10.9	4.6	15.8	-0.2	-42.5	19.7	13.3	-15.1	16.0
	-6.4	1.9	-9.1	-11.9	-15.5	2.0	2.7	3.1	4.3	-1.6	-45.1	2.3	3.7	-15.6	2.1
	-17.0	-1.5	-12.3	-15.4	-20.5	1.9	1.3	2.4	4.1	-9.8	-47.1	0.8	2.0	-17.1	0.9
Lowest Return	-25.3	-2.6	-30.6	-16.7	-22.1	1.5	0.8	1.3	3.8	-17.6	-53.2	0.2	0.8	-18.2	0.2
US Large Cap	28.6	21.0	-9.1	-11.9	-22.1	28.7	10.9	4.9	15.8	5.5	-37.0	26.5	15.1	2.1	16.0
US Large Cap Value	15.6	7.4	7.0	-5.6	-15.5	30.0	16.5	7.0	22.2	-0.2	-36.8	19.7	15.5	0.4	17.5
US Small Cap	-2.6	21.3	-3.0	2.5	-20.5	47.3	18.3	4.6	18.4	-1.6	-33.8	27.2	26.9	-4.2	16.4
US Small Cap Value	-6.4	-1.5	22.8	14.0	-11.4	46.0	22.3	4.7	23.5	-9.8	-28.9	20.6	24.5	-5.5	18.1
US Real Estate	-17.0	-2.6	31.0	12.3	3.6	36.2	33.2	13.8	36.0	-17.6	-39.2	28.5	28.1	9.4	17.1
Intl Large Cap Value	23.1	33.0	4.0	-15.4	-13.8	69.2	30.6	15.1	33.0	6.3	-45.1	48.6	13.3	-17.1	21.2
Intl Small Cap	10.2	30.2	-12.3	-16.7	-2.9	60.2	32.1	22.6	26.3	8.0	-47.1	44.8	20.7	-15.6	16.8
Intl Small Cap Value	9.7	21.5	-2.0	-6.5	3.8	66.8	35.1	24.1	27.5	6.2	-42.5	47.8	19.2	-15.1	18.2
Emerging Markets	-25.3	66.4	-30.6	-2.4	-6.0	56.3	26.0	34.5	32.6	39.8	-53.2	79.0	19.2	-18.2	18.6
One-Year US Fixed	5.9	4.0	7.3	7.3	3.4	1.5	0.8	2.4	4.3	5.9	4.7	0.8	0.8	0.6	0.2
Five-Year US Government Fixed	7.8	1.9	9.0	8.4	7.6	2.0	1.3	1.3	3.8	8.2	8.8	0.2	3.7	3.4	0.9
Five-Year Global Fixed	8.4	3.6	8.3	6.4	5.1	1.9	2.7	3.1	4.1	6.3	6.6	2.3	2.0	2.3	2.1

In US dollars. US Large Cap is the S&P 500 Index, provided by Standard & Poor's Index Services Group. US Large Cap Value is the Russell 1000 Value Index. US Small Cap is the Russell 2000 Index. US Small Cap Value is the Russell 2000 Value Index. Russell data copyright © Russell Investment Group 1997-2013, all rights reserved. US Real Estate is the Dow Jones US Select REIT Index, provided by Dow Jones Indices. International Value data provided by Femal/French from Bloomberg and MSCI securities data. International Small Cap data compiled by Dimensional from Bloomberg, StyleResearch, London Business School, and Nomura Securities data. International Small Cap Value data compiled by Dimensional from Bloomberg and StyleResearch securities data. Emerging Markets is the MSCI Emerging Markets Index (gross dividends), copyright MSCI 2013, all rights reserved; see MSCI disclosure page for additional information. One-Year US Fixed is the BofA Merrill Lynch One-Year US Treasury Note Index, used with permission; copyright 2013 Merrill Lynch, Pierce, Fenner & Smith Incorporated; all rights reserved. Five-Year US Government Fixed is the Barclays Capital Treasury Bond Index 1-5 Years, formerly Lehman Brothers, provided by Barclays Bank Pl.C. Five-Year Global Fixed is the Citigroup World Government Bond Index 1-5 Years (hedged), copyright 2013 by Citigroup. Indexes are not available for direct investment. Index performance does not reflect the expenses associated with the management of an actual portfolio. Past performance is not a guarantee of future results.

