



Board of Trustees

Board Meeting

March 6, 2015

Ellsworth, Kansas

Ellsworth City hall

121 W. First St.

9:00 AM (CDT)

BOARD OF TRUSTEES MEETING KANSAS MUNICIPAL INSURANCE TRUST

9:00 AM CST, Friday, March 6, 2015

City Hall, Ellsworth, KS

1. Welcome, Introductions and Call To Order (Vice President Tim Hardy)
2. Resignation of Trustee (Megan Fry); Formal Acceptance (Hardy)
3. Appointment of Jay Byers as Trustee (Hardy)
4. Trustee Absences from Meeting (Hardy)
5. Approval of Minutes, December 12, 2014—WSU, Wichita (Hardy)
6. Financial Reports (J. Davis/Osenbaugh)
 - a. December 31, 2014 KID Quarterly Report
 - b. December 31, 2014 Financials
 - c. January 31, 2015 Financials
 - d. January 31, 2015 Cash and Investment Summary
7. Reserve Advisory & Settlement Authority (Miller)
8. Loss Control Activities (Retter)
9. Annual Marketing Overview (Osenbaugh)
- 10.Pool Performance History (P.Davis/Cornejo)
- 11.**11:30** Job Analysis Program Presentation (ARCPT+ representative[s]/Osenbaugh)
- 12.Other Business/Staff and Administrator Reports
- 13.Adjourn/Lunch (approximately 12:00 CST)

Don Osenbaugh

From: FRY, MEGAN A [Megan.Fry@pittks.org]
Sent: Monday, January 5, 2015 10:01 AM
To: Don Osenbaugh (dosenbaugh@cox.net)
Cc: Deanna Furman (IMA) (deanna.furman@imacorp.com); Miller, Gene (Gene.Miller@imacorp.com); amanda.chamberland@imacorp.com
Subject: KMIT Board

Don,

I wanted to let you know that I have turned in my resignation from employment with the City of Pittsburgh. My last day will be January 30th. I'm going back to the healthcare field, where my heart is, but still doing HR and luckily still here in Pittsburgh.

It was great to get to know you and work with you this past year.

In the interim, Carey Steier will be the primary contact for claims and reports.

Thanks and have a great 2015.

Megan Fry
City of Pittsburgh
Director of Human Resources

P 620.230.5551
F 620.240.5170
megan.fry@pittks.org

MEMO

From: Keith Schlaegel, KMIT President

To: KMIT Board of Trustees

Date: February 24, 2015

Re: Appointment of 'Mid-Term' Trustee

Following the recent resignation of Megan Fry, and as per KMIT policy, I am appointing a replacement to the Board.

When Megan resigned, I named a **Nominating Committee**, with Treasurer Debbie Price as Chair; the other members of the committee are Tim Vandall and Michelle Stegman. (This same committee will serve until after the October 2015 Annual Meeting.) The committee recommended that I appoint **Jay Byers**, of Pittsburg, to fill out Megan's term. Jay will stand for election by the General Membership of KMIT at the next opportunity, which at this year's annual meeting.)

Jay is the Assistant City Manager in Pittsburg. He will be attending the Ellsworth meeting, and will formally assume his duties as a Board member immediately upon formal approval of his appointment, at the Ellsworth meeting (March 6).

[I am making this appointment in memo form, due the fact that I expect to have to miss the Ellsworth meeting.]

KS

KANSAS MUNICIPAL INSURANCE TRUST

Board of Trustees Minutes from December 12, 2014

Unapproved

Meeting Convened: Friday, December 12, 2014 in the Rhatigan Student Center at WSU, Wichita, KS. The meeting was called to order by KMIT President Keith Schlaegel at 9:02 AM (CST). WSU Hugo Wall School Director Dr. Nancy McCarthy Snyder welcomed the group, and spoke briefly about WSU and the HWS.

Members Present: *Board Members Present:* President Keith Schlaegel (Stockton), Vice President Tim Hardy (Elkhart), Treasurer Debbie Price (Marysville), Michelle Stegman (Garden City), Tim Vandall (Ellsworth), Randy Frazer (Moundridge), Ty Lasher (Bel Aire), Kerry Rozman (Clay Center), Nathan McCommon (Tonganoxie) and David Dillner (Abilene). *Staff:* Paul Davis (IMA), Jaci Davis (IMA), Chris Retter (IMA), Gene Miller (IMA), Amanda Chamberland (IMA), Jess Cornejo (IMA), Deanna Furman (IMA), and Don Osenbaugh (KMIT Pool Administrator). *Guests:* None.

Members Absences From Meeting: Megan Fry (Pittsburg).

Minutes: [1] **October 12, 2012--Wichita;** [2] **November 13, 2014--IMA (Wichita)/Phone:** Motion to approve both sets of minutes, as written, by Rozman; second by Price. Approved unanimously.

Financial Reports:

- a. September 30, 2014 KID Third Quarter Report
- b. October 31, 2014 Financials
- c. November 30, 2014 Financials
- d. November 30, 2012 Cash and Investment Summary

Motion to approve all of the above reports made by Frazer, seconded by Price. Approved unanimously.

Reserve Advisory and Settlement Authority:

Miller reported on the following claims—

1. Claim #2014048034. Herington. Reserve Increase Advisory only.
2. Claim #2014069398. Osage City. Reserve Increase Advisory only.
3. Claim #2014047753. Hays. Reserve Increase Advisory only.
4. Claim #2014048065. Pittsburg. Reserve Increase Advisory only.
5. Claim #2014069578. Minneapolis. Reserve Increase Advisory only.
6. Claim #2014048087. Arkansas City. Reserve Increase Advisory only.
7. Claim #2011041478. Arkansas City. Motion to approve settlement request of up to \$61,496.78 made by Hardy, seconded by Stegman, and unanimously approved.
8. Claim #2014048312. Lucas. Update only. The Board had previously approved a settlement up to \$227,777. This (death) claim was settled full and final in the amount of \$185,000.
9. Claim #2011040613. Coffeyville. Motion to approve recommended settlement authority up to \$91,618.61 made by Hardy, seconded by Vandall, and unanimously approved.

Miller briefly reviewed the 2014 Policy Year (YTD) Logicomp summary.

Excess Coverage Policy Renewal for 2015: P. Davis and Cornejo presented a review of the excess coverage renewal with SNCC. Following a discussion, the Board chose to keep the same limits (shown as Opt 1), at an estimated premium of \$479,308. Motion by Dillner; second by Stegman. Unanimously approved.

Errors and Omissions (D&O) Insurance Policy Renewal: Cornejo presented the E&O renewal options. Following a discussion, the Board chose to keep the current policy in place, at an annual cost to the pool of \$15,666.80. Motion by Hardy; second by Rozman. Unanimously approved.

Formal Admission of New Member City--Dillner moved to *formally* accept the City of Lake Quivira into the KMIT pool, effective December 1, 2014. Seconded by Frazer and approved unanimously.

Job Analyses Program--Osenbaugh gave an overview of the JAP, and shared the article which would run in the soon-upcoming (December) *CompControl* newsletter, which announces that the Program will start soon after the start of 2015. Osenbaugh also showed how the cost of the new program is likely to affect the 2015 budget. Motion to approve the 'roll out' of the JAP was made by Vandall; seconded by Price, and unanimously approved.

Approval of Estimated Administrative Budget for 2015--Osenbaugh reviewed the proposed 2015 Administrative Budget, and answered a few questions. The Budget was unanimously approved as presented, following a motion by Frazer and a second by Dillner.

'State of The Pool'--Osenbaugh presented a somewhat-abbreviated history of the KMIT Pool.

Administrator's: Osenbaugh gave a very brief report, which included a 'Sweeps' lawsuit update.

Adjournment: Motion made by Dillner to adjourn; seconded by Rozman. Approved unanimously. The meeting was adjourned at 12:08 PM.

KANSAS MUNICIPAL INSURANCE TRUST

Board of Trustees Minutes from November 13, 2014

Approved in Wichita (WSU) on December 12, 2014

Meeting Convened: Thursday, November 13, 2014 at the IMA Office (Wichita) and by phone conference. The meeting was called to order by KMIT President Keith Schlaegel at 12:03 PM (CST). A voice roll call indicated that a quorum of Board Members was present (9 of 11).

Members Present: *Board Members Present in Wichita:* Present Keith Schlaegel (Stockton), Randy Frazer (Moundridge), Ty Lasher (Bel Aire) and David Dillner (Abilene). *Board Members Present via telephone conference hookup:* Vice President Tim Hardy (Elkhart), Treasurer Debbie Price (Marysville), Michelle Stegman (Garden City), Megan Fry (Pittsburg) and Nathan McCommon (Tonganoxie). *Staff Present:* Paul Davis (IMA), Jaci Davis (IMA), Jess Cornejo (IMA), Deanna Furman (IMA—via phone) and Don Osenbaugh (KMIT Pool Administrator). *Guests:* None.

Members Absences From Meeting: Tim Vandall (Ellsworth) and Kerry Rozman (Clay Center).

The Sole Purpose of the Special Meeting was to revisit the August 22, 2014 Board decision as to the LCM for 2015, following word that the KID intends to lower state (class code) rates by an *overall average* of approximately 10%.

In August (at Marysville), the Board of Trustees made its annual review of the data and circumstances which lead to determining the KMIT's operational (filed) rate (or LCM) for the upcoming policy year (in this case, 2015). At that meeting, the Board voted to leave the rate the same as in 2014—1.40, which meant that an 'underwriting excess' ('profit') of 4% (or about \$250,000) was being projected for 2015.

At this Special Meeting, staff (Cornejo, P. Davis and Osenbaugh) showed charts depicting, and lead a discussion, as to how the significant decrease in state rates would likely affect the KMIT pool.

Several scenarios were presented for consideration by the Board, including:

1. 'Scenario A'—Leave the LCM at 1.40. The projected result would be a net decrease in annual excess of approximately 8%, or approximately as much as \$700,000 net 'loss', *as compared to the value projected in August*;
2. 'Scenario B'—Raise the LCM to 1.496. This rate would be project to result in zero excess; in other words, a 'break even' year, or about \$250,000 less 'profit' than Scenario A;
3. 'Scenario C'—Raise the LCM to 1.556, which would likely keep the original (August) 4% underwriting gain.

ACTION: Following a discussion, Price made the motion to price the pool to a final margin of the 4% underwriting gain, and let the final (filed) LCM move to the number needed to fund the 4% margin (very similar to Scenario C). The LCM will almost certainly not be exactly as projected in 'C', and could be higher or lower. Second by Dillner. The Board approved the motion by a vote of 8-1, with Hardy opposing.

Adjournment: Motion made by Dillner to adjourn; seconded by Fraser. Approved unanimously. The meeting was adjourned at 12:53.

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

Kansas Municipal Insurance Trust
(Name of Company)

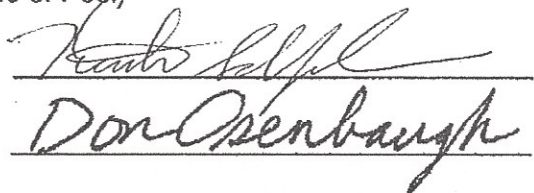
As of December 31, 2014
1st 2nd 3rd (4th) Quarter (CIRCLE ONE)

	CURRENT FISCAL YEAR TO DATE 12/31/2014	PREVIOUS FISCAL YEAR END 12/31/2013 Audited
ASSETS		
Administrative fund:		
Cash	\$ 183,238	\$ 41,306
Investments		
Claims fund:		
Cash	1,311,588	2,991,826
Investments	11,951,606	8,911,000
Premium contributions receivable		85,080
Excess insurance recoverable on claims payments	15,994	119,304
Interest income due and accrued	140,653	22,244
Receivable from affiliates		
Other assets:		
Agent Commissions Receivable	432	4,894
Prepaid Excess Insurance		
Prepaid Expenses		
Excess Insurance Premium Receivable		
Less: Non Admitted Assets	0	0
Total Assets	\$ 13,603,512	\$ 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>	<u>PREVIOUS FISCAL YEAR END</u>
	12/31/2014	12/31/2013 Audited
Reserve for unpaid workers' compensation claims	\$ 2,546,138 \$	2,510,288
Reserve for unpaid claim adjustment expenses	249,725	248,656
Reserve for claims incurred but not reported	4,178,272	3,470,401
Unearned premium contribution		
Other expenses due or accrued		
Taxes, licenses and fees due or accrued	394,962	285,836
Borrowed money \$_____ and interest thereon \$_____		
Dividends payable to members		
Deposits on premium contributions	1,013,958	241,041
Excess insurance premium payable		
Payable to affiliates		
Accounts payable	45,000	39,300
Miscellaneous liabilities:		
Return Premium Payable		429,792
Total Liabilities:	\$ 8,428,056 \$	7,225,313
Special reserve funds:		
Total Special Reserve Funds		
<u>FUND BALANCE</u>		
Total Reserves and Fund Balance (Assets-Liabilities)	5,175,457 \$	4,950,340
Total Liabilities, Reserves and Fund Balance	\$ 13,603,512 \$	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> 12/31/2014	<u>PREVIOUS FISCAL YEAR END</u> 12/31/2013 Audited
Underwriting Income		
Direct Premium Contributions Earned	\$ <u>5,761,284</u>	\$ <u>4,853,835</u>
Deductions:		
Excess insurance premium incurred	<u>455,526</u>	<u>395,840</u>
Workers' compensation claims incurred	<u>3,968,707</u>	<u>2,305,548</u>
Claims adjustment expenses incurred	<u>190,071</u>	<u>237,436</u>
Other administrative expenses incurred	<u>1,168,765</u>	<u>979,782</u>
Total underwriting deductions	<u>5,783,070</u>	<u>3,918,605</u>
Net underwriting Gain or (Loss)	\$ <u>(21,786)</u>	\$ <u>935,230</u>
Investment income		
Interest income earned (Net of investment expenses)	<u>246,903</u>	<u>71,861</u>
Other income		
Other income	<u></u>	<u></u>
Net income before dividends to members	<u>225,117</u>	<u>1,007,091</u>
Dividends to members	<u></u>	<u></u>
Net income after dividends to members	<u>225,117</u>	<u>1,007,091</u>
Net Income(Loss)	\$ <u>225,117</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>
		12/31/2014	12/31/2013 Audited
Fund balance, previous period	\$	<u>4,950,340</u>	\$ <u>3,927,722</u>
Net income (Loss)		<u>225,117</u>	<u>1,007,091</u>
Change in non-admitted assets		<u>0</u>	<u></u>
Rounding			
Change in Non Admitted Assets			<u>15,528</u>
Change in fund balance for the period		<u>225,117</u>	<u>1,022,619</u>
Fund balance, current period	\$	<u>5,175,457</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 December 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	1,805,497	91,393	1,896,890	204,543	217,864	102,541	524,948	115.8%	32.1%	142,705
2	572	PCY 16	1,377,722	79,456	1,298,266	1,320,115	90,598	1,410,713	187,000	211,071	82,901	480,972	108.7%	37.0%	116,189
2	551	PCY 15	1,552,110	80,124	1,471,986	1,561,571	147,702	1,709,274	185,000	190,573	77,653	453,226	116.1%	30.8%	96,882
1	552	PCY 14	1,689,773	86,819	1,602,954	1,457,094	123,681	1,580,775	190,000	188,080	73,593	451,673	98.6%	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
0	612	PCY 11	3,274,489	366,991	2,907,498	1,474,072	149,296	1,623,367	280,000	274,918	96,684	651,602	55.8%	22.4%	52,492
2	645	PCY 10	3,256,648	221,435	3,035,213	2,286,063	150,678	2,436,741	293,000	308,419	134,300	735,719	80.3%	24.2%	59,068
4	770	PCY 9	3,837,793	374,472	3,463,321	3,651,637	244,679	3,896,316	310,000	303,923	195,148	809,071	112.5%	23.4%	95,674
5	765	PCY 8	4,272,140	384,425	3,887,715	2,638,627	190,410	2,829,037	330,000	409,548	164,537	904,085	72.8%	23.3%	234,986
4	906	PCY 7	4,950,171	420,728	4,529,443	2,762,636	197,527	2,960,162	365,000	384,794	157,905	907,699	65.4%	20.0%	260,619
4	768	PCY 6	5,519,169	372,790	5,146,379	3,241,253	239,244	3,480,497	375,000	400,364	180,033	955,397	67.6%	18.6%	245,802
2	654	PCY 5	5,193,427	341,935	4,851,492	2,055,493	134,832	2,190,325	390,000	422,122	158,861	970,983	45.1%	20.0%	79,601
6	666	PCY 4	5,213,859	351,375	4,862,484	3,624,831	188,894	3,813,725	410,000	411,213	218,444	1,039,657	78.4%	21.4%	54,690
10	635	PCY 3	4,442,326	336,728	4,105,598	2,669,988	142,906	2,812,895	400,000	374,349	211,548	985,897	68.5%	24.0%	72,925
11	598	PCY 2	4,484,533	337,121	4,147,412	1,634,760	131,661	1,766,421	400,000	407,086	174,669	981,755	42.6%	23.7%	71,545
16	696	PCY 1	4,853,835	395,840	4,457,995	1,611,585	112,318	1,723,903	580,600	286,205	112,977	979,782	38.7%	22.0%	71,861
196	730	CCY	5,761,284	455,526	5,305,758	2,451,747	112,877	2,564,624	596,571	368,614	203,581	1,168,765	48.3%	22.0%	246,903

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 Balance Sheet

As of December 31, 2014

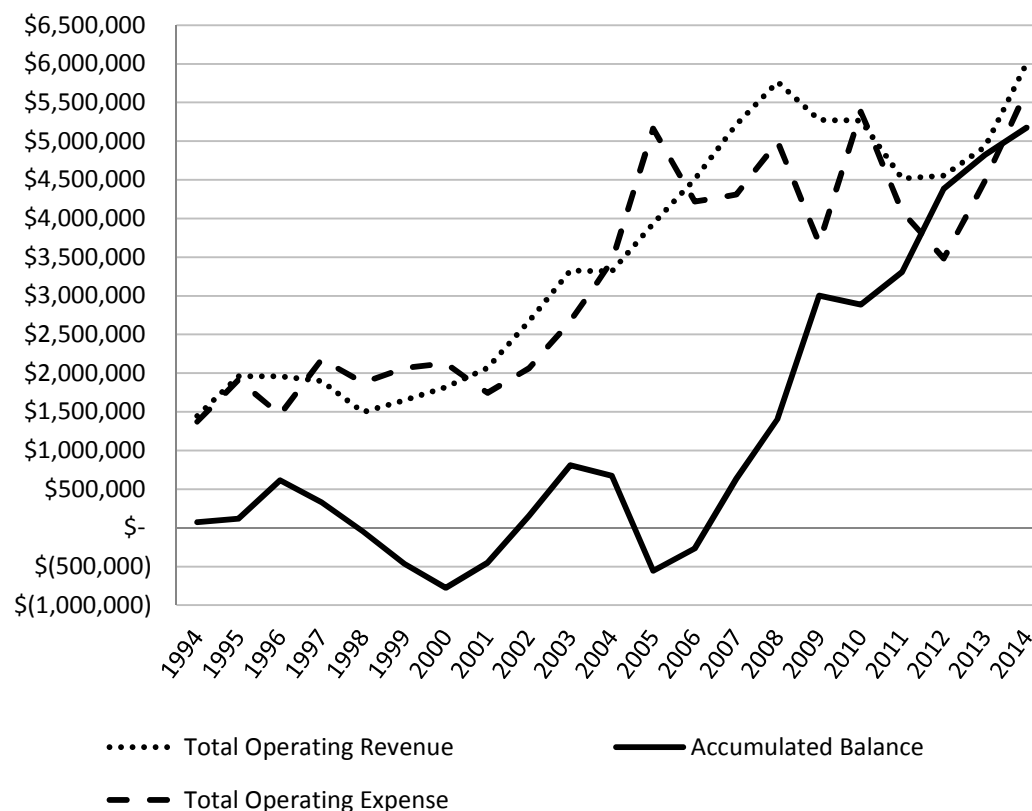
ASSETS

Checking Accounts	\$	1,494,826
Investments	\$	11,951,606
Accrued Interest	\$	140,653
Accounts Receivable	\$	432
Excess Premium Receivable	\$	-
Specific Recoverable	\$	129,836
Aggregate Recoverable	\$	72,852
Prepaid Expenses	\$	-
Total Assets	\$	13,790,205

LIABILITIES & EQUITY

Accounts Payable	\$	45,000
Excess Premium Payable	\$	-
Reserve for Losses	\$	2,982,557
IBNR Reserve	\$	4,178,272
Deposits on Premium	\$	1,013,958
Accrued Taxes and Assessments	\$	394,962
Total Liabilities	\$	8,614,749
Total Equity	\$	5,175,457
Total Liabilities and Equity	\$	13,790,205

KMIT Financial Overview



KMIT Profit and Loss

As of December 31,2014

	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
	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
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
Interest Income	\$ 22,675	\$ 73,225	\$ 114,912	\$ 142,705	\$ 116,190	\$ 96,882	\$ 129,613	\$ 101,694	\$ 50,668	\$ 52,492	\$ 59,068	\$ 96,274
Miscellaneous Income	\$ -	\$ -	\$ -	\$ -	\$ 4,445	\$ 75	\$ -	\$ -	\$ 2,335	\$ -	\$ -	\$ -
Total Operating Revenue	\$ 1,445,257	\$ 1,958,726	\$ 1,957,959	\$ 1,897,220	\$ 1,498,357	\$ 1,649,067	\$ 1,819,386	\$ 2,067,350	\$ 2,669,644	\$ 3,326,981	\$ 3,315,716	\$ 3,934,067
		\$ 390,462										
ADMINISTRATION FUND EXPENSE	\$ 477,137	\$ 601,545	\$ 492,669	\$ 519,611	\$ 467,971	\$ 447,371	\$ 450,347	\$ 437,018	\$ 533,041	\$ 650,268	\$ 737,890	\$ 811,238
CLAIMS FUND EXPENSE												
Claims Paid Expense	\$ 716,700	\$ 1,049,152	\$ 790,125	\$ 2,021,721	\$ 1,859,967	\$ 1,681,372	\$ 1,439,082	\$ 1,097,087	\$ 1,211,714	\$ 1,874,209	\$ 2,246,426	\$ 3,791,468
Claims Paid Adjusting Expense	\$ 25,541	\$ 54,345	\$ 46,505	\$ 90,305	\$ 82,932	\$ 142,378	\$ 122,156	\$ 83,206	\$ 129,112	\$ 149,296	\$ 147,324	\$ 236,287
Claims Reserve Expense	\$ -	\$ -	\$ -	\$ 52,524	\$ 59,508	\$ 50,681	\$ 18,012	\$ -	\$ -	\$ -	\$ 39,637	\$ 48,295
Claims Reserves Adjusting Expense	\$ -	\$ -	\$ -	\$ 1,088	\$ 7,666	\$ 5,325	\$ 1,524	\$ -	\$ -	\$ -	\$ 3,354	\$ 8,392
IBNR Reserve Expense	\$ 0	\$ -	\$ 0	\$ -	\$ 1	\$ -	\$ 9,328	\$ 0	\$ 0	\$ 32,894	\$ 54,350	\$ 80,416
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
Specific Recoverable Expense	\$ -	\$ -	\$ -	\$ -	\$ (82,083)	\$ (47,753)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Specific Recovery Expense	\$ -	\$ -	\$ -	\$ (268,748)	\$ (599,360)	\$ (170,482)	\$ -	\$ -	\$ -	\$ (400,137)	\$ -	\$ (188,126)
Aggregate Recoverable Expense	\$ -	\$ -	\$ -	\$ (58,727)	\$ -	\$ (14,125)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Aggregate Recovery Expense	\$ -	\$ -	\$ -	\$ (295,131)	\$ -	\$ (107,134)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Claims Fund Expense	\$ 893,634	\$ 1,313,638	\$ 970,007	\$ 1,660,153	\$ 1,408,087	\$ 1,620,386	\$ 1,676,922	\$ 1,307,461	\$ 1,530,284	\$ 2,023,252	\$ 2,712,526	\$ 4,351,204
Total Operating Expense	\$ 1,370,771	\$ 1,915,183	\$ 1,462,676	\$ 2,179,764	\$ 1,876,058	\$ 2,067,757	\$ 2,127,269	\$ 1,744,479	\$ 2,063,325	\$ 2,673,520	\$ 3,450,416	\$ 5,162,442
BALANCES												
KMIT Statutory Fund Balance	\$ 74,486	\$ 43,543	\$ 495,283	\$ (282,544)	\$ (377,701)	\$ (418,690)	\$ (307,883)	\$ 322,871	\$ 606,318	\$ 653,461	\$ (134,700)	\$ (1,228,375)
Accumulated Balance	\$ 74,486	\$ 118,029	\$ 613,312	\$ 330,768	\$ (46,933)	\$ (465,622)	\$ (773,505)	\$ (450,634)	\$ 155,684	\$ 809,146	\$ 674,446	\$ (553,929)

