



Board of Trustees

Board Meeting

June 27, 2014

Roeland Park, Kansas

Roeland Park City Hall; 4600 W 51st Street

9:00 AM CST

BOARD OF TRUSTEES MEETING KANSAS MUNICIPAL INSURANCE TRUST

9:00 AM (CDT), Friday, June 27, 2014

City Hall, Roeland Park, KS

1. Welcome, Introductions and Call To Order (President Herb Llewellyn)
2. Trustee Absences from Meeting (Llewellyn)
3. Minutes, May 2, 2014—Garden City (Llewellyn)
4. Financial Reports (J. Davis, P. Davis, et al)
 - 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
5. 2014 Actuary Report (P. Davis)
6. (*Approx. 9:30*) 2012/2013 Financial Audit Presentation (**Stuart Bach**—Summers, Spencer & Company)
7. Reserve Advisory & Settlement Authority (Dipman/Miller)
8. Loss Control Activities (Rhodes)
9. Formal Appointment of 2014 Nominating Committee (Llewellyn)
10. (*Approx. 11:00*) ARC+ Pilot Project Update (**Mary Peters** and **Leslie Borden**—ARC+)
11. Staff Reports
 - a. Pool Administrator
 - b. Other
12. Other Business
13. Adjourn (approximately noon)

Lunch.

KANSAS MUNICIPAL INSURANCE TRUST

Board of Trustees Minutes from February 21, 2014

Approved in Garden City on May 2, 2014

Meeting Convened: Friday, February 21, 2014 in Little Pleasures Coffee Shop, Hillsboro, KS. The meeting was called to order by KMIT President Herb Llewellyn at 9:06 AM (CST).

Members Present: *Board Members Present:* President Llewellyn (El Dorado), Vice President Deb Mootz (Roeland Park), Treasurer Keith Schlaegel (Stockton), Past President Larry Paine (Hillsboro), Debbie Price (Marysville), Tim Hardy (Elkhart), Michelle Stegman (Garden City), Fred Gress (Parsons) [arrived at 9:16], Doug Gerber (Goodland), Kathy Axelson (Rose Hill), and Tim Vandall (Ellsworth). *Staff:* Paul Davis (IMA), Deanna Furman (IMA), Jaci Davis (IMA), Renee Rhodes (IMA), Chris Retter (IMA), Marla Dipman (IMA), Gene Miller (IMA), Jess Cornejo (IMA), and Don Osenbaugh (KMIT Pool Administrator). *Guests:* Kris Dornan (Commerce Bank), Brian Stewart (ARC+) and Michelle Downing (ARC+).

Members Absences From Meeting: None.

Minutes, December 13, 2013 (IMA, Wichita): Motion to approve by Mootz; second by Price. Approved unanimously.

Financial Reports:

- a. December 31, 2013 KID Quarterly Report
- b. December 31, 2013 Financials
- c. January 31, 2014 Financials
- d. January 31, 2014 Cash and Investment Summary

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

Reserve Advisory and Settlement Authority: The following claims were presented—

1. (Miller) Claim #2012043451. Previously approved by Pool Administrator, authority to settle in an amount up to \$10,000.
2. (Miller) Claim #2010039591. Reserve increase advisory only.
3. (Miller) Claim #2014047479. Reserve increase advisory only.

Loss Control Activities: Rhodes gave an update of activities and reviewed injury stats.

Administrator Report: Osenbaugh gave a brief ‘market review’, and a report on current work comp legislation in Kansas.

Commerce Bank Presentation: Kris Dornan (Wichita), KMIT’s investment advisor, presented an overview of Commerce and its services. (KMIT started banking with Commerce on October 1, 2013, following an RFP for banking services process during the summer/early fall of 2013.)

[Llewellyn left at 11:00, as he had announced he would at the start of the meeting.]

Investment Policy Revision: The Board approved the proposed update of the KMIT investment policy, which reflects the fact that pools have the same investment guidelines as do private insurance companies, while also acknowledging that KMIT will not risk principal.

ARC+ Presentation: Brian Stewart presented an overview of what ARC+ is and does.

Job Analysis/Pre-Employment Testing ‘Pilot Project’: Osenbaugh, Stewart and Paul Davis overviewed a proposed project that has been being worked up by KMIT and ARC+ over the past few months. The project involves working with an individual city to develop a job analysis for the dozen or so most common jobs (class codes) in the KMIT pool, and then hiring and rehabbing to those physical written job requirements. The KMIT city suggested for this project is Wellington (which has NOT yet been asked). Following a motion by Gerber and a second by Gress, the Board voted unanimously (10-0), to approve the proposed ‘pilot project’, for an amount not exceeding \$10,000.

Nomination/Appointment of New Trustee: This appointment was to fill the soon-to-be vacated position currently held by Gerber, who has announced his resignation from Goodland (and KMIT), to take a position with the City of Topeka. Nomination Committee Chair Schlaegel reported that the Committee had chosen Randy Frazer, City Administrator/Clerk of Moundridge. Acting on behalf of President Llewellyn, Vice President Mootz made the official appointment of Frazer, whose term starts at the point at which Gerber’s resignation is effective, which is likely to be sometime in early April.

Adjournment: The meeting was adjourned at 12:25 pm, following a motion by Paine and a second by Hardy. Unanimously approved.

KANSAS MUNICIPAL INSURANCE TRUST

Board of Trustees Minutes from May 2, 2014

Unapproved

Meeting Convened: Friday, May 2, 2014 in the City Administrative Building in Garden City, KS. The meeting was called to order by KMIT President Herb Llewellyn at 8:59 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), Fred Gress (Parsons), 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) and Don Osenbaugh (KMIT Pool Administrator). *Guests:* None.

Members Absences From Meeting: None.

Minutes, February 21, 2014 (Hillsboro): Motion to approve by Price; second by Schlaegel. Approved unanimously.

Appointment of Trustee: President Llewellyn appointed Randy Frazer, Moundridge City Administrator/Clerk, to a Trustee position, to fill the position formally held by Kathy Axelson. Paine made a motion to approve; second by Mootz. Unanimously approved.

Financial Reports:

- a. February 28, 2014 Financials
- b. March 31, 2014 Financials
- c. March 31, 2014 Cash and Investment Summary

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

Reserve Advisory and Settlement Authority: The following claims were all presented by Miller:

1. Claim #20140480019. Reserve increase advisory only. This claim generated quite a bit of Board discussion, as it was related to a recent event involving a critical injury to an electric department worker in the City of Russell. Osenbaugh was directed to bring back a detailed report on this claim for further discussion at the next Board meeting.
2. Claim #2013047001. Reserve increase advisory only.
3. Claim #98-04451001. Reserve increase advisory only.

Loss Control Activities: Rhodes gave a progress report on the annual risk control visits, and added that 10 cities have been id'd as needed additional RC services, based on mods and loss runs.

Formal Approval of New Members: The Cities of Herington and Waterville were unanimously formally approved following a motion by Mootz and a second by Vandall.

Market Review: Osenbaugh gave a brief report on the 2014 'Marketing Season'.

ARC+ ‘Pilot Project’: Osenbaugh gave an update, including: Wellington wholeheartedly accepted KMIT’s offer for the project, KMIT and ARC+ entered into a formal contract (in the packets), Osenbaugh and ARC+ staff met with Wellington staff, and the on-site work was to begin on April 30-May 2. There will be a progress report at each upcoming meeting.

Staff Reports: Osenbaugh reported on the new work comp law concerning fire and police (cardiac events), the status of the ‘Fee Sweeps’ lawsuit, and the net result of this year’s payroll audit process. P. Davis and J. Davis reported on the progress of accounting process, during the ‘transition’ period, following the departure of Ashley Boydston.

Following a 17-minute break, President Llewellyn requested a private session with only the Trustees present, which lasted from 10:48 until 11:09.

Other: Rhodes commented on the distribution of safety manuals and the new online risk control videos.

Adjournment: The meeting was adjourned at 11:11 am.

KMIT Balance Sheet

As of April 30, 2014

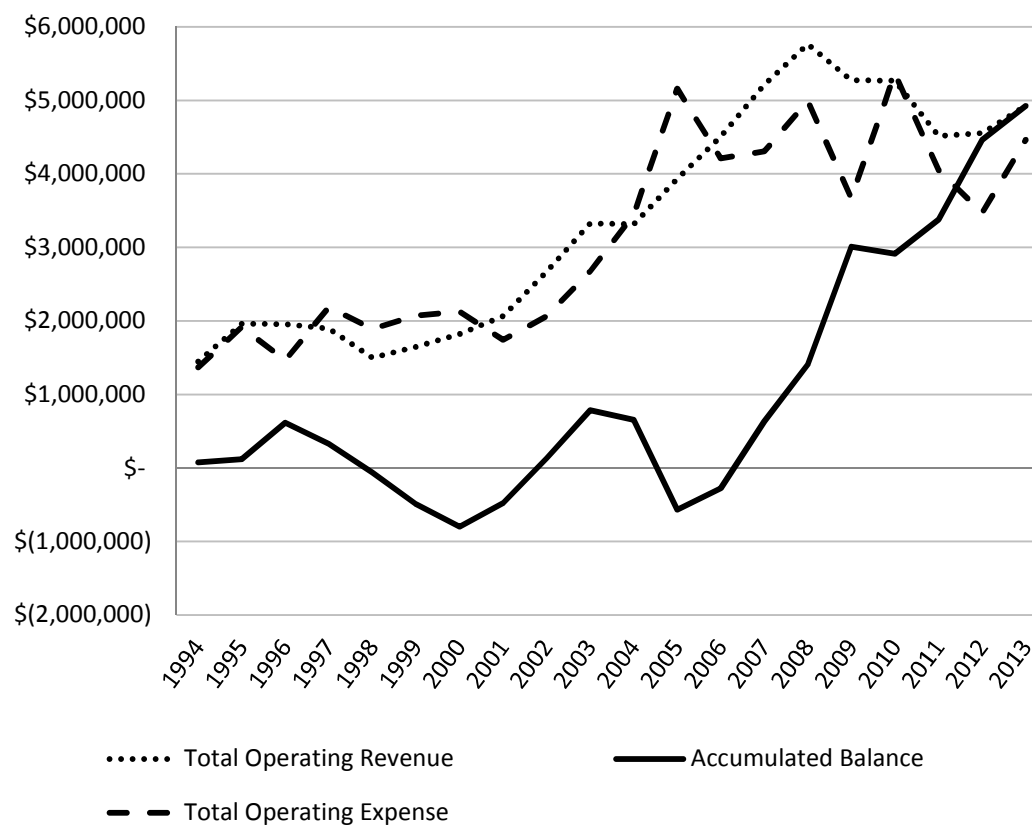
ASSETS

Checking Accounts	\$	2,616,878
Investments	\$	12,468,606
Accrued Interest	\$	160,851
Accounts Receivable	\$	9,727
Excess Premium Receivable	\$	20,417
Specific Recoverable	\$	352,384
Aggregate Recoverable	\$	85,127
Prepaid Expenses	\$	382,706
Total Assets	\$	16,096,697

LIABILITIES & EQUITY

Accounts Payable	\$	6,658
Excess Premium Payable	\$	-
Reserve for Losses	\$	3,451,054
IBNR Reserve	\$	3,337,239
Deposits on Premium	\$	3,849,089
Accrued Taxes and Assessments	\$	190,078
Total Liabilities	\$	10,834,118
Total Equity		5,262,579
Total Liabilities and Equity	\$	16,096,697

KMIT Financial Overview



KMIT Profit and Loss

As of April 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	\$ 525,131	\$ 482,738	\$ 454,273	\$ 450,036	\$ 437,018	\$ 533,041	\$ 650,304	\$ 731,664	\$ 808,525	\$ 899,574
CLAIMS FUND EXPENSE													
Claims Paid Expense	\$ 716,700	\$ 1,049,152	\$ 790,125	\$ 2,016,606	\$ 1,774,794	\$ 1,675,619	\$ 1,432,906	\$ 1,097,087	\$ 1,211,714	\$ 1,874,209	\$ 2,238,519	\$ 3,767,826	\$ 2,564,897
Claims Paid Adjusting Expense	\$ 25,541	\$ 54,345	\$ 46,505	\$ 90,305	\$ 82,848	\$ 142,349	\$ 122,098	\$ 83,206	\$ 129,112	\$ 149,296	\$ 146,156	\$ 233,979	\$ 178,638
Claims Reserve Expense	\$ -	\$ -	\$ -	\$ 57,639	\$ 69,681	\$ 62,526	\$ 21,977	\$ -	\$ -	\$ 10,884	\$ 42,900	\$ 178,559	\$ 92,507
Claims Reserves Adjusting Expense	\$ -	\$ -	\$ -	\$ 1,088	\$ 7,750	\$ 5,354	\$ 4,534	\$ -	\$ -	\$ 1,200	\$ 2,022	\$ 14,401	\$ 5,578
IBNR Reserve Expense	\$ 0	\$ -	\$ 0	\$ -	\$ 1	\$ -	\$ 8,588	\$ 0	\$ 0	\$ 20,810	\$ 61,494	\$ 83,043	\$ 86,842
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	\$ -	\$ -	\$ -	\$ -	\$ (191,065)	\$ (48,369)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (112,950)	\$ -
Specific Recovery Expense	\$ -	\$ -	\$ -	\$ (268,748)	\$ (415,377)	\$ (169,866)	\$ -	\$ -	\$ -	\$ (400,137)	\$ -	\$ (188,126)	\$ -
Aggregate Recoverable Expense	\$ -	\$ -	\$ -	\$ (61,919)	\$ -	\$ (23,208)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Aggregate Recovery Expense	\$ -	\$ -	\$ -	\$ (291,940)	\$ -	\$ (104,142)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
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	\$ 2,185,284	\$ 1,890,825	\$ 2,074,659	\$ 2,126,958	\$ 1,744,479	\$ 2,063,325	\$ 2,673,556	\$ 3,444,190	\$ 5,159,729	\$ 4,212,461
BALANCES													
KMIT Statutory Fund Balance	\$ 74,486	\$ 46,580	\$ 495,283	\$ (288,065)	\$ (392,469)	\$ (425,591)	\$ (307,572)	\$ 322,871	\$ 606,318	\$ 653,424	\$ (128,475)	\$ (1,226,262)	\$ 294,665
Accumulated Balance	\$ 74,486	\$ 121,066	\$ 616,349	\$ 328,285	\$ (64,184)	\$ (489,776)	\$ (797,348)	\$ (474,477)	\$ 131,842	\$ 785,266	\$ 656,791	\$ (569,471)	\$ (274,806)

KMIT Profit and Loss

As of April 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	\$ 1,911,749	\$ 5,800,000	\$ 67,317,685
Interest Income	\$ 260,619	\$ 245,802	\$ 79,601	\$ 54,690	\$ 72,925	\$ 70,104	\$ 71,861	\$ 168,351	\$ 72,000	\$ 2,317,770
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	\$ 2,080,099	\$ 5,872,000	\$ 69,646,157
ADMINISTRATION FUND EXPENSE	\$ 906,808	\$ 944,523	\$ 944,566	\$ 997,118	\$ 936,310	\$ 918,493	\$ 993,847	\$ 348,664	\$ 1,023,000	\$ 14,533,983
CLAIMS FUND EXPENSE										
Claims Paid Expense	\$ 2,542,392	\$ 3,052,407	\$ 2,001,119	\$ 3,367,762	\$ 1,988,328	\$ 1,377,826	\$ 1,090,867	\$ 91,082		\$ 37,721,935
Claims Paid Adjusting Expense	\$ 164,311	\$ 204,365	\$ 125,385	\$ 170,109	\$ 108,435	\$ 79,318	\$ 61,019	\$ 2,180		\$ 2,399,499
Claims Reserve Expense	\$ 180,243	\$ 203,425	\$ 98,172	\$ 249,004	\$ 646,819	\$ 182,731	\$ 647,981	\$ 431,202		\$ 3,176,250
Claims Reserves Adjusting Expense	\$ 8,716	\$ 20,118	\$ 9,379	\$ 36,080	\$ 34,207	\$ 26,812	\$ 67,990	\$ 29,574		\$ 274,804
IBNR Reserve Expense	\$ 83,643	\$ 190,955	\$ 151,448	\$ 191,336	\$ -	\$ 557,562	\$ 1,208,462	\$ 693,055		\$ 3,337,239
Excess Work Comp Insurance	\$ 420,728	\$ 372,790	\$ 341,935	\$ 351,375	\$ 336,966	\$ 337,595	\$ 395,128	\$ 146,781	\$ 425,000	\$ 5,225,679
Specific Recoverable Expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ (352,384)
Specific Recovery Expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (9,965)	\$ -	\$ -		\$ (1,452,218)
Aggregate Recoverable Expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ (85,127)
Aggregate Recovery Expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ (396,081)
Claims Fund Expense	\$ 3,400,033	\$ 4,044,061	\$ 2,727,437	\$ 4,365,666	\$ 3,114,754	\$ 2,551,880	\$ 3,471,447	\$ 1,393,875	\$ 425,000	\$ 49,849,595
Total Operating Expense	\$ 4,306,841	\$ 4,988,584	\$ 3,672,003	\$ 5,362,784	\$ 4,051,064	\$ 3,470,373	\$ 4,465,294	\$ 1,742,540	\$ 1,448,000	\$ 64,383,578
BALANCES										
KMIT Statutory Fund Balance	\$ 906,354	\$ 776,387	\$ 1,601,025	\$ (94,235)	\$ 465,628	\$ 1,084,264	\$ 460,402	\$ 337,560	\$ 4,424,000	\$ 5,262,579
Accumulated Balance	\$ 631,548	\$ 1,407,936	\$ 3,008,961	\$ 2,914,726	\$ 3,380,354	\$ 4,464,618	\$ 4,925,020	\$ 5,262,580		

KMIT Admin Expenses

As of April 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	40,087	31,288	43,961	39,324	30,875	34,311	40,639	50,096	64,893	72,621	71,220
Sub Total	\$ 95,360	\$ 77,466	\$ 56,281	\$ 102,724	\$ 80,222	\$ 78,625	\$ 71,956	\$ 55,589	\$ 69,799	\$ 95,387	\$ 130,245	\$ 194,602	\$ 160,026	\$ 154,610
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
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
TOTAL ADMINISTRATIVE EXPENSES	\$ 477,137	\$ 601,545	\$ 492,669	\$ 525,131	\$ 482,738	\$ 454,273	\$ 450,036	\$ 437,018	\$ 533,041	\$ 650,304	\$ 731,664	\$ 808,525	\$ 899,574	\$ 906,808

KMIT Admin Expenses

As of April 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	\$ 32,451	\$ 95,000	\$ 950,798
Directors and Officers Insurance	\$ 18,542	\$ 15,857	\$ 15,942	\$ 16,038	\$ 16,488	\$ 17,224	\$ 5,319	\$ 18,000	\$ 126,266
Meetings/Travel	\$ -	\$ -	\$ -	\$ 829	\$ 4,881	\$ 19,334	\$ 4,893	\$ 16,000	\$ 44,558
Contingencies/Miscellaneous	\$ 26,155	\$ 34,318	\$ 2,657	\$ 1,708	\$ 3,175	\$ 3,623	\$ 2,622	\$ 8,000	\$ 351,168
Bank Fees	\$ 2,638	\$ 2,758	\$ 9,239	\$ 5,776	\$ 4,159	\$ 7,528	\$ 1,139	\$ 5,000	\$ 40,721
Write Off	\$ -	\$ -	\$ -	\$ (104)	\$ -		\$ -	\$ -	\$ (104)
LKM Clearing	\$ -	\$ -		\$ 60	\$ -		\$ -	\$ -	\$ 60
Marketing	\$ -	\$ -	\$ -	\$ -	\$ 439	\$ 452	\$ -	\$ -	\$ 891
Office Supplies					\$ 1,112	\$ 1,830	\$ 1,045	\$ 5,000	\$ 3,986
Sub Total	\$ 135,867	\$ 147,147	\$ 121,475	\$ 107,167	\$ 126,735	\$ 152,627	\$ 47,469	\$ 147,000	\$ 1,518,344
REGULATORY									
Kansas Insurance Dept (KID) Premium Tax	54,139	48,525	49,030	40,919	\$ 43,445	\$ 44,349	\$ 13,221	\$ 48,000	623,088
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	78,842	52,079	65,671	7,782	\$ 68,181	\$ 82,752	\$ (26,876)	\$ 66,000	884,281
Sub Total	\$ 169,159	\$ 132,443	\$ 175,905	\$ 130,315	\$ 111,626	\$ 127,101	\$ (13,656)	\$ 163,000	\$ 2,255,785
CONTRACTURAL									
Financial Audit	\$ 13,127	\$ 18,608	\$ 31,565	\$ 12,023	\$ 11,738	\$ 11,904	\$ -	\$ 23,000	262,470
Actuarial	\$ 13,000	\$ 13,750	\$ 14,000	\$ 14,000	\$ 14,250	\$ 14,250	\$ -	\$ 15,000	186,895
Risk Management	\$ 70,000	\$ 70,000	\$ 70,000	\$ 70,000	\$ 70,000	\$ 170,000	\$ 85,000	\$ 170,000	845,000
Risk Control	\$ 140,000	\$ 145,000	\$ 145,000	\$ 145,000	\$ 145,000	\$ 150,000	\$ 75,000	\$ 150,000	2,159,073
Claims Adjusting	\$ 165,000	\$ 175,000	\$ 195,000	\$ 185,000	\$ 185,000	\$ 185,000	\$ 92,500	\$ 185,000	3,373,759
Pool Admin Services	\$ 220,000	\$ 225,000	\$ 225,000	\$ 230,000	\$ 230,004	\$ 75,600	\$ 26,000	\$ 78,000	3,604,620
Payroll Audits	\$ 18,370	\$ 17,617	\$ 19,173	\$ 19,000	\$ 16,318	\$ 16,000	\$ -	\$ 22,000	168,694
Rating Services	\$ -	\$ -	\$ -	\$ 22,650	\$ 6,636	\$ 18,702	\$ -	\$ -	47,988
Web Hosting	\$ -	\$ -	\$ -	\$ 1,155	\$ 1,187	\$ 2,663	\$ 1,351	\$ -	6,356
Endorsement Fee	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 70,000	\$ 35,000	\$ 70,000	105,000
Sub Total	\$ 639,497	\$ 664,975	\$ 699,738	\$ 698,827	\$ 680,133	\$ 714,119	\$ 314,851	\$ 713,000	\$ 10,759,854
TOTAL ADMINISTRATIVE EXPENSES	\$ 944,523	\$ 944,566	\$ 997,118	\$ 936,310	\$ 918,493	\$ 993,847	\$ 348,664	\$ 1,023,000	\$ 14,533,983

