



Board of Trustees

Board Meeting

October 12, 2014

Wichita, Kansas

Hyatt Regency Hotel, Riverview Ballroom

400 West Waterman

5:50 PM (CDT)

MEMO

TO: KMIT Board of Trustees

FROM: Don Osenbaugh, KMIT Pool Administrator

DATE: October 5, 2014

RE: Board Meeting Procedures for 10/12 Meeting

This Board meeting will take place right after the Annual Meeting ends; pretty-much as soon as the room clears out. We will meet around a couple of tables we will put together in the front of the room.

The board meeting should only take a few minutes.

I have divided the Agenda into OLD and NEW Business sections, for the normal reason: President Herb and Larry (both outgoing) need to take part in the OLD business, and the newly-elected members will be *formally* seated for the NEW Business part—though ALL old and new members should plan to be seated together for the whole (short) board meeting.

President Herb will chair the OLD Business; Treasurer Keith (the then-ranking member of the Executive Committee—the ONLY remaining member, in fact) will chair the NEW Business part of the agenda, until you elect a new president, who will take over immediately after the election of the President.

If you have any questions about how this is going to work, please don't hesitate to call or email me.

BOARD OF TRUSTEES MEETING KANSAS MUNICIPAL INSURANCE TRUST

5:15 PM*, Sunday, October 12, 2014

Riverview Ballroom, Hyatt Regency Hotel, Wichita, KS

OLD BUSINESS

1. Welcome, Introductions and Call To Order (President Herb Llewellyn)
2. Trustee Absences from Meeting (Llewellyn)
3. Approval of Minutes, Marysville, August 22, 2014 (Llewellyn)
4. Financial Reports (J. Davis/Osenbaugh)
 - a. 8/31 KMIT Financials
 - b. 9/30 KMIT Financials
 - c. Third Quarter KID Report
 - d. 9/30 Cash Summary
5. Reserve Advisory & Settlement Authority, if necessary (Miller)
6. Other OLD Business (Llewellyn)

NEW BUSINESS

7. Seating of Newly-Elected Trustees (Schlaegel)
 - a. Ty Lasher
 - b. Kerry Rozman
 - c. Nathan McCommon
 - d. David Dillner
8. Election of 2014-2015 Officers (Schlaegel)
 - a. President
 - b. Vice President
 - c. Treasurer
9. Other NEW Business
10. Adjourn (approximately 5:30 PM)

*Approximate start time; immediately following the KMIT Annual Meeting

KANSAS MUNICIPAL INSURANCE TRUST

Board of Trustees Minutes from June 27, 2014

Approved in Marysville on August 22, 2014

Meeting Convened: Friday, June 27, 2014 in Roeland Park City Hall, Roeland Park, KS. The meeting was called to order by KMIT President Herb Llewellyn at 9:07 AM (CDT).

Members Present: *Board Members Present:* President Llewellyn (El Dorado), Vice President Deb Mootz (Roeland Park), Treasurer Keith Schlaegel (Stockton), Immediate Past President Larry Paine (Hillsboro), Debbie Price (Marysville), Tim Hardy (Elkhart), Michelle Stegman (Garden City), Tim Vandall (Ellsworth), Megan Fry (Pittsburg) and Randy Frazer (Moundridge). *Staff:* Paul Davis (IMA), Jaci Davis (IMA), Renee Rhodes (IMA), Gene Miller (IMA), Jess Cornejo (IMA), Deanna Furman (IMA), and Don Osenbaugh (KMIT Pool Administrator). *Guests:* None.

Members Absences From Meeting: Fred Gress, Parsons (excused).

Minutes, May 2, 2014 (Garden City): Motion to approve by Mootz; second by Price. Approved unanimously.

Resignation of Trustee: Deb Mootz announced that she was resigning from the KMIT Board of Trustees simultaneous with her resignation from the City of Roeland Park, on or about August 8.

Financial Reports:

- a. April 30, 2014 Financials
- b. May 31, 2014 Financials
- c. Amended (Audited) Fourth Quarter 2013 KID Report
- d. First Quarter 2014 KID Report
- e. May 31, 2014 Cash Summary

Motion to approve all of the above reports made by Paine, seconded by Mootz. Approved unanimously.

Osenbaugh mentioned that our Commerce Bank Investment Advisor is now Greg Nelson. (Kris Dornan left Commerce a month or so after presenting at the Board meeting in Hillsboro in February.)

2014 Actuary Report: Paul Davis reviewed the annual actuary report as prepared by Milliman, USA.

2012/2013 Financial Audit Report: The annual audit was presented by KMIT's auditor, Stuart Bach, of Summers, Spencer & Company. Bach commented that the pool is in very good financial shape.

Reserve Advisory and Settlement Authority: Miller reported on the following claims—

1. Claim #2013046286. Settlement request in the amount of up to \$14,563.50.
2. Claim #2012042607. Settlement request in the amount of up to \$35,000.
3. Claim #2014047724. Reserve Increase Advisory only.
4. Claim #2014048312. Reserve Increase Advisory only.

5. Claim #2013045986. Settlement request in the amount of up to \$19,237.50.
6. Claim #2012044000. Settlement request in the amount of \$10,000 F/F previously approved by pool administrator.
7. Claim #2011041014. "Request authority to accept the \$50K settlement on the 3rd party liability claim."
8. Claim #2013046716. Settlement request in the amount of \$5,932.22 F/F previously approved by pool administrator.
9. Claim #2013046328. Settlement request in the amount of \$6,380.79 F/F previously approved by pool administrator.
10. Claim #2013046205. Settlement request in the amount of \$12,112.50 F/F previously approved by the Board via email.

NOTE: All of the above claims requiring board action were approved as requested during the meeting in Roeland Park. However, the motion details were lost. Hence, final approval of these minutes will require further action—in essence 're-approving' all of the above.

Loss Control Activities: Rhodes reported on loss control activities.

Formal Appointment of 2014 Nomination Committee: President Llewellyn formally appointed Treasurer Schlaegel (chair), Paine and Price to serve as this year's Nomination Committee.

ARC+ 'Pilot Project': Mary Peters and Leslie Borden of ARC+ presented an overview of the process that is being used to develop Job Analysis descriptions for the most common job codes with the KMIT pool, utilizing the City of Wellington and its staff members, representing the various needed job codes. All that was remaining at the time of this presentation was the final testing phase of each of the 'JA's". The next step will be that the City of Wellington begins actual testing of each new job applicant, utilizing the ARC testing services in Wichita. It is anticipated that that step would occur before the end of the summer, and that there will be an article in the September *CompControl* newsletter.

Staff Reports: Osenbaugh gave a brief report.

Adjournment: Motion made by Paine to adjourn at 12:01, seconded by Mootz. Approved.

KANSAS MUNICIPAL INSURANCE TRUST

Board of Trustees Minutes from August 22, 2014

Unapproved

Meeting Convened: Friday, August 22, 2014 in Marysville City Hall, Marysville, KS. The meeting was called to order by KMIT Treasurer Keith Schlaegel at 9:14 AM (CDT). Marysville Mayor Bill Phillipi gave a nice welcome to the group.

Members Present: *Board Members Present:* Treasurer Keith Schlaegel (Stockton), Immediate Past President Larry Paine (Hillsboro), Debbie Price (Marysville), Tim Hardy (Elkhart), Michelle Stegman (Garden City), Tim Vandall (Ellsworth), Fred Gress (Parsons), Megan Fry (Pittsburg), and Randy Frazer (Moundridge). *Staff:* Paul Davis (IMA), Jaci Davis (IMA), Renee Rhodes (IMA), Gene Miller (IMA), Jess Cornejo (IMA), Deanna Furman (IMA), and Don Osenbaugh (KMIT Pool Administrator). *Guests:* None.

Members Absences From Meeting: President Herb Llewellyn (El Dorado). One Trustee position is vacant.

Minutes, June 27, 2014 (Roeland Park): Motion to approve as written by Paine; second by Frazer. Approved unanimously.

Financial Reports:

- a. June 30, 2014 Financials
- b. July 31, 2014 Financials
- c. Second Quarter 2014 KID Report
- d. July 31, 2014 Cash Summary

Motion to approve all of the above reports made by Paine, seconded by Gress. Approved unanimously.

Reserve Advisory and Settlement Authority: Miller gave a brief update on the recent major injury events in Russell and Lucas.

Upon a motion by Paine and a second by Hardy, the Board unanimously *re-approved* three Roeland Park (6/27/14) claims (8/22 agenda items 1, 2 and 5), which were not fully documented earlier.

Miller then reported on the following claims—

1. Claim #2012044260. Settlement request approved unanimously upon a motion by Hardy and second by Stegman. Full and final authority of up to \$20,000.
2. Claim #2013046062. Settlement request approved unanimously upon a motion by Vandall and second by Hardy. Full and final authority of up to \$20,000.
3. Claim #2013046286. Settlement request approved unanimously upon a motion by Paine and second by Price. Full and final authority of up to \$18,183.
4. Claim #2013047392. Settlement request approved unanimously upon a motion by Paine and second by Gress. Full and final authority of up to \$33,415.18.
5. Claim #2013045740. Settlement previously approved by Pool Administrator. Authority up to \$10,000.

6. Claim #2013045671. Settlement previously approved by Pool Administrator. Authority up to \$9,576.
7. Claim #2013046295. Settlement previously approved by Pool Administrator. Authority up to \$7,382.06.
8. Claim #2011042336. Settlement request approved unanimously upon a motion by Hardy and second by Vandall. Authority up to \$12,500.

Loss Control Activities: Rhodes reported on loss control activities.

‘LCM’ (Rate) Review/2015 Rate Determination: After the annual review of the variables and data related to the financial condition of KMIT, the Board voted unanimously to leave the Loss Cost Multiplier where it is for 2015. The KMT rate for 2015 will be 1.40. The motion was made by Hardy and seconded by Gress.

CORnerstone (IMA) Contract Renewal, for 2015: P. Davis presented the contract proposal of CORnerstone. The Board unanimously agreed to the changes requested, including: (1) the limits on decision-making on settlement. The adjuster’s authority limit was increased to \$10,000, and the Pool Administrator’s limit was raised to \$20,000. The Board will decide on all settlements over \$20,000; (2) The annual fee for services was increased by 5%, to \$530,000. Motion by Gress; second by Price.

Nomination Committee Report: On behalf of the committee, Schlaegel presented the list of nominees to fill the eight Trustee positions open for replacement/renewal. The four nominees who would be new to the Board include: Ty Lasher (Bel Aire City Manager, who served on the board for one term a few years ago, when he was with the City of Cheney), Kerry Rozman (Clay Center City Clerk), Nathan McCommon (Tonganoxie City Administrator), and David Dillner (Abilene City Manager). The four ‘returning’ nominees are Schlaegel, Frazer, Hardy and Fry.