The Randomness of Returns: Sectors

Annual Return (%)

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Highest Return	61.93	82.58	54.05	3.63	-6.31	50.32	38.05	40.83	39.41	32.88	-16.09	61.85	30.53	18.46	32.39
	49.92	25.07	45.67	1.41	-6.63	41.04	23.25	14.75	21.76	27.51	-23.35	53.60	24.87	13.39	29.05
	38.70	23.95	38.42	1.31	-9.09	37.62	19.24	8.11	19.74	17.18	-28.11	50.17	24.16	11.90	24.56
	31.22	23.46	26.76	0.86	-13.09	34.83	17.94	6.03	17.57	16.56	-38.17	35.63	23.38	5.05	19.32
	17.79	17.65	7.24	-7.11	-21.08	32.09	15.39	5.96	15.44	12.58	-38.39	33.97	23.16	4.06	16.46
	13.86	12.79	0.29	-12.77	-23.84	26.07	14.39	5.17	15.12	11.95	-39.41	24.05	14.48	0.64	15.28
	10.28	1.81	-14.16	-14.86	-23.78	24.71	12.53	3.69	14.98	8.05	-41.22	20.97	13.39	-0.38	13.30
	8.54	-2.89	-25.78	-16.67	-23.58	19.84	10.10	3.01	11.90	0.20	-41.99	15.62	11.81	-0.71	10.08
	-7.05	-6.66	-35.38	-17.44	-37.31	18.87	3.51	-1.40	10.87	-8.69	-48.14	14.55	7.31	-14.12	4.32
Lowest Return	-15.90	-14.64	-40.14	-28.40	-38.33	17.43	0.79	-6.04	6.65	-17.88	-51.35	11.76	5.11	-16.51	2.19
Morningstar SEC/Basic Materials	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Morningstar SEC/Consumer Cyclical	-7.05	23.95	-14.16	0.86	-9.09	37.62	17.94	5.96	14.98	27.51	-48.14	53.60	24.87	-14.12	16.46
Morningstar SEC/Consumer Dfnsve	49.92	23.46	-40.14	-17.44	-37.31	19.84	14.39	-6.04	39.41	0.20	-38.17	35.63	23.16	0.64	32.39
Morningstar SEC/Energy	31.22	17.65	-25.78	3.63	-23.78	41.04	15.39	-1.40	11.90	-8.69	-41.22	50.17	30.53	4.06	24.56
Morningstar SEC/Financial Svc	17.79	-2.89	7.24	1.41	-6.31	17.43	10.10	3.01	15.12	12.58	-16.09	15.62	14.46	13.39	10.08
Morningstar SEC/Healthcare	-15.90	25.07	45.67	-14.86	-6.63	26.07	38.05	40.83	19.74	32.88	-38.39	33.97	23.38	5.05	4.32
Morningstar SEC/Industrials	10.28	1.81	26.76	-7.11	-13.09	32.09	12.53	6.03	17.57	-17.88	-51.35	14.55	11.81	-16.51	29.05
Morningstar SEC/Technology	38.70	-6.66	38.42	-12.77	-21.08	18.87	3.51	8.11	6.65	8.05	-23.35	20.97	5.11	11.90	19.32
Morningstar SEC/Communication Svc	8.54	12.79	0.29	1.31	-23.58	34.83	19.24	5.17	15.44	11.95	-39.41	24.05	24.16	-0.71	15.28
Morningstar SEC/Utilities	61.93	82.58	-35.38	-28.40	-38.33	50.32	0.79	3.69	10.87	16.56	-41.99	61.85	13.39	-0.38	13.30
Morningstar SEC/Utilities	13.86	-14.64	54.05	-16.67	-23.84	24.71	23.25	14.75	21.76	17.18	-28.11	11.76	7.31	18.46	2.19

Mutual fund universe statistical data and non-Dimensional money managers' fund data provided by Morningstar, Inc. Morningstar's Sector Index family consists of 11 sector indices that track the US equity market using a consumption-based analysis of economic sectors in a comprehensive, non-overlapping structure. Index constituents are drawn from the available pool of US-domiciled stocks that trade on one of the three major US exchanges. Real Estate Sector Index is not included in the above illustration. Index performance does not reflect the expenses associated with the management of an actual portfolio. Past performance is not a guarantee of future results.

Equity Returns of Emerging Markets

Annual Return (%)

