

COMPCONTROL

KMIT and LKM Form New Partnership

KMIT and the League of Kansas Municipalities ('League' or 'LKM') have **agreed** to form a new working arrangement. In a Memorandum of Understanding (MOU), the KMIT Board of Trustees (acting on April 27) and the League Governing Body (June 8) have agreed that, *starting January 1, 2013*, the formal arrangement between the two will become one of an 'Endorsement' model, rather than the 'fee-for-administrative-services' model that has been in effect since the inception of KMIT.



From the beginning of the KMIT (formally, the 'Kansas Municipal Insurance Trust') workers compensation pool, the League has served as 'Administrator' of the KMIT Pool, first with Bernie Hayen (1994-2000) as the *designated Pool Administrator* (employed by the LKM), and then, since early-2001, with Don Osenbaugh as *designated Pool Administrator* (Osenbaugh is also a League employee). This formal role of the League is spelled out in the KMIT Bylaws. (The Bylaws form the official structure of the pool, via an interlocal agreement between all of its member cities, which, acting as a group, govern the pool through the KMIT Board of Trustees.)

The corresponding contractual arrangement (beginning in January 1994) between KMIT and the LKM has been an annually-renewable agreement for 'administrative services', with a fee-for-services provision, paid to the League by KMIT.



As provided for in the recent jointly-adopted MOU, starting on January 1, 2013, the LKM will no longer be the Administrator for the KMIT pool. Instead, KMIT will partner with the League on an endorsement basis; that is, KMIT will pay the League an annual fee, and will be 'endorsed' by the League. That *endorsement* by the League will also include: use by KMIT of the League logo (to indicate the endorsement relationship); space provided at the League Annual Conference for the KMIT Annual Meeting; free KMIT advertising in the Kansas Government Journal, and other miscellaneous and sundry provisions.

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CompControl/City Safe are publications of the Kansas Municipal Insurance Trust for the purpose of educating and informing cities about loss control methods and risk management. If you have any questions concerning KMIT workers' compensation or risk management that you would like to see answered in this newsletter, please direct those inquiries to:

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Back to Basics

Improve Your Hiring Practices to Prevent Injuries

by Nancy Germond, MA, SPHR, ARM, AIC, ITP

Implementing hiring practices, including thorough pre-screening and pre-employment physicals, which can help prevent injuries is one of the top ways organizations can develop a comprehensive risk program to cut workers' compensation costs. An important truth in workers' compensation is that we "take employees as we find them." This means that if we hire an employee with a previous medical condition, we may pay for a related injury if he or she is later injured at work. Although employers cannot discriminate against employees with prior injuries or medical conditions, a thorough pre-employment physical can help employers determine if the potential hire can perform the job's essential functions.

To protect against discrimination in hiring, you may require an applicant to undergo an examination only after you make a written conditional offer of employment. Employment physical examinations may include health inquiries and physical examinations, including cognitive tests and mental status assessments. Ensure that physical examinations relate to the job that the applicant will perform. Outline other conditions in the letter, as well such as a successful drug screen or driving record.

Unfortunately, not all pre-employment physicals are created equal. A physical examination rarely uncovers the problems that will cause future injuries. Therefore, use occupational physicians who specialize in pre-employment physicals and who develop detailed health histories, which are much more reliable in uncovering problems that could later lead to a workplace injury. However, it is best to limit the medical history only to



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KMIT Annual Meeting...Note Day & Time

Please make plans now to attend the KMIT Annual Meeting, which is held each year during the LKM Annual Conference in October; this year the conference is in Topeka. The **2012 KMIT Annual Meeting** will be at 5:00 PM on Sunday, October 7.

All city officials (and guests) are invited to the annual meeting... the more the merrier. As always, the KMIT Annual Meeting will feature food and drink and prize giveaways, and we will have fun. And, as always, recognition will be given to cities performing well in KMIT Risk Control program, and to those cities who have achieved membership longevity milestones. President Larry Paine will talk about what has happened in KMIT since last October, and about some of the accomplishments and challenges of the pool over that time. Trustees will be elected for the open Board terms.

This time around a very important vote will also take place, and that is to amend the **KMIT Bylaws** (see lead story), so it is important to the pool that each city at the conference send a representative to the KMIT Annual Meeting. Each member city has **ONE VOTE**.

KMIT and LKM Partnership ...cont'd from page 1

The MOU spells out the details of a mutual **five-year commitment** between KMIT and the LKM. KMIT will contract directly with providers *other than* the League for its various administrative services needs from this point on. These administrative changes will have little, if any, effect on the KMIT pool, or on the relationship between KMIT and its member cities.