KMIT Balance Sheet

As of May 31, 2014

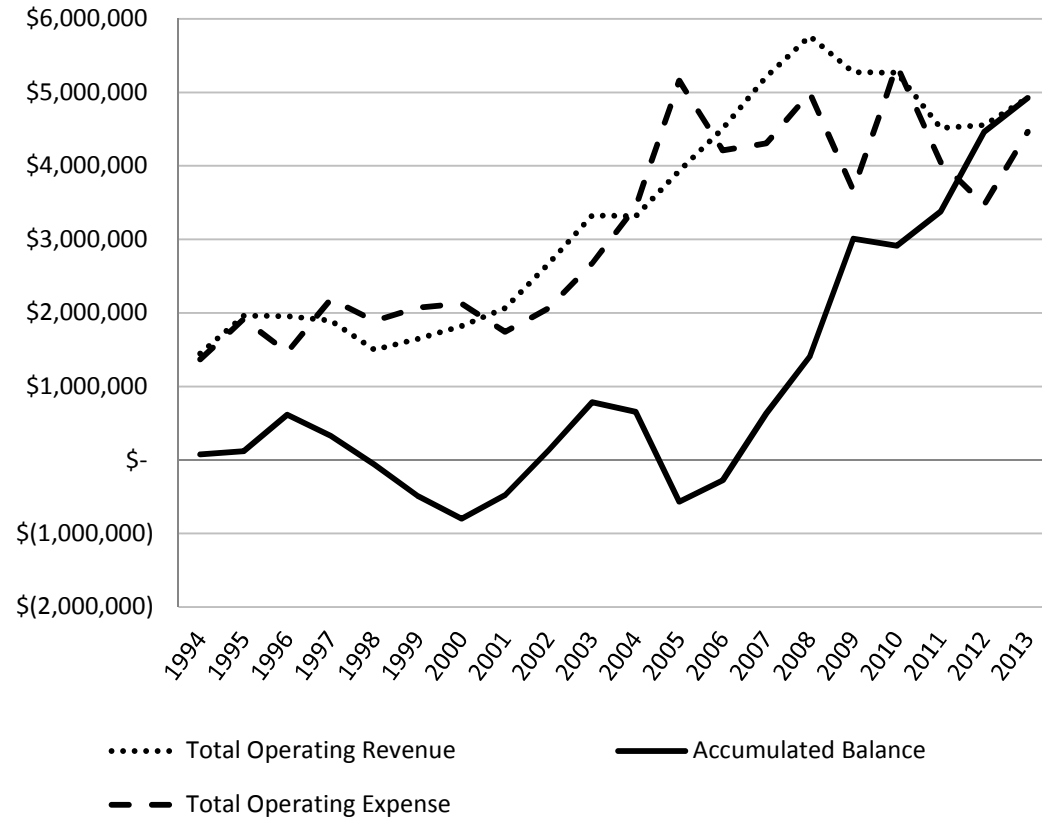
ASSETS

Checking Accounts	\$	2,303,035
Investments	\$	12,473,606
Accrued Interest	\$	158,691
Accounts Receivable	\$	1,409
Excess Premium Receivable	\$	20,417
Specific Recoverable	\$	427,384
Aggregate Recoverable	\$	85,127
Prepaid Expenses	\$	337,423
Total Assets	\$	15,807,093

LIABILITIES & EQUITY

Accounts Payable	\$	6,658
Excess Premium Payable	\$	-
Reserve for Losses	\$	3,580,290
IBNR Reserve	\$	3,390,506
Deposits on Premium	\$	3,367,953
Accrued Taxes and Assessments	\$	120,671
Total Liabilities	\$	10,466,077
Total Equity		5,341,017
Total Liabilities and Equity	\$	15,807,093

KMIT Financial Overview



KMIT Profit and Loss

As of May 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	\$ 1,498,356	\$ 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	\$ 525,131	\$ 482,738	\$ 454,273	\$ 450,036	\$ 437,018	\$ 533,041	\$ 650,304	\$ 731,664	\$ 808,525	\$ 899,574
CLAIMS FUND EXPENSE													
Claims Paid Expense	\$ 716,700	\$ 1,049,152	\$ 790,125	\$ 2,017,751	\$ 1,830,948	\$ 1,676,645	\$ 1,433,332	\$ 1,097,087	\$ 1,211,714	\$ 1,874,209	\$ 2,238,862	\$ 3,770,576	\$ 2,565,754
Claims Paid Adjusting Expense	\$ 25,541	\$ 54,345	\$ 46,505	\$ 90,305	\$ 82,884	\$ 142,349	\$ 122,098	\$ 83,206	\$ 129,112	\$ 149,296	\$ 146,161	\$ 234,033	\$ 178,641
Claims Reserve Expense	\$ -	\$ -	\$ -	\$ 56,493	\$ 88,527	\$ 61,499	\$ 21,977	\$ -	\$ -	\$ 10,884	\$ 42,556	\$ 175,809	\$ 91,650
Claims Reserves Adjusting Expense	\$ -	\$ -	\$ -	\$ 1,088	\$ 7,713	\$ 5,354	\$ 4,534	\$ -	\$ -	\$ 1,200	\$ 2,018	\$ 14,348	\$ 5,575
IBNR Reserve Expense	\$ 0	\$ -	\$ 0	\$ -	\$ 1	\$ -	\$ 8,162	\$ 0	\$ 0	\$ 20,810	\$ 61,494	\$ 83,043	\$ 86,842
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	\$ -	\$ -	\$ -	\$ -	\$ (266,065)	\$ (48,369)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (112,950)	\$ -
Specific Recovery Expense	\$ -	\$ -	\$ -	\$ (268,748)	\$ (415,377)	\$ (169,866)	\$ -	\$ -	\$ -	\$ (400,137)	\$ -	\$ (188,126)	\$ -
Aggregate Recoverable Expense	\$ -	\$ -	\$ -	\$ (61,919)	\$ -	\$ (23,208)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Aggregate Recovery Expense	\$ -	\$ -	\$ -	\$ (291,940)	\$ -	\$ (104,142)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
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	\$ 2,185,284	\$ 1,890,825	\$ 2,074,659	\$ 2,126,958	\$ 1,744,479	\$ 2,063,325	\$ 2,673,556	\$ 3,444,190	\$ 5,159,729	\$ 4,212,461
BALANCES													
KMIT Statutory Fund Balance	\$ 74,486	\$ 46,580	\$ 495,283	\$ (288,065)	\$ (392,469)	\$ (425,591)	\$ (307,572)	\$ 322,871	\$ 606,318	\$ 653,424	\$ (128,475)	\$ (1,226,262)	\$ 294,665
Accumulated Balance	\$ 74,486	\$ 121,066	\$ 616,349	\$ 328,285	\$ (64,184)	\$ (489,776)	\$ (797,348)	\$ (474,477)	\$ 131,842	\$ 785,266	\$ 656,791	\$ (569,471)	\$ (274,806)

KMIT Profit and Loss

As of May 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	\$ 2,392,885	\$ 5,800,000	\$ 67,798,822
Interest Income	\$ 260,619	\$ 245,802	\$ 79,601	\$ 54,690	\$ 72,925	\$ 70,104	\$ 71,861	\$ 177,721	\$ 72,000	\$ 2,327,140
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	\$ 2,570,606	\$ 5,872,000	\$ 70,136,663
ADMINISTRATION FUND EXPENSE	\$ 906,808	\$ 944,523	\$ 944,566	\$ 997,118	\$ 936,310	\$ 918,493	\$ 993,847	\$ 410,146	\$ 1,023,000	\$ 14,595,464
CLAIMS FUND EXPENSE										
Claims Paid Expense	\$ 2,547,031	\$ 3,052,766	\$ 2,003,341	\$ 3,376,394	\$ 1,996,423	\$ 1,382,397	\$ 1,136,156	\$ 138,270		\$ 37,905,632
Claims Paid Adjusting Expense	\$ 171,195	\$ 210,725	\$ 125,708	\$ 170,122	\$ 111,667	\$ 79,645	\$ 61,948	\$ 4,808		\$ 2,420,294
Claims Reserve Expense	\$ 175,604	\$ 203,066	\$ 90,178	\$ 240,520	\$ 638,937	\$ 209,810	\$ 650,055	\$ 537,036		\$ 3,294,604
Claims Reserves Adjusting Expense	\$ 17,332	\$ 18,758	\$ 8,396	\$ 36,071	\$ 30,983	\$ 26,378	\$ 66,543	\$ 39,395		\$ 285,685
IBNR Reserve Expense	\$ 68,143	\$ 185,955	\$ 157,879	\$ 191,183	\$ -	\$ 526,019	\$ 1,161,616	\$ 839,359		\$ 3,390,506
Excess Work Comp Insurance	\$ 420,728	\$ 372,790	\$ 341,935	\$ 351,375	\$ 336,966	\$ 337,595	\$ 395,128	\$ 185,375	\$ 425,000	\$ 5,264,272
Specific Recoverable Expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ (427,384)
Specific Recovery Expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (9,965)	\$ -	\$ -		\$ (1,452,218)
Aggregate Recoverable Expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ (85,127)
Aggregate Recovery Expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ (396,081)
Claims Fund Expense	\$ 3,400,033	\$ 4,044,061	\$ 2,727,437	\$ 4,365,666	\$ 3,114,975	\$ 2,551,880	\$ 3,471,447	\$ 1,744,242	\$ 425,000	\$ 50,200,182
Total Operating Expense	\$ 4,306,841	\$ 4,988,584	\$ 3,672,003	\$ 5,362,784	\$ 4,051,285	\$ 3,470,373	\$ 4,465,294	\$ 2,154,387	\$ 1,448,000	\$ 64,795,646
BALANCES										
KMIT Statutory Fund Balance	\$ 906,354	\$ 776,387	\$ 1,601,025	\$ (94,235)	\$ 465,407	\$ 1,084,264	\$ 460,402	\$ 416,219	\$ 4,424,000	\$ 5,341,017
Accumulated Balance	\$ 631,548	\$ 1,407,936	\$ 3,008,961	\$ 2,914,726	\$ 3,380,133	\$ 4,464,397	\$ 4,924,799	\$ 5,341,017		

KMIT Admin Expenses

As of May 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	40,087	31,288	43,961	39,324	30,875	34,311	40,639	50,096	64,893	72,621	71,220
Sub Total	\$ 95,360	\$ 77,466	\$ 56,281	\$ 102,724	\$ 80,222	\$ 78,625	\$ 71,956	\$ 55,589	\$ 69,799	\$ 95,387	\$ 130,245	\$ 194,602	\$ 160,026	\$ 154,610
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
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
TOTAL ADMINISTRATIVE EXPENSES	\$ 477,137	\$ 601,545	\$ 492,669	\$ 525,131	\$ 482,738	\$ 454,273	\$ 450,036	\$ 437,018	\$ 533,041	\$ 650,304	\$ 731,664	\$ 808,525	\$ 899,574	\$ 906,808

KMIT Admin Expenses

As of May 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	\$ 40,731	\$ 95,000	\$ 959,079
Directors and Officers Insurance	\$ 18,542	\$ 15,857	\$ 15,942	\$ 16,038	\$ 16,488	\$ 17,224	\$ 6,648	\$ 18,000	\$ 127,595
Meetings/Travel	\$ -	\$ -	\$ -	\$ 829	\$ 4,881	\$ 19,334	\$ 5,538	\$ 16,000	\$ 45,202
Contingencies/Miscellaneous	\$ 26,155	\$ 34,318	\$ 2,657	\$ 1,708	\$ 3,175	\$ 3,623	\$ 2,622	\$ 8,000	\$ 351,168
Bank Fees	\$ 2,638	\$ 2,758	\$ 9,239	\$ 5,776	\$ 4,159	\$ 7,528	\$ 1,641	\$ 5,000	\$ 41,223
Write Off	\$ -	\$ -	\$ -	\$ (104)	\$ -		\$ -	\$ -	\$ (104)
LKM Clearing	\$ -	\$ -		\$ 60	\$ -		\$ -	\$ -	\$ 60
Marketing	\$ -	\$ -	\$ -	\$ -	\$ 439	\$ 452	\$ -	\$ -	\$ 891
Office Supplies					\$ 1,112	\$ 1,830	\$ 1,258	\$ 5,000	\$ 4,199
Sub Total	\$ 135,867	\$ 147,147	\$ 121,475	\$ 107,167	\$ 126,735	\$ 152,627	\$ 58,438	\$ 147,000	\$ 1,529,314
REGULATORY									
Kansas Insurance Dept (KID) Premium Tax	54,139	48,525	49,030	40,919	\$ 43,445	\$ 44,349	\$ 13,221	\$ 48,000	623,088
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	78,842	52,079	65,671	7,782	\$ 68,181	\$ 82,752	\$ (26,876)	\$ 66,000	884,281
Sub Total	\$ 169,159	\$ 132,443	\$ 175,905	\$ 130,315	\$ 111,626	\$ 127,101	\$ (13,656)	\$ 163,000	\$ 2,255,785
CONTRACTURAL									
Financial Audit	\$ 13,127	\$ 18,608	\$ 31,565	\$ 12,023	\$ 11,738	\$ 11,904	\$ -	\$ 23,000	262,470
Actuarial	\$ 13,000	\$ 13,750	\$ 14,000	\$ 14,000	\$ 14,250	\$ 14,250	\$ -	\$ 15,000	186,895
Risk Management	\$ 70,000	\$ 70,000	\$ 70,000	\$ 70,000	\$ 70,000	\$ 170,000	\$ 102,000	\$ 170,000	862,000
Risk Control	\$ 140,000	\$ 145,000	\$ 145,000	\$ 145,000	\$ 145,000	\$ 150,000	\$ 90,000	\$ 150,000	2,174,073
Claims Adjusting	\$ 165,000	\$ 175,000	\$ 195,000	\$ 185,000	\$ 185,000	\$ 185,000	\$ 111,000	\$ 185,000	3,392,259
Pool Admin Services	\$ 220,000	\$ 225,000	\$ 225,000	\$ 230,000	\$ 230,004	\$ 75,600	\$ 26,000	\$ 78,000	3,604,620
Payroll Audits	\$ 18,370	\$ 17,617	\$ 19,173	\$ 19,000	\$ 16,318	\$ 16,000	\$ -	\$ 22,000	168,694
Rating Services	\$ -	\$ -	\$ -	\$ 22,650	\$ 6,636	\$ 18,702	\$ 12	\$ -	48,000
Web Hosting	\$ -	\$ -	\$ -	\$ 1,155	\$ 1,187	\$ 2,663	\$ 1,351	\$ -	6,356
Endorsement Fee	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 70,000	\$ 35,000	\$ 70,000	105,000
Sub Total	\$ 639,497	\$ 664,975	\$ 699,738	\$ 698,827	\$ 680,133	\$ 714,119	\$ 365,363	\$ 713,000	\$ 10,810,366
TOTAL ADMINISTRATIVE EXPENSES	\$ 944,523	\$ 944,566	\$ 997,118	\$ 936,310	\$ 918,493	\$ 993,847	\$ 410,146	\$ 1,023,000	\$ 14,595,464

GROUP - FUNDED POOL - QUARTERLY REPORT
K.S.A 12-2620

Kansas Municipal Insurance Trust
(Name of Company)

As of December 31, 2013 - AMENDED
1st 2nd 3rd (4th) Quarter (CIRCLE ONE)

ASSETS	CURRENT FISCAL		PREVIOUS FISCAL	
	<u>YEAR TO DATE</u>		<u>YEAR END</u>	
	12/31/2013 Audited		12/31/2012 Audited	
Administrative fund:				
Cash	\$	41,306	\$	226,779
Investments				0
Claims fund:				
Cash		2,991,826		1,517,034
Investments		8,911,000		9,110,000
Premium contributions receivable		85,080		103,692
Excess insurance recoverable on claims payments		119,304		21,273
Interest income due and accrued		22,244		56,322
Receivable from affiliates				
Other assets:				
Agent Commissions Receivable		4,894		6,074
Prepaid Excess Insurance				0
Prepaid Expenses				15,528
Excess Insurance Premium Receivable				0
Less: Non Admitted Assets		0		(15,528)
Total Assets	\$	12,175,653	\$	11,041,175

To the best of my knowledge, I hereby certify that the balance sheet and summary of operations contained herein represents a true and complete accounting of

Kansas Municipal Insurance Trust
(Name of Pool)

By:


Chair of Trustees

Administrator

GROUP-FUNDED POOL-QUARTERLY REPORT
K.S.A 44-582

<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	<u>CURRENT FISCAL</u>		<u>PREVIOUS FISCAL</u>	
	<u>YEAR TO DATE</u>		<u>YEAR END</u>	
	12/31/2013 Audited		12/31/2012 Audited	
Reserve for unpaid workers' compensation claims	\$ 2,510,288	\$	2,525,179	
Reserve for unpaid claim adjustment expenses	248,656		203,051	
Reserve for claims incurred but not reported	3,470,401		3,273,451	
Unearned premium contribution			0	
Other expenses due or accrued				
Taxes, licenses and fees due or accrued	285,836		296,725	
Borrowed money \$_____ and interest thereon \$_____				
Dividends payable to members				
Deposits on premium contributions	241,041		458,477	
Excess insurance premium payable			0	
Payable to affiliates				
Accounts payable	39,300		41,845	
Miscellaneous liabilities:				
Return Premium Payable	429,792		314,725	
Total Liabilities:	\$ 7,225,313	\$	7,113,453	
Special reserve funds:				
Total Special Reserve Funds				
<u>FUND BALANCE</u>				
Total Reserves and Fund Balance (Assets-Liabilities)	4,950,340	\$	3,927,722	
Total Liabilities, Reserves and Fund Balance	\$ 12,175,653	\$	11,041,175	

GROUP-FUNDED POOL-QUARTERLY REPORT
K.S.A 44-582

SUMMARY OF OPERATIONS

CURRENT FISCAL
YEAR TO DATE
12/31/2013 Audited

PREVIOUS FISCAL
YEAR END
12/31/2012 Audited

Underwriting Income

Direct Premium Contributions Earned	\$	<u>4,853,835</u>	\$	<u>4,484,533</u>
Deductions:				
Excess insurance premium incurred		<u>395,840</u>		<u>337,121</u>
Workers' compensation claims incurred		<u>2,305,548</u>		<u>2,736,083</u>
Claims adjustment expenses incurred		<u>237,436</u>		<u>145,443</u>
Other administrative expenses incurred		<u>979,782</u>		<u>783,902</u>
Total underwriting deductions		<u>3,918,605</u>		<u>4,002,550</u>
Net underwriting Gain or (Loss)	\$	<u>935,230</u>	\$	<u>481,983</u>

Investment income

Interest income earned (Net of investment expenses)		<u>71,861</u>		<u>70,104</u>
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Other income

Other income		<u>0</u>		<u>0</u>
Net income before dividends to members		<u>1,007,091</u>		<u>552,087</u>
Dividends to members				
Net income after dividends to members		<u>1,007,091</u>		<u>552,087</u>
Net Income(Loss)	\$	<u>1,007,091</u>	\$	<u>552,087</u>

GROUP-FUNDED POOL-QUARTERLY REPORT
K.S.A 44-582

<u>ANALYSIS OF FUND BALANCE</u>	<u>CURRENT FISCAL</u>		<u>PREVIOUS FISCAL</u>	
	<u>YEAR TO DATE</u>		<u>YEAR END</u>	
	12/31/2013 Audited		12/31/2012 Audited	
Fund balance, previous period	\$	<u>3,927,722</u>	\$	<u>3,380,120</u>
Net income (Loss)		<u>1,007,091</u>		<u>552,087</u>
Change in non-admitted assets		<u></u>		<u></u>
Rounding				<u>0</u>
Change in Non Admitted Assets		<u>15,528</u>		<u>(4,485)</u>
Change in fund balance for the period		<u>1,022,619</u>		<u>547,602</u>
Fund balance, current period	\$	<u>4,950,340</u>	\$	<u>3,927,722</u>

Contract Year January 1, 2013 to December 31, 2013
KANSAS PREMIUM AND LOSS EXPERIENCE EXHIBIT
1st 2nd 3rd 4th Quarter (circle one)

NAME OF KANSAS GROUP-FUNDED POOL Kansas Municipal Insurance Trust

LINE OF BUSINESS: Workers Compensation EXPERIENCE CURRENT AS OF December 31, 2013 - AMENDED **Audited**

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
Current Injuries	Total Injuries	Contract Period	Direct Premium Earned	Excess Insurance Premium Incurred	Net Premiums Earned Col 4-5	Direct Losses Incurred	Loss Adj. Exp. Incurred	Loss & Loss Exp Incurred Col 6+7	Service Agent Fees Incurred	General Expenses Incurred	Taxes, Licenses & Fees Incurred	Total Expenses Incurred Col 10 + 11 + 12	Claims Ratios as a % Col 9 / Col 6	Admin. Ratios as a % Col 13 / Col 6	Investment Income Earned
0	310	PCY 19	1,422,582	151,393	1,271,189	716,700	25,541	742,241	298,447	83,330	95,360	477,137	58.4%	37.5%	22,675
0	243	PCY 18	1,885,501	210,142	1,675,359	1,049,152	54,345	1,103,496	312,500	211,579	77,466	601,545	65.9%	35.9%	76,262
0	424	PCY 17	1,843,047	133,376	1,709,671	790,125	46,505	836,631	277,342	159,046	56,281	492,669	48.9%	28.8%	114,912
1	524	PCY 16	1,754,515	117,122	1,637,393	1,451,638	91,393	1,543,031	204,543	217,864	102,541	524,948	94.2%	32.1%	142,705
2	572	PCY 15	1,377,722	79,456	1,298,266	1,243,033	85,598	1,328,630	187,000	211,071	82,901	480,972	102.3%	37.0%	116,189
2	551	PCY 14	1,552,110	80,124	1,471,986	1,393,560	146,702	1,540,262	185,000	190,573	77,653	453,226	104.6%	30.8%	96,882
1	552	PCY 13	1,689,773	86,819	1,602,954	1,453,639	126,632	1,580,271	190,000	188,080	73,593	451,673	98.6%	28.2%	129,613
0	605	PCY 12	1,965,656	127,168	1,838,488	1,097,087	83,206	1,180,293	195,000	186,428	55,589	437,017	64.2%	23.8%	101,694
0	670	PCY 11	2,616,641	189,458	2,427,183	1,211,714	129,112	1,340,826	217,500	243,407	69,799	530,706	55.2%	21.9%	50,668
1	612	PCY 10	3,274,489	366,991	2,907,498	1,484,956	150,495	1,635,451	280,000	274,918	96,684	651,602	56.2%	22.4%	52,492
2	645	PCY 9	3,256,648	221,435	3,035,213	2,281,419	148,178	2,429,597	293,000	308,419	134,300	735,719	80.0%	24.2%	59,068
8	770	PCY 8	3,837,793	374,472	3,463,321	3,645,149	248,184	3,893,333	310,000	303,923	195,148	809,071	112.4%	23.4%	95,674
7	765	PCY 7	4,272,140	384,425	3,887,715	2,645,404	184,216	2,829,620	330,000	409,548	164,537	904,085	72.8%	23.3%	234,986
4	906	PCY 6	4,950,171	420,728	4,529,443	2,702,636	168,027	2,870,662	365,000	384,794	157,905	907,699	63.4%	20.0%	260,619
6	768	PCY 5	5,519,169	372,790	5,146,379	3,255,833	219,483	3,475,316	375,000	400,364	180,033	955,397	67.5%	18.6%	245,802
9	654	PCY 4	5,193,427	341,935	4,851,492	2,093,808	129,740	2,223,547	390,000	422,122	158,861	970,983	45.8%	20.0%	79,601
12	666	PCY 3	5,213,859	351,375	4,862,484	3,430,985	193,663	3,624,648	410,000	411,213	218,444	1,039,657	74.5%	21.4%	54,690
17	635	PCY 2	4,442,326	336,728	4,105,598	2,343,446	132,388	2,475,834	400,000	374,349	211,548	985,897	60.3%	24.0%	72,925
31	598	PCY 1	4,484,533	337,121	4,147,412	1,586,503	99,934	1,359,817	400,000	407,086	174,669	981,755	32.8%	23.7%	71,545
169	670	CCY	4,853,835	395,840	4,457,995	1,369,174	133,990	1,503,164	580,600	286,205	112,977	979,782	33.7%	22.0%	71,861

PFY = Prior fiscal Year

CFY = Current Fiscal Year

Column 1 should reflect the number of claims incurred in each respective contract period which were initially reported during the current fiscal year.

Column 2 should reflect the grand total of claims reported pertaining to each respective contract period.

Column 14 should reflect the Total Loss and Loss Expenses Incurred divided by the Net Premiums earned. (Column 9 divided by Column 6)

Column 15 should reflect the Total Expenses Incurred divided by the Net Premiums Earned. (Column 13 divided by Column 6)

Column 16 should reflect the Investment Income Earned during the contract year as reflected on the income statement.