2015 Board Meeting Sites/Dates: Osenbaugh discussed a draft list of meeting places and dates for 2015. He also announced that the December 2014 meeting is being moved to Wichita (WSU Student Union), following the recent decision by Llewellyn to retire from the Board.

Staff Reports: Osenbaugh gave a brief report covering current staff activities and the upcoming annual meeting.

Closed Session: Schlaegel requested a closed session, with only the Board in attendance. Stegman made that motion, seconded by Paine, and unanimously approved. That session began at 11:27 and ended at 11:37. At 11:38, the Board entered another closed session, with Osenbaugh present. Motion by Stegman; second by Paine. Osenbaugh exited at about 11:45. That closed session ended at 11:48.

Paine made a motion to increase Osenbaugh’s contract by 12%, effective September 1. Second by Hardy. Unanimously approved.

Adjournment: Motion made by Gress to adjourn; seconded by Vandall. Approved unanimously. The meeting was adjourned at 11:50.

KMIT Balance Sheet

As of August 31,2014

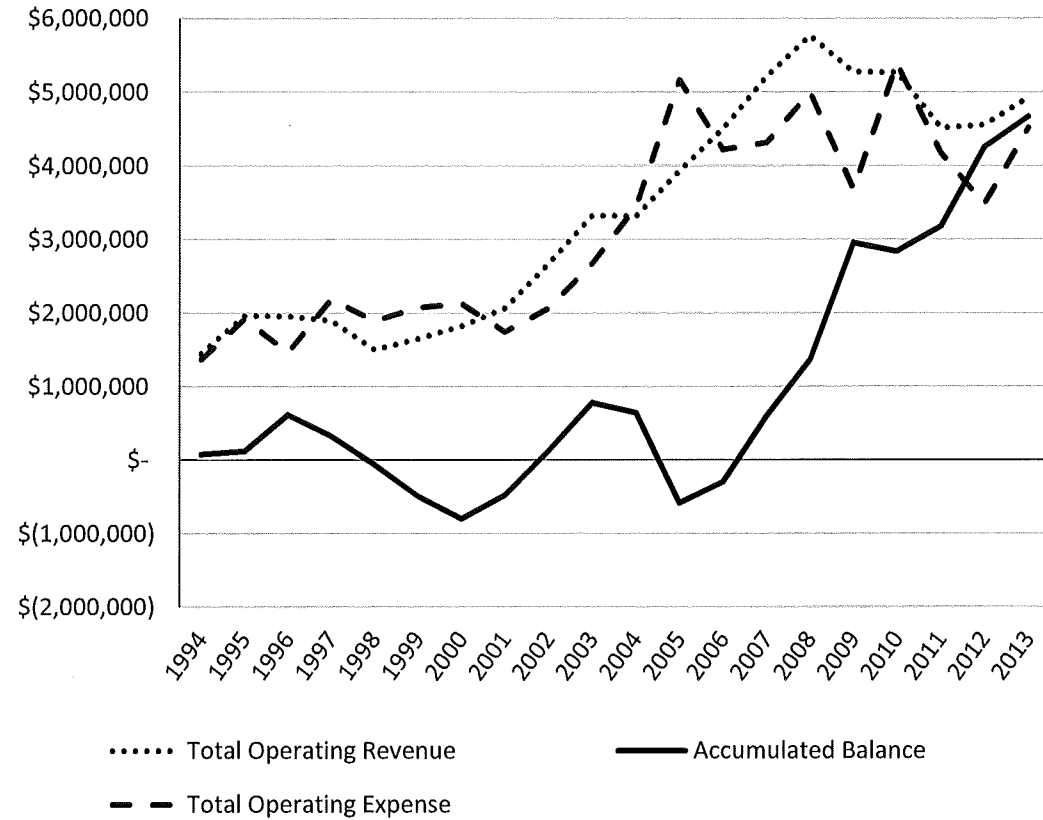
ASSETS

Checking Accounts	\$	1,949,324
Investments	\$	11,706,606
Accrued Interest	\$	138,022
Accounts Receivable	\$	432
Excess Premium Receivable	\$	20,417
Specific Recoverable	\$	247,813
Aggregate Recoverable	\$	78,943
Prepaid Expenses	\$	192,813
Total Assets	\$	14,334,371

LIABILITIES & EQUITY

Accounts Payable	\$	-
Excess Premium Payable	\$	-
Reserve for Losses	\$	3,648,667
IBNR Reserve	\$	3,503,196
Deposits on Premium	\$	1,924,545
Accrued Taxes and Assessments	\$	262,539
Total Liabilities	\$	9,338,946
Total Equity		4,995,425
Total Liabilities and Equity	\$	14,334,371

KMIT Financial Overview



KMIT Profit and Loss

As of August 31, 2014

	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
	Closed	Closed	Closed	Accrued To Date	Accrued To Date	Accrued To Date	Accrued To Date	Accrued To Date	Accrued To Date	Accrued To Date	Accrued To Date	Accrued To Date	Accrued To Date
REVENUE FUND													
Direct Premium Earned	\$ 1,422,582	\$ 1,885,501	\$ 1,843,047	\$ 1,754,515	\$ 1,377,722	\$ 1,552,110	\$ 1,689,773	\$ 1,965,656	\$ 2,616,641	\$ 3,274,489	\$ 3,256,648	\$ 3,837,793	\$ 4,272,140
Interest Income	\$ 22,675	\$ 76,262	\$ 114,912	\$ 142,705	\$ 116,189	\$ 96,882	\$ 129,613	\$ 101,694	\$ 50,668	\$ 52,492	\$ 59,068	\$ 95,674	\$ 234,986
Miscellaneous Income	\$ -	\$ -	\$ -	\$ -	\$ 4,445	\$ 75	\$ -	\$ -	\$ 2,335	\$ -	\$ -	\$ -	\$ -
Total Operating Revenue	\$ 1,445,257	\$ 1,961,763	\$ 1,957,959	\$ 1,897,220	\$ 1,498,366	\$ 1,649,067	\$ 1,819,386	\$ 2,067,350	\$ 2,669,644	\$ 3,326,981	\$ 3,315,716	\$ 3,933,467	\$ 4,507,126
		\$ 390,462											
ADMINISTRATION FUND EXPENSE	\$ 477,137	\$ 601,645	\$ 492,669	\$ 525,475	\$ 483,217	\$ 454,282	\$ 451,014	\$ 437,018	\$ 533,041	\$ 650,883	\$ 737,760	\$ 814,675	\$ 908,011
CLAIMS FUND EXPENSE													
Claims Paid Expense	\$ 716,700	\$ 1,049,152	\$ 790,125	\$ 2,018,860	\$ 1,844,307	\$ 1,677,613	\$ 1,434,896	\$ 1,097,087	\$ 1,211,714	\$ 1,874,209	\$ 2,240,641	\$ 3,783,274	\$ 2,566,897
Claims Paid Adjusting Expense	\$ 25,541	\$ 54,345	\$ 46,505	\$ 90,305	\$ 82,916	\$ 142,365	\$ 122,100	\$ 83,206	\$ 129,112	\$ 149,296	\$ 146,862	\$ 234,195	\$ 178,656
Claims Reserve Expense	\$ -	\$ -	\$ -	\$ 55,385	\$ 75,168	\$ 60,532	\$ 7,198	\$ -	\$ -	\$ -	\$ 40,778	\$ 57,385	\$ 66,730
Claims Reserves Adjusting Expense	\$ -	\$ -	\$ -	\$ 1,088	\$ 7,682	\$ 5,338	\$ 1,581	\$ -	\$ -	\$ -	\$ 3,816	\$ 9,649	\$ 11,754
IBNR Reserve Expense	\$ 0	\$ -	\$ 0	\$ -	\$ 1	\$ -	\$ 24,328	\$ 0	\$ 0	\$ 32,894	\$ 58,994	\$ 80,356	\$ 104,425
Excess Work Comp Insurance	\$ 151,393	\$ 210,142	\$ 133,376	\$ 117,122	\$ 79,456	\$ 80,124	\$ 86,819	\$ 127,168	\$ 189,458	\$ 366,991	\$ 221,435	\$ 374,472	\$ 384,425
Specific Recoverable Expense	\$ -	\$ -	\$ -	\$ -	\$ (199,962)	\$ (47,851)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Specific Recovery Expense	\$ -	\$ -	\$ -	\$ (268,748)	\$ (481,480)	\$ (170,384)	\$ -	\$ -	\$ -	\$ (400,137)	\$ -	\$ (188,126)	\$ -
Aggregate Recoverable Expense	\$ -	\$ -	\$ -	\$ (58,727)	\$ -	\$ (20,216)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Aggregate Recovery Expense	\$ -	\$ -	\$ -	\$ (295,131)	\$ -	\$ (107,134)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Claims Fund Expense	\$ 893,634	\$ 1,313,638	\$ 970,007	\$ 1,660,153	\$ 1,408,087	\$ 1,620,386	\$ 1,676,922	\$ 1,307,461	\$ 1,530,284	\$ 2,023,252	\$ 2,712,526	\$ 4,351,204	\$ 3,312,887
Total Operating Expense	\$ 1,370,771	\$ 1,915,183	\$ 1,462,676	\$ 2,185,628	\$ 1,891,304	\$ 2,074,668	\$ 2,127,936	\$ 1,744,479	\$ 2,063,325	\$ 2,674,135	\$ 3,450,286	\$ 5,165,779	\$ 4,220,898
BALANCES													
KMIT Statutory Fund Balance	\$ 74,486	\$ 46,580	\$ 495,283	\$ (288,408)	\$ (392,948)	\$ (425,601)	\$ (308,550)	\$ 322,871	\$ 606,318	\$ 652,846	\$ (134,570)	\$ (1,232,312)	\$ 286,228
Accumulated Balance	\$ 74,486	\$ 121,066	\$ 616,349	\$ 327,941	\$ (65,007)	\$ (490,608)	\$ (799,158)	\$ (476,287)	\$ 130,032	\$ 782,877	\$ 648,307	\$ (584,005)	\$ (297,777)