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Highest Return	Korea 141.15	Turkey 252.41	Czech Rep 1.62	Russia 55.85	Czech Rep 44.16	Thailand 144.56	Colombia 132.95	Egypt 161.59	China 82.87	Peru 94.74	Morocco -10.87	Brazil 128.62	Thailand 56.27	Indonesia 6.50	Turkey 64.87
	Morocco 24.57	Russia 247.06	Poland -4.04	Korea 48.71	Indonesia 42.83	Turkey 125.88	Egypt 126.23	Colombia 107.52	Indonesia 74.83	Brazil 79.99	Colombia -25.10	Indonesia 127.63	Peru 53.35	Malaysia 0.12	Philippines 47.56
	Philippines 13.45	Malaysia 114.33	Brazil -11.37	Colombia 46.77	Hungary 30.69	Brazil 115.01	Hungary 92.49	Russia 73.77	Morocco 68.58	Turkey 74.81	Chile -35.37	Russia 104.91	Chile 44.81	Philippines 0.10	Egypt 47.10
	Thailand	Indonesia	Chile	Peru	Peru	Peru	Czech Rep	Korea	Peru	India	South Africa	India	Colombia	Thailand	Poland
	Czech Rep 0.54	Korea 93.46	Malaysia -15.14	Peru 19.92	South Africa 30.50	Egypt 94.32	Poland 87.25	Peru 58.00	Peru 62.55	China 73.11	South Africa -37.89	India 102.81	Colombia 43.41	Thailand -2.40	Colombia 40.97
	Poland -6.69	Egypt 92.42	South Africa -15.95	Mexico 18.55	China 27.99	Egypt 91.84	Poland 61.52	Brazil 57.05	Philippines 59.65	China 66.24	Peru -40.11	Turkey 98.49	Malaysia 37.01	Czech Rep -5.02	Colombia 35.89
	Hungary -8.16	India 88.40	South Africa -17.19	Taiwan 10.47	Thailand 27.59	China 87.57	Indonesia 52.21	Turkey 56.94	Russia 55.93	Egypt 58.43	Malaysia -41.21	Chile 86.73	Philippines 35.49	Colombia -5.02	Thailand 34.94
	Taiwan -20.64	Mexico 87.35	Mexico -20.49	Thailand 5.25	Colombia 25.36	Chile 84.41	Mexico 48.32	Mexico 49.11	India 51.00	Czech Rep 55.93	Czech Rep -42.75	Colombia 84.35	Indonesia 34.82	Korea -11.76	Mexico 29.06
	India -21.24	Brazil 80.07	Morocco -21.55	Russia 4.56	Malaysia 15.71	India 78.38	South Africa 44.91	India 46.20	Brazil 45.80	Indonesia 55.03	Mexico -42.94	Taiwan 80.25	Mexico 34.21	Mexico -12.11	India 25.97
	Egypt -27.00	South Africa 67.23	India -21.74	Czech Rep -2.01	Korea 8.62	Indonesia 78.20	Turkey 42.03	India 37.57	Poland 41.93	Morocco 48.15	Taiwan -45.88	Hungary 77.61	Mexico 27.61	South Africa -14.36	China 23.10
	South Africa -27.56	Taiwan 52.71	Hungary -23.82	Chile -2.83	India 8.38	Russia 75.94	Brazil 36.47	Peru 35.00	Mexico 41.44	Thailand 46.63	Thailand -48.27	Thailand 77.31	Korea 27.15	Morocco -14.76	Hungary 22.79
	Chile -28.50	Thailand 47.16	Russia -30.03	Indonesia -8.49	Egypt 1.59	Colombia 66.93	Chile 29.01	South Africa 28.34	Malaysia 37.14	Malaysia 46.07	China -50.83	Korea 72.06	Taiwan 22.73	China -18.24	Korea 21.48
	Malaysia -30.81	Chile 39.01	China -30.54	Morocco -13.70	Malaysia -0.66	Morocco 49.03	Morocco 22.86	Chile 21.62	Chile 33.70	Philippines 32.56	Egypt -52.35	China 67.98	Russia 20.95	China 20.00	Peru 19.01
	Indonesia -31.53	Poland 31.50	Colombia -38.85	Brazil -16.99	Morocco -8.42	South Africa 45.86	Colombia 22.56	Chile 21.62	Chile 29.33	Poland 25.79	Poland -54.49	China 62.63	Russia 19.40	Taiwan -20.15	Taiwan 17.66
	Mexico -33.53	Peru 18.86	Egypt -43.71	South Africa -17.21	Mexico 13.31	Philippines 42.55	Philippines 19.11	China 18.50	Taiwan 20.53	Russia 24.79	Russia -55.07	South Africa 57.82	Morocco 15.86	Brazil -21.37	Russia 14.39
	Brazil -39.62	China 13.33	Taiwan -44.90	Philippines -19.29	China -14.05	Taiwan 42.55	Taiwan 15.17	Hungary 18.50	Egypt 20.53	Chile 23.68	Indonesia -56.20	Mexico 56.63	Morocco 15.33	Brazil -21.59	Malaysia 14.27
	Peru -40.22	Hungary 11.66	Philippines -45.01	India -19.45	Chile 19.81	Korea 35.94	Taiwan 9.83	Indonesia 15.76	Peru 17.08	South Africa 18.14	Hungary -61.53	Poland 52.06	Egypt 12.42	Peru -29.52	Chile 8.34
	Colombia -41.71	Czech Rep 5.35	Taiwan -45.65	China -24.70	Taiwan -24.45	Poland 35.48	Russia 5.69	Morocco 13.97	Colombia 13.76	Hungary 16.80	Indonesia -61.53	Poland 42.51	Brazil 6.81	Hungary -33.65	Indonesia 5.22
	China -42.37	Philippines 3.32	Korea -49.62	Poland -27.44	Philippines -28.98	Mexico 32.81	Peru 3.16	Thailand 9.16	Korea 13.19	Turkey 15.00	Turkey -62.10	Egypt 39.74	China 4.83	Turkey -35.16	Czech Rep 5.22
	Turkey -52.51	Morocco -11.92	Thailand -56.27	Turkey -32.66	Brazil -30.65	Hungary 32.31	China 1.89	Taiwan 7.25	Thailand 11.61	Mexico 12.15	India -64.63	Czech Rep 27.77	Czech Rep -1.66	India -37.17	Czech Rep 3.48
Lowest Return	Russia -82.99	Colombia -14.38	Indonesia -61.90	Egypt -41.30	Turkey -35.70	Malaysia 26.81	Thailand -0.92	Malaysia 2.29	Turkey -6.97	Taiwan 9.13	Russia -73.83	Morocco -4.98	Hungary -9.58	Egypt -46.86	Morocco -11.48