KMIT Profit and Loss

As of December 31, 2014

	2006	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	Accrued To Date	Budget	Accrued To Date
REVENUE FUND											
Direct Premium Earned	\$ 4,272,140	\$ 4,950,171	\$ 5,519,169	\$ 5,193,427	\$ 5,213,859	\$ 4,442,326	\$ 4,484,533	\$ 4,853,835	\$ 5,761,284	\$ 5,800,000	\$ 71,167,221
Interest Income	\$ 234,986	\$ 263,024	\$ 245,802	\$ 81,601	\$ 52,768	\$ 72,925	\$ 70,104	\$ 71,861	\$ 246,903	\$ 72,000	\$ 2,396,322
Miscellaneous Income	\$ -	\$ 2,405	\$ -	\$ -	\$ -	\$ 1,441	\$ -	\$ -	\$ -	\$ -	\$ 10,701
Total Operating Revenue	\$ 4,507,126	\$ 5,215,600	\$ 5,764,971	\$ 5,275,028	\$ 5,266,578	\$ 4,516,692	\$ 4,554,637	\$ 4,925,696	\$ 6,008,187	\$ 5,872,000	\$ 73,574,244
ADMINISTRATION FUND EXPENSE	\$ 907,540	\$ 910,779	\$ 947,980	\$ 954,955	\$ 1,017,540	\$ 942,791	\$ 928,620	\$ 1,017,373	\$ 1,138,212	\$ 1,023,000	\$ 15,391,894
CLAIMS FUND EXPENSE											
Claims Paid Expense	\$ 2,570,861	\$ 2,588,632	\$ 3,073,785	\$ 2,016,013	\$ 3,425,749	\$ 2,264,459	\$ 1,536,440	\$ 1,412,346	\$ 1,348,424		\$ 40,015,731
Claims Paid Adjusting Expense	\$ 178,765	\$ 179,924	\$ 221,053	\$ 127,871	\$ 171,244	\$ 119,414	\$ 107,262	\$ 80,839	\$ 41,921		\$ 2,537,680
Claims Reserve Expense	\$ 67,766	\$ 174,004	\$ 167,468	\$ 39,478	\$ 199,082	\$ 405,529	\$ 108,285	\$ 199,239	\$ 1,103,323		\$ 2,732,831
Claims Reserves Adjusting Expense	\$ 11,644	\$ 17,603	\$ 18,190	\$ 6,962	\$ 17,650	\$ 23,492	\$ 24,400	\$ 31,479	\$ 70,956		\$ 249,725
IBNR Reserve Expense	\$ 99,425	\$ 19,143	\$ 190,774	\$ 195,177	\$ 200,566	\$ -	\$ 447,864	\$ 1,352,416	\$ 1,495,918		\$ 4,178,272
Excess Work Comp Insurance	\$ 384,425	\$ 420,728	\$ 372,790	\$ 341,935	\$ 351,375	\$ 336,966	\$ 337,595	\$ 395,128	\$ 455,526	\$ 425,000	\$ 5,534,424
Specific Recoverable Expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ (129,836)
Specific Recovery Expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (9,965)	\$ -	\$ -		\$ (1,636,817)
Aggregate Recoverable Expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ (72,852)
Aggregate Recovery Expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ (402,265)
Claims Fund Expense	\$ 3,312,887	\$ 3,400,033	\$ 4,044,061	\$ 2,727,437	\$ 4,365,666	\$ 3,149,860	\$ 2,551,880	\$ 3,471,447	\$ 4,516,068	\$ 425,000	\$ 53,006,893
Total Operating Expense	\$ 4,220,427	\$ 4,310,812	\$ 4,992,041	\$ 3,682,392	\$ 5,383,206	\$ 4,092,651	\$ 3,480,500	\$ 4,488,820	\$ 5,654,280	\$ 1,448,000	\$ 68,398,788
BALANCES											
KMIT Statutory Fund Balance	\$ 286,699	\$ 904,788	\$ 772,930	\$ 1,592,636	\$ (116,628)	\$ 424,041	\$ 1,074,137	\$ 436,876	\$ 353,907	\$ 4,424,000	\$ 5,175,457
Accumulated Balance	\$ (267,230)	\$ 637,557	\$ 1,410,487	\$ 3,003,123	\$ 2,886,495	\$ 3,310,536	\$ 4,384,674	\$ 4,821,549	\$ 5,175,457		

KMIT Admin Expenses

As of December 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
GENERAL EXPENSES													
Agent Commissions	\$ -	\$ -	\$ -	\$ -	\$ 969	\$ 4,919	\$ 5,239	\$ 12,669	\$ 33,803	\$ 44,060	\$ 43,231	\$ 61,486	\$ 75,650
Directors and Officers Insurance	\$ -	\$ 489	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
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
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
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
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	
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
KID State Audit													
KDOL Annual Assessment Fee	9,073	15,053	12,410	34,567	16,521	37,059	39,635	30,875	34,311	40,602	56,321	67,606	80,588
Sub Total	\$ 95,360	\$ 77,466	\$ 56,281	\$ 97,204	\$ 65,455	\$ 71,723	\$ 72,267	\$ 55,589	\$ 69,799	\$ 95,350	\$ 136,471	\$ 197,315	\$ 167,992
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
Actuarial	\$ -	\$ -	\$ 2,855	\$ 5,000	\$ 25,033	\$ 5,859	\$ 5,703	\$ 7,062	\$ 6,148	\$ 6,272	\$ 7,862	\$ 9,000	\$ 9,991
Risk Management	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 40,000	\$ 40,000	\$ 50,000	\$ 50,000
Risk Control	\$ -	\$ -	\$ 82,500	\$ 99,073	\$ 87,000	\$ 80,000	\$ 80,000	\$ 85,000	\$ 92,500	\$ 105,000	\$ 113,000	\$ 120,000	\$ 130,000
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
Risk Analysis	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Pool Admin Services	\$ 77,478	\$ 190,400	\$ 145,400	\$ 170,350	\$ 170,396	\$ 159,996	\$ 159,996	\$ 140,000	\$ 160,000	\$ 176,000	\$ 193,000	\$ 200,000	\$ 210,000
Payroll Audits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,088	\$ 9,840	\$ 12,042	\$ -	\$ 14,562
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
Administration Fund Expense	\$ 477,137	\$ 601,545	\$ 492,669	\$ 519,611	\$ 467,971	\$ 447,371	\$ 450,347	\$ 437,018	\$ 533,041	\$ 650,268	\$ 737,890	\$ 811,238	\$ 907,540

KMIT Admin Expenses

As of December 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
GENERAL EXPENSES										
Agent Commissions	\$ 77,961	\$ 88,532	\$ 94,214	\$ 93,637	\$ 82,860	\$ 96,481	\$ 102,636	\$ 98,695	\$ 95,000	\$ 1,017,042
Directors and Officers Insurance	\$ 20,367	\$ 18,542	\$ 15,857	\$ 15,942	\$ 16,038	\$ 16,488	\$ 17,224	\$ 15,956	\$ 18,000	\$ 136,903
Meetings/Travel	\$ -	\$ -	\$ -	\$ -	\$ 829	\$ 4,881	\$ 19,334	\$ 29,749	\$ 16,000	\$ 69,413
Contingencies/Miscellaneous	\$ 33,865	\$ 26,155	\$ 34,318	\$ 2,657	\$ 1,708	\$ 3,175	\$ 3,623	\$ 4,385	\$ 8,000	\$ 352,931
Bank Fees	\$ -	\$ 2,638	\$ 2,758	\$ 9,239	\$ 5,776	\$ 4,159	\$ 7,528	\$ 4,447	\$ 5,000	\$ 44,029
Write Off	\$ -	\$ -	\$ -	\$ -	\$ (104)	\$ -	\$ -	\$ -	\$ -	\$ (104)
LKM Clearing	\$ -	\$ -	\$ -	\$ -	\$ 60	\$ -	\$ -	\$ -	\$ -	\$ 60
Marketing	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 439	\$ 452	\$ 161	\$ -	\$ 1,052
Office Supplies						\$ 1,112	\$ 1,830	\$ 3,732	\$ 5,000	\$ 6,673
Sub Total	\$ 132,193	\$ 135,867	\$ 147,147	\$ 121,475	\$ 107,167	\$ 126,735	\$ 152,627	\$ 157,124	\$ 147,000	\$ 1,628,000
REGULATORY										
Kansas Insurance Dept (KID) Premium Tax	46,194	54,139	48,525	49,030	40,919	\$ 43,445	\$ 44,349	\$ 54,053	\$ 48,000	\$ 663,921
KID Pool Assessment	4,300	3,409	3,476	3,500	3,000	\$ -	\$ -	\$ -	\$ 4,000	\$ 64,701
KID Workers Compensation Assessment	32,896	32,770	28,363	57,704	65,962	\$ -	\$ -	\$ -	\$ 45,000	\$ 671,063
KID State Audit					12,652	\$ -	\$ -	\$ -	\$ -	\$ 12,652
KDOL Annual Assessment Fee	75,191	82,299	62,469	86,093	14,263	\$ 78,307	\$ 106,277	\$ 195,193	\$ 66,000	\$ 1,174,714
Sub Total	\$ 158,581	\$ 172,616	\$ 142,833	\$ 196,327	\$ 136,796	\$ 121,752	\$ 150,627	\$ 249,246	\$ 163,000	\$ 2,587,050
CONTRACTURAL										
Financial Audit	\$ 6,462	\$ 13,127	\$ 18,608	\$ 31,565	\$ 12,023	\$ 11,738	\$ 11,904	\$ 15,803	\$ 23,000	\$ 278,272
Actuarial	\$ 12,860	\$ 13,000	\$ 13,750	\$ 14,000	\$ 14,000	\$ 14,250	\$ 14,250	\$ 15,000	\$ 15,000	\$ 201,895
Risk Management	\$ 60,000	\$ 70,000	\$ 70,000	\$ 70,000	\$ 70,000	\$ 70,000	\$ 170,000	\$ 170,000	\$ 170,000	\$ 930,000
Risk Control	\$ 140,000	\$ 140,000	\$ 145,000	\$ 145,000	\$ 145,000	\$ 145,000	\$ 150,000	\$ 150,000	\$ 150,000	\$ 2,234,073
Claims Adjusting	\$ 165,000	\$ 165,000	\$ 175,000	\$ 195,000	\$ 185,000	\$ 185,000	\$ 185,000	\$ 185,000	\$ 185,000	\$ 3,466,259
Risk Analysis	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,671	\$ -	\$ 9,671
Pool Admin Services	\$ 220,000	\$ 220,000	\$ 225,000	\$ 225,000	\$ 230,000	\$ 230,004	\$ 75,600	\$ 81,900	\$ 78,000	\$ 3,660,520
Payroll Audits	\$ 15,684	\$ 18,370	\$ 17,617	\$ 19,173	\$ 19,000	\$ 16,318	\$ 16,000	\$ 20,143	\$ 22,000	\$ 188,836
Rating Services	\$ -	\$ -	\$ -	\$ -	\$ 22,650	\$ 6,636	\$ 18,702	\$ 10,887	\$ -	\$ 58,875
Web Hosting	\$ -	\$ -	\$ -	\$ -	\$ 1,155	\$ 1,187	\$ 2,663	\$ 3,439	\$ -	\$ 8,443
Endorsement Fee	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 70,000	\$ 70,000	\$ 70,000	\$ 140,000
Sub Total	\$ 620,006	\$ 639,497	\$ 664,975	\$ 699,738	\$ 698,827	\$ 680,133	\$ 714,119	\$ 731,842	\$ 713,000	\$ 11,176,844
Administration Fund Expense	\$ 910,779	\$ 947,980	\$ 954,955	\$ 1,017,540	\$ 942,791	\$ 928,620	\$ 1,017,373	\$ 1,138,212	\$ 1,023,000	\$ 15,391,894

KMIT Balance Sheet

January 31, 2015

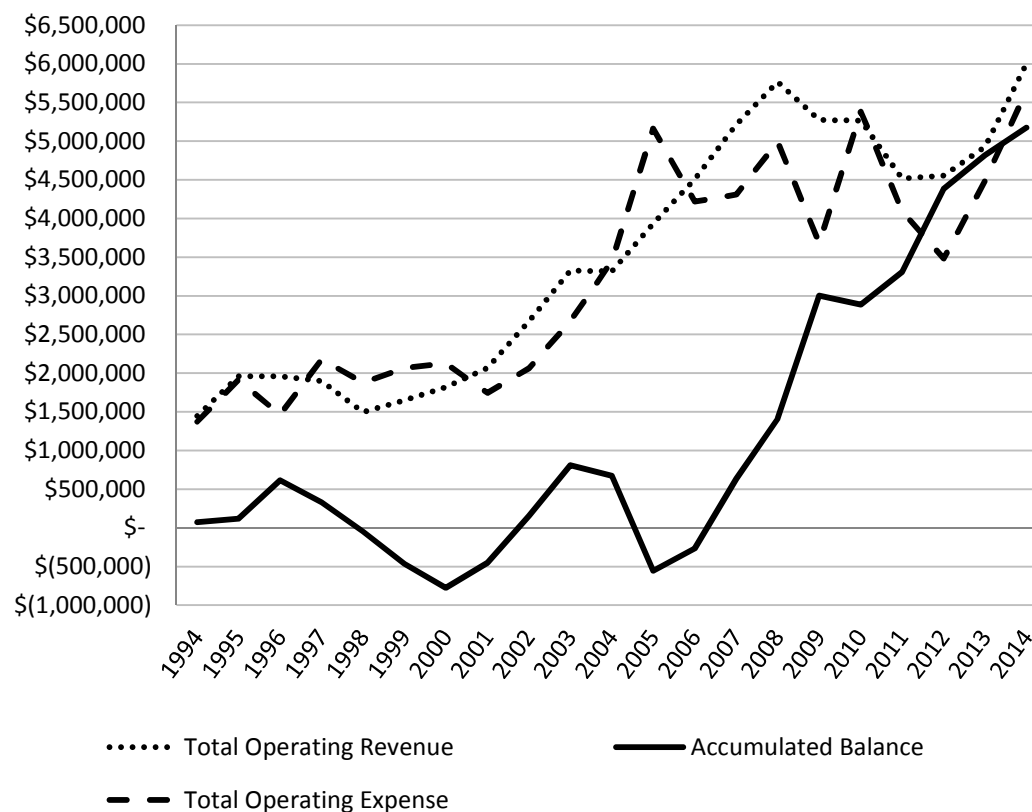
ASSETS

Checking Accounts	\$	3,981,294
Investments	\$	12,201,606
Accrued Interest	\$	134,219
Accounts Receivable	\$	740,412
Excess Premium Receivable	\$	-
Specific Recoverable	\$	124,034
Aggregate Recoverable	\$	84,852
Prepaid Expenses	\$	453,727
Total Assets	\$	17,720,144

LIABILITIES & EQUITY

Accounts Payable	\$	41,991
Excess Premium Payable	\$	-
Reserve for Losses	\$	2,787,713
IBNR Reserve	\$	4,344,814
Deposits on Premium	\$	5,022,320
Accrued Taxes and Assessments	\$	394,962
Total Liabilities	\$	12,591,800
Total Equity	\$	5,128,344
Total Liabilities and Equity	\$	17,720,144

KMIT Financial Overview



KMIT Profit and Loss

January 31, 2015

	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
	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
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
Interest Income	\$ 22,675	\$ 73,225	\$ 114,912	\$ 142,705	\$ 116,190	\$ 96,882	\$ 129,613	\$ 101,694	\$ 50,668	\$ 52,492	\$ 59,068	\$ 96,274
Miscellaneous Income	\$ -	\$ -	\$ -	\$ -	\$ 4,445	\$ 75	\$ -	\$ -	\$ 2,335	\$ -	\$ -	\$ -
Total Operating Revenue	\$ 1,445,257	\$ 1,958,726	\$ 1,957,959	\$ 1,897,220	\$ 1,498,357	\$ 1,649,067	\$ 1,819,386	\$ 2,067,350	\$ 2,669,644	\$ 3,326,981	\$ 3,315,716	\$ 3,934,067
		\$ 390,462										
ADMINISTRATION FUND EXPENSE	\$ 477,137	\$ 601,545	\$ 492,669	\$ 519,611	\$ 467,971	\$ 447,371	\$ 450,347	\$ 437,018	\$ 533,041	\$ 650,268	\$ 737,890	\$ 811,238
CLAIMS FUND EXPENSE												
Claims Paid Expense	\$ 716,700	\$ 1,049,152	\$ 790,125	\$ 2,022,180	\$ 1,862,890	\$ 1,681,537	\$ 1,439,242	\$ 1,097,087	\$ 1,211,714	\$ 1,874,209	\$ 2,248,567	\$ 3,793,173
Claims Paid Adjusting Expense	\$ 25,541	\$ 54,345	\$ 46,505	\$ 90,305	\$ 82,942	\$ 142,378	\$ 123,024	\$ 83,206	\$ 129,112	\$ 149,296	\$ 147,422	\$ 236,290
Claims Reserve Expense	\$ -	\$ -	\$ -	\$ 64,065	\$ 56,586	\$ 50,516	\$ 17,852	\$ -	\$ -	\$ -	\$ 37,496	\$ 46,590
Claims Reserves Adjusting Expense	\$ -	\$ -	\$ -	\$ 1,088	\$ 7,656	\$ 5,325	\$ 657	\$ -	\$ -	\$ -	\$ 3,257	\$ 8,388
IBNR Reserve Expense	\$ 0	\$ -	\$ 0	\$ -	\$ 1	\$ -	\$ 9,328	\$ 0	\$ 0	\$ 32,894	\$ 54,350	\$ 80,416
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
Specific Recoverable Expense	\$ -	\$ -	\$ -	\$ -	\$ (76,281)	\$ (47,753)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Specific Recovery Expense	\$ -	\$ -	\$ -	\$ (268,748)	\$ (605,161)	\$ (170,482)	\$ -	\$ -	\$ -	\$ (400,137)	\$ -	\$ (188,126)
Aggregate Recoverable Expense	\$ -	\$ -	\$ -	\$ (70,727)	\$ -	\$ (14,125)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Aggregate Recovery Expense	\$ -	\$ -	\$ -	\$ (295,131)	\$ -	\$ (107,134)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Claims Fund Expense	\$ 893,634	\$ 1,313,638	\$ 970,007	\$ 1,660,153	\$ 1,408,087	\$ 1,620,386	\$ 1,676,922	\$ 1,307,461	\$ 1,530,284	\$ 2,023,252	\$ 2,712,526	\$ 4,351,204
Total Operating Expense	\$ 1,370,771	\$ 1,915,183	\$ 1,462,676	\$ 2,179,764	\$ 1,876,058	\$ 2,067,757	\$ 2,127,269	\$ 1,744,479	\$ 2,063,325	\$ 2,673,520	\$ 3,450,416	\$ 5,162,442
BALANCES												
KMIT Statutory Fund Balance	\$ 74,486	\$ 43,543	\$ 495,283	\$ (282,544)	\$ (377,701)	\$ (418,690)	\$ (307,883)	\$ 322,871	\$ 606,318	\$ 653,461	\$ (134,700)	\$ (1,228,375)
Accumulated Balance	\$ 74,486	\$ 118,029	\$ 613,312	\$ 330,768	\$ (46,933)	\$ (465,622)	\$ (773,505)	\$ (450,634)	\$ 155,684	\$ 809,146	\$ 674,446	\$ (553,929)

KMIT Profit and Loss

January 31, 2015

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2015	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	Accrued To Date	Accrued To Date	Budget	Accrued To Date
REVENUE FUND												
Direct Premium Earned	\$ 4,272,140	\$ 4,950,171	\$ 5,519,169	\$ 5,193,427	\$ 5,213,859	\$ 4,442,326	\$ 4,484,533	\$ 4,853,835	\$ 5,761,284	\$ 456,575	\$ 5,800,000	\$ 71,623,795
Interest Income	\$ 234,986	\$ 263,024	\$ 245,802	\$ 81,601	\$ 52,768	\$ 72,925	\$ 70,104	\$ 71,861	\$ 246,903	\$ 9,985	\$ 72,000	\$ 2,406,307
Miscellaneous Income	\$ -	\$ 2,405	\$ -	\$ -	\$ -	\$ 1,441	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,701
Total Operating Revenue	\$ 4,507,126	\$ 5,215,600	\$ 5,764,971	\$ 5,275,028	\$ 5,266,578	\$ 4,516,692	\$ 4,554,637	\$ 4,925,696	\$ 6,008,187	\$ 466,560	\$ 5,872,000	\$ 74,040,804
ADMINISTRATION FUND EXPENSE	\$ 907,540	\$ 910,779	\$ 947,980	\$ 954,955	\$ 1,017,540	\$ 942,791	\$ 928,620	\$ 1,017,373	\$ 1,138,225	\$ 135,210	\$ 1,023,000	\$ 15,527,118
CLAIMS FUND EXPENSE												
Claims Paid Expense	\$ 2,571,271	\$ 2,592,224	\$ 3,076,788	\$ 2,016,186	\$ 3,453,285	\$ 2,273,711	\$ 1,546,726	\$ 1,426,272	\$ 1,638,992	\$ 1,295		\$ 40,383,324
Claims Paid Adjusting Expense	\$ 178,767	\$ 180,161	\$ 221,258	\$ 127,952	\$ 171,260	\$ 121,248	\$ 110,122	\$ 83,665	\$ 44,097	\$ -		\$ 2,548,895
Claims Reserve Expense	\$ 67,356	\$ 170,412	\$ 164,465	\$ 39,393	\$ 179,363	\$ 396,277	\$ 102,999	\$ 164,518	\$ 935,031	\$ 44,425		\$ 2,537,344
Claims Reserves Adjusting Expense	\$ 11,643	\$ 17,365	\$ 18,173	\$ 6,882	\$ 18,806	\$ 23,141	\$ 24,039	\$ 27,011	\$ 73,238	\$ 3,700		\$ 250,369
IBNR Reserve Expense	\$ 99,425	\$ 19,143	\$ 190,587	\$ 195,090	\$ 191,576	\$ -	\$ 440,364	\$ 1,374,853	\$ 1,369,184	\$ 287,604		\$ 4,344,814
Excess Work Comp Insurance	\$ 384,425	\$ 420,728	\$ 372,790	\$ 341,935	\$ 351,375	\$ 336,966	\$ 337,595	\$ 395,128	\$ 455,526	\$ 39,942	\$ 425,000	\$ 5,574,366
Specific Recoverable Expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ (124,034)
Specific Recovery Expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (9,965)	\$ -	\$ -	\$ -		\$ (1,642,619)
Aggregate Recoverable Expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ (84,852)
Aggregate Recovery Expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ (402,265)
Claims Fund Expense	\$ 3,312,887	\$ 3,400,033	\$ 4,044,061	\$ 2,727,437	\$ 4,365,666	\$ 3,151,343	\$ 2,551,880	\$ 3,471,447	\$ 4,516,068	\$ 376,966	\$ 425,000	\$ 53,385,342
Total Operating Expense	\$ 4,220,427	\$ 4,310,812	\$ 4,992,041	\$ 3,682,392	\$ 5,383,206	\$ 4,094,133	\$ 3,480,500	\$ 4,488,820	\$ 5,654,293	\$ 512,177	\$ 1,448,000	\$ 68,912,460
BALANCES												
KMIT Statutory Fund Balance	\$ 286,699	\$ 904,788	\$ 772,930	\$ 1,592,636	\$ (116,628)	\$ 422,559	\$ 1,074,137	\$ 436,876	\$ 353,894	\$ (45,617)	\$ 4,424,000	\$ 5,128,344
Accumulated Balance	\$ (267,230)	\$ 637,557	\$ 1,410,487	\$ 3,003,123	\$ 2,886,495	\$ 3,309,054	\$ 4,383,191	\$ 4,820,067	\$ 5,173,961	\$ 5,128,344		

