

# COMPCONTROL

The Official KMIT Member Newsletter

## KMIT Lowers Rate

KMIT has lowered its internal rate for 2008 work comp quotes. The 2007 KMIT rate (Loss Cost Multiplier, or 'LCM') was 1.58. **The 2008 KMIT 'LCM' is 1.52, a decrease of about 3.8%.**

This across-the-board rate decrease is a direct result of the *increase in the class code rates* set by the Kansas Insurance Department (see story below).

The decision at KMIT was to lower rates, in order to partially offset the increase by the class code rates, which will be substantial in some cases.

The class code rates are beyond the control of KMIT, and are, as stated, the result of the increasing costs of providing health care for employees injured on the job.

Each year the KMIT Board and staff reviews its own rate, and makes changes according to the fiscal needs of the pool. The rate will again be evaluated about a year from now, before the 2009 quotes go out. At this point, we have no way of knowing what will happen at that time.

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## **NOTICE: Class Code Rate Changes for 2008**

Every year the Kansas Insurance Department (KID) adopts any number of class code rate adjustments (the rates are determined by the National Council for Compensation Insurance [N.C.C.I.]). And, the same rates are used by all insurance companies and pools in Kansas, including KMIT, to calculate premium price.

Some class code rates go up each year, and others go down, and by differing percentages. There is rarely any obvious pattern to the rate changes, as they are determined by N.C.C.I. by utilizing a very large statistical pool of loss data for each type of job which is rated.

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LKM Executive Director  
Ex Officio

Don Osenbaugh  
Pool Administrator / Agent  
Editor

Victoria Vanderhoof  
Claims Manager  
Insurance Management Associates

Paul Davis  
Vice President, Risk Management  
Insurance Management Associates

Andy Hixson Wendy Flowers  
Agent Layout Editor

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:

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

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## Letter from the Pool Administrator

**Dear KMIT Members and Others,**

Hello again. Ready for winter? Let's hope the 07/08 winter is a *just bit less extreme* than its immediate predecessor. And, for that matter, maybe the **WHOLE** 2008 year can be a little better...? That wouldn't be hard to do, methinks. Kansans *deserve* an easy weather year...don't we?

Here we are, at renewal time of the year. You should be receiving your **KMIT renewal** letter any day...if you haven't yet. This year, the variables which go into computing your city's work comp premium seem to all be in play, so please take the time to call or email us if you have any questions at all about the quote. And, we do expect to get some calls.

**KMIT lowered** its rate (LCM) this year **by about 3.8%** (the new rate is 1.52; down from 1.58).

But, as also noted in this publication, many of the state class code rates were raised, some by significant percentages. A number of KMIT cities will see their premium go up as a direct result of the increase in class codes, including some whose mod went down.

The factors over which cities have direct control are payroll and experience modifier (mod). Obviously, payroll tends to increase over time, because of pay raises and increasing staff size. **The city's mod reflects its claims loss record.**

*If your city's mod is going up, you are likely going to pay more.* KMIT is here to help with that. Our partners at IMA work closely with our member cities to develop risk control and claims management programs and processes, and KMIT provides many educational and training opportunities. (Please plan to send as many supervisors as possible to one of the **KMIT Supervisor Training Seminars**.) Ultimately, *management commitment and supervisor training are definitely the keys to improving the city's claims loss record.* [Please also read the article on 10 ways to lower your city's mod.]

Your KMIT Board of Trustees meets next in Wichita on December 14, and then in Hays on March 7. KMIT regional training dates start in February (see notice).

Here's wishing everyone a very happy holiday season.



**Don Osenbaugh**  
Pool Administrator

(Continued from page 1)

This year (for 2008 premium calculations) it is important to note that **a large number of class codes that comprise significant portions of many cities' payrolls have been rather markedly increased** by N.C.C. I. and the KID; some examples:

<b>Parks .....</b>	<b>UP 34%</b>
<b>Police .....</b>	<b>UP 19%</b>
<b>Waterworks .....</b>	<b>UP 14%</b>
<b>Electric Plant Operators .....</b>	<b>UP 34%</b>
<b>Street Cleaning .....</b>	<b>UP 10%</b>
<b>Garbage Collection .....</b>	<b>UP 9%</b>
<b>Swimming Pool Workers .....</b>	<b>UP 8%</b>