Source: MSCI emerging markets country indices (gross dividends) with at least fifteen years of data. MSCI data copyright MSCI 2013, all rights reserved. Indices are not available for direct investment. Index performance does not reflect expenses associated with the management of an actual portfolio. Past performance is not a guarantee of future results.

Equity Returns of Emerging Markets

Annual Return (%)

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Brazil	-39.62	67.23	-11.37	-16.99	-30.65	115.01	36.47	57.05	45.80	79.99	-56.06	128.62	6.81	-21.59	0.34
Chile	-28.50	39.01	-15.14	-2.83	-19.81	84.41	29.01	21.62	29.33	23.68	-35.37	86.73	44.81	-20.00	8.34
China	-42.37	13.33	-30.54	-24.70	-14.05	87.57	1.89	19.77	82.87	66.24	-50.83	62.63	4.83	-18.24	23.10
Colombia	-41.71	-14.38	-38.85	45.77	25.36	66.93	132.95	107.52	13.76	15.00	-25.10	84.35	43.41	-5.02	35.89
Czech Republic	0.54	5.35	1.62	-2.01	44.16	66.20	87.25	46.20	34.68	55.93	-42.75	27.77	-1.66	-5.02	3.48
Egypt	-27.00	88.40	-43.71	-41.30	1.59	91.84	126.23	161.59	17.08	58.43	-52.35	39.74	12.42	-46.86	47.10
Hungary	-8.16	11.66	-26.80	-9.16	30.69	32.31	92.49	18.50	33.70	16.80	-61.53	77.61	-9.58	-33.65	22.79
India	-21.24	87.35	-21.74	-19.45	8.37	78.36	19.11	37.57	51.00	73.11	-64.63	102.81	20.95	-37.17	25.97
Indonesia	-31.53	93.46	-61.90	-8.49	42.83	78.20	52.21	15.76	74.83	55.03	-56.20	127.63	34.62	6.50	5.22
Korea	141.15	92.42	-49.62	48.71	8.62	35.94	22.86	58.00	13.19	32.58	-55.07	72.06	27.15	-11.76	21.48
Malaysia	-30.81	114.33	-15.95	4.56	-0.66	26.61	15.17	2.29	37.14	46.07	-41.21	52.06	37.01	0.12	14.27
Mexico	-33.53	80.07	-20.49	18.55	-13.31	32.81	48.32	49.11	41.44	12.15	-42.94	56.63	27.61	-12.11	29.06
Morocco	24.57	-11.92	-21.55	-13.70	-8.42	49.03	22.56	13.97	68.58	48.15	-10.87	-4.98	15.33	-14.76	-11.48
Peru	-40.22	18.86	-23.82	19.92	30.50	94.32	3.16	35.00	62.55	94.74	-40.11	72.06	53.35	-21.37	20.24
Philippines	13.45	3.32	-45.01	-19.29	-28.98	42.76	26.58	23.92	59.65	41.68	-51.87	67.98	35.49	0.10	47.56
Poland	-6.69	31.50	-4.04	-27.44	1.26	35.48	61.52	24.96	41.93	25.79	-54.49	42.51	15.86	-29.52	40.97
Russia	-82.99	247.06	-30.03	55.85	15.71	75.94	5.69	73.77	55.93	24.79	-73.83	104.91	19.40	-19.30	14.39
South Africa	-27.56	57.20	-17.19	-17.21	27.99	45.86	44.91	28.34	20.53	18.14	-37.89	57.82	34.21	-14.36	19.01
Taiwan	-20.64	52.71	-44.90	10.47	-24.45	42.55	9.83	7.25	20.90	9.13	-45.88	80.25	22.73	-20.15	17.66
Thailand	11.56	47.16	-56.27	5.25	27.59	144.56	-0.92	9.16	11.61	46.63	-48.27	77.31	56.27	-2.40	34.94
Turkey	-52.51	252.41	-45.65	-32.66	-35.70	125.88	42.03	56.94	-6.97	74.81	-62.10	98.49	21.24	-35.16	64.87

Boxed Return is highest return for the year.