KMIT Admin Expenses

January 31, 2015

	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	34,567	16,521	37,059	39,635	30,875	34,311	40,602	56,321	67,606	80,588	75,191
Sub Total	\$ 95,360	\$ 77,466	\$ 56,281	\$ 97,204	\$ 65,455	\$ 71,723	\$ 72,267	\$ 55,589	\$ 69,799	\$ 95,350	\$ 136,471	\$ 197,315	\$ 167,992	\$ 158,581
CONTRACTURAL														
Financial Audit	\$ 4,603	\$ -	\$ 6,639	\$ 32,625	\$ 12,292	\$ 8,288	\$ 10,973	\$ 8,474	\$ 9,600	\$ 9,806	\$ 10,465	\$ 10,264	\$ 33,013	\$ 6,462
Actuarial	\$ -	\$ -	\$ 2,855	\$ 5,000	\$ 25,033	\$ 5,859	\$ 5,703	\$ 7,062	\$ 6,148	\$ 6,272	\$ 7,862	\$ 9,000	\$ 9,991	\$ 12,860
Risk Management	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 40,000	\$ 40,000	\$ 50,000	\$ 50,000	\$ 60,000
Risk Control	\$ -	\$ -	\$ 82,500	\$ 99,073	\$ 87,000	\$ 80,000	\$ 80,000	\$ 85,000	\$ 92,500	\$ 105,000	\$ 113,000	\$ 120,000	\$ 130,000	\$ 140,000
Claims Adjusting	\$ 298,447	\$ 312,500	\$ 194,842	\$ 105,470	\$ 100,000	\$ 105,000	\$ 110,000	\$ 110,000	\$ 125,000	\$ 135,000	\$ 140,000	\$ 140,000	\$ 150,000	\$ 165,000
Risk Analysis	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Pool Admin Services	\$ 77,478	\$ 190,400	\$ 145,400	\$ 170,350	\$ 170,396	\$ 159,996	\$ 159,996	\$ 140,000	\$ 160,000	\$ 176,000	\$ 193,000	\$ 200,000	\$ 210,000	\$ 220,000
Payroll Audits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,088	\$ 9,840	\$ 12,042	\$ -	\$ 14,562	\$ 15,684
Rating Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Web Hosting	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Endorsement Fee	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sub Total	\$ 380,528	\$ 502,900	\$ 432,236	\$ 412,518	\$ 394,721	\$ 359,144	\$ 366,672	\$ 350,536	\$ 403,336	\$ 481,918	\$ 516,368	\$ 529,264	\$ 597,566	\$ 620,006
Administration Fund Expense	\$ 477,137	\$ 601,545	\$ 492,669	\$ 519,611	\$ 467,971	\$ 447,371	\$ 450,347	\$ 437,018	\$ 533,041	\$ 650,268	\$ 737,890	\$ 811,238	\$ 907,540	\$ 910,779

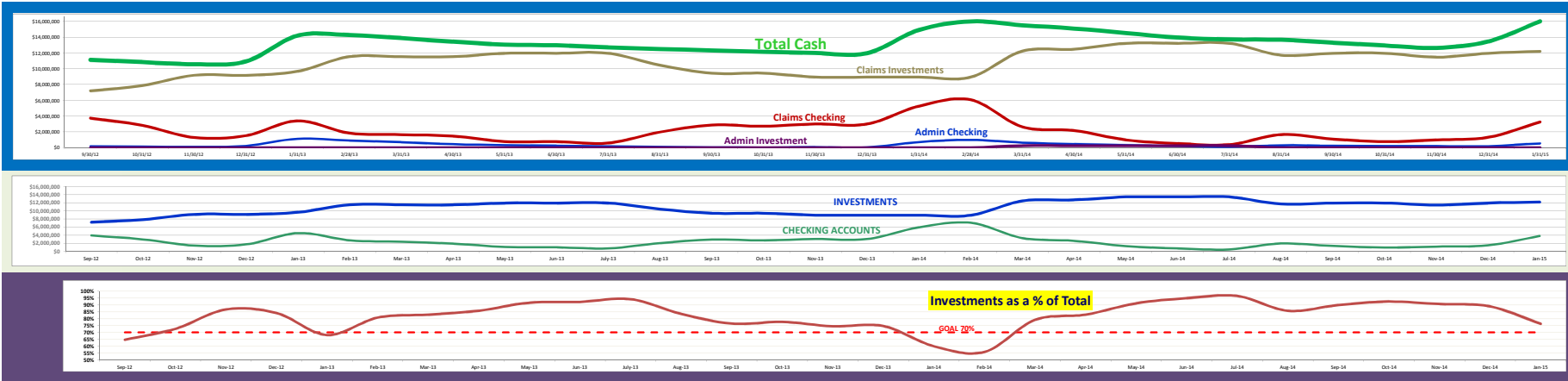
KMIT Admin Expenses

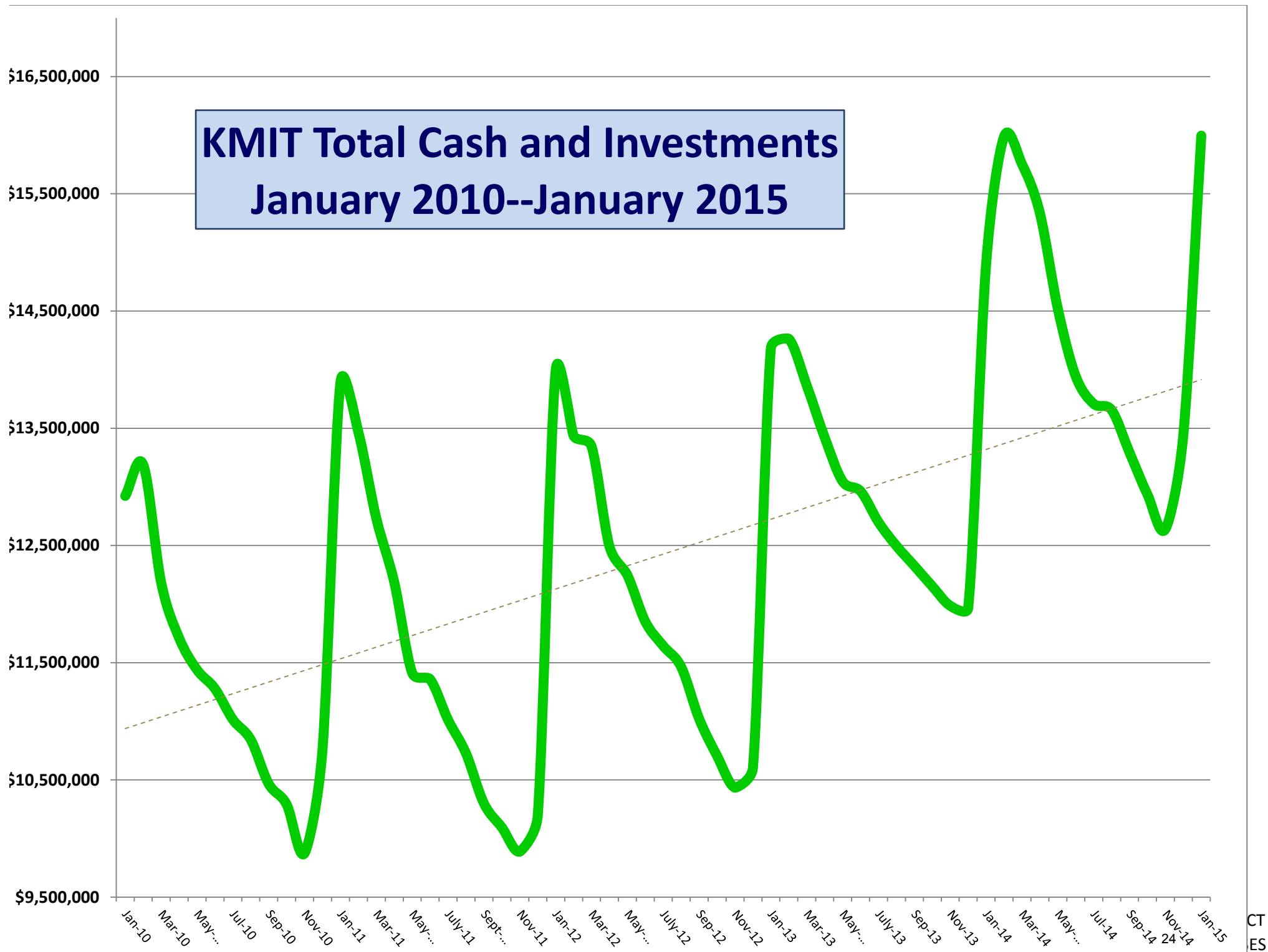
January 31, 2015

	2008	2009	2010	2011	2012	2013	2014	2015	2015	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
GENERAL EXPENSES										
Agent Commissions	\$ 88,532	\$ 94,214	\$ 93,637	\$ 82,860	\$ 96,481	\$ 102,636	\$ 98,695	\$ -	\$ 95,000	\$ 1,017,042
Directors and Officers Insurance	\$ 18,542	\$ 15,857	\$ 15,942	\$ 16,038	\$ 16,488	\$ 17,224	\$ 15,956	\$ 1,306	\$ 18,000	\$ 138,209
Meetings/Travel	\$ -	\$ -	\$ -	\$ 829	\$ 4,881	\$ 19,334	\$ 29,749	\$ 824	\$ 16,000	\$ 70,237
Contingencies/Miscellaneous	\$ 26,155	\$ 34,318	\$ 2,657	\$ 1,708	\$ 3,175	\$ 3,623	\$ 4,385	\$ 600	\$ 8,000	\$ 353,531
Bank Fees	\$ 2,638	\$ 2,758	\$ 9,239	\$ 5,776	\$ 4,159	\$ 7,528	\$ 4,460	\$ 628	\$ 5,000	\$ 44,670
Write Off	\$ -	\$ -	\$ -	\$ (104)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (104)
LKM Clearing	\$ -	\$ -	\$ -	\$ 60	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 60
Marketing	\$ -	\$ -	\$ -	\$ -	\$ 439	\$ 452	\$ 161	\$ -	\$ -	\$ 1,052
Office Supplies	\$ -	\$ -	\$ -	\$ -	\$ 1,112	\$ 1,830	\$ 3,732	\$ 498	\$ 5,000	\$ 7,171
Sub Total	\$ 135,867	\$ 147,147	\$ 121,475	\$ 107,167	\$ 126,735	\$ 152,627	\$ 157,137	\$ 3,855	\$ 147,000	\$ 1,631,868
REGULATORY										
Kansas Insurance Dept (KID) Premium Tax	54,139	48,525	49,030	40,919	\$ 43,445	\$ 44,349	\$ 54,053	\$ -	\$ 48,000	\$ 663,921
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	82,299	62,469	86,093	14,263	\$ 78,307	\$ 106,277	\$ 195,193	\$ -	\$ 66,000	\$ 1,174,714
Sub Total	\$ 172,616	\$ 142,833	\$ 196,327	\$ 136,796	\$ 121,752	\$ 150,627	\$ 249,246	\$ -	\$ 163,000	\$ 2,587,050
CONTRACTURAL										
Financial Audit	\$ 13,127	\$ 18,608	\$ 31,565	\$ 12,023	\$ 11,738	\$ 11,904	\$ 15,803	\$ -	\$ 23,000	\$ 278,272
Actuarial	\$ 13,000	\$ 13,750	\$ 14,000	\$ 14,000	\$ 14,250	\$ 14,250	\$ 15,000	\$ -	\$ 15,000	\$ 201,895
Risk Management	\$ 70,000	\$ 70,000	\$ 70,000	\$ 70,000	\$ 70,000	\$ 170,000	\$ 170,000	\$ 34,000	\$ 170,000	\$ 964,000
Risk Control	\$ 140,000	\$ 145,000	\$ 145,000	\$ 145,000	\$ 145,000	\$ 150,000	\$ 150,000	\$ 31,000	\$ 150,000	\$ 2,265,073
Claims Adjusting	\$ 165,000	\$ 175,000	\$ 195,000	\$ 185,000	\$ 185,000	\$ 185,000	\$ 185,000	\$ 41,000	\$ 185,000	\$ 3,507,259
Risk Analysis	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,671	\$ -	\$ -	\$ 9,671
Pool Admin Services	\$ 220,000	\$ 225,000	\$ 225,000	\$ 230,000	\$ 230,004	\$ 75,600	\$ 81,900	\$ 7,480	\$ 78,000	\$ 3,668,000
Payroll Audits	\$ 18,370	\$ 17,617	\$ 19,173	\$ 19,000	\$ 16,318	\$ 16,000	\$ 20,143	\$ -	\$ 22,000	\$ 188,836
Rating Services	\$ -	\$ -	\$ -	\$ 22,650	\$ 6,636	\$ 18,702	\$ 10,887	\$ 375	\$ -	\$ 59,250
Web Hosting	\$ -	\$ -	\$ -	\$ 1,155	\$ 1,187	\$ 2,663	\$ 3,439	\$ -	\$ -	\$ 8,443
Endorsement Fee	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 70,000	\$ 70,000	\$ 17,500	\$ 70,000	\$ 157,500
Sub Total	\$ 639,497	\$ 664,975	\$ 699,738	\$ 698,827	\$ 680,133	\$ 714,119	\$ 731,842	\$ 131,355	\$ 713,000	\$ 11,308,199
Administration Fund Expense	\$ 947,980	\$ 954,955	\$ 1,017,540	\$ 942,791	\$ 928,620	\$ 1,017,373	\$ 1,138,225	\$ 135,210	\$ 1,023,000	\$ 15,527,118

KMIT Cash Management/Investment Summary
September 2012--January 2015

KMIT Admin Fund (KAF)		9/30/12	10/31/12	11/30/12	12/31/12	1/31/13	2/28/13	3/31/13	4/30/13	5/31/13	6/30/13	7/31/13	8/31/13	9/30/13	10/31/13	11/30/13	12/31/13	1/31/14	2/28/14	3/31/14	4/30/14	5/31/14	6/30/14	7/31/14	8/31/14	9/30/14	10/31/14	11/30/14	12/31/14	1/31/15	KMIT Admin Fund (KAF)	
Admin Account		175,127	135,098	113,932	222,248	1,124,982	892,406	705,474	441,284	316,444	247,442	160,540	93,382	43,729	11,762	52,047	41,307	708,594	994,516	642,448	447,381	319,213	194,070	104,799	294,067	242,279	206,707	194,692	183,238	538,869	Admin Account	
Admin Checking		175,127	135,098	113,932	222,248	1,124,982	892,406	705,474	441,284	316,444	247,442	160,540	93,382	43,729	11,762	52,047	41,307	708,594	994,516	642,448	447,381	319,213	194,070	104,799	294,067	242,279	206,707	194,692	183,238	538,869	Admin Checking	
KMIT Claims Fund (KCF)																															KMIT Claims Fund (KCF)	
Claims Account		3,698,636	2,681,579	1,128,031	1,216,285	3,297,005	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	2,467,400	2,008,412	789,692	585,699	159,848	1,525,149	1,020,291	697,396	883,370	1,116,733	3,228,716	Claims Account	
TPA Claims Check Book (at IMA)		140,084	146,619	165,255	300,750	94,684	206,604	128,376	119,914	84,916	387,537	216,447	250,357	274,362	251,885	87,755	143,994	51,830	121,939	175,879	163,078	195,508	(52,314)	228,201	130,108	74,164	74,390	105,878	196,855	36,983	TPA Claims Check Book (at IMA)	
Claims Checking		3,748,120	2,828,198	1,293,287	1,517,034	3,391,749	1,846,030	1,650,808	1,466,199	778,702	763,339	580,676	1,968,262	2,858,170	2,708,580	3,001,990	2,991,826	5,249,412	6,065,594	2,643,283	2,165,490	985,200	533,385	388,049	1,655,257	1,094,455	771,786	989,148	1,311,588	3,255,709	Claims Checking	
INVESTMENTS																															INVESTMENTS	
Admin Investments		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	250,000	250,000	250,000	250,000	250,000	0	0	0	0	0	0	Admin Investments	
Claims Investments		7,192,437	7,863,277	9,167,198	9,166,322	9,666,812	11,524,415	11,508,831	11,514,800	11,951,685	11,952,707	11,958,052	10,435,540	9,424,164	9,431,587	8,931,994	8,931,244	8,938,615	8,927,185	12,218,606	12,468,606	13,215,606	13,215,606	13,215,606	13,215,606	11,706,606	11,955,606	11,955,606	11,951,607	12,201,606	Claims Investments	
TOTAL CASH		11,115,689	10,826,575	10,574,417	10,905,905	14,183,543	14,262,851	13,865,113	12,422,182	13,046,831	13,963,489	12,499,268	12,497,184	12,226,962	12,151,929	11,886,031	11,966,378	14,896,621	15,987,295	15,504,337	15,085,477	14,520,019	13,943,261	13,705,454	13,685,930	12,792,340	12,934,099	12,639,446	13,446,433	15,096,124	TOTAL CASH	





CLAIM SUMMARY-SETTLEMENT REQUEST

Employer: City of Augusta
Claim No.: 2014048165
Employee Age: 49
AWW: \$648.77
Attorneys: Employee -NA
Adjuster: Gene Miller

Date of Injury: 4/30/14
Job Description: Electric
Updated: 2/5/2015
TTD Rate: \$432.51
Employer -NA

	Medical	Indemnity	Expense	Total
Reserves	\$43,000.00	\$17,949.17	\$1,200.00	\$62,149.17
Amount Paid	\$5,304.45	\$0.00	\$501.83	\$5,806.28
Outstanding	\$37,695.55	\$17,949.17	\$698.17	\$56,342.89

Accident Description/Nature of Injury:

- Claimant was moving pipe and injured his low back, right side when he picked up a piece of pipe by himself. He felt pain at the time of the lift.

Investigation/Compensability

- He reported the claim the following day and the injury was not questioned by the employer. Duties were confirmed and claim accepted as compensable.

Medical Management

- After conservative treatment failed he was referred to back specialist, Dr. Hufford. A MRI was done which revealed a large disk herniation at L 3-4 and disk protrusion at L 4-5 & L5-S1. Conservative care in the form of epidural injections, therapy and prescriptions were performed. The doctor did mention the need for back surgery in the future.

Periods of Disability

- None.

Permanent Partial Impairment/Permanent Disability

- Dr. Hufford assigned 10% back.

Subrogation/Other Issues

- He did have a previous surgery to his neck and a back work comp claim 7-8 years ago but did not receive a settlement and denies subsequent medical care.

Plan of Action:

- Request settlement authority to \$55,049.17.
- $415 - 0 = 415 \times 10\% = 41.5 \times \$432.51 = \$17,949.17$
- He no longer works for the city and has moved from the area. He does not want surgery now as he can live with pain but knows he will have to have back surgery sometime in the future when his pain is not bearable. Costs for the projected surgery are as follows;
Surgeon \$10,000, anesthesiologist \$4,500, hospital \$18,500, physical therapy \$3,600, rx \$500, Total Medical \$37,100.

With the above authority the claim will be settled full/final all issues.

CLAIM SUMMARY-SETTLEMENT REQUEST

Employer: Bonner Springs
Claim No.: 2013047178
Employee Age: 52
AWW: \$857.60
Attorneys: Employee -Jason Pottenger
Adjuster: Gene Miller

Date of Injury: 11/21/2013
Job Description: Water
Updated: 2/17/2015
TTD Rate: \$587.00
Employer -Mark Hoffmeister

	Medical	Indemnity	Expense	Total
Reserves	\$40,000.00	\$29065.50	\$5,000.00	\$74,065.50
Amount Paid	\$31,560.94	\$0.00	\$2,263.28	\$33,824.22
Outstanding	\$8,439.06	\$29065.50	\$2,736.72	\$40,241.28

Accident Description/Nature of Injury:

- Claimant was lifting 50# chemical bags and pouring them into water the water system and felt pain in his right shoulder.

Investigation/Compensability

- The injury was promptly reported and accepted as compensable.

Medical Management

- The city's occupational doctor could not relieve his symptoms and he was referred to shoulder specialist Dr. Stechschulte. MRI revealed a labral tear. The prevailing factor question was posed to the doctor and he replied the tear was new and a result of the work injury. Arthroscopic surgery was performed 1/15/14.

Periods of Disability

- He returned to work in modified capacity prior to meeting the 7-day waiting period.

Permanent Partial Impairment/Permanent Disability

- Dr. Stechschulte assigned 18% shoulder.
- Dr. Koprivica assigned 17% to neck.

Subrogation/Other Issues

- We settled a prior right shoulder injury claim for 20%, which is not included in the ratings.

Plan of Action:

- Request settlement authority to \$29,056.50.
- $225 - 0 = 225 \times 22\% = 49.55 \times \$587.00 = \$29,056.50$
- Claimant no longer works for the city. Requested authority would be a full and final settlement of all issues.

CLAIM SUMMARY-SETTLEMENT REQUEST

Employer: City of Medicine Lodge
Claim No.: 2014069325
Employee Age: 48
AWW: \$797.05
Attorneys: Employee -Mike Unrien
Adjuster: Gene Miller

Date of Injury: 9/12/2014
Job Description: Water Dept
Updated: 1/16/2015
TTD Rate: \$531.36
Employer -NA

	Medical	Indemnity	Expense	Total
Reserves	205,000.00	\$26,958.93	\$3,500.00	\$50,458.93
Amount Paid	\$18,999.23	\$1,214.54	\$1,912.02	\$22,125.79
Outstanding	\$1,111.77	\$25,744.39	\$1,587.98	\$28,333.14

Accident Description/Nature of Injury:

- Claimant was in a trench repairing a broken water line when the trench collapsed on him. He sustained an injury to his right knee. The city does not have a bank retainer.

Investigation/Compensability

- Several coworkers witnessed the accident and compensability was not questioned.

Medical Management

- He was taken to the emergency room and MRI revealed bone bruise, undisplaced femur fracture, and torn medical collateral ligament. He was referred to Dr. Do who performed surgery on 9/26/14.

Periods of Disability

- 9/13/14 to 9/28/14.

Permanent Partial Impairment/Permanent Disability

- Dr. Do has assigned 14% PPD to the right knee.
- Dr. Brown assigned 35% PPD to right knee.

Subrogation/Other Issues

- No sources for subrogation or contribution.

Plan of Action:

- Request settlement authority to \$25,717.82.
- $200 - 2.3 = 197.7 \times 24.5\% = 48.4 \times \$531.36 = \$25,717.82$.
- Please grant the requested settlement authority and I will negotiate a full & final settlement of all issues, obtain Division approval and close file.

CLAIM SUMMARY-SETTLEMENT REQUEST
(Previously approved by Administrator)

Employer: City of Altamont
Claim No.: 2014048398
Employee Age: 46
AWW: \$987.78
Attorneys: Employee -No
Adjuster: Gene Miller

Date of Injury: 6/14/2014
Job Description: Police
Updated: 12/9/2014
TTD Rate: \$587.00
Employer -No

	Medical	Indemnity	Expense	Total
Reserves	\$20,000.00	\$19,362.61	\$1,500.00	\$40,862.61
Amount Paid	\$15,006.31	\$7,211.71	\$134.40	\$22,352.42
Outstanding	\$4,993.69	\$12,150.90	\$1,365.60	\$18,510.19

Accident Description/Nature of Injury:

- Officer was chasing juvenile when he slipped on gravel and fell on his right hand. He suffered tendon and sagittal band tear and rupture on 3 & 4 fingers.

Investigation/Compensability

- He was in the course and scope of employment, witnessed and accepted as compensable.

Medical Management

- Referred to orthopedic specialist, Dr. Meister who operated 6/25/14 to make repairs. His recovery was uneventful.

Periods of Disability

- 6/15/14 to 9/8/14.

Permanent Partial Impairment/Permanent Disability

- Dr. Meister has assigned 15% to hand.

Subrogation/Other Issues

- No source for subrogation or contribution.

