

COMPCONTROL

The Official KMIT Member Newsletter

Loss Reports...Pieces of the Puzzle

By Mike Klein

Director of Administration/Safety Director
City of Dodge City

As safety professionals, we have numerous reports readily available to determine what type of accidents are occurring to our employees. With all the information available, at times it becomes a mental system overload. We have claim reports, loss reports, accident analysis reports, personal injury reports, property damage reports, etc., etc., etc. As safety professionals, we have to utilize all the reports at one time or another. These reports can be a valuable tool in determining what types of accidents are occurring and to help determine what action is needed to correct the situation. The reports can also assist in eliminating the potential for additional injuries.

Reports the City of Dodge City and its Safety Committee utilize to monitor injuries and costs include the **Loss Report and Policy Summary Report**. The information in these two reports is provided by **KMIT**. The Loss Report has valuable information which should be reviewed by all KMIT cities. The first time I received and reviewed the information, it was just like any other safety report; lots of numbers and dates. My first thought was, "What does this all mean to a safety director?" This report can be used as a valuable tool for department heads and safety committee members. Let's review what information is available on the report, and how we can put this information to work for us. The detail page has nine columns, each of which we will discuss:

Column #1, titled **Agency**, is the IMA (KMIT's contracted claims manager) claim number. This is the internal number IMA utilizes for their claims adjuster. Also, the IMA claims adjuster works just for KMIT, unlike other insurance agencies where you may have a claims adjuster who works for numerous agencies.

Column #2, **Insured & Claimant**. This column tells us the city's name, the claimant's name, and a short description of the accident and body part effected.

Column #3, **Comp. Class (Compensation Classification)**. This column lists the type of reserves and payments. As you look over your Loss Report, you will notice each department is indicated in this column plus short abbreviations on the comp class. **WM (medical reserve)** is the best estimate, based on current facts of the case for medical treatment, mileage reimbursement for treatment, prescriptions, and durable medical equipment. **WC (indemnity reserve)** is the best estimate, based on current facts of the case of the

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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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Letter from the Pool Administrator

Dear KMIT Members and Others,

Has this been a GREAT Summer, or what! It rained a bunch and was around 70 on noon of my July birthday...THAT doesn't happen very often. And, then, on Saturday July 24, here in Derby, it was misty (following 5 more inches of rain in 24 hours or so), 67 degrees, with a northeast wind exceeding 20 MPH, at 12:30 in the afternoon. (I know this because that's when the new Derby aquatic park, "River City Rapids", had its grand opening...bad for them...good for cool weather fans, such as me.) And, no long, sweltering heat spells...at least, not yet. So, in my view...it's been a **GREAT** Summer.

This time around, we feature a really comprehensive article concerning managing claims and safety, from the city's perspective, authored by **Mike Klein**, Dodge City Safety Director ("**Loss Reports...Pieces of the Puzzle**"). Thanks, Mike...terrific job!

Your **KMIT Board of Trustees** last met in Goodland, in late June. Its next meeting will be in Hiawatha on August 20. In addition to "normal" agenda items (minutes, financials, claims reviews, loss prevention reports, etc.), the Board will review and approve IMA and League contracts for next year (as it does in August of each year), and take a look at the preliminary KMIT '05 budget. And, the Board will talk a bit about the upcoming **KMIT Annual Meeting**, which is **Monday, October 4, at 3:30**—immediately following the last session of the afternoon, at the LKM Annual Conference, in Overland Park.

The good news is that KMIT again does not anticipate raising its 'rate'. **REMEMBER**, though, that KMIT's 'rate' (internal rate—technically the *Loss Cost Multiplier*) is **not the only factor affecting each city's premium**, and, thus, each city's premium for next year will go up or down from this year's premium, depending upon several other factors, including: (1) the city's own Experience Modifier ('mod'), which depends upon how "good" a year was 2003 (which comes on), as compared to 2001 (which goes off); (2) the amount of change in the city's payroll, by class code; and, (3) the rates assigned to the individual class codes by the Kansas Insurance Department (not known until late in the year).

Please plan to come to the **KMIT Annual Meeting**. This year, it will **start at 3:30**, as mentioned above, and should wrap up no later than 4:30—in PLENTY of time for everyone to return to hotel rooms to freshen up before the evening social event begins. See you all there.