GROUP - FUNDED POOL - QUARTERLY REPORT
K.S.A 12-2620

Kansas Municipal Insurance Trust
 (Name of Company)

As of March 31, 2014
 (1st) 2nd 3rd 4th Quarter (CIRCLE ONE)

CURRENT FISCAL
YEAR TO DATE
3/31/2014


PREVIOUS FISCAL
YEAR END
12/31/2013 Audited

ASSETS

Administrative fund:		
Cash	\$ 642,448	\$ 41,306
Investments	250,000	
Claims fund:		
Cash	2,643,283	2,991,826
Investments	12,218,606	8,911,000
Premium contributions receivable	99,314	85,080
Excess insurance recoverable on claims payments	102,853	119,304
Interest income due and accrued	151,819	22,244
Receivable from affiliates		
Other assets:		
Agent Commissions Receivable	4,894	4,894
Prepaid Excess Insurance	344,053	
Prepaid Expenses	84,479	
Excess Insurance Premium Receivable	20,417	
Less: Non Admitted Assets	(428,531)	0
Total Assets	\$ 16,133,635	\$ 12,175,653

To the best of my knowledge, I hereby certify that the balance sheet and summary of operations contained herein represents a true and complete accounting of

Kansas Municipal Insurance Trust
 (Name of Pool)

By: 
Don Osenbaugh

Chair of Trustees

Administrator

GROUP-FUNDED POOL-QUARTERLY REPORT
K.S.A 44-582

<u>LIABILITIES, RESERVES AND FUND BALANCE</u>		<u>CURRENT FISCAL YEAR TO DATE</u> 3/31/2014	<u>PREVIOUS FISCAL YEAR END</u> 12/31/2013 Audited
Reserve for unpaid workers' compensation claims	\$	2,658,088	\$ 2,510,288
Reserve for unpaid claim adjustment expenses		275,332	248,656
Reserve for claims incurred but not reported		3,447,673	3,470,401
Unearned premium contribution		4,330,226	
Other expenses due or accrued			
Taxes, licenses and fees due or accrued		234,427	285,836
Borrowed money \$_____ and interest thereon \$_____			
Dividends payable to members			
Deposits on premium contributions			241,041
Excess insurance premium payable			
Payable to affiliates			
Accounts payable		21,158	39,300
Miscellaneous liabilities:			
Return Premium Payable		429,792	429,792
Total Liabilities:	\$	11,396,695	\$ 7,225,313
Special reserve funds:			
Total Special Reserve Funds			
<u>FUND BALANCE</u>			
Total Reserves and Fund Balance (Assets-Liabilities)		4,736,939	\$ 4,950,340
Total Liabilities, Reserves and Fund Balance	\$	16,133,635	\$ 12,175,653

GROUP-FUNDED POOL-QUARTERLY REPORT
K.S.A 44-582

<u>SUMMARY OF OPERATIONS</u>	<u>CURRENT FISCAL YEAR TO DATE</u> 3/31/2014	<u>PREVIOUS FISCAL YEAR END</u> 12/31/2013 Audited
Underwriting Income		
Direct Premium Contributions Earned	\$ <u>1,430,613</u> \$	<u>4,853,835</u>
Deductions:		
Excess insurance premium incurred	<u>108,553</u>	<u>395,840</u>
Workers' compensation claims incurred	<u>931,145</u>	<u>2,305,548</u>
Claims adjustment expenses incurred	<u>67,617</u>	<u>237,436</u>
Other administrative expenses incurred	<u>267,359</u>	<u>979,782</u>
Total underwriting deductions	<u>1,374,674</u>	<u>3,918,605</u>
Net underwriting Gain or (Loss)	\$ <u>55,938</u> \$	<u>935,230</u>
Investment income		
Interest income earned (Net of investment expenses)	<u>159,192</u>	<u>71,861</u>
Other income		
Other income	<u></u>	<u></u>
Net income before dividends to members	<u>215,131</u>	<u>1,007,091</u>
Dividends to members	<u></u>	<u></u>
Net income after dividends to members	<u>215,131</u>	<u>1,007,091</u>
Net Income(Loss)	\$ <u>215,131</u> \$	<u>1,007,091</u>

GROUP-FUNDED POOL-QUARTERLY REPORT
K.S.A 44-582

<u>ANALYSIS OF FUND BALANCE</u>		<u>CURRENT FISCAL YEAR TO DATE</u>		<u>PREVIOUS FISCAL YEAR END</u>
		3/31/2014		12/31/2013 Audited
Fund balance, previous period	\$	<u>4,950,340</u>	\$	<u>3,927,722</u>
Net income (Loss)		<u>215,131</u>		<u>1,007,091</u>
Change in non-admitted assets		<u>(428,531)</u>		<u></u>
<u>Rounding</u>		<u></u>		<u></u>
<u>Change in Non Admitted Assets</u>		<u>0</u>		<u>15,528</u>
Change in fund balance for the period		<u>215,131</u>		<u>1,022,619</u>
Fund balance, current period	\$	<u>4,736,939</u>	\$	<u>4,950,340</u>

Contract Year January 1, 2014 to December 31, 2014
KANSAS PREMIUM AND LOSS EXPERIENCE EXHIBIT
1st 2nd 3rd 4th Quarter (circle one)

NAME OF KANSAS GROUP-FUNDED POOL Kansas Municipal Insurance Trust

LINE OF BUSINESS: Workers Compensation EXPERIENCE CURRENT AS OF March 31, 2014

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
Current Injuries	Total Injuries	Contract Period	Direct Premium Earned	Excess Insurance Premium Incurred	Net Premiums Earned Col 4-5	Direct Losses Incurred	Loss Adj. Exp. Incurred	Loss & Loss Exp Incurred Col 6+7	Service Agent Fees Incurred	General Expenses Incurred	Taxes, Licenses & Fees Incurred	Total Expenses Incurred Col 10 + 11 + 12	Claims Ratios as a % Col 9 / Col 6	Admin. Ratios as a % Col 13 / Col 6	Investment Income Earned
0	310	PCY 20	1,422,582	151,393	1,271,189	716,700	25,541	742,241	298,447	83,330	95,360	477,137	58.4%	37.5%	22,675
0	243	PCY 19	1,885,501	210,142	1,675,359	1,049,152	54,345	1,103,496	312,500	211,579	77,466	601,545	65.9%	35.9%	76,262
0	424	PCY 18	1,843,047	133,376	1,709,671	790,125	46,505	836,631	277,342	159,046	56,281	492,669	48.9%	28.8%	114,912
1	524	PCY 17	1,754,515	117,122	1,637,393	1,451,638	91,393	1,543,031	204,543	217,864	102,541	524,948	94.2%	32.1%	142,705
2	572	PCY 16	1,377,722	79,456	1,298,266	1,238,033	90,598	1,328,630	187,000	211,071	82,901	480,972	102.3%	37.0%	116,189
2	551	PCY 15	1,552,110	80,124	1,471,986	1,392,560	147,702	1,540,262	185,000	190,573	77,653	453,226	104.6%	30.8%	96,882
1	552	PCY 14	1,689,773	86,819	1,602,954	1,454,883	126,632	1,581,515	190,000	188,080	73,593	451,673	98.7%	28.2%	129,613
0	605	PCY 13	1,965,656	127,168	1,838,488	1,097,087	83,206	1,180,293	195,000	186,428	55,589	437,017	64.2%	23.8%	101,694
0	670	PCY 12	2,616,641	189,458	2,427,183	1,211,714	129,112	1,340,826	217,500	243,407	69,799	530,706	55.2%	21.9%	50,668
1	612	PCY 11	3,274,489	366,991	2,907,498	1,484,956	150,495	1,635,451	280,000	274,918	96,684	651,602	56.2%	22.4%	52,492
2	645	PCY 10	3,256,648	221,435	3,035,213	2,281,419	148,178	2,429,597	293,000	308,419	134,300	735,719	80.0%	24.2%	59,068
8	770	PCY 9	3,837,793	374,472	3,463,321	3,645,309	248,380	3,893,689	310,000	303,923	195,148	809,071	112.4%	23.4%	95,674
7	765	PCY 8	4,272,140	384,425	3,887,715	2,657,404	184,216	2,841,620	330,000	409,548	164,537	904,085	73.1%	23.3%	234,986
4	906	PCY 7	4,950,171	420,728	4,529,443	2,722,636	168,027	2,890,662	365,000	384,794	157,905	907,699	63.8%	20.0%	260,619
6	768	PCY 6	5,519,169	372,790	5,146,379	3,255,833	224,483	3,480,316	375,000	400,364	180,033	955,397	67.6%	18.6%	245,802
9	654	PCY 5	5,193,427	341,935	4,851,492	2,098,880	134,740	2,233,620	390,000	422,122	158,861	970,983	46.0%	20.0%	79,601
12	666	PCY 4	5,213,859	351,375	4,862,484	3,565,884	206,171	3,772,056	410,000	411,213	218,444	1,039,657	77.6%	21.4%	54,690
18	635	PCY 3	4,442,326	336,728	4,105,598	2,635,457	142,642	2,778,099	400,000	374,349	211,548	985,897	67.7%	24.0%	72,925
24	598	PCY 2	4,484,533	337,121	4,147,412	1,560,557	106,131	1,666,687	400,000	407,086	174,669	981,755	40.2%	23.7%	71,545
73	695	PCY 1	4,853,835	395,840	4,457,995	1,664,992	139,918	1,804,911	580,600	286,205	112,977	979,782	40.5%	22.0%	71,861
108	180	CCY	1,430,613	108,553	1,322,059	224,612	16,535	241,147	221,500	52,919	(7,059)	267,359	18.2%	20.2%	159,192

PFY = Prior fiscal Year

CFY = Current Fiscal Year

Column 1 should reflect the number of claims incurred in each respective contract period which were initially reported during the current fiscal year.

Column 2 should reflect the grand total of claims reported pertaining to each respective contract period.

Column 14 should reflect the Total Loss and Loss Expenses Incurred divided by the Net Premiums earned. (Column 9 divided by Column 6)

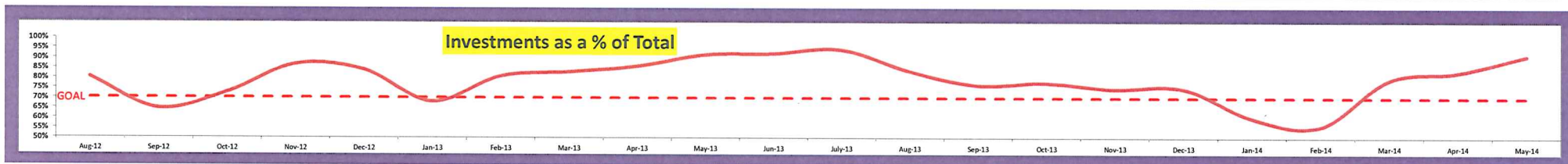
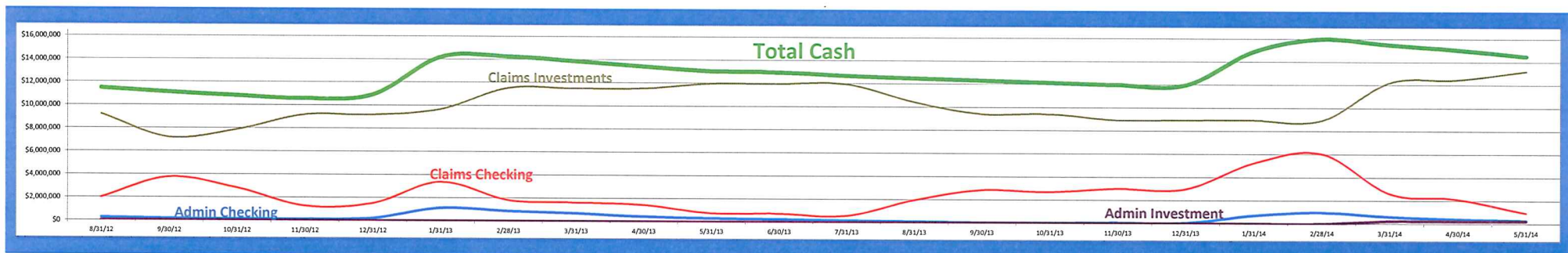
Column 15 should reflect the Total Expenses Incurred divided by the Net Premiums Earned. (Column 13 divided by Column 6)

Column 16 should reflect the Investment Income Earned during the contract year as reflected on the income statement.

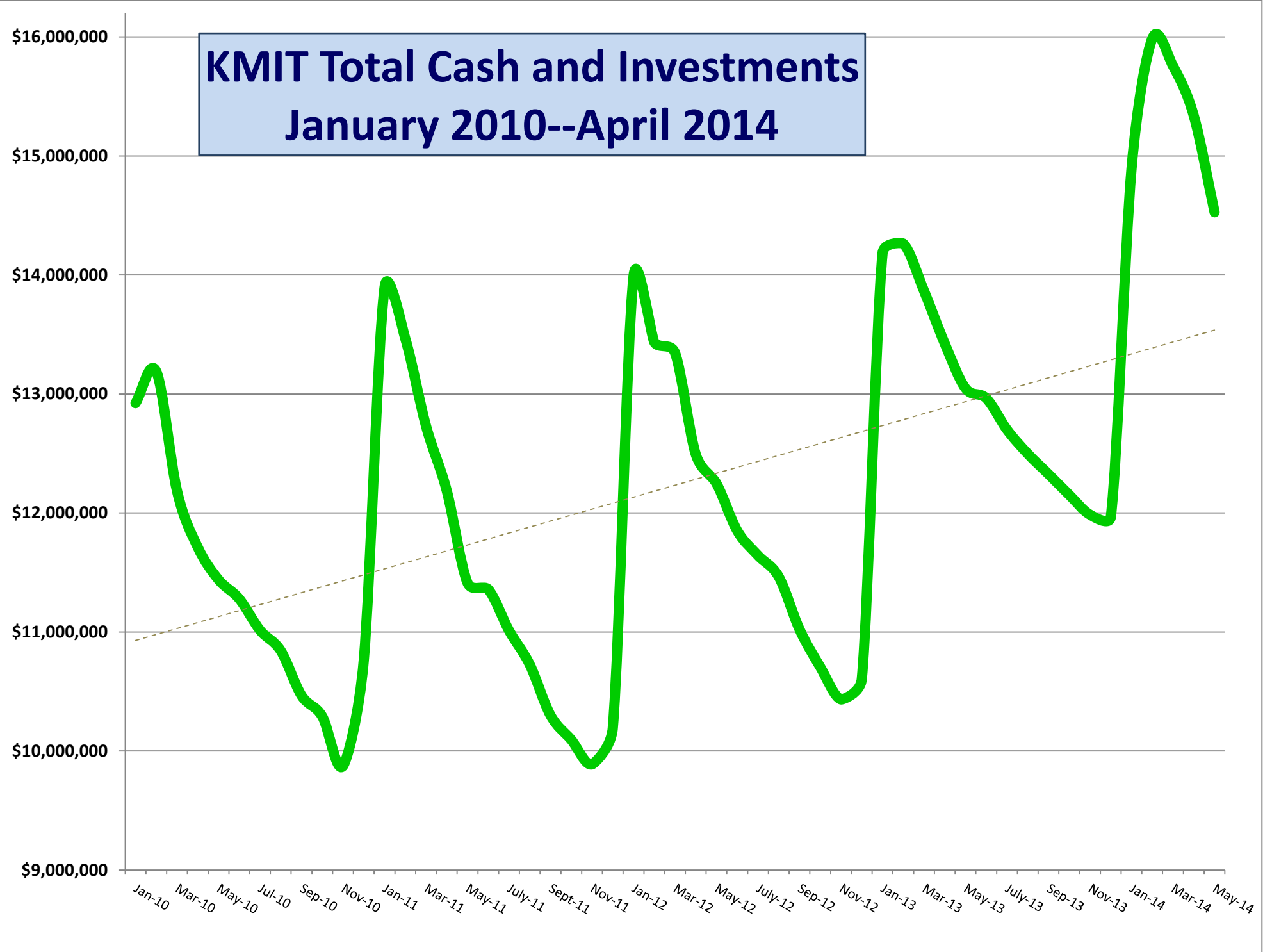
KMIT Cash Management/Investment Summary

August 2012--May 2014

	8/31/12	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
KMIT Admin Fund (KAF)																						
Admin Account	260,292	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
Admin Checking	260,292	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
KMIT Claims Fund (KCF)																						
Claims Account	1,944,815	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
TPA Claims Check Book (at IMA)	42,928	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
Claims Checking	1,987,744	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
INVESTMENTS																						
Admin Investments	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	250,000	250,000	250,000
Claims Investments	9,206,703	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
TOTAL CASH	11,454,739	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
	8/31/12	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



KMIT Total Cash and Investments January 2010--April 2014





KANSAS MUNICIPAL INSURANCE TRUST

ACTUARIAL ANALYSIS OF FUNDING AND UNPAID CLAIM LIABILITIES AS OF DECEMBER 31, 2013

Prepared for:

Mr. Don Osenbaugh
Pool Administrator

Prepared by:

Milliman, Inc.

Peter G. Wick, FCAS, MAAA
Principal and Consulting Actuary

Mindy M. Steichen, FCAS, MAAA
Consulting Actuary

March 31, 2014

15800 W. Bluemound Road, Suite 100
Brookfield, WI 53005-6043
TEL +1 262 784 2250
FAX +1 262 923 3686
Milliman.com

KANSAS MUNICIPAL INSURANCE TRUST

ACTUARIAL ANALYSIS OF FUNDING AND UNPAID CLAIM LIABILITIES AS OF DECEMBER 31, 2013

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KANSAS MUNICIPAL INSURANCE TRUST

ACTUARIAL ANALYSIS OF FUNDING AND UNPAID CLAIM LIABILITIES AS OF DECEMBER 31, 2013

INTRODUCTION

Milliman, Inc. (Milliman) has been retained by the Kansas Municipal Insurance Trust ("KMIT" or the "Trust") to conduct an actuarial analysis to:

- Estimate the unpaid claim liabilities as of December 31, 2013;
- Provide funding estimates for 2014; and
- Provide the above funding estimates on a discounted basis and at various probability levels.

The purpose of our analysis is to assist the Trust in preparing its financial statements. Our analysis is based on data evaluated as of December 31, 2013 and information provided through the date of this report.

The Trust is an interlocal governmental agency formed for the purpose of establishing and administering a group funded workers' compensation pool pursuant to the provisions of Kansas state law governing labor and industries. The Trust began operations on January 1, 1994 and provides a comprehensive workers' compensation insurance program for participating members of the League of Kansas Municipalities. In addition to insurance coverage, the program provides risk management services with an emphasis on loss control, claims administration and management information services.

KMIT limits its exposure to loss by purchasing both per occurrence and aggregate excess insurance. A summary of KMIT's excess insurance program is provided on Exhibit 1.

Our estimates are provided on an undiscounted and discounted basis with respect to the time value of money. Our estimates are net of insurance recoverables and include defense and cost containment expenses (ALAE), but do not include other claims administration expenses.

There have been no material changes in procedures, methodology or significant assumptions used in deriving our estimates since our last analysis performed as of December 31, 2012.

In this report, we are using the terms “loss” or “unpaid claim liability” to represent the sum of the medical loss, indemnity loss and allocated loss adjustment expense (ALAE) components on each claim, unless otherwise noted.

Peter G. Wick and Mindy M. Steichen are Fellows of the Casualty Actuarial Society and Members of the American Academy of Actuaries (AAA) and meet the Qualification Standards of the AAA to render the actuarial opinion contained herein.

LIMITED DISTRIBUTION OF RESULTS

Milliman's work has been prepared solely for the internal use of KMIT. No portion of Milliman's work may be provided to any other party without Milliman's prior written consent. Milliman does not intend to benefit or create a legal duty to any third party recipient of its work. Milliman's work may not be filed with the SEC or other securities regulatory bodies. In addition, references to Milliman or its estimates in communication with third parties are not authorized.

Milliman's consent to release its work product to any third party may be conditioned on the third party signing a third party release agreement, subject to the following exceptions:

- (A) KMIT may provide a copy of Milliman's work to its auditor to be used solely for audit purposes. In the event the audit reveals any error or inaccuracy in the data underlying Milliman's work, Milliman requests the auditor or KMIT notify Milliman as soon as possible.
- (B) KMIT may provide a copy of Milliman's work to governmental entities, as required by law.

In the event Milliman consents to release its work product, it must be provided in its entirety. We recommend that any such party have its own actuary or other qualified professional review the work product to ensure that the party understands the assumptions and uncertainties inherent in our estimates. No third party recipient of Milliman's work product should rely upon Milliman's work product.

Any reader of this report agrees that they shall not use Milliman's name, trademarks or service marks, or refer to Milliman directly or indirectly in any third party communication without Milliman's prior written consent for each such use or release, which consent shall be given in Milliman's sole discretion.

SUMMARY OF RESULTS

Our estimates of KMIT's ultimate loss and ALAE are shown by accident year in the table below, along with estimates from our last analysis. In total, our estimates have decreased by approximately \$1.1 million since our last analysis.

KMIT NET ULTIMATE LOSS & ALAE LIMITED TO AGGREGATE RETENTIONS			
Accident Year	Selected @ 12/31/13	Selected @ 12/31/12	Difference
1994	\$742,241	\$742,241	\$0
1995	1,103,496	1,103,118	378
1996	836,631	836,631	0
1997	1,543,031	1,543,031	0
1998	1,328,631	1,328,631	0
1999	1,540,262	1,540,262	0
2000	1,590,103	1,586,825	3,278
2001	1,180,293	1,180,293	0
2002	1,340,826	1,340,826	0
2003	1,656,261	1,657,445	(1,184)
2004	2,491,091	2,391,880	99,211
2005	3,976,732	3,935,404	41,328
2006	2,928,462	2,851,551	76,911
2007	2,979,305	2,925,565	53,740
2008	3,671,271	3,598,190	73,081
2009	2,385,502	2,306,690	78,812
2010	4,014,291	3,999,039	15,252
2011	2,714,658	2,869,484	(154,826)
2012	2,214,285	3,033,602	(819,317)
2013	3,076,319	3,604,808	(528,489)
Total	\$43,313,691	\$44,375,516	\$(1,061,825)

Unpaid claim liabilities are derived by subtracting loss and ALAE paid to date from the estimated ultimate loss and ALAE.

The following table displays our estimates of KMIT's net unpaid claim liabilities as of December 31, 2013:

KMIT NET UNPAID CLAIM LIABILITIES AS OF DECEMBER 31, 2013			
Accident Year	Case Reserves	IBNR*	Total Unpaid
1994	\$0	\$0	\$0
1995	0	0	0
1996	0	0	0
1997	61,018	(61,919)	(901)
1998	0	0	0
1999	6,391	(7,208)	(817)
2000	26,512	9,832	36,344
2001	0	0	0
2002	0	0	0
2003	12,084	20,810	32,894
2004	48,852	61,494	110,346
2005	131,204	83,399	214,603
2006	90,277	98,842	189,119
2007	206,681	108,643	315,324
2008	232,397	195,955	428,352
2009	123,608	161,955	285,563
2010	215,883	389,643	605,526
2011	567,401	238,824	806,225
2012	280,817	527,848	808,665
2013	824,944	1,572,928	2,397,872
Total	\$2,828,069	\$3,401,046	\$6,229,115

* The 1997 and 1999 year incurred and paid losses exceed the aggregate retention. Ultimately KMIT should recover losses excess of the aggregate retention from Safety National.