Pending formal approval by the KMIT Board of Trustees in late August, Osenbaugh (who is retiring from the League on December 31, 2012) is expected to become the *contracted Pool Administrator*, while IMA will continue in its long-standing role as the Third Party Administrator (TPA) for KMIT. Which means that **virtually nothing changes in the way KMIT is operated**.

Because there are several specific clauses in the KMIT Bylaws which require modification as a result of the change in status between KMIT and the LKM (due to the change in administrative services, etc.), an **AMENDED Bylaws** must be approved by the **General Membership** (all the member cities) of KMIT. That vote to amend the Bylaws will take place at the **KMIT Annual Meeting**, in Topeka (during the LKM Conference), on **Sunday, October 7, at 5 PM** (expected time). The Bylaws require a 2/3 vote of the members present (one vote per member-city) at the Annual Meeting to adopt this (or any) amendment. Notice of the vote on the new *Amended Bylaws* must go out at least sixty days prior to the October meeting, also as required by the current KMIT **'Bylaws and Interlocal Cooperation Agreement'**.

KMIT cities should look for the above Notice of Bylaws Amendment in the mail during the first week of August. If you don't see the Notice by August 7, please contact Deanna Furman by phone (785-354-9565) or email (dfurman@lkm.org).

NEWS & NOTES

SEVEN Cities Join KMIT

Seven cities have joined the **KMIT Work Comp Pool Family**, all officially on April 1, bringing the pool up to **146 members** (including the League), a new all-time high number for KMIT.



Welcome to all of our new KMIT partners: **Belle Plaine** (Sumner Co.), **Benton** (Butler Co.), **Chapman** (Dickinson Co.), **Lindsborg** (McPherson Co.), **Moundridge** (McPherson Co.), **Scranton** (Osage Co.) and **Sylvan Grove** (Lincoln Co.).

Many of our new cities were added in cooperation with a local insurance agency/agent. The agencies KMIT worked with include: Renn & Co. (Wellington, agent Greg Renn); ICI (El Dorado/ Derby, agent Ryan Murry); Integrity Insurance (Topeka, agent Marshall Madill); Stucky-Becker (Moundridge, agent Duane Becker); and Fee Insurance Group (Hutchinson/McPherson, agent Mary Steffes). Thanks to all of our partnership agents for all of their work this spring.

We look forward to a long and productive relationship with all our new cities and agents.

State Law Changes Reflected In New Forms

Please be advised that several of the Kansas Department of Labor/Division of Workers' Compensation forms have changed and been revised to reflect the May 15, 2012 law changes. It is very important that you discard the old forms and begin using the new forms. Below is a listing of the forms that have been revised:

K-WC 40 (Rec. 5/11) — Required Posting Notice

K-WC 27 (Rev. 5/11) — Information for Injured Employees

K-WC 1101-A (Rev. 1-12) — Accident Report

In addition we have revised the following KMIT forms to also reflect the new law changes:

Employee Acknowledgment Form — This form is used Post-Hire and kept in the personnel files.

Statement of Understanding — This form is used following a workplace accident and/or injury.

Supervisor Checklist — A resource for use following a workplace accident and/or injury.

All of the above forms can be found on the KMIT website at www.kmit.net



City Safe

Summer 2012

Safety Alert - Helpful Hints For You

by Renee Rhodes
Risk Control Specialist, IMA

Safety Question From a KMIT City:

Do you recommend modifying working hours in the summer so employees are not working in the hottest part of the day?

Answer:

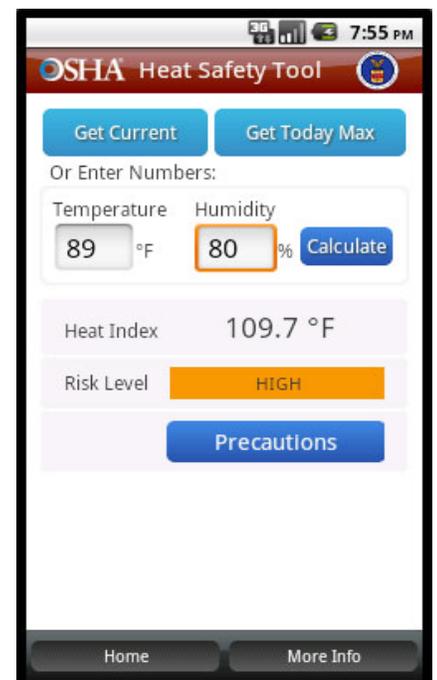
Yes — it's a good idea if possible to have employees report to work earlier in the morning when it is cooler and get off earlier in the day so they are not working in the hottest part of the day which is 4:00 — 5:00p.m. Additionally, we need to ensure that employees have access to water and take more frequent breaks in the summer months. They should also be able to take a break in an area that is not only shaded but cooler than the outside temperatures. Visit KMIT.net document center for the latest Heat Stress Loss Prevention Training Tool and share the valuable heat-related information with your employees.

