



Board of Trustees

Board Meeting

October 11, 2015

Topeka, Kansas

Capitol Plaza Hotel, Kansas Expocentre

1717 SW Topeka Boulevard

6:05 PM (CDT)

BOARD OF TRUSTEES MEETING KANSAS MUNICIPAL INSURANCE TRUST

6:05 PM*, Sunday, October 11, 2015

Shawnee Ballroom, Maner Conference Centre, Capitol Plaza Hotel, Topeka, KS

1. Welcome, Introductions and Call To Order (President Keith Schlaegel)
2. Seating of Newly-Elected Trustee (Schlaegel)
3. Trustee Absences from Meeting (Schlaegel)
4. Approval of Minutes, Hays, August 28, 2014 (Schlaegel)
5. Financial Reports (J. Davis/Osenbaugh)
 - a. 8/31/15 KMIT Financials
 - b. 8/31/15 Cash Summary
6. Reserve Advisory & Settlement Authority, if necessary (Miller)
7. Election of 2015-2016 Officers (Schlaegel)
 - a. President
 - b. Vice President
 - c. Treasurer
8. Other
9. Adjourn (approximately 6:15 PM)

*Approximate start time; immediately following the KMIT Annual Meeting

KANSAS MUNICIPAL INSURANCE TRUST

Board of Trustees Minutes from August 28, 2015

Unapproved

Meeting Convened: Friday, August 28, 2015 in the Hays Convention and Visitors Bureau, Hays, KS. The meeting was called to order by KMIT President Keith Schlaegel at 9:03 AM (CDT).

Members Present: *Board Members Present:* President Schlaegel (Stockton), Vice President Tim Hardy (Elkhart), Treasurer Debbie Price (Marysville), Randy Frazer (Moundridge), Nathan McCommon (Tonganoxie), David Dillner (Abilene), Kerry Rozman (Clay Center), and Michael Reagle (Garden City) [Reagle arrived at 10:18]. *Staff:* Paul Davis (IMA), Jess Cornejo (IMA), Jaci Davis (IMA), Gene Miller (IMA), Renee Rhodes (IMA), Deanna Furman (IMA), and Don Osenbaugh (KMIT Pool Administrator). *Guest:* Tony Anderson (MVP Law, Kansas City)

Members Absences From Meeting: Jay Byers (Pittsburg). There is one vacant position.

Minutes: June 26, 2015, Pittsburg. Motion to approve as written, by Price; second by Dillner. Approved unanimously.

Financial Reports:

- a. June 30, 2015 Financials
- b. July 31, 2015 Financials
- c. Audited/Amended Fourth Quarter 2014 KID Report
- d. Amended First Quarter 2015 KID Report
- e. Second Quarter 2015 KID Report
- f. July 31, 2015 Cash and Investment Summary

Motion to approve all of the above reports made by Dillner; second by Rozman. Approved unanimously.

Reserve Advisory and Settlement Authority:

Miller reported on the following claims—

1. Claim #2007033518. Newton. This a status report only, following an compromise agreement, which had followed court-ordered settlement. The claimant had appealed the award, and a compromise was eventually reached.
2. Claim #2008034861. Fort Scott. Settlement request in the amount of \$35,654.86, medical remaining open, was approved unanimously by the Board, upon a motion by Hardy and a second by Dillner.
3. Claim #2014069989. Osawatomie. Settlement previously approved by Pool Administrator, in the amount of \$13,122, full and final.
4. Claim #2015070970. Haysville. Reserve Increase Advisory only.
5. Claim #2014048019. Russell. Reserve Increase Advisory only.
6. Claim #2015071709. Eudora. Reserve Increase Advisory only.

Risk Control Report: Rhodes reported on the audit process (finished for the year) for 2015, presented a 2015 YTD loss synopsis (by type, department, month, etc.), and distributed a spreadsheet showing all the losses for 2015 which have exceeded \$10,000.

Annual Rate Review: Cornejo, P. Davis and Osenbaugh led this review of the factors which the Board considers when determining whether or not a *filed rate* (LCM) change (for 2016, in this case) is indicated. Osenbaugh reported that the KID has already announced that individual class code rates WILL go down, over all, though the specific rates will not be published for some weeks. Following staff's recommendation, the Board voted unanimously to leave the KMIT LCM (Loss Cost Multiplier, or filed rate) where it is for next year. The motion was by Dillner; seconded by Lasher, and included a provision that staff will notify the Board if the overall change is -12% or greater, in case the Board should want to revisit this action. Before voting, the Board did understand that as much as approximately \$500,000 of KMIT's net worth (fund balance) was being put at potential risk by not raising the KMIT filed rate at this time.

CORnerstone/IMA Contract: P. Davis presented the proposed contract for 2016, which was essentially identical to the 2015 contract, except that the fee was increased from \$530,000 to \$550,000. The contract was approved unanimously, following a motion by Hardy and a second by Dillner.

Nomination Committee Report: Nomination Committee Chair Debbie Price presented the report (slate of 2015/2016 Trustee candidates), on behalf the Committee, which will be voted upon at the Annual Meeting.

Osenbaugh Contract: Following the discussion at the Pittsburg meeting (6/26/15), an updated and amended Pool Administrator contract with Osenbaugh was developed by McCommon and Schlaegel, with input by Osenbaugh. The Board unanimously approved the updated contract (see attached), following a motion by Dillner and a second by Rozman. The Board also voted unanimously to make the contract amount retroactive to September 1, 2014, and to pay Osenbaugh a lump sum for the difference--motion by Hardy; second by Dillner.

'Cardiac Event' Presentation: Tony Andersen gave a presentation explaining the details of the 2014 state law change concerning potential work comp coverage for firefighters and police officers if a cardiac event is caused by the job. Tony will be working with KMIT on cases so related.

Other: Osenbaugh gave a brief report, which included:

1. For the second year, staff did a June study on which cities may be significantly affected on their 2016 budgets by their work comp premium amounts. Those cities were contacted personally by Osenbaugh;
2. Osenbaugh and Furman started a new process over the summer, which attempts to identify which cities might benefit with a closer pre- and post-submission of renewal information, with a goal of improving the estimates of payroll amounts;
3. Osenbaugh had an extended meeting with LKM Executive Director Erik Sartorius, concerning issues related to KMIT/LKM (especially the MOU with the League), and reported that the meeting went very well;
4. Osenbaugh attended the periodic (generally, annual) meeting of the work comp POOL Coalition. The new KID Secretary and the staffer most responsible for pools also attended. The good news is that the KID audits will likely end in several years. The other news was that class code rates are going down for 2016.
5. The annual KMIT Supervisor Seminars will be held in four cities, in September.

Adjournment: Motion made by Dillner to adjourn; seconded by McCommon. Approved unanimously. The meeting was adjourned at 12:11 PM.

Professional Services Agreement

This Professional Services Agreement (Agreement) is entered into by and between Kansas Municipal Insurance Trust (hereinafter called "KMIT") and Donald Osenbaugh, an independent contractor (Contractor), in consideration of the mutual promises made herein, as follows:

Term of Agreement

This Agreement will become effective on the 1st day of September, 2015, and will terminate at the end of the day on December 31, 2019.

Scope of Services to be Rendered by Contractor

Contractor agrees, concerning participation by Kansas municipalities in KMIT insurance programs, to act as the insurance pool (hereafter "Pool") administrator by fulfilling responsibilities including yet not limited to the following.

- A. Marketing and recruitment of prospective clients.
- B. Retention of participants.
- C. General administration (renewals, record-keeping, contracting, etc.) and oversight of operations.
- D. Coordination of services with contracted insurance administrators and carriers.
- E. Financial management (banking, auditors, actuaries, etc.).
- F. Regulatory compliance.
- G. Production of training seminars and materials.
- H. Publishing of newsletters.
- I. Maintaining an organization website.
- J. Raising awareness of KMIT and KMIT programs by the representation of KMIT through attendance at professional conferences, by participation in industry organizations (ex. KSIA), and by speaking at industry seminars.
- K. Other related duties as determined by the KMIT board of trustees.

Compensation

In consideration for the performance by Contractor to the satisfaction of the KMIT board of trustees, KMIT agrees to pay Contractor monthly, adjusted annually as indicated, for services performed under this Agreement according to the following schedule.

September 1, 2015	\$8,040/monthly
January 1, 2016	\$8,280/monthly
January 1, 2017	\$8,520/monthly
January 1, 2018	\$8,760.00/monthly
January 1, 2019	\$9,000.00/monthly

Tools and Instruments

Contractor will supply office space, insurance, tools, equipment, and all supplies required to perform the services under this Agreement.

Non-Exclusive Relationship

To the extent that there is no conflict of interest and Contractor is not providing services for the benefit of, as an agent of, or on behalf of a direct competitor of KMIT, Contractor may offer advice and services of a similar nature to other businesses, to organizations, or to the public generally. It is the expectation of the parties that KMIT will not be the Contractor's sole client or customer.

Employees

Contractor may, at his discretion, hire employees in the completion of services under this Agreement. In addition to providing compensation to such employee or employees, Contractor agrees that all legal requirements, including, but not limited to, insurance, bonding, regulations, and taxation shall be the sole responsibility of Contractor.

Notices

All notices required by this Agreement shall be in effect either by personal delivery or by mail, registered or certified, postage prepaid with return receipt requested. Each party may change that address by written notice in accordance with this paragraph. Notices that are delivered personally shall be deemed communicated as of the date of actual receipt. Mailed notices shall be deemed communicated as of three (3) days after the date of mailing.

To KMIT:

President of the board of trustees as further defined in Addendum A herein.

To Contractor:

Donald W. Osenbaugh
1631 E. James St.
Derby, KS 67037
Phone: (316) 259-3847

All notices are effective on the date mailed or deposited with courier.