The total unpaid claim liability includes a provision for case reserves, expected development of case reserves, incurred but not reported (IBNR) reserves, allocated loss adjustment expense reserves and excess insurance recoveries. We have not estimated a provision for claims administration expenses. The estimates in the above table are net of KMIT's excess insurance protection, and are shown on an undiscounted (full value) basis. We have not included a provision for KMIT's exposure above its aggregate excess insurance.

The estimates presented above can be characterized as actuarial central estimates and represent an expected value over a range of reasonably possible outcomes. They do not reflect all conceivable extreme events where the contribution of such events to an expected value is not reliably estimable. The estimates are not defined by a precise statistical measure (i.e., mean, median, mode, etc.), but are selected from multiple indications produced by a variety of generally accepted actuarial methods that are intended to respond to various drivers of ultimate claim liabilities.

Our actuarial central estimate of KMIT's ultimate loss for the January 1, 2014 to December 31, 2014 fund year is \$3.91 million on an undiscounted basis and \$3.85 million discounted at a yield rate of 0.69%. The following table displays our estimated funding amounts at various probability levels:

KMIT 2014 FUND YEAR LIMITED TO \$750,000 PER OCCURRENCE AND \$6.9M AGGREGATE RETENTION		
Probability Level	Undiscounted	Discounted @ 0.69%
95%	\$6,926,841	\$6,822,938
85%	6,143,528	6,051,375
75%	4,930,475	4,856,517
65%	4,147,860	4,085,642
Actuarial Central Estimate	3,913,075	3,854,379

GENERAL APPROACH

We used four projection techniques to develop estimates of the ultimate losses. The unpaid claim liability was then derived by subtracting losses paid as of December 31, 2013 from the estimated ultimate losses. The following methods were used to project ultimate losses:

- Incurred loss development projection;
- Paid loss development projection;
- Incurred Bornhuetter-Ferguson projection; and
- Paid Bornhuetter-Ferguson projection.

Loss Development Methods

Incurred losses are defined as paid losses plus reported reserves on open claims (case reserves). The incurred loss development method derives an estimate of ultimate losses by multiplying the incurred losses by an incurred loss development factor. The loss development factor reflects expected development from late reported claims (IBNR) and reopened claims, as well as from changes in the aggregate value of case reserves as accident years mature. When necessary, we have supplemented KMIT's historical experience with external data sources in selecting development factors (Exhibit 2). Specifically, we referenced insurance industry experience for workers' compensation business in Kansas and countrywide.

The paid loss development method derives an estimate of ultimate losses by multiplying paid losses by a paid loss development factor. Again, we considered Kansas and countrywide workers' compensation experience in our selection of paid loss development factors (Exhibit 4). The paid loss development factors reflect the expected relationship between ultimate losses and paid losses through December 31, 2013.

Exhibits 3 and 5 display the results of the incurred and paid loss development projections.

Bornhuetter-Ferguson Methods

The Incurred Bornhuetter-Ferguson method derives ultimate losses by adding an estimated IBNR amount to the losses reported to date. The estimated IBNR was based on an initial estimate of the ultimate losses (a priori estimate) and an estimated reporting pattern for incurred losses. The a priori loss estimates for fund years 1994 through 2013 were based on our December 31, 2012 analysis of ultimate losses.

We relied on the development pattern underlying the incurred loss development projection method to select a reporting pattern. Specifically, the estimated percentage unreported is equal to one minus the reciprocal of the cumulative incurred loss development factor. Estimated ultimate losses were then derived by adding the estimated IBNR to the incurred losses as of December 31, 2013.

The Paid B-F method derives ultimate losses by adding an estimated unpaid amount to the paid losses to date. The estimated unpaid loss was calculated by taking one minus the reciprocal of the cumulative paid loss development factor multiplied by the a priori loss estimate.

Exhibits 6 and 7 display the results of the incurred and paid B-F projections.

Based on the projection methods outlined above, we selected the net ultimate loss estimates by accident year, as displayed on Exhibit 8.

Unpaid Claim Liabilities

The unpaid claim liability was derived by subtracting the cumulative paid loss and ALAE through December 31, 2013 from the estimated ultimate loss and ALAE. Exhibit 9 displays the calculation of the net unpaid claim liabilities, as well as the net IBNR, which is equal to the total net unpaid claim liabilities less the net case reserves as of December 31, 2013.

The negative IBNR amounts in the 1997 and 1999 fund years are due to the fact that incurred losses exceed the aggregate retention for those years. KMIT expects to fully recover the losses excess of the aggregate retention from its excess insurer. KMIT has made payments and has case reserves in excess of the aggregate retention. IBNR for 1997 and 1999 reflects aggregate recoveries already received of \$291,940 and \$104,142, respectively. Additional recoveries are expected.

FUNDING ANALYSIS

Exhibit 10 derives our projection of KMIT's ultimate losses for accident year 2014. Our projections were based on KMIT's historical loss experience as well as aggregate Kansas workers' compensation loss experience (adjusted to reflect KMIT's risk profile). Our selected ultimate losses were used to calculate pure premiums (ultimate loss per \$100 payroll) for accident years 2006 through 2013. These pure premiums were adjusted for:

- Changes in the self-insured retention;
- Changes in benefit levels (Exhibit 11); and
- Trends in average claim costs (1.5% per year).

The selected 2014 pure premium (row 8) was multiplied by the projected 2014 payroll to estimate the ultimate loss, prior to aggregate excess insurance (row 10).

We have provided funding estimates on both an undiscounted and a discounted basis. Undiscounted values are the nominal estimates of claims to be paid in the future and do not reflect the time value of money. The discounted value reflects the amount of assets which, when combined with investment earnings on these assets assumed to accumulate at a specified yield rate, are estimated to be sufficient to pay all claims. We used a 0.69% yield assumption, as provided by KMIT. The selected payout pattern is shown on Exhibit 12, and the resulting present value factor is displayed on Exhibit 13.

It is not uncommon for self-insured entities to fund at levels which include a margin for adverse loss experience. One way to accomplish this is to fund at a probability level greater than the actuarial central estimate. For purposes of developing estimates at various probability levels, the actuarial central estimates presented in this report (both undiscounted and discounted) represent expected value estimates. As such, when the ultimate cost of the claims is known, there is approximately an equal probability that the actual value will be higher or lower than the estimated value. To estimate liabilities at

various probability levels, we relied on an insurance industry based distribution of aggregate workers' compensation losses, adjusted to reflect characteristics of KMIT's loss experience. The resulting unpaid claim liabilities at various probability levels are displayed on Exhibit 14.

We know of no specific requirement that a public entity fund at a given probability level. The funding level is a reflection of the entity's risk tolerance, as well as the availability of funds from other sources in the event the self-insurance fund falls short of the paid amounts. There is always a chance that the balance in the fund will not be sufficient to meet the claims that will be charged against it. While we believe a self-insured entity should recognize the potential risk of assuming its own claim liabilities, there is no simple formula that we know of to decide how much self-insured exposure is prudent. Of course, budget and risk considerations may play a role in the decision.

The range of values displayed in the exhibits (in particular the 95th percentile) does not represent the highest or lowest possible values of the discounted loss and ALAE claim liabilities. Potential variation around these values exists, both due to uncertainty with respect to the amount, as well as timing of future payments along with the investment yield.

QUALIFICATIONS AND LIMITATIONS

The actuarial methodology used in this report assumes that case reserves on reported claims are consistently estimated based on current facts known about the claims as of the date of valuation. No independent review of any specific claim files has been performed by Milliman.

In estimating KMIT's unpaid claim liabilities, it is necessary to project future loss and ALAE payments. It is certain that actual future losses and ALAE will not develop exactly as projected and may vary significantly from our projections. Further, our projections make no provision for future emergence of new classes of losses or types of losses (such as cumulative trauma claims), which are not sufficiently represented in KMIT's historical database or which are not yet quantifiable.

In performing this analysis, we have relied on data and other information provided to us by KMIT. We have not audited or verified this data and other information. If the underlying data or information is inaccurate or incomplete, the results of our analysis may likewise be inaccurate or incomplete. In that event, the results of our analysis may not be suitable for the intended purpose.

We performed a limited review of the data used directly in our analysis for reasonableness and consistency and have not found material defects in the data. If there are material defects in the data, it is possible that they would be uncovered by a detailed, systematic review and comparison of the data to search for data values that are questionable or relationships that are materially inconsistent. Such a review was beyond the scope of our assignment.

The sensitivity of key variables in this analysis was considered. Key variables include the selected loss development tails, trend factors, and pure premiums. The overall results are potentially sensitive to these key variables, and reasonable alternative selections could change the results in either direction.

KMIT's data was supplemented with insurance industry data where deemed necessary, such as loss development factors where credible data was not available. The use of external data is another source of uncertainty in our estimates.

The emergence of individual large losses (or changes in case reserves on existing open claims) could materially change our results. We cannot predict the timing of large losses, but their possibility increases the uncertainty inherent in our estimates.

Milliman is not expressing an opinion as to the appropriateness of discounting KMIT's unpaid claims liabilities for financial reporting. We have not examined KMIT's current investment portfolio nor its current investment philosophy. In estimating KMIT's discounted loss reserves, we used an annual effective interest rate of 0.69%. The interest rate was provided to us by KMIT and is based on its assessment of its investment returns. KMIT selected the interest rate because KMIT has greater familiarity with the potential investment returns on its assets. The selected interest rate does not conflict significantly with what, in our opinion, would be reasonable for the purpose of this assignment.

Future rates of return are not guaranteed and may exceed or fall below the assumed rate. Also, the actual timing of loss payments is subject to variability. Differences between actual and expected rates of return and timing of payments from those underlying our estimates may have a material effect on the amount of the discount. Further, our projections assume the existence of valid assets underlying the unpaid claim liabilities and that these assets are appropriate to meet the cash flow needs of KMIT. We have not reviewed the held assets.

Finally, KMIT insures part of its exposure to limit its liability for losses. Our estimates are presented on a net basis with respect to excess insurance recoverables. We have not made any provisions for uncollectible excess insurance.

We did not review the actual excess and aggregate insurance contracts of KMIT but relied on summaries of the terms of the contracts provided by KMIT. Our results, net of excess insurance, assume that all excess insurance is valid and collectible. We are not able to assess the potential for uncollectible excess insurance without performing a substantial amount of additional work beyond the scope of our assignment. We have not anticipated any contingent liabilities that could arise if the excess insurers do not meet their obligations to KMIT as reflected in the data and other information provided to us.

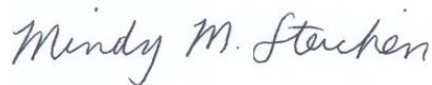
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We appreciate the opportunity to again be of service to the Kansas Municipal Insurance Trust. If you have any questions on our report, please do not hesitate to contact us.

Sincerely,



Peter G. Wick, FCAS, MAAA
Principal and Consulting Actuary



Mindy M. Steichen, FCAS, MAAA
Consulting Actuary

PGW/MMS/sbs

cc: Deanna Furman
Debbie James

March 31, 2014

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KANSAS MUNICIPAL WORKERS' COMPENSATION INSURANCE TRUST

Workers' Compensation Summary of Excess Insurance Program

<u>Insurance Period</u>	<u>Per Claim Retention</u>	<u>Aggregate Retention</u>	<u>Excess Insurance Policy Limit</u>
1/01/94-12/31/95 *	\$250,000	\$2,376,391	\$5,000,000
1/01/96-12/31/96	250,000	1,796,589	3,000,000
1/01/97-12/31/97	250,000	1,543,031	3,000,000
1/01/98-12/31/98	250,000	1,472,773	3,000,000
1/01/99-12/31/99	250,000	1,540,262	3,000,000
1/01/00-12/31/00	250,000	1,702,335	3,000,000
1/01/01-12/31/01	250,000	2,045,088	3,000,000
1/01/02-12/31/02	300,000 **	2,720,504	3,000,000
1/01/03-12/31/03	300,000 ***	3,218,926	3,000,000
1/01/04-12/31/04	500,000	4,544,300	3,000,000
1/01/05-12/31/05	500,000	5,602,842	3,000,000
1/01/06-12/31/06	750,000	4,978,483	3,000,000
1/01/07-12/31/07	750,000	4,920,798	3,000,000
1/01/08-12/31/08	750,000	5,448,469	3,000,000
1/01/09-12/31/09	750,000	5,503,943	3,000,000
1/01/10-12/31/10	750,000	5,517,871	3,000,000
1/01/11-12/31/11	750,000	5,397,530	3,000,000
1/01/12-12/31/12	750,000	5,388,562	3,000,000
1/01/13-12/31/13	750,000	6,091,073	3,000,000
1/01/14-12/31/14	\$750,000	\$6,926,841	\$3,000,000

* For the 1994 & 1995 years, the aggregate retention of \$2.4M is applicable on a combined basis.

** The Retention for Class Code 7539 is \$350,000 and \$300,000 for all other Class Codes.

*** The Retention for Class Code 7539 is \$400,000 and \$300,000 for all other Class Codes.

KANSAS MUNICIPAL WORKERS' COMPENSATION INSURANCE TRUST

Workers' Compensation
Incurred Medical & Indemnity Loss & ALAE Limited to Per Claim Retentions

Accident Year	12	24	36	48	60	72	84	96	108	120	132	144	156	168	180	192	204	216	228	240
1994	549,504	752,689	775,594	743,060	742,241	742,241	742,241	742,241	742,241	742,241	742,241	742,241	742,241	742,241	742,241	742,241	742,241	742,241	742,241	742,241
1995	546,387	1,083,821	1,098,272	1,108,380	1,102,723	1,103,118	1,103,118	1,103,118	1,103,118	1,103,118	1,103,118	1,103,118	1,103,118	1,103,118	1,103,118	1,103,118	1,103,118	1,103,118	1,103,118	1,103,496
1996	544,209	680,655	739,898	856,552	856,495	836,460	836,493	836,493	836,493	836,631	836,631	836,631	836,631	836,631	836,631	836,631	836,631	836,631	836,631	
1997	1,315,384	1,548,834	1,787,838	1,749,009	1,747,333	1,775,940	1,807,342	1,807,365	1,808,816	1,808,816	1,808,816	1,801,890	1,826,890	1,826,890	1,826,890	1,833,890	1,896,890			
1998	715,614	999,500	1,091,244	1,084,938	1,120,177	1,183,709	1,218,855	1,310,767	1,328,630	1,328,630	1,328,631	1,328,631	1,328,631	1,328,631	1,328,631	1,328,631	1,328,631	1,328,631		
1999	725,540	1,112,731	1,302,534	1,460,666	1,512,637	1,504,443	1,552,010	1,573,510	1,642,112	1,642,112	1,646,612	1,646,612	1,646,612	1,651,612	1,651,612					
2000	696,850	1,036,064	1,205,669	1,239,967	1,296,491	1,317,123	1,355,755	1,411,001	1,418,001	1,418,001	1,523,001	1,574,576	1,577,021	1,580,271						
2001	815,645	1,128,688	1,199,118	1,191,746	1,192,910	1,193,220	1,198,501	1,180,293	1,180,293	1,180,293	1,180,293	1,180,293	1,180,293							
2002	1,054,829	1,477,212	1,365,075	1,343,505	1,343,505	1,340,826	1,340,826	1,340,826	1,340,826	1,340,826	1,340,826	1,340,826								
2003	1,282,114	1,607,815	1,593,726	1,591,103	1,598,258	1,598,258	1,623,547	1,628,451	1,635,451	1,635,451	1,635,451									
2004	1,293,267	2,063,658	2,133,976	2,318,109	2,344,150	2,340,188	2,305,072	2,301,629	2,324,597	2,429,597										
2005	2,233,412	3,244,786	3,358,164	3,440,441	3,599,488	3,603,227	3,761,251	3,841,672	3,893,333											
2006	1,652,427	2,506,421	2,521,407	2,622,453	2,621,186	2,702,302	2,741,620	2,829,620												
2007	1,674,625	2,331,829	2,439,995	2,589,099	2,764,193	2,795,735	2,870,662													
2008	2,436,655	3,008,881	3,206,923	3,312,358	3,392,219	3,475,316														
2009	1,394,062	2,103,767	2,053,555		2,131,483	2,223,547														
2010	2,362,300	3,183,354	3,678,422	3,624,648																
2011	2,198,429	2,404,188	2,475,834																	
2012	1,359,817	1,686,437																		
2013	1,503,391																			
Accident Year	12 - 24	24 - 36	36 - 48	48 - 60	60 - 72	72 - 84	84 - 96	96 - 108	108 - 120	120 - 132	132 - 144	144 - 156	156 - 168	168 - 180	180 - 192	192 - 204	204 - 216	216 - 228	228 - 240	240 - Ult
1994	1.370	1.030	0.958	0.999	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	
1995	1.984	1.013	1.009	0.995	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	
1996	1.251	1.087	1.158	1.000	0.977	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000		
1997	1.177	1.154	0.978	0.999	1.016	1.018	1.000	1.001	1.000	1.000	0.996	1.014	1.000	1.000	1.004	1.034				
1998	1.397	1.092	0.994	1.032	1.057	1.030	1.075	1.014	1.000	1.000	1.000	1.000	1.000	1.000	1.000					
1999	1.534	1.171	1.121	1.036	0.995	1.032	1.014	1.044	1.000	1.003	1.000	1.000	1.003	1.000						
2000	1.487	1.164	1.028	1.046	1.016	1.029	1.041	1.005	1.000	1.074	1.034	1.002	1.002							
2001	1.384	1.062	0.994	1.001	1.000	1.004	0.985	1.000	1.000	1.000	1.000	1.000								
2002	1.400	0.924	0.984	1.000	0.998	1.000	1.000	1.000	1.000	1.000	1.000									
2003	1.254	0.991	0.998	1.004	1.000	1.016	1.003	1.004	1.000	1.000										
2004	1.596	1.034	1.086	1.011	0.998	0.985	0.999	1.010	1.045											
2005	1.453	1.035	1.025	1.046	1.001	1.044	1.021	1.013												
2006	1.517	1.006	1.040	1.000	1.031	1.015	1.032													
2007	1.392	1.046	1.061	1.068	1.011	1.027														
2008	1.235	1.066	1.033	1.024	1.024															
2009	1.509	0.976	1.038	1.043																
2010	1.348	1.156	0.985																	
2011	1.094	1.030																		
2012	1.240																			
NCCI Kansas	1.236	1.043	1.020	1.012	1.010	1.012	1.022	1.062	<-- 96 - Ult											
NCCI Countrywide	1.326	1.092	1.047	1.025	1.019	1.012	1.010	1.080	<-- 96 - Ult											
Average	1.401	1.058	1.029	1.019	1.008	1.014	1.013	1.008	1.004	1.008	1.003	1.002	1.001	1.000	1.001	1.009	1.000	1.000	1.000	
Average x H/L	1.385	1.059	1.025	1.017	1.007	1.014	1.010	1.005	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000		
Wtd Average	1.367	1.054	1.027	1.023	1.010	1.017	1.015	1.009	1.007	1.008	1.004	1.003	1.001	1.000	1.001	1.014	1.000	1.000	1.000	
Select for 94-03*	1.367	1.054	1.027	1.023	1.010	1.017	1.015	1.009	1.005	1.003	1.002	1.001	1.000	1.000	1.000	1.000	1.000	1.000	1.000	
94-03 Cumulative	1.620	1.185	1.124	1.094	1.069	1.058	1.040	1.025	1.016	1.011	1.008	1.006	1.005	1.005	1.005	1.005	1.005	1.005	1.005	1.005
Select for 04-13**	1.367	1.054	1.027	1.023	1.010	1.017	1.015	1.009	1.005	1.003	1.002	1.001	1.000	1.000	1.000	1.000	1.000	1.000	1.000	
04-13 Cumulative	1.643	1.202	1.140	1.110	1.085	1.074	1.056	1.040	1.031	1.026	1.023	1.021	1.020	1.020	1.020	1.020	1.020	1.020	1.020	1.020

* Years with SIRs of \$250,000 or \$300,000.

** Years with SIRs of \$500,000 or \$750,000.

KANSAS MUNICIPAL WORKERS' COMPENSATION INSURANCE TRUST

Workers' Compensation Net Ultimate Medical & Indemnity Loss & ALAE Indications Incurred Loss Development Projection Evaluation as of 12/31/13

		(1)	(2)	(3)	(4) = [(1)-(2)]x(3)+(2)
Accident Year	Months of Development	Incurred Loss & ALAE @ 12/31/13	Incurred Large Loss & ALAE Adjustment	Cumulative Incurred LDF*	Indicated Ultimate Loss & ALAE**
1994	240	\$742,241	\$0	1.005	\$745,952
1995	228	1,103,496	0	1.005	1,109,013
1996	216	836,631	0	1.005	840,814
1997	204	1,896,890	0	1.005	1,906,374
1998	192	1,328,631	0	1.005	1,335,274
1999	180	1,651,612	0	1.005	1,659,870
2000	168	1,580,271	0	1.005	1,588,172
2001	156	1,180,293	0	1.005	1,186,194
2002	144	1,340,826	0	1.006	1,348,871
2003	132	1,635,451	0	1.008	1,648,535
2004	120	2,429,597	0	1.026	2,492,767
2005	108	3,893,333	500,000	1.031	3,998,526
2006	96	2,829,620	0	1.040	2,942,805
2007	84	2,870,662	0	1.056	3,031,419
2008	72	3,475,316	0	1.074	3,732,489
2009	60	2,223,547	0	1.085	2,412,548
2010	48	3,624,648	0	1.110	4,023,359
2011	36	2,475,834	0	1.140	2,822,451
2012	24	1,686,437	0	1.202	2,027,097
2013	12	1,503,391	0	1.643	2,470,071
Total		\$40,308,727	\$500,000		\$43,322,601

* Based on KMIT loss history supplemented with NCCI Statistical Bulletin information.

