



# Board of Trustees

## Board Meeting December 11, 2015 Bel Aire, Kansas

Bel Aire City Hall  
7651 E Central Park Ave.  
9:00 AM (CDT)

# **BOARD OF TRUSTEES MEETING KANSAS MUNICIPAL INSURANCE TRUST**

**9:00 AM CST, Friday, December 11, 2015**

**Bel Aire City Hall\*, Bel Aire, KS**

1. Welcome, Introductions and Call To Order (President Hardy)
2. Trustee Absences from Meeting (Hardy)
3. Minutes from October 11, 2015 (Hardy)
4. Financial Reports (J. Davis)
  - a. September 30, 2015 KID Quarterly Report
  - b. September 30, 2015 Financials
  - c. October 31, 2015 Financials
  - d. November 30, 2015 Financials
  - e. November 30, 2015 Cash and Investment Summary
5. Reserve Advisory & Settlement Authority (Miller)
6. Loss Control Activities (Rhodes)
7. Excess Coverage Renewal (Cornejo/P. Davis)
8. Errors and Omissions (D&O) Insurance Renewal (Cornejo)
9. Review of 2015 Pool Pricing (Osenbaugh/P. Davis, et al)
10. Review/Approval of 2015 Administrative Budget (Osenbaugh)
11. Staff Reports
12. Other Business
13. Adjourn (approximately 12:00 Noon CST)

**Gift Exchange and Lunch**

\*7651 E. Central Park Ave. (see map in packet)



# KANSAS MUNICIPAL INSURANCE TRUST

## Board of Trustees Minutes from October 11, 2015

*Unapproved*

**Meeting Convened:** Sunday, October 11, 2015 in the Maner Conference Center Shawnee Room, Capitol Plaza Hotel, Topeka, KS. The meeting was called to order by KMIT President Keith Schlaegel at 6:13 PM (CDT).

**Members Present:** *Board Members Present:* President Schlaegel (Stockton), Vice President Tim Hardy (Elkhart), Treasurer Debbie Price (Marysville), Randy Frazer (Moundridge), Nathan McCommon (Tonganoxie), Ty Lasher (Bel Aire), David Dillner (Abilene), Kerry Rozman (Clay Center), Jay Byers and Michael Reagle (Garden City). *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).

**Members Absences From Meeting:** NONE. There is one vacant position.

**Minutes: August 28, 2015, Hays.** Motion to approve as written, by Lasher; second by Dillner. Approved unanimously.

### **Financial Reports:**

- a. August 31, 2015 Financials
- b. August 31, 2015 Cash and Investment Summary

Motion to approve both of the above reports made by Dillner; second by Price. Approved unanimously.

**Reserve Advisory and Settlement Authority:** NONE

**Election of 2015-2016 Officers.** 2014-2015 President Schlaegel asked for and received unanimous Board approval to 'promote' Hardy to president and Price to vice president. A motion by Hardy to approve Frazer as the 2015-2016 treasurer was seconded by Reagle and adopted unanimously.

The 2015-2016 KMIT Executive Committee (effective immediately) consists of:

President: Hardy

Vice President: Price

Treasurer: Frazer

Immediate Past President: Schlaegel

**Adjournment:** Motion made by Dillner to adjourn; seconded by McCommon. Approved unanimously. The meeting was adjourned at 6:17 PM.



# KANSAS MUNICIPAL INSURANCE TRUST

## Board of Trustees Minutes from August 28, 2015

*Approved in Topeka on October 11, 2015*

**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.

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

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

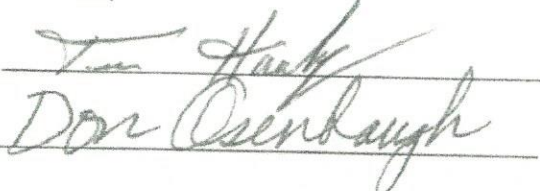
Kansas Municipal Insurance Trust  
 (Name of Company)