Insurance and Indemnity

Contractor agrees to submit to and be insured by a policy of insurance, as is customary for the KMIT board of trustees, to cover any acts or omissions, including negligence, by Contractor or Contractor's employees or agents during the performance of Contractor's duties under this Agreement.

Contractor further agrees to hold free and harmless KMIT from and against any and all claims arising out of or resulting from any such act or omission, including negligence.

Reimbursements

Contractor will be reimbursed for all direct business expenses that are associated with the representing and marketing the Pool, including, but not necessarily limited to promotional expenses, business travel at the IRS rate, expenses associated with the Pool administrator's attendance at various Kansas professional conferences and seminars pertaining to municipal government and Pool affairs such as KSGFOA, CCMFOA, KACM, and similar events.

Expenses related to professional boards and committees at which the Pool administrator directly represents KMIT, like PRIMA, KSIA, etc., will also be reimbursed.

In all cases, the current KMIT President shall approve all reimbursements submittals.

Contractor will not be reimbursed for office space, cell phone purchase or usage, or for any office equipment used in conjunction with the general operations of the Pool. Attendance at national conferences is also not considered a reimbursable expense, unless Contractor is specifically requested by the KMIT board of trustees to attend such a conference as a representative of KMIT.

This agreement assigns the current KMIT president of the board of trustees to have the authority to approve reimbursable expenses which, in the judgment of the president, fall within the intent of those allowable reimbursable expenses listed above.

Obligations of Corporation

Corporation agrees to meet the terms of all reasonable demands necessary for the successful performance of Contractor's duties under this Agreement.

Assignment

Neither this Agreement nor any duties or obligations under this Agreement may be assigned by KMIT or Contractor without the prior written consent of Contractor and KMIT.

Termination of Agreement.

Notwithstanding any other provisions of this Agreement, either party hereto may terminate this Agreement at any time by giving six (6) months written notice to the other party. In the event proper notice to either party, Contractor will be due a pro-rata share of normal compensation and reimbursable expenses through the effective date of termination.

GENERAL PROVISIONS

Entire Agreement

This Agreement supersedes any and all other agreements, either oral or in writing, between the parties hereto with respect to the performance of services by Contractor for Corporation, and contains all of the covenants and agreements between the parties with respect to the rendering of such services in any manner whatsoever. Each party to this Agreement acknowledges that no representations, inducements, promises, or agreements, orally or otherwise, have been made by any party, or anyone acting on behalf of any parties, which are not embodied herein, and that no other agreement, statement, or promise not contained in this Agreement shall be valid or binding. Any modification of this Agreement will be effective only if it is in writing signed by the party to be charged.

Severability of Provisions

Except as specifically provided in this Agreement, all of the provisions of this Agreement shall be severable. In the event that any provision of this Agreement is found by a court of competent jurisdiction to be unconstitutional or unlawful, the remaining provisions of this Agreement shall

be valid unless the court finds that the valid provisions of this Agreement are so essentially and inseparably connected with and so dependent upon the invalid provision(s) that it cannot be presumed that the parties to this Agreement could have included the valid provisions without the invalid provision(s); or unless the court finds that the valid provisions, standing alone, are incapable of being performed in accordance with the intentions of the parties.

Governing Law

This Agreement shall be governed by and construed in accordance with the laws of the State of Kansas.

Default and Remedies

If Contractor shall be in default or breach of any provision of this Agreement, KMIT may terminate this contract, suspend the Contractor's performance, withhold payment or invoke any other legal or equitable remedy after giving Contractor notice and opportunity to correct such default or breach.

IN WITNESS WHEREOF, KMIT and Contractor have caused this Professional Services Agreement to be duly executed as set forth below.

Contractor

I hereby certify that I have authority to execute this document

By: Don Osenbaugh

Printed: Don Osenbaugh

Date: 8/28/15

Kansas Municipal Insurance Trust

By: Keith Schlaegel

Keith Schlaegel

Title: President

Date: 8/28/15

Addendum A

Address of KMIT President

For purposes of notice, official communication of Contractor will be made to the president of the KMIT board of trustees, which will be the following.

TO:

Keith Schlaegel, KMIT President
115 S. Walnut Street
Stockton, Kansas 67669
Phone: (785) 425-6162

Osenbaugh Personal Services Agreement
Effective September 1, 2015

	Paid Rate	Amended Rate	Differnetial
2014			
September	\$ 7,280	\$ 7,800	\$ 520
October	\$ 7,280	\$ 7,800	\$ 520
November	\$ 7,280	\$ 7,800	\$ 520
December	\$ 7,280	\$ 7,800	\$ 520
		Subtotal	\$ 2,080
2015			
January	\$ 7,480	\$ 8,040	\$ 560
February	\$ 7,480	\$ 8,040	\$ 560
March	\$ 7,480	\$ 8,040	\$ 560
April	\$ 7,480	\$ 8,040	\$ 560
May	\$ 7,480	\$ 8,040	\$ 560
June	\$ 7,480	\$ 8,040	\$ 560
July	\$ 7,480	\$ 8,040	\$ 560
August	\$ 7,480	\$ 8,040	\$ 560
		Subtotal	\$ 4,480
		Grand Total	\$ 6,560

DWP
9/1/15
KS
7/1/15

KANSAS MUNICIPAL INSURANCE TRUST

Board of Trustees Minutes from June 26, 2015

Approved in Hays, on August 28, 2015

Meeting Convened: Friday, June 26, 2015 in the Law Enforcement Center, Pittsburg, KS. The meeting was called to order by KMIT President Keith Schlaegel at 9:04 AM (CDT).

Members Present: *Board Members Present:* President Schlaegel (Stockton), Vice President Tim Hardy (Elkhart), Treasurer Debbie Price (Marysville), Randy Frazer (Moundridge), Nathan McCommon (Tonganoxie), David Dillner (Abilene), Kerry Rozman (Clay Center), and Michael Reagle (Garden City). *Staff:* Jaci Davis (IMA), Gene Miller (IMA), Renee Rhodes (IMA), Amanda Chamberland (IMA), Deanna Furman (IMA), Courtney Kifer (IMA intern), and Don Osenbaugh (KMIT Pool Administrator). *Guests:* Stuart Bach (SSC, auditor) and Rhonda Mosby (HR Director, City of Pittsburg)

Members Absences From Meeting: Ty Lasher (Bel Aire) and Jay Byers (Pittsburg). There is one vacant position.

Minutes: May 1, 2015, Moundridge. Motion to approve as written, by Hardy; second by Price. Approved unanimously.

Financial Reports:

- a. April 30, 2015 Financials
- b. May 31, 2015 Financials
- c. Audited (Amended) Fourth Quarter 2014 KID Report
- d. First Quarter 2015 KID Report
- e. May 31, 2015 Cash and Investment Summary

Motion to approve all of the above reports made by Dillner; second by Rozman. Approved unanimously.

2014 (12/31/14) Actuary Report: Osenbaugh spoke to some key features and numbers found in the annual actuary report (prepared for KMIT by Pete Wick, of Milliman Co.) Paul Davis will review the report in more detail during the 'LCM' discussion at the August meeting.

2013/2014 Financial Audit: KMIT's contracted auditor, Stuart Bach, of Summers, Spencer and Company (Topeka) presented a very favorable annual financial audit. Bach also opined that the pool is in 'great shape'.

Dillner moved to 'receive and file' both the actuary and audit reports; seconded by McCommon, and approved unanimously.

Reserve Advisory and Settlement Authority:

Miller reported on the following claims—

1. Claim #2013045536. Independence. Settlement request in the amount of up to \$22,000, full and final approved unanimously, following a motion by Hardy and a second by Dillner.
2. Claim #2014069377. Blue Mound. Settlement request in the amount of \$20,384.03, full and final approved unanimously, following a motion by Dillner and a second by Price.

3. 2014048340. Valley Center. Reserve Increase Advisory only.

Loss Control Activities: Rhodes gave a report and distributed updated stat sheets.

Appointment of 2015 KMIT Nomination Committee: President Schlaegel appointed KMIT Treasurer Price as chair (as per KMIT policy), and also appointed Lasher and Frazer to the committee. The role of the committee, at this point in the year, is to set a 'slate' of trustees to be approved at the KMIT Annual Meeting in October. The committee will present the slate to the Board in August.

KMIT/LKM 'MOU' Agreement: Osenbaugh reviewed the current five-year Memorandum of Understanding between KMIT and the League of Kansas Municipalities, which is the document that separated KMIT from the League. The MOU expires at the end of 2017. Osenbaugh alerted the Board to the fact that the subject of the continuation/renewal of a the MOU would need to be addressed, in detail, soon, and sought input from the Board as to how the 'new' MOU might be structured.

Osenbaugh Contract: Osenbaugh met with the Board (only) in a private session, to discuss his five-year contract with KMIT (which is set to expire 12/31/17). No formal action was taken by the Board following the private discussion, which lasted from 11:20 to 11:35. McCommon volunteered to do a 're-write' of the contract, to be presented to the Board for action at the August meeting.

Adjournment: Motion made by Dillner to adjourn; seconded by Rozman. Approved unanimously. The meeting was adjourned at 11:55 AM.

