

COMPCONTROL

The Official KMIT Member Newsletter

SPECIAL EDITION

So, what makes this a 'Special' Edition?

Well, first of all, for various reasons, the February/March version never got out, so this edition really turns out to be a 'two-in-one' publication.

Second, a relatively big change is taking place in KMIT, as we are moving from having ONE claims adjuster (as Victoria leaves to pursue a new life path) to TWO, for the first time in KMIT's fifteen-year history.

And, we want to talk a bit about the recent 'glitch' in the normally-smooth post-payroll-audit **final premium adjustment** (reconciliation) process.

KMIT Grows to Two Claims Adjusters

From the beginning, January 1, 1994, KMIT has served all of its city clients via a single 'dedicated' claims adjuster—for the last eleven of those years that person has been **Victoria Vanderhoof** (see Victoria's goodbye note on page 3 of this edition). But, frankly, KMIT has grown, over the years (now up to 141 member-cities and over 4,200 city employees), to the point where there are simply too

many claims to be handled efficiently by only one person (now about 750-800 new cases each year), and Victoria has been being provided 'behind the scenes' assistance (paying bills, etc.) for some time now.

So, as Victoria has accepted an offer to move on to new things, it does seem to be the right time to revamp our KMIT claims-adjusting strategy. The Big Part of the new claims-

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Letter from the Pool Administrator

Dear KMIT Members and Others,

Spring again...I think. After our recent snow blizzard (did you hear that Preston, Kansas got THIRTY INCHES of snow?), who knows? Here in Derby, about 48 hours after the snow ended we had only a few piles here and there, and towering thunderheads in the sky on a day where the temperature topped out at 70. The forecast for later this week is maybe some snow in northwest and northcentral Kansas. Ah, springtime in Kansas...

So, this is a 'Special Edition'. Well, I had to call it *something*, right? I do think this is a 'special' time in KMIT's life, as the change to two adjusters and the Big Glitch both point to some natural consequences of being a long-term, mature organization. Over the long haul, stuff happens. And, as an organization gets bigger, things change, as they must. Sometimes the change is deliberate; sometimes it just comes. Sometimes it is the result of things like 'glitches'.

The thing about change, in my view, is to adapt and move on. And, that is what KMIT is doing right now. We have grown a lot over the last few years, and we keep growing. Change is an inevitable part of growth. And, over the long haul, change is good, even when the short run has some unknown and/or painful parts to it.

I am sad that Victoria is leaving; she has not only been an invaluable asset to KMIT for a very long time, but also has become a close associate and personal friend of mine. BUT...I am also excited about having two adjusters instead of one, and I am very confident that IMA has chosen two excellent people, **Marla Dipman** and **Gene Miller**. And, of course, these two have the GREAT resources of the IMA claims system.

Do I wish 'the glitch' hadn't happened?...YES! Still, our intention is take the lessons we learned from this episode, and use those lessons to help make KMIT even better able to adapt to a changing environment...as a mature business must do.

I want to take a moment to personally welcome three new members to KMIT: **El Dorado, La Cygne** and **Bel Aire**. The Board of Trustees and all the KMIT staff are thrilled to have you as members of our **KMIT Family**.

The future looks good. The future looks bright. Let's go.

Until next time...



Pool Administrator



Farewell Note from Victoria Vanderhoof

As I imagine most of you have probably heard by now, I have accepted another position here at **IMA**, and *will no longer be the claims adjuster for KMIT*. This was a very difficult decision for me, after 11½ years of working with the KMIT cities, the success of this pool is very close to my heart. However, I was presented with an exciting opportunity in a completely new area that will allow me to grow both personally and professionally. IMA has created a new subsidiary that will focus on small commercial business insurance and personal lines insurance, and it is there I will be working. The company name is **Signature Select**, and although we have a different name, I will continue to be in the same building, in fact just down the hall.

I have thoroughly enjoyed working with each and every one of you, and so appreciate all of your kindness, cooperation, trust, and sometimes your understanding, as this position has kept me extremely busy! I have truly appreciated the opportunity to assist your injured employees through what can be a very difficult time in their lives (with a few notable exceptions ☺, and I hope those of you who have struggled with me through those notable claims are getting a little giggle right now). I hope that I have honored that trust you placed in me in caring for your employees. I have enjoyed traveling to many of your beautiful cities, and have always appreciated the hospitality you have shown me. I have developed truly wonderful relationships working with KMIT, have made some very special friends, you know who you are, and I hope all of you will keep in touch occasionally as time allows and let me know how you are. My new e-mail address will be victoria.vanderhoof@signatureselect.com.

