

# COMPCONTROL

## Work Comp Claims Adjusting

By Gene Miller, KMIT (IMA) Claims Adjuster

My name is Gene Miller. I handle KMIT workers compensation claims; primarily for the ‘northern’ half of Kansas. I was asked to write this article for *CompControl*—giving a little background about myself, and outlining what is important to me in handling a workers compensation claim.

I was originally trained as a multi-line adjuster back in 1982, and have worked for numerous insurance companies, in a variety of claims positions, and have also worked for a national company as their workers compensation manager. The bulk of my work has been in the states of Kansas, Missouri and Nebraska. My preference in claims handling is workers compensation, and I have been handling KMIT workers compensation claims since March 2009.

A workers compensation claim will go through at least three stages on its way to conclusion; those stages are: **investigation**, **medical treatment**, and, finally, **settlement**. Each stage has a different type of emphasis.



Gene Miller

In the investigation stage, I’m first looking to make sure the accident/injury occurred as it was reported and that the employee was in the course and scope of his/her employment... Was the claim reported timely? Were there witnesses? Etc. In this stage, I’m also looking for an ‘offset’ from a **pre-existing injury** to the same body part, and also if the injury was caused by a third party from whom KMIT can recover damages. I also look for other existing health problems which may complicate or prolong a recovery. If the claim is accepted as compensable, I place a priority on explaining the benefits the injured worker can expect, make sure the injured employee has my phone number (and that they can call me at anytime with issues), and answer any questions or concerns they might have about their claim.



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CompControl is a publication of the League of Kansas Municipalities and 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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# Budgeting for 2011

By Don Osenbaugh, Pool Administrator

It's BUDGET TIME, again!! Oh, boy!

The 2011 City Budget is not going to be an easy one, as we all know. Local revenues are likely to be down, or, at best, steady, and 2010 is not so great, either.

It's about this time of the year that I normally start getting calls and emails asking about how to budget for work comp for the upcoming year, and I expect to get at least as many calls as usual. And, my answer will be about the same, too...

First of all, RIGHT NOW, I would see it as unlikely that KMIT's operating rate (Loss Cost Multiplier or 'LCM') will go up for 2011. KMIT is in good shape financially, and, barring an unforeseen calamity of some kind between now and the end of this year, a KMIT 'LCM' increase does not appear to be needed. So, KMIT will not likely raise its rate ('LCM') for 2011.

HOWEVER (isn't there always a disclaimer?), the LCM is only one factor in determining your city's premium cost for work comp. And, the **other factors are not controlled by decisions made by the KMIT Board of Trustees.**

Here are the other factors, beyond the LCM, that determine how much you pay for work comp:

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# ...Work Comp Budgeting

1. First, and foremost, your Experience Modifier ('Mod'). Each city has its own 'mod', which is calculated by a national rating agency (NCCI), and is based on your city's loss history over a 3-year time period (for next year, this means the period 2007-2009). So, if your loss history (number of and cost of claims) tends to be 'better' in the 2007-2009 timeframe (than over the 2006-2008 period), then your 'mod' is likely to go down (a good thing); if it is 'worse', then your city's 'mod' is likely to go up (not so good). The 'mods' for 2011 will not be released by NCCI until November (just before we calculate 2011 premiums), which means it is virtually impossible to determine this factor in the summer budget season.



2. Another factor is your city's 2011 payroll estimate. Generally speaking, a higher total payroll (more specifically, this would be payroll by class code... more on that below) means a higher premium (adjusted, of course, by the other factors discussed here).
3. The last factor in the equation is the Kansas class code rates. Class code rates are dollar amounts (cost) per \$100 of total payroll for each individual type of job in your city, and are standard for all cities in Kansas (and are set by the Kansas Insurance Department). For example, the class code rate for a public works employee is much higher than for an office worker (the difference being the amount of injury risk associated with each position). There are many individual (state) class-code rates used by the KMIT Pool, and there is never an 'across-the-board' change in all the rates; some will go up this next year and some will go down. It is always possible that some individual class code rates could go up a lot, regardless of how well your city is doing (the cost of medical treatment being a primary driver in that equation). The class code rates for 2011 will also not be available until November—obviously well past Budget Season.

So, the question remains... how much to budget for work comp for 2011? I have to take off my KMIT hat and put on my 'budgeter' hat to give you my best answer, and that is to play it safe. If you KNOW your city's loss history is trending poorly, I would suggest that you budget a modest increase over this year's budget. If you KNOW your history is MUCH IMPROVED, then I would likely budget about the same as this year. In other words, playing it safe means putting enough money into the budget to be **relatively sure** that you are not going to have to pay more than you budgeted for later on. There you have it. I wish I could tell you that budgeting is all about science, but, in reality, there is about as much art and 'feel' to budgeting as facts and math.