KMIT Balance Sheet

August 31, 2015

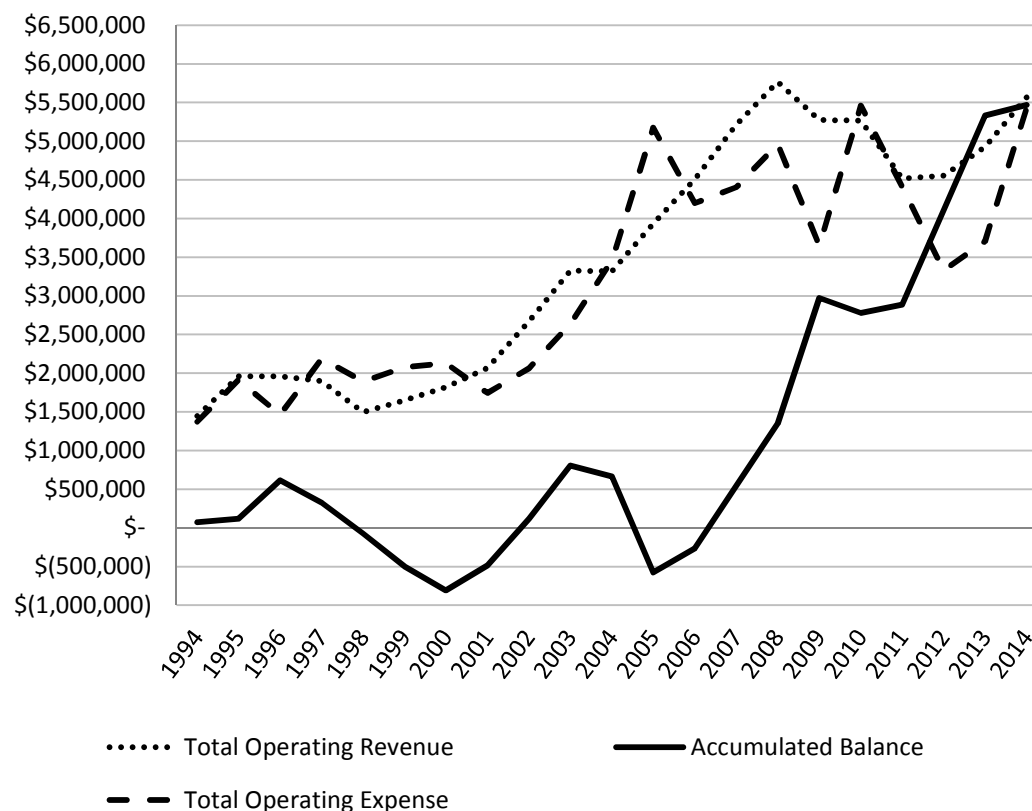
ASSETS

Checking Accounts	\$	694,947
Investments	\$	13,369,000
Accrued Interest	\$	112,455
Accounts Receivable	\$	765
Excess Premium Receivable	\$	25,550
Specific Recoverable	\$	482,325
Aggregate Recoverable	\$	61,718
Prepaid Expenses	\$	206,999
Total Assets	\$	14,953,759

LIABILITIES & EQUITY

Accounts Payable	\$	-
Excess Premium Payable	\$	-
Reserve for Losses	\$	2,874,446
IBNR Reserve	\$	4,372,994
Deposits on Premium	\$	1,844,365
Accrued Taxes and Assessments	\$	412,369
Total Liabilities	\$	9,504,173
Total Equity	\$	5,449,586
Total Liabilities and Equity	\$	14,953,759

KMIT Financial Overview



KMIT Profit and Loss

August 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
REVENUE FUND														
Direct Premium Earned	\$ 1,422,582	\$ 1,885,501	\$ 1,843,047	\$ 1,754,515	\$ 1,377,722	\$ 1,552,110	\$ 1,689,773	\$ 1,965,656	\$ 2,616,641	\$ 3,274,489	\$ 3,256,648	\$ 3,837,793	\$ 4,272,140	\$ 4,950,171
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	\$ 234,986	\$ 263,024
Miscellaneous Income	\$ -	\$ -	\$ -	\$ -	\$ 4,445	\$ 75	\$ -	\$ -	\$ 2,335	\$ -	\$ -	\$ -	\$ -	\$ 2,405
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	\$ 4,507,126	\$ 5,215,600
		\$ 390,462												
ADMINISTRATION FUND EXPENSE	\$ 477,137	\$ 601,545	\$ 492,669	\$ 525,820	\$ 487,610	\$ 454,561	\$ 451,116	\$ 437,018	\$ 533,041	\$ 649,336	\$ 739,508	\$ 814,720	\$ 909,120	\$ 918,574
CLAIMS FUND EXPENSE														
Claims Paid Expense	\$ 716,700	\$ 1,049,152	\$ 790,125	\$ 2,073,604	\$ 1,889,935	\$ 1,684,238	\$ 1,442,315	\$ 1,097,087	\$ 1,211,714	\$ 1,874,209	\$ 2,254,194	\$ 3,804,799	\$ 2,576,801	\$ 2,703,539
Claims Paid Adjusting Expense	\$ 25,541	\$ 54,345	\$ 46,505	\$ 90,802	\$ 83,669	\$ 142,886	\$ 123,142	\$ 83,206	\$ 129,112	\$ 149,296	\$ 150,568	\$ 236,564	\$ 178,822	\$ 188,567
Claims Reserve Expense	\$ -	\$ -	\$ -	\$ -	\$ 79,541	\$ 47,659	\$ 14,780	\$ -	\$ -	\$ -	\$ 31,869	\$ 85,141	\$ 61,826	\$ 97,893
Claims Reserves Adjusting Expense	\$ -	\$ -	\$ -	\$ -	\$ 6,929	\$ 4,816	\$ 572	\$ -	\$ -	\$ -	\$ 2,457	\$ 8,264	\$ 11,588	\$ 8,960
IBNR Reserve Expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,158	\$ -	\$ -	\$ -	\$ 56,931	\$ 39,246	\$ 76,534	\$ 66,250
Excess Work Comp Insurance	\$ 151,393	\$ 210,142	\$ 133,376	\$ 117,122	\$ 79,456	\$ 80,124	\$ 86,819	\$ 127,168	\$ 189,458	\$ 366,991	\$ 221,435	\$ 374,472	\$ 384,425	\$ 420,728
Specific Recoverable Expense	\$ -	\$ -	\$ -	\$ -	\$ (93,312)	\$ (44,013)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Specific Recovery Expense	\$ -	\$ -	\$ -	\$ (268,748)	\$ (638,131)	\$ (174,066)	\$ -	\$ -	\$ (400,137)	\$ -	\$ -	\$ (188,126)	\$ -	\$ -
Aggregate Recoverable Expense	\$ -	\$ -	\$ -	\$ (52,380)	\$ -	\$ (9,338)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Aggregate Recovery Expense	\$ -	\$ -	\$ -	\$ (300,247)	\$ -	\$ (111,920)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Claims Fund Expense	\$ 893,634	\$ 1,313,638	\$ 970,007	\$ 1,660,153	\$ 1,408,086	\$ 1,620,386	\$ 1,679,785	\$ 1,307,461	\$ 1,530,284	\$ 1,990,358	\$ 2,717,453	\$ 4,360,361	\$ 3,289,996	\$ 3,485,937
Total Operating Expense	\$ 1,370,771	\$ 1,915,183	\$ 1,462,676	\$ 2,185,973	\$ 1,895,696	\$ 2,074,947	\$ 2,130,901	\$ 1,744,478	\$ 2,063,325	\$ 2,639,694	\$ 3,456,961	\$ 5,175,081	\$ 4,199,116	\$ 4,404,511
BALANCES														
KMIT Statutory Fund Balance	\$ 74,486	\$ 43,543	\$ 495,283	\$ (288,753)	\$ (397,339)	\$ (425,880)	\$ (311,514)	\$ 322,872	\$ 606,319	\$ 687,287	\$ (141,245)	\$ (1,241,014)	\$ 308,010	\$ 811,089
Accumulated Balance	\$ 74,486	\$ 118,029	\$ 613,312	\$ 324,559	\$ (72,780)	\$ (498,660)	\$ (810,174)	\$ (487,303)	\$ 119,016	\$ 806,303	\$ 665,058	\$ (575,955)	\$ (267,945)	\$ 543,144