Plan of Action:

- Request settlement authority to \$12,150.90
- $150 - 12.3 = 137.3 \times 15\% = 20.7 \times \$587.00 = \$12,150.90$
- With the above authority I will negotiate a full/final settlement of all issues with claimant, obtain Division approval and close file.

CLAIM SUMMARY-SETTLEMENT REQUEST
(Previously approved by Administrator)

Employer: City of Parsons
Claim No.: 2014068877
Employee Age: 25
AWW: \$784.84
Attorneys: Employee -No
Adjuster: Miller

Date of Injury: 7/6/2014
Job Description: Police
Updated: 2/6/2015
TTD Rate: \$523.20
Employer -No

	Medical	Indemnity	Expense	Total
Reserves	\$12,500.00	\$10,464.00	\$1,000.00	\$23,964.00
Amount Paid	\$3,219.29	\$0.00	\$14.30	\$3,233.59
Outstanding	\$9,280.71	\$10,464.00	\$985.70	\$20,730.41

Accident Description/Nature of Injury:

- Officer was fighting to control combative person and injured his right knee.

Investigation/Compensability

- The accident was promptly reported and injury accepted as compensable.

Medical Management

- Conservative care did not relieve his symptoms and he was referred to Dr. Mosier. MRI revealed blunt trauma had caused bone contusion and damaged cartilage. Surgery was performed 8/23/14.

Periods of Disability

- He did not meet the 7-day waiting period for TTD.

Permanent Partial Impairment/Permanent Disability

- Dr. Mosier has assigned 10% to knee.

Subrogation/Other Issues

- No sources for subrogation or contribution.

Plan of Action:

- Request settlement authority to \$10,464.00
- Knee 200 wks x 10% =20 wks ppd x \$523.20 = \$10,464.00
- With the authority requested I will negotiate a settlement of all issues, obtain Division approval and close file.

CLAIM SUMMARY-RESERVE INCREASE

Employer: City of Oswego
Claim No.: 2012043056
Employee Age: 64
AWW: \$417.09
Attorneys: Employee -Bill Phalen
Adjuster: Gene Miller

Date of Injury: 4/17/2012
Job Description: Water Department
Updated: 2/20/2015
TTD Rate: \$625.33
Employer -Jeff Brewer

	Medical	Indemnity	Expense	Total
Prev. Reserves	\$5,000.00	\$0.00	\$20,000.00	\$25,000.00
New Reserves	\$5,000.00	\$115,000.00	\$30,000.00	\$150,000.00
Amount Paid	\$1,901.23	\$0.00	\$24,382.71	\$26,283.94
Outstanding	\$3,098.77	\$115,000.00	\$5,617.29	\$123,716.06

Accident Description/Nature of Injury:

- First notice of claim was letter of representation alleging back injury from lifting 50# bag of chemicals and pouring them into the feeder hopper. His attorney later added psychological injury.

Investigation/Compensability

- The claim has been denied thus far. Extensive discovery suggests claimant's wife altered her husband's medical records and court ordered IME opinioned injury was only an aggravation and not the prevailing factor. Claimant has extensive history of back injuries and treatment.

Medical Management

- Court appointed IME Dr. Hufford opinioned that he sustained only an exacerbation injury to his chronic low back pain.

Periods of Disability

- No TTD paid.

Indemnity

- TTD: No TTD paid.
- PPD: Reserve reflects

Subrogation/Other Issues

- Claimant has an extensive history of back injuries and treatment and we should have an offset for any previous disability.

Plan of Action:

- Claimant attorney's only demand has been \$150,000. We have not extended an offer and case appears headed to trial.

CLAIM SUMMARY-RESERVE INCREASE

Employer: City of Garden City
Claim No.: 2015070272
Employee Age: 49
AWW: \$594.00
Attorneys: Employee -NA
Adjuster: Gene Miller

Date of Injury: 1/2/15
Job Description: Fire Fighter
Updated: 2/23/15
TTD Rate: \$992.39
Employer -NA

	Medical	Indemnity	Expense	Total
Prev. Reserves	\$0.00	\$0.00	\$0.00	\$0.00
New Reserves	\$25,000.00	\$50,000.00	\$3,000.00	\$78,000.00
Amount Paid	\$0.00	\$0.00	\$0.00	\$0.00
Outstanding	\$25,000.00	\$50,000.00	\$3,000.00	\$78,000.00

Accident Description/Nature of Injury:

- Claimant was participating in a weekly training exercise. He had completed the first of three circuits when his supervisor noted that he appeared to be struggling and so pulled him out of the exercise. Claimant went outside to cool off and was later found in his bunk with chest pain. He was taken by ambulance to the hospital where he passed.

Investigation/Compensability

- Claimant was 6' 252 pounds and had a history of high blood pressure, diabetic, smoker, high cholesterol/hypertension along with family history of same. We are still awaiting additional information from the widow regarding all the medications he was taking and his personal doctor's name so we can gather those medical records.
- Compensability not determined yet but may be questionable as he was not in an emergency situation and appears to have had a history of pre-existing conditions which led to his death.

Medical Management

- None.

Periods of Disability

- NA

Indemnity

- The new Kansas Statute death benefit is \$350,000, should the case be determined to be compensable.

Subrogation/Other Issues

- No source for subrogation. His prior health condition may be used for contribution.

Plan of Action:

- Follow-up with widow for previously requested information.
- Submit medical information to heart specialist with the prevailing factor question.
- Determine compensability.

CLAIM SUMMARY-RESERVE INCREASE

Employer: City of Oakley
Claim No.: 2014069675
Employee Age: 49
AWW: \$503.03
Attorneys: Employee -NA
Adjuster: Gene Miller

Date of Injury: 10/21/2014
Job Description: Public Works Director
Updated: 2/25/15
TTD Rate: \$754.55
Employer -NA

	Medical	Indemnity	Expense	Total
Prev. Reserves	\$1,200.00	\$0.00	\$100.00	\$1,300.00
New Reserves	\$25,000.00	\$15,000.00	\$1,500.00	\$41,500.00
Amount Paid	\$3,264.95	\$0.00	\$119.03	\$3,383.98
Outstanding	\$21,735.05	\$15,000.00	\$1,380.97	\$38,116.02

Accident Description/Nature of Injury:

- City was doing cleanup and claimant was moving mattress and injured his left shoulder.

Investigation/Compensability

- The accident/injury was promptly reported and confirmed by coworkers so the injury was accepted as compensable.

Medical Management

- Conservative care failed and he was referred to shoulder specialist, Dr. Stechschulte. A MRI revealed a full thickness tear in his shoulder and surgery performed 1/8/15.
- The city was able to accommodate the modified duty restrictions and he returned to work 1/12/15.
- He continues to have physical therapy and do his home exercises. Typically recovery time is six months.

Periods of Disability

- 1/8/15 to 1/11/15 -does not meet the 7-day waiting period for TTD.

Indemnity

- TTD: None
- PPD: Reserves reflect 13.5% to shoulder.

Subrogation/Other Issues

- No sources for contribution or subrogation.

Plan of Action:

- Maintain contact with claimant after every doctor appointment till he is released from care. Then request disability rating, obtain settlement authority, negotiate settlement, get Division approval and close file.

CLAIM SUMMARY-RESERVE INCREASE

Employer: City of Osawatomie
Claim No.: 2014069989
Employee Age: 36
AWW: \$729.88
Attorneys: Employee -MA
Adjuster: Gene Miller

Date of Injury: 12/6/14
Job Description: Police
Updated: 2/25/15
TTD Rate: \$486.00
Employer -NA

	Medical	Indemnity	Expense	Total
Prev. Reserves	\$1,200.00	\$5,000.00	\$100.00	\$6,300.00
New Reserves	\$30,000.00	\$20,000.00	\$1,200.00	\$51,200.00
Amount Paid	\$14,396.14	\$0.00	\$250.20	\$14,646.34
Outstanding	\$15,603.86	\$20,000.00	\$949.80	\$36,553.66

Accident Description/Nature of Injury:

- Officer was in foot pursuit of juvenile and during scuffle, officer fell on his left shoulder.

Investigation/Compensability

- The injury was promptly reported, medical treatment same day and not compensability not questioned.

Medical Management

- Emergency room physician referred made orthopedic referral and we directed him to shoulder specialist, Dr. Stechschulte. MRI revealed multiple tears I the shoulder and surgical repair made 1/12/15.
- He is currently taking physical therapy and doing a home exercise program. Typically with these type of injury involving surgeries, a six month recovery is anticipated.

Periods of Disability

- He returned to modified work within the 7-day waiting period so no TTD paid.

Indemnity

- TTD: No TTD paid.
- PPD: Reserves reflect 18% to shoulder.

Subrogation/Other Issues

- No source for subrogation or contribution.

Plan of Action:

- He is already back working modified duty. I will continue to follow-up after each doctor's visit to learn of his improvement and maintain relationship. When he is released MMI, I will request disability rating, obtain settlement authority, negotiate settlement, obtain Division approval and close file.

CLAIM SUMMARY-SETTLEMENT REQUEST

Employer: City of Wellington
Claim No.: 002874-97-07292-01
Employee Age: 55
AWW: \$445.62
Attorneys: Employee -NA
Adjuster: Gene Miller

Date of Injury: 10/30/1997
Job Description: Electric Department
Updated: 2/27/15
TTD Rate: \$297.08
Employer -NA

	Medical	Indemnity	Expense	Total
Reserves	\$132,000.00	\$63,000.00	\$5,000.00	\$200,000.00
Amount Paid	\$118,964.37	\$12,141.42	\$3,911.81	\$135,017.60
Outstanding	\$13,035.63	\$50,000.00	\$1,088.19	\$64,982.40

Accident Description/Nature of Injury:

- Claimant slipped and fell on wet grass, injuring his low back.

Investigation/Compensability

- Injury was accepted as compensable.

Medical Management

- He was diagnosed with herniated disk and underwent surgical repair.

Periods of Disability

- 10/30/97 to 8/6/98

Permanent Partial Impairment/Permanent Disability

- None.

Subrogation/Other Issues

- No sources for subrogation or contribution.

Plan of Action:

- Request settlement authority to \$50,000.00
- Aggregate Retention for 1997 has been reached and Safety National desires \$50,000 offer be extended to claimant to settle his claim.



**Client Summary Report
Kansas Municipal Insurance Trust
2015 Policy Year
Services Through December 31, 2015**



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	244	761	\$ 299,829	\$ 185,905	\$ 120,387	\$ 7,614	\$ (14,076)	\$ 113,924	38%	\$ 1,174	\$ 1,724	\$ 962	\$ 3,860
February	261	888	\$ 462,105	\$ 209,869	\$ 155,690	\$ 18,039	\$ 78,507	\$ 252,236	55%	\$ 1,267	\$ 985	\$ 2,923	\$ 5,175
March				\$ -				\$ -	#DIV/0!				\$ -
April				\$ -				\$ -	#DIV/0!				\$ -
May				\$ -				\$ -	#DIV/0!				\$ -
June				\$ -				\$ -	#DIV/0!				\$ -
July				\$ -				\$ -	#DIV/0!				\$ -
August				\$ -				\$ -	#DIV/0!				\$ -
September				\$ -				\$ -	#DIV/0!				\$ -
October				\$ -				\$ -	#DIV/0!				\$ -
November				\$ -				\$ -	#DIV/0!				\$ -
December				\$ -				\$ -	#DIV/0!				\$ -
Year To Date	505	1649	\$ 761,934	\$ 395,773	\$ 276,076	\$ 25,652	\$ 64,432	\$ 366,160	48%	\$ 2,442	\$ 2,710	\$ 3,884	\$ 9,036

KMIT Risk Control
2015 Year to Date

Comparison by Year

Year	Severity	Frequency
2005	\$4,109,967.00	769
2006	\$2,829,034.00	765
2007	\$2,960,166.00	906
2008	\$3,480,746.00	766
2009	\$2,188,564.00	655
2010	\$3,847,685.00	666
2011	\$2,811,914.00	633
2012	\$1,918,620.00	594
2013	\$1,697,068.00	696
2014	\$2,693,244.00	738
2015	\$72,375.00	74

2015 by Month

Month	Severity	Frequency
January	\$59,375.00	50
February	\$13,000.00	24
March		
April		
May		
June		
July		
August		
September		
October		
November		
December		
2015 Total	\$72,375.00	74

2015 by Dept.

Department	Severity	Frequency
Water	\$17,150.00	10
Police	\$16,200.00	17
Fire	\$9,100.00	11
Electric	\$8,900.00	4
Park	\$6,500.00	5
Street	\$5,200.00	10
Sanitation	\$2,600.00	3
Maintenance	\$2,600.00	4
Animal Control	\$1,525.00	3
Emergency	\$1,300.00	1
Administration	\$1,300.00	4
Miscellaneous	\$0.00	2

2015 by Accident Type

Accident Type	Severity	Frequency
Strain or Injury By	\$24,225.00	23
Fall or Slip Injury	\$9,100.00	14
Motor Vehicle	\$8,050.00	2
Struck or Injured By	\$7,800.00	8
Step/Strike Against	\$7,600.00	3
Cut/Puncture/Scrape By	\$6,500.00	11
Animal/Insect	\$5,200.00	5
Miscellaneous Causes	\$1,300.00	2
Heat/Cold/Burn/Scald	\$1,300.00	1
Foreign Body in Eye	\$1,300.00	1
Caught in or Between	\$0.00	4

2015 Total **\$72,375.00** **74**

2015 Total **\$72,375.00** **74**

2014 Top 10 Most Expensive Claims to Date

Date of Loss	City Name	Department	Accident Type	Cost
14-Apr-14	CITY OF RUSSELL	Electric	Electric Shock or Burn	\$745,000.00
11-Jun-14	CITY OF LUCAS	Maintenance	Electric Shock or Burn	\$247,059.00
07-Oct-14	CITY OF MINNEAPOLIS	Water	Foreign Body in Eye	\$79,700.00
15-Sep-14	CITY OF BLUE MOUND	Water	Strain or Injury By	\$77,500.00
30-Apr-14	CITY OF AUGUSTA	Electric	Strain or Injury By	\$62,149.00
15-Apr-14	CITY OF HERINGTON	Electric	Strain or Injury By	\$61,500.00
06-Dec-14	CITY OF OSAWATOMIE	Police	Strain or Injury By	\$51,200.00
09-Apr-14	CITY OF ARKANSAS CITY	Street	Strain or Injury By	\$50,000.00
14-Jun-14	CITY OF ALTAMONT	Police	Fall or Slip Injury	\$44,131.00
21-Oct-14	CITY OF OAKLEY	Parks	Strain or Injury By	\$41,500.00

KMIT Market, February 2015

	St Size Rank	City	Population	KMIT	KERIT	Other	KMU	Note	Note
1	16	Dodge City	27,340	X		1	NO		
2	17	Garden City	26,658	1	added in 2013		1		
3	18	Junction City	23,353		1		1		
4	19	Derby	22,158	X		1	1		
5	20	Prairie Village	21,447		1		NO		
6	21	Liberal	20,525	Qx2	Q in 2013	1	1		
7	22	Hays	20,510	1			1		
8	23	Pittsburg	20,233	1	added in 2014		NO		
9	24	Newton	19,132	1			1		
10	25	Gardner	19,123		1		1		
11	26	Great Bend	15,995	1			1		
12	27	McPherson (BPU)	13,155		1		1		
13	28	El Dorado	13,021	1			1		
14	29	Ottawa	12,649		1		1		
15	30	Arkansas City	12,415	1			1		
16	31	Winfield	12,301		1		1		
17	32	Andover	11,791	1			NO		
18	33	Lansing	11,265		1		NO		
19	34	Atchison	11,021	1			1		
20	35	Merriam	11,003		1		NO		
21	36	Haysville	10,826	1			1		
22	37	Parsons	10,500	1			NO		
23	38	Coffeyville	10,295	X	1		1	left KMIT in Dec 2012	Will Quote in Fall 2015
24	39	Independence	9,483	1			NO		
25	40	Mission	9,323	X	1		NO		
26	41	Augusta	9,274	1			1		
27	42	Chanute	9,119		1		1		
28	43	Wellington	8,172	1			1		
29	44	Fort Scott	8,087	1			1		
30	45	Bonner Springs	7,314	1			NO		

①

KMIT Market, February 2015

31	46	Park City	7,297	X	1	NO	left KMIT in Dec 2014
32	47	Abilene	6,844	1		1	
33	48	Pratt	6,835		1	1	
34	49	Valley Center	6,822	1		1	
35	50	Bel Aire	6,769	1		NO	
36	51	Roeland Park	6,731	1		NO	
37	52	Ulysses	6,161	1		1	
38	53	Eudora	6,136	1		1	
39	54	Mulvane	6,111	Q	1	1	
40	55	De Soto	5,720	1		NO	
41	56	Iola	5,704	Q 2012	1	1	
42	57	Paola	5,602	1		NO	
43	58	Spring Hill	5,437	1		NO	
44	59	Concordia	5,395	1		NO	
45	60	Colby	5,387		1	1	
46	61	Tonganoxie	4,996	1		NO	
47	62	Basehor	4,613	1		NO	
48	63	Baldwin City	4,515	1		1	
49	64	Russell	4,506	1		1	
50	65	Goodland	4,489	1		1	
51	66	Osawatomie	4,447	1		1	
52	67	Wamego	4,372	1		1	
53	68	Goddard	4,344		1	1	
54	69	Edwardsville	4,340	1		NO	
55	70	Clay Center (BPU)	4,334	1		1	
56	71	Louisburg	4,315		1	NO	
57	72	Baxter Springs	4,238	X	1	NO	left KMIT in Dec 2013
58	73	Larned	4,054	1		1	
59	74	Rose Hill	3,931	1		NO	
60	75	Hugoton	3,904		1	1	
61	76	Fairway	3,882		1	NO	
62	77	Beloit	3,835	X	1	1	

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KMIT Market, February 2015

63	78	Scott City	3,816			1	NO	
64	79	Lyons	3,739			1	1	
65	80	Hesston	3,709	X		1	1	
66	81	Mission Hills	3,498		1		NO	
67	82	Lindsborg	3,458	1	added in 2012		1	
68	83	Frontenac	3,437			1	NO	
69	84	Maize	3,420	1			1	
70	85	Garnett	3,415			1	1	
71	86	Holton	3,329			1	1	
72	87	Columbus	3,312	1			NO	
73	88	Marysville	3,294	1			NO	
74	89	Kingman	3,177	1			1	
75	90	Hiawatha	3,172	1			1	
76	91	Ellsworth	3,120	1			NO	
77	92	Galena	3,085	1			NO	
78	93	Hillsboro	2,993	1			1	
79	94	Osage City	2,943	1			1	
80	95	Norton	2,928	Q		1	1	
81	96	Girard	2,789	1			1	
82	97	Hoisington	2,706	1			1	
83	98	Burlington	2,674			1	1	
84	99	Eureka	2,633	X		1	NO	left KMIT in Dec 2014
85	100	St. Marys	2,627	X	NOT LKM	1	1	
86	101	Phillipsburg	2,581	Q		1	1	
87	102	Sabetha	2,571			1	1	
88	103	Herington	2,526	1	added in 2014		1	
89	104	Neodesha	2,486	1			1	
90	105	Fredonia	2,482	1			1	
91	106	Clearwater	2,481	1			1	
92	107	South Hutchinson	2,457			1	NO	
93	108	Cherryvale	2,367	1			NO	
94	109	Sterling	2,328	Q		1	1	Quoting Now

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KMIT Market, February 2015

95	110	Anthony	2,269		1	1	
96	111	Lakin	2,216		1	1	
97	112	Elkhart	2,205	1		1	
98	113	Caney	2,203		1	NO	
99	114	Cimarron	2,184	Q 2012	1	1	
100	115	Council Grove	2,182	1		NO	
101	116	Ellinwood	2,131		1	1	
102	117	Cheney	2,094	1		1	
103	118	Holcomb	2,094	X	1	NO	
104	119	Ogden	2,087	1		NO	
105	120	Halstead	2,085	1		1	
106	121	Ellis	2,062	Q	1	NO	
107	122	Oakley	2,045	1	added in 2013		NO
108	123	Minneapolis	2,032	1		1	
109	124	Medicine Lodge	2,009	1		1	
110	125	Belleville	1,991	1		1	
111	126	Seneca	1,991		1	1	
112	127	Humboldt	1,953		1	1	
113	128	Marion	1,927	X	1	1	Quoting Now
114	129	Kechi	1,909	Q 2012	1	1	
115	130	Plainville	1,903	Q	1	NO	
116	131	WaKeeney	1,862	1		1	
117	132	Wellsville	1,857	1		NO	
118	133	Oswego	1,829	1		1	
119	134	Syracuse	1,812		1	NO	
120	135	Oberlin	1,788	1		1	
121	136	Horton	1,776	1		1	
122	137	North Newton	1,759	1	added in 2013		NO
123	138	Moundridge	1,737	1	added in 2012		1
124	139	Meade	1,721	X	1	1	
125	140	Douglass	1,700	1		NO	
126	141	Sedgwick	1,695	1		1	

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KMIT Market, February 2015

127	142	Belle Plaine	1,681	1	added in 2012	NO	
128	143	Edgerton	1,671	1		NO	
129	144	Smith Center	1,665	1	added in 2013	NO	
130	145	Grandview Plaza	1,560	1		NO	
131	146	Leoti	1,534	1		1	
132	147	Westwood	1,506	1	added in 2012	NO	
133	148	Johnson City	1,495	1		1	
134	149	Arma	1,481			1	1
135	150	Hill City	1,474	1		1	1
136	151	Harper	1,473			1	NO
137	152	Kinsley	1,457	1		1	1
138	153	Sublette	1,453			1	NO
139	154	Towanda	1,450	Q		1	1
140	155	Ness City	1,449			1	NO
141	156	Silver Lake	1,439			1	NO
142	157	Carbondale	1,437			1	NO
143	158	Osborne	1,431	Q		1	1
144	159	Yates Center	1,417			1	NO
145	160	Chapman	1,393	1	added in 2012	1	1
146	161	Inman	1,377			1	NO
147	162	Wathena	1,364			1	1
148	163	La Crosse	1,342			1	1
149	164	St. Francis	1,329	1		1	1
150	165	Stockton	1,329	1		1	1
151	166	Buhler	1,327			1	NO
152	167	Colwich	1,327			1	NO
153	168	Lincoln Center	1,297	1		1	1
154	169	St. John	1,295			1	1
155	170	Conway Springs	1,272	1		NO	
156	171	Haven	1,237	Q 2013		1	1
157	172	Auburn	1,227			1	1
158	173	Elwood	1,224			1	1

Quoting Now

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KMIT Market, February 2015

159	174	Pleasanton	1,216	Q	1	1	
160	175	Victoria	1,214		1	1	
161	176	Peabody	1,210	1		1	
162	177	Hoxie	1,201	X	1	1	
163	178	Atwood	1,194		1	NO	
164	179	Valley Falls	1,192	1	added in 2013		NO
165	180	Rossville	1,151		1	NO	
166	181	Erie	1,150		1	1	Quoting Now
167	182	La Cygne	1,149	1		1	
168	183	Plains	1,146		1	NO	
169	184	Satanta	1,133	1		NO	
170	185	Washington	1,131		1	1	
171	186	Chetopa	1,125	D x 3	1	1	
172	187	Sedan	1,124	1		NO	
173	188	Oskaloosa	1,113	1		NO	
174	189	Solomon	1,095		1	NO	
175	190	Altamont	1,080	1		1	
176	191	Nickerson	1,070	Q	1	1	
177	192	Caldwell	1,068	X	1	NO	
178	193	Overbrook	1,058		1	NO	Q2014
179	194	Lyndon	1,052		1	NO	
180	195	Oxford	1,049		1	1	
181	196	Stafford	1,042	1		NO	
182	197	Dighton	1,038		1	1	
183	198	Kiowa	1,026		1	NO	
184	199	Blue Rapids	1,019	1		NO	
185	200	Highland	1,012		1	NO	
186	201	Troy	1,010		1	1	
Mkt	RANK					111	59.7%
						KMU	