But, please do feel free to call or email me with any budget questions: 316-259-3847 or [dosenbaugh@lkm.org](mailto:dosenbaugh@lkm.org).

# NEWS & NOTES

The following cities joined KMIT during the Spring of 2010:

*Clearwater &  
Cottonwood Falls*



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## ...Claims Adjusting

...continued from page 1

Once the claim has been accepted as compensable, my focus becomes the employee's medical care. I want the injured worker to be directed to the doctor who will best treat his/her injury and give that person the best chance of recovery, with as few residuals from the injury as possible—I do not hesitate to bring an injured worker a hundred miles or more to get this treatment. At the same time, I'm working with the doctor to advise us when the injured party can work in an **accommodated position**, and what the **work restrictions** would be. At the same time, I'm also working with the City to see if they have an accommodated position for the injured worker to perform. I follow up with the injured worker after every doctor visit—to obtain not only what the doctor is telling them, but also to their feedback on how they feel they are recovering from their injury.

Finally, when the injured worker has been declared to be at **maximum medical improvement** by the doctor, I request that the doctor provide us with a **disability rating**. Upon receipt of the rating, I make the calculations as to its value, and obtain **settlement authority** when necessary. Contact is then made with the injured worker and I go over again the benefits in workers compensation and explain the process for concluding his/her claim. I explain how the rating is calculated and the employee's rights under Kansas law, and extend an offer based on the rating. I also send them a copy of the rating, along with my hand-written calculations, and ask them to call if they have questions.

I feel the claims process works much more efficiently when I can speak directly to the injured worker, and I put a lot of emphasis on explaining what the benefits are, how the process works, returning calls promptly and answering their questions. Not doing these things can cause an injured worker to unnecessarily retain an attorney—which will slow the claim's process down, and which does not guarantee an increase in the claim's value.

If there are questions about workers compensation, or clarification about any issue, term or process mentioned in this article, please feel free to contact me, at 913-982-3691 or [gene.miller@imacorp.com](mailto:gene.miller@imacorp.com).



# SAFE CITIES as of May 7, 2010

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](mailto:kmitclaims@imacorp.com).

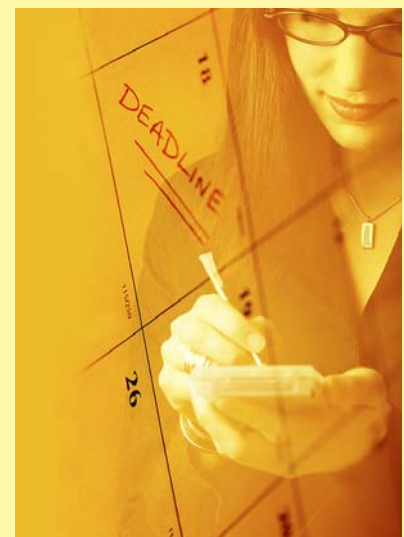
Abilene	Cheney	Ford	Hillsboro	Montezuma	Sedan
Admire	Cherryvale	Fort Scott	Hoisington	Mound City	Sedgwick
Allen	Coffeyville	Fowler	Horton	Neosho Rapids	Sharon
Altamont	Columbus	Frankfort	Jetmore	Oberlin	Springs
Andale	Concordia	Fredonia	Johnson City	Ogden	Spearville
Andover	Conway Springs	Galena	Kingman	Olpe	St. Francis
Atchison	Council Grove	Girard	Kinsley	Osawatomie	Stafford
Atlanta	Cullison	Glasco	La Cygne	Oskaloosa	Stockton
Augusta	Damar	Glen Elder	Larned	Oswego	Tampa
Baldwin City	De Soto	Goodland	LEAGUE	Ozawkie	Tescott
Basehor	Derby	Grainfield	Lecompton	Palco	Tipton
Baxter Springs	Douglass	Grandview Plaza	Lenora	Paola	Tonganoxie
Bel Aire	Eastborough	Greeley	Leoti	Peabody	Treece
Belleville	Edgerton	Grenola	Lincoln Center	Princeton	Turon
Bennington	Edwardsville	Grinnell	Lucas	Ramona	Ulysses
Beverly	El Dorado	Halstead	Maize	Ransom	Valley
Bird City	Elkhart	Hamilton	Marysville	Reading	Center
Blue Mound	Ellsworth	Hartford	McFarland	Roeland Park	WaKeeney
Blue Rapids	Esbon	Haysville	Melvern	Rose Hill	Wakefield
Brewster	Eureka	Hiawatha	Minneapolis	Russell	Walton
Chautauqua	Florence	Hill City	Moline	Satanta	Wamego
					Wellsville