KMIT Profit and Loss

August 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
REVENUE FUND										
Direct Premium Earned	\$ 5,519,169	\$ 5,193,427	\$ 5,213,859	\$ 4,442,326	\$ 4,484,533	\$ 4,853,835	\$ 5,460,508	\$ 3,672,258	\$ 5,640,000	\$ 74,538,703
Interest Income	\$ 245,802	\$ 81,601	\$ 52,768	\$ 72,925	\$ 70,104	\$ 71,861	\$ 107,601	\$ 87,862	\$ 225,000	\$ 2,344,882
Miscellaneous Income	\$ -	\$ -	\$ -	\$ 1,441	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,701
Total Operating Revenue	\$ 5,764,971	\$ 5,275,028	\$ 5,266,578	\$ 4,516,692	\$ 4,554,637	\$ 4,925,696	\$ 5,568,109	\$ 3,760,120	\$ 5,865,000	\$ 76,894,286
ADMINISTRATION FUND EXPENSE	\$ 952,899	\$ 957,292	\$ 1,028,704	\$ 974,275	\$ 930,474	\$ 1,013,593	\$ 1,109,157	\$ 806,056	\$ 1,098,000	\$ 16,264,225
CLAIMS FUND EXPENSE										
Claims Paid Expense	\$ 3,144,990	\$ 2,018,009	\$ 3,495,964	\$ 2,342,031	\$ 1,697,787	\$ 1,533,348	\$ 2,416,897	\$ 335,825		\$ 42,153,259
Claims Paid Adjusting Expense	\$ 225,755	\$ 128,094	\$ 173,927	\$ 128,494	\$ 129,142	\$ 100,434	\$ 79,103	\$ 12,520		\$ 2,660,492
Claims Reserve Expense	\$ 189,932	\$ 26,139	\$ 101,706	\$ 361,293	\$ 170,249	\$ 176,142	\$ 574,834	\$ 627,127		\$ 2,646,132
Claims Reserves Adjusting Expense	\$ 16,816	\$ 3,347	\$ 12,693	\$ 17,432	\$ 15,845	\$ 20,672	\$ 38,762	\$ 59,160		\$ 228,314
IBNR Reserve Expense	\$ 59,207	\$ 173,354	\$ 296,819	\$ 247,844	\$ 59,027	\$ 465,020	\$ 1,202,599	\$ 1,618,003		\$ 4,372,994
Excess Work Comp Insurance	\$ 372,790	\$ 341,935	\$ 351,375	\$ 336,966	\$ 337,595	\$ 395,128	\$ 429,976	\$ 320,511	\$ 480,000	\$ 5,829,385
Specific Recoverable Expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (345,000)	\$ -		\$ (482,325)
Specific Recovery Expense	\$ -	\$ -	\$ -	\$ -	\$ (9,965)	\$ -	\$ (74,718)	\$ -		\$ (1,753,890)
Aggregate Recoverable Expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ (61,718)
Aggregate Recovery Expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ (412,167)
Claims Fund Expense	\$ 4,009,490	\$ 2,690,879	\$ 4,432,484	\$ 3,434,061	\$ 2,399,680	\$ 2,690,744	\$ 4,322,453	\$ 2,973,146	\$ 480,000	\$ 55,180,476
Total Operating Expense	\$ 4,962,389	\$ 3,648,171	\$ 5,461,188	\$ 4,408,335	\$ 3,330,154	\$ 3,704,337	\$ 5,431,611	\$ 3,779,202	\$ 1,578,000	\$ 71,444,700
BALANCES										
KMIT Statutory Fund Balance	\$ 802,582	\$ 1,626,857	\$ (194,610)	\$ 108,356	\$ 1,224,483	\$ 1,221,359	\$ 136,498	\$ (19,081.90)	\$ 4,287,000	\$ 5,449,586
Accumulated Balance	\$ 1,345,726	\$ 2,972,582	\$ 2,777,973	\$ 2,886,329	\$ 4,110,812	\$ 5,332,170	\$ 5,468,668	\$ 5,449,586		

KMIT Admin Expenses

August 31, 2015

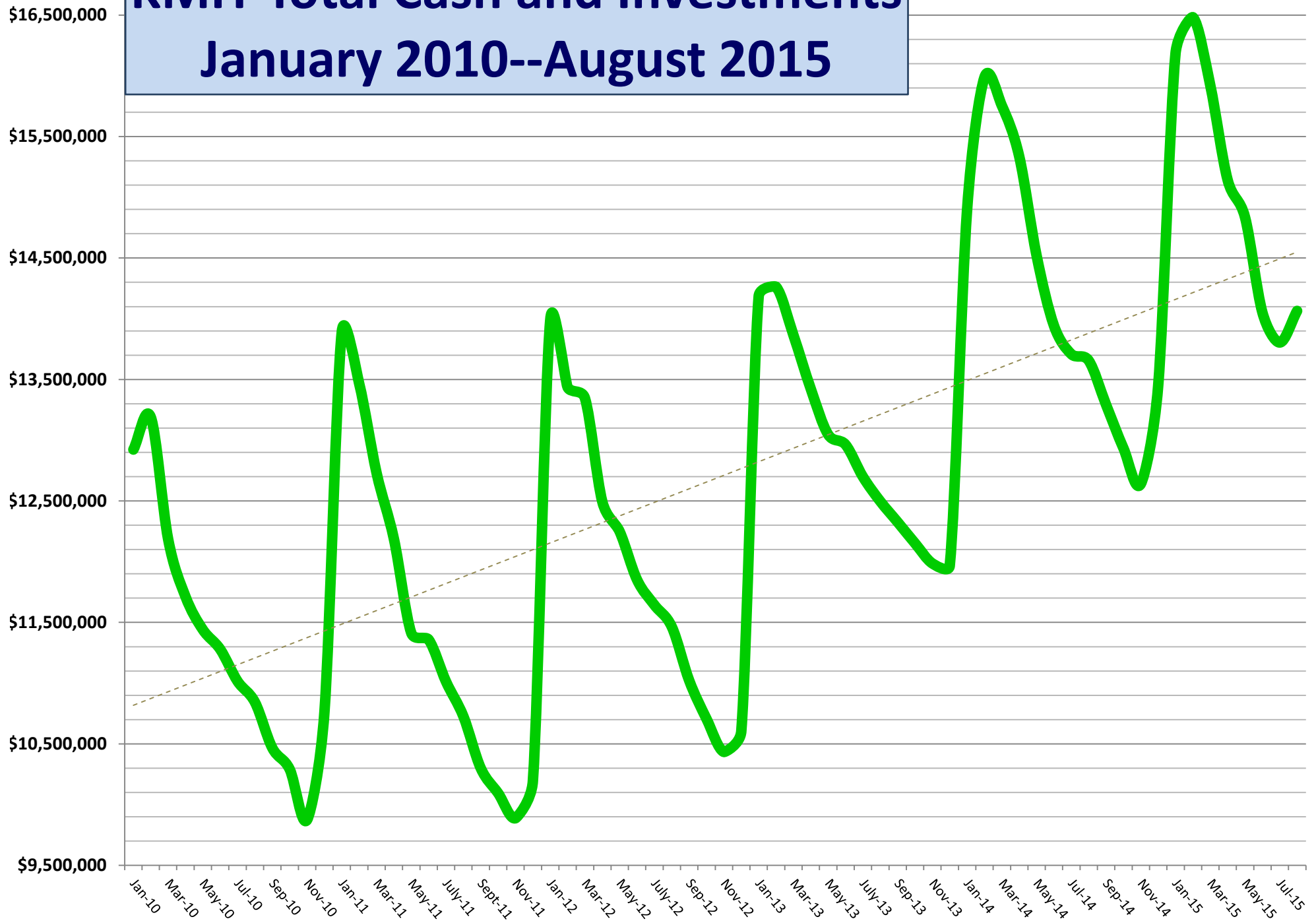
	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
	Closed	Closed	Closed	Accrued To Date	Accrued To Date	Accrued To Date	Accrued To Date	Accrued To Date	Accrued To Date	Accrued To Date	Accrued To Date	Accrued To Date	Accrued To Date	Accrued To Date
GENERAL EXPENSES														
Agent 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	40,776	36,161	44,250	40,403	30,875	34,311	39,671	57,939	71,088	82,167	82,985
Sub Total	\$ 95,360	\$ 77,466	\$ 56,281	\$ 103,413	\$ 85,094	\$ 78,914	\$ 73,035	\$ 55,589	\$ 69,799	\$ 94,418	\$ 138,089	\$ 200,797	\$ 169,572	\$ 166,375
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	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
POET	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Pool Admin Services	\$ 77,478	\$ 190,400	\$ 145,400	\$ 170,350	\$ 170,396	\$ 159,996	\$ 159,996	\$ 140,000	\$ 160,000	\$ 176,000	\$ 193,000	\$ 200,000	\$ 210,000	\$ 220,000
Payroll Audits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,088	\$ 9,840	\$ 12,042	\$ -	\$ 14,562	\$ 15,684
Rating Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Web Hosting	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Endorsement Fee	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sub Total	\$ 380,528	\$ 502,900	\$ 432,236	\$ 412,518	\$ 394,721	\$ 359,144	\$ 366,672	\$ 350,536	\$ 403,336	\$ 481,918	\$ 516,368	\$ 529,264	\$ 597,566	\$ 620,006
Administration Fund Expense	\$ 477,137	\$ 601,545	\$ 492,669	\$ 525,820	\$ 487,610	\$ 454,561	\$ 451,116	\$ 437,018	\$ 533,041	\$ 649,336	\$ 739,508	\$ 814,720	\$ 909,120	\$ 918,574