I have the utmost confidence in both **Gene Miller** and **Marla Dipman**, who will be taking over for me, and I know you will quickly appreciate their level of experience, knowledge and professionalism. KMIT is, and always has been, an extremely highly valued client of IMA, and I am confident that everyone involved with the pool here at IMA will do their utmost to ensure this transition is as seamless as possible for our cities, for your employees and the medical providers. I will continue to be available, and will make myself accessible to address questions and provide assistance to Gene and Marla as they get acclimated to KMIT. I wish all of you the very best, and again have so appreciated the trust you placed in me over all of these years.

***The following cities
joined KMIT in 2009:***

***Bel Aire, El Dorado
& La Cygne***



...Special Edition, New Adjusters [continued from page 1](#)

adjusting plan is, of course, moving to **two dedicated claims adjusters** to serve our KMIT cities: those two people are **Marla Dipman** and **Gene Miller** (see bios and contact information on Marla and Gene on page 6). Marla and Gene will be splitting up the state, roughly in half, along an east/west axis (the map is also shown on page 6), and each will be the 'dedicated' (i.e., the only) adjuster for all the KMIT cities on either side of the dividing line.

The advantages of having two adjusters are numerous, but chief among those are that each will now have a familiar 'backup' in case of emergencies, illness, etc., and, of course, Marla and Gene will each will carry fewer cases than has Victoria these past few years. And, Victoria's new career will keep her in the extended IMA 'family', so she will be able to be consulted during the time of the transition to the new system.

As with all transitions, this one will, no doubt, have a few kinks to work through, as is typically the case with change. And, all cities will surely notice some changes. Please do not hesitate to contact Marla or Gene at 1-800-288-6732, or Pool Administrator Don Osenbaugh at (316) 259-3847, with any questions or concerns you may have.

Marla and Gene are on the job at IMA now. Combined, Marla and Gene have more than thirty-five years of work comp claims experience. KMIT cities are in very good hands.

Victoria's last day in her current position is April 10.

Final Premium Adjustment 'Glitch'

This year turned out to be the year we had a 'glitch' occur in our annual process of adjusting final premium (in this case, 2008 premium) following the payroll audits of each city. And, it was a Big Glitch, sad to say.

In very early March, we were about halfway through mailing out invoices and refund checks, following the 2008 payroll audits, when we discovered that a wrong multiplier number had been entered into the program used to calculate the final quotes, prior to final adjustment. That meant that about 70 KMIT cities got bad data from us, and the invoices and checks were all wrong. And, ALL of the post-audit quotes (including those that we had not yet sent out) were incorrect, and had to be done over.

That is not a good thing to discover at that point, but it is somewhat better than finding out after ALL the invoices and checks had gone out. And, maybe worst yet, the error was in the direction of KMIT, not the members, meaning every city would owe MORE money to KMIT. And, too much to let go.

It took us about a month to complete a redo of all the invoices and checks, as the variations of issues that resulted were complex and difficult to get a full grasp of. For example, some cities had cashed

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SAFE CITIES as of March 31, 2009

If you would like assistance returning an injured employee to work, or need ideas for modified duty, please contact Marla or Gene at, 1-800-288-6732 or kmitclaims@imacorp.com.



Abilene	Centralia	Esbon	Hesston	Montezuma	Satanta
Admire	Chautauqua	Eudora	Hillsboro	Mound City	Sedgwick
Allen	Cheney	Florence	Holcomb	Neosho Rapids	Sharon Springs
Altamont	Cherryvale	Ford	Jetmore	Ogden	Spearville
Andale	Clay Center	Fowler	Johnson City	Osawatomie	Spring Hill
Andover	Concordia	Frankfort	Kingman	Oskaloosa	Stafford
Atlanta	Conway Springs	Fredonia	Kinsley	Oswego	St. Francis
Baldwin City	Council Grove	Galena	Lecompton	Ozawkie	Tampa
Basehor	Cullison	Gasco	Lenora	Palco	Tescott
Baxter Springs	Damar	Glen Elder	Leoti	Park City	Tipton
Belleville	De Soto	Grainfield	McFarland	Peabody	Treece
Bennington	Douglass	Greeley	Medicine Lodge	Princeton	Ulysses
Beverly	Eastborough	Grinnell	Melvorn	Ramona	Valley Center
Bird City	Edgerton	Hamilton	Minneapolis	Ransom	WaKeeney
Bonner Springs	Edwardsville	Hartford	Mission	Reading	Wakefield
Brewster	Elkhart	Hays	Moline	Rose Hill	Walton
Caldwell	Ellsworth				

...New Adjusters, Glitch continued from page 4

checks which were in error. Some returned their checks. Some cities got checks, then found out they not only were not getting a check, they owed KMIT money. Some cities paid on incorrect invoices; some had not yet...and, so on...