KMIT Profit and Loss

As of August 31, 2014

	2007	2008	2009	2010	2011	2012	2013	2014	2014	Total
	Accrued To Date	Accrued To Date	Accrued To Date	Accrued To Date	Accrued To Date	Accrued To Date	Accrued To Date	Accrued To Date	Budget	Accrued To Date
REVENUE FUND										
Direct Premium Earned	\$ 4,950,171	\$ 5,519,169	\$ 5,193,427	\$ 5,213,859	\$ 4,442,326	\$ 4,484,533	\$ 4,853,835	\$ 3,836,293	\$ 5,800,000	\$ 69,242,230
Interest Income	\$ 260,619	\$ 245,802	\$ 79,601	\$ 54,690	\$ 72,925	\$ 70,104	\$ 71,861	\$ 207,659	\$ 72,000	\$ 2,357,078
Miscellaneous Income	\$ 2,405	\$ -	\$ -	\$ -	\$ 1,441	\$ -	\$ -	\$ -	\$ -	\$ 10,701
Total Operating Revenue	\$ 5,213,195	\$ 5,764,971	\$ 5,273,028	\$ 5,268,549	\$ 4,516,692	\$ 4,554,637	\$ 4,925,696	\$ 4,043,952	\$ 5,872,000	\$ 71,610,010
ADMINISTRATION FUND EXPENSE	\$ 914,785	\$ 954,864	\$ 956,020	\$ 1,018,850	\$ 955,195	\$ 926,678	\$ 1,043,805	\$ 707,156	\$ 1,023,000	\$ 15,043,979
CLAIMS FUND EXPENSE										
Claims Paid Expense	\$ 2,572,368	\$ 3,055,251	\$ 2,011,822	\$ 3,398,958	\$ 1,990,016	\$ 1,447,540	\$ 1,278,513	\$ 751,584		\$ 38,811,526
Claims Paid Adjusting Expense	\$ 179,931	\$ 219,906	\$ 127,830	\$ 170,479	\$ 114,607	\$ 93,705	\$ 66,718	\$ 16,450		\$ 2,475,027
Claims Reserve Expense	\$ 190,268	\$ 173,823	\$ 43,470	\$ 205,653	\$ 750,660	\$ 117,886	\$ 383,120	\$ 1,140,478		\$ 3,368,531
Claims Reserves Adjusting Expense	\$ 17,596	\$ 20,832	\$ 7,004	\$ 20,911	\$ 29,564	\$ 24,617	\$ 45,944	\$ 72,761		\$ 280,136
IBNR Reserve Expense	\$ 19,143	\$ 201,460	\$ 195,377	\$ 218,290	\$ -	\$ 540,502	\$ 1,302,025	\$ 725,401		\$ 3,503,196
Excess Work Comp Insurance	\$ 420,728	\$ 372,790	\$ 341,935	\$ 351,375	\$ 336,966	\$ 337,595	\$ 395,128	\$ 301,154	\$ 425,000	\$ 5,380,051
Specific Recoverable Expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ (247,813)
Specific Recovery Expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (9,965)	\$ -	\$ -		\$ (1,518,840)
Aggregate Recoverable Expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ (78,943)
Aggregate Recovery Expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ (402,265)
Claims Fund Expense	\$ 3,400,033	\$ 4,044,061	\$ 2,727,437	\$ 4,365,666	\$ 3,221,812	\$ 2,551,880	\$ 3,471,447	\$ 3,007,828	\$ 425,000	\$ 51,570,605
Total Operating Expense	\$ 4,314,818	\$ 4,998,925	\$ 3,683,457	\$ 5,384,516	\$ 4,177,007	\$ 3,478,558	\$ 4,515,252	\$ 3,714,984	\$ 1,448,000	\$ 66,614,584
BALANCES										
KMIT Statutory Fund Balance	\$ 898,378	\$ 766,046	\$ 1,589,571	\$ (115,967)	\$ 339,685	\$ 1,076,079	\$ 410,444	\$ 328,968	\$ 4,424,000	\$ 4,995,425
Accumulated Balance	\$ 600,601	\$ 1,366,647	\$ 2,956,217	\$ 2,840,250	\$ 3,179,935	\$ 4,256,014	\$ 4,666,458	\$ 4,995,426		

KMIT Admin Expenses

As of August 31,2014

	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
	Closed	Closed	Closed	Accrued To Date	Accrued To Date	Accrued To Date	Accrued To Date	Accrued To Date	Accrued To Date	Accrued To Date	Accrued To Date	Accrued To Date	Accrued To Date	Accrued To Date
GENERAL EXPENSES														
Agent Commissions	\$ -	\$ -	\$ -	\$ -	\$ 969	\$ 4,919	\$ 5,239	\$ 12,669	\$ 33,803	\$ 44,060	\$ 43,231	\$ 61,486	\$ 75,650	\$ 77,961
Directors and Officers Insurance	\$ -	\$ 489	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 20,367
Meetings/Travel	\$ -	\$ 6,971	\$ 976	\$ 5,318	\$ 1,206	\$ -	\$ 149	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contingencies/Miscellaneous	\$ -	\$ 8,984	\$ 2,596	\$ 3,913	\$ 5,357	\$ 11,585	\$ 6,020	\$ 18,223	\$ 26,103	\$ 28,939	\$ 41,820	\$ 23,173	\$ 66,332	\$ 33,865
Bank Fees	\$ 1,249	\$ 4,735	\$ 579	\$ 658	\$ 263	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Write Off	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
LKM Clearing	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Marketing	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Office Supplies	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sub Total	\$ 1,249	\$ 21,179	\$ 4,151	\$ 9,889	\$ 7,795	\$ 16,504	\$ 11,408	\$ 30,892	\$ 59,906	\$ 72,999	\$ 85,051	\$ 84,659	\$ 141,982	\$ 132,193
REGULATORY														
Kansas Insurance Dept (KID) Premium Tax	12,847	18,402	13,177	10,823	13,893	18,215	19,568	18,564	24,377	29,017	30,168	34,004	40,212	46,194
KID Pool Assessment	9,407		5,372	3,470	3,798	1,855	2,693	4,355	3,341	5,983	2,844	3,900		4,300
KID Workers Compensation Assessment	64,034	44,011	25,322	48,345	31,243	14,594	10,372	1,795	7,770	19,748	47,137	91,805	47,193	32,896
KID State Audit														
KDOL Annual Assessment Fee	9,073	15,053	12,410	40,430	31,768	43,971	40,301	30,875	34,311	41,218	56,191	70,943	81,058	79,196
Sub Total	\$ 95,360	\$ 77,466	\$ 56,281	\$ 103,068	\$ 80,701	\$ 78,635	\$ 72,934	\$ 55,589	\$ 69,799	\$ 95,965	\$ 136,341	\$ 200,652	\$ 168,463	\$ 162,586
CONTRACTURAL														
Financial Audit	\$ 4,603	\$ -	\$ 6,639	\$ 32,625	\$ 12,292	\$ 8,288	\$ 10,973	\$ 8,474	\$ 9,600	\$ 9,806	\$ 10,465	\$ 10,264	\$ 33,013	\$ 6,462
Actuarial	\$ -	\$ -	\$ 2,855	\$ 5,000	\$ 25,033	\$ 5,859	\$ 5,703	\$ 7,062	\$ 6,148	\$ 6,272	\$ 7,862	\$ 9,000	\$ 9,991	\$ 12,860
Risk Management	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 40,000	\$ 40,000	\$ 50,000	\$ 50,000	\$ 60,000
Risk Control	\$ -	\$ -	\$ 82,500	\$ 99,073	\$ 87,000	\$ 80,000	\$ 80,000	\$ 85,000	\$ 92,500	\$ 105,000	\$ 113,000	\$ 120,000	\$ 130,000	\$ 140,000
Claims Adjusting	\$ 298,447	\$ 312,500	\$ 194,842	\$ 105,470	\$ 100,000	\$ 105,000	\$ 110,000	\$ 110,000	\$ 125,000	\$ 135,000	\$ 140,000	\$ 140,000	\$ 150,000	\$ 165,000
Risk Analysis	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Pool Admin Services	\$ 77,478	\$ 190,400	\$ 145,400	\$ 170,350	\$ 170,396	\$ 159,996	\$ 159,996	\$ 140,000	\$ 160,000	\$ 176,000	\$ 193,000	\$ 200,000	\$ 210,000	\$ 220,000
Payroll Audits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,088	\$ 9,840	\$ 12,042	\$ -	\$ 14,562	\$ 15,684
Rating Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Web Hosting	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Endorsement Fee	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sub Total	\$ 380,528	\$ 502,900	\$ 432,236	\$ 412,518	\$ 394,721	\$ 359,144	\$ 366,672	\$ 350,536	\$ 403,336	\$ 481,918	\$ 516,368	\$ 529,264	\$ 597,566	\$ 620,006
Administration Fund Expense	\$ 477,137	\$ 601,545	\$ 492,669	\$ 525,475	\$ 483,217	\$ 454,282	\$ 451,014	\$ 437,018	\$ 533,041	\$ 650,883	\$ 737,760	\$ 814,575	\$ 908,011	\$ 914,785

KMIT Admin Expenses

As of August 31,2014

	2008	2009	2010	2011	2012	2013	2014	2014	Total
	Accrued To Date	Accrued To Date	Accrued To Date	Accrued To Date	Accrued To Date	Accrued To Date	Accrued To Date	Budget	Accrued To Date
GENERAL EXPENSES									
Agent Commissions	\$ 88,532	\$ 94,214	\$ 93,637	\$ 82,860	\$ 96,481	\$ 102,636	\$ 65,573	\$ 95,000	\$ 983,920
Directors and Officers Insurance	\$ 18,542	\$ 15,857	\$ 15,942	\$ 16,038	\$ 16,488	\$ 17,224	\$ 10,637	\$ 18,000	\$ 131,584
Meetings/Travel	\$ -	\$ -	\$ -	\$ 829	\$ 4,881	\$ 19,334	\$ 14,077	\$ 16,000	\$ 53,741
Contingencies/Miscellaneous	\$ 26,155	\$ 34,318	\$ 2,657	\$ 1,708	\$ 3,175	\$ 3,623	\$ 3,155	\$ 8,000	\$ 351,701
Bank Fees	\$ 2,638	\$ 2,758	\$ 9,239	\$ 5,776	\$ 4,159	\$ 7,528	\$ 3,566	\$ 5,000	\$ 43,148
Write Off	\$ -	\$ -	\$ -	\$ (104)	\$ -	\$ -	\$ -	\$ -	\$ (104)
LKM Clearing	\$ -	\$ -	\$ -	\$ 60	\$ -	\$ -	\$ -	\$ -	\$ 60
Marketing	\$ -	\$ -	\$ -	\$ -	\$ 439	\$ 452	\$ 111	\$ -	\$ 1,003
Office Supplies	\$ -	\$ -	\$ -	\$ -	\$ 1,112	\$ 1,830	\$ 2,265	\$ 5,000	\$ 5,207
Sub Total	\$ 135,867	\$ 147,147	\$ 121,475	\$ 107,167	\$ 126,735	\$ 152,627	\$ 99,385	\$ 147,000	\$ 1,570,261
REGULATORY									
Kansas Insurance Dept (KID) Premium Tax	54,139	48,525	49,030	40,919	\$ 43,445	\$ 44,349	\$ 26,501	\$ 48,000	636,368
KID Pool Assessment	3,409	3,476	3,500	3,000	\$ -	\$ -	\$ -	\$ 4,000	64,701
KID Workers Compensation Assessment	32,770	28,363	57,704	65,982	\$ -	\$ -	\$ -	\$ 45,000	671,063
KID State Audit				12,652	\$ -	\$ -	\$ -	\$ -	12,652
KDOL Annual Assessment Fee	89,183	63,534	87,404	26,668	\$ 76,365	\$ 132,710	\$ 6,182	\$ 66,000	1,068,843
Sub Total	\$ 179,501	\$ 143,898	\$ 197,638	\$ 149,201	\$ 119,810	\$ 177,059	\$ 32,682	\$ 163,000	\$ 2,453,627
CONTRACTURAL									
Financial Audit	\$ 13,127	\$ 18,608	\$ 31,565	\$ 12,023	\$ 11,738	\$ 11,904	\$ 3,303	\$ 23,000	265,772
Actuarial	\$ 13,000	\$ 13,750	\$ 14,000	\$ 14,000	\$ 14,250	\$ 14,250	\$ 500	\$ 15,000	187,395
Risk Management	\$ 70,000	\$ 70,000	\$ 70,000	\$ 70,000	\$ 70,000	\$ 170,000	\$ 153,000	\$ 170,000	913,000
Risk Control	\$ 140,000	\$ 145,000	\$ 145,000	\$ 145,000	\$ 145,000	\$ 150,000	\$ 135,000	\$ 150,000	2,219,073
Claims Adjusting	\$ 165,000	\$ 175,000	\$ 195,000	\$ 185,000	\$ 185,000	\$ 185,000	\$ 166,500	\$ 185,000	3,447,759
Risk Analysis	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,389	\$ -	7,389
Pool Admin Services	\$ 220,000	\$ 225,000	\$ 225,000	\$ 230,000	\$ 230,004	\$ 75,600	\$ 69,500	\$ 78,000	3,648,120
Payroll Audits	\$ 18,370	\$ 17,617	\$ 19,173	\$ 19,000	\$ 16,318	\$ 16,000	\$ 2,143	\$ 22,000	170,836
Rating Services	\$ -	\$ -	\$ -	\$ 22,650	\$ 6,636	\$ 18,702	\$ 12	\$ -	48,000
Web Hosting	\$ -	\$ -	\$ -	\$ 1,155	\$ 1,187	\$ 2,663	\$ 2,743	\$ -	7,747
Endorsement Fee	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 70,000	\$ 35,000	\$ 70,000	105,000
Sub Total	\$ 639,497	\$ 664,975	\$ 699,738	\$ 698,827	\$ 680,133	\$ 714,119	\$ 575,089	\$ 713,000	\$ 11,020,091
Administration Fund Expense	\$ 954,864	\$ 956,020	\$ 1,018,850	\$ 955,195	\$ 926,678	\$ 1,043,805	\$ 707,156	\$ 1,023,000	\$ 15,043,979