KMIT Admin Expenses

August 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	\$ 97,189	\$ 60,161	\$ 100,000	\$ 1,075,697
Directors and Officers Insurance	\$ 18,542	\$ 15,857	\$ 15,942	\$ 16,038	\$ 16,488	\$ 17,224	\$ 15,956	\$ 10,445	\$ 18,000	\$ 147,348
Meetings/Travel	\$ -	\$ -	\$ -	\$ 829	\$ 4,881	\$ 19,334	\$ 29,749	\$ 7,273	\$ 20,000	\$ 76,686
Contingencies/Miscellaneous	\$ 26,155	\$ 34,318	\$ 2,657	\$ 1,708	\$ 3,175	\$ 3,623	\$ 4,385	\$ 2,732	\$ 5,000	\$ 355,663
Bank Fees	\$ 2,638	\$ 2,758	\$ 9,239	\$ 5,776	\$ 4,159	\$ 7,528	\$ 4,460	\$ 3,255	\$ 8,000	\$ 47,297
Write Off	\$ -	\$ -	\$ -	\$ (104)	\$ -		\$ -	\$ -		\$ (104)
LKM Clearing	\$ -	\$ -		\$ 60	\$ -		\$ -	\$ -		\$ 60
Marketing	\$ -	\$ -	\$ -	\$ -	\$ 439	\$ 452	\$ 161	\$ 34		\$ 1,086
Office Supplies					\$ 1,112	\$ 1,830	\$ 3,732	\$ 2,162	\$ 5,000	\$ 8,836
Sub Total	\$ 135,867	\$ 147,147	\$ 121,475	\$ 107,167	\$ 126,735	\$ 152,627	\$ 155,632	\$ 86,062	\$ 156,000	\$ 1,712,569
REGULATORY										
Kansas Insurance Dept (KID) Premium Tax	54,139	48,525	49,030	40,919	\$ 43,445	\$ 44,349	\$ 51,057	\$ 25,099	\$ 48,000	\$ 686,024
KID Pool Assessment	3,409	3,476	3,500	3,000	\$ -	\$ -	\$ -	\$ -		\$ 64,701
KID Workers Compensation Assessment	32,770	28,363	57,704	65,962	\$ -	\$ -	\$ -	\$ -		\$ 671,063
KID State Audit				12,652	\$ -	\$ -	\$ -	\$ -		\$ 12,652
KDOL Annual Assessment Fee	87,218	64,806	97,257	45,748	\$ 80,162	\$ 102,497	\$ 170,627	\$ 94,406	\$ 115,000	\$ 1,339,882
Sub Total	\$ 177,536	\$ 145,170	\$ 207,491	\$ 168,281	\$ 123,607	\$ 146,847	\$ 221,684	\$ 119,505	\$ 163,000	\$ 2,774,322
CONTRACTURAL										
Financial Audit	\$ 13,127	\$ 18,608	\$ 31,565	\$ 12,023	\$ 11,738	\$ 11,904	\$ 15,803	\$ 803	\$ 23,000	\$ 279,075
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	\$ 153,000	\$ 170,000	\$ 1,083,000
Risk Control	\$ 140,000	\$ 145,000	\$ 145,000	\$ 145,000	\$ 145,000	\$ 150,000	\$ 150,000	\$ 139,500	\$ 155,000	\$ 2,373,573
Claims Adjusting	\$ 165,000	\$ 175,000	\$ 195,000	\$ 185,000	\$ 185,000	\$ 185,000	\$ 185,000	\$ 184,500	\$ 205,000	\$ 3,650,759
Risk Analysis	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,671	\$ 413	\$ 10,000	\$ 10,083
POET	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,775	\$ 19,000	\$ 5,775
Pool Admin Services	\$ 220,000	\$ 225,000	\$ 225,000	\$ 230,000	\$ 230,004	\$ 75,600	\$ 81,900	\$ 59,840	\$ 90,000	\$ 3,720,360
Payroll Audits	\$ 18,370	\$ 17,617	\$ 19,173	\$ 19,000	\$ 16,318	\$ 16,000	\$ 20,143	\$ 1,423	\$ 22,000	\$ 190,259
Rating Services	\$ -	\$ -	\$ -	\$ 22,650	\$ 6,636	\$ 18,702	\$ 10,887	\$ 607	\$ -	\$ 59,482
Web Hosting	\$ -	\$ -	\$ -	\$ 1,155	\$ 1,187	\$ 2,663	\$ 3,439	\$ 2,129	\$ -	\$ 10,573
Endorsement Fee	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 70,000	\$ 70,000	\$ 52,500	\$ 70,000	\$ 192,500
Sub Total	\$ 639,497	\$ 664,975	\$ 699,738	\$ 698,827	\$ 680,133	\$ 714,119	\$ 731,842	\$ 600,489	\$ 779,000	\$ 11,777,333
Administration Fund Expense	\$ 952,899	\$ 957,292	\$ 1,028,704	\$ 974,275	\$ 930,474	\$ 1,013,593	\$ 1,109,157	\$ 806,056	\$ 1,098,000	\$ 16,264,225

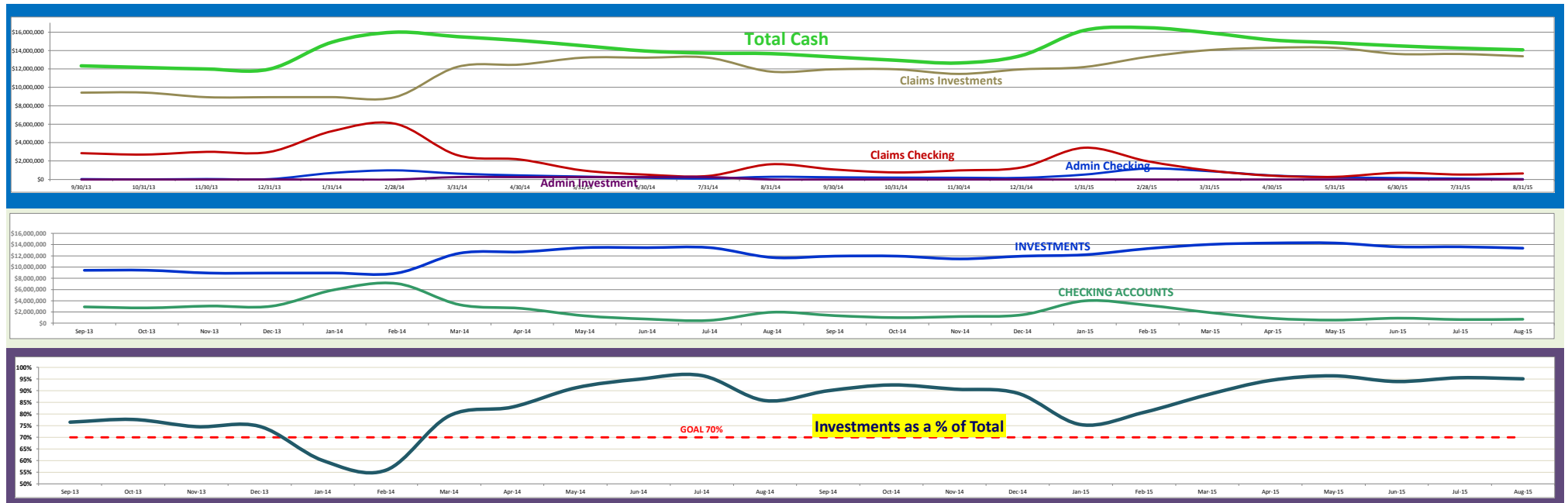
KMIT Total Cash and Investments January 2010--August 2015



KMIT Cash Management/Investment Summary

September 2013--August 2015

	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	2/28/15	3/31/15	4/30/15	5/31/15	6/30/15	7/31/15	8/31/15
KMIT Admin Fund (KAF)																								
Admin Account	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	531,389	1,187,182	902,626	438,126	252,742	157,676	99,363	38,155
Admin Checking	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	531,389	1,187,182	902,626	438,126	252,742	157,676	99,363	38,155
KMIT Claims Fund (KCF)																								
Claims Account	2,584,008	2,456,695	2,914,234	2,847,832	5,197,983	5,943,655	2,467,405	2,008,412	789,692	585,699	159,848	1,525,149	1,020,291	697,396	883,270	1,116,733	3,422,911	1,892,656	876,616	370,486	85,164	617,158	292,834	437,404
TPA Claims Check Book (at IMA)	274,162	251,885	87,755	143,994	51,430	121,939	175,879	161,078	195,508	(52,314)	228,201	130,108	74,164	74,390	105,878	194,855	26,993	105,088	101,161	42,536	206,337	110,386	244,843	219,388
Claims Checking	2,858,170	2,708,580	3,001,990	2,991,826	5,249,412	6,065,594	2,643,283	2,169,490	985,200	533,385	388,049	1,655,257	1,094,455	771,786	989,148	1,311,588	3,449,905	1,997,744	977,777	413,022	291,500	727,544	537,677	656,792
INVESTMENTS																								
Admin Investments	0	0	0	0	0	0	250,000	250,000	250,000	250,000	250,000	0	0	0	0	0	0	0	0	0	0	0	0	0
Claims Investments	9,424,164	9,431,587	8,931,994	8,933,244	8,938,615	8,927,185	12,218,606	12,468,606	13,215,606	13,215,606	13,215,606	11,706,606	11,955,606	11,955,606	11,455,606	11,951,607	12,201,606	13,296,000	14,041,000	14,291,000	14,291,000	13,617,000	13,617,000	13,369,000
TOTAL CASH	12,326,062	12,151,929	11,986,031	11,966,376	14,896,621	15,987,295	15,504,337	15,085,477	14,520,019	13,943,061	13,708,454	13,655,930	13,292,340	12,934,099	12,639,446	13,446,433	16,182,900	16,480,926	15,921,403	15,142,148	14,835,243	14,502,220	14,254,040	14,063,947





Kansas

January 1, 2016 Workers Compensation
Voluntary Loss Cost and Assigned Risk Rate Filing

Topeka, Kansas
September 3, 2015

National Council on Compensation Insurance, Inc.

Kansas

Proposed Change in Voluntary Loss Cost Level

Component	
Change in Experience	-6.7%
Change in Trend	-5.3%
Change in Benefits	+0.4%
Change in Loss Adjustment Expense	-0.3%
Overall Change in Voluntary Loss Cost Level	-11.6%



Kansas

Proposed Changes in Assigned Risk Levels

Component

Overall Change in Voluntary Loss Cost Level	-11.6%
---	--------

Change in Assigned Risk Multiplier	+1.4%
------------------------------------	-------