Source: MSCI emerging markets country indices (gross dividends) with at least fifteen years of data. MSCI data copyright MSCI 2013, all rights reserved. Indices are not available for direct investment. Index performance does not reflect expenses associated with the management of an actual portfolio. Past performance is not a guarantee of future results.

Equity Returns of Developed Markets

Annual Return (%)

Year	Belg.	Den.	France	Germany	Italy	Japan	Netherlands	Norway	Spain	Sweden	Switzerland	UK	USA
1988	56.3	42.40	37.87	36.40	35.39	33.32	H.K.	28.2	20.60	20.60	17.07	US	14.61
1989	103.91	43.94	42.26	36.5	35.79	33.79	US	30.01	26.21	26.21	24.30	UK	14.61
1990	0.29	0.65	-0.91	-3.5	-3.79	-6.23	Ger.	-9.36	-0.98	-0.98	-1.66	Ger.	18.00
1991	49.52	24.96	17.83	17.80	16.56	16.02	Switz.	15.77	5.63	5.63	14.42	Belg.	13.77
1992	32.29	6.28	2.81	2.30	-1.47	-3.65	Ger.	-0.27	-0.65	-0.65	-0.82	Ger.	12.15
1993	16.70	42.04	36.99	35.64	35.28	35.17	Den.	32.81	29.78	29.78	28.53	Austr.	28.09
1994	23.57	11.70	11.56	8.24	6.68	5.40	Ger.	4.66	3.77	3.77	3.54	US	1.13
1995	44.12	29.83	27.71	25.88	22.57	21.27	Den.	18.78	18.31	18.31	16.41	France	14.12
1996	40.05	37.14	37.21	27.51	27.42	23.24	Den.	21.79	21.20	21.20	18.49	Ger.	13.58
1997	44.25	35.48	35.48	33.08	33.88	33.38	US	34.52	32.92	32.92	32.80	France	11.94
1998	67.75	52.52	52.52	49.90	41.54	41.54	France	49.90	45.22	45.22	42.80	H.K.	6.07
1999	99.40	79.74	79.74	61.53	59.52	59.52	H.K.	61.53	59.52	59.52	59.52	Japan	6.07
2000	5.85	5.34	5.34	3.44	-0.89	-0.89	Norway	3.44	-0.89	-0.89	-0.89	Den.	12.06
2001	168	-5.65	-5.65	-0.89	-1.36	-1.36	Spain	-0.89	-1.36	-1.36	-1.36	Spain	-2.20
2002	6.55	-1.34	-1.34	-7.26	-7.33	-7.33	Italy	-7.26	-7.33	-7.33	-7.33	France	-8.03
2003	64.53	63.80	63.80	58.46	56.96	56.96	Austria	58.46	56.96	56.96	56.96	Den.	37.60
2004	71.52	43.53	43.53	38.39	36.28	36.28	Den.	38.39	36.28	36.28	36.28	Spain	19.57
2005	28.31	25.52	25.52	24.84	24.50	24.50	Den.	24.84	24.50	24.50	24.50	Den.	9.88
2006	49.36	46.71	46.71	45.12	43.39	43.39	Den.	45.12	43.39	43.39	43.39	Den.	30.86
2007	41.20	35.21	35.21	31.43	29.57	29.57	Den.	31.43	29.57	29.57	29.57	Den.	6.06
2008	-29.21	-30.49	-30.49	-37.57	-40.60	-40.60	Spain	-37.57	-40.60	-40.60	-40.60	Spain	-49.86
2009	87.07	76.43	76.43	73.96	64.75	64.75	Den.	73.96	64.75	64.75	64.75	Den.	36.57
2010	33.75	30.73	30.73	23.23	22.14	22.14	Den.	23.23	22.14	22.14	22.14	Den.	8.76
2011	136	-2.59	-2.59	-6.77	-10.01	-10.01	Belg.	-6.77	-10.01	-10.01	-10.01	Belg.	-8.02
2012	39.55	31.27	31.27	30.96	30.90	30.90	Den.	30.96	30.90	30.90	30.90	Den.	8.65

In US dollars.
 Source: MSCI developed markets country indices (net dividends) with at least twenty-five years of data. MSCI data copyright MSCI 2013, all rights reserved. see MSCI disclosure page for additional information. Indexes are not available for direct investment. Index performance does not reflect expenses associated with the management of an actual portfolio. Past performance is not a guarantee of future results.