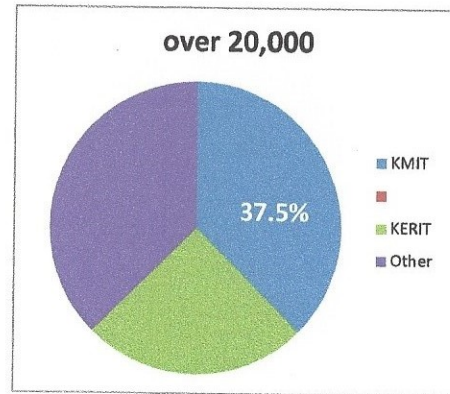
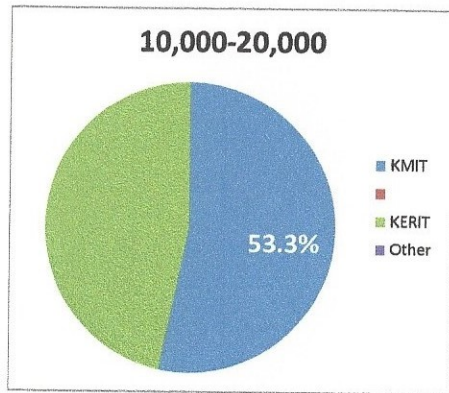
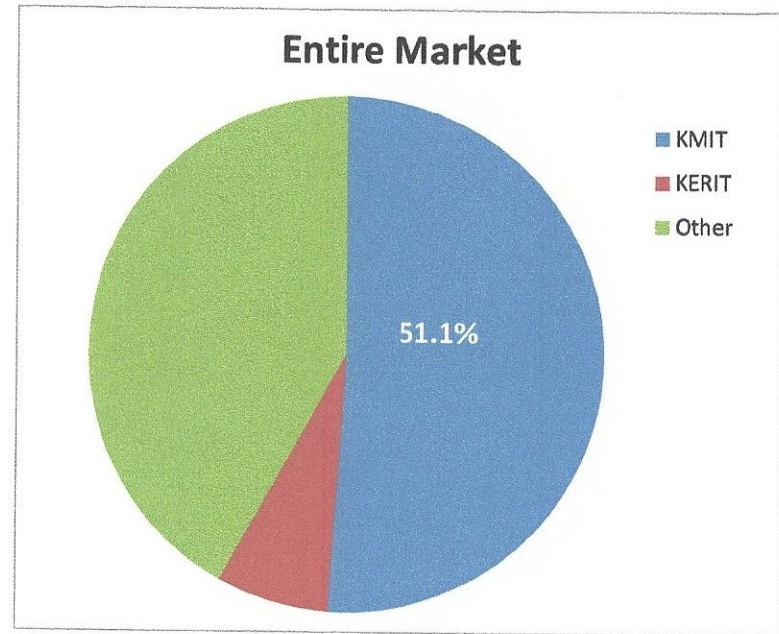
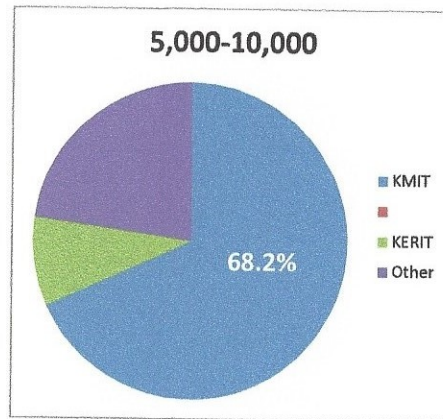
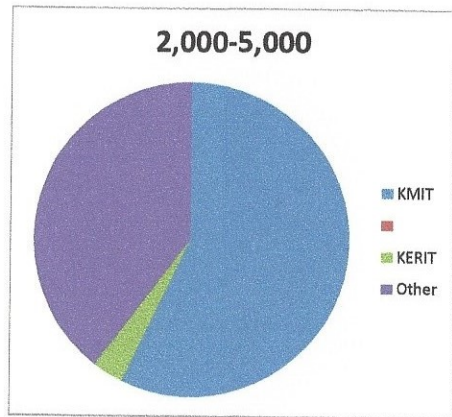
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KMIT Market, February 2015

	KMIT	KERIT	Other
ALL Cities between 1,000 and 27,339 [186]	95 51.1%	13 7.0%	78 41.9%
1,000-2,000 [77]	33 42.9%	0 0%	44 57.1%
2,000-5,000 [64]	36 56.3%	2 3.1%	26 40.6%
5,000-10,000 [22]	15 68.2%	2 9.1%	5 22.7%
10,000-20,000 [15]	8 53.3%	7 40.0%	0 0.0%
20,000-27,339 [8]	3 37.5%	2 25.0%	3 37.5%

1,000-20,000 [177]	92 52.0%
1,000-5,000 [140]	69 49.3%

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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.

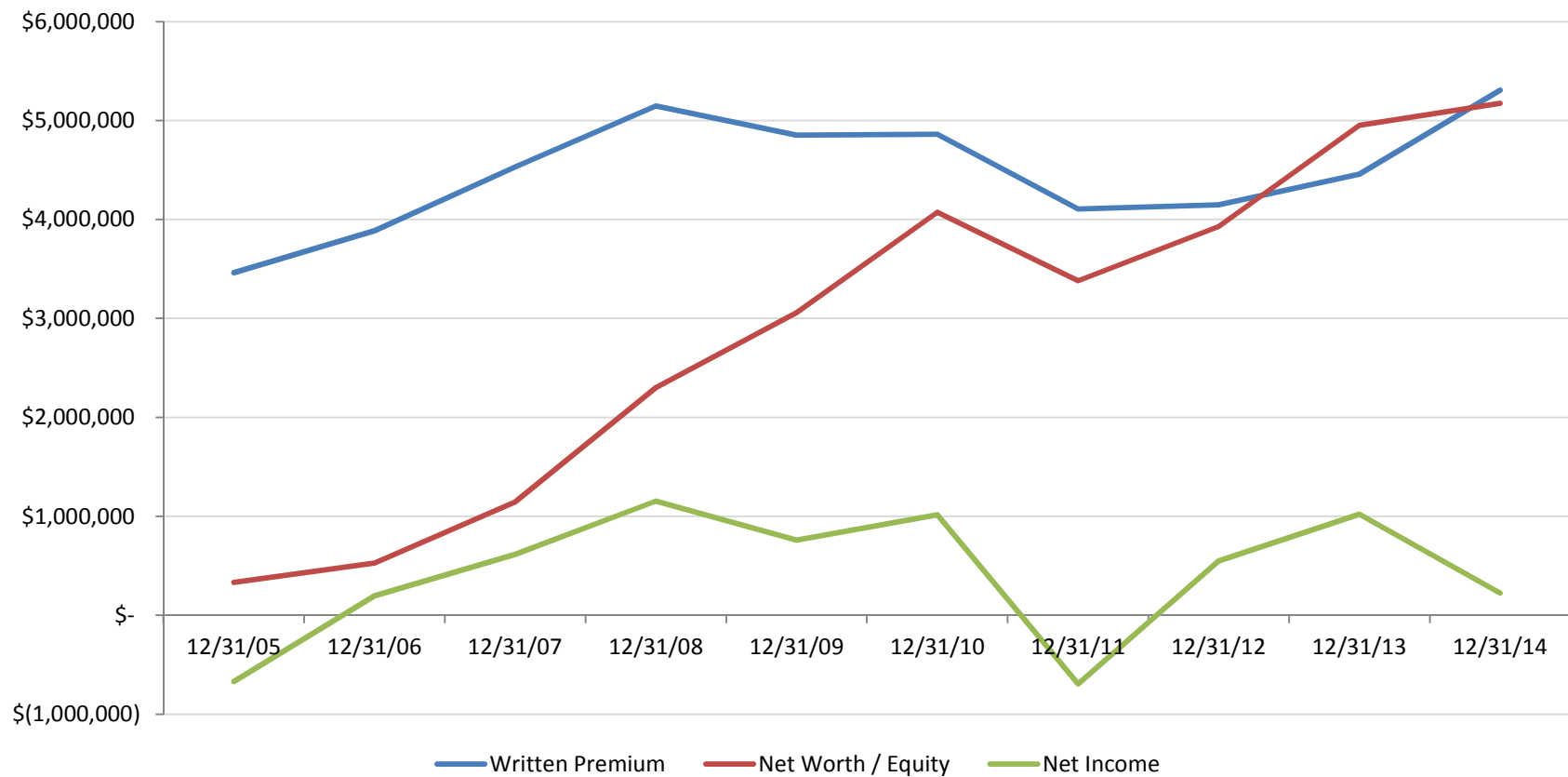
Conclusion

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

Pool Performance History

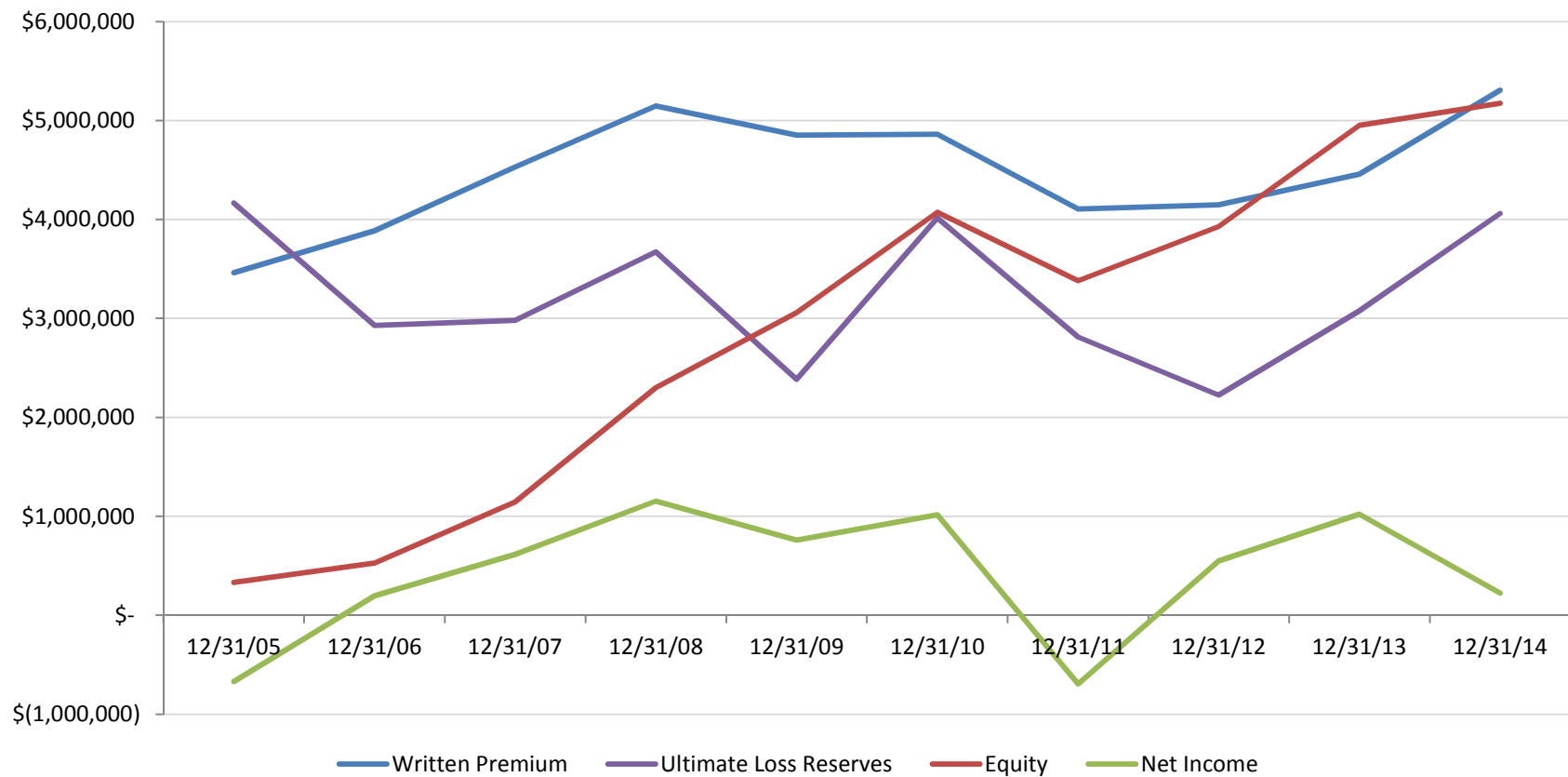
Without Ult Loss Reserves

KMIT Financial Strength Summary



With Ult Loss Reserves

KMIT Financial Strength Summary



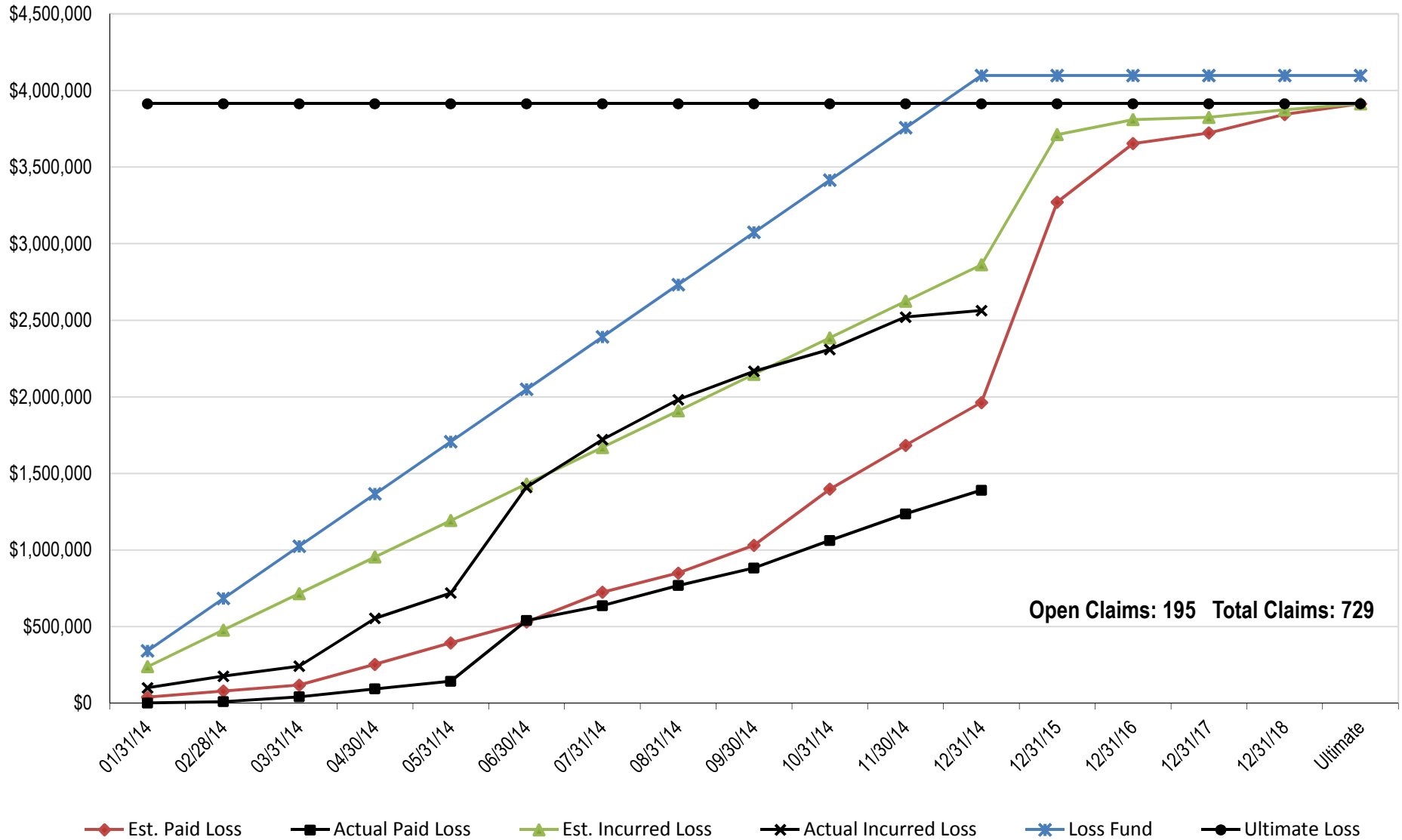
Policy Year Performance Review

2010 – 2014 Policy Years

Kansas Municipal Insurance Trust

2014 Policy Year Performance

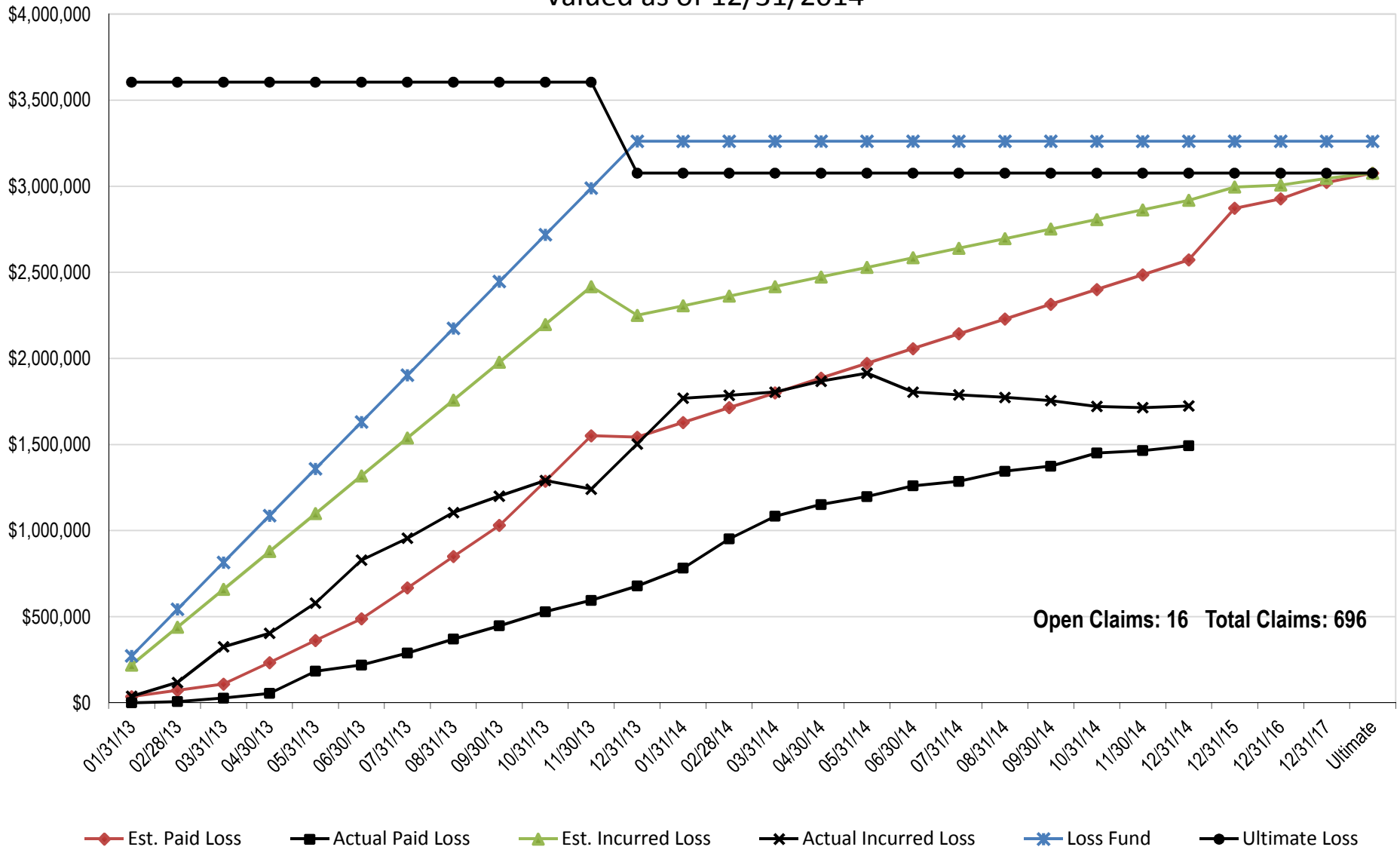
Valued as of 12/31/2014



Kansas Municipal Insurance Trust

2013 Policy Year Performance

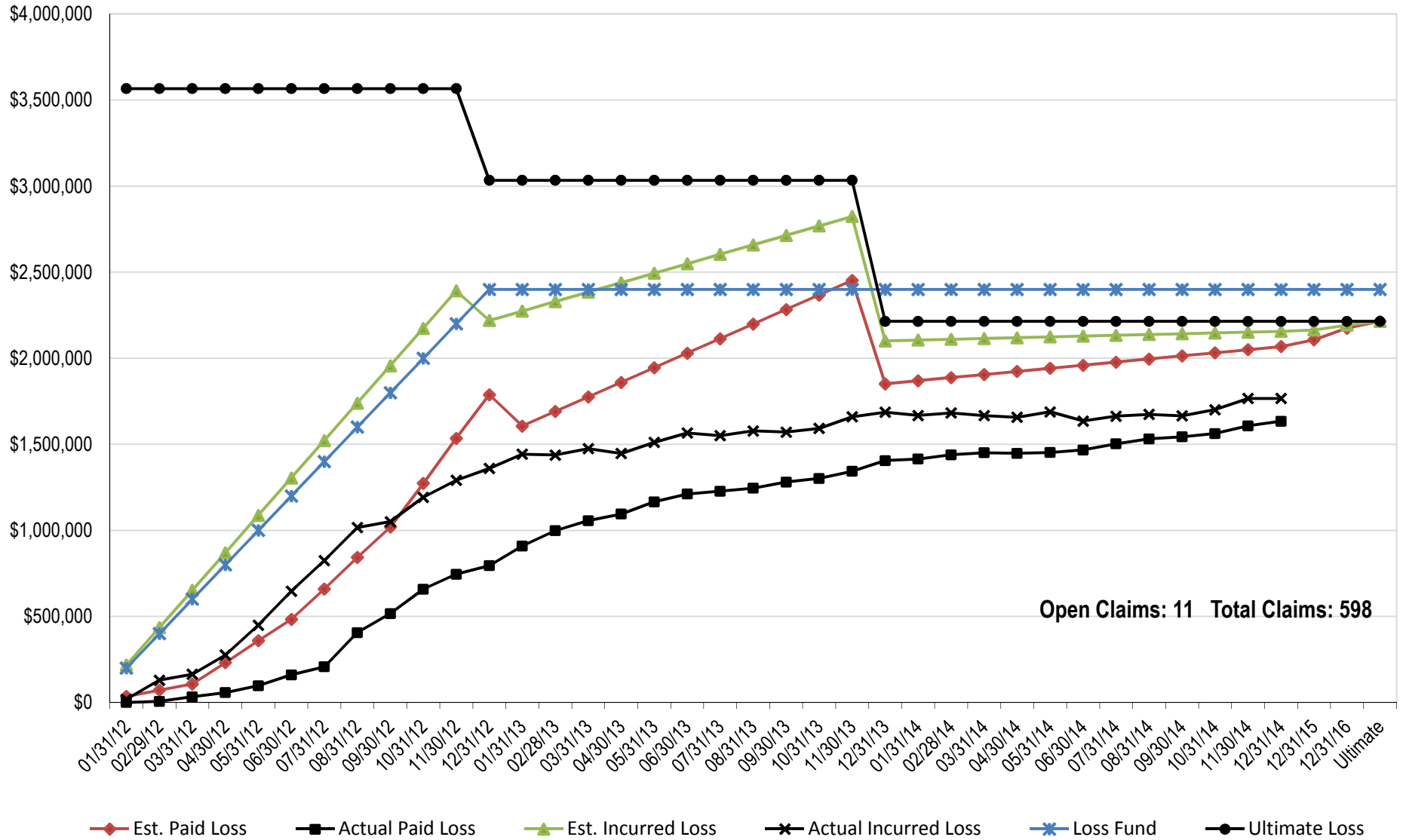
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Kansas Municipal Insurance Trust