KMIT Balance Sheet

As of September 30,2014

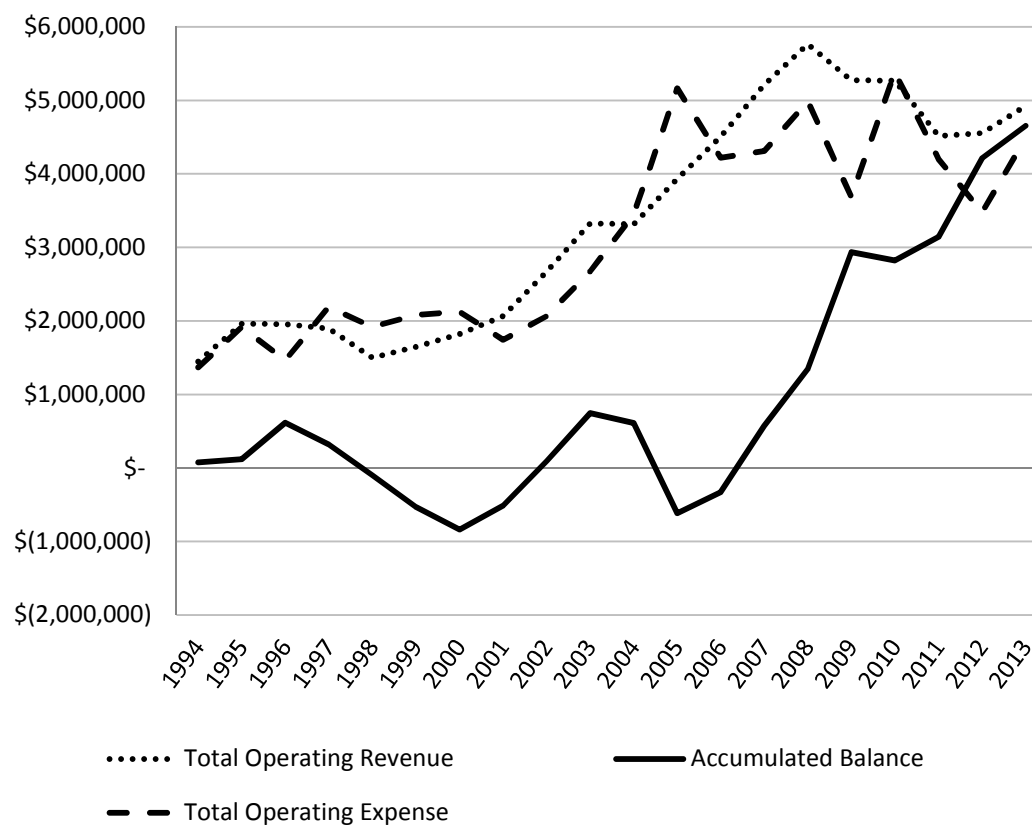
ASSETS

Checking Accounts	\$	1,336,734
Investments	\$	11,955,606
Accrued Interest	\$	133,731
Accounts Receivable	\$	432
Excess Premium Receivable	\$	-
Specific Recoverable	\$	247,813
Aggregate Recoverable	\$	78,943
Prepaid Expenses	\$	144,610
Total Assets	\$	13,897,870

LIABILITIES & EQUITY

Accounts Payable	\$	-
Excess Premium Payable	\$	-
Reserve for Losses	\$	3,502,264
IBNR Reserve	\$	3,680,955
Deposits on Premium	\$	1,443,408
Accrued Taxes and Assessments	\$	319,686
Total Liabilities	\$	8,946,313
Total Equity		4,951,557
Total Liabilities and Equity	\$	13,897,870

KMIT Financial Overview



KMIT Profit and Loss

As of September 30,2014

	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
	Closed	Closed	Closed	Accrued To Date	Accrued To Date	Accrued To Date	Accrued To Date	Accrued To Date	Accrued To Date	Accrued To Date	Accrued To Date	Accrued To Date	Accrued To Date
REVENUE FUND													
Direct Premium Earned	\$ 1,422,582	\$ 1,885,501	\$ 1,843,047	\$ 1,754,515	\$ 1,377,722	\$ 1,552,110	\$ 1,689,773	\$ 1,965,656	\$ 2,616,641	\$ 3,274,489	\$ 3,256,648	\$ 3,837,793	\$ 4,272,140
Interest Income	\$ 22,675	\$ 76,262	\$ 114,912	\$ 142,705	\$ 116,189	\$ 96,882	\$ 129,613	\$ 101,694	\$ 50,668	\$ 52,492	\$ 59,068	\$ 95,674	\$ 234,986
Miscellaneous Income	\$ -	\$ -	\$ -	\$ -	\$ 4,445	\$ 75	\$ -	\$ -	\$ 2,335	\$ -	\$ -	\$ -	\$ -
Total Operating Revenue	\$ 1,445,257	\$ 1,961,763	\$ 1,957,959	\$ 1,897,220	\$ 1,498,356	\$ 1,649,067	\$ 1,819,386	\$ 2,067,350	\$ 2,669,644	\$ 3,326,981	\$ 3,315,716	\$ 3,933,467	\$ 4,507,126
		\$ 390,462											
ADMINISTRATION FUND EXPENSE	\$ 477,137	\$ 601,545	\$ 492,669	\$ 531,450	\$ 508,283	\$ 461,093	\$ 450,253	\$ 437,018	\$ 533,041	\$ 650,298	\$ 737,759	\$ 811,050	\$ 907,410
CLAIMS FUND EXPENSE													
Claims Paid Expense	\$ 716,700	\$ 1,049,152	\$ 790,125	\$ 2,018,860	\$ 1,845,265	\$ 1,677,902	\$ 1,435,140	\$ 1,097,087	\$ 1,211,714	\$ 1,874,258	\$ 2,243,656	\$ 3,785,437	\$ 2,568,468
Claims Paid Adjusting Expense	\$ 25,541	\$ 54,345	\$ 46,505	\$ 90,305	\$ 82,922	\$ 142,370	\$ 122,103	\$ 83,206	\$ 129,112	\$ 149,296	\$ 147,079	\$ 236,009	\$ 178,752
Claims Reserve Expense	\$ -	\$ -	\$ -	\$ 55,385	\$ 74,210	\$ 60,242	\$ 6,955	\$ -	\$ -	\$ -	\$ 37,763	\$ 55,222	\$ 65,159
Claims Reserves Adjusting Expense	\$ -	\$ -	\$ -	\$ 1,088	\$ 7,675	\$ 5,333	\$ 1,578	\$ -	\$ -	\$ -	\$ 3,599	\$ 9,835	\$ 11,657
IBNR Reserve Expense	\$ 0	\$ -	\$ 0	\$ -	\$ 1	\$ -	\$ 24,328	\$ 0	\$ 0	\$ 32,844	\$ 58,994	\$ 78,356	\$ 104,425
Excess Work Comp Insurance	\$ 151,393	\$ 210,142	\$ 133,376	\$ 117,122	\$ 79,456	\$ 80,124	\$ 86,819	\$ 127,168	\$ 189,458	\$ 366,991	\$ 221,435	\$ 374,472	\$ 384,425
Specific Recoverable Expense	\$ -	\$ -	\$ -	\$ -	\$ (199,962)	\$ (47,851)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Specific Recovery Expense	\$ -	\$ -	\$ -	\$ (268,748)	\$ (481,480)	\$ (170,384)	\$ -	\$ -	\$ (400,137)	\$ -	\$ (188,126)	\$ -	\$ -
Aggregate Recoverable Expense	\$ -	\$ -	\$ -	\$ (58,727)	\$ -	\$ (20,216)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Aggregate Recovery Expense	\$ -	\$ -	\$ -	\$ (295,131)	\$ -	\$ (107,134)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Claims Fund Expense	\$ 893,634	\$ 1,313,638	\$ 970,007	\$ 1,660,153	\$ 1,408,087	\$ 1,620,386	\$ 1,676,922	\$ 1,307,461	\$ 1,530,284	\$ 2,023,252	\$ 2,712,526	\$ 4,351,204	\$ 3,312,887
Total Operating Expense	\$ 1,370,771	\$ 1,915,183	\$ 1,462,676	\$ 2,191,603	\$ 1,916,370	\$ 2,081,479	\$ 2,127,175	\$ 1,744,479	\$ 2,063,325	\$ 2,673,550	\$ 3,450,285	\$ 5,162,254	\$ 4,220,297
BALANCES													
KMIT Statutory Fund Balance	\$ 74,486	\$ 46,580	\$ 495,283	\$ (294,384)	\$ (418,015)	\$ (432,412)	\$ (307,790)	\$ 322,871	\$ 606,318	\$ 653,430	\$ (134,570)	\$ (1,228,787)	\$ 286,829
Accumulated Balance	\$ 74,486	\$ 121,066	\$ 616,349	\$ 321,965	\$ (96,049)	\$ (528,461)	\$ (836,250)	\$ (513,379)	\$ 92,939	\$ 746,370	\$ 611,800	\$ (616,987)	\$ (330,159)