** The 2005 claim that exceeded the SIR was not developed.

KANSAS MUNICIPAL WORKERS' COMPENSATION INSURANCE TRUST

Workers' Compensation
Paid Medical & Indemnity Loss & ALAE Limited to Per Claim Retentions

Accident Year	12	24	36	48	60	72	84	96	108	120	132	144	156	168	180	192	204	216	228	240
1994	337,680	572,772	672,657	722,555	742,241	742,241	742,241	742,241	742,241	742,241	742,241	742,241	742,241	742,241	742,241	742,241	742,241	742,241	742,241	742,241
1995	311,299	770,471	1,000,258	1,025,950	1,102,723	1,103,118	1,103,118	1,103,118	1,103,118	1,103,118	1,103,118	1,103,118	1,103,118	1,103,118	1,103,118	1,103,118	1,103,118	1,103,118	1,103,118	1,103,496
1996	233,827	557,835	701,367	831,383	856,495	836,460	836,493	836,493	836,493	836,631	836,631	836,631	836,631	836,631	836,631	836,631	836,631	836,631	836,631	
1997	698,376	1,236,709	1,600,714	1,689,902	1,749,729	1,761,798	1,774,588	1,787,037	1,785,022	1,790,744	1,795,115	1,799,457	1,812,180	1,817,500	1,822,970	1,830,014	1,835,872			
1998	382,887	762,358	946,649	1,033,877	1,068,430	1,123,046	1,188,439	1,286,699	1,311,945	1,328,630	1,328,631	1,328,631	1,328,631	1,328,631	1,328,631	1,328,631	1,328,631	1,328,631		
1999	497,057	945,543	1,231,294	1,387,701	1,433,141	1,470,482	1,488,630	1,501,435	1,569,579	1,633,846	1,636,617	1,637,470	1,638,895	1,640,575	1,645,221					
2000	405,729	832,626	1,120,010	1,198,918	1,296,491	1,310,649	1,327,913	1,363,971	1,378,649	1,395,111	1,462,558	1,547,462	1,550,510	1,553,759						
2001	460,784	967,977	1,064,877	1,191,746	1,192,444	1,193,220	1,194,038	1,180,293	1,180,293	1,180,293	1,180,293	1,180,293	1,180,293							
2002	659,579	1,130,950	1,324,566	1,340,467	1,340,825	1,340,825	1,340,825	1,340,825	1,340,826	1,340,826	1,340,826	1,340,826								
2003	964,665	1,462,892	1,532,404	1,542,377	1,598,258	1,598,258	1,602,481	1,616,517	1,623,367	1,623,367	1,623,367									
2004	786,944	1,561,934	1,953,110	2,101,031	2,248,698	2,279,692	2,294,399	2,297,324	2,307,329	2,380,745										
2005	1,229,826	2,570,887	2,944,207	3,152,061	3,367,881	3,469,495	3,621,588	3,735,826	3,762,129											
2006	874,076	1,920,917	2,220,653	2,387,480	2,526,291	2,625,597	2,641,385	2,739,343												
2007	787,012	1,984,011	2,279,729	2,351,320	2,526,347	2,619,834	2,663,981													
2008	1,191,790	2,489,314	2,865,128	3,060,081	3,201,123	3,242,919														
2009	730,841	1,582,734	1,831,733	1,946,136	2,099,939															
2010	1,125,821	2,295,412	3,059,724	3,408,765																
2011	923,653	1,662,070	1,908,433																	
2012	794,945	1,405,620																		
2013	678,447																			
Accident Year	12 - 24	24 - 36	36 - 48	48 - 60	60 - 72	72 - 84	84 - 96	96 - 108	108 - 120	120 - 132	132 - 144	144 - 156	156 - 168	168 - 180	180 - 192	192 - 204	204 - 216	216 - 228	228 - 240	240 - Ult
1994	1.696	1.174	1.074	1.027	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	
1995	2.475	1.298	1.026	1.075	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	
1996	2.386	1.257	1.185	1.030	0.977	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	
1997	1.771	1.294	1.056	1.035	1.007	1.007	1.007	0.999	1.003	1.002	1.002	1.007	1.003	1.003	1.004	1.003				
1998	1.991	1.242	1.092	1.033	1.051	1.058	1.083	1.020	1.013	1.000	1.000	1.000	1.000	1.000	1.000					
1999	1.902	1.302	1.127	1.033	1.026	1.012	1.009	1.045	1.041	1.002	1.001	1.001	1.001	1.003						
2000	2.052	1.345	1.070	1.081	1.011	1.013	1.027	1.011	1.012	1.048	1.058	1.002	1.002							
2001	2.101	1.100	1.119	1.001	1.001	1.001	0.988	1.000	1.000	1.000	1.000	1.000								
2002	1.715	1.171	1.012	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000									
2003	1.516	1.048	1.007	1.036	1.000	1.003	1.009	1.004	1.000	1.000										
2004	1.985	1.250	1.076	1.070	1.014	1.006	1.001	1.004	1.032											
2005	2.090	1.145	1.071	1.068	1.030	1.044	1.032	1.007												
2006	2.198	1.156	1.075	1.058	1.039	1.006	1.037													
2007	2.521	1.149	1.031	1.074	1.037	1.017														
2008	2.089	1.151	1.068	1.046	1.013															
2009	2.166	1.157	1.062	1.079																
2010	2.039	1.333	1.114																	
2011	1.799	1.148																		
2012	1.768																			
NCCI Kansas	2.122	1.242	1.098	1.046	1.029	1.019	1.016	1.111	<-- 96 - Ult											
NCCI Countrywide	2.139	1.267	1.122	1.068	1.043	1.030	1.022	1.200	<-- 96 - Ult											
Average	2.014	1.207	1.074	1.047	1.014	1.012	1.015	1.008	1.009	1.005	1.007	1.001	1.001	1.001	1.001	1.001	1.000	1.000	1.000	
Average x H/L	2.013	1.208	1.072	1.048	1.014	1.009	1.011	1.005	1.007	1.001	1.000	1.000	1.001	1.001	1.000	1.000	1.000	1.000	1.000	
Wtd Average	1.994	1.196	1.071	1.051	1.018	1.015	1.018	1.008	1.012	1.006	1.008	1.002	1.001	1.001	1.001	1.001	1.000	1.000	1.000	
Select for 94-03*	1.994	1.196	1.071	1.051	1.018	1.015	1.018	1.008	1.005	1.003	1.002	1.001	1.001	1.001	1.001	1.001	1.001	1.001	1.001	
94-03 Cumulative	2.953	1.481	1.238	1.156	1.100	1.081	1.065	1.046	1.038	1.033	1.030	1.028	1.027	1.026	1.025	1.024	1.023	1.022	1.021	1.020
Select for 04-13**	1.994	1.196	1.071	1.051	1.018	1.015	1.018	1.008	1.005	1.003	1.002	1.001	1.001	1.001	1.001	1.001	1.001	1.001	1.001	
04-13 Cumulative	2.995	1.502	1.256	1.173	1.116	1.096	1.080	1.061	1.053	1.048	1.045	1.043	1.042	1.041	1.040	1.039	1.038	1.037	1.036	1.035

* Years with SIRs of \$250,000 or \$300,000.

** Years with SIRs of \$500,000 or \$750,000.

KANSAS MUNICIPAL WORKERS' COMPENSATION INSURANCE TRUST

Workers' Compensation
Net Ultimate Medical & Indemnity Loss & ALAE Indications
Paid Loss Development Projection
Evaluation as of 12/31/13

		(1)	(2)	(3)	(4)	(5) = [(1)-(2)]x(4)+(3)
Accident Year	Months of Development	Paid Loss & ALAE @12/31/13	Paid Large Loss & ALAE Adjustment	Incurred Large Loss & ALAE Adjustment	Cumulative Paid LDF*	Indicated Ultimate Loss & ALAE**
1994	240	\$742,241	\$0	\$0	1.020	\$757,086
1995	228	1,103,496	0	0	1.021	1,126,669
1996	216	836,631	0	0	1.022	855,037
1997	204	1,835,872	0	0	1.023	1,878,097
1998	192	1,328,631	0	0	1.024	1,360,518
1999	180	1,645,221	0	0	1.025	1,686,352
2000	168	1,553,759	0	0	1.026	1,594,157
2001	156	1,180,293	0	0	1.027	1,212,161
2002	144	1,340,826	0	0	1.028	1,378,369
2003	132	1,623,367	0	0	1.030	1,672,068
2004	120	2,380,745	0	0	1.048	2,495,021
2005	108	3,762,129	499,925	500,000	1.053	3,935,101
2006	96	2,739,343	0	0	1.061	2,906,443
2007	84	2,663,981	0	0	1.080	2,877,099
2008	72	3,242,919	0	0	1.096	3,554,239
2009	60	2,099,939	0	0	1.116	2,343,532
2010	48	3,408,765	0	0	1.173	3,998,481
2011	36	1,908,433	0	0	1.256	2,396,992
2012	24	1,405,620	0	0	1.502	2,111,241
2013	12	678,447	0	0	2.995	2,031,949
Total		\$37,480,658	\$499,925	\$500,000		\$42,170,612

* Based on KMIT loss history supplemented with NCCI Statistical Bulletin information.

** The 2005 claim that exceeded the SIR was not developed.

KANSAS MUNICIPAL WORKERS' COMPENSATION INSURANCE TRUST

Workers' Compensation

Net Ultimate Medical & Indemnity Loss & ALAE Indications

Incurred Bornhuetter - Ferguson Projection Method

Evaluation as of 12/31/13

		(1)	(2)	(3)	(4)	(5)	(6)
					$=[(1)-(2)] \times [1-1/(3)]$		$= (4) + (5)$
Accident Year	Months of Development	A' Priori Ultimate Losses & ALAE*	Large Loss & ALAE Adjustment	Incurred Cumulative LDF	IBNR**	Incurred Loss & ALAE @ 12/31/13	Indicated Ultimate Loss & ALAE
1994	240	\$742,241	\$0	1.005	\$3,693	\$742,241	\$745,934
1995	228	1,103,118	0	1.005	5,488	1,103,496	1,108,984
1996	216	836,631	0	1.005	4,162	836,631	840,793
1997	204	1,833,890	0	1.005	9,124	1,896,890	1,906,014
1998	192	1,328,631	0	1.005	6,610	1,328,631	1,335,241
1999	180	1,651,612	0	1.005	8,217	1,651,612	1,659,829
2000	168	1,586,825	0	1.005	7,895	1,580,271	1,588,166
2001	156	1,180,293	0	1.005	5,872	1,180,293	1,186,165
2002	144	1,340,826	0	1.006	7,997	1,340,826	1,348,823
2003	132	1,657,445	0	1.008	13,154	1,635,451	1,648,605
2004	120	2,391,880	0	1.026	60,613	2,429,597	2,490,210
2005	108	3,935,404	500,000	1.031	103,295	3,893,333	3,996,628
2006	96	2,851,551	0	1.040	109,675	2,829,620	2,939,295
2007	84	2,925,565	0	1.056	155,144	2,870,662	3,025,806
2008	72	3,598,190	0	1.074	247,920	3,475,316	3,723,236
2009	60	2,306,690	0	1.085	180,708	2,223,547	2,404,255
2010	48	3,999,039	0	1.110	396,301	3,624,648	4,020,949
2011	36	2,869,484	0	1.140	352,393	2,475,834	2,828,227
2012	24	3,033,602	0	1.202	509,807	1,686,437	2,196,244
2013	12	3,755,008	0	1.643	1,469,550	1,503,391	2,972,941
Total		\$44,927,925	\$500,000		\$3,657,618	\$40,308,727	\$43,966,345

* The A'Priori Ultimate Losses & ALAE are based on Milliman's 12/31/12 analysis.

** No additional IBNR has been included for the 2005 claim that exceeded the SIR.

KANSAS MUNICIPAL WORKERS' COMPENSATION INSURANCE TRUST

Workers' Compensation
Net Ultimate Medical & Indemnity Loss & ALAE Indications
Paid Bornhuetter - Ferguson Projection Method
Evaluation as of 12/31/13

		(1)	(2)	(3)	(4)	(5)	(6)
					$=[(1)-(2)] \times [1-1/(3)]$		$= (4) + (5)$
Accident Year	Months of Development	A' Priori Ultimate Losses & ALAE*	Large Loss & ALAE Adjustment	Paid Cumulative LDF	Unpaid**	Paid Loss & ALAE @12/31/13	Indicated Ultimate Loss & ALAE
1994	240	\$742,241	\$0	1.020	\$14,554	\$742,241	\$756,795
1995	228	1,103,118	0	1.021	22,689	1,103,496	1,126,185
1996	216	836,631	0	1.022	18,010	836,631	854,641
1997	204	1,833,890	0	1.023	41,231	1,835,872	1,877,103
1998	192	1,328,631	0	1.024	31,140	1,328,631	1,359,771
1999	180	1,651,612	0	1.025	40,283	1,645,221	1,685,504
2000	168	1,586,825	0	1.026	40,212	1,553,759	1,593,971
2001	156	1,180,293	0	1.027	31,030	1,180,293	1,211,323
2002	144	1,340,826	0	1.028	36,521	1,340,826	1,377,347
2003	132	1,657,445	0	1.030	48,275	1,623,367	1,671,642
2004	120	2,391,880	0	1.048	109,552	2,380,745	2,490,297
2005	108	3,935,404	500,000	1.053	172,912	3,762,129	3,935,041
2006	96	2,851,551	0	1.061	163,944	2,739,343	2,903,287
2007	84	2,925,565	0	1.080	216,709	2,663,981	2,880,690
2008	72	3,598,190	0	1.096	315,170	3,242,919	3,558,089
2009	60	2,306,690	0	1.116	239,763	2,099,939	2,339,702
2010	48	3,999,039	0	1.173	589,799	3,408,765	3,998,564
2011	36	2,869,484	0	1.256	584,863	1,908,433	2,493,296
2012	24	3,033,602	0	1.502	1,013,894	1,405,620	2,419,514
2013	12	3,755,008	0	2.995	2,501,249	678,447	3,179,696
Total		\$44,927,925	\$500,000		\$6,231,800	\$37,480,658	\$43,712,458

* The A'Priori Ultimate Losses & ALAE are based on Milliman's 12/31/12 analysis.

** No additional IBNR has been included for the 2005 claim that exceeded the SIR.

KANSAS MUNICIPAL WORKERS' COMPENSATION INSURANCE TRUST

Workers' Compensation
Selection of Medical & Indemnity Net Ultimate Loss & ALAE
Evaluation as of 12/31/13

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8) =Min [(6), (7)]
	Incurred Loss & ALAE @ 12/31/13	Ultimate Loss and ALAE Based on:				Selected Ultimate Loss & ALAE*	Aggregate Retention**	Selected Ultimate Loss & ALAE Limited to Aggregate
Accident Year		Incurred Development Method	Paid Development Method	Incurred Born-Ferg Method	Paid Born-Ferg Method			
1994	\$742,241	\$745,952	\$757,086	\$745,934	\$756,795	\$742,241	N/A	\$742,241
1995	1,103,496	1,109,013	1,126,669	1,108,984	1,126,185	1,103,496	N/A	1,103,496
1996	836,631	840,814	855,037	840,793	854,641	836,631	\$1,796,589	836,631
1997	1,896,890	1,906,374	1,878,097	1,906,014	1,877,103	1,896,890	1,543,031	1,543,031
1998	1,328,631	1,335,274	1,360,518	1,335,241	1,359,771	1,328,631	1,472,773	1,328,631
1999	1,651,612	1,659,870	1,686,352	1,659,829	1,685,504	1,651,612	1,540,262	1,540,262
2000	1,580,271	1,588,172	1,594,157	1,588,166	1,593,971	1,590,103	1,702,335	1,590,103
2001	1,180,293	1,186,194	1,212,161	1,186,165	1,211,323	1,180,293	2,045,088	1,180,293
2002	1,340,826	1,348,871	1,378,369	1,348,823	1,377,347	1,340,826	2,720,504	1,340,826
2003	1,635,451	1,648,535	1,672,068	1,648,605	1,671,642	1,656,261	3,218,926	1,656,261
2004	2,429,597	2,492,767	2,495,021	2,490,210	2,490,297	2,491,091	4,544,300	2,491,091
2005	3,893,333	3,998,526	3,935,101	3,996,628	3,935,041	3,976,732	5,602,842	3,976,732
2006	2,829,620	2,942,805	2,906,443	2,939,295	2,903,287	2,928,462	4,978,483	2,928,462
2007	2,870,662	3,031,419	2,877,099	3,025,806	2,880,690	2,979,305	4,920,798	2,979,305
2008	3,475,316	3,732,489	3,554,239	3,723,236	3,558,089	3,671,271	5,448,469	3,671,271
2009	2,223,547	2,412,548	2,343,532	2,404,255	2,339,702	2,385,502	5,503,943	2,385,502
2010	3,624,648	4,023,359	3,998,481	4,020,949	3,998,564	4,014,291	5,517,871	4,014,291
2011	2,475,834	2,822,451	2,396,992	2,828,227	2,493,296	2,714,658	5,397,530	2,714,658
2012	1,686,437	2,027,097	2,111,241	2,196,244	2,419,514	2,214,285	5,388,562	2,214,285
2013	1,503,391	2,470,071	2,031,949	2,972,941	3,179,696	3,076,319	6,091,073	3,076,319
Total	\$40,308,727	\$43,322,601	\$42,170,612	\$43,966,345	\$43,712,458	\$43,778,900		\$43,313,691

* Gross of Aggregate Excess Coverage; Net of Specific Excess Coverage.

** The Aggregate Retention for 1994 and 1995 is \$2,376,391 on a combined basis.

KANSAS MUNICIPAL WORKERS' COMPENSATION INSURANCE TRUST

Workers' Compensation

Calculation of Medical & Indemnity Net Unpaid Loss & ALAE

Evaluation as of 12/31/13

	(1)	(2)	(3)	(4) = (2) - (3)	(5) = (1) - (2)	(6) = (4) + (5)
Accident Year	Net Ultimate Loss & ALAE*	Net Incurred Loss & ALAE*	Net Paid Loss & ALAE*	Net Case Reserves	Net IBNR**	Total Net Unpaid Loss & ALAE
1994	\$742,241	\$742,241	\$742,241	\$0	\$0	\$0
1995	1,103,496	1,103,496	1,103,496	0	0	0
1996	836,631	836,631	836,631	0	0	0
1997	1,543,031	1,604,950	1,543,932	61,018	(61,919)	(901)
1998	1,328,631	1,328,631	1,328,631	0	0	0
1999	1,540,262	1,547,470	1,541,079	6,391	(7,208)	(817)
2000	1,590,103	1,580,271	1,553,759	26,512	9,832	36,344
2001	1,180,293	1,180,293	1,180,293	0	0	0
2002	1,340,826	1,340,826	1,340,826	0	0	0
2003	1,656,261	1,635,451	1,623,367	12,084	20,810	32,894
2004	2,491,091	2,429,597	2,380,745	48,852	61,494	110,346
2005	3,976,732	3,893,333	3,762,129	131,204	83,399	214,603
2006	2,928,462	2,829,620	2,739,343	90,277	98,842	189,119
2007	2,979,305	2,870,662	2,663,981	206,681	108,643	315,324
2008	3,671,271	3,475,316	3,242,919	232,397	195,955	428,352
2009	2,385,502	2,223,547	2,099,939	123,608	161,955	285,563
2010	4,014,291	3,624,648	3,408,765	215,883	389,643	605,526
2011	2,714,658	2,475,834	1,908,433	567,401	238,824	806,225
2012	2,214,285	1,686,437	1,405,620	280,817	527,848	808,665
2013	3,076,319	1,503,391	678,447	824,944	1,572,928	2,397,872
Total	\$43,313,691	\$39,912,645	\$37,084,576	\$2,828,069	\$3,401,046	\$6,229,115

* Net of Aggregate Excess Coverage; Net of Specific Excess Coverage.

** For the 1997 and 1999 years, incurred and paid losses exceed the aggregate retention.

Ultimately KMIT should recover losses excess of the aggregate retention from Safety National.

KANSAS MUNICIPAL WORKERS' COMPENSATION INSURANCE TRUST

Workers' Compensation Projected 2014 Ultimate Loss & ALAE

	(1)	(2)	(3)	(4)	(5)	(6)	(7) (3)x(4)x(5)x(6)
Accident Year	Ultimate Loss & ALAE Gross of Aggregate	Payroll (\$00's)	Pure Premium	Increased Limits Factor to \$750,000*	Benefit Level Adjustment Factor	Trend Factor**	Trended Pure Premium at \$750,000 Retention
2006	\$2,928,462	\$1,399,227	\$2.09	1.000	1.039	1.13	\$2.45
2007	2,979,305	1,485,167	2.01	1.000	1.030	1.11	2.30
2008	3,671,271	1,588,854	2.31	1.000	1.007	1.09	2.54
2009	2,385,502	1,594,082	1.50	1.000	1.002	1.08	1.62
2010	4,014,291	1,606,836	2.50	1.000	1.010	1.06	2.68
2011	2,714,658	1,534,033	1.77	1.000	1.005	1.05	1.87
2012	2,214,285	1,569,681	1.41	1.000	1.000	1.03	1.45
2013	3,076,319	1,806,265	1.70	1.000	1.000	1.02	1.73
Total	\$23,984,093	\$12,584,145	\$1.91			Weighted Average	\$2.07
						Avg M3L5	1.74
						Avg L3	1.68
						NCCI Kansas	2.23
(8)	2014 Selected Net Pure Premium						\$2.05
(9)	2014 Projected Payroll (\$00's)						\$1,967,853
(10) = (8) x (9)	Estimated KMIT 2014 Ultimate Losses and ALAE (Prior to Aggregate Excess Insurance)						\$4,034,098
(11)	Aggregate Retention Factor for 2014						0.97
(12) = (10) x (11)	Estimated KMIT 2014 Ultimate Losses and ALAE (Limited to Aggregate Retention)						\$3,913,075
(13)	Discount Factor at 0.69%						0.985
(14) = (12) x (13)	Present Value of Estimated KMIT 2014 Ultimate Losses and ALAE (Limited to Aggregate Retention)						\$3,854,379

* Based on Kansas NCCI Filing.

** Trended at 1.5% per year.

KANSAS MUNICIPAL WORKERS' COMPENSATION INSURANCE TRUST

Workers' Compensation
Calculation of the On-Level Benefit Level Factors
For the Pure Premium Method

Date	Incremental Benefit Level Change*	Cumulative Benefit Level Change	Accident Year	Average Benefit Level	Anticipated Benefit Level Factor to 2014
07/01/93	0.889	0.889	2006	1.005	1.039
07/01/93	1.009	0.897	2007	1.013	1.030
11/01/93	0.981	0.880	2008	1.036	1.007
07/01/94	1.004	0.883	2009	1.042	1.002
07/01/95	1.004	0.887	2010	1.033	1.010
05/01/96	1.024	0.908	2011	1.039	1.005
07/01/96	1.007	0.915	Estimated 2012	1.043	1.000
07/01/97	1.007	0.921	Estimated 2013	1.043	1.000
09/01/97	0.985	0.907	Estimated 2014	1.043	1.000
07/01/98	1.008	0.915			
07/01/99	1.008	0.922			
10/01/99	1.012	0.933			
07/01/00	1.010	0.942			
07/01/00	1.008	0.950			
07/01/01	1.007	0.956			
12/01/01	1.023	0.978			
07/01/02	1.006	0.984			
07/01/03	1.004	0.988			
12/01/03	0.993	0.981			
07/01/04	1.004	0.985			
07/01/05	1.005	0.990			
12/01/05	1.012	1.002			
07/01/06	1.005	1.007			
07/01/07	1.009	1.016			
12/01/07	1.018	1.034			
07/01/08	1.004	1.039			
07/01/09	1.006	1.045			
01/01/10	0.985	1.029			
07/01/10	1.007	1.036			
01/01/11	1.006	1.042			
05/15/11	0.994	1.036			
07/01/11	1.000	1.036			
01/01/12	1.007	1.043			
07/01/12	1.000	1.043			

* Source: 2013 NCCI Annual Statistical Bulletin.

KANSAS MUNICIPAL WORKERS' COMPENSATION INSURANCE TRUST

Workers' Compensation

Selection of Payment Pattern Based on Selected Paid LDFs

(1)	(2)	(3)	(4) = 1 / (2)	(5) = 1 / (3)	(6)
Month of Development	1994-2003 Selected Cumulative Paid LDF*	2004-2013 Selected Cumulative Paid LDF*	1994-2003 Indicated Payment Pattern	2004-2013 Indicated Payment Pattern	Selected Payment Pattern
240	1.020	1.035	98.0%	96.6%	100.0%
228	1.021	1.036	97.9%	96.5%	100.0%
216	1.022	1.037	97.8%	96.4%	100.0%
204	1.023	1.038	97.8%	96.3%	100.0%
192	1.024	1.039	97.7%	96.2%	100.0%
180	1.025	1.040	97.6%	96.2%	100.0%
168	1.026	1.041	97.5%	96.1%	99.5%
156	1.027	1.042	97.4%	96.0%	99.0%
144	1.028	1.043	97.3%	95.9%	98.0%
132	1.030	1.045	97.1%	95.7%	97.0%
120	1.033	1.048	96.8%	95.4%	96.0%
108	1.038	1.053	96.3%	95.0%	95.0%
96	1.046	1.061	95.6%	94.3%	94.0%
84	1.065	1.080	93.9%	92.6%	92.0%
72	1.081	1.096	92.5%	91.2%	90.0%
60	1.100	1.116	90.9%	89.6%	87.5%
48	1.156	1.173	86.5%	85.3%	85.0%
36	1.238	1.256	80.8%	79.6%	80.0%
24	1.481	1.502	67.5%	66.6%	70.0%
12	2.953	2.995	33.9%	33.4%	40.0%

* Loss Development Factors are selected on Exhibit 4.