Free Smart Phone App Provides Easy-to-Access Information on Heat Index, Safety Measures

OSHA's newest addition to its heat illness prevention materials is the OSHA Heat Safety Tool smart phone app, with vital safety information to help keep outdoor workers safe from the heat.

The app allows workers and supervisors to calculate the heat index for their worksite. Based on the heat index, the app displays a risk level to outdoor workers. With a simple "click," users can get reminders about the protective measures that should be taken at that risk level to protect workers from heat-related illness.

For more information about safety while working in the heat, see OSHA's Heat Illness Prevention page, including new online guidance about using the heat index to protect workers go to http://www.osha.gov/SLTC/heatillness/heat_index/heat_app.html



Safety Training Videos

Don't Delay - Order Today!

Videos Offered in the IMA Safety Video Library

Heat Stress — Video # 86

This video explains the body's temperature regulation system and how this can create a hazard without the proper management. Covers: what heat stress is and its dangers, heat regulation of the body, eating/drinking to manage heat effects, dressing for the heat, heat management techniques, and first aid for heat stress or stroke.

Cumulative Trauma — “Goin’ Through the Motions”— Video #100

This video looks at how the tasks we perform regularly can lead to injuries, how the body reacts to cumulative trauma, risk factors, and how to prevent injuries.

Other helpful VIDEOS!

Heat Stress: Don't Lose Your Cool — #316

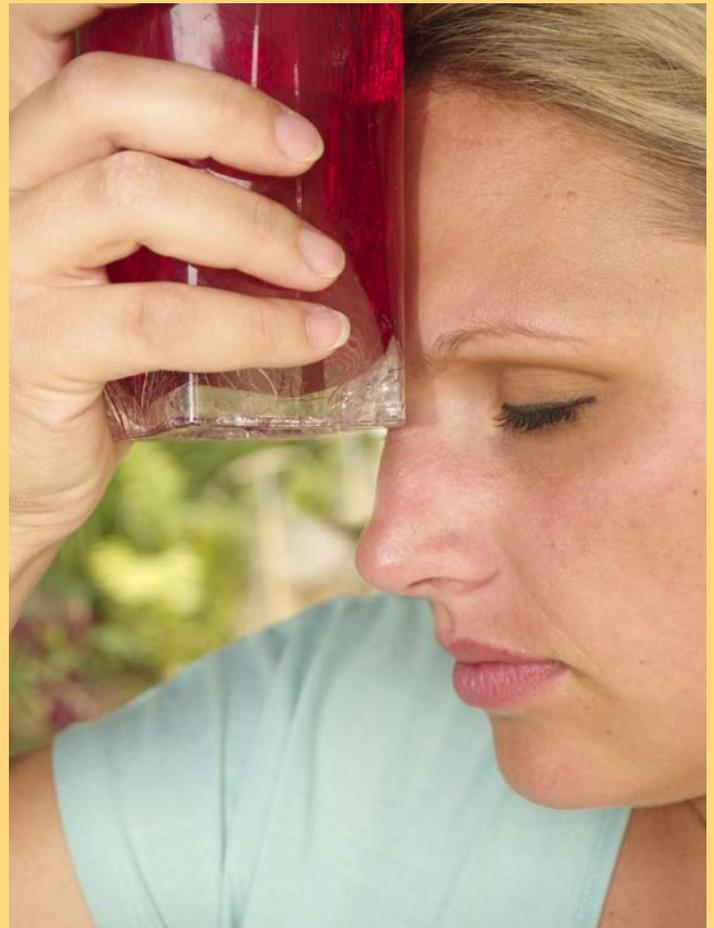
Beat The Heat — #315

Safety Meetings — #174

Training New Employees — #198

I Chose To Look The Other Way (General Safety Practices) — #304

KMIT and IMA videos can be borrowed free-of charge by contacting Renee Rhodes with IMA, (316) 250-2121 or email renee.rhodes@imacorp.com. For a complete video library listing, go to KMIT.net and click on the document center (top right corner) then click on IMA Safety Video Library.