2012 Policy Year Performance

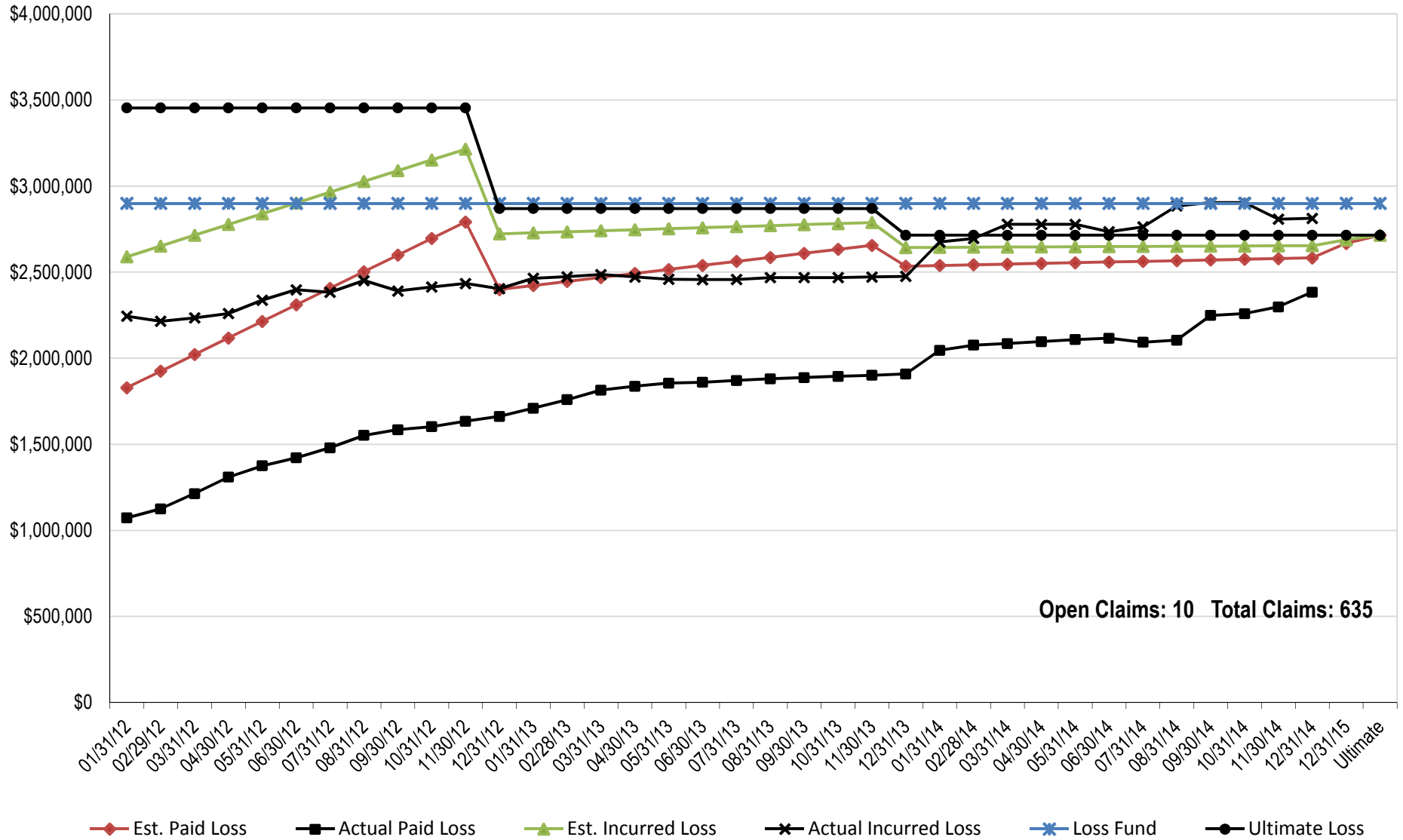
Valued as of 12/31/2014



Kansas Municipal Insurance Trust

2011 Policy Year Performance

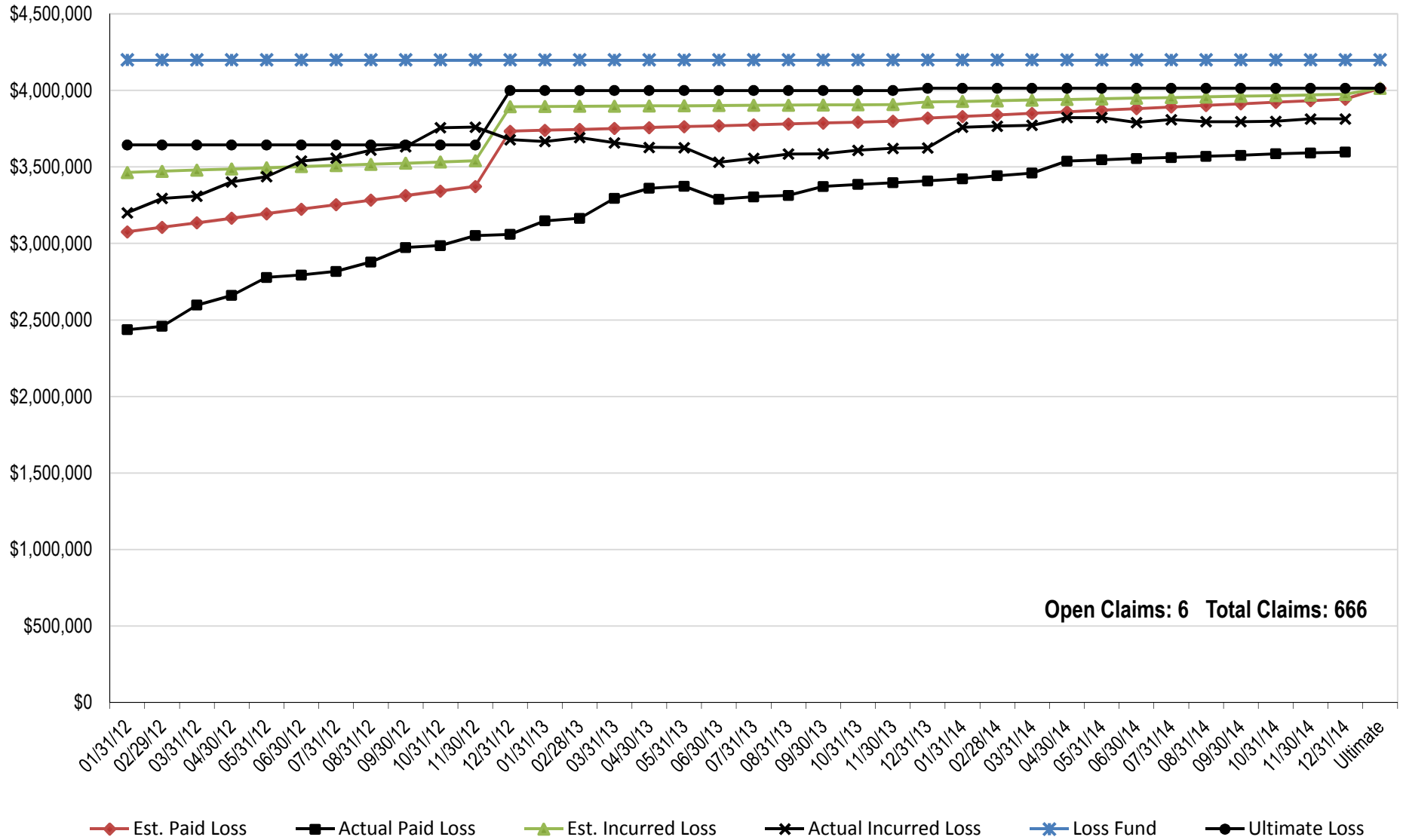
Valued as of 12/31/2014



Kansas Municipal Insurance Trust

2010 Policy Year Performance

Valued as of 12/31/2014



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.

2015 KMIT Estimated Operating Budget

Adopted 12/12/14

	2012 Actual [3]	2013 Budget	2013 Actual	2014 Budget	2014 Est YE	2015 Draft
Revenues						
Premium Payments [1] [4] [5]	4,484,533	5,012,000	4,802,707	5,800,000	5,524,000	5,640,000
Investment Income	70,104	75,000	71,861	72,000	225,000	225,000
Other	-	3,000	-	-	-	-
Total Revenues	4,554,637	5,090,000	4,874,568	5,872,000	5,749,000	5,865,000
Administrative Expenses						
Operational						
Meetings and Travel	4,881	15,000	19,334	16,000	20,000	20,000
Commissions to Independent Agents	98,144	100,000	102,636	95,000	98,695	100,000
Directors and Officers (E&O) Insurance	16,488	16,000	17,224	18,000	18,000	18,000
Miscellaneous Expense and Cancellation Expense	-	3,000	-	3,000	-	-
Other Marketing, Contingency, Outside Legal Expense, etc.	3,614	8,000	4,075	5,000	5,000	5,000
Bank Fees	4,159	1,000	7,528	5,000	7,500	8,000
Office Supplies, Web Services, etc.	2,299	5,000	4,493	5,000	5,000	5,000
Job Analysis Testing	NA	NA	NA	NA	NA	19,000
Operational Sub Total	129,585	148,000	155,290	147,000	154,195	175,000
Contractual						
Pool Administration Contract	230,004	76,000	75,600	78,000	81,120	90,000
Endorsement Fee--LKM	-	70,000	70,000	70,000	70,000	70,000
Claims Management Services (IMA)	185,000	-	-	-	-	-
Risk Control Services (IMA)	145,000	-	-	-	-	-
Risk Management Services (IMA)	70,000	-	-	-	-	-
Risk Control and Insurance Placement Services (IMA)	-	195,000	195,000	-	-	-
Risk Mgt, Administrative and Claims Mgt Services (CORnerstone)	-	310,000	310,000	-	-	-
Risk Mgt, Administrative, and Claims Mgt Serv's (CORnerstone)	-	-	-	505,000	505,000	530,000
Payroll Audits	16,318	19,000	19,000	22,000	22,000	22,000
NCCI Membership and Rating Fee and Financial Audit	20,978	30,000	30,606	23,000	23,000	23,000
Actuarial Study	14,500	14,000	14,250	15,000	15,000	15,000
ARCPT+ 'Pilot Project'	-	-	-	-	9,671	-
ARCPT+ Services	-	-	-	-	-	10,000
Contractual Sub Total	681,800	714,000	714,456	713,000	725,791	760,000
Regulatory						
Annual Premium Tax (KID)	43,445	45,000	47,735	48,000	48,000	48,000
State Fees and Assessments (KDOL and KID)	109,044	90,000	26,221	115,000	115,000	115,000
Regulatory Sub Total	152,489	135,000	73,956	163,000	163,000	163,000
Total Administrative Expenses	963,874	997,000	943,702	1,023,000	1,042,986	1,098,000
Excess Insurance Expense	337,121	400,000	395,840	425,000	425,000	480,000
AVAILABLE FOR CLAIMS	3,253,642	3,693,000	3,535,026	4,424,000	4,281,014	4,287,000
	2012 Actual	2013 Budget	2013 Actual	2014 Budget	2014 Est YE	2015 Draft
Administrative Expenses / Revenue [2]	21.2%	19.6%	19.4%	17.4%	18.1%	18.7%
Available for Claims / Revenue	71.4%	72.6%	72.5%	75.3%	74.5%	73.1%
Administrative + Excess Insurance / Revenue	28.6%	27.4%	27.5%	24.7%	25.5%	26.9%

[1] Final premium is determined during the annual financial audit. FY 2014 will be audited in early 2015, therefore 2014 Est YE is pre-audit.

[2] Must not exceed 30% (by regulation). Excess coverage premium is interpreted by KID NOT to be an administrative expense.

[3] 2012 was the last year under the LKM-based structure.

[4] Projected audit difference for 2014 premium is (\$250,000). Unaudited 2014 premium is \$5,774,000.

[5] 2015 premium is the actual estimated, as billed

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

March 6...Ellsworth

May 1...Moundridge

June 26...Pittsburg

August 28...Hays (Stockton)

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

December 11...Wichita (IMA)

***as of 13Jan15**

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
1	David Dillner	Abilene	City Manager	N/A	Oct-14	Oct-16	Oct-18		Oct-20	
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				Aug-14
6	Nathan McCommon	Tonganoxie	City Administrator	N/A	Oct-14	Oct-16	Oct-18		Oct-20	
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 [1]	Oct-08	Oct-10	Oct-12		Oct-14
7	Kerry Rozman	Clay Center	City Clerk	N/A	Oct-14	Oct-16	Oct-18		Oct-20	
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					Aug-14
9	Ty Lasher	Bel Aire	City Manager	N/A	Oct-14 [1]	Oct-15	Oct-17	Oct-19	Oct-21	
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	Mar-14	Oct-14 [1]					Jan-15
10	Jay Byers	Pittsburg	Assist. City Mgr.	Mar-15	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

January 21, 2015

Board of Directors and Management
Kansas Municipal Insurance Trust
6021 SW 29th Street, PMB 355
Topeka, KS 66614

We are pleased to confirm our understanding of the services we are to provide for Kansas Municipal Insurance Trust for the year ended December 31, 2014.

We will audit the financial statements of Kansas Municipal Insurance Trust, which comprise the statutory basis balance sheet as of December 31, 2014 and the related statements of income and changes in surplus, and cash flow for the years then ended, and the related notes to the financial statement. Also, the following supplementary information accompanying the financial statements will be subjected to the auditing procedures applied in our 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, in accordance with auditing standards generally accepted in the United States of America, and our auditor's report will provide an opinion on it in relation to the financial statements as a whole.

- 1) Schedule of administrative expenses
- 2) Statement of revenues, expenses and changes in fund balance – statutory basis
- 3) Statement of revenues, expenses and changes in fund balance – statutory basis cumulative activity by contract period

Audit Objective

The objective of our audit is the expression of an opinion about whether your financial statements are fairly presented, in all material respects, in conformity with accounting practices prescribed or permitted by the Kansas Insurance Department. Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America and will include tests of your accounting records and other procedures we consider necessary to enable us to express such an opinion. We will issue a written report upon completion of our audit of the Trust's financial statements. Our report will be addressed to the management and board of directors of the Trust. We cannot provide assurance that an unmodified opinion will be expressed. Circumstances may arise in which it is necessary for us to modify our opinion or add an emphasis-of-matter or other-matter paragraph. If our opinion is other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed an opinion, we may decline to express an opinion or withdraw from this engagement.

Audit Procedures

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts and direct confirmation of certain assets and liabilities by correspondence with selected customers, creditors, and financial institutions. We will also request written representations from your attorneys as part of the engagement. At the conclusion of our audit, we will require certain written representations from you about the financial statements and related matters.

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. 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 will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement,

whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the entity or to acts by management or employees acting on behalf of the entity.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected by us, even though the audit is properly planned and performed in accordance with U.S. generally accepted auditing standards. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform the appropriate level of management of any material errors, fraudulent financial reporting, or misappropriation of assets that comes to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

Our audit will include obtaining an understanding of the entity and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. An audit is not designed to provide assurance on internal control or to identify deficiencies in internal control. However, during the audit, we will communicate to you and those charged with governance internal control related matters that are required to be communicated under professional standards.

Management Responsibilities

You agree to assume all management responsibilities for any nonattest services we provide; oversee the services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of the services; and accept responsibility for them.

You are responsible for establishing and maintaining internal controls, including monitoring ongoing activities; for the selection and application of accounting principles; and for the preparation and fair presentation of the financial statements in conformity with accounting practices prescribed or permitted by the Kansas Insurance Department. You are also responsible for making all financial records and related information available to us and for the accuracy and completeness of that information. You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, (2) additional information that we may request for the purpose of the audit, and (3) unrestricted access to persons within the company from whom we determine it necessary to obtain audit evidence.

Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the company involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the company received in communications from employees, former employees, regulators, or others. In addition, you are responsible for identifying and ensuring that the entity complies with applicable laws and regulations. You are responsible for the preparation of the supplementary information in conformity with accounting practices prescribed or permitted by the Kansas Insurance Department. You agree to include our report on the supplementary information in any document that contains, and indicates that we have reported on, the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon.

Audit Administration, Fees, and Other

We understand that your employees will prepare all cash, accounts receivable, and other confirmations we request and will locate any documents selected by us for testing.

Stuart A. Bach, CPA is the engagement partner and is responsible for supervising the engagement and signing the report. We expect to begin our audit on approximately March 2, 2015.

Our fees for these services will be based on the actual time spent at our standard hourly rates, plus travel and other out-of-pocket costs such as report production, typing, postage, etc. Our standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your audit. Based on our preliminary estimates, our fees should approximate \$10,000 for the audit engagement.

We appreciate the opportunity to be of service to you and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Very truly yours,

Summers, Spencer & Company, P.A.

Summers, Spencer & Company P.A.

RESPONSE:

This letter correctly sets forth the understanding of Kansas Municipal Insurance Trust

[Handwritten Signature]
Board Signature

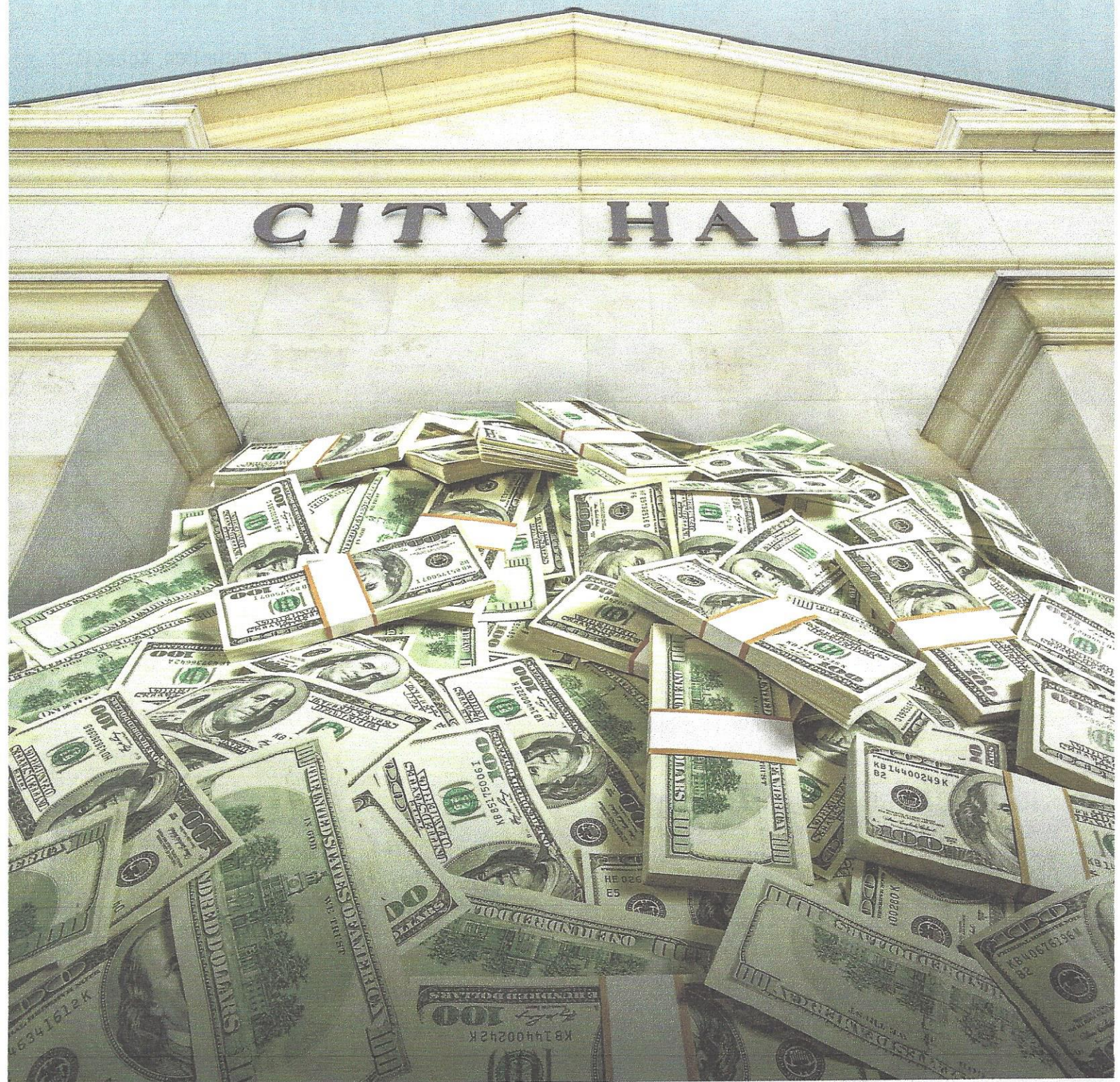
1-21-15
Date

Don Osenbaugh
Management Signature

1/21/15
Date

Third-Party Administrators: WHAT PUBLIC ENTITIES NEED TO KNOW

By Aaron Stone



Insurance programs for public entities and local governments are complex. Risk managers have numerous programs and variables to consider, including vital services communities require. These services are expensive to run, and, in an economic situation where governments are still experiencing tight budgets, risk managers must often make difficult decisions on maintaining or prioritizing essential services, while remaining cost effective.

There are a variety of options available to public entities in creating and procuring their insurance programs. One of the options local governments are increasingly considering is a self-insured retention program (SIR), which can lower an entity's upfront insurance premium cost. This option very often involves the participation of a Third-Party Administrator (TPA) for claims. A TPA, as the name suggests, is an outside vendor that can provide a wide array of claim handling services for the local government based on their specific needs.

While the idea of "outsourcing" claims services can save an entity money, it can also expose the entity to a subset of new issues and potential pitfalls. These factors should be carefully considered and understood before utilizing this method.

BEFORE EMPLOYING A TPA

Before a local government decides to retain a TPA to administer claims, several questions should be asked, including:

- **What are the costs?** A TPA's charges will vary depending on the type of program the local government wants to create. Charges may be on a per claim basis, a percentage of overall loss incurred, or a percentage of loss paid. Entities should consider all the cost options carefully and choose an option that best coincides with its business model. An additional cost that is often overlooked is the cost of transitioning responsibilities to another vendor, should you choose to make a change.
- **Is the TPA properly licensed and insured?** As the TPA will be adjusting claims for the local government, it is essential that it be properly licensed and in good standing with the states in which it operates. Additionally, it is essential that entities ensure that the TPA carries appropriate Errors & Omission insurance in order to protect the local government from any mistakes made by the TPA.
- **What qualifications does the TPA have?** Depending on the TPA, the person fulfilling the role of the claims adjuster may have a varied educational and industry background. This could include industry claims adjusting designations such as Accredited Claims Adjuster (ACA), Certified Claims Adjuster (CCA) and Chartered Property and Casualty Underwriter (CPCU), or the person may be an attorney with specific experience in evaluating coverage and handling claims. Additionally, most states have vigorous licensing and fee requirements for TPAs.
- **How will financials be captured and accessed?** Similar to an escrow account, the local government will need to set aside funds and then define who has control and access to the account. Not only will substantial consideration and calculation be required to properly identify the correct sum to set aside for actual claims, but equal consideration must

also be given to expected claims, known in the industry as IBNR (incurred but not yet reported), which may require actuarial expertise. Access to bank accounts is accompanied by a unique risk that may be alleviated in part by ensuring your TPA has a bond in the case of theft or misappropriation inuring in the favor of the local government.

- **Has the TPA previously worked with the local government's insurance carrier?** A TPA and the insurance carrier have a unique relationship and it is important for all parties that the TPA and carrier can work together to best serve the local government's interests.

TPA ROLES AND RESPONSIBILITIES

In most instances, a TPA acts as the claims adjuster for the local government employing it until the entity's SIR is exhausted. Once a public entity decides to move forward with retaining a specific administrator it is important that risk managers have robust discussions regarding the role of the TPA and ensure the TPA's duties and responsibilities are clearly stated. Some of these responsibilities may include:

- **Reporting claims to the insurance carrier.** Even though the local government is responsible for the administration and payment of any claim within its program, many claims exceed or have the potential to exceed the SIR and fall to the carrier for further adjusting and payment. It is essential the TPA provide timely and comprehensive notice of the claim to the carrier in order to protect the local government's rights. Under most standard policies, the carrier will require the TPA report all claims in which the total estimated loss is a certain percentage (usually 50 percent or more) of the SIR. Additionally, many carriers will require the TPA to report certain claims that involve specific severe factors or injuries such as paraplegia, quadriplegia, fatalities, sexual



CALENDAR OF EVENTS

PRIMA's calendar of events is current at time of publication. For the most up-to-date schedule, visit www.primacentral.org.

