

COMPCONTROL

The Official KMIT Member Newsletter

Risk Management & Workplace Safety is a Conscious Decision

By David B. McKinney, CSP

In today's environment, controlling risk is important to maximize a city's profitability. With the insurance marketplace tightening, many cities are finding it difficult to find insurance, due to their past losses. The good news is that cities can control their losses, *if* they have the desire and willingness to do so.

Risk Management is the practice of protecting your city from financial harm by identifying, analyzing, and controlling risk. Without proper controls in place, employee injuries and damage to property can pose a serious threat to a city's bottom line. Why is it important for a city to manage their risks?

- More efficient use of resources (tax dollars).
- Effective utilization of employees.
- Protecting the public, i.e., citizens and visitors.
- More people doing the things that need to be done versus spending time on things that detract from city business.
- Allows for better scheduling, less emergencies.
- People go home the same way they come to work.

During my 20 years in safety consulting, I have encountered only one employer who openly stated he did not care what happened to his employees. To paraphrase, "If one gets hurt, there will always be another one to take his place." However, most employers highly value their employees' health and safety.

While few employers disregard their employees' safety, it is evident many take it for granted. Is an unconscious decision to disregard workplace safety and less dangerous than a conscious one? Where safety is concerned "actions speak louder than words."

Employers, as well as supervisors, must make a commitment to safety, and set the standards of behavior. I once heard "standard" defined as: "What you let people get away with." For example, a policy stating that wearing protective eye wear is mandatory may be included in the employee handbook, however, in actual practice, employees wear it only if desired. In reality, the "standard" is you do not have to wear your protective eye wear. Safety has to be managed just like any other part of your city's business.

Employers never want, nor expect, deaths or injuries to occur, however, needless fatalities and serious injuries occur all too often. What is your commitment to having a safe workplace? Can you say, with honesty, that you, as a supervisor, are doing all you can to make sure your employees go home uninjured? If you cannot, then make the commitment and get involved. It will make your city a better employer and have a positive effect on production, quality, timeliness and morale.

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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,

Hello again.

Why Risk Management? If you don't know, or haven't really thought about it one way or the other, be sure to read closely this edition's lead story by **Dave McKinney** (Dave is an old friend of KMIT, and worked directly with the pool for a number of years for IMA; AND, Dave is also a published novelist.) In this piece, Dave reminds us, in some very specific ways, that Risk Management IS a Conscious Decision. Incorporating effective risk management thinking and procedures into the daily work system of your department(s) WILL cut down on the incident of injury to your employees... isn't that really what is all about... not getting people hurt in the first place? That, in a nutshell, is why.

KMIT welcomes **ELEVEN** new cities to the pool (listed elsewhere), and now boasts **139 members**; and also says goodbye to two terrific guys, Past President **Dave Alfaro**, and **Mark Morris**, who has worked with the League and KMIT since September 2004. Best of luck, Dave and Mark.

And, be sure to see the article on KMIT's new prescription-drug program, **PharmacyComp**... which is currently being launched on a trial run. Please contact Victoria with any questions which are not answered in the article.

Your KMIT Board of Trustees last met in Concordia in early February, and meets again on April 21, in Osage City.

As always, please feel free to contact me (dosenbaugh@cox.net or 316-259-3847), anytime, for any reason, or call or email a KMIT Board Member with any question or concern you may ever have about KMIT.

Until next time... be safe, and have great spring.



Pool Administrator

It is vital that cities take a proactive approach to risk management, safety, and accident prevention to help identify and effectively control exposures to loss. KMIT's goal is to create a partnership with your city to reduce the potential for financial and human resource loss and to make sure the proper steps are taken to reduce the total financial impact.

KMIT offers Risk Control assistance through our **Loss Prevention Certification Program** that will help cities to identify exposures to loss and assist in developing the proper control needed to reduce losses as well as helping cities implement injury management techniques that will control the cost of claims when they do occur.