*KMIT cities are considered Safe Cities if no lost time claims have been reported during the calendar year, beginning January 1, 2010.*

## KMIT Annual Meeting Scheduled

Mark your calendars, and note the time change. This year's **KMIT Annual Meeting** will be held, as always, on Monday of the **LKM Annual Conference**—this year that means on **Monday, October 11**, in Overland Park. And, likely this year only (because of the League's Birthday Bash), the **Annual Meeting will start at 2:00 p.m.**

As always, a brief reception of food and drink will be served prior to the start of the business portion of the meeting. Also as always, GREAT prizes will be awarded at the conclusion of the meeting. Please feel free to bring all of your city's conference attendees to your KMIT Annual Meeting.



# KMIT Injury Stats 2010 through 4/30/10

<u>Department</u>	<u># Injuries</u>	<u>Cost</u>	<u>Department</u>	<u># Injuries</u>	<u>Cost</u>
Administration	7	\$25,520	Miscellaneous	2	\$3,936
Animal Control	2	\$1,459	Park	7	\$11,716
Electric	12	\$36,624	Police	47	\$77,441
Emergency	3	\$4,396	Recycling	2	\$2,600
Fire	18	\$50,019	Sanitation	13	\$10,340
Gas	1	\$37	Street	33	\$237,209
Maintenance	17	\$69,412	Water	18	\$53,800
			<b>TOTAL</b>	<b>76</b>	<b>\$584,507</b>

## Calendar of Events

### June 2010

- 25 KMIT Board of Trustees Meeting, *Hays*
- 6-12 Sun Safety Week
- 6-12 National Headache Awareness Week
- 20-26 Lightning Safety Week
- 27-7/5 Eye Safety Awareness Week

### July 2010

- 1-31 UV Safety Month

### August 2010

- 27 KMIT Board of Trustees Meeting, *De Soto*
- 8-14 National Health Center Week

### October 2010

- 11 KMIT Annual Meeting  
*Overland Park*

## KMIT Balance Sheet As of March 31, 2010

### Assets

Checking and Savings	\$4,572,630
Investments	\$7,965,000
A/R net of reserve	\$22,177
Premium Receivable (net)	\$ -
Specific Receivable	\$19,380
Aggregate Recoverable	\$131,913
Accrued Interest Income	\$20,260
Prepaid Expenses	\$278,447
<b>Total Assets</b>	<b>\$13,009,808</b>

### Liabilities & Equity

Accounts Payable	\$19,177
Excess Insurance Payable	\$-
Reserve for Losses	\$2,536,607
Specific Recoverable	\$(485,116)
IBNR Reserved	\$3,374,209
Accrued Taxes, Licenses & Fees	\$356,742
Deposits on Premium	\$4,077,082
Deposits on Premium Return	\$-
<b>Total Liabilities</b>	<b>\$9,878,702</b>

Fund Balance	\$3,173,451
Unidentified Fund Balance	\$(42,345)

**Total Equity (NET WORTH) \$3,131,106**

**Total Liabilities and Equity \$13,009,808**

## If You Have a 'Catastrophic' Work Comp Event...

In the event of a **catastrophic** work comp claim (something really bad happens), it is extremely important that you IMMEDIATELY **contact the appropriate IMA/KMIT claims adjuster** to report the claim: Marla Dipman (316-266-6347) or Gene Miller (913-982-3691). Additionally, IMA Risk Control should be notified, by calling Renee Rhodes, at 316-250-2121.

Prompt reporting of the claim to IMA immediately following your knowledge of it occurring can make a significant impact on the medical treatment the employee receives, and of the overall outcome and cost of the claim—especially when there are potential **subrogation** (a possible claim against a third party involved in the accident) issues involved.

The City and/or the adjuster should then QUICKLY notify IMA's Risk Control department, who will perform a thorough investigation of the incident and scene—to help determine what can be done in the future to prevent similar injuries from occurring, and also to help any subrogation effort. As with any investigation, the sooner a field investigation is completed, the more accurate the information and details, and the better the result for the city and for the KMIT pool.

Every single work comp claim should be reported on a timely basis. Any claim resulting in severe or multiple injuries and/or a third party of any kind should be reported absolutely immediately.