WEBINARS 2015

- January 14 – Best Practices in Driver Risk Management
- March 18 – Enterprise Risk Management: Basic Principles
- May 13 – Marketing Your Insurance Program
- July 15 – Ergonomics & Injury Prevention
- September 16 – Social Media Horror Stories: Don't Become One!
- November 18 – Employment Practices Liability: Mitigating Risks

PRIMA ANNUAL CONFERENCES

June 7–10, 2015

PRIMA 2015 Annual Conference
Houston, TX
George R. Brown Convention Center

June 5–8, 2016

PRIMA 2016 Annual Conference
Atlanta, GA
Hyatt Regency Atlanta

June 4–7, 2017

PRIMA 2017 Annual Conference
Phoenix, AZ
Phoenix Convention Center

June 3–8, 2018

PRIMA 2018 Annual Conference
Indianapolis, IN
Indiana Convention Center

ENTERPRISE RISK MANAGEMENT: APPLYING THE ISO 31000 STANDARD

Intro Workshop Dates & Locations

January 21 – Austin, TX
April 14 – Baltimore, MD
July 15 – Reno, NV
September 29 – Savannah, GA

Implementation Workshop Dates & Location

February 23 & 24 – Austin, TX
May 7 & 8 – Baltimore, MD
August 10 & 11 – Reno, NV
November 18 & 19 – Savannah, GA

abuse, class action allegations and punitive or extra-contractual damages.

- **Initial claim investigation and coverage determination.** Generally, a TPA will conduct the initial investigation regarding a claim. The TPA will also review coverage and may make a coverage determination, which usually is done in conjunction with the insurance carrier.
- **Retention of defense counsel and other outside vendors.** In those instances where defense counsel is necessary, a TPA is responsible for vetting and selecting defense counsel to defend the local government. The TPA may also retain the services of independent adjusters, appraisers and other experts to assist in the evaluation of the claim.
- **Setting reserves.** After assessing coverage and any potential exposure to the local government, the TPA will set appropriate reserves within the SIR and any adjustments as the claim further develops.
- **Resolving claims.** The TPA may work with the claimant, claimant's counsel, defense counsel, the local government and where appropriate, involve the carrier to try to resolve claims within the SIR.

In the process of thoroughly defining each of these roles for a TPA, public entities should also consider and discuss a number of other related specific issues to ensure the highest standard level of claims handling. Some of these issues include: claims handling best practices; regulatory and statutory compliance; the handling of subrogation; trend analysis; and the number of claim files assigned to each TPA adjuster.

While the TPA plays a significant role in the handling and resolving of claims, including any legal actions, and while those duties and responsibilities may be wide ranging, the ultimate decision-making authority should rest with the local government with clear letters of authority.

THE TPA/INSURANCE CARRIER RELATIONSHIP

As noted, the roles and responsibilities of a TPA often overlap and intersect with a public entity's insurance carrier. Therefore, the relationship between the TPA and carrier is extremely important. Typically, the relationship is driven by the TPA handling the claim and the insurance carrier's claim adjuster. Both parties play important roles in the process and, to the extent they can build a trusting and professional working relationship built on open communication, the process works smoothly.

Because the TPA is on the "front line" evaluating the actual claim, the carrier is reliant upon the TPA for information and updates. The TPA additionally may possess relevant and important information about the local government, the facts of the claim and other localized issues. When that information is flowing freely, the carrier is able to assess its potential exposure and set appropriate reserves quickly and efficiently.

On the carrier side, the claim adjuster may possess more generalized information regarding the broad type of claim, the jurisdiction in which the claim exists and valuation of the claim based on experience in adjusting similar claims. Thus, this should be a symbiotic relationship where each party can offer unique information, strategy, experience and perspective in order to achieve optimal results for the local government.

However, when information is not freely flowing, or relations between the TPA and carrier are strained, tensions between the carrier, the local government and TPA may arise, creating an unnecessary source of conflict.

Every local government is different and has distinct insurance needs. The decision to contract with a third-party administrator may seem like an easy choice, but comes with a set of separate risks and concerns that should not be taken lightly. However, if handled correctly, retaining a TPA can allow local governments to attain the efficiencies of claims management processes, systems and personnel with minimal effort. ■

Aaron Stone is vice president of claims for OneBeacon Government Risks.

Don Osenbaugh

From: Mike O'Neal [mikeo@kansaschamber.org]
Sent: Saturday, January 17, 2015 11:55 AM
To: Brent Sonnier; Cindy Luxem; Dan Osenbaugh; Don McNeely; Dorothy Pope; Doug Hamilton; Doug Irmen; Ed Reasoner; Jim Parrish; JMcWilliams@KHA-net.org; Kathy Taylor; Kevin McFarland; Lance Cowell; Luke Bell; Matt Wiltanger; Mike Waters; Ray Merz; Sarah Hooke; Tina Cox; Tom Steele
Cc: Shannon Holmberg
Subject: Activity in Fee Sweep case

Fee Sweep case participants

The Kansas Supreme Court has issued an order to have the parties brief additional questions in our case. The Court has asked that we address the following:

1. How should the test for standing be stated in this case?
2. Is the test for standing applied differently with respect to Plaintiffs' prayer for declaratory judgment?
3. Whether the case involves a non-justiciable political question.
4. Is the money in the Plaintiffs' respective funds "public moneys"?
5. Is the money in the Kansas Savings Incentive program (KSIP) "public moneys"?

I suspect these questions may have been prompted by the newest Justice, Caleb Stegal, who raised the "political question" doctrine in oral argument. I further suspect that the questions do not represent questions shared by a majority of the court. Nevertheless, we will file a brief next week to address these questions and will keep you posted. As I have stated before, our weakest link will be with the KSIP funds. I can see this going either way. On the political question doctrine (or doctrine of judicial avoidance as it is often called) this court has opined at length on its application in the school finance cases, *Montoy & Gannon*. In the school finance cases, although the state argued for application of the political question doctrine since the case dealt with legislative appropriations, the Supreme Court found jurisdiction. It's hard to imagine that the court would find jurisdiction where the prayer is to order the legislature to appropriate more funds and then turn around and avoid jurisdiction in a case where the claim is that the legislature stole funds! I can't guarantee that the Court won't do that but it would be fairly absurd.

Mike O'Neal

mikeo@kansaschamber.orgkansaschamber.org

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Hutchinson, KS 67504-2977
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IN THE DISTRICT COURT OF SHAWNEE COUNTY, KANSAS

KANSAS BUILDING INDUSTRY WORKERS)
COMPENSATION FUND,)
KANSAS WORKERS RISK COOPERATIVE FOR COUNTIES,)
KHA WORKERS COMPENSATION FUND, INC.,)
KANSAS RESTAURANT AND HOSPITALITY)
ASSOCIATION SELF-INSURANCE FUND,)
KAHSA INSURANCE GROUP,)
KANSAS AUTOMOBILE DEALERS WORKERS)
COMPENSATION FUND,)
BUILDERS ASSOCIATION SELF-INSURERS FUND,)
KANSAS MUNICIPAL INSURANCE TRUST,)
KANSAS EASTERN REGIONAL INSURANCE TRUST,)
WICHITA AUTO DEALERS SELF INSURANCE FUND,)
KANSAS TRUCKERS RISK MANAGEMENT GROUP, INC.,)
KHCA WORKERS COMPENSATION INSURANCE)
TRUST CORP.,)
KANSAS ASSOCIATION OF REALTORS,)
KANSAS BANKERS ASSOCIATION,)
QC HOLDINGS COMPANIES,)
GAULT VENTURES, L.L.C., and)
(BUSINESS OR TRADE ASSOCIATIONS REPRESENTING)
OIL AND GAS INDUSTRY),)
Plaintiffs,)
v.)
STATE OF KANSAS, DEPARTMENT OF ADMINISTRATION,)
DIVISION OF ACCOUNTS AND REPORTS.)
Defendant.)

Case No. _____

PETITION

COME NOW THE Plaintiffs by their attorneys, Gilliland & Hayes, P.A., and for their
causes of action against Defendant State of Kansas allege and state as follows:

1. Plaintiffs bring this action on behalf of each of them and on behalf of those similarly situated. Plaintiffs are entities aggrieved by the conversion of statutory fee funds from the hereinafter identified segregated fee fund accounts into the State General Fund by virtue of legislative action in the 2009 Legislative Session pursuant to Senate substitute for HB 2373 (Chapter 144, 2009 Session Laws of Kansas).
2. Plaintiffs seek class status pursuant to K.S.A. 60-223 and petition the Court for declaratory relief pursuant to K.S.A. 60-1701 *et seq.*, and injunctive relief pursuant to K.S.A. 60-901 *et seq.*
3. Service of Process on the Defendant may be effected by serving Kent Olson, Director of Division of Accounts and Reports, Kansas Department of Administration, 900 SW Jackson, Room 351-S, Landon State Office Building, Topeka, Kansas 66612-1248, and by serving Kansas Attorney General, Steve Six, Memorial Hall, Second Floor, 120 SW 10th Avenue, Topeka, Kansas 66612.
4. This Court has subject matter jurisdiction over the parties and venue is proper in Shawnee County, Kansas.

ALLEGATIONS COMMON TO ALL PLAINTIFFS

5. In the Governor's budget message to the 2009 Kansas Legislature, Governor Sebelius announced that recent revenue estimates no longer supported approved fiscal year 2009 expenditures and there was a total revenue gap between expenditures and available resources for fiscal year 2010 of over \$900 million.
6. Governor Sebelius presented a revised budget for FY 2009 and a new proposed budget for FY 2010, which included recommendations for reduced expenditures and what were characterized as "changes to revenue."

7. The Governor's budget recommended reductions in expenditures in special revenue fund agencies and further recommended transferring balances and special revenue funds to the State General Fund in an effort to balance the budget. Specifically, the Governor proposed sweeping \$29 million in Special Revenue Fund balances into the State General Fund in FY 2009 and another \$2.2 million in FY 2010.
8. The Governor's budget message indicated that the combined effect of reductions in expenditures and transfers of funds to the General Fund would resolve the revenue gap yielding a General Fund ending balance of \$58.3 million in fiscal year 2009 and a \$600,000 ending balance in fiscal year 2010.
9. The Governor's published recommended budget contained an itemized listing of her proposed revenue transfers, which were characterized as "cash sweeps." Included in the itemized list of proposed sweeps of fee funds into the General Fund was a transfer from the Workers Compensation Fund administered by the Kansas Insurance Department, a transfer from the Real Estate Fee Fund administered by the Kansas Real Estate Commission, a transfer from the Bank Commissioner Fee Fund administered by the Office of the State Bank Commissioner, and a transfer from the Conservation Fee Fund administered by the Kansas Corporation Commission.
10. Working off the Governor's proposed budget, the 2009 Kansas Legislature ultimately passed, and the Governor signed into law, Senate substitute for House Bill for 2373 (Chapter 144, 2009 Session Laws of Kansas).
11. The Governor's proposed sweeps into the State General Fund were reduced by a Senate floor amendment that had the effect of reducing the itemized list of fee fund sweeps by the uniform amount of 21.5%.

12. Another Senate floor amendment granted outright exemptions to a number of fee funds on the Governor's proposed fee fund sweep list.
13. HB 2373 was signed into law by the current Governor with the exception of three unrelated line item vetoes and became effective on publication in the Kansas Register June 11, 2009.
14. There is no legislative history or evidence of the reasons why some targeted funds were exempted while other funds were swept.
15. The House Appropriations Committee did not include the fee sweeps in its version of the Omnibus Budget Bill. Senate substitute for HB 2373 was sent to the Governor's desk when a substitute motion to concur in the House passed by a narrow margin. The Omnibus Budget Bill therefore was never sent to conference committee where differences between the House and Senate versions could be negotiated.
16. The Legislature adopted the bulk of the Governor's recommendations to sweep balances and special revenue funds into the State General Fund, and in particular, HB 2373 authorized and directed the Director of Accounts and Reports to transfer a total of \$2.355 million from the Workers Compensation Fund account to the State General Fund, a total of \$195,671 from the Real Estate Fee Fund to the State General Fund, a total of \$534,517 from the Bank Commissioner Fee Fund to the State General Fund, and a total of \$1,962,500 from the Conservation Fee Fund to the State General Fund.
17. The Legislation, HB 2373, contained language indicating that the amount transferred from the aforementioned Funds to the State General Fund was to reimburse the State General Fund for accounting, auditing, budgeting, legal, payroll, personnel and purchasing services, and any other governmental services performed on behalf of the

affected agencies by other state agencies which receive appropriations from the State General Fund to provide such services.

18. This boilerplate language referenced in the foregoing paragraph was utilized solely for the purposes of attempting to avoid the prohibition against such revenue enactments set forth in the Kansas Supreme Court's decision in *Panhandle Eastern Pipeline Co. v. Fadely*, 183 Kan. 803.
19. Notwithstanding the boilerplate language in the legislation, there is no legislative history of any evidence being presented to the legislature that the sweeps were for anything more than a revenue-raising measure to balance the budget.
20. There were no hearings or evidence presented regarding why the subject funds were needed to "reimburse the State General Fund for accounting, auditing, budgeting, legal, payroll, personnel and purchasing services and any other governmental services" performed on behalf of the effected agencies.
21. Defendant State of Kansas in fact did not provide any governmental services as claimed in the legislation or if any services were provided they were otherwise reimbursed from other agency funds which are not the subject of this action. As to the subject fee sweeps, the State acted solely as a repository of the funds collected from the subject agencies who had collected the funds from the named Plaintiffs and those similarly situated. In the alternative, any services provided are *de minimis* and do not remotely reflect the amount of funds swept into the State General Fund pursuant to HB 2373.
22. After the adjournment of the 2009 Legislative Session, the current Governor made cuts in the 2009 approved budget in order to end the fiscal year ending June 30, 2009 with a positive balance as required by the Kansas Constitution. The Governor then made

additional cuts and proposed transfers in November 2009 affecting the fiscal year 2010 budget due to a projected fiscal year 2010 deficit.

23. Kansas is facing a projected deficit in the FY 2011 budget, and while the Governor's proposed 2011 budget has not been presented, Plaintiffs have cause to believe that unless enjoined additional fee sweeps may be proposed by the Governor, the 2010 Legislature, or both.

COUNT I:

WORKERS COMPENSATION FUND SWEEP

24. Plaintiffs Kansas Building Industry Workers Compensation Fund has principal offices at 2101 SW 36th Street, Topeka, Kansas 66611; Kansas Workers Risk Cooperative for Counties has principal offices at 700 Jackson Street, Suite 200, Topeka, Kansas 66603; KHA Workers Compensation Fund, Inc. has principal offices at 215 SE 8th Street, Topeka, Kansas 66603; Kansas Restaurant and Hospitality Association Self Insurance Fund has principal offices located at 3500 N. Rock Road, Suite 1300, Wichita, Kansas 67226; KAHSA Insurance Group has principal offices at 217 SE 8th Avenue, Topeka, Kansas 66603-3906; Kansas Automobile Dealers Workers Compensation Fund has principal office at 731 S. Kansas Avenue, Topeka, Kansas 66603; Builders Association Self-Insurers Fund has principal offices at 1100 Walnut Street, Suite 3010, Kansas City, Missouri 64106; Kansas Municipal Insurance Trust has principal offices at 300 SW 8th Avenue, Topeka, Kansas 66603; Kansas Eastern Regional Insurance Trust has principal offices at 600 Broadway, Suite 200, Kansas City, Missouri 64105-1653; Wichita Auto Dealers Self Insurance Fund has principal offices at P.O. Box 2992, Wichita, Kansas 67201-2992; Kansas Truckers Risk Management Group, Inc. has principal offices at 6900 College Boulevard, Suite 650, Overland Park, Kansas 66211; and Kansas Health

Care Association Workers Compensation Insurance Trust Corporation has principal offices at 117 SW 6th Avenue, Topeka, Kansas 66603, and are group-funded workers compensation pools authorized by and organized pursuant to the provisions K.S.A. 44-581 *et seq.*

25. Plaintiffs hold approved certificates of authority from the Commissioner of Insurance to provide mandated workers compensation coverage under the Workers Compensation laws of the State of Kansas on behalf of their employer members.
26. Every Kansas employer is required to secure the payment of compensation to the employers' employees by either insuring with an insurance carrier authorized to transact business of workers compensation in the state, by qualifying and being certified by the Director of Workers Compensation as a self-insurer or by maintaining a membership in a qualified group-funded workers compensation pool.
27. Plaintiffs represent a class of insureds required by law to fund the operations of the Kansas Workers Compensation Fund.
28. The Workers Compensation Fund is a creature of statute administered by the Commissioner of Insurance and established in the State Treasury.
29. The Workers Compensation Fund is liable for payment of awards to certain handicapped employees for claims arising prior to July 1, 1994; for payment of workers compensation benefits to an employee who is unable to receive such benefits from such employees' employer under certain circumstances; reimbursement of an employer or insurance carrier pursuant to the provisions of K.S.A. 44-534(a), and amendments thereto; subsections (d) of K.S.A. 44-556, and amendments thereto; subsection (c) of K.S.A. 44-569, and amendments thereto; K.S.A. 44.569(a) and amendments thereto; the payment of the actual expenses that the Commissioner of Insurance which are incurred for

administering the Workers Compensation Fund; and any other payments or disbursements provided by law.

30. On June 1st of each year, the Commissioner of Insurance imposes an annual assessment against all insurance carriers, self-insurers and group-funded workers compensation pools insuring payment of compensation under the Workers Compensation Act in an amount sufficient to pay all amounts, including attorneys fees and costs which may be required to be paid from such fund during the current fiscal year less the amount of the estimated unencumbered balance in the Workers Compensation Fund as of June 30, immediately preceding the date the assessment is due and payable.
31. The total amount of each such assessment is to be apportioned among those upon whom it is imposed such that each is assessed an amount that bears the same relation to such total assessment as the amount of money paid or payable in workers compensation claims by such insurance carriers, self-insurers, or group-funded workers compensation pool in the immediately preceding calendar year, bearers to all such claims paid or payable during such calendar year.
32. The Commissioner of Insurance is required to remit all monies received by or for the Commissioner to the State Treasurer. Upon receipt, the State Treasurer is to deposit the entire amount in the State Treasury to the credit of the Workers Compensation Fund.
33. The primary purpose of the Kansas Workers Compensation Act is the compensation of workers injured in industrial accidents with as little delay as possible and without having to wait for the disposition of collateral issues in which they have no interest.
34. The Kansas Workers Compensation Act and the Kansas Workers Compensation Fund created by the Act serve police power functions.

35. The collection of assessments by the Kansas Commissioner of Insurance pursuant to K.S.A. 2008 Supp. 44-566(a) and the expenditure thereof is limited to those expenditures related to administration of the Kansas Workers Compensation Act as set forth in K.S.A. 2008 Supp. 44-466(a).
36. On or about June 1, 2009, the Kansas Insurance Department at the direction of the Commissioner of Insurance sent out annual assessment notices to all insurance carriers, self insurers, and group-funded workers compensation pools insuring payment of compensation under the Workers Compensation Act of the State of Kansas.
37. The Notice of Assessment for operation of the Kansas Workers Compensation Fund by the Kansas Insurance Department specifically stated, "Action by the 2009 Kansas Legislature included a sweep of monies from the Workers Compensation Fee Fund into the State General Fund. This action was part of the Legislature's proposal to remedy a revenue shortage in the State General Fund. This Legislative sweep makes it necessary that the Kansas Insurance Department levy an assessment this year of 1.0%."
38. The Kansas Insurance Department has acknowledged that but for the passage of legislation sweeping \$2.355 million of workers compensation fee funds into the State General Fund, no assessment would be necessary.
39. Kansas Commissioner of Insurance, Sandy Praeger, corresponded with legislative leaders during the course of the legislative session protesting the proposed fee sweeps.
40. According to the Commissioner of Insurance, the assessment by the Commissioner for FY 2010 is necessary to offset the legislatively-enacted conversion and transfer of workers compensation fee funds to the State General Fund.
41. Plaintiffs and those entities similarly situated have paid the assessments into the Kansas Insurance Department and the Kansas Insurance Department has acknowledged that

whether designated as such or not, all assessments are considered to be paid “under protest” pending a determination by the court in this declaratory judgment action.

42. The class of entities required to pay the assessment, i.e. all insurance carriers, self-insurers and group-funded workers compensation pools insuring the payment of compensation under the Workers Compensation Act of Kansas is so numerous that joinder of all members is impracticable.
43. The Kansas Insurance Department through Commissioner of Insurance Sandy Praeger has acknowledged that if the sweep of Kansas Workers Compensation Fee Funds to the State General Fund is struck down and the sweeps are ordered to be reversed, assessments collected as a consequence of the sweeps will be refunded.
44. Without obtaining the relief requested, these Plaintiffs and those similarly situated will be subjected to multiple assessments for the same expenses related to the Kansas Workers Compensation Fund.
45. The sweep of Workers Compensation Fee Funds so exceeds the reasonable and necessary cost of regulation and administration that it is apparent the State is using the sweep as a general revenue raising measure and not as a valid exercise of police power authority.

COUNT II

REAL ESTATE FEE FUND SWEEP

46. Plaintiff, Kansas Association of Realtors®, Inc., is a bonafide professional trade association representing and comprised of Realtors® licensed by the State of Kansas and regulated by the Kansas Real Estate Commission.
47. The affairs of the Association are managed by its governing board, which is empowered to do or cause to be done all lawful acts on behalf of the Association and its members, including pursuit of actions on behalf of and for the benefit of its Realtor® members.

Like authority is possessed by an executive committee which exercises all the powers and duties of the Board of Directors in the interim between meetings of the Board of Directors.

48. The Kansas Association of Realtors® is a 501(c)(6) trade association that has represented the interests of real estate sales persons and brokers in Kansas since 1920.
49. As of November 30, 2009, the Kansas Association of Realtors® had approximately 8,550 members that comprised approximately 70% of the licensed real estate sales persons and brokers who reside in Kansas.
50. In order to receive an original license as a real estate salesperson in Kansas, an individual must meet certain requirements and pay licensing fees to the Kansas Real Estate Commission.
51. In order to receive an original license as a real estate broker in Kansas, an individual must meet certain requirements and pay licensing fees to the Kansas Real Estate Commission.
52. Once an original license application has been approved, an individual licensed as a real estate salesperson is required to pay a renewal fee for a two-year licensure period.
53. An individual licensed as a real estate broker is required to pay a \$150 renewal fee for a two-year licensure.
54. Kansas Association of Realtors® has standing to challenge the legislative-enacted fee sweep of the fees paid by licensed realtors and brokers into the Bank Commissioner Fee Fund administered by the office of the State Bank Commissioner, inasmuch as 1) the Association's members have individual standing to sue, 2) the interests the Association seeks to protect as part of the litigation are germane to the Association's purpose, and 3) the claim asserted and relief requested do not require individual participation of the Association's members.

55. The Director of the Kansas Real Estate Commission is required by law to remit all monies received from fees collected from licensees to the State Treasurer, who upon receipt is to deposit the entire amount in the State Treasury to the credit of the Real Estate Fee Fund.
56. By law, the Kansas Real Estate Commission is required to transfer 20% of all real estate licensing fees, charges and penalties to the State General Fund. The stated purpose for the 20% transfer is “to reimburse the State General Fund for accounting, auditing, budgeting, legal, payroll, personnel and purchasing services and any and all other state governmental services, which are performed on behalf of the state agency involved by other state agencies which receive appropriations from the State General Fund to provide such services.”
57. The Governor’s proposed and the legislatively-enacted sweep of the Real Estate Fee Fund in the amount of \$195,671 was in addition to the statutory 20% transfer.
58. The sweep of the Real Estate Fee Fund so exceeds the reasonable and necessary cost of regulation and administration that it is apparent the State is using the sweep as a general revenue-raising measure and not as a valid exercise of police power authority.
59. The swept funds of the Real Estate Fee Fund were derived from the Kansas Savings Incentive Program (KSIP), a program that allowed agencies that chose to participate to keep half of any savings realized during the prior fiscal year.
60. Under the KSIP program and as provided by law, the agency can spend funds during the current fiscal year in three (3) areas only: 1) employee bonuses, 2) technology purchases, and 3) professional development, including official hospitality.

61. By recommendation of the Governor and action by the Legislature, the program was eliminated in FY 2009 and the KSIP funds were swept into the State General Fund for expenditure in other areas.
62. Plaintiff represents a class of licensees required to fund the operations of the Kansas Real Estate Commission and the Real Estate Fee Fund, which licensees are adversely affected by the unlawful appropriation of their fees for a purpose other than the limited purposes as articulated in the statute.