KMIT Profit and Loss

As of September 30,2014

	2007	2008	2009	2010	2011	2012	2013	2014	2014	Total
	Accrued To Date	Accrued To Date	Accrued To Date	Accrued To Date	Accrued To Date	Accrued To Date	Accrued To Date	Accrued To Date	Budget	Accrued To Date
REVENUE FUND										
Direct Premium Earned	\$ 4,950,171	\$ 5,519,169	\$ 5,193,427	\$ 5,213,859	\$ 4,442,326	\$ 4,484,533	\$ 4,853,835	\$ 4,317,430	\$ 5,800,000	\$ 69,723,366
Interest Income	\$ 260,619	\$ 245,802	\$ 79,601	\$ 54,690	\$ 72,925	\$ 70,104	\$ 71,861	\$ 217,430	\$ 72,000	\$ 2,366,849
Miscellaneous Income	\$ 2,405	\$ -	\$ -	\$ -	\$ 1,441	\$ -	\$ -	\$ -	\$ -	\$ 10,701
Total Operating Revenue	\$ 5,213,195	\$ 5,764,971	\$ 5,273,028	\$ 5,268,549	\$ 4,516,692	\$ 4,554,637	\$ 4,925,696	\$ 4,534,860	\$ 5,872,000	\$ 72,100,917
ADMINISTRATION FUND EXPENSE	\$ 910,348	\$ 947,271	\$ 954,982	\$ 1,017,812	\$ 955,317	\$ 928,143	\$ 1,017,805	\$ 852,284	\$ 1,023,000	\$ 15,182,970
CLAIMS FUND EXPENSE										
Claims Paid Expense	\$ 2,574,981	\$ 3,058,087	\$ 2,014,155	\$ 3,405,203	\$ 2,130,792	\$ 1,451,967	\$ 1,300,728	\$ 860,903		\$ 39,110,579
Claims Paid Adjusting Expense	\$ 179,931	\$ 219,913	\$ 127,871	\$ 171,137	\$ 117,853	\$ 101,752	\$ 74,271	\$ 21,538		\$ 2,501,810
Claims Reserve Expense	\$ 187,654	\$ 170,986	\$ 41,249	\$ 199,409	\$ 627,624	\$ 102,372	\$ 342,003	\$ 1,215,067		\$ 3,241,299
Claims Reserves Adjusting Expense	\$ 17,596	\$ 20,824	\$ 6,962	\$ 20,252	\$ 27,395	\$ 19,406	\$ 38,311	\$ 69,454		\$ 260,965
IBNR Reserve Expense	\$ 19,143	\$ 201,460	\$ 195,265	\$ 218,290	\$ -	\$ 548,754	\$ 1,321,007	\$ 878,087		\$ 3,680,955
Excess Work Comp Insurance	\$ 420,728	\$ 372,790	\$ 341,935	\$ 351,375	\$ 336,966	\$ 337,595	\$ 395,128	\$ 339,747	\$ 425,000	\$ 5,418,644
Specific Recoverable Expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ (247,813)
Specific Recovery Expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (9,965)	\$ -	\$ -		\$ (1,518,840)
Aggregate Recoverable Expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ (78,943)
Aggregate Recovery Expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ (402,265)
Claims Fund Expense	\$ 3,400,033	\$ 4,044,061	\$ 2,727,437	\$ 4,365,666	\$ 3,240,629	\$ 2,551,880	\$ 3,471,447	\$ 3,384,796	\$ 425,000	\$ 51,966,390
Total Operating Expense	\$ 4,310,381	\$ 4,991,332	\$ 3,682,419	\$ 5,383,478	\$ 4,195,946	\$ 3,480,023	\$ 4,489,252	\$ 4,237,080	\$ 1,448,000	\$ 67,149,361
BALANCES										
KMIT Statutory Fund Balance	\$ 902,814	\$ 773,640	\$ 1,590,609	\$ (114,929)	\$ 320,746	\$ 1,074,614	\$ 436,443	\$ 297,780	\$ 4,424,000	\$ 4,951,557
Accumulated Balance	\$ 572,656	\$ 1,346,295	\$ 2,936,904	\$ 2,821,975	\$ 3,142,721	\$ 4,217,335	\$ 4,653,778	\$ 4,951,557		

KMIT Admin Expenses

As of September 30,2014

	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
	Closed	Closed	Closed	Accrued To Date	Accrued To Date	Accrued To Date	Accrued To Date	Accrued To Date	Accrued To Date	Accrued To Date	Accrued To Date	Accrued To Date	Accrued To Date	Accrued To Date
GENERAL EXPENSES														
Agent Commissions	\$ -	\$ -	\$ -	\$ -	\$ 969	\$ 4,919	\$ 5,239	\$ 12,669	\$ 33,803	\$ 44,060	\$ 43,231	\$ 61,486	\$ 75,650	\$ 77,961
Directors and Officers Insurance	\$ -	\$ 489	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 20,367
Meetings/Travel	\$ -	\$ 6,971	\$ 976	\$ 5,318	\$ 1,206	\$ -	\$ 149	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contingencies/Miscellaneous	\$ -	\$ 8,984	\$ 2,596	\$ 3,913	\$ 5,357	\$ 11,585	\$ 6,020	\$ 18,223	\$ 26,103	\$ 28,939	\$ 41,820	\$ 23,173	\$ 66,332	\$ 33,865
Bank Fees	\$ 1,249	\$ 4,735	\$ 579	\$ 658	\$ 263	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Write Off	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
LKM Clearing	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Marketing	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Office Supplies	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sub Total	\$ 1,249	\$ 21,179	\$ 4,151	\$ 9,889	\$ 7,795	\$ 16,504	\$ 11,408	\$ 30,892	\$ 59,906	\$ 72,999	\$ 85,051	\$ 84,659	\$ 141,982	\$ 132,193
REGULATORY														
Kansas Insurance Dept (KID) Premium Tax	12,847	18,402	13,177	10,823	13,893	18,215	19,568	18,564	24,377	29,017	30,168	34,004	40,212	46,194
KID Pool Assessment	9,407		5,372	3,470	3,798	1,855	2,693	4,355	3,341	5,983	2,844	3,900		4,300
KID Workers Compensation Assessment	64,034	44,011	25,322	48,345	31,243	14,594	10,372	1,795	7,770	19,748	47,137	91,805	47,193	32,896
KID State Audit														
KDOL Annual Assessment Fee	9,073	15,053	12,410	46,406	56,834	50,782	39,541	30,875	34,311	40,633	56,191	67,418	80,458	74,760
Sub Total	\$ 95,360	\$ 77,466	\$ 56,281	\$ 109,043	\$ 105,767	\$ 85,446	\$ 72,173	\$ 55,589	\$ 69,799	\$ 95,381	\$ 136,340	\$ 197,127	\$ 167,862	\$ 158,149
CONTRACTURAL														
Financial Audit	\$ 4,603	\$ -	\$ 6,639	\$ 32,625	\$ 12,292	\$ 8,288	\$ 10,973	\$ 8,474	\$ 9,600	\$ 9,806	\$ 10,465	\$ 10,264	\$ 33,013	\$ 6,462
Actuarial	\$ -	\$ -	\$ 2,855	\$ 5,000	\$ 25,033	\$ 5,859	\$ 5,703	\$ 7,062	\$ 6,148	\$ 6,272	\$ 7,862	\$ 9,000	\$ 9,991	\$ 12,860
Risk Management	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 40,000	\$ 40,000	\$ 50,000	\$ 50,000	\$ 60,000
Risk Control	\$ -	\$ -	\$ 82,500	\$ 99,073	\$ 87,000	\$ 80,000	\$ 80,000	\$ 85,000	\$ 92,500	\$ 105,000	\$ 113,000	\$ 120,000	\$ 130,000	\$ 140,000
Claims Adjusting	\$ 298,447	\$ 312,500	\$ 194,842	\$ 105,470	\$ 100,000	\$ 105,000	\$ 110,000	\$ 110,000	\$ 125,000	\$ 135,000	\$ 140,000	\$ 140,000	\$ 150,000	\$ 165,000
Risk Analysis	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Pool Admin Services	\$ 77,478	\$ 190,400	\$ 145,400	\$ 170,350	\$ 170,396	\$ 159,996	\$ 159,996	\$ 140,000	\$ 160,000	\$ 176,000	\$ 193,000	\$ 200,000	\$ 210,000	\$ 220,000
Payroll Audits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,088	\$ 9,840	\$ 12,042	\$ -	\$ 14,562	\$ 15,684
Rating Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Web Hosting	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Endorsement Fee	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sub Total	\$ 380,528	\$ 502,900	\$ 432,236	\$ 412,518	\$ 394,721	\$ 359,144	\$ 366,672	\$ 350,536	\$ 403,336	\$ 481,918	\$ 516,368	\$ 529,264	\$ 597,566	\$ 620,006
Administration Fund Expense	\$ 477,137	\$ 601,545	\$ 492,669	\$ 531,450	\$ 508,283	\$ 461,093	\$ 450,253	\$ 437,018	\$ 533,041	\$ 650,298	\$ 737,759	\$ 811,050	\$ 907,410	\$ 910,348