KMIT Safe Cities as of May 31, 2012

Abilene	Ford	Montezuma
Admire	Fort Scott	Mound City
Allen	Fowler	Moundridge
Altamont	Frankfort	Neodesha
Andale	Fredonia	Neosho Rapids
Andover	Glasco	Oberlin
Atlanta	Glen Elder	Ogden
Baldwin City	Goodland	Olpe
Basehor	Grainfield	Osawatomie
Baxter Springs	Plaza	Oskaloosa
Bel Aire	Greeley	Palco
Belle Plaine	Grenola	Paola
Belleville	Grinnell	Park City
Bennington	Halstead	Parsons
Benton	Hamilton	Princeton
Beverly	Hartford	Ramona
Bird City	Hays	Ransom
Blue Mound	Hiawatha	Reading
Blue Rapids	Hill City	Roeland Park
Bonner Springs	Hillsboro	Rose Hill
Brewster	Hoisington	Russell
Centralia	Horton	Satanta
Chapman	Independence	Scranton
Chautauqua	Jetmore	Sedan
Cheney	Johnson City	Sedgwick
Clay Center	Kingman	Sharon Springs
Clearwater	Kinsley	Spearville
Concordia	La Cygne	Spring Hill
Conway Springs	Larned	St. Francis
Cottonwood Falls	LEAGUE	Stafford
Council Grove	Lecompton	Stockton
Cullison	Lenora	Sylvan Grove
Damar	Leoti	Tampa
De Soto	Lindsborg	Tescott
Douglass	Lincoln Center	Tipton
Eastborough	Lucas	Turon
Edgerton	Maize	Ulysses
Edwardsville	Marysville	Valley Center
El Dorado	McFarland	WaKeeney
Elkhart	Medicine Lodge	Wakefield
Ellsworth	Melvern	Walton
Esbon	Minneapolis	Wamego
Eureka	Moline	Wellington
Florence		

KMIT cities are considered Safe Cities if no lost time accidents have been reported during the calendar year, beginning January 1, 2012.

KMIT Injury Stats 2012 as of May 31, 2012

<u>Department</u>	<u># Injuries</u>	<u>Cost</u>
Administration	5	\$6,538
Airport	1	\$24,900
Animal Control	5	\$3,961
Electric	15	\$79,620
Emergency	4	\$5,200
Fire	11	\$59,864
Maintenance	23	\$34,875
Miscellaneous	1	\$0
Park	14	\$27,858
Police	35	\$123,933
Recycling	3	\$6,550
Sanitation	9	\$15,604
Street	25	\$30,068
<u>Water</u>	<u>15</u>	<u>\$34,614</u>
TOTAL	166	\$453,585

KMIT Balance Sheet as of May 31, 2012

Assets

Checking Accounts	\$875,273
Investments	\$11,384,000
Accrued Interest	\$94,271
Accounts Receivable	\$2,914
Excess Premium Receivable	\$16,277
Specific Recoverable	\$420,838
Aggregate Recoverable	\$21,660
Prepaid Expenses	\$292,931
Total Assets	\$13,108,164

Liabilities & Equity

Accounts Payable	\$21,183
Excess Premium Payable	\$-
Reserve for Losses	\$3,305,528
IBNR Reserve	\$3,251,071
Deposits on Premium	\$2,746,494
Accrued Taxes and Assessments	\$465,662
Total Liabilities	\$9,789,938
Total Liabilities and Equity	\$13,108,164

Total Equity (NET WORTH) \$3,318,226

Improving Hiring Practices

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health information that can impact job performance and the ability to carry out the job's essential functions.

Some organizations do not want the entire examination results; they want the examining physician to simply indicate whether the potential hire can complete the essential functions. If you do receive the entire medical file, store it separately from the personnel file.

Be consistent in conducting pre-employment examinations. For example, if you hire three security guards, require exams for all of them — or none of them — to avoid discrimination charges. If the applicant's medical condition precludes employment, the rejection must be "job-related" and justified by business necessity," according to the U.S. Equal Employment Opportunity Commission (EEOC), the agency that enforces the Americans with Disabilities Act (ADA) and other federal discrimination laws.

If your physician determines that the employee cannot safely perform the job, the applicant may wish to contradict your information with another physician's opinion. If the applicant's physician disagrees, a third opinion may be needed — usually at your company's expense.

Behavior Testing

Today, many companies hire vendors who specialize in pre-employment behavior testing. SelectRite specializes in testing that validates an "entitlement mentality," a predictor of future risk behavior that can result in workers' compensation injuries and malingering.

Applicants take a 10-minute on-line behavior test that asks questions designed to elicit whether candidates have lied or stolen in previous positions. Why would people answer questions about their character honesty? "Because they have rationalized their behavior," according to Jim Palmer, National Practice Leader with RTW, Inc., which operates SelectRite. "Otherwise, they suffer from 'cognitive dissonance,' an anxiety-provoking state where behaviors are in conflict with values. SelectRite is scientifically designed to elicit disclosures of these behaviors with a high degree of predictability."