The **Loss Prevention Certification Program** rates each city on the safety and claim activities they are currently performing along with administrative programs in place that help drive losses within an organization. The program also helps identify deficiencies that could potentially cause an impact to a city's bottom line.

If your city would like additional information about how to take advantage of the discounts available by participating in the **KMIT Loss Prevention Program**, contact **Renee Rhodes**, IMA of Kansas (316) 266-6345 or email renee.rhodes@imacorp.com.

A NEW PRESCRIPTION DRUG CARD PROGRAM!!

As part of our mission to find innovative ways to save you money, KMIT is excited to announce our new Workers' Compensation Prescription Drug Card Program, called **PharmacyComp**. We are currently testing this program on a number of claims we have identified, and anticipate rolling it out more extensively over the next few months.

We have contracted with **PharmacyComp** to provide access to their program that has contracted with some 50,000 of the 57,000 pharmacies nationwide. These participating pharmacies have agreed to provide prescriptions at negotiated rates that average 38.5% below most of the state fee schedules.

PharmacyComp will be mailing completed ID cards directly to the injured workers we have identified to participate in this limited testing. Along with the card, the employee will receive a letter explaining the program and how to use the pharmacy card. The injured worker will need to present the card to the pharmacist when filling or refilling their medication. The pharmacist will run the card electronically, as they do with most health insurance pharmacy programs. Within seconds, the computer system verifies eligibility, coverage, and authorizes the prescription to be filled. The pharmacist is directly paid the contracted rate, thus guaranteeing that the injured worker will never have to pay out-of-pocket expenses or wait for authorizations.

If an employee loses his/her ID card, they should contact KMIT Claims Adjuster Victoria Vanderhoof, directly, to obtain a replacement card. Should you have any questions regarding this exciting new program, please contact Victoria. We are pleased to offer this unique, money saving program, and we welcome your input.

victoria.vanderhoof@imacorp.com
316-266-6347 or 1-800-288-6732

Good-bye, Dave

KMIT Immediate Past President **Dave Alfaro** has announced his resignation as Assistant City Manager for the City of Augusta (and, thus, from the KMIT Board of Trustees), effective May 17. Dave has accepted the position of Economic Development Director for Butler County.

Dave has worked for the City of Augusta since 1985, and was first elected to the KMIT Board in October 2002.

Thanks for all of your great work on the Board, Dave...you will be missed.





So Long, Mark

Mark Morris, who has served as Agent/Compliance Officer for KMIT since September 2004, has announced his resignation from KMIT and the League, effective June 9. Mark will be returning to his hometown of Russell to team up with his dad and brother in a new business venture.

Mark is also marrying Amanda Glaser, on May 6, so he is definitely off on a new life path. Congratulations, Mark and Amanda, and best of luck always.

Annual KMIT Supervisor Training Seminar Review

Once again, the Annual KMIT Supervisors Training Seminar ‘tour’ was well attended. KMIT staff has been presenting this tour in the late winter since 2002 (after a ‘trial run’ of several cities in the Fall of 2001). Since the inception of the series, the work-comp-specific seminar has been presented in 17 cities. A separate seminar on Risk Control was later added to the daily fare offered, starting in 2004.

This year, a total of 131 folks from 27 KMIT cities attended one or both of the ½-day sessions, and another six employees from three non-KMIT cities (and counties) also participated in the trainings. The 2006 training stops were held in Concordia, Arkansas City, and Parsons.