Equity Returns of Developed Markets

Annual Return (%)

	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Australia	36.40	9.30	-17.54	33.64	-10.82	35.17	5.40	11.19	16.49	-10.44	6.07	17.62	-9.95	1.68	-1.34	49.46	30.34	16.02	30.86	28.34	-50.67	76.43	14.52	-10.95	22.07
Austria	0.57	103.91	6.33	-12.23	-10.65	28.09	-6.28	-4.72	4.51	1.57	0.35	-9.11	-11.96	-5.65	16.55	56.96	71.52	24.64	36.54	2.17	-68.41	43.20	9.88	-36.43	25.90
Belgium	53.63	17.29	-10.98	13.77	-1.47	23.51	8.24	25.88	12.03	13.55	67.75	-14.26	-16.85	-10.89	-14.97	35.33	43.53	9.05	36.66	-2.73	-66.48	57.49	-0.42	-10.62	39.55
Canada	17.07	24.30	-13.00	11.08	-12.15	17.58	-3.04	18.31	28.54	12.80	-6.14	53.74	5.34	-20.43	-13.19	54.60	22.20	28.31	17.80	29.57	-45.51	56.18	20.45	-12.71	9.09
Denmark	52.67	43.94	-0.91	16.56	-28.25	32.81	3.77	18.78	21.79	34.52	8.99	12.06	3.44	-14.81	-16.03	49.25	30.82	24.50	38.77	25.59	-47.56	36.57	30.73	-16.02	31.27
France	37.87	36.15	-13.83	17.83	2.81	20.91	-5.18	14.12	21.20	11.94	41.54	29.27	-4.31	-22.36	-21.18	40.22	18.48	9.88	34.48	13.24	-43.27	31.83	-4.11	-16.87	21.29
Germany	20.60	46.26	-9.36	8.16	-10.27	35.64	4.66	16.41	13.58	24.57	29.43	20.04	-15.59	-22.39	-33.18	63.80	16.17	9.92	35.99	35.21	-45.87	25.15	8.44	-18.08	30.90
Hong Kong	28.12	8.39	9.17	49.52	32.29	16.70	-28.90	22.57	33.08	-23.29	-2.92	59.52	-14.74	-18.61	-17.79	38.10	24.98	8.40	30.35	41.20	-51.21	60.15	23.23	-16.02	28.27
Italy	11.46	19.42	-19.19	-1.82	-22.22	28.53	11.56	1.05	12.59	35.48	52.52	-0.26	-1.33	-26.59	-7.33	37.83	32.49	1.90	32.49	6.06	-49.98	26.57	-15.01	-23.18	12.48
Japan	35.39	1.71	-36.10	8.92	-21.45	25.48	21.44	0.69	-15.50	-23.67	5.05	61.53	-28.16	-29.40	-10.28	35.91	15.86	25.52	6.24	-4.23	-29.21	6.25	15.44	-14.33	8.18
Netherlands	14.19	35.79	-3.19	17.80	2.30	35.28	11.70	27.71	27.51	23.77	23.23	6.88	-4.09	-22.10	-20.83	28.09	12.24	13.85	31.38	20.59	-48.22	42.25	1.74	-12.12	20.59
Norway	42.40	45.53	0.65	-15.50	-22.29	42.04	23.57	28.63	6.24	-30.06	31.70	-0.89	-12.22	-7.26	48.11	38.39	24.26	45.12	31.43	-64.24	87.07	10.95	-10.01	18.65	
Singapore	33.32	42.26	-11.66	24.96	6.28	67.97	6.68	6.45	-6.86	-30.05	-12.88	99.40	-27.72	-23.42	-11.05	37.60	22.27	14.37	46.71	28.35	-47.35	73.96	22.14	-17.92	30.96
Spain	13.53	9.76	-13.85	15.63	-21.87	29.78	-4.80	29.83	40.05	25.41	49.90	4.83	-15.86	-11.36	-15.29	58.46	28.93	4.41	49.36	23.95	-40.60	43.48	-21.95	-12.28	3.00
Sweden	48.33	31.79	-20.99	14.42	-14.41	36.99	18.34	33.36	37.21	12.92	13.96	79.74	-21.29	-27.18	-30.49	64.53	36.28	10.31	43.39	0.62	-49.86	64.16	33.75	-15.98	21.97
Switzerland	6.18	26.21	-6.23	15.77	17.23	45.79	3.54	44.12	2.28	44.25	23.53	-7.02	5.85	-21.38	-10.31	34.08	14.96	16.33	27.40	5.29	-30.49	25.31	11.79	-6.77	20.35
UK	5.95	21.87	10.29	16.02	-3.65	24.44	-1.63	21.27	27.42	22.62	17.80	12.45	-11.53	-14.05	-15.23	32.06	19.57	7.35	30.61	8.36	-48.34	43.30	8.76	-2.56	15.25
US	14.61	30.01	-3.15	30.07	6.39	9.15	1.13	37.14	23.24	33.38	30.14	21.92	-12.84	-12.39	-23.09	28.41	10.14	5.14	14.67	5.44	-37.57	26.25	14.77	1.36	15.33

Boxed Return is highest return for the year.

