

COMPCONTROL[®]

The Official KMIT Member Newsletter

MAKING THE MOST OF YOUR KMIT LOSS REPORTS

By Victoria Vanderhoof, IMA Claims Adjuster

Loss reports are one of the most important tools that you have to assist you in analyzing your city's workers' compensation claims. But reading them can be confusing. It's not easy to analyze the information that's hidden within the columns and abbreviations. But once you know what you're looking for, the reports become an invaluable tool.

KMIT provides loss reports to its members and agents on a quarterly basis. Cities without a loss history do not receive these reports. The reports are provided in two formats: a detail page and a policy summary page.

The **Policy Summary Page** - lists claims information for each of the policy years your city has been involved with KMIT. (*If your city has not experienced any claims since it has been with the pool, you will not receive this report.*) This report specifies the total number of open and closed claims your city has for each policy year. It also lists the total reserves on open claims and total amount paid on closed claims for each policy year. This report also details the total number of claims and total amount incurred (paid and outstanding) by policy year. The "Insured Totals" column lists the totals for all policy years combined.

The **Detail Page** - lists all open claims for each city. (*If your city does not currently have open claims, you will not receive this report.*) The first column lists the IMA claim number. The second column lists the city, claimant's name, and a short description of the accident. The third column lists the type of reserves and payments (see definitions below). The fourth column lists reserve amounts, and the fifth column lists paid amounts. The sixth column lists the NCCI (National Council on Compensation Insurance) occupational code assigned to the injured employee. The seventh column lists the date the claim was reported to IMA, and the eighth column lists the date the injury occurred. Your report should only show open claims. The final entry on the detail page "Open Suffix with Reserve" indicates the total reserves and total payments for the open claims for the city.

In order to be concise, your claims report utilizes several abbreviations. These include:

WM (Medical Reserve) - the claim handler's "best estimate," based on current facts of the case, of the ultimate cost of medical treatment, mileage reimbursement for treatment, prescriptions, and durable medical equipment.

*Kansas Municipal Insurance Trust
Board of Trustees & Key Contacts*

Gary Hobbie - *President*
Russell

Kelly DeMeritt - *Vice President*
Atchison

Carol Eddington - *Treasurer*
Oswego

Ron Pickman -
Immediate Past President
Goodland

David Alfaro Nancy Calkins
Augusta Mission

Keith DeHaven Willis Heck
Sedgwick Newton

Cheryl Lanoue Howard Partington
Concordia Great Bend

Rhonda Schuetz
Hiawatha

Don Moler
LKM Executive Director
Ex Officio

Don Osenbaugh
Pool Administrator/Agent

Victoria Vanderhoof
Claims Adjuster
Insurance Management Associates

Paul Davis
Assistant Risk Control Manager
Insurance Management Associates

Wendy Flowers Bret Glendening
Co-Editor Co-Editor/KMIT Agent

CompControl is a publication of the League of Kansas Municipalities and the Kansas Municipal Insurance Trust for the purposes 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:

Kansas Municipal Insurance Trust
300 SW 8th Avenue
Topeka, KS 66603
Phone: (785) 354-9565
Fax: (785) 354-4186
wflowers@lkm.org

© Copyright 2003 by the League of Kansas Municipalities. Contents herein are not intended to provide specific legal or medical advice. Readers should seek advice on specific concerns from a qualified professional.



Letter from the Pool Administrator

Dear KMIT Members and Others,

Greetings all. Hope this “mid-summer” season finds each of you and yours healthy and happy...well, as happy of any of us can be, given the budget crunch that appears to be affecting virtually every city in Kansas (and most other states, as well). Budgets will be VERY tight for next year. Some cities are actually having to lay people off...it may be hard to be happy in that environment.

KMIT sends out loss runs to each of its members on a quarterly basis (the most recent of which went out just a few days ago). Our **KMIT** Claims Adjuster, **Victoria Vanderhoof** explains how to read and interpret those runs in this issue. Victoria’s article does a great job of illuminating the subject.

As noted last edition, we are now able to send out email versions of this publication, and its *City Safe* companion, to as many folks as we have emails for. So, please send us your email, all your supervisors’ emails, along with others you think could benefit (elected officials, for example). Contact **Wendy Flowers**, at her new email address of wflowers@lkm.org. By the way, **KMIT** Agent and Compliance Officer **Bret Glendening**’s email is now bglendening@lkm.org.