COUNT III

BANK COMMISSIONER FEE FUND SWEEP

63. Plaintiff Kansas Bankers Association is a bonafide trade association, with its principal office at 610 SW Corporate View, Topeka, Kansas 66615, and which on behalf of its members is the leading advocate for the banking industry in Kansas.
64. The Kansas Bankers Association operates as a 501(c)(6) organization and is governed by a Board of Directors that represents the membership of the association and has the authority to take such action on behalf of and for the benefit of its members, including pursuit of this declaratory judgment action challenging the sweep of funds from the Bank Commissioner Fee Fund within the office of the State Bank Commissioner, the regulatory agency of the banking industry.
65. Plaintiff Kansas Bankers Association represents a class of banking entities required to pay fees and assessments to the office of the State Bank Commissioner to the credit of the Bank Commissioner Fee Fund for purposes of funding the operations of the office of the State Bank Commissioner.
66. Kansas Bankers Association has standing to challenge the legislative-enacted fee sweep of the fees paid into the Bank Commissioner Fee Fund administered by the office of the

State Bank Commissioner, inasmuch as 1) the Association's members have individual standing to sue, 2) the interests the Association seeks to protect as part of the litigation are germane to the Association's purpose, and 3) the claim asserted and relief requested do not require individual participation of the Association's members.

67. Plaintiff QC Holdings Companies is a Kansas corporation operating as a supervised lender under the laws of the State of Kansas with a principle place of business at 901 Indian Creek Parkway, Suite 1500, Overland Park, Kansas 66210.

68. Plaintiff Gault Ventures, L.L.C. is a Kansas Corporation doing business as Speedy Cash, a supervised lender under the laws of the State of Kansas with a principle place of business of 3527 North Ridge Road, Wichita, Kansas 67205.

69. Plaintiffs QC Holdings Companies and Gault Ventures d/b/a Speedy Cash as supervised lenders are required to be licensed under the Consumer Credit Code to make consumer loans.

70. Plaintiffs QC Holdings Companies and Gault Ventures, d/b/a Speedy Cash, represent a class of supervised lenders required to pay license fees and assessments to the Office of the State Bank Commissioner, which are deposited in the Bank Commissioner Fee Fund for purposes of funding the operations of the Office of the State Bank Commissioner.

71. The State Bank Commissioner is charged with administering the banking, saving and loan, mortgage business and consumer credit laws of the state.

72. The purpose of these laws is to protect consumers. This is a police power function of the state.

73. The Bank Commissioner is authorized to assess fees and costs associated with the administration of these laws.

74. By law, the Bank Commissioner is required to remit all fees and assessments collected to the State Treasurer for deposit in an account designated to the Bank Commissioner Fee Fund.
75. By law, the Bank Commissioner prior to the beginning of each fiscal year makes an estimate of the expenses to be incurred by the Department during the fiscal year and allocates and assesses banks and supervised lenders in amounts sufficient to fund the anticipated expenses of the office.
76. By law, 20% of the amounts remitted to the Treasurer shall be credited to the State General Fund to “reimburse the State General Fund for accounting, auditing, budgeting, legal, payroll, personnel and purchasing services, and any and all other state governmental services, which are performed on behalf of the state agency involved by other state agencies which receive appropriations from the State General Fund to provide such services.”
77. The sweep of the Bank Commissioner Fee Fund was in addition to the statutory 20%.
78. Following enactment of Senate substitute for House Bill 2373, the Office of the State Bank Commissioner through Bank Commissioner J. Thomas Thull assessed supervised lenders additional sums to offset the sweep of Bank Commissioner Fee Funds. The Commissioner’s Notice of Assessment to supervised lenders provided in part, “Over the past several years the Kansas Legislature has made the difficult decision to ‘sweep’ surplus funds from our agency and others for use in other areas of state government, thereby eliminating that surplus. As a result, our fees must be increased to better reflect the actual cost of regulation and maintain a viable regulatory structure.”
79. Beginning with the 2010 renewal period, the Bank Commissioner has announced assessment of a new license fee on all supervised lenders in addition to their new or

renewal application fees. The new license fee is based on the volume of Kansas loans during the preceding license year.

80. The Bank Commissioner in announcing the new assessment indicated that the surplus in the Bank Commissioner Fee Fund has allowed the Bank Commissioner to offset or negate the need to raise fees, but that the legislatively-enacted fee sweep resulted in a need to initiate the assessment based on loan volume.
81. Beginning with the 2010 assessments, each entity having a license through the Office of Bank Commissioner will be paying both an application fee and a license fee.
82. Kansas banks are exempt from licensing but pay an annual assessment to the Banking Division, which assessment functions in a similar way for the Banking Division as the license fee does for the Commercial Mortgage Lending Division. Budget expenses of the Banking Division are spread among the banks and the budget expenses of the Commercial Mortgage Lending Division are spread among the companies licensed by the Office of Bank Commissioner.
83. The Office of Bank Commissioner has indicated that sweeps of surplus funds means those funds are not available to offset future budget expenses and will result in increased assessments, both to the banking division and the commercial mortgage lending industry.
84. Assessments of banks is based on their total assets and applied on a graduated scale. The Office of State Bank Commissioner assesses banks annually on July 1 of each year.
85. The sweep of the Bank Commissioner Fee Fund so exceeds the reasonable and necessary cost of regulation and administration that it is apparent the State is using the sweep as a general revenue-raising measure and not as a valid exercise of police power authority.

86. Without obtaining the relief requested, Plaintiffs and those similarly situated will be subjected to multiple assessments for the same expenses relating to the operations of the Office of State Bank Commissioner.

COUNT IV:

CONSERVATION FEE FUND SWEEP

87. Plaintiff(s)_____.

88. Plaintiff(s) represent(s) a class of individuals/entities required by law to pay assessments to the Kansas Corporation Commission for credit to the Conservation Fee Fund. The class of entities required to pay assessments which are credited to the Conservation Fee Fund is so numerous that joinder of all members is impracticable.

89. The major source of revenue paid into the Conservation Fee Fund is an assessment on oil producers as authorized by K.A.R. 82-3-206 and an assessment on natural gas producers at the rate established by K.A.R. 82-3-307.

90. By law, all deposits credited to the Conservation Fee Fund are limited to the use of the State Corporation Commission in administering the provisions of K.S.A. 55-172 through 55-184, 55-601 through 55-613, 55-701 through 55-713, 55-901 and 55-1201 through 55-1205 and amendments thereto.

91. The Conservation Fee Fund is created within the State Treasury and any expenditures from The Conservation Fee Fund must be made in accordance with an appropriations act upon warrants of the Director of Accounts and Reports issued pursuant to vouchers approved by the Chairperson of the State Corporation Commission, or by a person or persons designated by the Chairperson.

92. By law, the Corporation Commission must formulate a system of accounting procedures to account for the money credited to the Conservation Fee Fund.

93. _____ has standing to challenge the legislative-enacted fee sweep of the fees paid into the Conservation Fee Fund administered by the office of the State Corporation Commission, inasmuch as 1) the _____ members have individual standing to sue, 2) the interests the _____ seeks to protect as part of the litigation are germane to the _____ purpose, and 3) the claim asserted and relief requested do not require individual participation of the _____ members.
94. By law, whenever the State Corporation Commission determines that the unencumbered balance of monies credited to the Conservation Fee Fund at the end of a fiscal year is more than necessary when considered in relation to the amount of revenues and expenditures estimated for the ensuing fiscal year and an appropriate unencumbered balance in the fund at the end of the ensuing fiscal year, the Corporation Commission is required to proportionately reduce all fees and assessments which are charged, taxed or assessed by the Commission as authorized or required by law other than fees or assessments in amounts prescribed by statute or any penalties authorized by statute and which are collected and deposited to the credit of the Conservation Fee Fund in order to reduce such unencumbered balance in the Fund to an appropriate amount.
95. Amounts remitted by the State Corporation Commission to the State Treasurer are subject to a statutory provision requiring 20% of the amounts remitted to the Treasurer to be credited to the State General Fund for the purported purpose of reimbursing the State General Fund for accounting, auditing, budgeting, legal, payroll, personnel and purchasing services and all other state governmental services which are performed on behalf of the state agency involved by other state agencies which receive appropriations from the State General Fund to provide such services.
96. The sweep of the Conservation Fee Fund was in addition to the statutory 20%.

97. The sweep of the Conservation Fee Fund so exceeds the reasonable and necessary costs of regulation and administration that it is apparent the State is using the sweep as a general revenue-raising measure and not as a valid exercise of police power authority.
98. As reflected in Attorney General Opinion No. 86-138, use of the Conservation Fee Fund for uses other than activities the Kansas Corporation Commission regulates would be contrary to the findings of the Kansas Supreme Court in *Panhandle Eastern Pipeline Co. v. Fadely*, *supra*, inasmuch as a use of the funds for other than the statutory purpose would constitute the exacting of revenue from the oil and gas industry under the guise of a regulatory fee in violation of Article 11, § 1 of the Kansas Constitution and the Commerce Clause in the 14th Amendment of the United States Constitution.

PRAYER FOR RELIEF COMMON TO ALL PLAINTIFFS

99. Plaintiffs seek a declaratory judgment ruling the sweeps unconstitutional for the reasons enumerated herein.
100. Plaintiffs seek injunctive relief barring further or future legislatively-enacted transfers of special revenue funds to the State General Fund as a revenue-generating mechanism as Plaintiffs have sufficient cause to believe that additional sweeps will be proposed during the pendency of this action.
101. The represented parties herein will fairly and adequately protect the interests of the respective classes.
102. There are questions of law and fact common to the respective classes.
103. The claims of the represented parties herein are typical of the claims of their respective classes.
104. Without obtaining the relieve requested, Plaintiffs and those similarly situated will be subjected to multiple assessments for the same expenses.

105. The fee sweeps under the facts and circumstances herein constitute an unauthorized and unconstitutional tax on the Plaintiffs and those similarly situated, is an unauthorized revenue enactment levied under the guise of a regulatory fee and is in violation of Article 11, § 1 and § 5 of the Kansas Constitution.
106. The fee sweeps constitute an unconstitutional taking, is violative of The Commerce Clause and Fifth and Fourteenth Amendments to the U.S. Constitution, and constitute a denial of Plaintiffs' federal and state constitutional rights to equal protection under the law.
107. Similar action taken during the 2002 Legislative Session with regard to agency fee funds was found constitutionally suspect in AG Opinion 2002-45.
108. Plaintiffs' counsel, a member of the Kansas Legislature, has satisfied the provisions of K.S.A. 46-233(c) by having voted "No" upon the enactment of the challenged measure (May 7, 2009 HJ 713) and filing on the record a constitutional protest of the enactment pursuant to Article 2, § 10 of the Kansas Constitution (June 4, 2009 HJ 781).

WHEREFORE, Plaintiffs pray for an Order of the Court certifying Plaintiffs' Petition as a class action, for a declaratory judgment that the legislatively-enacted fee sweeps contained in Senate substitute for House Bill 2373 (Chapter 144 of the 2009 Session Laws of Kansas) are unconstitutional and void, and for a further Order of the Court that the fee fund transfers be reversed and the amount of \$2.355 million be restored to the credit of the Workers Compensation Fund, the amount of \$195,671 be restored to the credit of the Real Estate Fee Fund, the amount of \$534,517 be restored to the credit of the Bank Commissioner Fee Fund, and the amount of \$1,962,500 be restored to the credit of the Conservation Fee Fund. Plaintiffs further pray for injunctive relief enjoining further or additional unauthorized fee sweeps during the 2010

Legislative Session or subsequently, for an Order allowing reasonable attorney's fees to be paid from the respective funds restored, and for such other and further relief as the Court may deem just and equitable.

GILLILAND & HAYES, P.A.

By: _____
Michael R. O'Neal, #08830
Attorneys for Defendant Plaintiffs

KMIT Member List

January 1, 2015

	Member City	Population [1]	Date Joined	FTE [2]
1	Abilene	6,771	4/1/96	63.0
2	Admire	156	4/1/06	2.0
3	Allen	177	4/11/00	1.0
4	Altamont	1,069	4/1/94	12.0
5	Andale	964	5/1/94	4.0
6	Andover	12,099	4/1/95	72.0
7	Arkansas City	12,340	4/1/05	144.0
8	Atchison	10,953	4/1/94	109.0
9	Atlanta	195	4/1/04	1.0
10	Augusta	9,217	1/1/02	110.0
11	Baldwin City	4,526	4/1/94	40.0
12	Basehor	4,787	4/1/96	22.0
13	Bel Aire	6,838	4/1/09	60.0
14	Belle Plaine	1,640	4/1/12	10.0
15	Belleville	1,940	4/1/04	28.0
16	Bennington	674	4/1/06	2.0
17	Benton	873	4/1/12	6.0
18	Beverly	159	8/9/98	1.0
19	Bird City	438	1/15/94	3.0
20	Blue Mound	269	1/1/09	2.0
21	Blue Rapids	1,003	4/1/05	5.0
22	Bonner Springs	7,419	1/1/94	81.0
23	Brewster	308	4/1/94	1.0
24	Centralia	508	4/1/94	3.0
25	Chapman	1,417	4/1/12	13.0
26	Chautauqua	108	4/1/96	1.0
27	Cheney	2,120	1/1/94	18.0
28	Cherryvale	2,293	2/1/94	21.0
29	Clay Center	4,315	7/1/04	40.0
30	Clearwater	2,489	4/1/10	7.0
31	Columbus	3,250	4/1/02	34.0

KMIT Member List

January 1, 2015

32	Concordia	5,320	1/1/96	60.0
33	Conway Springs	1,248	4/1/94	8.0
34	Council Grove	2,160	4/1/94	26.0
35	Cullison	102	4/1/01	3.0
36	Damar	133	3/1/05	1.0
37	De Soto	5,869	4/1/94	30.0
38	Douglass	1,703	4/1/03	7.0
39	Eastborough	773	11/15/04	7.0
40	Edgerton	1,699	12/11/00	9.0
41	Edwardsville	4,377	4/1/07	41.5
42	El Dorado	12,900	4/1/09	133.0
43	Elkhart	2,181	1/1/94	13.0
44	Ellsworth	3,116	4/1/06	24.0
45	Esbon	98	4/1/94	3.0
46	Eudora	6,217	4/1/03	39.0
47	Eureka	2,537	4/1/05	25.0
48	Florence	452	4/1/06	4.0
49	Ford	221	4/1/01	2.0
50	Fort Scott	7,934	1/1/94	82.0
51	Fowler	565	6/8/95	2.0
52	Frankfort	716	4/1/96	4.0
53	Fredonia	2,482	4/1/03	35.0
54	Galena	3,029	1/1/94	39.0
55	Garden City	26,985	1/1/13	305.0
56	Girard	2,796	1/1/04	35.0
57	Glasco	489	4/1/94	3.0
58	Glen Elder	440	4/1/95	4.0
59	Goodland	4,559	1/1/94	57.0
60	Grainfield	281	7/9/01	1.0
61	Grandview Plaza	1,782	4/1/04	10.0
62	Great Bend	15,923	1/1/02	150.0
63	Greeley	296	3/9/98	2.0

KMIT Member List

January 1, 2015

64	Grenola	210	4/1/94	1.0
65	Grinnell	263	8/14/06	1.5
66	Halstead	2,092	1/1/94	22.0
67	Hamilton	259	4/1/06	2.5
68	Hartford	372	4/1/06	3.0
69	Hays	20,717	4/1/13	181.0
70	Haysville	10,951	4/1/01	76.0
71	Herington	2,493	4/1/14	36.0
72	Hiawatha	3,133	6/4/95	26.0
73	Hill City	1,462	4/1/95	17.0
74	Hillsboro	2,969	4/1/95	26.0
75	Hoisington	2,691	1/1/94	40.0
76	Horton	1,751	4/1/02	25.0
77	Independence	9,242	3/1/94	144.0
78	Jetmore	887	4/1/94	6.0
79	Johnson City	1,455	4/1/94	14.0
80	Kingman	3,169	4/1/95	37.0
81	Kinsley	1,449	1/1/94	11.0
82	La Cygne	1,118	4/1/09	9.0
83	Lake Quivira	928	12/1/14	10.0
84	Larned	4,023	4/1/08	56.0
85	LEAGUE	N/A	4/1/94	15.0
86	Lecompton	627	4/1/07	2.0
87	Lenora	245	4/1/97	2.0
88	Leoti	1,548	4/1/02	8.0
89	Lincoln Center	1,285	9/3/02	12.0
90	Lindsborg	3,464	4/1/12	31.0
91	Logan	575	4/1/13	4.0
92	Lucas	394	6/1/94	4.0
93	Maize	3,708	6/25/94	19.0
94	Marysville	3,295	10/1/94	36.0
95	McFarland	254	4/1/94	1.0

KMIT Member List

January 1, 2015

96	Medicine Lodge	2,006	4/11/95	19.0
97	Melvern	377	4/1/96	2.0
98	Minneapolis	2,022	1/1/94	25.0
99	Moline	348	4/1/94	3.0
100	Montezuma	965	4/1/94	6.0
101	Mound City	680	4/1/96	5.0
102	Moundridge	1,739	4/1/12	17.0
103	Neodesha	2,404	4/1/98	49.0
104	Neosho Rapids	266	4/1/06	2.5
105	Newton	19,189	1/1/94	176.0
106	North Newton	1,779	4/1/13	5.0
107	Oakley	2,062	4/1/13	27.5
108	Oberlin	1,731	1/15/94	15.0
109	Ogden	2,169	4/1/01	8.0
110	Olpe	547	4/1/94	2.0
111	Osage City	2,945	4/1/94	35.0
112	Osawatomie	4,388	4/1/08	75.0
113	Oskaloosa	1,096	4/1/94	5.0
114	Oswego	1,803	4/1/95	21.0
115	Palco	280	4/1/04	2.5
116	Paola	5,550	4/1/94	60.0
117	Parsons	10,327	4/1/05	133.0
118	Peabody	1,174	4/1/01	9.0
119	Pittsburg	20,360	1/1/14	250.0
120	Princeton	276	4/1/94	5.5
121	Ramona	182	4/1/06	1.0
122	Ransom	289	1/1/95	2.0
123	Reading	232	4/1/06	2.0
124	Roeland Park	6,816	12/31/00	31.0
125	Rose Hill	3,932	4/1/94	23.0
126	Russell	4,481	1/1/94	75.0
127	Satanta	1,155	4/1/02	4.0

KMIT Member List

January 1, 2015

128	Scranton	710	4/1/12	6.0
129	Sedan	1,093	7/1/94	11.0
130	Sedgwick	1,701	4/1/94	9.0
131	Sharon Springs	763	4/1/06	8.5
132	Smith Center	1,633	4/1/13	21.5
133	Spearville	802	5/8/00	4.0
134	Spring Hill	5,612	4/1/01	35.0
135	St. Francis	1,304	4/1/05	20.0
136	Stafford	1,020	4/1/03	14.0
137	Stockton	1,339	4/1/02	50.0
138	Sylvan Grove	271	4/1/12	2.0
139	Tampa	109	4/1/06	1.0
140	Tescott	318	4/1/95	2.0
141	Tipton	209	7/27/01	2.0
142	Tonganoxie	5,108	4/1/97	28.0
143	Turon	385	9/10/95	2.0
144	Ulysses	6,239	3/31/95	40.0
145	Valley Center	6,965	4/15/94	45.0
146	Valley Falls	1,171	5/1/13	6.0
147	WaKeeney	1,852	4/1/03	20.0
148	Wakefield	987	1/1/95	3.0
149	Walton	238	4/1/94	2.0
150	Wamego	4,485	1/1/94	40.0
151	Waterville	668	4/1/14	5.0
152	Wellington	7,997	4/1/95	123.0
153	Wellsville	1,845	3/31/01	10.0
154	Westwood	1,521	7/1/12	13.0
Total		467,642		4,577.5
Small		98		1.0
Large		26,985		305.0
Median		1,633		12.0
Avg		3,056		29.7

[1] 7/1/13

KMIT Member List

January 1, 2015

[2] full-time (equivalent) employees

City Pop.

FTE

	Member City	Largest to Smallest
1	Garden City	26,985
2	Hays	20,717
3	Pittsburg	20,360
4	Newton	19,189
5	Great Bend	15,923
6	El Dorado	12,900
7	Arkansas City	12,340
8	Andover	12,099
9	Atchison	10,953
10	Haysville	10,951
11	Parsons	10,327
12	Independence	9,242
13	Augusta	9,217
14	Wellington	7,997
15	Fort Scott	7,934
16	Bonner Springs	7,419
17	Valley Center	6,965
18	Bel Aire	6,838
19	Roeland Park	6,816
20	Abilene	6,771
21	Ulysses	6,239
22	Eudora	6,217
23	De Soto	5,869
24	Spring Hill	5,612
25	Paola	5,550
26	Concordia	5,320
27	Tonganoxie	5,108
28	Basehor	4,787
29	Goodland	4,559

KMIT Member List

January 1, 2015

30	Baldwin City	4,526
31	Wamego	4,485
32	Russell	4,481
33	Osawatomie	4,388
34	Edwardsville	4,377
35	Clay Center	4,315
36	Larned	4,023
37	Rose Hill	3,932
38	Maize	3,708
39	Lindsborg	3,464
40	Marysville	3,295
41	Columbus	3,250
42	Kingman	3,169
43	Hiawatha	3,133
44	Ellsworth	3,116
45	Galena	3,029
46	Hillsboro	2,969
47	Osage City	2,945
48	Girard	2,796
49	Hoisington	2,691
50	Eureka	2,537
51	Herington	2,493
52	Clearwater	2,489
53	Fredonia	2,482
54	Neodesha	2,404
55	Cherryvale	2,293
56	Elkhart	2,181
57	Ogden	2,169
58	Council Grove	2,160
59	Cheney	2,120
60	Halstead	2,092
61	Oakley	2,062
62	Minneapolis	2,022
63	Medicine Lodge	2,006
64	Belleville	1,940
65	WaKeeney	1,852
66	Wellsville	1,845
67	Oswego	1,803

KMIT Member List

January 1, 2015

68	Grandview Plaza	1,782
69	North Newton	1,779
70	Horton	1,751
71	Moundridge	1,739
72	Oberlin	1,731
73	Douglass	1,703
74	Sedgwick	1,701
75	Edgerton	1,699
76	Belle Plaine	1,640
77	Smith Center	1,633
78	Leoti	1,548
79	Westwood	1,521
80	Hill City	1,462
81	Johnson City	1,455
82	Kinsley	1,449
83	Chapman	1,417
84	Stockton	1,339
85	St. Francis	1,304
86	Lincoln Center	1,285
87	Conway Springs	1,248
88	Peabody	1,174
89	Valley Falls	1,171
90	Satanta	1,155
91	La Cygne	1,118
92	Oskaloosa	1,096
93	Sedan	1,093
94	Altamont	1,069
95	Stafford	1,020
96	Blue Rapids	1,003
97	Wakefield	987
98	Montezuma	965
99	Andale	964
100	Lake Quivira	928
101	Jetmore	887
102	Benton	873
103	Spearsville	802
104	Eastborough	773
105	Sharon Springs	763

KMIT Member List

January 1, 2015

106	Frankfort	716
107	Scranton	710
108	Mound City	680
109	Bennington	674
110	Waterville	668
111	Lecompton	627
112	Logan	575
113	Fowler	565
114	Olpe	547
115	Centralia	508
116	Glasco	489
117	Florence	452
118	Glen Elder	440
119	Bird City	438
120	Lucas	394
121	Turon	385
122	Melvern	377
123	Hartford	372
124	Moline	348
125	Tescott	318
126	Brewster	308
127	Greeley	296
128	Ransom	289
129	Grainfield	281
130	Palco	280
131	Princeton	276
132	Sylvan Grove	271
133	Blue Mound	269
134	Neosho Rapids	266
135	Grinnell	263
136	Hamilton	259
137	McFarland	254
138	Lenora	245
139	Walton	238
140	Reading	232
141	Ford	221
142	Grenola	210
143	Tipton	209

KMIT Member List

January 1, 2015

144	Atlanta	195
145	Ramona	182
146	Allen	177
147	Beverly	159
148	Admire	156
149	Damar	133
150	Tampa	109
151	Chautauqua	108
152	Cullison	102
153	Esbon	98

Current Board Member

Past Board Member