In US dollars.

Source: MSCI developed markets country indices (net dividends) with at least twenty-five years of data. MSCI data copyright MSCI 2013, all rights reserved. see MSCI disclosure page for additional information. Indexes are not available for direct investment. Index performance does not reflect expenses associated with the management of an actual portfolio. Past performance is not a guarantee of future results.

World Market Capitalization

\$37.5 Trillion as of December 31, 2012

- Developed Markets
- Emerging Markets
- Frontier Markets



Capitalization over time
(\$ trillions):

Year	Market Capitalization (\$ trillions)	Change (%)
2008	\$22.8	-4.4%
2009	\$30.0	+3.6%
2010	\$38.5	+1.4%
2011	\$30.7	-1.1%
2012	\$37.5	+1.8%

In US dollars. Market cap data is free-float adjusted from Bloomberg securities data. Many small nations not displayed. Totals may not equal 100% due to rounding. For educational purposes; should not be used as investment advice. 1. An example large cap stock provided for comparison.

Minutes
Meeting, Board of Trustees
Kansas Workers Risk Cooperative for Counties
December 19, 2013 at 1:00 pm
Holiday Inn Express
901 SW Robinson
Topeka, KS 66606

The December 2013 meeting of the Board of Trustees of Kansas Workers Risk Cooperative for Counties (KWORCC) was called to order at 1:03 p.m. on December 19, 2013 in Topeka by Board President Michelle Garrett. Trustees attending included: Michelle Garrett, Morris County Clerk, President; Jim Wise, Miami County Commissioner, Vice-President; Bonnie Swartz, Gray County Clerk, Secretary; Linda Buttron, Jefferson County Clerk, Controller; Steve Garten, Barber County Commissioner; Gary Caspers, Cloud County Commissioner and Stan McEvoy, 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. Richard Alexander, Accountant; Ms. Nicole Jarboe-Paxson, Executive Assistant and Media Director; Mr. Brandon Mann, Loss Prevention Specialist; Mr. Ralph D. Unger, Member Services Representative and Mr. Benjamin Woner, Intern.

Insurance Management Associates (IMA) was represented by Mr. Paul Davis, Ms. Marla Dipman, Mr. Jess Cornejo and Mr. Gene Miller. Also present were Mr. Rudy Wrenick, Mr. Steve Page and Ms. Sheryl Burhenn of GTrust.

President Garrett first addressed Agenda Item No. 2, "Approval of the Agenda." Mr. Parrish asked that Agenda Item No. 5b, "Revised 2014 Budget" be added to the agenda and the balance of the administrator's report be re-lettered. Dr. Garten moved to approve the agenda with that modification. Mr. McEvoy seconded the motion which CARRIED unanimously.

President Garrett then addressed Agenda Item No. 3, "Consideration of Minutes of the Meeting of November 14, 2013." Mr. McEvoy moved to approve the minutes as presented. Mr. Wise seconded the motion which CARRIED unanimously.

President Garrett welcomed the GTrust representatives. Mr. Page presented the portfolio update for KWORCC's equities holdings. For the last 12 months, the portfolio has earned 21%. The portfolio is invested in low-cost mutual funds both in domestic and international markets. He asked for and responded to questions. President Garrett thanked the GTrust representatives for their time.

Next, President Garrett asked Mr. Parrish to address Agenda Item No. 5, "Administrator's Report." Mr. Parrish addressed Agenda Item No. 5a, "Checks Requiring Board Approval and Ratification of Electronic Transfer of Funds." He stated there were no checks for approval and described the electronic transfers of funds to be ratified. Ms. Swartz moved to ratify the electronic transfers of funds as presented. Dr. Garten seconded the motion which CARRIED unanimously.

Next, Mr. Parrish addressed Agenda Item No. 5b, "Revised 2014 Budget." There were a few numbers that need to be changed because KWORCC is adding another county and one of the member counties added a hospital increasing the number of insured employees. Mr. Wise moved to approve the revised budget for 2014. Ms. Swartz seconded the motion which CARRIED unanimously.