In the next month or so, the **KMIT** staff will be sending *renewal application forms* to all its members. This is the form on which each city must estimate its payroll, by class code, for calendar year (budget year) 2004. PLEASE spend enough time on this task to give us your very best estimate of actual payroll for next year. Though the premium invoice **KMIT** sends out at the end of this year, for next year, will be based solely upon your renewal-form estimate, the actual and audited payroll will eventually determine the amount of difference to be paid to each city by **KMIT** or to **KMIT** by each member. **KMIT** hopes that amount will be small, in either direction, but the actual disparity will be *based entirely upon the accuracy of the original estimate of '04 payroll* each city provides to **KMIT** in its renewal form.

Also as stated in the last edition of this newsletter, the **KMIT Board of Trustees** has not altered the pool’s Loss Cost Multiplier for 2004 premium calculations. So, any changes in each **KMIT** member’s rates will be a function of the three remaining variables: the amount of '04 payroll (by class) for that city; any change in each city’s experience modifier (available late in the year); and any change in the rates for each class, state-wide (developed by NCCI, and released by the KID late in the year). It is expected that the class code rates could go up as much as 4-5% (across-the-board average). Cities are, therefore, advised to budget a 4-5% increase in work comp rates, and more, if payroll is up for next year, or if the city is replacing a “good” year with a “bad” one. [**KMIT** can help you with this budget need—call or email **Bret G.**]

Last, but not least, please plan to attend the *new version* of the **KMIT Annual Meeting**, to be held on Monday, October 13, during the **LKM Annual Conference**, this year in Topeka. This year’s meeting will be an afternoon, reception-format affair. Hopefully, this will allow folks from a few more member cities to come, since no one has to get up early to make it. Good luck with your budgets. Keep cool. See you in Topeka in October.

Don Osenbaugh
Pool Administrator

(Making the most of your KMIT loss reports, continued from page 1)

WC (Indemnity Reserve) - the claim handler’s “best estimate,” based on current facts of the case, of the ultimate cost of temporary total disability payments while claimant is disabled from work, temporary partial disability payments while claimant is working only partial days, or a reduced wage and permanent partial disability if the claimant is determined to have a permanent impairment related to the accident.

EXP (Expense Reserve) - the claim handler’s projection, based on current information, of ultimate costs of legal bills, court reporter fees, judge’s fees, cost of copying medical records, cost of medical management, percentage of savings fees, and ancillary costs.

SUB (Subrogation Recoveries) - represent payments that have been made by the responsible party in cases where a third party was responsible for the injury.

EXCS (Excess Carrier Payments) - represents payments that are made by the excess insurance carrier if a file’s total incurred expenses exceeds the self insured retention.

It’s important to read your loss reports in order to stay informed of your city’s losses. Monitor the reports for changes and talk to the KMIT claims adjuster, Victoria Vanderhoof, if you have any questions. Victoria can be contacted at 1-877-502-9897, or victoria.vanderhoof@imacorp.com. Remember, the best way to reduce the number of your workers’ compensation claims is to take control of your own claims.

“Safe Cities” as of June 30, 2003

If you would like assistance returning an injured employee to work, or need ideas for modified duty, please contact Victoria Vanderhoof, 1-877-502-9897 or victoria.vanderhoof@imacorp.com.



| | | | | |
|----------------|------------|----------------|--------------|---------------|
| Abilene | Derby | Hillsboro | Mound City | Spring Hill |
| Allen | De Soto | Hoisington | Neodesha | Stafford |
| Altamont | Edgerton | Holcomb | Oberlin | Stockton |
| Andale | Elkhart | Hoxie | Ogden | Tescott |
| Andover | Esbon | Independence | Olpe | Tipton |
| Baldwin City | Eudora | Jetmore | Osage City | Tonganoxie |
| Basehor | Ford | Johnson City | Oskaloosa | Treece |
| Bel Aire | Fort Scott | Kingman | Oswego | Turon |
| Beverly | Fowler | Kinsley | Ozawkie | Ulysses |
| Bird City | Frankfort | Lenora | Park City | Valley Center |
| Brewster | Fredonia | Leoti | Peabody | WaKeeney |
| Caldwell | Galena | Lincoln Center | Princeton | Wakefield |
| Centralia | Glasco | LKM | Ransom | Walton |
| Chautauqua | Glen Elder | Lucas | Roeland Park | Wamego |
| Cheney | Grainfield | McFarland | Rose Hill | Wellington |
| Cherryvale | Greeley | Medicine Lodge | Russell | Wellsville |
| Concordia | Grenola | Melvern | Satanta | |
| Conway Springs | Hesston | Minneapolis | Sedan | |
| Council Grove | Hiawatha | Moline | Sedgwick | |
| Cullison | Hill City | Montezuma | Spearville | |

TEST YOUR KNOWLEDGE

Safety training: Why first impressions last the longest.