KMIT Admin Expenses

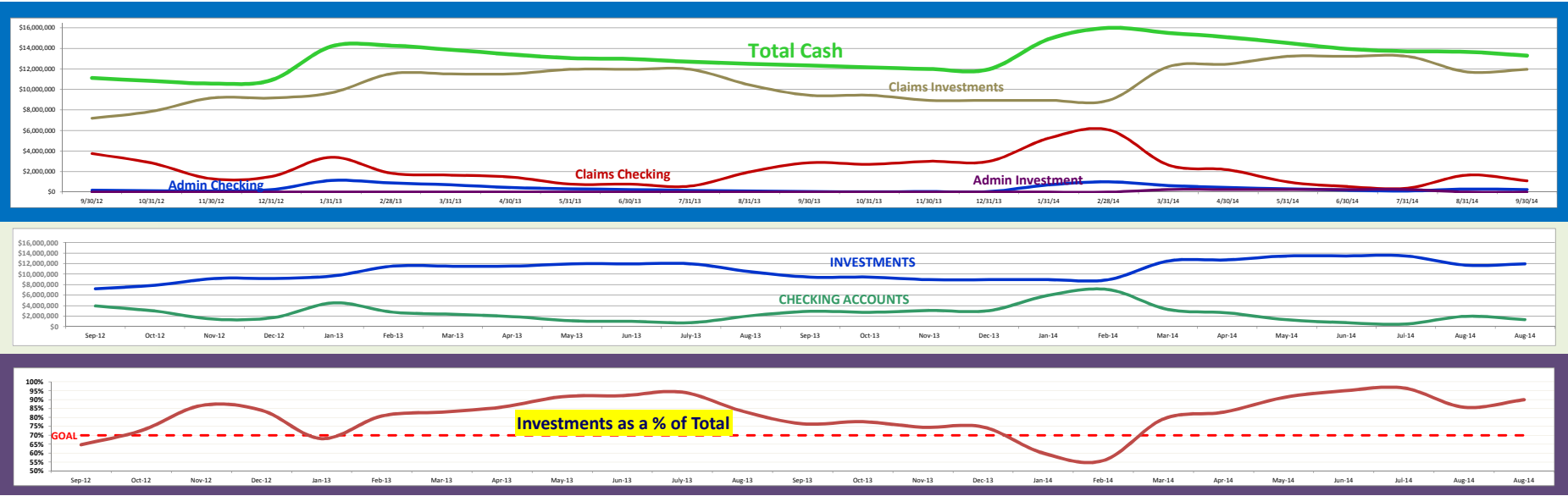
As of September 30,2014

	2008	2009	2010	2011	2012	2013	2014	2014	Total
	Accrued To Date	Accrued To Date	Accrued To Date	Accrued To Date	Accrued To Date	Accrued To Date	Accrued To Date	Budget	Accrued To Date
GENERAL EXPENSES									
Agent Commissions	\$ 88,532	\$ 94,214	\$ 93,637	\$ 82,860	\$ 96,481	\$ 102,636	\$ 73,853	\$ 95,000	\$ 992,201
Directors and Officers Insurance	\$ 18,542	\$ 15,857	\$ 15,942	\$ 16,038	\$ 16,488	\$ 17,224	\$ 11,967	\$ 18,000	\$ 132,914
Meetings/Travel	\$ -	\$ -	\$ -	\$ 829	\$ 4,881	\$ 19,334	\$ 14,539	\$ 16,000	\$ 54,203
Contingencies/Miscellaneous	\$ 26,155	\$ 34,318	\$ 2,657	\$ 1,708	\$ 3,175	\$ 3,623	\$ 3,155	\$ 8,000	\$ 351,701
Bank Fees	\$ 2,638	\$ 2,758	\$ 9,239	\$ 5,776	\$ 4,159	\$ 7,528	\$ 3,594	\$ 5,000	\$ 43,176
Write Off	\$ -	\$ -	\$ -	\$ (104)	\$ -		\$ -	\$ -	\$ (104)
LKM Clearing	\$ -	\$ -		\$ 60	\$ -		\$ -	\$ -	\$ 60
Marketing	\$ -	\$ -	\$ -	\$ -	\$ 439	\$ 452	\$ 139	\$ -	\$ 1,030
Office Supplies					\$ 1,112	\$ 1,830	\$ 2,265	\$ 5,000	\$ 5,207
Sub Total	\$ 135,867	\$ 147,147	\$ 121,475	\$ 107,167	\$ 126,735	\$ 152,627	\$ 109,512	\$ 147,000	\$ 1,580,388
REGULATORY									
Kansas Insurance Dept (KID) Premium Tax	54,139	48,525	49,030	40,919	\$ 43,445	\$ 44,349	\$ 39,777	\$ 48,000	649,644
KID Pool Assessment	3,409	3,476	3,500	3,000	\$ -	\$ -	\$ -	\$ 4,000	64,701
KID Workers Compensation Assessment	32,770	28,363	57,704	65,962	\$ -	\$ -	\$ -	\$ 45,000	671,063
KID State Audit				12,652	\$ -	\$ -	\$ -	\$ -	12,652
KDOL Annual Assessment Fee	81,589	62,496	86,365	26,789	\$ 77,831	\$ 106,710	\$ 56,190	\$ 66,000	1,112,715
Sub Total	\$ 171,907	\$ 142,860	\$ 196,599	\$ 149,322	\$ 121,276	\$ 151,059	\$ 95,967	\$ 163,000	\$ 2,510,775
CONTRACTURAL									
Financial Audit	\$ 13,127	\$ 18,608	\$ 31,565	\$ 12,023	\$ 11,738	\$ 11,904	\$ 3,303	\$ 23,000	265,772
Actuarial	\$ 13,000	\$ 13,750	\$ 14,000	\$ 14,000	\$ 14,250	\$ 14,250	\$ 500	\$ 15,000	187,395
Risk Management	\$ 70,000	\$ 70,000	\$ 70,000	\$ 70,000	\$ 70,000	\$ 170,000	\$ 170,000	\$ 170,000	930,000
Risk Control	\$ 140,000	\$ 145,000	\$ 145,000	\$ 145,000	\$ 145,000	\$ 150,000	\$ 150,000	\$ 150,000	2,234,073
Claims Adjusting	\$ 165,000	\$ 175,000	\$ 195,000	\$ 185,000	\$ 185,000	\$ 185,000	\$ 185,000	\$ 185,000	3,466,259
Risk Analysis	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,671	\$ -	9,671
Pool Admin Services	\$ 220,000	\$ 225,000	\$ 225,000	\$ 230,000	\$ 230,004	\$ 75,600	\$ 77,560	\$ 78,000	3,656,180
Payroll Audits	\$ 18,370	\$ 17,617	\$ 19,173	\$ 19,000	\$ 16,318	\$ 16,000	\$ 2,143	\$ 22,000	170,836
Rating Services	\$ -	\$ -	\$ -	\$ 22,650	\$ 6,636	\$ 18,702	\$ 10,887	\$ -	58,875
Web Hosting	\$ -	\$ -	\$ -	\$ 1,155	\$ 1,187	\$ 2,663	\$ 2,743	\$ -	7,747
Endorsement Fee	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 70,000	\$ 35,000	\$ 70,000	105,000
Sub Total	\$ 639,497	\$ 664,975	\$ 699,738	\$ 698,827	\$ 680,133	\$ 714,119	\$ 646,806	\$ 713,000	\$ 11,091,808
Administration Fund Expense	\$ 947,271	\$ 954,982	\$ 1,017,812	\$ 955,317	\$ 928,143	\$ 1,017,805	\$ 852,284	\$ 1,023,000	\$ 15,182,970