KANSAS MUNICIPAL WORKERS' COMPENSATION INSURANCE TRUST

Workers' Compensation Calculation of Discount Factor for 2014

(1)	(2)	(3)	(4)
Month of Development	Selected Cumulative Payment Pattern*	Incremental Payment Pattern*	Discounted Incremental Payment Pattern**
12	40.0%	40.0%	39.9%
24	70.0%	30.0%	29.7%
36	80.0%	10.0%	9.8%
48	85.0%	5.0%	4.9%
60	87.5%	2.5%	2.4%
72	90.0%	2.5%	2.4%
84	92.0%	2.0%	1.9%
96	94.0%	2.0%	1.9%
108	95.0%	1.0%	0.9%
120	96.0%	1.0%	0.9%
132	97.0%	1.0%	0.9%
144	98.0%	1.0%	0.9%
156	99.0%	1.0%	0.9%
168	99.5%	0.5%	0.5%
180	100.0%	0.5%	0.5%
192	100.0%	0.0%	0.0%
204	100.0%	0.0%	0.0%
216	100.0%	0.0%	0.0%
228	100.0%	0.0%	0.0%
240	100.0%	0.0%	0.0%
Total		100.0%	98.5%

* Columns (2) and (3) represent the projected payment pattern for a fund year at its inception.

** Based on a 0.69% assumed yield as provided by KMIT.

KANSAS MUNICIPAL WORKERS' COMPENSATION INSURANCE TRUST

Workers' Compensation Projected 2014 Ultimate Loss & ALAE at Various Probability Levels Discounted at 0.69%

Probability Level	Gross of Aggregate Retention		Limited to Aggregate Retention	
	Undiscounted	Discounted at 0.69%	Undiscounted	Discounted at 0.69%
95%	9,359,107	9,218,720	6,926,841	6,822,938
85%	6,333,534	6,238,531	6,143,528	6,051,375
75%	5,082,963	5,006,719	4,930,475	4,856,517
65%	4,276,144	4,212,002	4,147,860	4,085,642
Actuarial Central Estimate	4,034,098	3,973,587	3,913,075	3,854,379

KANSAS MUNICIPAL INSURANCE TRUST

FINANCIAL STATEMENTS-STATUTORY BASIS
WITH
SUPPLEMENTAL INFORMATION
DECEMBER 31, 2013 AND 2012
TOGETHER WITH REPORT OF INDEPENDENT AUDITORS

KANSAS MUNICIPAL INSURANCE TRUST

FINANCIAL STATEMENTS DECEMBER 31, 2013 AND 2012

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Independent Auditors' Report

To the Board of Trustees
Kansas Municipal Insurance Trust

We have audited the accompanying statutory financial statements of Kansas Municipal Insurance Trust, which comprise the statutory-basis balance sheets as of December 31, 2013 and 2012 and the related statutory-basis statements of revenue, expenses, and changes in fund balance, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial reporting provisions prescribed or permitted by the Kansas Insurance Department. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 1, these financial statements were prepared by Kansas Municipal Insurance Trust on the basis of the financial reporting provisions prescribed or permitted by the Kansas Insurance Department, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of the Kansas Insurance Department. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

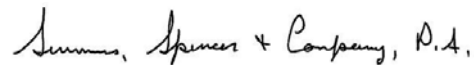
In our opinion, because of the significance of the matter discussed in the Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles paragraph, the financial statements referred to in the first paragraph do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of Kansas Municipal Insurance Trust as of December 31, 2013 and 2012, or the results of its operations or its cash flows for the years then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred in the first paragraph present fairly, in all material respects, the admitted assets, liabilities, and fund balance of Kansas Municipal Insurance Trust as of December 31, 2013 and 2012 and the results of its operations and its cash flows for the years then ended, in accordance with the financial reporting provisions prescribed or permitted by the Kansas Insurance Department as described in Note 1.

Other Matter

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of administrative expenses, statements of revenues, expenses and changes in fund balance and statements of revenue, expenses and changes in fund balance cumulative activity by contract period are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.



Summers, Spencer & Company, P.A.
Topeka, Kansas

May 29, 2014

KANSAS MUNICIPAL INSURANCE TRUST

BALANCE SHEETS – STATUTORY BASIS

December 31,	2013	2012
ASSETS		
Current assets		
Cash and cash equivalents	\$ 3,033,131	\$ 1,743,814
Investments	8,911,957	9,141,060
Interest income accrued	21,287	25,262
Premiums receivable	85,080	103,692
Agent commissions receivable	4,894	6,074
Excess insurance premium receivable	20,417	14,186
Specific receivable	98,887	7,087
Prepaid expenses	-	15,528
<i>Total current assets</i>	12,175,653	11,056,703
Less: non admitted assets	-	(15,528)
<i>Total admitted assets</i>	<u>\$ 12,175,653</u>	<u>\$ 11,041,175</u>
LIABILITIES AND FUND BALANCE		
Liabilities		
Reserve for unpaid workers' compensation claims	\$ 6,229,344	\$ 6,001,681
Other expenses due or accrued	39,300	41,845
Taxes, licenses and fees due or accrued	285,838	296,725
Return premiums payable	429,792	314,725
Deposits on premium	241,041	458,477
<i>Total current liabilities</i>	7,225,315	7,113,453
Fund balance		
Fund balance	<u>4,950,338</u>	<u>3,927,722</u>
<i>Total liabilities and fund balance</i>	<u>\$ 12,175,653</u>	<u>\$ 11,041,175</u>

KANSAS MUNICIPAL INSURANCE TRUST

STATEMENTS OF REVENUE, EXPENSES, AND CHANGES IN FUND BALANCE – STATUTORY BASIS

For the years ended December 31,	2013	2012
Underwriting income		
Direct premiums earned	\$ 4,853,835	\$ 4,484,533
Less: excess insurance premium	<u>395,840</u>	<u>337,121</u>
Net underwriting income	<u>4,457,995</u>	<u>4,147,412</u>
Deductions		
Workers' compensation claims incurred	2,305,548	2,736,083
Claims adjustment expenses incurred	237,435	145,443
Other administrative expenses incurred	<u>979,785</u>	<u>783,902</u>
Total underwriting deductions	<u>3,522,768</u>	<u>3,665,429</u>
Net underwriting gain	935,227	481,983
Investment income / Other income		
Interest earned	<u>71,861</u>	<u>70,104</u>
Net income	1,007,088	552,087
Fund balance, beginning of year	3,927,722	3,380,120
Change in non - admitted assets	<u>15,528</u>	<u>(4,485)</u>
Fund balance, end of year	<u>\$ 4,950,338</u>	<u>\$ 3,927,722</u>

KANSAS MUNICIPAL INSURANCE TRUST
STATEMENTS OF CASH FLOWS – STATUTORY BASIS

For the years ended December 31,	2013	2012
Cash flows from operating activities		
Net income	\$ 1,007,088	\$ 552,087
Adjustments to reconcile net income to net cash used in operating activities:		
Amortization of premiums on investments	32,597	57,186
(Increase) decrease in assets:		
Interest income accrued	3,975	17,438
Premium receivable	18,612	(26,807)
Agent commission receivable	1,180	1,679
Excess insurance premium receivable	(6,231)	2,091
Specific receivable	(91,800)	(1,643)
Prepaid expenses	15,528	(4,485)
Increase (decrease) in liabilities:		
Reserve for unpaid workers' compensation claims	227,663	83,116
Other expenses due or accrued	(2,545)	2,045
Taxes, licenses and fees due or accrued	(10,887)	(153,025)
Return premium payable	115,067	25,928
Deposits on premiums	(217,436)	(105,568)
<i>Net cash provided by operating activities</i>	1,092,811	450,042
Cash flows from investing activities		
Purchase and maturities of investments:		
Purchase of U.S. Government and agency securities	(3,738,494)	(7,660,809)
Sale and maturity of U.S. Government and agency securities	3,935,000	7,000,000
<i>Net cash provided by (used in) investing activities</i>	196,506	(660,809)
<i>Net increase (decrease) in cash and cash equivalents</i>	1,289,317	(210,767)
Cash and cash equivalents, beginning of year	1,743,814	1,954,581
Cash and cash equivalents, end of year	\$ 3,033,131	\$ 1,743,814
Supplemental disclosure		
Cash paid during the year for:		
Income tax	\$ 0	\$ 0
Interest	\$ 0	\$ 0

The accompanying notes are an integral part of the financial statements.

KANSAS MUNICIPAL INSURANCE TRUST

NOTES TO FINANCIAL STATEMENTS

Note 1 – Description of business and ownership

Organization and nature of operations

Kansas Municipal Insurance Trust (“Trust”) is an interlocal governmental agency formed for the purpose of establishing and administering a group funded workers compensation pool (“Pool”) pursuant to the provisions of Kansas state law governing labor and industries. The Trust began operations on January 1, 1994 and provides a comprehensive workers’ compensation insurance program for members of the League of Kansas Municipalities. In addition to insurance coverage, the program provides risk management services with emphasis on loss control, claims administration, and management information services.

Each member of the Pool has jointly and severally agreed to assume, pay, and discharge all applicable liabilities under the Kansas Workers’ Compensation Act, 581, et. seq., and all lawful orders of the Commissioner of Insurance; and each member has agreed to pay any premiums, taxes, and assessments as may be required by the Board of Trustees.

Note 2 – Summary of accounting policies

Basis of accounting

The accompanying financial statements have been prepared in conformity with accounting practices prescribed or permitted by the Kansas Insurance Department and are not in conformity with generally accepted accounting principles followed by other business enterprises. The reporting requirements of regulatory authorities are designed primarily to demonstrate ability to meet claims of policyholders. Pursuant to such statutory practices:

- (1) Investments are comprised of U.S. Government securities, corporate bonds, stocks and deposits with banks and are carried in accordance with the accounting practices as prescribed by Kansas Statutes.
- (2) Premium income is recognized as earnings on a pro-rata basis over the periods covered by the policies. The related acquisition costs, such as commissions, premium taxes and other items, are charged to current operations as incurred.
- (3) Computer software, office furniture and fixtures, and accounts receivable over ninety (90) days past due, or otherwise not considered collectible, if any, are charged-off against the fund balance.
- (4) Subrogation recoverable is not recognized.
- (5) Non-admitted assets such as prepaid expenses and other assets not specifically identified as an Admitted asset within the NAIC’s Accounting Practices and Procedures Manual are excluded from The accompanying balance sheets and are charged directly to members’ equity for statutory purposes.

No determination has been made of the effect of such differences on the accompanying financial statements.

Reserves for unpaid workers compensation claims

The reserve for workers’ compensation claims is determined using case basis evaluations and statistical analyses, and represents estimates of the ultimate net cost of all losses and claims incurred through the end of the contract year.

KANSAS MUNICIPAL INSURANCE TRUST

NOTES TO FINANCIAL STATEMENTS

Excess insurance

The Trust obtained insurance coverage for workers' compensation claims in excess of \$750,000 per occurrence for the period from January 1, 2013 to January 1, 2014 and \$750,000 per occurrence for the period from January 1, 2012 to January 1, 2013. The actual amount recoverable from the excess insurer depends on the ultimate claims settlements.

Concentration Risk

The Trust's direct premiums earned consist solely of amounts from members of the Pool. These members are all located within the State of Kansas. The Trust does not require collateral.

Excess insurance losses for applicable years are contractually transferred to an excess carrier. The Trust does not require collateral from its excess carrier.

Cash and cash equivalents

The Trust considers all highly liquid investments to be cash equivalents, including deposit accounts and all certificates of deposit.

The Company has cash in excess of the \$250,000 FDIC insured limit at UMB Bank N.A. and Commerce Bank. The Company has entered into a repurchase agreement with UMB to cover these excess funds, which is secured by U.S. Treasury Notes held by the bank. Cash accounts at Commerce Bank exceeded the Federal limit by \$2,378,854 at December 31, 2013 and no such agreement was in place to cover these excess funds.

Use of estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates. Significant estimates that are subject to change in the near term relate to the estimates for reserves for unpaid workers' compensation claims.

Note 3 – Cash allocation

Cash is allocated between administrative and claims funds as follows:

	<u>2013</u>	<u>2012</u>
Cash-administrative	\$ 41,306	\$ 223,531
Cash-claims	<u>2,991,825</u>	<u>1,520,283</u>
Total cash and cash equivalents	<u>\$ 3,033,131</u>	<u>\$ 1,743,814</u>

KANSAS MUNICIPAL INSURANCE TRUST

NOTES TO FINANCIAL STATEMENTS

Note 4 – Investments

Investments consist of U.S. Government obligations and are carried in accordance with the accounting practices prescribed by Kansas Statutes. The statutory value, original cost and market value of investments are as follows:

	<u>December 31, 2013</u>		
	<u>Statutory Value</u>	<u>Amortized Cost</u>	<u>Market Value</u>
U.S. Government obligations	<u>\$ 8,911,957</u>	<u>\$ 8,911,957</u>	<u>\$ 8,826,594</u>

	<u>December 31, 2012</u>		
	<u>Statutory Value</u>	<u>Amortized Cost</u>	<u>Market Value</u>
U.S. Government obligations	<u>\$ 9,141,060</u>	<u>\$ 9,141,060</u>	<u>\$ 9,142,617</u>

Market values of assets measured on a recurring basis at December 31, 2013 and 2012 are measured using quoted prices in active markets for identical assets, which are considered level one inputs.

Note 5 – Reserve for unpaid workers' compensation claims

The reserve for unpaid workers' compensation claims represents an estimate of the ultimate settlement of losses incurred through December 31. Management engaged an outside actuary to determine the sufficiency of the reserve for losses estimate at December 31, 2013 and 2012. The reserve is estimated based on management's evaluation of the actuarial study and its own evaluation of reported claims and an estimate for claims incurred but not reported. The accuracy of these estimates cannot be determined prior to the ultimate settlement of each claim. Accordingly, the ultimate cost of settling these claims may vary significantly from the liabilities recorded.

The components of the loss reserve at December 31, 2013 and 2012 are as follows:

	<u>2013</u>	<u>2012</u>
Reported claims	\$ 2,510,287	\$ 2,525,179
Claim adjustment expenses	248,656	203,051
Reserve for incurred but not reported claims	<u>3,470,401</u>	<u>3,273,451</u>
	<u>\$ 6,229,344</u>	<u>\$ 6,001,681</u>

KANSAS MUNICIPAL INSURANCE TRUST

NOTES TO FINANCIAL STATEMENTS

Activity in the liability for unpaid claims and claim adjustment expenses is summarized as follows.

	<u>2013</u>	<u>2012</u>
Balance at January 1, gross reserves	\$ 6,433,473	\$ 6,361,902
Less reinsurance recoverables	<u>431,792</u>	<u>443,337</u>
Net balance at beginning of period	<u>6,001,681</u>	<u>5,918,565</u>
Incurred related to:		
Current year	3,076,319	3,033,602
Prior years	<u>(533,336)</u>	<u>(152,076)</u>
Total incurred	<u>2,542,983</u>	<u>2,881,526</u>
Paid related to:		
Current year	678,220	794,945
Prior years	<u>1,637,100</u>	<u>2,003,465</u>
Total paid	<u>2,315,320</u>	<u>2,798,410</u>
Net balance at December 31	6,229,344	6,001,681
Plus reinsurance recoverables	<u>273,492</u>	<u>431,792</u>
Balance at December 31, gross reserves	<u>\$ 6,502,836</u>	<u>\$ 6,433,473</u>

Note 6 – Taxes, licenses and fees, due and accrued

The Division of Workers' Compensation fee and the Second Injury Fund assessment are based on certain percentages of losses. The percentages are established by the Director of Workers' Compensation and the Kansas Insurance Department, respectively. The percentages applicable to the year ended December 31, 2013 have not been released, so the fees and assessments included in the financial statements have been estimated using the prior year percentages. Since fees and assessments are based on losses, the ultimate amounts payable will depend on the ultimate claim settlements, as well as on the final percentages established. Accordingly, the actual amounts payable may vary significantly from the estimated amounts included in the financial statements.

Note 7 – Deposits on premiums

Deposits on premium of \$241,041 and \$458,477 represent premiums for the 2014 and 2013 contract years collected prior to December 31, 2013 and 2012, respectively.

KANSAS MUNICIPAL INSURANCE TRUST

NOTES TO FINANCIAL STATEMENTS

Note 8 – Related party transactions

The Trust is sponsored by the League of Kansas Municipalities and employed the League of Kansas Municipalities for endorsement purposes during 2013 and 2012 and for administrative services and loss control services during 2012 only. During the years ended December 31, 2013 and 2012, the Trust incurred expenses of \$70,000 and \$230,004 each year, respectively, for these services.

All fees are based on contract provisions or agreement of the Board of Trustees.

Note 9 – Commitments and Contingencies

The Trust, in common with other group funded workers compensation pools, is continually engaged in defending insurance claim proceedings as a normal part of the Trust's business.

Note 10 – Subsequent events

Management has evaluated subsequent events through May 29, 2014, the date on which the financial statements were available to be issued, and determined that there have been no subsequent events that would require recognition in, or disclosure in the notes to, the financial statements.

SUPPLEMENTAL INFORMATION

KANSAS MUNICIPAL INSURANCE TRUST
SCHEDULE OF ADMINISTRATIVE EXPENSES

For the years ended December 31,	2013	2012
Insurance Department fees and taxes	\$ 112,979	\$ (23,184)
Risk and claim management fees	505,000	400,000
League of Kansas Municipalities fees	70,000	230,004
Administrator fees	75,600	-
Independent agent commissions	102,695	98,144
NCCI fees	18,702	6,636
Professional services	42,748	43,020
Other expenses	52,061	29,282
	<u>\$ 979,785</u>	<u>\$ 783,902</u>

KANSAS MUNICIPAL INSURANCE TRUST
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCE
STATUTORY BASIS-YEAR ENDED DECEMBER 31, 2013
ACTIVITY BY CONTRACT PERIOD

For the years ended December 31,	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
Underwriting income:										
Direct premiums earned	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Less: excess insurance premium	-	-	-	-	-	-	-	-	-	-
Net underwriting income	-	-	-	-	-	-	-	-	-	-
Deductions:										
Workers' compensation claims incurred	-	378	-	-	-	-	2,941	-	-	(1,184)
Claims adjustment expenses incurred	-	-	-	-	-	-	337	-	-	-
Other administrative expenses incurred	-	-	-	441	3	189	90	-	-	(34)
Total underwriting deductions	-	378	-	441	3	189	3,368	-	-	(1,218)
Net underwriting gain (loss)	-	(378)	-	(441)	(3)	(189)	(3,368)	-	-	1,218
Investment income / Other income										
Interest earned (net)	-	-	-	-	-	-	-	-	-	-
Net income (loss)	-	(378)	-	(441)	(3)	(189)	(3,368)	-	-	1,218
Fund balance, beginning of period	74,487	46,957	495,282	(287,847)	(395,088)	(425,390)	(304,388)	322,871	606,319	652,241
Fund balance, end of period	\$ 74,487	\$ 46,579	\$ 495,282	\$ (288,288)	\$ (395,091)	\$ (425,579)	\$ (307,756)	\$ 322,871	\$ 606,319	\$ 653,459

KANSAS MUNICIPAL INSURANCE TRUST
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCE
STATUTORY BASIS-YEAR ENDED DECEMBER 31, 2013
ACTIVITY BY CONTRACT PERIOD

For the years ended December 31,	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	Total
Underwriting income:											
Direct premiums earned	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,853,835	\$ 4,853,835
Less: excess insurance premium	-	-	-	-	-	-	-	-	712	395,128	395,840
Net underwriting income	-	-	-	-	-	-	-	-	(712)	4,458,707	4,457,995
Deductions:											
Workers' compensation claims incurred	99,211	40,553	76,911	53,813	44,821	61,810	10,201	(180,248)	(845,988)	2,942,330	2,305,548
Claims adjustment expenses incurred	-	775	-	(73)	28,260	17,002	5,051	25,422	26,671	133,989	237,435
Other administrative expenses incurred	3,026	1,263	2,357	1,680	1,396	1,912	301	(5,042)	(26,006)	998,209	979,785
Total underwriting deductions	<u>102,237</u>	<u>42,591</u>	<u>79,268</u>	<u>55,420</u>	<u>74,477</u>	<u>80,724</u>	<u>15,553</u>	<u>(159,868)</u>	<u>(845,323)</u>	<u>4,074,528</u>	<u>3,522,768</u>
Net underwriting gain (loss)	<u>(102,237)</u>	<u>(42,591)</u>	<u>(79,268)</u>	<u>(55,420)</u>	<u>(74,477)</u>	<u>(80,724)</u>	<u>(15,553)</u>	<u>159,868</u>	<u>844,611</u>	<u>384,179</u>	<u>935,227</u>
Investment income / Other income											
Interest earned (net)	-	-	-	-	-	-	-	-	-	71,861	71,861
Net income (loss)	<u>(102,237)</u>	<u>(42,591)</u>	<u>(79,268)</u>	<u>(55,420)</u>	<u>(74,477)</u>	<u>(80,724)</u>	<u>(15,553)</u>	<u>159,868</u>	<u>844,611</u>	<u>456,040</u>	<u>1,007,088</u>
Fund balance, beginning of period	<u>(30,233)</u>	<u>(1,185,595)</u>	<u>368,835</u>	<u>961,405</u>	<u>810,973</u>	<u>1,675,721</u>	<u>(87,342)</u>	<u>393,520</u>	<u>250,523</u>	-	<u>3,943,251</u>
Fund balance, end of period	<u>\$ (132,470)</u>	<u>\$ (1,228,186)</u>	<u>\$ 289,567</u>	<u>\$ 905,985</u>	<u>\$ 736,496</u>	<u>\$ 1,594,997</u>	<u>\$ (102,895)</u>	<u>\$ 553,388</u>	<u>\$ 1,095,134</u>	<u>\$ 456,040</u>	<u>4,950,338</u>
Non admitted assets											-
Current fund balance after non admitted assets											<u>\$ 4,950,338</u>

KANSAS MUNICIPAL INSURANCE TRUST
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCE
STATUTORY BASIS-CUMULATIVE ACTIVITY BY CONTRACT PERIOD

For the years ended December 31,	Year Ended 12/31/1994	Year Ended 12/31/1995	Year Ended 12/31/1996	Year Ended 12/31/1997	Year Ended 12/31/1998	Year Ended 12/31/1999	Year Ended 12/31/2000	Year Ended 12/31/2001	Year Ended 12/31/2002	Year Ended 12/31/2003
Underwriting income:										
Direct premiums earned	\$ 1,457,582	\$ 1,850,501	\$ 1,843,047	\$ 1,754,515	\$ 1,377,722	\$ 1,552,113	\$ 1,689,773	\$ 1,965,656	\$ 2,616,642	\$ 3,274,488
Excess insurance premium	151,393	210,142	133,376	117,122	79,456	80,124	86,819	127,168	189,458	366,991
Net underwriting income	1,306,189	1,640,359	1,709,671	1,637,393	1,298,266	1,471,989	1,602,954	1,838,488	2,427,184	2,907,497
Deductions:										
Workers' compensation claims incurred	716,699	1,049,151	790,126	1,451,640	1,244,536	1,393,559	1,463,471	1,097,086	1,211,717	1,505,767
Claims adjustment expenses incurred	25,541	54,345	46,505	91,393	84,096	146,703	126,632	83,208	129,109	150,496
Other administrative expenses incurred	477,137	598,509	492,670	525,353	480,915	454,188	450,220	437,017	533,042	650,267
Total underwriting deductions	1,219,377	1,702,005	1,329,301	2,068,386	1,809,547	1,994,450	2,040,323	1,617,311	1,873,868	2,306,530
Net underwriting gain (loss)	86,812	(61,646)	380,370	(430,993)	(511,281)	(522,461)	(437,369)	221,177	553,316	600,967
Investment income / Other income										
Interest earned (net)	22,675	73,225	114,912	142,705	116,190	96,882	129,613	101,694	50,668	52,492
Other income	-	-	-	-	-	-	-	-	2,335	-
Net income (loss)	109,487	11,579	495,282	(288,288)	(395,091)	(425,579)	(307,756)	322,871	606,319	653,459
Fund balance, beginning of period	-	-	-	-	-	-	-	-	-	-
Transfer of fund balance	(35,000)	35,000	-	-	-	-	-	-	-	-
Fund balance end of period	\$ 74,487	\$ 46,579	\$ 495,282	\$ (288,288)	\$ (395,091)	\$ (425,579)	\$ (307,756)	\$ 322,871	\$ 606,319	\$ 653,459