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“It’s not just about lying and stealing,” Palmer says. “It’s that ‘entitlement mentality’ that makes people more likely to steal and fake injuries. They behave in a more risky manner. The behavior may not be there all the time, but if you push them far enough, they will rationalize their high-risk behavior.”

In its last validation report of a sample of over 200,000 workers who were tested, SelectRite eliminated 20% of candidates. SelectRite claims up to a 72% reduction in workers’ compensation injuries for SelectRite-screened workers, as well as reduced turnover.

“When the most troublesome job applicants are kept off the payroll, the reduction in comp losses is highly predictable. The real improvement occurs only in that portion of the workforce that was required to take and pass SelectRite prior to hiring. Additional savings will accrue as the workforce continues to turn over and more employees are screened,” according to Palmer.

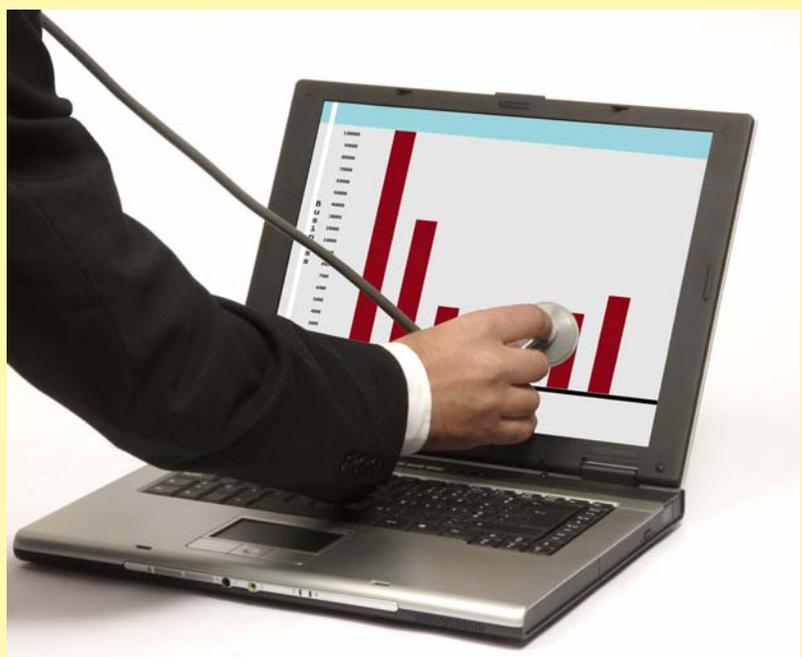
Although SelectRite has been litigation-free for its 30-plus year existence, pre-employment offers are fertile ground for litigation with the expanded scope of the ADA. If in doubt, hire legal counsel to assist you in navigating these employment issues.

During the pre-employment stage, the EEOC explains that employers may ask job applicants whether they can perform the job and how they would perform the job, but they may not ask job applicants to answer medical questions or take a medical exam before making a job offer. The EEOC says that employers may condition the job offer on the applicant answering certain medical questions or successfully passing a medical exam, but only if all new employees in the same job have to answer the questions or take the exam.

More detailed guidance on disability-related inquiries and medical exams is available on the EEOC’s Web site at <http://www.eeoc.gov/laws/types/disability.cfm>

Editor’s Note: The ADA places restrictions on employers when it comes to asking job applicants to answer medical questions, take a medical exam, or identify a disability, according to the EEOC.

Reprinted with permission, Thomson Reuters: Workers’ Comp Bottom Line, April 2011 - Volume 20, No. 4.



Report Seeks To Protect Young Workers

In summer months, lots of young people take on part-time work, exposing themselves — and workplaces — to many safety hazards. Younger workers, particularly those under 20, may not be prepared for some of those hazards, according to recent research from the Colorado School of Public Health. About 20 million teenagers worked in the United States in 2010. In that year, 88 teen workers were killed on the job, while 20,000 missed work due to an injury or illness.

Protecting Younger Workers

Authors called for more oversight of working conditions for young workers, especially in agriculture. Specifically, authors cited another study that found 26% of young workers spend a chunk of each day with no adult supervision. What's more, up to one third have not had health or safety training on the job. OSHA offers several tips on protecting teen workers:

- 1) Teen workers are not “little adults.” Be mindful of the best ways to communicate with young workers
- 2) Implement a mentoring or buddy system for new young workers, and;
- 3) Stress safety among first-line supervisors. They have the best chance to influence young workers.

Info: tinyurl.com/youth410

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