Though some of the classification code rates for cities stayed the same, and some went down, most of the decreases were small, while most of the increases were large to very large. **The impact on many cities' premium cost will be SIGNIFICANT.**

Please consider the changes in class code rates as you review and analyze your KMIT quote invoice in early December. If you have any questions or are interested in more information about class code rates, please contact Don Osenbaugh (316-259-3847 or [dosenbaugh@lkm.org](mailto:dosenbaugh@lkm.org)) or Andy Hixson (785-354-9565 or [ahixson@lkm.org](mailto:ahixson@lkm.org)).

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## KMIT Renewal Invoices Out Soon

KMIT member cities should be receiving their quotes/invoices for workers' compensation coverage for 2008 on or about December 7.

The quote will come in the mail, along with a renewal letter which spells out the terms of the renewal.

**Please contact KMIT if you do not receive your renewal quote soon.**

And, when you get the renewal letter, quote, and invoice for payment, please let us know if you have any questions whatsoever.

# Six Factors Shared By the Safest Workplaces

According to a study\* cited in a recent *Safety Compliance Alert* newsletter (November 29, 2007), the safest workplaces have established a positive 'safety culture', and tend to share six common traits:

1. "It starts at the top: Corporate [city] leaders demonstrate safety is a value to them;
2. The system supports the right safety behaviors;
3. Employees behave safely consistently, by their own choice;
4. Employee engagement in safety is active; people are encouraged to make valuable contributions;
5. Conditions allow safe performance; housekeeping is impeccable; and,
6. People have positive perceptions of themselves, their co-workers, and the organization; they tend to go beyond the call."

\*the study was conducted by Safety Performance Solutions of Blacksburg, VA, and was presented at the annual meeting of the American Society of Safety Engineers (ASSE) by Anne French.

## Safe Cities as of December 3, 2007

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](mailto:victoria.vanderhoof@imacorp.com).

Admire	Conway Springs	Glen Elder	Kinsley	Park City	Tipton
Allen	Cullison	Goodland	Lecompton	Peabody	Tonganoxie
Andale	Damar	Grainfield	Lenora	Princeton	Treece
Atchison	De Soto	Grandview Plaza	Lincoln Center	Ramona	Turon
Atlanta	Eastborough	Greeley	LKM	Reading	Ulysses
Baldwin City	Edwardsville	Grenola	Lucas	Roeland Park	Valley Center
Baxter Springs	Edgerton	Grinnell	Marysville	Rose Hill	WaKeeney
Bennington	Elkhart	Halstead	McFarland	Satanta	Wakefield
Beverly	Ellsworth	Hamilton	Melvern	Sedan	Walton
Bird City	Esbon	Hartford	Moline	Sedgwick	Wamego
Blue Rapids	Eudora	Hesston	Montezuma	Sharon Springs	Wellington
Brewster	Eureka	Hiawatha	Neosho Rapids	Spearville	Wellsville
Centralia	Florence	Hill City	Ogden	Spring Hill	
Chautauqua	Ford	Holcomb	Olpe	Stafford	
Cheney	Fowler	Independence	Oskaloosa	St. Francis	
Cherryvale	Frankfort	Jetmore	Ozawkie	Stockton	
Clay Center	Girard	Johnson City	Palco	Tampa	
Concordia	Glasco	Kingman	Paola	Tescott	

# Claims

Top 5 Frequency and Cost Analysis  
January 1, 2007 through November 30, 2007

<u>By Department</u>	<u>Frequency</u>	<u>Claims Cost</u>
Police	134	\$ 225,805
Maintenance	88	264,269
Water	85	406,578
Sanitation	68	91,897
Park	65	186,548

<u>By Accident Type</u>	<u>Frequency</u>	<u>Claims Cost</u>
Strain or Injury	145	\$ 460,507
Miscellaneous Causes	124	51,058
Fall or Slip	108	514,541
Cut/Puncture/Scrape	59	31,812
Struck or Injured	51	159,947

<u>By Body Part</u>	<u>Frequency</u>	<u>Claims Cost</u>
Multiple Body Parts	76	\$ 305,732
Lower Back Area	53	120,687
Fingers	52	35,558
Knee	48	217,568
Eye(s)	38	12,763

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





*KMIT Wishes You  
a Safe and  
Happy Holiday.*

## **KMIT Regional Supervisor Training '08 'World Tour'**

The KMIT Regional Supervisor Training Tour resumes in **Andover** on February 14, 2008, with additional stops in **Independence** on February 28, and in **Hays** on March 6.