Overall Change in Assigned Risk Rate Level	-10.4%
---	---------------

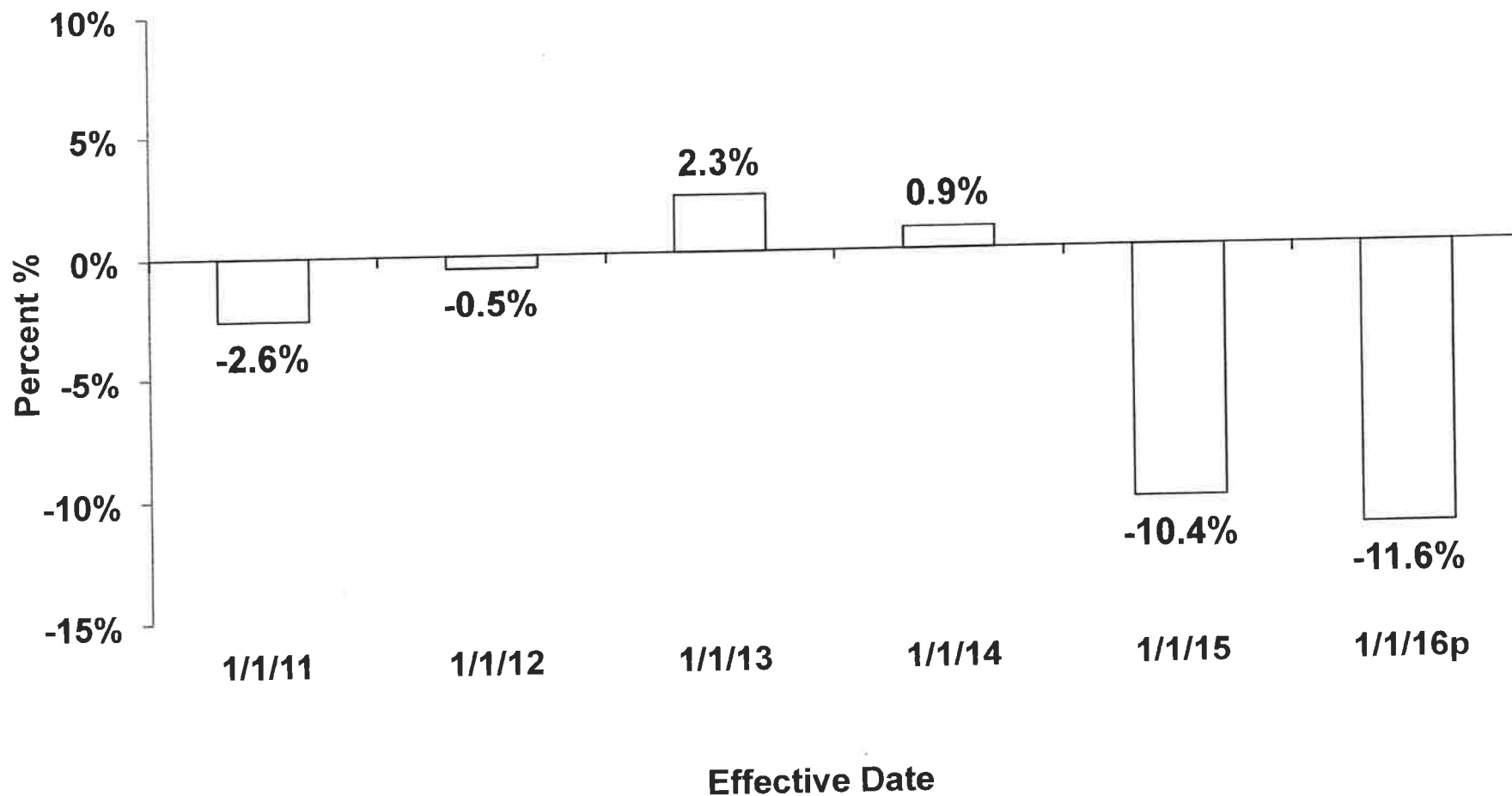
Assigned Risk Premium Level Impact Due to the Change in the Expense Constant (\$200 to \$160)	-0.9%
--	-------

Overall Change in Assigned Risk Premium Level	-11.2%
--	---------------



Kansas Filing Activity

Recent History of Voluntary Loss Cost Changes



p Proposed



Kansas

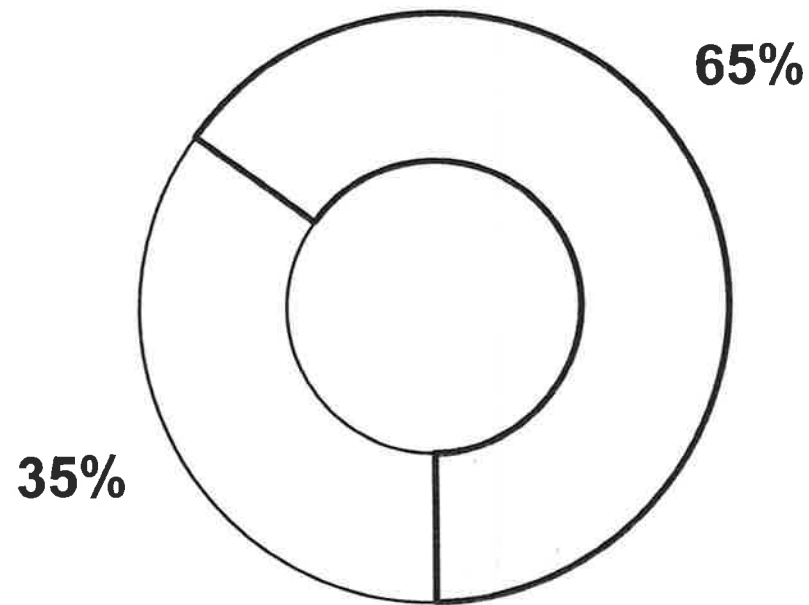
Filing Methodology

<u>Component</u>	<u>Methodology Used</u>
Experience Period	Most recent three full policy years
Loss Development	Average of the results produced by the paid and paid+case loss aggregations
Annual Loss Ratio Trend Selections	Indemnity: -4.0% per year Medical: -2.0% per year