Safe Cities as of April 6 2006

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	Concordia	Glasco	Kinsley	Oskaloosa	Stockton
Admire	Conway Springs	Glen Elder	Lenora	Oswego	Tampa
Allen	Council Grove	Goodland	Leoti	Ozawkie	Tescott
Altamont	Cullison	Grainfield	Lincoln Center	Palco	Tipton
Andale	Damar	Grandview Plaza	LKM	Park City	Tonganoxie
Andover	Derby	Greeley	Lucas	Parsons	Treece
Atchison	De Soto	Grenola	Maize	Peabody	Turon
Atlanta	Douglass	Halstead	Marysville	Princeton	Ulysses
Baldwin City	Eastborough	Hamilton	McFarland	Ramona	Valley Center
Belleville	Edgerton	Hartford	Medicine Lodge	Ransom	WaKeeney
Bennington	Elkhart	Hays	Melvorn	Reading	Wakefield
Beverly	Ellsworth	Haysville	Minneapolis	Roeland Park	Walton
Bird City	Esbon	Hill City	Mission	Rose Hill	Wamego
Blue Rapids	Eudora	Hillsboro	Moline	Russell	Wellington
Bonner Springs	Eureka	Hoisington	Montezuma	Satanta	Wellsville
Brewster	Ford	Holcomb	Mound City	Sedan	
Caldwell	Fort Scott	Horton	Neosho Rapids	Sedgwick	
Centralia	Fowler	Hoxie	Newton	Sharon Springs	
Chautauqua	Frankfort	Independence	Oberlin	Spearville	
Cheney	Fredonia	Jetmore	Ogden	Spring Hill	
Cherryvale	Galena	Johnson City	Olpe	Stafford	
Clay Center	Girard	Kingman	Osage City	St. Francis	

Claims

Top 5 Frequency and Cost Analysis
January 1, 2006 through April 6, 2006

<u>By Department</u>	<u>Frequency</u>	<u>Claims Cost</u>
Police	24	\$ 49,239
Street	16	44,135
Fire	15	25,432
Maintenance	12	144,873
Water	12	41,508

<u>By Accident Type</u>	<u>Frequency</u>	<u>Claims Cost</u>
Strain or Injury	29	\$ 111,205
Fall or Slip	21	62,096
Miscellaneous Causes	12	12,298
Occupational Hazard	10	7,844
Cut/Puncture/Scrape	10	3,712

<u>By Body Part</u>	<u>Frequency</u>	<u>Claims Cost</u>
Lower Back Area	14	\$ 47,882
Shoulder(s)	8	38,302
Fingers	8	16,150
Hand	8	6,785
Knee	7	19,896

If you would like a similar breakdown for your city, please contact
Victoria Vanderhoof at 1-800-288-6732

ELEVEN Cities Join Pool . . . KMIT has 139 Members

The KMIT work comp pool grew to 139 members on April 1, with the addition of 11 new cities:

*Admire, Bennington, Ellsworth, Florence, Hamilton,
Hartford, Neosho Rapids, Ramona, Reading,
Sharon Springs, and Tampa.*



Every city that came into the pool this spring was admitted through an insurance agent/agency; those agencies are: The Fee Agency, Salina (Bennington); Insurance Planning, Eureka (Admire, Florence, Hamilton, Hartford, Neosho Rapids, Ramona, Reading, and Tampa); Brooke Financial Services, Ellsworth (Ellsworth); and Eklund Insurance, Sharon Springs (Sharon Springs).

Welcomę to KMIT!

KMIT Calendar

April

21 KMIT Board of
Trustees Meeting,
Osage City

June

23 KMIT Board of
Trustees Meeting,
Cheney

KMIT Revenues & Expenses February 28, 2006

Combined Assets

Cash In Bank	\$4,169,309
Premiums Outstanding	474,721
Investments	3,398,748
Prepaid Expenses	<u>19,642</u>
Total Assets	\$8,062,420

Combined Liabilities & Equity

Claims and Accrued Expenses Outstanding	\$ 264,757
Reserved for Losses	2,077,581
Deposits on Premiums	4,303,929
Incurred But Not Reported (IBNR)	<u>1,026,752</u>
Total Liabilities	7,673,019
KMIT Statutory Fund Balance	<u>389,401</u>
Total Liabilities and Equity	\$8,062,420

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