

COMPCONTROL

The Official KMIT Member Newsletter

Looking Back Over Fifteen Years

By Don Osenbaugh, KMIT Pool Administrator

KMIT is completing its first FIFTEEN YEARS as a group-funded municipal workers compensation pool as 2010 approaches. KMIT's official 'birthdate' was January 1, 1994 (though, obviously, a LOT of work went on before that Big Day).

The one person most responsible for that successful birth, and the remarkable task of keeping the infant thriving on through its childhood, was Bernie Hayen, then of the League; since late-2000, the Finance Director for the City of Manhattan. Bernie was able to convince enough LKM cities that, together, we could make a pool work, and KMIT was able to be launched with its first few dozen cities on-board (the number grew to 58 during that first



year), and then he nurtured the fledgling group through those first few challenging years, and those *were* challenging years. I often refer to Bernie as the 'Father of KMIT', and I say that with very sincere appreciation and admiration for what it took to get this thing going. And, KMIT has been working and going, and growing, ever since.

I was proud to follow Bernie, in early 2001, and, so, am now finishing my first nine years in this position. It is a hugely rewarding thing to be allowed to manage the KMIT pool. And, I take that opportunity and responsibility very much to heart. What we do is important. What the pool is and what it stands for—group action, group commitment and group achievement—is actually thrilling, when one stops to think about it.

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Change in KMIT Agreement with NCCI: How It Will Affect Your City

KMIT has changed its relationship agreement with NCCI (the National Council for Compensation Insurance), effective January 1, 2010. NCCI is the rating agency for the KMIT pool, and for all of Kansas work comp, and nearly all workers compensation nationwide (several states are not a part of the NCCI rating system). As such, it is NCCI which determines the Experience Modifier Factor ('Mod') for KMIT member-cities.



At its choosing, **KMIT is no longer an 'affiliate' of NCCI.** However, that does not mean that the 'mods' are of any less value. The KMIT 'mods' will still be calculated by NCCI, using the same formula, and will be stored in the NCCI database for life.

The only real change is how the information is sent to NCCI, and how often NCCI restates/'reissues' the 'mods'.

Process for Generating 1/1/2011 Experience Modification Factors:

- Once a year, IMA (as the contracted consultant for KMIT) will submit ERM 6 forms to NCCI for each city.
- The ERM 6 contains all three years' worth of losses and exposures needed to generate each city's experience modification factor ('mod').
- NCCI will take the form, process it, and generate a 'mod' worksheet.
- The worksheet will then be received by IMA for checking. If any errors have been made, IMA will send the worksheet back to NCCI for corrections.
- KMIT will then send each KMIT member-city its new, FINAL 2011 Experience Modification Factor Worksheet.

KMIT's new system—involving submittal of data to NCCI and the release by NCCI of updated 'mods'—will make it much easier for cities to know their correct (current) 'mod'. The 'mods' will be issued only once each year, and each city will get ONE 'mod' notification each year.