Kansas

Distribution of Benefits

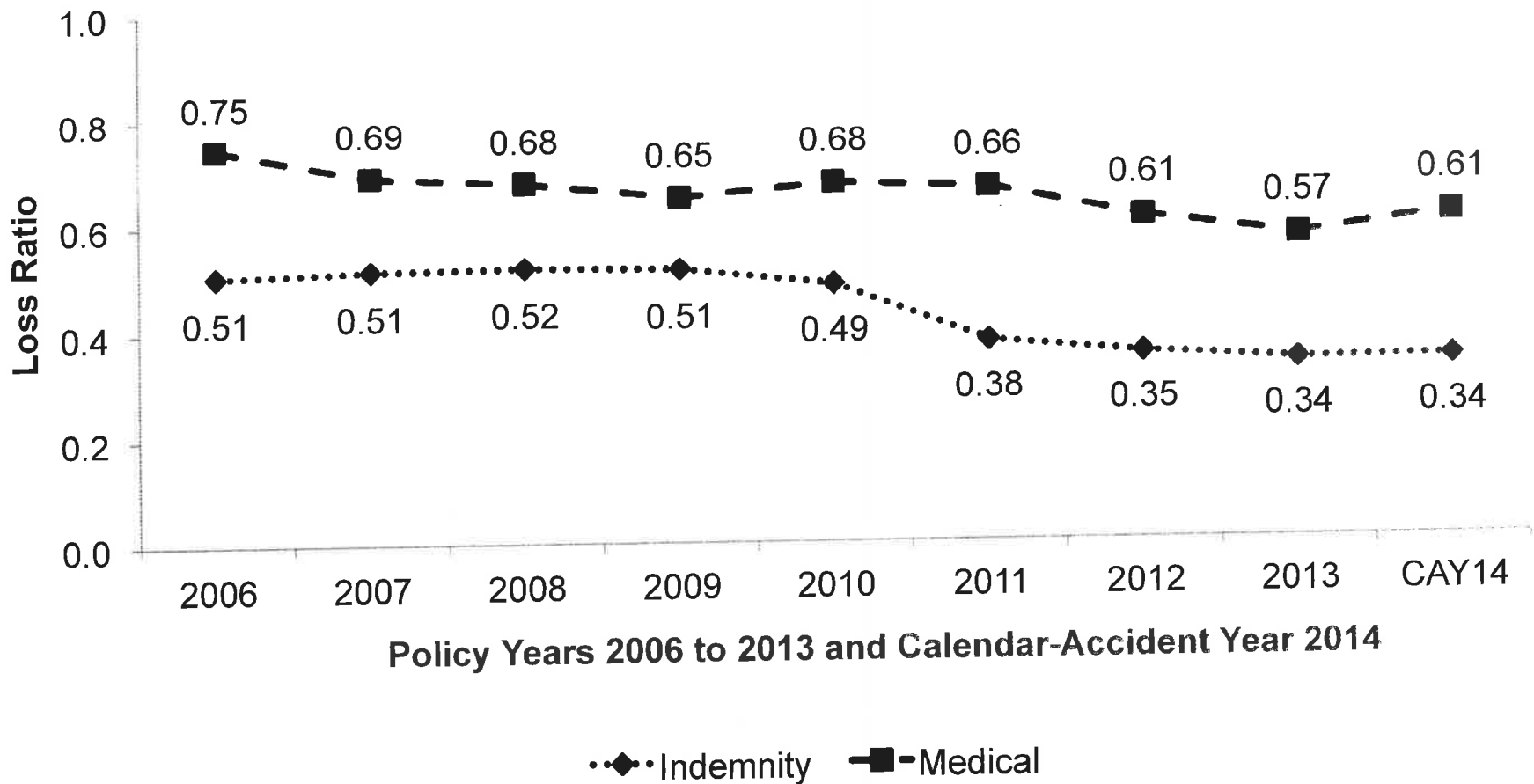


□ Indemnity □ Medical



Kansas

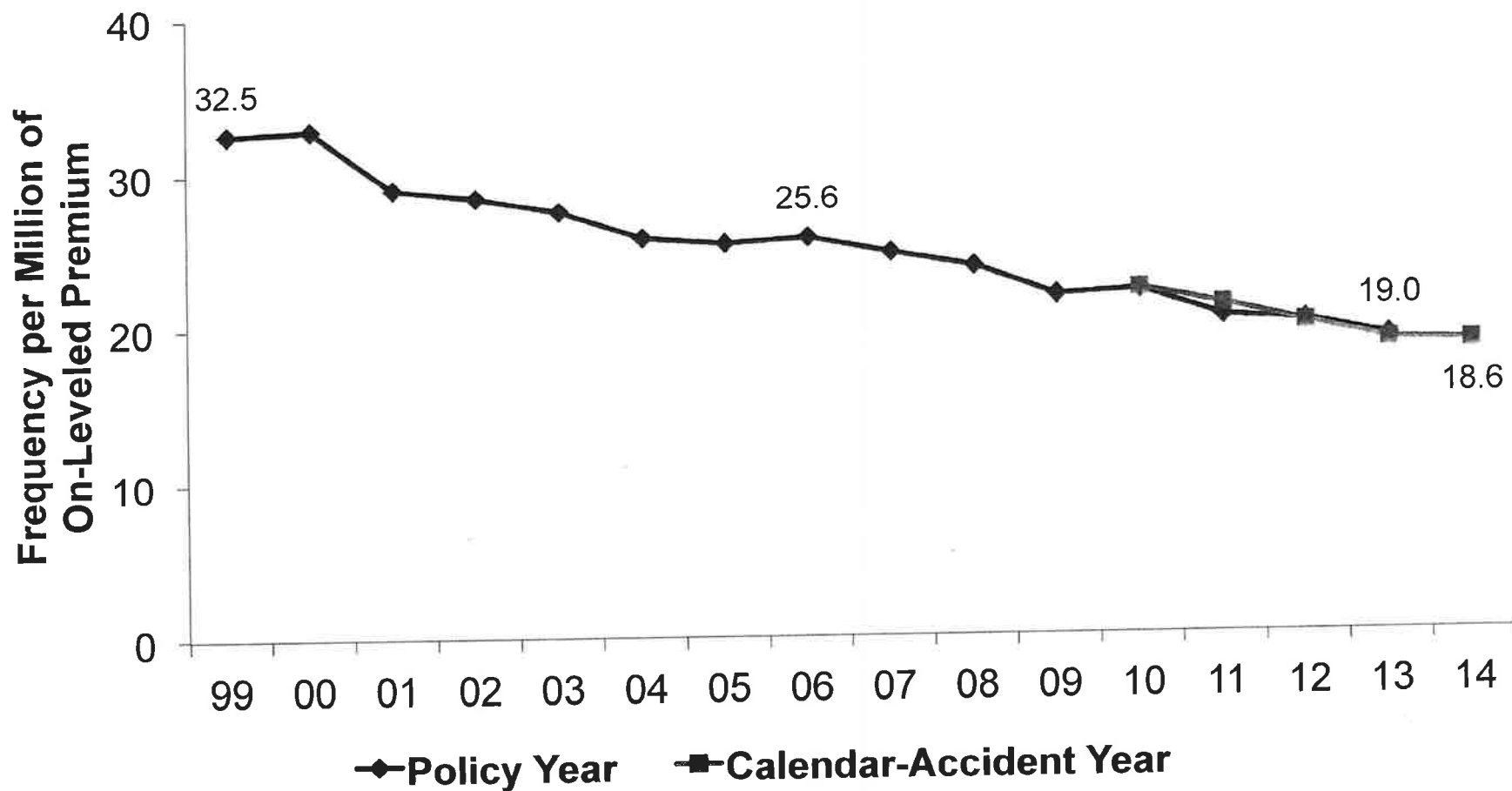
Indemnity and Medical Loss Ratios



Based on an average of paid and paid plus case financial data at current benefit level and developed to ultimate