KANSAS MUNICIPAL INSURANCE TRUST
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCE
STATUTORY BASIS-CUMULATIVE ACTIVITY BY CONTRACT PERIOD

For the years ended December 31,	Year Ended 12/31/2004	Year Ended 12/31/2005	Year Ended 12/31/2006	Year Ended 12/31/2007	Year Ended 12/31/2008	Year Ended 12/31/2009	Year Ended 12/31/2010	Year Ended 12/31/2011	Year Ended 12/31/2012	Year Ended 12/31/2013	Total
Underwriting income:											
Direct premiums earned	\$ 3,256,648	\$ 3,837,793	\$ 4,272,140	\$ 4,950,174	\$ 5,519,169	\$ 5,193,412	\$ 5,213,781	\$ 4,442,326	\$ 4,484,533	\$ 4,853,835	\$ 65,405,850
Excess insurance premium	221,435	374,472	384,425	420,728	372,790	341,935	351,375	336,966	337,595	395,128	5,078,898
Net underwriting income	3,035,213	3,463,321	3,887,715	4,529,446	5,146,379	4,851,477	4,862,406	4,105,360	4,146,938	4,458,707	60,326,952
Deductions:											
Workers' compensation claims incurred	2,342,913	3,728,548	2,744,246	2,811,278	3,451,788	2,255,761	3,820,627	2,582,266	2,114,351	2,942,330	40,717,860
Claims adjustment expenses incurred	148,178	248,184	184,216	168,027	219,482	129,740	193,664	132,391	99,934	133,989	2,595,833
Other administrative expenses incurred	735,660	810,449	904,672	907,180	984,415	952,580	1,003,780	910,240	907,623	998,209	14,214,124
Total underwriting deductions	3,226,751	4,787,181	3,833,134	3,886,485	4,655,685	3,338,081	5,018,071	3,624,897	3,121,908	4,074,528	57,527,817
Net underwriting gain (loss)	(191,538)	(1,323,860)	54,581	642,961	490,694	1,513,396	(155,665)	480,463	1,025,030	384,179	2,799,134
Investment income / Other income											
Interest earned (net)	59,068	95,674	234,986	263,024	245,802	81,601	52,768	72,925	70,104	71,861	2,148,869
Other income	-	-	-	-	-	-	-	-	-	-	2,335
Net income (loss)	(132,470)	(1,228,186)	289,567	905,985	736,496	1,594,997	(102,895)	553,388	1,095,134	456,040	4,950,338
Fund balance, beginning of period	-	-	-	-	-	-	-	-	-	-	-
Transfer of fund balance	-	-	-	-	-	-	-	-	-	-	-
Fund balance end of period	\$ (132,470)	\$ (1,228,186)	\$ 289,567	\$ 905,985	\$ 736,496	\$ 1,594,997	\$ (102,895)	\$ 553,388	\$ 1,095,134	\$ 456,040	4,950,338
Non admitted assets											-
Current fund balance after non admitted assets											\$ 4,950,338

CLAIM SUMMARY-SETTLEMENT REQUEST

Employer: City of Tonganoxie
Claim No.: 2013046286
Employee Age: 42
AWW: \$954.84
Attorneys: Employee -No
Adjuster: Gene Miller

Date of Injury: 6/22/2013
Job Description: Police Officer
Updated: 6/6/2014
TTD Rate: \$570.00
Employer -No

	Medical	Indemnity	Expense	Total
Reserves	\$55,000.00	\$38,795.71	\$2,500.00	\$96,295.71
Amount Paid	\$48,817.38	\$24,232.21	\$1,165.41	\$74,215.00
Outstanding	\$6,182.62	\$14,563.50	\$1,334.59	\$22,080.71

Accident Description/Nature of Injury:

- Claimant and another officer was arresting suspect who was resisting and claimant injured his right shoulder, elbow and wrist.

Investigation/Compensability

- The accident was witnessed, reported the same day and medical treatment sought same day. Compensability not questioned.

Medical Management

- He was initially treated by Dr. Fevurly and MRI revealed partial thickness tear of right rotator cuff. Extensive conservative care did not relieve his symptoms and he was referred to Dr. Stechschulte who performed surgery 11/13/13.

Periods of Disability

- 6/23/13 to 4/18/14.

Permanent Partial Impairment/Permanent Disability

- Dr. Stechschulte has assigned 14% disability to his right shoulder.

Subrogation/Other Issues

- No source for subrogation or contribution.

Plan of Action:

- Request settlement authority to \$14,563.50
- $225 - 42.5 = 182.5 \times 14\% = 22.55 \times \$570.00 = \$14,563.50$.
- With the requested settlement authority, I will negotiate full/final settlement, obtain Division approval and close file.

CLAIM SUMMARY-SETTLEMENT REQUEST

Employer: City of Tonganoxie
Claim No.: 2012042607
Employee Age: 34
AWW: \$1,063.37
Attorneys: Employee -Jim Martin
Adjuster: Gene Miller

Date of Injury: 2/15/2012
Job Description: Police
Updated: 5/28/2014
TTD Rate: \$555.00
Employer -Mark Hoffmeister

	Medical	Indemnity	Expense	Total
Reserves	\$10,000.00	\$32,245.50	\$10,000.00	\$52,245.50
Amount Paid	\$6,312.22	\$0.00	\$5,976.96	\$12,289.18
Outstanding	\$3,687.78	\$32,245.50	\$4,023.04	\$39,956.32

Accident Description/Nature of Injury:

- Claimant was working in storage area restacking boxes and stirred mold on top of boxes, causing allergic reaction.

Investigation/Compensability

- Symptoms required an emergency room visit. He admitted to numerous allergies and we questioned if this was an aggravation of a pre-existing condition and compensability.

Medical Management

- Treatment he has received has been conservative with prescription medications and inhalers.

Periods of Disability

- No lost time from work.

Permanent Partial Impairment/Permanent Disability

- Dr. Smith, medical expert for claimant, gave 17% body.
- Dr. Toby, medical expert for defendant, gave 10% body.
- Dr. Pratt, court ordered IME, gave 14% body.

Subrogation/Other Issues

- No source for subrogation.

Plan of Action:

- Request settlement authority to \$35,000.00
- $415 - 0 = 415 \times 14\% = 58.1 \times \$555.00 = \$32,245.50$
- Our medical expert has wavered on their earlier opinion which has compromised our defensive position. I recommend that we offer Dr. Pratt's 14% body rating plus \$2,754.50 to buy-out future medical.
- Initial offer would be less than \$35,000 but would be willing to pay that amount to settle all issues.

CLAIM SUMMARY-RESERVE INCREASE

Employer: City of Abilene
Claim No.: 2014047724
Employee Age: 62
AWW: \$555.56
Attorneys: Employee -N
Adjuster: Gene Miller

Date of Injury: 2/18/2014
Job Description: Street Dept.
Updated: 6/18/2014
TTD Rate: \$833.34
Employer -N

	Medical	Indemnity	Expense	Total
Prev. Reserves	\$1,200.00	\$5,000.00	\$100.00	\$6,300.00
New Reserves	\$20,000.00	\$15,000.00	\$1,200.00	\$36,,200.00
Amount Paid	\$14,630.75	\$6,450.85	\$226.05	\$21,307065
Outstanding	\$5,369.25	\$8,549.15	\$973.95	\$14,892.35

Accident Description/Nature of Injury:

- Claimant was welding on cattle guard when the metal gate fell on his right foot fracturing first and second toe.

Investigation/Compensability

- Accident was witnessed and not questioned.

Medical Management

- He was taken to Abilene Hospital and then to Salina Regional Hospital where he was treated by Dr. Harbin. Surgery done same day and involved open reduction internal fixation.
- He is currently taking physical therapy while he works modified duty.

Periods of Disability

- 2/19/14 - 5/4/14 /TTD
- 5/5/14 – Current / TPD

Indemnity

- TTD: Reserves reflect our continued TPD payments which are projected to last 1-3 months.
- PPD: Reserves reflect 10% foot.

Subrogation/Other Issues

- No sources for subrogation or contribution.

Plan of Action:

- I'm following up after every doctor's appointment for his medical status. He has already been returned to modified duty.
- Once he is released from medical care, I will obtain a disability rating, obtain settlement authority, negotiate settlement, obtain Division approval and close file.

CLAIM SUMMARY-RESERVE INCREASE

Employer: City of Lucas
Claim No.: 2014048312
Employee Age: 65
AWW: \$770.66
Attorneys: Employee -No
Adjuster: Gene Miller

Date of Injury: 6/11/2014
Job Description: Electrician
Updated: 6/12/2014
TTD Rate: \$513.77
Employer -No

	Medical	Indemnity	Expense	Total
Prev. Reserves	\$0	\$0	\$0	\$0
New Reserves	\$10,000.00	\$305,000.00	\$2,500.00	\$317,500.00
Amount Paid	\$0	\$0	\$0	\$0
Outstanding	\$10,000.00	\$305,000.00	\$2,500.00	\$317,500.00

Accident Description/Nature of Injury:

- Claimant was moving a street light to another pole and came in contact with energized line and was electrocuted.

Investigation/Compensability

He was in the course and scope of his employment and the accident was witnessed by coworker. No defenses to deny.

Medical Management

- He was believed to have expired at the scene but was taken by EMS to the Russell County Hospital.

Periods of Disability

- NA

Indemnity

The Kansas death benefits include up to \$5,000 for funeral expense, an initial \$40,000 lump payment to the surviving legal spouse and 2/3 of the average weekly wage, not to exceed \$587.00 on a weekly basis until \$300,000 has been paid.

Subrogation/Other Issues

- No sources identified for subrogation or contribution.

Plan of Action:

- Meet with widow when appropriate, obtain appropriate documentation of her status and deliver initial check. Administer remaining benefits per Kansas statute.

CLAIM SUMMARY-SETTLEMENT REQUEST

Employer: City of Park City
Claim No.: 2013045986
Employee Age: 67
AWW: \$1,859.20
Attorneys: Employee -None
Adjuster: Marla Dipman

Date of Injury: 5/2/13
Job Description: Administrator
Updated: 6/19/14
TTD Rate: \$570.00
Employer - None

	Medical	Indemnity	Expense	Total
Reserves	\$12,500.00	\$20,000.00	\$350.00	\$32,850.00
Amount Paid	\$ 4,290.18	\$0.00	\$239.73	\$ 4,529.91
Outstanding	\$ 8,209.82	\$20,000.00	\$110.27	\$28,320.09

Accident Description/Nature of Injury:

- Leaving a meeting at City Hall, slipped on wet steps and fell injuring his left shoulder, left elbow, right wrist and right elbow.
- Closed fracture to left shoulder.

Investigation/Compensability

- Accident reported immediately and witnessed by city manager.
- No prior injuries to the left shoulder.

Medical Management

- Referred to Dr. Do for treatment of the left shoulder fracture.
- Conservative treatment provided and eventually placed at MMI on October 1, 2013 with an 8% LUE impairment.
- Claimant disagreed with measurements for purpose of rating and obtained a second opinion that indicated measurements were incorrect.
- Provided this documentation to Dr. Do whom revised his rating due to the error and indicated that the correct rating is 15% LUE impairment.

Periods of Disability

- None

Permanent Partial Impairment/Permanent Disability

- 15% LUE = \$19,237.50

Subrogation/Other Issues

- None

Plan of Action:

- Request settlement authority to \$19,237.50.
- $225 - 0 = 225 \times 15\% = 33.75 \times \$570 = \$19,237.50$.
- Will attempt a full and final settlement otherwise will settle on a running award since claimant is still employed with insured.

CLAIM SUMMARY-SETTLEMENT REQUEST
(Previously Approved by Board Administrator)

Employer: City of Great Bend
Claim No.: 2012044000
Employee Age: 35
AWW: \$481.52
Attorneys: Employee - None
Adjuster: Marla Dipman

Date of Injury: 10/9/12
Job Description: Maintenance
Updated: 6/19/14
TTD Rate: \$321.02
Employer - None

	Medical	Indemnity	Expense	Total
Reserves	\$25,000.00	\$10,500.00	\$1,500.00	\$37,000.00
Amount Paid	\$17,926.46	\$ 100.53	\$ 306.48	\$18,333.47
Outstanding	\$7,073.54	\$10,399.47	\$1,193.52	\$18,666.53

Accident Description/Nature of Injury:

- Cleaning wet well on lift station, missed rung on ladder, slipped and hyper-extended left arm and shoulder to prevent from falling.

Investigation/Compensability:

- Accident reported timely and witnessed by two co-workers.
- No prior injuries to the left arm/shoulder.

Medical Management:

- MRI of left shoulder was negative; however Dr. Hildebrand indicated that mechanism of injury is consistent with labral tear and bicep instability.
- No improvement with conservative treatment so recommended surgery for left shoulder arthroscopy with labral repair.
- Surgery performed on January 15, 2013 and eventually placed at MMI on June 10, 2013 and given a 6% LUE impairment rating.

Periods of Disability:

- 1/22/13 – 1/23/13 / TTD

Permanent Partial Impairment/Permanent Disability:

- 6% LUE = \$4,327.34. Settlement offer sent to claimant and rejected.
- 15% LUE – Dr. Murati = \$11,693.32.
- Split of ratings – 10.5% LUE = \$8,182.90.

Subrogation/Other Issues:

- None

Plan of Action:

- Request settlement authority to \$10,000.00 for full and final settlement.
- $225 - .29 = 224.71 \times 10\% = 23.59 \times \$346.88 = \$8,182.90$
- Claimant attorney will agree to a full/final settlement in amount of \$10K.

CLAIM SUMMARY-SETTLEMENT REQUEST
(Previously Approved by Board Administrator)

Employer: City of Newton
Claim No.: 2011041014
Employee Age: 62
AWW: \$724.75
Attorneys: Employee
Adjuster: Marla Dipman

Date of Injury: 4/26/11
Job Description: Equipment Operator
Updated: 5/13/14
TTD Rate: \$483.19
Employer – Jeff Brewer

	Medical	Indemnity	Expense	Total
Reserves	\$200,000.00	\$100,000.00	\$25,000.00	\$325,000.00
Amount Paid	\$196,184.55	\$71,744.59	\$20,934.25	\$288,863.39
Outstanding	\$3,815.45	\$28,255.41	\$4,065.75	\$36,136.61

Accident Description/Nature of Injury:

- Concrete pumper truck was pouring concrete for sidewalk cemetery.
- Stabilizer sank into ground causing arm of boom truck to fall and strike claimant on top of his head.

Investigation/Compensability

- Injury was witnessed by several co-workers and reported immediately.
- Claim is compensable.

Medical Management

- Claimant sustained multiple spine fractures and subsequent injuries.
- Claimant had multiple surgeries including a multi-level spine fusion.
- Placed at MMI and given a 37% PPI WP.

Periods of Disability

- 4/27/11 – 1/30/12 /TTD and 2/1/12 – 4/28/12 / TPD

Permanent Partial Impairment/Permanent Disability

- 37% WP - \$69,279.78

Subrogation/Other Issues

- Please see attached email with 3rd party settlement analysis from Jeff Brewer.

Plan of Action:

- Request authority to accept the \$50K settlement on the 3rd party liability claim.

3RD PARTY ACTION CASE MEDIATION/SETTLEMENT/WORK COMPO LIEN EVALUATION & RECOMMENDATIONS

Marla: As you know the work comp claim with Black is on running award. To date the lien is about \$255,000 for benefits paid to or on behalf of claimant for his work injury. The work injury arose from potential liability of a 3rd party (Brundage-Bone) and is subject to lien reduction by statute for any comparative fault of the employer in causing the injury. Claimant continues to incur about \$400 per month medical expenses and has about \$30K left on the PPD award. The parties agreed to civil mediation to try to settle the 3rd party action including resolution of the work comp lien and we participated in the mediation upon invitation. The mediation was held 4-7. The mediator was local attorney Craig Kennedy. The parties reached a tentative settlement agreement subject to the consent of the City based upon a compromise of the work comp lien.

I will try to explain how the 3rd party lien reduction law in Kansas has been interpreted and applied. It is complicated and honestly not very favorable to the employer who has comparative fault for the accident causing the injuries. I will then show how it would apply in this settlement situation and make my recommendation for lien settlement and authority.

First of all Craig Kennedy the Mediator is an extremely experienced trial lawyer coming from primarily insurance defense background practice. He is a straight shooter and expert at evaluating civil litigation cases and issues. Honestly I do believe there is a more capable and fair mediator in this area better than Craig. He does not try to oversell or undersell cases to get them settled. Basically I trust Craig in giving a fair and reasonable take on the case and issues.

Basically the work comp lien attaches for payment made on the work comp claim not duplicative of civil damages. This means the lien applies to medical payments and wage replacement payments (TTD/PPD) but not to loss of services of a spouse/loss of consortium. Under civil law the claimant may recover for past and future medical expenses, lost wages, and conscious pain and suffering capped at \$250K. Again, however, the employers lien is subject to reduction based upon the "comparative fault" of the employer as to the accident causing injury. In this case the comparative fault to be determined is that of the claimant, the employer/City of Newton, and the defendant Brundage-Bone.

In his evaluation, Kennedy felt most likely if this case were tried to a jury, a jury would find 10% fault on the claimant, 30% to 40% on the employer/City, and 50%-60% on Brundage- Bone. The basis for finding fault on the City would be based upon failure of City Supervision at the job site; the placement of the truck at the location by an employee of the City at a dangerous location for the work activity; no enforcement of a hard hat policy on the claimant; lack of planning by the City with no supervisors present to oversee the job; and no instructions given to claimant not to stand under the boom of the pumping truck which fell on claimant causing the injuries. In addition, although it most likely would not prevail, there is an argument which could be made that claimant at the time of the injury was acting as a "statutory employee" of Brundage_Bone, and if so , would be a "co-employee" such that the sole and exclusive remedy provisions of the Workers Compensation Act could preclude any recovery whatsoever, thereby wiping out any lien in its entirety.

Kennedy estimated a verdict range if the case were tried to be in the range of about \$560K to \$686K for all damages (past medical+ future medical+ past wages+ future lost income+ pain and suffering). The current work comp lien is about \$255K. Under the Brabander case determining how liens are to be reduced by the comparative fault of the employer, the lien is to be reduced by the proportionate amount of the comparative fault of the employer to the total amount of damages recovered. As illustration, if the total verdict for damages is \$686K, and the employers fault is 35% (picking ½ way between estimated 30% to 40% per Kennedy), then the lien reduction is \$240,100. This means the lien of \$255K reduced by \$240,100 , or the lien amount back to the employer would be \$14,900.00. Also, any lien recovery is also subject to further lien reduction for "reasonable" attorney fees (standard is 1/3rd contingency fee) and pro-rata share of expenses of litigation. This scenario would put the lien recovery net to the City down to well under \$10K. If we assume total damages of \$560K with 35% fault on the employer, then the lien reduction would be \$196K or down to about \$59K subject to attorney fees and expenses.

The unfortunate thing about the lien reduction statute is that the higher the verdict for the claimant generally it works to reduce or completely eliminate the work comp lien. Here claimant has hard damages of about \$255K for past medicals; \$100K for TTD/PPD; additional lost wages estimated at another \$100K for the years claimant would have been able to work and cannot work; and pain and suffering damages estimated between \$125k up to the cap of \$250K; making Kennedy's assessment verdict range highly likely. The question becomes what would be the employers comparative fault percentage to subject to the lien for reduction. Kennedy assess the employers fault at 30% - 40% and I would agree with that assessment.

Attached are copies of the Mediation Settlement Memorandum and email I received from claimant counsel. Essentially the parties have agreed subject to the Work Comp lien reduction approval and authority, the case can settle based upon: The City accepting \$50K for its work comp lien subject to attorney fees and pro-rata share of expenses; the comp claim remains open but any further lien is extinguished based upon the civil settlement, and claimant receives \$315K for settlement to be paid \$275K by Brundage-Bone and \$40K by the City.

The email from counsel proposes the \$50K lien then be subject to 1/3 contingency fee \$16,666.66) plus ½ the expenses of \$7,674.31 (being \$3837.15) making the net recovery to the City on the lien of \$29,496.19. The statute does allow for "reasonable" attorney fees which in civil litigation a 1/3 contingency fee is routinely approved even though on the comp side the fee is capped at 25%. The share of expenses is to be "pro-rata". As I see it we should insist the share of expenses be somewhat less than 50%, perhaps 25% based upon lien to recovery proportion.

Marla I recommend KMIT agree to accept the \$50K on the lien to close out the lien in its entirety knowing the comp claim remains open and any further payments on the comp claim will not be subject to lien. At the same time I recommend as

with claimant counsel we counter propose 1/3 rd fee + \$1918.58 in expenses or net to KMIT of \$31,414.76 (Not \$29,496.19 as he proposes).

Marla after you review this let me know your thoughts and if you have any questions. The parties are hot to get this matter resolved so we need to get the earliest possible reply from KMIT. Any idea when KMIT can look at this and decide?
Thanks.

Jeff Brewer

CLAIM SUMMARY-SETTLEMENT REQUEST
(Previously Approved by Board Administrator)

Employer: City of Independence

Claim No.: 2013046716

Employee Age: 52

AWW: \$635.75

Adjuster: Amanda Chamberland

Date of Injury: 08/15/2013

Job Description: Water Plant Operator

TTD Rate: \$423.73

Attorneys: N/A

	Medical	Indemnity	Expense	Total
Reserves	\$25,000.00	\$5,932.22	\$1,500.00	\$32,432.22
Amount Paid	\$11,392.30	\$0.00	\$883.84	\$12,276.14
Outstanding	\$13,607.70	\$5,932.22	\$616.16	\$20,156.08

Accident Description/Nature of Injury:

- Claimant had pain in R knee, L arm and head after tripping on threshold of basement doorway and falling to the cement. Right knee became the prominent injured body part which treatment was sought and settlement is requested.

Investigation/Compensability

- Negative for prior surgeries to this area or contributory underlying conditions. Fall was not witnessed however co-workers found claimant on the floor and assisted him up afterwards.

Medical Management

- Claimant originally declined medical treatment.
- After several weeks of continued pain without improvement he requested treatment and was seen by local physician. He was diagnosed with a sprain and no treatment performed.
- Claimant requested treatment again in November and a change in provider. We directed claimant back to designated provider who agreed that due to lack of improvement he needed both an MRI and orthopedic referral.
- Claimant was redirected to Dr. Pat Do and MRI was done showing a non-displaced horizontal tear. Surgery was recommended and during surgical procedure claimant was confirmed to have a complex tear of the posterior horn of the medial meniscus.
- Claimant completed post-op therapy and has been placed at MMI.

Periods of Disability

- None

Permanent Partial Impairment/Permanent Disability

- 7 % to right lower extremity (knee) per Dr. Do on 06/09/2014.