Needless to say, *KMIT is embarrassed and disappointed about this error*. No doubt, the mistake has caused many of our KMIT cities some awkward moments, or worse.

All we can do at this point is admit that we goofed, correct our error, and promise you that we will do our very best to see that this does not happen again. And, we are implementing changes to make sure that it does not. I want to emphasize that this 'glitch' did not result in any city paying more than they should have. EVERY KMIT city is paying only what the payroll audit data shows they really owed for work comp for 2008.

Further, we want you to know that this error had NOTHING to do with the audits done by our contracted payroll auditor, The Audit Store. The mistake was made by KMIT, and we accept full responsibility for it.

Please contact Pool Administrator Don Osenbaugh, at dosenbaugh@lkm.org or 316-259-3847, with any questions or input you or your city has about this issue.



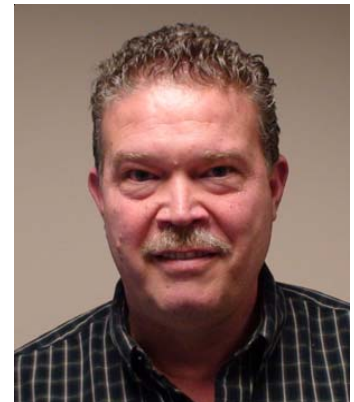
Marla Dipman

Meet Our Two New KMIT Claims Adjusters

Prior to joining IMA in 2001, Marla spent three years as an adjuster and team leader with Claims Management, Inc. in Bartlesville, Oklahoma supervising a staff of 15 and managing workers' compensation claims for Wal-Mart. Marla also completed the medical assistant program prior to coming to IMA. Marla services several accounts in Kansas and Oklahoma, where she is licensed as an adjuster. She also is a licensed Kansas Property & Casualty Insurance agent. Marla can be reached at 1-800-288-6732, extension 6277, or

marla.dipman@imacorp.com.

Gene joined IMA in March, 2009. He brings with him 28 years of claim experience, including nine years with USF&F and nine years with Fireman's Fund. He has extensive workers' compensation background and has handled claims from Kansas, Nebraska and Missouri. Gene has also handled claims for a number of municipalities in previous years. He is a graduate of Missouri State University with a Bachelor of Science Degree in Agriculture. Gene has successfully completed several CPCU courses and has obtained the AIC designation. He is also a licensed adjuster in several states. Gene can be reached at 1-800-288-6732, extension 3691, or gene.miller@imacorp.com.