Kansas

Average Lost-Time Claim Frequency

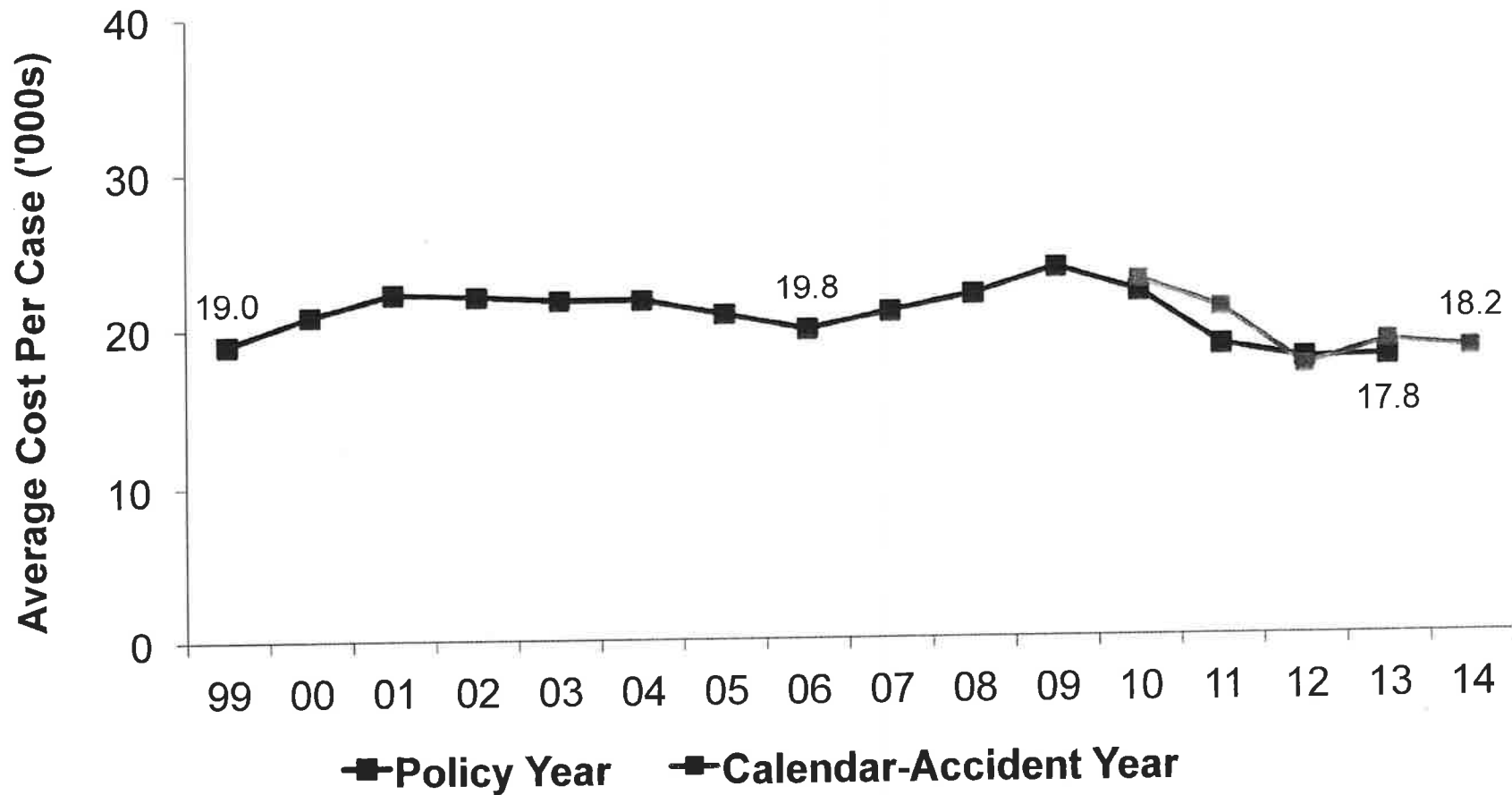


The lost-time claim frequency figures shown are in excess of wage trend



Kansas

Average Indemnity Claim Severity

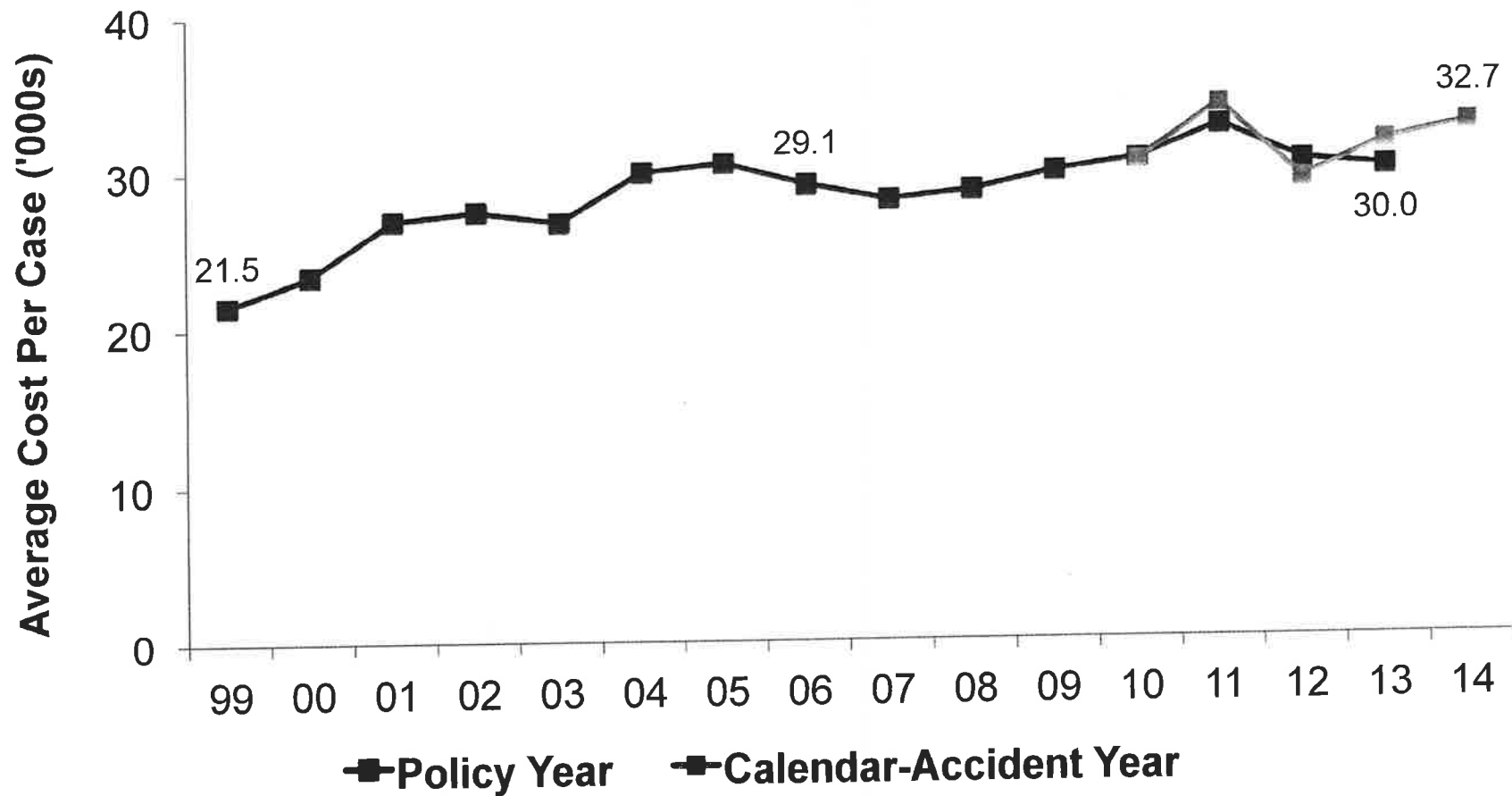


The lost-time claim severity figures shown are in excess of wage trend
Based on an average of paid and paid plus case financial data



Kansas

Average Medical Claim Severity



The lost-time claim severity figures shown are in excess of wage trend
Based on an average of paid and paid plus case financial data



Kansas

Benefit Changes

Component	Indemnity Impact	Medical Impact	Overall Impact
Increase in the State Average Weekly Wage (\$791.62 to \$813.98)	+1.1%	--	+0.4%
Med-Fee Schedule Changes	--	--	--
Overall Change in Benefits			+0.4%

Kansas

Proposed Change in Voluntary Loss Cost Level

Change in Experience, Trend, and Benefits	-11.3%
Change in Loss Adjustment Expense	-0.3%
Overall Change in Voluntary Loss Cost Level	-11.6%

Proposed Change in Assigned Risk Rate Level

Overall Change in Loss Cost Level	-11.6%
Change in Assigned Risk Multiplier	+1.4%
Overall Change in Assigned Risk Rate Level	-10.4%



COPY

Professional Services Agreement

This Professional Services Agreement (Agreement) is entered into by and between Kansas Municipal Insurance Trust (hereinafter called "KMIT") and Donald Osenbaugh, an independent contractor (Contractor), in consideration of the mutual promises made herein, as follows:

Term of Agreement

This Agreement will become effective on the 1st day of September, 2015, and will terminate at the end of the day on December 31, 2019.

Scope of Services to be Rendered by Contractor

Contractor agrees, concerning participation by Kansas municipalities in KMIT insurance programs, to act as the insurance pool (hereafter "Pool") administrator by fulfilling responsibilities including yet not limited to the following.

- A. Marketing and recruitment of prospective clients.
- B. Retention of participants.
- C. General administration (renewals, record-keeping, contracting, etc.) and oversight of operations.
- D. Coordination of services with contracted insurance administrators and carriers.
- E. Financial management (banking, auditors, actuaries, etc.).
- F. Regulatory compliance.
- G. Production of training seminars and materials.
- H. Publishing of newsletters.
- I. Maintaining an organization website.
- J. Raising awareness of KMIT and KMIT programs by the representation of KMIT through attendance at professional conferences, by participation in industry organizations (ex. KSIA), and by speaking at industry seminars.
- K. Other related duties as determined by the KMIT board of trustees.

Compensation

In consideration for the performance by Contractor to the satisfaction of the KMIT board of trustees, KMIT agrees to pay Contractor monthly, adjusted annually as indicated, for services performed under this Agreement according to the following schedule.

September 1, 2015	\$8,040/monthly
January 1, 2016	\$8,280/monthly
January 1, 2017	\$8,520/monthly
January 1, 2018	\$8,760.00/monthly
January 1, 2019	\$9,000.00/monthly

Tools and Instruments

Contractor will supply office space, insurance, tools, equipment, and all supplies required to perform the services under this Agreement.

Non-Exclusive Relationship

To the extent that there is no conflict of interest and Contractor is not providing services for the benefit of, as an agent of, or on behalf of a direct competitor of KMIT, Contractor may offer advice and services of a similar nature to other businesses, to organizations, or to the public generally. It is the expectation of the parties that KMIT will not be the Contractor's sole client or customer.

Employees

Contractor may, at his discretion, hire employees in the completion of services under this Agreement. In addition to providing compensation to such employee or employees, Contractor agrees that all legal requirements, including, but not limited to, insurance, bonding, regulations, and taxation shall be the sole responsibility of Contractor.

Notices

All notices required by this Agreement shall be in effect either by personal delivery or by mail, registered or certified, postage prepaid with return receipt requested. Each party may change that address by written notice in accordance with this paragraph. Notices that are delivered personally shall be deemed communicated as of the date of actual receipt. Mailed notices shall be deemed communicated as of three (3) days after the date of mailing.

To KMIT:

President of the board of trustees as further defined in Addendum A herein.

To Contractor:

Donald W. Osenbaugh
1631 E. James St.
Derby, KS 67037
Phone: (316) 259-3847

All notices are effective on the date mailed or deposited with courier.

Insurance and Indemnity

Contractor agrees to submit to and be insured by a policy of insurance, as is customary for the KMIT board of trustees, to cover any acts or omissions, including negligence, by Contractor or Contractor's employees or agents during the performance of Contractor's duties under this Agreement.

Contractor further agrees to hold free and harmless KMIT from and against any and all claims arising out of or resulting from any such act or omission, including negligence.

Reimbursements

Contractor will be reimbursed for all direct business expenses that are associated with the representing and marketing the Pool, including, but not necessarily limited to promotional expenses; business travel at the IRS rate, expenses associated with the Pool administrator's attendance at various Kansas professional conferences and seminars pertaining to municipal government and Pool affairs such as KSGFOA, CCMFOA, KACM, and similar events.

Expenses related to professional boards and committees at which the Pool administrator directly represents KMIT, like PRIMA, KSIA, etc., will also be reimbursed.

In all cases, the current KMIT President shall approve all reimbursements submittals.

Contractor will not be reimbursed for office space, cell phone purchase or usage, or for any office equipment used in conjunction with the general operations of the Pool. Attendance at national conferences is also not considered a reimbursable expense, unless Contractor is specifically requested by the KMIT board of trustees to attend such a conference as a representative of KMIT.

This agreement assigns the current KMIT president of the board of trustees to have the authority to approve reimbursable expenses which, in the judgment of the president, fall within the intent of those allowable reimbursable expenses listed above.

Obligations of Corporation

Corporation agrees to meet the terms of all reasonable demands necessary for the successful performance of Contractor's duties under this Agreement.

Assignment

Neither this Agreement nor any duties or obligations under this Agreement may be assigned by KMIT or Contractor without the prior written consent of Contractor and KMIT.

Termination of Agreement

Notwithstanding any other provisions of this Agreement, either party hereto may terminate this Agreement at any time by giving six (6) months written notice to the other party. In the event proper notice to either party, Contractor will be due a pro-rata share of normal compensation and reimbursable expenses through the effective date of termination.

GENERAL PROVISIONS

Entire Agreement

This Agreement supersedes any and all other agreements, either oral or in writing, between the parties hereto with respect to the performance of services by Contractor for Corporation, and contains all of the covenants and agreements between the parties with respect to the rendering of such services in any manner whatsoever. Each party to this Agreement acknowledges that no representations, inducements, promises, or agreements, orally or otherwise, have been made by any party, or anyone acting on behalf of any parties, which are not embodied herein, and that no other agreement, statement, or promise not contained in this Agreement shall be valid or binding. Any modification of this Agreement will be effective only if it is in writing signed by the party to be charged.

Severability of Provisions

Except as specifically provided in this Agreement, all of the provisions of this Agreement shall be severable. In the event that any provision of this Agreement is found by a court of competent jurisdiction to be unconstitutional or unlawful, the remaining provisions of this Agreement shall

be valid unless the court finds that the valid provisions of this Agreement are so essentially and inseparably connected with and so dependent upon the invalid provision(s) that it cannot be presumed that the parties to this Agreement could have included the valid provisions without the invalid provision(s); or unless the court finds that the valid provisions, standing alone, are incapable of being performed in accordance with the intentions of the parties.

Governing Law

This Agreement shall be governed by and construed in accordance with the laws of the State of Kansas.

Default and Remedies

If Contractor shall be in default or breach of any provision of this Agreement, KMIT may terminate this contract, suspend the Contractor's performance, withhold payment or invoke any other legal or equitable remedy after giving Contractor notice and opportunity to correct such default or breach.

IN WITNESS WHEREOF, KMIT and Contractor have caused this Professional Services Agreement to be duly executed as set forth below.

Contractor

I hereby certify that I have authority to execute this document

By: Don Osenbaugh

Printed: Don Osenbaugh

Date: 8/28/15

Kansas Municipal Insurance Trust

By: Keith Schlaegel

Keith Schlaegel

Title: President

Date: 8/28/15

Addendum A

Address of KMIT President

For purposes of notice, official communication of Contractor will be made to the president of the KMIT board of trustees, which will be the following.

TO:

Keith Schlaegel, KMIT President
115 S. Walnut Street
Stockton, Kansas 67669
Phone: (785) 425-6162