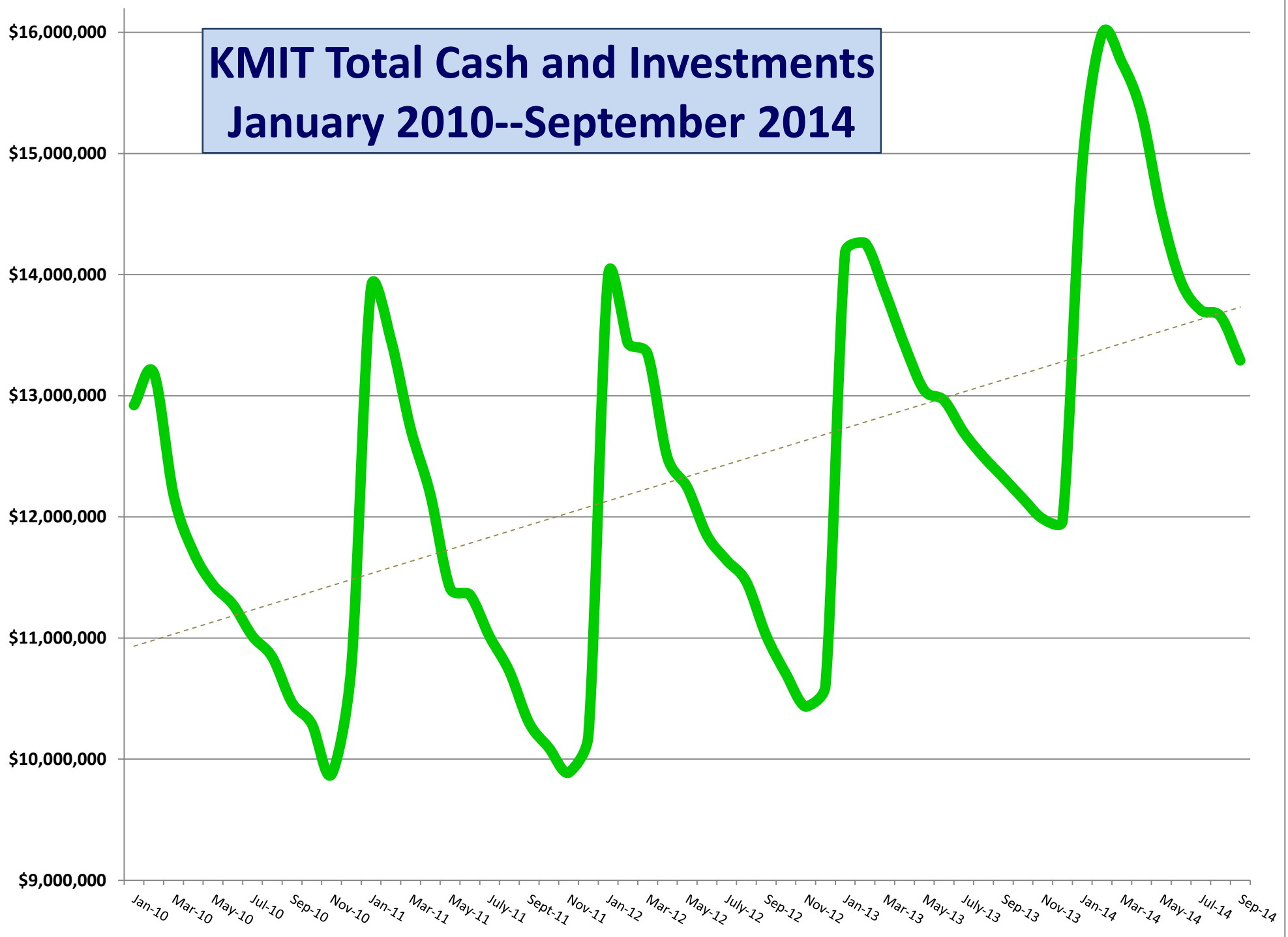
KMIT Cash Management/Investment Summary

September 2012--September 2014

		9/30/12	10/31/12	11/30/12	12/31/12	1/31/13	2/28/13	3/31/13	4/30/13	5/31/13	6/30/13	7/31/13	8/31/13	9/30/13	10/31/13	11/30/13	12/31/13	1/31/14	2/28/14	3/31/14	4/30/14	5/31/14	6/30/14	7/31/14	8/31/14	9/30/14		
KMIT Admin Fund (KAF)																											KMIT Admin Fund (KAF)	
Admin Account		175,127	135,098	113,932	222,248	1,124,982	892,406	705,474	441,284	316,444	247,442	160,540	93,382	43,729	11,762	52,047	41,307	708,594	994,516	642,448	447,381	319,213	194,070	104,799	294,067	242,279	Admin Account	
Admin Checking		175,127	135,098	113,932	222,248	1,124,982	892,406	705,474	441,284	316,444	247,442	160,540	93,382	43,729	11,762	52,047	41,307	708,594	994,516	642,448	447,381	319,213	194,070	104,799	294,067	242,279	Admin Checking	
KMIT Claims Fund (KCF)																											KMIT Claims Fund (KCF)	
Claims Account		3,608,036	2,681,579	1,128,031	1,216,285	3,297,065	1,639,426	1,522,434	1,346,285	693,766	375,823	364,230	1,717,905	2,584,008	2,456,695	2,914,234	2,847,832	5,197,983	5,943,655	2,467,405	2,008,412	789,692	585,699	159,848	1,525,149	1,020,291	Claims Account	
TPA Claims Check Book (at IMA)		140,084	146,619	165,255	300,750	94,684	206,604	128,374	119,914	84,936	387,517	216,447	250,357	274,162	251,885	87,755	143,994	51,430	121,939	175,879	161,078	195,508	(52,314)	228,201	130,108	74,164	TPA Claims Check Book (at IMA)	
Claims Checking		3,748,120	2,828,198	1,293,287	1,517,034	3,391,749	1,846,030	1,650,808	1,466,199	778,702	763,339	580,676	1,968,262	2,858,170	2,708,580	3,001,990	2,991,826	5,249,412	6,065,594	2,643,283	2,169,490	985,200	533,385	388,049	1,655,257	1,094,455	Claims Checking	
INVESTMENTS																											INVESTMENTS	
Admin Investments		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	250,000	250,000	250,000	250,000	250,000	0	0	Admin Investments	
Claims Investments		7,192,437	7,863,277	9,167,198	9,166,322	9,666,812	11,524,415	11,508,831	11,514,800	11,951,685	11,952,707	11,958,052	10,435,540	9,424,164	9,431,587	8,931,994	8,933,244	8,938,615	8,927,185	12,218,606	12,468,606	13,215,606	13,215,606	13,215,606	11,706,606	11,955,606	Claims Investments	
TOTAL CASH		11,115,685	10,826,573	10,574,417	10,905,605	14,183,543	14,262,851	13,865,113	13,422,282	13,046,831	12,963,489	12,699,268	12,497,184	12,326,062	12,151,929	11,986,031	11,966,376	14,896,621	15,987,295	15,504,337	15,085,477	14,520,019	13,943,061	13,708,454	13,655,930	13,292,340	TOTAL CASH	



KMIT Total Cash and Investments January 2010--September 2014



KMIT Risk Control
2014 Year to Date

Comparison by Year

Year	Severity	Frequency
2005	\$4,083,700.00	769
2006	\$2,824,034.00	765
2007	\$2,960,166.00	906
2008	\$3,454,873.00	766
2009	\$2,190,133.00	655
2010	\$3,796,004.00	666
2011	\$2,766,385.00	633
2012	\$1,682,905.00	594
2013	\$1,770,982.00	697
2014	\$1,940,921.00	469

2014 by Month

Month	Severity	Frequency
January	\$162,062.00	60
February	\$85,415.00	79
March	\$49,303.00	53
April	\$923,986.00	58
May	\$94,660.00	58
June	\$471,462.00	80
July	\$126,124.00	84
August	\$135,451.00	58
September	\$115,100.00	53
October	\$2,600.00	8
November		
December		
2014 Total	\$2,166,163.00	591

2014 by Dept.

Department	Severity	Frequency
Electric	\$824,652.00	31
Maintenance	\$437,345.00	54
Police	\$225,309.00	152
Street	\$205,425.00	71
Water	\$100,157.00	55
Park	\$82,587.00	56
Fire	\$78,323.00	58
Sanitation	\$53,111.00	31
Animal Control	\$43,167.00	11
Parks	\$35,186.00	9
Cemetery	\$28,830.00	3
Administration	\$15,182.00	21
Emergency	\$12,365.00	6
Miscellaneous	\$7,597.00	13
Airport	\$5,167.00	3
Premiere Surgical Institute	\$4,578.00	5
Recycling	\$3,173.00	5
Public Works	\$2,600.00	2
Zoo	\$1,409.00	5

2014 Total **\$2,166,163.00** **591**

2014 by Accident Type

Accident Type	Severity	Frequency
Heat/Cold/Burn/Scald	\$774,040.00	19
Strain or Injury By	\$471,696.00	163
Electric Shock or Burn	\$317,500.00	1
Fall or Slip Injury	\$160,204.00	95
Occupational Hazards:		
Rep. Motion	\$71,098.00	18
Struck or Injured By	\$58,003.00	37
Cut/Puncture/Scrape By	\$49,963.00	58
Motor Vehicle	\$49,568.00	17
Step/Strike Against	\$49,420.00	19
Animal/Insect	\$35,071.00	48
Robbery/Assault	\$34,663.00	16
Occupational Hazards	\$28,249.00	32
Caught in or Between	\$21,228.00	19
Miscellaneous Causes	\$18,567.00	19
Foreign Body in Eye	\$13,320.00	23
Struck or Injured	\$7,528.00	1
Cut/Puncture/Scrape	\$4,745.00	4
Blank	\$1,300.00	2

2014 Total **\$2,166,163.00** **591**

2014 Top 10 Most Expensive Claims to Date

[illegible]

AGREEMENT FOR SERVICES

This Agreement for Services ("Agreement") is made and entered into as of the 22nd day of August, 2014, by and among Kansas Municipal Insurance Trust, having offices at 3024 SW Wanamaker Road, Suite 203, Topeka, Kansas, 66614, for itself and on behalf of its Named Insureds, if any, hereinafter collectively referred to as "KMIT", and CORnerstone Risk Solutions, LLC hereinafter referred to as "CRS".

WHEREAS, KMIT has requested CRS to perform certain services (the "Services") described in Schedule A attached hereto; and,

WHEREAS, CRS desires to render such Services to KMIT pursuant to the terms and conditions set forth below; and,

WHEREAS, CRS and KMIT hereby agree that defining the terms and conditions which shall control the rendering of Services to KMIT by CRS, is mutually beneficial; and,

WHEREAS, the agreed to fees and payment terms for the Services to be rendered are described in Schedule B attached hereto;

KMIT and CRS, while acknowledging the covenants and agreements herein and for good and valuable consideration, receipt and sufficiency of which is hereby acknowledged, do hereby agree and declare:

1. Confidentiality. CRS and KMIT agree that all such Proprietary Information exchanged during the performance of Services under this Agreement shall not be disclosed, communicated or otherwise transferred or made available to unrelated third parties without the prior written consent of the entity whose Proprietary Information is being shared. Proprietary Information includes, without limitation, all information concerning the identities, needs, expirations, policies, or purchasing habits of KMIT, all business systems, financial data, computer data or processes, forms appraisals, loss experience, other similar data and other business records; provided, however, such Proprietary Information shall not include information that is either in the public domain, or accessible to the public under state or federal law, including both Freedom of Information and Open Record laws and regulations.

The confidentiality provisions set forth herein shall survive the termination of the Agreement.

2. Term. This Agreement shall have a Term of one year, which shall become effective 12:01 AM, January 1, 2015 and shall expire and terminate 12:00 AM, January 1, 2016. Upon expiration of the Term of this Agreement, no further Services will be provided by CRS to KMIT. In the event of expiration of this Agreement, KMIT will be responsible for all outstanding service fees.

3. Cancellation. This Agreement may be canceled and terminated by either party, prior to the expiration of the Term, upon one hundred and eighty (180) days prior written notice of the cancellation, except in the case of nonpayment. If this Agreement is cancelled for non-payment, then no prior written notice of cancellation is required. Upon cancellation of the Term of this Agreement, no further Services will be provided by CRS to KMIT. In the event of cancellation of this Agreement, KMIT will be responsible for all outstanding service fees.

4. Assignment. This Agreement may not be assigned by KMIT without the prior written consent of IMA and CRS and shall be binding upon and shall inure to the benefit of the parties hereto and their successors and permitted assigns. Nothing in the Agreement is intended to nor shall confer upon any person or legal entity other than KMIT or CRS and their respective permitted successors and assigns, any rights or remedies under or by reason of this Agreement.

5. Compensation Disclosure. CORnerstone Risk Solutions, LLC is a subsidiary of The IMA Financial Group, Inc., a national financial services company with numerous affiliates and subsidiaries including IMA, Inc., Signature Select LLC, CORnerstone Risk Solutions, LLC, IMC Acumen, LLC, Towerstone, Inc., and TrueNorth, Inc., which owns TrueNorth Securities, Inc. (collectively the "IMA Group"). In addition to the compensation received by IMA as described in this Agreement, other parties, such as excess and surplus lines brokers, wholesalers, reinsurance intermediaries, underwriting managers and similar parties (some of which may be owned in whole or in part by the IMA Group), may earn and retain usual and customary commissions or other compensation for providing insurance products to KMIT under separate contracts with insurers or reinsurers. Such payments will not be considered as compensation to IMA or CRS and will not offset any compensation payable to IMA or CRS pursuant to this Agreement. Further, the IMA Group may receive contingent or incentive payments or allowances from insurers based on the size or performance of an overall book of business produced with an insurer by the IMA Group. Upon written request, the IMA Group will provide to KMIT additional details and information about such arrangements.

6. Limited Warranties. Those Services provided to KMIT, as set forth in Schedule A, shall comport to applicable industry standards, as well as applicable laws and regulations. KMIT acknowledges that CRS has made no representation, warranty, or guaranty concerning either the performance of, or the results to be obtained from, the Services to be provided hereunder. Additionally, CRS has made no representation, warranty, or guaranty concerning the future financial condition of any insurance carrier providing coverage to KMIT. Accordingly, KMIT remains solely responsible for the conduct and governance of its business operations. KMIT further agrees that any fines or penalties assessed directly against KMIT under any local, state, or federal occupational safety and health law, the Americans with Disabilities Act, any local, state, or federal order, rule, or statute pertaining to the protection of the environment, or any other local, state, or federal laws, statutes, orders, or regulations shall be KMIT's sole responsibility,

and that CRS shall have no responsibility or liability for any portion of any such fines or penalties.