All the trainings start at 1pm and end at 4pm.

The seminars are intended for all supervisors of the city's organization, from forepersons to department heads, to city clerks and administrators and managers, and for all departments of the city.

The seminar is about how to manage your work comp program, from the bottom to the top, and is not about safety. ***This is training that supervisors just don't get anywhere else.***

This training is 'top notch', and is presented by a team of folks who have been doing this for a long time. **The subject is work comp**, and covers a wide array of issues related to work comp—from hiring the right person for the right job, to how to manage claims (what the supervisor and city can do to help), and how to detect fraud (and a lot of other stuff).

Detailed brochures will be sent out, via email and US Mail, early in 2008.

The trainings are open to all LKM cities, and are especially relevant to KMIT member cities. The cost is minimal, with KMIT cities getting a slight break in price.

Please plan to send as many supervisors as possible. **Each individual supervisor needs to know this.**

# Top 10 Ways to Control Your Mod

Your experience modification factor, or mod, is an important component used in calculating your workers' compensation premium. If you can control your mod, you can control your price – so we've gathered some top tips designed to positively impact your bottom line.

1. Investigate accidents immediately and thoroughly. Take corrective action to eliminate hazards. Be aware of fraud.
2. Report all claims to carrier immediately. Alert carrier to any serious, potentially serious, or suspect claims. Frequently monitor the status of the claim and communicate with the adjuster to resolve as quickly as possible.
3. Take an aggressive approach to providing light duty to all injured employees upon their release from treatment. Supervise light duty employees to assure their conformance with restrictions.
4. In serious cases that involve lost time, communicate with the claims adjuster so that they recognize your interest in returning the injured employee back to gainful employment.
5. Set safety performance goals for persons with supervisory responsibility. Success in achieving safety goals should be used as one measure during performance appraisals.
6. Develop a written safety program and train employees in their responsibilities for safety. Incorporate a disciplinary policy into the program, one that holds employees accountable for breaking the rules or rewards them for correctly following safety procedures.
7. Frequently communicate with employees, on a formal and informal basis, regarding the importance of safety.
8. Make safety a priority. Senior management must be visible in the safety effort and must support improvement.
9. Evaluate accident history and near-misses at least monthly. Look for trends in experience and take corrective action on worst problems first, as soon as the problems manifest themselves.
10. Consult with IMA of Kansas, Inc. to ensure success!

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## KMIT Calendar

<b>Dec.</b>	<b>14</b>	KMIT Board of Trustees Meeting, <i>Wichita</i>
<b>Feb.</b>	<b>14</b>	KMIT Regional Supervisor Training, <i>Andover</i>
	<b>28</b>	KMIT Regional Supervisor Training, <i>Independence</i>
<b>March</b>	<b>6</b>	KMIT Regional Supervisor Training, <i>Hays</i>
	<b>7</b>	KMIT Board of Trustees Meeting, <i>Hays</i>

## KMIT Revenues & Expenses October 31, 2007

### Combined Assets

Cash In Bank	\$2,415,145
UMB-Holding Acctount	3,681,366
Investments	0
Other Assets	<u>508,299</u>
<b>Total Assets</b>	<b>\$6,604,810</b>

### Combined Liabilities & Equity

Accrued Expenses Outstanding	\$1,257,187
Reserved for Losses	1,920,815
Incurred But Not Reported (IBNR)	2,571,195
Other (IBNR) Adjustments	<u>(27,747)</u>
<b>Total Liabilities</b>	<b>5,721,450</b>
KMIT Statutory Fund Balance	<u>883,360</u>
<b>Total Liabilities and Equity</b>	<b>\$6,604,810</b>

## Kansas Municipal Insurance Trust

300 SW 8th Avenue  
Topeka, KS 66603