Next, Mr. Parrish asked Ms. Bird to explain Agenda Item No. 5c, "Contracts." Ms. Bird presented the contract renewal for IMA and CORnerstone Risk Solutions. She explained that the contract is the same as last year except for the dates and an increase in the Risk Management Fee and the Claim Management Fee as budgeted. Mr. McEvoy 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, as budgeted and a couple of changes made for clarification. Ms. Swartz moved to approve the contract renewal with Parrish Management Corporation. Mr. Caspers seconded the motion which CARRIED unanimously. Next Ms. Bird presented the lease renewal with Jayhawk Tower Partners. She stated the only changes are the dates and an increase in space leased. Mr. Wise moved to approve the lease with Jayhawk Tower Partners. Ms. Buttron seconded the motion which CARRIED unanimously. Ms. Bird then presented the contract renewal for Wendling, Noe, Nelson and Johnson (WNNJ) for independent audit services. She reviewed the terms and the rates and modifications in the language in the agreement to better reflect the audit procedures. Ms. Swartz moved to approve the contract renewal with WNNJ for the next three years. Dr. Garten seconded the motion which CARRIED unanimously. Finally, Ms. Bird discussed the agreements with GovU (online education program for the membership) and FieldID (inspection tool used by loss prevention staff). She recommended approval of these along with renewal of the affiliation with Kansas Association of Counties (KAC). Dr. Garten moved to approve the renewals. Mr. McEvoy seconded the motion which CARRIED unanimously.

Mr. Parrish then addressed Agenda Item No. 5c, "2014 Premiums Approval." Mr. Parrish presented a worksheet itemizing data and proposed 2014 premiums for each member. KWORCC's members include 68 counties and five county instrumentalities for 2014. After discussion, Ms. Swartz moved to approve the premiums as presented. Mr. McEvoy seconded the motion which CARRIED unanimously.

Ms. Bird then addressed Agenda Item No. 5d, "Schedule 2014 KWORCC Board Meetings." After discussion, the following dates were chosen for KWORCC Board meetings in 2014: Thursday, January 16; Thursday, February 20; Thursday, March 20 via teleconference; Thursday, April 24; Thursday, May 15 via teleconference; Thursday, June 19 via teleconference; Thursday, July 17; Thursday, August 21; Tuesday, September 16 via teleconference; Thursday, October 16; Thursday, November 13 (Annual Meeting) and Thursday, December 18. The annual meeting is planned to coincide with the annual conference of the KAC beginning Wednesday November 12. Ms. Buttron moved to approve the dates with all of the meetings beginning at 1:00 p.m. Mr. Caspers seconded the motion which CARRIED unanimously.

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

President Garrett then proceeded to Agenda Item No. 7, "Financial Report." Mr. Alexander discussed in detail the financial statements he prepared for November 2013. 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. McEvoy moved to approve check Nos. 15606 through 15661 and the direct debits. Dr. Garten seconded the motion which CARRIED unanimously.

President Garret declared a short break in the meeting at 2:08 p.m. The meeting resumed at 2:20 p.m.

President Garrett 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. Mr. Miller also requested approval of a claim settlement. Mr. Wise moved to approve the proposed course of action for claim number 2013045843. Ms. Swartz seconded the motion which CARRIED unanimously.

Ms. Dipman then discussed Agenda Item No. 7b, "Logicomp Bill Review Report." She reported the amount billed totals \$3,104,722 for the period beginning January 1, 2013 through November 30, 2013. She said the actual paid amount for that period totals \$1,696,851, resulting in a net savings of \$1,624,615 after fees are paid. This is more than 49% of the amount billed for this 11-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 2009 through 2013. 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 November 2013 and should not be considered a guarantee of either good or poor ultimate-loss performance.

President Garrett called upon Mr. Mann to address Agenda Item No. 9, "Loss Prevention and County Visits." Mr. Mann reviewed November, December and January calendars for the loss-prevention staff. Next, Mr. Mann reported on the enrollment rates and courses completed by the membership for the GovU online courses.

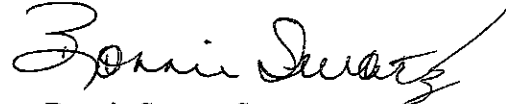
President Garrett addressed Agenda Item No.10, "Legal Report." Mr. Parrish stated there was no legal report at this time.

President Garrett moved to Agenda Item No. 11, "Committee Reports." Mr. Wise reported that the Investment Committee met prior to the Board meeting. He stated that the report from GTrust was very favorable and that the Investment Committee feels that additional investments should be made. Mr. Parrish said he intended to prepare a recommendation for additional equity investments for consideration at the January Board meeting. He asked for suggestions or comments from the Board in this regard. Mr. Wise suggested monthly investments over a period of time. He stated that the investment strategy will be discussed further during the January Board meeting. He then stated the Committee recommended the Board adopt resolution #2013-104. Mr. Wise moved that the Board follow the committee's recommendation; Mr. Caspers seconded the motion which CARRIED unanimously.

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

There being nothing further, Mr. McEvoy moved to adjourn the meeting at 2:38 p.m. Mr. Caspers seconded the motion which CARRIED unanimously.

The KWORCC Board of Trustees approved the foregoing minutes on the 16th day of January, 2014.



Bonnie Swartz, Secretary
KWORCC Board of Trustees