7. Anti-Discrimination Clause. CRS agrees: (a) to comply with the Kansas Act Against Discrimination (K.S.A. 44-1001 *et seq.*) and the Kansas Age Discrimination in Employment Act, (K.S.A. 44-1111 *et seq.*) and the applicable provisions of the Americans With Disabilities Act (42 U.S.C. 12101 *et seq.*) [ADA] and to not discriminate against any person because of race, religion, color, sex, disability, national origin or ancestry, or age in the admission of access to or treatment or employment in, its programs or activities; (b) to include in all solicitations or advertisements for employees, the phrase "equal opportunity employer"; (c) to comply with the reporting requirements set out in K.S.A. 44-1031 and K.S.A. 44-1116; (d) to include those provisions in every subcontract or purchase order so that they are binding upon such subcontractor or vendor; (e) that a failure to comply with the reporting requirements of (c) above or if CRS is found guilty of any violation of such acts by the Kansas Human Rights Commission, such violation shall constitute a breach of contract; (f) if (e) occurs, the contract may be cancelled, terminated or suspended in whole or in part by KMIT.

8. Indemnification. KMIT and CRS will defend, indemnify, and hold harmless, each the other parties and their parent and subsidiary corporations, and other affiliated corporations, partnerships or companies of any type, officers, directors, employees, agents, producers, representatives and assigns (collectively hereinafter referred to as the "Indemnified Parties"), against all liability, including interest, judgments, settlements, attorney's fees, investigation and other defense costs, arising out of, or in any manner connected with, this Agreement and/or the rights or responsibilities hereunder, including but not limited to, an action arising as a result of any error or omission of the other party. Said liability indemnification and hold harmless shall include all judgments, settlements, interest, reasonable attorney's fees and costs incurred by the Indemnified Parties in defending or investigating any such claims. NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED HEREIN, NEITHER PARTY SHALL INDEMNIFY THE OTHER PARTY FOR THEIR OWN ORDINARY, STRICT, SOLE OR CONTRIBUTORY NEGLIGENCE OR WILLFUL MISCONDUCT PROVIDED, HOWEVER, IT IS THE INTENT OF THE PARTIES HERETO THAT EACH PARTY SHALL INDEMNIFY THE INDEMNIFIED PARTIES FOR ANY CLAIMS OR ALLEGATIONS OF SUCH NEGLIGENCE ADJUDICATED BY A COURT OF COMPETENT JURISDICTION WHICH RESULTS IN A FINDING OF NO NEGLIGENCE ON THE PART OF SUCH INDEMNIFIED PARTIES. The foregoing provisions are a material part of the consideration for this Agreement and have been factored into the charges agreed upon.

9. Liquidated Damages. Notwithstanding any other provision of this Agreement to the contrary, the liability of CRS to KMIT hereunder shall under no circumstances exceed in the aggregate a sum equal to the annual fee paid by KMIT to CRS pursuant to this Agreement, unless however, CRS is affirmatively found to have committed an act of gross negligence or willful misconduct by a final judgment of any court.

10. Entire Agreement. This Agreement represents the entire understanding and agreement of the parties hereto with respect to the subject matter hereof, supersedes all prior negotiations between such parties, and cannot be amended, supplemented, or modified except by an agreement in writing signed by the party or parties against whom enforcement is sought and making specific reference to in this Agreement. In the event any one or more of the provisions contained in this Agreement or any application thereof shall be invalid, illegal, or unenforceable in any respect, the validity, legality, or enforceability of the remaining provisions of the Agreement and any other application thereof shall not in any way be affected or impaired thereby.

11. Jurisdiction. This Agreement shall be governed by and construed in accordance with the laws of the State of Kansas applicable to contracts made in that state.

12. Execution By Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be one and the same instrument.

13. Notice. Any notice by either party to the other party shall be deemed served effective (i) upon delivery, if personally delivered, (ii) upon delivery to Federal Express or other similar courier service, marked for next day delivery, addressed as set forth below, (iii) upon receipt if sent by registered or certified mail, return receipt requested, addressed as set forth below. The notice addresses of the parties are:

If to KMIT: Kansas Municipal Insurance Trust - c/o Don Osenbaugh
3024 SW Wanamaker Road, Suite 203
Topeka, KS 66614
(785) 232-2202

If to CRS: CORnerstone Risk Solutions, LLC – c/o Paul J. Davis
P.O. Box 2992
Wichita, KS 67201-2992
(316) 267-9221

The customary registered/certified receipt or Federal Express or other courier receipt shall be evidence of such notice. Either party hereto may change the name and address of the designee to whom their notice shall be sent by giving written notice of such change to the other party hereto in the manner above provided, at least ten (10) days prior to the effective date of such notice.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized representatives as of the date first above written.

“KMIT”

Kansas Municipal Insurance Trust

By: Don Osenbaugh
Don Osenbaugh
Pool Administrator

“CRS”

CORnerstone Risk Solutions, LLC

By: Paul J. Davis
Paul J. Davis, President

Schedule A – Services

Risk Control

Services covered by this Agreement include annual city visits, safety achievement award evaluation, and other related Services which may arise during this Agreement which the parties mutually desire and agree to be covered.

The surveys and other information made available to KMIT by CRS will be advisory only, and designed to assist KMIT in the establishment and maintenance of KMIT's safety, health, or fire prevention activities. The services KMIT has requested CRS to perform hereunder do not include the management and control of these activities, nor the correction of the conditions pointed out in such reports, and CRS shall have no responsibility therefore.

Insurance Placement

Services covered by this Agreement include the following insurance policy(ies) and coverage(s):

Excess Workers Compensation

In some instances, risk placements made by CRS on behalf of the KMIT may require the payment of state surplus lines or other premium taxes, Federal excise taxes, and/or fees in addition to the premium itself. CRS will make every effort to identify any such tax and/or fee in advance, but in all instances the payment of these taxes and/or fees will remain the sole responsibility and liability of KMIT.

KMIT will have the responsibility to report and communicate changes in exposures, loss-related data, ownership and other material changes in writing to CRS who shall communicate such information to the KMIT's insurance carrier(s).

The following are insurance products that are project and/or policy specific. The Services related to providing, maintaining and servicing such project and/or policy specific products are governed by this Agreement, however CRS will receive and retain the project and/or policy specific commission payable by the carrier and such commission will not be offset or applied to the annual fee due under this Agreement:

- 1) Trustee Errors and Omissions
- 2) Surety Bond policies
- 3) Project specific insurance policies;

Other services which are not listed above may be considered outside our scope of services and additional fees may apply. In the case that a service is outside the scope

of services (i.e., excessive travel, meetings, etc) CRS will notify KMIT and negotiate additional fees prior to providing services.

Risk Management and Administrative

Services covered by this Agreement include consulting with the KMIT administrator and other key personnel; assisting in the identification of program exposure to risk; collection and review of needed data including loss projection and cost analysis; evaluation of alternative approaches to deal with those exposures (i.e., elimination, reduction or segregation of loss exposures, retention, contractual or financial transfer, etc.); selection and implementation of the chosen approach; monitoring of the results; assist KMIT in preparing and filing State Filing and Reports to State Insurance Department and experience data to NCCI; prepare notices, agendas, and minutes for Board of Trustees meetings; act as liaison with state authorities and respond to inquiries from state authorities; provide information; file required forms and reports with state and other governmental authorities; maintain appropriate files; be the official depository of all KMIT records and documents; mail and process all applications to member cities for annual renewal; bookkeeping; preparation of monthly financial statements; coordinate banking functions, handle deposits and reconciliations; assist KMIT's auditor and actuary as necessary in the performance of their services to KMIT; assist with the annual payroll audit of members, annual financial audit, actuarial studies, and other financial reports, the cost of such audits and studies to be borne by KMIT; prepare quotations of membership contributions; prepare applications, brochures and other membership and marketing materials for on-site visits and other meetings; provide training and education services and programs on loss control and risk management; provide to KMIT member cities a quarterly newsletter and training publication and other materials as deemed necessary; maintain and update the KMIT website, cost of the website to be borne by KMIT; submit all administrative reports to the National Council on Compensation Insurance (NCCI); calculate and submit all quotes for prospective and continuing pool members; related computer services; and other related Services which may arise during this Agreement which the parties mutually desire and agree to be covered.

Claims Management

Services covered by this Agreement include claim adjustment and settlement by a designated claim adjuster, coordination of additional outside services as required including medical providers and legal assistance with advise and consultation of Administrator, claim payment, check issuance, fee schedule and utilization review, subrogation and salvage, claim information system, claim reports to the KMIT Board, claim data reports on a frequency to be agreed, participation in KMIT meetings as requested, notification to excess insurers of qualified claims as required, and reports to bureaus and regulatory agencies as required, and other related Services which may

arise during this Agreement which the parties mutually desire and agree to be covered. Services hereunder shall continue for all claims occurring during the Term of this Agreement and for so long as KMIT maintains a continuous agreement(s) for Claims Management Services with CRS. Upon termination of this Agreement KMIT may request at its expense, the files CRS has maintained for qualified claims or losses.

KMIT will maintain a claim payment fund in the amount of \$400,000 which has been deposited with Intrust Bank in a claim payment fund account in the name of KMIT and against which CRS will issue its payment instruments for claim and allocated expense payments. KMIT retains the ultimate responsibility for payment of claims and all allocated expense associated with such claims. For the purpose of this Agreement, allocated expenses shall include, but are not limited to, attorneys' fees, appearance fees, witness fees, medical examinations, medical management and cost containment services, police and private investigator reports, independent adjusters fees and other outside services, field adjuster activities outside of Sedgwick and surrounding counties, outside experts and sub-contract transcripts, depositions, court reporters, private investigators, pursuit of subrogation beyond identification and first notice. The claim payment fund will be replenished by KMIT on a monthly basis and an account distribution report will be provided by CRS. If scheduled payments exceed the fund balance KMIT shall, immediately upon notification, remit full payment to CRS.

Settlement of all claims must be approved according to the following:

- a) The CRS claim adjuster shall have complete authority and discretion to settle any and all claims and issue checks provided the full settlement amount is \$10,000 or less.
- b) The claims adjuster and the KMIT Administrator jointly have complete authority and discretion to settle any and all claims and issue checks provided the full settlement amount is more than \$10,000 but less than \$20,000.
- c) Settlement of all claims exceeding \$20,000 requires the prior approval of the KMIT Board of Trustees.

Schedule B – Compensation for Services

1. The fees below are deemed fully earned upon execution of this Agreement and KMIT agrees that such Fee is separate from, and in addition to, commissions for insurance coverage placement, if any.
KMIT shall pay a fee ("Fee") to CRS as compensation for the Services provided under this Agreement, for the annual period described above, in the sum and amount of **\$530,000**. The Fee shall be due and payable in monthly installments commencing January 1, 2015 in 10 equal installments of **\$53,000** each. Conditional underwriting visits and supervisor training sessions will be billed, when Service is requested by KMIT, at \$500 per visit.
2. Payment of all invoices submitted to KMIT will be made pursuant to the invoice due date. In the event KMIT does not remit timely payment, CRS reserves the right to terminate this Agreement, in writing, without notice, and all further obligations of CRS under this Agreement are terminated and void.
3. It is understood that other benefit management or insurance services may be undertaken by CRS from time to time by mutual agreement of the parties. The parties agree to amend this Agreement as necessary to describe the additional services and compensation payable to IMA for such services.