It's important to try to get it right the first time, and that goes for safety training, too. People best remember the things they learn in their earliest training sessions.

Test your knowledge of making a lasting safety impression on employees by answering *True* or *False* to the following:

1. It's best, when first training any employee, to avoid discussing discipline for breaking safety rules.
2. It's essential for supervisors to stress that PPE doesn't make employees invincible.
3. The first time someone learns a new safety procedure, you should have the person demonstrate that he or she can do it.
4. Experienced workers are likely to pick up on new safety training quicker than rookies.

ANSWERS

1. **False.** It's true that you might not want to sound too heavy-handed by threatening discipline right away. But it's good to make certain your people know, from day one, that you're willing to use discipline if they break the rules.
2. **True.** A common misconception among workers is that PPE makes them invincible. That's why it's important to let people know - right off the bat - that safety gear won't prevent injuries if they break other safety rules.
3. **True.** It's always best to have an employee perform a procedure in front of you right after that person has first learned it.
4. **False.** There's no proof that veterans pick up on new safety training quicker than rookies. That's why it's important to ensure all employees get the same, thorough safety training.

What you need to know:

Your best efforts at safety can be short-circuited by an eager employee trying to do more than he or she should. To prevent that:

- Regularly remind new people they can only do tasks for which they've been trained.
- Stop and correct workers immediately if you spot them breaking safety rules.
- Reinforce safe practices with discipline for repeat offenders.



Would you or other city employees like to receive this bi-monthly publication by e-mail?

You can . . . just send your e-mail address to Wendy at wflowers@lkm.org.

Claims

2002 Frequency and Cost Analysis - Top 5 1/1/03 through 6/30/03

| <u>By Job Classification</u> | <u>Frequency</u> | <u>Claims Cost</u> |
|------------------------------|------------------|--------------------|
| Police Officers & Drivers | 75 | \$ 54,343 |
| Municipal | 45 | 90,332 |
| Firefighters & Drivers | 28 | 105,513 |
| Park | 24 | 9,505 |
| Waterworks/Drivers | 23 | 58,854 |

| <u>By Accident Type</u> | <u>Frequency</u> | <u>Claims Cost</u> |
|--|------------------|--------------------|
| Strain or injury by lifting, pushing, carrying, etc. | 71 | \$ 196,463 |
| Fall or slip injury | 45 | 82,870 |
| Miscellaneous cause | 38 | 16,954 |
| Struck or injured by falling object, hand tool, etc. | 29 | 11,086 |
| Occupational Hazards | 26 | 42,927 |

| <u>By Body Part</u> | <u>Frequency</u> | <u>Claims Cost</u> |
|---------------------|------------------|--------------------|
| Low Back Area | 44 | \$ 115,868 |
| Knee | 23 | 76,186 |
| Finger(s) | 20 | 25,101 |
| Hand | 17 | 17,362 |
| Eye(s) | 14 | 3,101 |

Note - The above figures are based on claims as of June 30, 2003. Amounts listed for claim costs are amounts incurred to date.

Your Pool In Action

We encourage you to make copies of
this newsletter and distribute to all
city employees.

Member Notes



KMIT Calendar

August

15 KMIT Board of
Trustees Meeting,
Atchison

October

13 KMIT Annual Meeting,
Topeka

13 KMIT Board of
Trustees Meeting,
Topeka

December

12 KMIT Board of
Trustees Meeting,
Great Bend

Revenues & Expenses June 30, 2003

Combined Assets

| | |
|----------------------|------------------|
| Cash In Bank | 2,322,775 |
| Premiums Outstanding | |
| Investments | <u>1,590,535</u> |
| Total Assets | 3,913,310 |

Combined Liabilities & Equity

| | |
|---|------------------|
| Claims and Accrued Expenses Outstanding | 1,832,525 |
| Reserved for Losses | 695,167 |
| Incurred But Not Reported (IBNR) | <u>747,162</u> |
| Total Liabilities | <u>3,274,854</u> |
| KMIT Statutory Fund Balance | <u>638,456</u> |
| Total Liabilities and Equity | 3,913,310 |

Kansas Municipal Insurance Trust

300 SW 8th Avenue
Topeka, KS 66603