Pool Administrator

(Continued from page 1)

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)** is the claim adjuster's best projection based on the current information for cost of legal bills, court reporter fees, judge fees, cost of copying medical records, cost of medical management, percentage of savings fees, and ancillary costs. **SUB (subrogation recoveries)** represents payments made by a third party responsible for the injury. Finally, **EXCS (excess carrier payment)** represents payments made by the excess insurance carrier, if a files total insured expenses exceed the self insured retention.

Column #4, **Policy Reserve.** This represents the dollar amount for the best estimate of a claim.

Column #5, **Term Paid.** This indicates the date the policy was effective in addition to the dollar amount of expenditures.

Column #6, **Claim Number.** This is the NCCI (National Council on Compensation Insurance) occupational code. For example, the Electric Department has a code of 5190, Water Department is 7520, Police Department is 7720. It is important to *review the codes to determine if the employee has been put in the correct NCCI category.* For example, the police department and sanitation department carries a higher (i.e., more "risky") rating than a clerical position.

Column #7, **Reported.** This column tells us the date the claim was reported to IMA.

Column #8, **Loss Date.** This indicates the date the injury occurred.

(Continued on page 4)

Safe Cities as of August 2, 2004

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.

Allen	Columbus	Grandview Plaza	McFarland	Russell
Altamont	Concordia	Greeley	Medicine Lodge	Satanta
Andale	Conway Springs	Grenola	Melvorn	Sedgwick
Andover	Council Grove	Haysville	Minneapolis	Spearville
Atlanta	Cullison	Hesston	Mission	Spring Hill
Augusta	Derby	Hiawatha	Montezuma	Stafford
Baldwin City	De Soto	Hill City	Mound City	Stockton
Basehor	Douglass	Hillsboro	Neodesha	Tescott
Baxter Springs	Edgerton	Holcomb	Oberlin	Tipton
Bel Aire	Elkhart	Horton	Olpe	Tonganoxie
Belleville	Esbon	Hoxie	Oskaloosa	Treece
Beverly	Eudora	Jetmore	Oswego	Ulysses
Bird City	Ford	Johnson City	Ozawkie	Valley Center
Bonner Springs	Fort Scott	Kingman	Palco	WaKeeney
Brewster	Fowler	Kinsley	Paola	Wakefield
Caldwell	Frankfort	Leoti	Park City	Walton
Centralia	Girard	Lincoln Center	Peabody	Wamego
Chautauqua	Glasco	LKM	Princeton	Wellington
Cheney	Glen Elder	Lucas	Ransom	Wellsville
Cherryvale	Goodland	Maize	Roeland Park	
Clay Center	Grainfield	Marysville	Rose Hill	

Column #9, **Status**. This will indicate if the claim is opened or closed. On your KMIT quarterly reports, it *should only indicate open claims*.

The second report to review from KMIT is the **Policy Summary Report**. This report tells us how long we have been involved with KMIT, and also the number of open claims, number of closed claims, and total expenditures. For example, on the Policy Summary Report for the City of Dodge City, the first column indicates the pool, while the second and third columns will indicate the starting and ending date for that fiscal year. The fourth column will indicate the number of open claims, plus the dollar amount in reserve. The fifth column will indicate the closed claims with the total number of claims, plus total dollar amount of expenditures. The final column is the total number of claims and expenditures for that fiscal year.

Now that we have the reports decoded, let's discuss how we can utilize the information to better improve our modification rating and reduce hazards. The main areas we look at closely as administrators and safety committee members are the injury and expenditure columns on the Loss Report. From the second column, we can see the brief description of the accident and the injured body part. From this, we can determine if we have a potential pattern developing. If the same individual continues to report claims of lower back strains, we need to investigate if the individual is physically capable of performing the job requirements and consider moving them to a different job classification. We can also determine if we have a continuing pattern; i.e., slips and falls, dog and cat bites, strains to shoulders, twisted ankles, within a specific department. We need to look at the hazard and determine what the answer is to abate the problem. The department heads and City employees are informed how this affects them. ***The higher the workers' compensation modifier, the higher the work comp premiums the City has to pay.*** In turn, this *could* put other benefits (health insurance, etc.) in jeopardy.