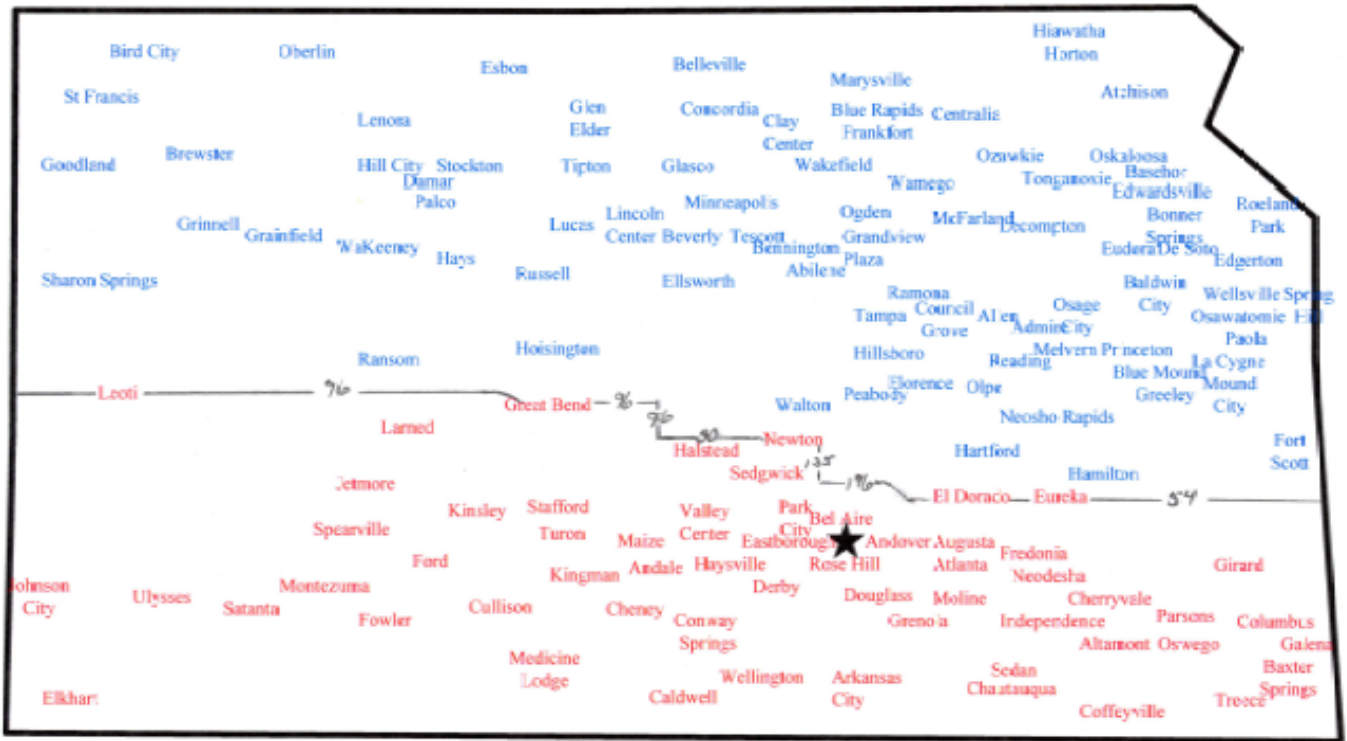


Gene Miller

New KMIT Claims Map

North-Gene Miller (Blue)

South-Marla Dipman (Red)



Revisiting Class Codes

The recent (annual) premium payment and payroll audit tasks (see lead story) also pointed out to KMIT that we have some issues related to the proper classification of certain positions, i.e.: which class codes to use for several specific city jobs.

Some background...Over the past several years, KMIT has been working with our contracted payroll audit provider, The Audit Store, toward making our class codes as uniform as possible, across all our KMIT family of cities (in a state 200 x 400 miles, that can be a challenge). To do that, we have discussed the 'proper' (if there is such a thing) class codes for several positions that can be somewhat hard to categorize, standardize, and classify.

The best example is probably the position of city manager (or city administrator), although there are a number of other ones that have been part of these discussions and changes, too. Working with our payroll auditors, last year we changed where we put several positions, including city manager.

It appears that some of those changes just don't work in 'real life', and have caused some problems with some KMIT cities. We have had several cities ask us to revisit this topic lately, and that is exactly what we are going to do.

Sometime in the next several months, KMIT staff will meet at length with The Audit Store representatives and with our risk management consultants at IMA, and talk about the various issues related to these class code questions.

It is very likely that the conference will result in changes to the class codes in which we put several positions. The decisions that are made at that time will be for the purpose of continuous refinement of how KMIT does business going forward, and will quite likely change some class codes for the next renewal round next fall. It is possible that some retroactive adjustments will also be made, depending upon what this course of discovery tells us.

Please, if you have ANY questions or input about class codes, contact Don Osenbaugh within the next several months. We expect the 'Class Code Summit' to take place sometime in early summer.



KMIT Calendar

April

17 KMIT Board of Trustees Meeting, *Osage City*

June

26 KMIT Board of Trustees Meeting, *Neodesha*

August

21 KMIT Board of Trustees Meeting, *Arkansas City*

October

12 KMIT Annual Meeting, *Topeka*

KMIT Balance Sheet as of February 28, 2009

Combined Assets

Cash In Bank	\$3,267,573
Investments	8,111,808
Other Assets	<u>271,590</u>
Total Assets	\$11,650,970

Combined Liabilities & Equity

Accrued Expenses Outstanding	\$4,837,981
Reserved for Losses	2,358,826
Incurred But Not Reported (IBNR)	2,739,907
Other (IBNR) Adjustments	(53,222)
Total Liabilities	<u>9,883,492</u>
KMIT Statutory Fund Balance	<u>1,767,477</u>
Total Liabilities and Equity	\$11,650,970

Kansas Municipal Insurance Trust

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