## Safe-T-Tips

It's the time of year when we need to heighten awareness of the dangers that summer can bring, such as heat stress. Please refer to the Quick Card below, and to the Safety Matters link in this email, which highlights *Working in the Heat of the Summer*. Please feel free to print out Safety Matters by IMA, and leave it in work areas deemed appropriate.



### Protect Yourself Heat Stress



When the body is unable to cool itself by sweating, several heat-induced illnesses such as heat stress or heat exhaustion and the more severe heat stroke can occur, and can result in death.

#### Factors Leading to Heat Stress

High temperature and humidity; direct sun or heat; limited air movement; physical exertion; poor physical condition; some medicines; and inadequate tolerance for hot workplaces.

#### Symptoms of Heat Exhaustion

- Headaches, dizziness, lightheadedness or fainting.
- Weakness and moist skin.
- Mood changes such as irritability or confusion.
- Upset stomach or vomiting.

#### Symptoms of Heat Stroke

- Dry, hot skin with no sweating.
- Mental confusion or losing consciousness.
- Seizures or fits.

#### Preventing Heat Stress

- Know signs/symptoms of heat-related illnesses; monitor yourself and coworkers.
- Block out direct sun or other heat sources.
- Use cooling fans/air-conditioning; rest regularly.
- Drink lots of water; about 1 cup every 15 minutes.
- Wear lightweight, light colored, loose-fitting clothes.
- Avoid alcohol, caffeinated drinks, or heavy meals.

#### What to Do for Heat-Related Illness

- Call 911 (or local emergency number) at once.

While waiting for help to arrive:

- Move the worker to a cool, shaded area.
- Loosen or remove heavy clothing.
- Provide cool drinking water.
- Fan and mist the person with water.

For more complete information:



OSHA 3154-07R-05



## Video: 'Safety Awareness for Seasonal Employees'

One of the many excellent videos in the KMIT (IMA) library is '**Safety Awareness For Seasonal Employees**'. This video was produced specifically for municipalities by CIRSA, so it is very city-specific.

The emphasis of this seasonally-timely video is on **The Three Steps of Safety Awareness**: hazard recognition, accident prevention and hazard control. Some of the specific topics covered include: proper clothing for the job; personal protective equipment; alcohol and drug use; attitude and conduct; lifting techniques; slip, trips and falls; common hazards associated with equipment and machinery; emergency situation recognition and preparation; and, what to do about injuries on the job.

In other words, this video presents what is needed for a **BASIC UNDERSTANDING OF SAFETY AWARENESS**. Seasonal workers do not typically come to work at the city with an adequate understanding of the concepts in this video. This short video would be ideally shown to all seasonal personnel, and would be great training for supervisors who utilize seasonal workers. As with all the IMA library materials, this video can be obtained free of charge by contacting Kristi McCosh, in the Risk Control Department at IMA ([Kristi.McCosh@IMACorp.com](mailto:Kristi.McCosh@IMACorp.com) or 316-266-6297 or 1-800-333-8913). For a list of all the IMA/KMIT videos, go to [www.kmit.net](http://www.kmit.net) or contact Kristi at IMA.

## Kansas Municipal Insurance Trust

300 SW 8th Avenue  
Topeka, KS 66603







# City Safe

Summer 2010

## Injury Prevention: Police Department

Is it very easy to get hurt being a cop. Think about it: police officers are almost constantly out on the streets, doing any number of 'usual' and unusual (sometimes HIGHLY unusual) things related to serving the public—often '24/7', and in (maybe ESPECIALLY in) all kinds of bizarre Kansas weather. It's perhaps no wonder that police officers turn up with all kinds of injuries, most often having nothing directly to do with 'bad guys'.



It's also no wonder that the 'Frequency' (the number of) and 'Severity' (the cost of) Police Officer work-related injuries can sometimes trend upward in a group such as KMIT. But, frequency and severity can ALWAYS be positively-affected to some degree. In other words, acting as a group, as well as individually, **we can improve this situation.**

As noted elsewhere in this publication, **slips, trips and falls**, along with injuries received while doing various **training** routines, tend to be the biggest causes of police injuries and dollar loss within our KMIT group. Obviously, for the sake of our police officers, the cities and the KMIT pool, finding a way to reduce these injuries would be a very good thing, but it is also a challenging thing. The question is: **What can we do to improve this; to have fewer police injuries?**

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## KMIT 'Worst 20' Police Department Injuries

Over the past several years, KMIT has seen a trending of more, and more costly, injuries reported in the Police Departments of our membership. Starting in 2007, the cost to the KMIT pool of the 'Worst (most costly) 20' of those PD injuries have totaled nearly \$900,000.