The City of Dodge City has an established safety committee which meets every third Thursday of the month. Our safety committee consists of one member from each division. The safety committee's responsibility is to openly discuss safety issues with all departments. The safety committee members also ***review the loss claims reports***, plus personal injury and property damage reports. From this review, the safety committee openly discusses the accident and collectively comes up with a solution to the problem. The committee also has the authority to determine if the accident was preventable. In the event the accident is determined to be preventable by the safety committee, the information will be forwarded to the city manager and department head. The recommendations can vary. The individual will be assigned to conduct the next safety meeting at their division level on a specific topic and how that affected them personally. It could also include reporting before the safety committee members to explain how the accident occurred, and what could have been done to prevent the accident. However, if the accident is severe enough, recommendations can include days off without pay up to termination from city employment.

Now that we have reviewed the reports and discussed the issues with the safety committee, it is time to find solutions to the potential problems. The following are just a few examples of claims our city has experienced and how we plan to resolve the hazard.

Last winter we experienced numerous slips and falls on icy streets by police officers. This year we will issue slip-on ice and snow traction foot wear for personnel who are working on icy and snow packed streets—our goal is to give the officers better traction and protection from slips and falls. During one of our recent safety committee reviews of personal injury reports on a cut wrist with a box cutter, the committee discussed the issue, and came to the conclusion to eliminate the current box cutter and implement a box cutter with a safety guard, thus eliminating the hazard. Another incident was a fall from an ice chest while hanging curtain poles—the simple solution to resolve this issue is to utilize a ladder. Utilizing the proper equipment for the specific job will eliminate this hazard. ***Don't take short cuts; take the time to do the job safely.***

Claims

Top 5 Frequency and Cost Analysis

January 1, 2004 through August 2, 2004

<u>By Job Classification</u>	<u>Frequency</u>	<u>Claims Cost</u>
Police Officers & Drivers	90	\$105,163
Municipal	66	137,683
Firefighters & Drivers	49	76,367
Park	28	24,211
Garbage, Ashed, Refuse Collection	26	322,852

<u>By Accident Type</u>	<u>Frequency</u>	<u>Claims Cost</u>
Strain or injury by lifting, pushing, carrying, etc.	87	\$198,345
Fall or slip injury	58	45,473
Miscellaneous causes	56	43,226
Occupational Hazards	43	51,840
Struck or injured	36	10,072

<u>By Body Part</u>	<u>Frequency</u>	<u>Claims Cost</u>
Low back area	57	\$ 45,754
Finger(s)	36	14,560
Hand	25	32,857
Knee	23	64,768
Internal Organs	23	18,568

(Continued from page 4)

Safety is like anything else. ***It must be managed and monitored.*** We have to review our Loss Reports, keep our training current, and keep the employees and department heads informed of the claims. If we have specific problems with any department, the situation needs to be addressed and the hazard eliminated. In 2001, the City of Dodge City experienced several major claims. This has affected our workers' compensation modifier for the next two years. The City has taken a proactive position for all claims from this time forward. ***A good safety program must have the support of upper management, department and division heads, and most of all, the employees' full support.*** So far, we have had no major claims for 2002, 2003, and through the current year. Our goal is to reduce hazards, keep our employees safe, and lower our workers' compensation modifier.

It is important to review your Loss Reports and keep informed on your city's losses. Monitor and make adjustments as needed. Remember, the best way to reduce your number of workers' compensation claims is to take control of your own claims.

If you need additional information on your KMIT claims, please contact pool claims adjuster **Victoria Vanderhoof** at 1-877-502-9897 or email victoria.vanderhoof@imacorp.com. You can also contact **Chris Retter**, IMA loss control specialist, at (316) 266-6289 or email chris.retter@imacorp.com.

KMIT Calendar

August

20 KMIT Board of
Trustees Meeting,
Hiawatha

October

4 KMIT Annual
Meeting, *Overland
Park*



Revenues & Expenses June 30, 2004

Combined Assets

Cash In Bank	\$ 343,704
Premiums Outstanding	
Investments	<u>4,026,954</u>
Total Assets	\$4,370,658

Combined Liabilities & Equity

Claims and Accrued Expenses Outstanding	\$ 94,562
Reserved for Losses	974,002
Incurred But Not Reported (IBNR)	<u>2,297,152</u>
Total Liabilities	3,365,716
KMIT Statutory Fund Balance	<u>1,004,942</u>
Total Liabilities and Equity	\$4,370,658

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