Subrogation/Other Issues

- No subrogation applicable, no prior awards or surgery for pre-existing impairment deduction

Plan of Action:

- Request settlement authority to \$5,932.22 for full and final settlement of claim.
- $200 - 0 = 200 \times 7\% = 14 \times \$423.73 = \$5,932.22.$

CLAIM SUMMARY- Settlement Request
(Previously Approved by the Board Administrator)

Employer: City of Moundridge
Claim No.: 2013046328
Employee Age: 36
AWW: \$607.67
Adjuster: Amanda Chamberland

Date of Injury: 06/25/2013
Job Description: Street Dept. Labor
TTD Rate: \$405.13
Attorneys: N/A

	Medical	Indemnity	Expense	Total
Reserves	\$25,000.00	\$7,500.00	\$2,500.00	\$35,000.00
Amount Paid	\$12,661.33	\$0.00	\$1,492.04	\$14,153.37
Outstanding	\$12,338.67	\$7,500.00	\$1,007.96	\$20,846.63

Accident Description/Nature of Injury:

- Claimant injured his right shoulder as he pulled on a tree branch from side of road while trimming trees. The branch snagged the ground and pulled on his upper right arm and shoulder. Claimant was found to have a tear of the biceps tendon and a labrum tear which were ultimately surgically treated by Dr. Pat Do.

Investigation/Compensability

- Negative for prior surgeries to this area or underlying conditions. Compensability not questioned.

Medical Management

- Claimant had an MR arthrogram and MRI which indicated a bicep tendon tear and potential labrum tear. Claimant was referred to Mid America Orthopedics, Dr. Pat Do. Surgery was performed to repair the tear and post op physical therapy was ordered and completed. Claimant was placed at MMI on 04/29/2014 with no permanent restrictions.

Periods of Disability

- N/A

Permanent Partial Impairment/Permanent Disability

- 7 % to right upper extremity per Dr. Pat Do on 05/12/2014

Subrogation/Other Issues

- No subrogation applicable, no prior awards or surgery for pre-existing impairment deduction

Plan of Action:

- Request settlement authority to \$ 6,380.79 for full and final conclusion of claim.
- $225 - 0 = 225 \times 7\% = 15.75 \times \$405.13 = \$6,380.79$

CLAIM SUMMARY-SETTLEMENT REQUEST
(Previously Approved by KMIT Board via Email)

Employer: City of Wellington
Claim No.: 2013046205
Employee Age: 56
AWW: \$1,183.60
Adjuster: Amanda Chamberland

Date of Injury: 06/12/13
Job Description: Lineman
TTD Rate: \$570
Attorneys: N/A

	Medical	Indemnity	Expense	Total
Reserves	\$15,000.00	\$13,000.00	\$500.00	\$28,500.00
Amount Paid	\$5,509.47	\$0.00	\$132.41	\$5,641.88
Outstanding	\$9,490.53	\$13,000.00	\$367.59	\$22,858.12

Accident Description/Nature of Injury:

- Claimant was putting an electrical pole down to attach wire when the pole holder slid down making the pole top heavy. Claimant not realizing that the holder had slid down asked co-workers to proceed with lifting of pole causing claimant to be lifted 5-10 feet off of the ground before he let go, landing on his heel primarily and also receiving abrasion over eye and bruises to left calf and inner thigh. Settlement will be for the comminuted calcaneal fracture to the right foot.

Investigation/Compensability

- Negative for prior surgeries to this area or underlying conditions. Event was witnessed and compensability not questioned.

Medical Management

- Claimant had CT which indicated a comminuted calcaneal fracture and was referred to Jon Morgan with Mid America Orthopedics. Surgery was anticipated, but Dr. Morgan was able to successfully treat without surgical intervention. Claimant completed a series of physical therapy and working in a limited duty capacity for several months. Claimant developed plantar fasciitis as a result of extended wear of the CAM boot. Claimant was placed at MMI on 10/25/2013 with no permanent restrictions. Dr. indicates in his medical that claimant is of the high likelihood to develop future painful arthrosis as a direct result of this injury.

Periods of Disability

- N/A

Permanent Partial Impairment/Permanent Disability

- 17 % to right foot per Dr. Jon Morgan 02/13/2014

Subrogation/Other Issues

- No subrogation applicable, no prior awards or surgery for pre-existing impairment deduction

Plan of Action:

- Request settlement authority to \$12,112.50 for full and final settlement of claim.
- $125 - 0 = 125 \times 17\% = 21.25 \times \$570 = \$12,112.50$



**Client Summary Report
Kansas Municipal Insurance Trust
2014 Policy Year
Services Through December 31, 2014**



Medical Bill Data					Savings					Service Fees			
Month	Bills	Lines	Billed Amount	Recommended Payment	Fee Schedule	PPO Network	Bill Review	Total	Percent of Total Billed	Line Charges	Professional Review	PPO Network	Total
January	305	902	\$ 258,765	\$ 136,267	\$ 92,368	\$ 24,183	\$ 5,947	\$ 122,498	47%	\$ 1,389	\$ 1,033	\$ 2,324	\$ 4,746
February	224	853	\$ 462,701	\$ 217,214	\$ 191,820	\$ 25,546	\$ 28,120	\$ 245,487	53%	\$ 1,365	\$ 911	\$ 3,918	\$ 6,193
March	304	899	\$ 242,674	\$ 120,596	\$ 66,345	\$ 5,232	\$ 50,500	\$ 122,078	50%	\$ 1,437	\$ 928	\$ 1,047	\$ 3,412
April	271	969	\$ 207,176	\$ 143,297	\$ 85,332	\$ 6,193	\$ (27,645)	\$ 63,879	31%	\$ 1,518	\$ 1,286	\$ 1,239	\$ 4,043
May	181	532	\$ 280,093	\$ 174,359	\$ 86,931	\$ 2,932	\$ 15,870	\$ 105,733	38%	\$ 829	\$ 586	\$ 2,023	\$ 3,438
June				\$ -				\$ -	#DIV/0!				\$ -
July				\$ -				\$ -	#DIV/0!				\$ -
August				\$ -				\$ -	#DIV/0!				\$ -
September				\$ -				\$ -	#DIV/0!				\$ -
October				\$ -				\$ -	#DIV/0!				\$ -
November				\$ -				\$ -	#DIV/0!				\$ -
December				\$ -				\$ -	#DIV/0!				\$ -
Year To Date	1285	4155	\$ 1,451,408	\$ 791,733	\$ 522,797	\$ 64,086	\$ 72,792	\$ 659,675	45%	\$ 6,538	\$ 4,745	\$ 10,550	\$ 21,832

KMIT Risk Control
2014 Year to Date

Comparison by Year

Year	Severity	Frequency
2005	\$4,081,653.00	769
2006	\$2,841,618.00	765
2007	\$2,911,166.00	906
2008	\$3,485,378.00	766
2009	\$2,170,892.00	655
2010	\$3,790,475.00	666
2011	\$2,734,388.00	633
2012	\$1,640,140.00	594
2013	\$1,795,934.00	697
2014	\$1,060,952.00	318

2014 by Month

Month	Severity	Frequency
January	\$146,299.00	60
February	\$83,322.00	79
March	\$59,597.00	53
April	\$347,234.00	58
May	\$81,650.00	54
June	\$342,850.00	14
July		
August		
September		
October		
November		
December		
2014 Total	\$1,060,952.00	318

2014 by Dept

Department	Severity	Frequency
Maintenance	\$348,874.00	21
Electric	\$294,373.00	17
Police	\$111,416.00	93
Street	\$85,592.00	42
Water	\$42,401.00	26
Sanitation	\$39,745.00	17
Animal Control	\$38,619.00	5
Park	\$38,390.00	27
Fire	\$21,937.00	31
Administration	\$9,100.00	10
Cemetery	\$7,600.00	3
Premiere Surgical Institute	\$5,651.00	5
Airport	\$5,165.00	2
Emergency	\$5,100.00	3
Parks	\$2,854.00	5
Recycling	\$1,637.00	2
Zoo	\$1,407.00	3
Miscellaneous	\$1,091.00	6

2014 by Accident Type

Accident Type	Severity	Frequency
Electric Shock or Burn	\$317,500.00	1
Strain or Injury By	\$254,906.00	98
Heat/Cold/Burn/Scald	\$237,862.00	11
Fall or Slip Injury	\$82,846.00	71
Step/Strike Against	\$41,875.00	9
Cut/Puncture/Scrape By	\$23,420.00	34
Struck or Injured By	\$16,768.00	13
Motor Vehicle	\$15,953.00	9
Occupational Hazards	\$14,751.00	18
Animal/Insect	\$14,300.00	16
Struck or Injured	\$13,000.00	1
Caught in or Between	\$9,323.00	12
Foreign Body in Eye	\$7,554.00	11
Occupational Hazards: Rep. Motion	\$5,200.00	6
Miscellaneous Causes	\$3,094.00	6
Cut/Puncture/Scrape	\$2,600.00	2

2014 Total **\$1,060,952.00** **318**

2014 Total **\$1,060,952.00** **318**



Marketing Plan

Draft

February 2002

KMIT Marketing Plan

KMIT's Marketing Plan is rooted in the following four concepts: **Service Delivery, Primary Market Identification, Branding, and Agent Participation.**

Service Delivery

The most important question to be answered when marketing ANY company or ANY product is, "what is it that the company or product 'IS'; in other words, exactly what is being 'sold' (marketed)". Without a doubt, KMIT is about SERVICE. KMIT sells SERVICE. (Price is important, but is NOT what sustains growth in KMIT over the long haul. Only five cities have left KMIT during its 8-year history. Certainly SERVICE is what keeps KMIT members in the pool, over the long haul.)

During 2001, KMIT grew from 88 to 100 members (after having very little growth over the preceding several years), an increase of 13.6%. 2002 is expected to be another rapid growth year. Clearly, KMIT is evolving into a very large business, with total annual premiums possibly climbing to as high as \$3 million in the not-too-distant future.

Maintaining a business of the size to which KMIT has grown means one thing: service delivery. A SERVICE attitude and perspective must be maintained, not only to sustain the needs of the current membership, but also to

identify for prospective members that KMIT understands what it is, and lives a "service first" motto. A reputation for providing excellent "service" is at the heart of a successful business, and KMIT IS a business.

Among the specific service-delivery needs identified as those to which KMIT must achieve excellence are:

Risk Management—services currently provided by IMA are viewed by our "customers" as top quality. This aspect of our service must be kept at a very high level, and also at the forefront of any marketing plan. The city visits and the Safety Olympics are strong components of our RM program, and also serve as a vital marketing tool.

Claims Management—This IMA service is also seen as of the highest quality. Frankly, Victoria is one of our best attributes, and we should "use" her extensively in marketing our pool. Additionally, effort to strengthen this component (via city supervisor training on "return to work" issues, etc.) should be considered, as cost containment will become an even greater challenge for KMIT as it goes through a very significant change in size.

"Home Office" response—the League staff at KMIT must endeavor to remain highly service-oriented. The motto, "The customer is always right" does apply to KMIT. Prompt, accurate and friendly responses to the needs of our current and prospective members must be one of

our highest priorities. KMIT IS a business, and must be operated like a business.

"City-to-City", "Face-to-Face Interaction"—the pool administrator/agent (and, from time to time, the program manager/agent) will continue to "market" KMIT, both to existing and prospective cities as he/she also serves as the "field rep" for the League. The value of this type of marketing is sometimes difficult to quantify, but is significant—not only to contribute to continued "good feelings" of current members, but also as a sure-fire way to get the message out to possible new members. (City folks do talk to other city folks.) This is another important service aspect. Customers want to SEE the people they do business with. And, when THEY can't see them, they at least will know that somebody is seeing them (through the "On The Road" pieces in the Journal, etc.).

The role of email and the internet, to supplement and complement face-to-face contact, is also a must in a modern successful service and marketing concept, and is certainly a big part of the KMIT philosophy.

"Regional Training"—Work in this area should not only help reduce costs, as mentioned above, but is also represents a great way to get the KMIT name out to all cities.

Primary Market

In August of 2001, KMIT staff studied the "demographics" of the universe of current and

prospective KMIT members, starting with the universe of all LKM members (a requirement of membership in KMIT). At that time, it was discovered that a very high percentage of all current KMIT members came from a fairly definitive subgroup of all LKM members—that grouping being those cities with populations between 1,500 and 10,000. At that time (August 2001), there were 119 cities in the above size range, and 47 of those were KMIT members (out of 99 KMIT member cities). So, nearly one half of KMIT city/members were between 1,500 and 10,000; with the other "half" (52 members) coming from the remaining 409 LKM cities. Obviously, for some reason, the KMIT pool has tended to "fit" that range of cities so well over the years. Why? . . .

KMIT has flourished in the above population cities (those in the Primary Market range) best because those cities can best utilize KMIT's services—namely its emphasis on risk and claims management. The smallest cities tend to have too few employees to develop "real" safety programs, etc., even with IMA's help. The larger cities tend to have in-house risk management programs, and the largest ones tend to be self-insured in work comp.

Additionally, the smallest cities tend to represent much more monetary risk than benefit to the pool. Since the pool is first and foremost a business, the smallest cities are not seen as a good business risk, though ALL LKM members remain eligible for KMIT membership.

In terms of marketing the pool, the Primary Market will get the most attention of the agents and the marketing program. KMIT will certainly continue to market to the larger cities (especially those between 10,000 and 20,000, seen as a part of the "Secondary Market"), and to the cities between 1,000 and 1,500; the other portion of the Secondary Market. Marketing to cities under 1,000 will be mostly incidental, but those cities will be "worked" just as the others when they seek KMIT membership information.

Field trips made by the Pool Administrator and agents (while fulfilling other LKM duties and responsibilities), will include stops in Primary Market cities whenever possible, and those cities will be given "weight" when planning travel routes and times, etc. Other marketing tools, such as periodic mailings, etc. (in 2001, a few selected "primary" cities received Christmas cards, for example) will also emphasize the Primary Market cities.

Use of the terms "Primary" and "Secondary" are meant to reflect the marketing effort on the part of the KMIT staff-based on the realistic understanding of which size cities best "fit" the KMIT "model", for all the reasons outlined above. In NO WAY is ANY LKM city seen as inferior to any other as a result of this business-oriented marketing plan classification process. KMIT certainly continues to quote any LKM city which is interested in the work comp pool, and will welcome in any such city with open arms.

Branding

The first and most important aspect of branding was addressed early in the Service Delivery section (above), and that is deciding who we are. Branding is the process of identifying a business to its universe of "prospects" through a variety of means, but begins with understanding what the "brand" means. KMIT's brand should stand, first and foremost, for SERVICE.

Branding our "product" involves all those "typical" marketing devices--ads in the *Journal*, the annual golf tournament, a booth at the annual LKM conference, the annual meeting (which is really a marketing tool, as well as a legal requirement), flyers, handout "goodies", and the like. These have been, and always will be, an integral aspect of branding. What is important is to be able to tie the "message" to the brand. That may be where KMIT can improve some in the future.

Other physical branding techniques may be far less obvious, but just as, or more, important. Things such as making sure our "label" (seen here)



The above logo is now being put on virtually everything that KMIT puts out, including its new letterhead, along with the colors yellow and purple, all of which are being featured whenever and wherever possible (business cards, information packets, *CompControl* [which converted to a yellow and purple only theme with the last edition], etc.)

Using the KMIT colors and logo to highlight newly-expanded information and quote-bid packets to cities and agents is a great way to get the word out on the KMIT brand.

Agent Participation

Probably the most important factor in KMIT's current "growth spurt" (along with the "hard" market) is KMIT's willingness to "embrace the opportunity" to work through established agents currently servicing LKM cities. Many cities who are NOT currently KMIT members are NOT because of long-standing good relationships with local agents. KMIT is now working very closely with these agents. Working with agents often requires a totally different set of "givens", revolving around how much involvement the agent has had with the city, and how much the agent and the city want the agent to continue to have. That range of possibilities is great.

Further, agents sometimes ask an entirely "new" set of questions,, etc. from those typically encountered by KMIT. Agents are used to

working in regular insurance markets, NOT pools. Many agents are skeptical of pools--after all, they have been trained to market insurance in an entirely different way. Working closer with agents mean that KMIT must be willing to be flexible, and be willing to change.

One of the issues which must be resolved by KMIT is the issue of agent commission--whether or not it will remain to be seen as in the best interest of the pool to pay commissions as a line-item expense of the pool as a whole (and not add the commission to the premium) is a question which will likely need to be addressed and answered in the near future.

Conclusion

Marketing is about growth. But, marketing is about more than JUST growth. While it is desirable to continue to grow--by adding cities and premium, it is even more important to do those things well which will sustain KMIT in the long run. Quality service must be maintained--that is what KMIT is, and will always be, about. KMIT's recent growth, from 87 cities at the end of 2000 to (very likely) close to 110 cities by the spring of 2002, represents a significant service-delivery challenge. Any greater rate of growth would very likely strain that service system, and would not necessarily be a good thing for the pool. Marketing is also about continually striving to add to the well-being of the

program, and continuing to add subtle and positive touches to that effort, as well as being always alert to the work comp market and to the needs of our clients--the cities of Kansas.

KMIT Board of Trustees—Proposed Meeting Dates/Sites for 2015

February ?...Ellsworth

May 1...Moundridge

June 26...Parsons

August 28...Hays (Stockton)

October 11 (Sunday)...Topeka (during LKM Conf)

December 11...Wichita (IMA)

KMIT Trustee Terms, 2001-Present*

pos	Name	City	Title	Appointed	Elect 1	Elect 2	Elect 3	Elect 4	term limit date	End Date
1	Gary Meagher	Lindsborg	City Administrator	Jun-98						Aug-98
1	Ron Pickman	Goodland	City Manager	N/A	Oct-98	Oct-00	Oct-02			Oct-04
1	Cheryl Beatty	Eudora [3]	City Manager	N/A	Oct-04	Oct-06	Oct-08			Apr-09
1	Herb Llewellyn	El Dorado	City Manager	Jun-09	Oct-09 [1]	Oct-10	Oct-12	Oct-14	Oct-16	
2	Nancy Calkins	Ft. Scott	City Clerk	N/A	Oct-00					May-01
2	Keith DeHaven	Sedgwick	Mayor	Jun-01	Oct-01	Oct-03	Oct-05			Jun-07
2	Sasha Stiles	Andover	City Administrator	N/A	Oct-07	Oct-09	Oct-11			Oct-13
2	Kathy Axelson	Rose Hill	City Administrator	N/A	Oct-13					Mar-14
2	Randy Frazer	Moundridge	City Adm/City Clerk	May-14	Oct-14 [1]	Oct-15	Oct-17	Oct-19	Oct-21	
3	Cherise Tieben	Dodge City	HR Director	Jun-99	Oct-00					Oct-01
3	Larry Kenton	Dodge City	Risk Mgr	Oct-01?	Oct-01*					Apr-02
3	Howard Partington	Great Bend	City Administrator	Apr-02	Oct-02	Oct-04	Oct-06			Oct-08
3	Jane Longmeyer	Dodge City	HR Officer	N/A	Oct-08	Oct-10	Oct-12			Dec-08
3	Daron Hall	Ulysses	City Administrator	Jun-09	Oct-09 [1]	Oct-10				Mar-12
3	Tim Hardy	Elkhart	City Administrator	Jun-12	Oct-12	Oct-14	Oct-16		Oct-18	
4	Mark Arbuthnot	Abilene	City Manager	?	?					Oct-01
4	Carol Eddington	Oswego	Deputy City Clerk	N/A	Oct-01	Oct-03	Oct-05			Oct-07
4	Bobby Busch	Neodesha	City Clerk	N/A	Oct-07	Oct-09	Oct-11			Oct-13
4	Tim Vandall	Ellsworth	City Administrator	N/A	Oct-13	Oct-15	Oct-17		Oct-19	
5	Paul Sasse	Independence	City Manager	?	?					Oct-01
5	Cheryl Lanoue	Concordia	City Clerk	N/A	Oct-01	Oct-03	Oct-05			Aug-06
5	Sharon Brown	Clay Center	Mayor	N/A	Oct-06 [1]	Oct-07	Oct-09			Apr-11
5	Debbie Price	Marysville	City Clerk	Apr-11	Oct-11	Oct-13	Oct-15		Oct-17	
6	Jane Henry	Derby	Environ/Safety Dir	N/A	Oct-96	Oct-98				May-00
6	Shawne Boyd	Derby	HR Coord	?-00	Oct-00					Oct-02
6	David Alfaro	Augusta	Assist. City Mgr.	N/A	Oct-02	Oct-04				Apr-06
6	Steve Archer	Arkansas City	City Manager	Apr-06	Oct-06	Oct-08	Oct-10			Dec-10
6	Debra Mootz	Roeland Park	City Clerk/DOF	Dec-10	Oct-11 [1]	Oct-12	Oct-14	Oct-16	Oct-18	
7	Max Mize	Kingman	Mayor	N/A	Oct-96	Oct-98	Oct-00			Apr-01
7	Gary Hobbie	Russell	City Manager	Jun-01	Oct-01*	Oct-02	Oct-04	Oct-06		Oct-07
7	Larry Paine	Hillsboro	City Administrator	N/A	Oct-07	Oct-08	Oct-10	Oct-12	Oct-14	
8	Ted Stolfus	Bonner Spgs	Mayor	May-97	Oct-99					Apr-01
8	Nancy Calkins	Mission	City Clerk	Jun-01	Oct-01*	Oct-02				Oct-04
8	Ty Lasher	Cheney	City Administrator	N/A	Oct-04	Oct-06				Jun-07
8	Toby Dougherty	Hays	City Manager	Jun-07	Oct-07 [1]	Oct-08	Oct-10	Oct-12		Oct-11
8	Keith Schlaegel	Stockton	City Manager	N/A	Oct-11 [1]	Oct-12	Oct-14	Oct-16	Oct-18	
9	Carl Myers	Wellington	City Manager	Jul-97	Oct-97	Oct-99				Oct-01
9	Rhonda Schuetz	Hiawatha	City Clerk	N/A	Oct-01	Oct-03				Sep-04
9	Lana McPherson	De Soto	City Clerk	N/A	Oct-04 [1]	Oct-05	Oct-07	Oct-09		Oct-11
9	Clausie Smith	Bonner Spgs	Mayor	N/A	Oct-11	Oct-13	Oct-15			Apr-13
9	Fred Gress	Parsons	City Manager	Apr-13	Oct-13	Oct-15	Oct-17		Oct-19	
10	Tim Richards	Newton	Commissioner	Jul-97	Oct-97					Apr-99
10	Willis Heck	Newton	Mayor	May-99	Oct-99	Oct-01				Oct-03
10	Linda Jones	Osage City	City Clerk	N/A	Oct-03	Oct-05	Oct-07			Oct-09
10	Doug Gerber	Goodland	City Manager	Oct-09	Oct-11	Oct-13				Apr-14
10	Megan Fry	Pittsburg	HR Director	Apr-14	Oct-14 [1]	Oct-15	Oct-17	Oct-19	Oct-21	
11	Jim Beadle	De Soto	Mayor	Jan-94	?					Jan-97
11	Kelly DeMeritt	Atchison	Assist. City Mgr	May-97	Oct-97	Oct-99	Oct-01			Oct-03
11	Bill Powers	Ulysses	City Administrator	N/A	Oct-03					Jan-04
11	Bud Newberry	Derby [2]	City Planner	Jan-04	Oct-04*	Oct-05	Oct-07	Oct-09		Oct-09
11	Mac Manning	Peabody	City Adm/Clerk	Oct-09	Oct-11					Dec-12
11	Michelle Stegman	Garden City	HR Director	Jan-13	Oct-13	Oct-15	Oct-17		Oct-19	

[1] one-year term

[2] appointed to Board while at Elkhart (Jan. '04); moved on to Ulysses in June '04; moved on to Derby in Dec '07

[3] first elected to the Board while in Kingman; moved on to Eudora in July '05