And, that trend also includes the fact that many/most police injuries are NOT as a direct result of interaction with people being apprehended. In fact, of the 'Worst 20', only four (20%) are clearly the result of trying to arrest law breakers (including one gunshot wound). And, the cost of those four injuries represent only about 17% of the total cost of the 'Worst 20' PD work comp claims.

The **Primary Cause** of injuries among the 'Worst 20', cost-wise, is **TRAINING**. In fact, the most costly injury of the 'Worst 20' group came from training activities. While only three of the 'Worst 20' were training injuries, those three injuries accounted for over 28% of the costs. Training injuries tend to be expensive.

**Lifting, squatting, running and other physical activities** (other than those above) also accounted for about 28% of the dollar amount of the 'Worst 20' claims. **Slips, Trips and Falls** normally represent a large number of all PD injuries, and do account for nearly 21% of the cost and 30% (6) of the number of claims on this list.

Individually, the **five most costly claims** on the 'Worst 20' list were the result of: (1) defensive tactics training; (2) lifting a patient into an ambulance; (3) slipping on wet pavement; (4) putting air in the tire of a patrol vehicle; and, (5) take down during training.

# Bucket Truck and Work Zone Safety

Provided by Renee Rhodes, IMA Risk Control Consultant

Bucket trucks are used for many applications, such as electrical power line repairs and installation, light maintenance, and tree trimming, to name a few. Bucket trucks have safety concerns that include weight limits, chemical hazards, and environmental concerns. When used properly, 'buckets' are a very useful tool.

Follow proper bucket-truck safety principles to promote safety on the job, and to **reduce the potential for accidents and injuries**.

- Employees should use personal fall protection equipment in an aerial lift bucket at all times. The trucks are equipped with safety features such as an eye hook on the boom for safety harness tie-off.
- Develop and implement a comprehensive inspection procedure to evaluate conditions of all elements of the truck.
- Establish routine preventive maintenance procedures to systematically test and replace worn parts.
- When working in traffic—a *competent* (trained and knowledgeable) person should conduct a hazard assessment of the highway work zone and implement a safety plan. ***Cones should be placed around the work zone prior to work beginning*** to warn motorists of an upcoming work zone area, to direct them to the unoccupied lane, and then to proceed with caution. Traffic in the work zone lane of the truck and the extended bucket should be closed off until work is complete. At no time should the bucket be extended over a live lane of traffic. To inform motorists of the lane closure, a Shadow Vehicle, equipped with flashing or rotating lights and an appropriate directional arrow could also be used.
- Bucket trucks are often used during power outages, which mean city employees are working during storms. Operators must be certain to park the truck in a safe location prior to performing aerial work, and to ground the equipment securely prior to working on power lines.
- Equipment owners should be provided with material from the manufacturer on a periodic basis to prompt them to inspect equipment and replace worn parts.



## ...Injury Prevention

...continued from side A

As noted, police officers do a lot of things that can get them injured, especially when done improperly and/or without **ongoing recognition** of the possibility of injury, and ongoing injury-prevention preparation.

Here are a few things that Police Officers and their supervisors can do to help mitigate the number and severity of injuries:

1. **STRESS SAFETY.** And, not just safety in dealing with the obvious 'police' things (car accident scenes, 'bad guy' apprehension, etc.), but in routine tasks, such as getting in and out of vehicles, walking on ice, lifting patients, etc. Think **INJURY PREVENTION** at all times.
2. **STRETCHING.** I know we at KMIT have pointed this out before, but, really, routine stretching could probably prevent or lessen 25% or more of our Police injuries. And, not just stretching at the beginning of a shift, but stretching as a matter of regular and routine activities during the shift (while getting in or out of the car, for example). Just a little stretching here and there goes a long way.
3. **PREPARE FOR TRAINING.** In a way, we are asking police department employees and their supervisors to train for training. Training activities, especially hand-to-hand stuff, are **HIGH RISK**. Often, doing training is a lot harder, physically, than just about anything else done by most police officers on an ordinary basis. Preparation for a training session needs to be a serious matter. Training is hard work. It is physically demanding work. It is easy to get hurt during training, and **many training-related injuries** (think backs and shoulders here, especially) are **VERY SERIOUS injuries**, which take a long time to fully heal from, and cost a lot of time lost and money.

IMA's Risk Control folks (headed up by Renee Rhodes) can assist your department in a number of ways to help prevent work-related injuries.