As of September 30, 2015  
 1st 2nd (3rd) 4th Quarter (CIRCLE ONE)

		<b>CURRENT FISCAL YEAR TO DATE</b>	<b>PREVIOUS FISCAL YEAR END</b>
		9/30/2015	12/31/2014 - Audited Amended
<b>ASSETS</b>			
Administrative fund:			
Cash	\$	66,032 \$	183,238
Claims fund:			
Cash		986,081	1,311,575
Investments		12,619,000	11,800,000
Premium contributions receivable		(42)	100,635
Excess insurance recoverable on claims payments		74,036	15,994
Interest income due and accrued		100,712	152,958
Receivable from affiliates			
Other assets:			
Agent Commissions Receivable		432	1,960
Prepaid Excess Insurance		120,556	
Prepaid Expenses		34,693	
Excess Insurance Premium Receivable		25,550	25,550
Less: Non Admitted Assets		(155,249)	0
Total Assets	\$	13,871,801 \$	13,591,910

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**

<b><u>LIABILITIES, RESERVES AND FUND BALANCE</u></b>	<b><u>CURRENT FISCAL YEAR TO DATE</u></b>	<b><u>PREVIOUS FISCAL YEAR END</u></b>
	9/30/2015	12/31/2014 - Audited Amended
Reserve for unpaid workers' compensation claims	\$ 2,158,483 \$	2,546,138
Reserve for unpaid claim adjustment expenses	226,168	249,725
Reserve for claims incurred but not reported	4,355,643	3,404,258
Unearned premium contribution	1,383,274	
Other expenses due or accrued		
Taxes, licenses and fees due or accrued	475,838	499,248
Borrowed money \$_____ and interest thereon \$_____		
Dividends payable to members		
Deposits on premium contributions		1,014,404
Excess insurance premium payable		
Payable to affiliates		
Accounts payable	0	45,000
Miscellaneous liabilities:		
Return Premium Payable		400,965
Total Liabilities:	\$ 8,599,405 \$	8,159,739
Special reserve funds:		
Total Special Reserve Funds		
<b><u>FUND BALANCE</u></b>		
Total Reserves and Fund Balance (Assets-Liabilities)	5,272,396 \$	5,432,171
Total Liabilities, Reserves and Fund Balance	\$ 13,871,801 \$	13,591,910



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

<b><u>SUMMARY OF OPERATIONS</u></b>	<b><u>CURRENT FISCAL YEAR TO DATE</u></b>	<b><u>PREVIOUS FISCAL YEAR END</u></b>
	9/30/2015	12/31/2014 - Audited Amended
Underwriting Income		
Direct Premium Contributions Earned	\$ <u>4,133,185</u> \$	<u>5,460,508</u>
Deductions:		
Excess insurance premium incurred	<u>360,697</u>	<u>429,976</u>
Workers' compensation claims incurred	<u>2,837,515</u>	<u>3,194,693</u>
Claims adjustment expenses incurred	<u>119,147</u>	<u>190,071</u>
Other administrative expenses incurred	<u>919,059</u>	<u>1,271,537</u>
Total underwriting deductions	<u>4,236,417</u>	<u>5,086,277</u>
Net underwriting Gain or (Loss)	\$ <u>(103,232)</u> \$	<u>374,231</u>
Investment income		
Interest income earned (Net of investment expenses)	<u>98,706</u>	<u>107,601</u>
Other income		
Other income	<u></u>	<u></u>
Net income before dividends to members	<u>(4,526)</u>	<u>481,831</u>
Dividends to members	<u></u>	<u></u>
Net income after dividends to members	<u>(4,526)</u>	<u>481,831</u>
Net Income(Loss)	\$ <u>(4,526)</u> \$	<u>481,831</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>
	9/30/2015	12/31/2014 - Audited
		Amended
Fund balance, previous period	\$ <u>5,432,171</u> \$	<u>4,950,340</u>
Net income (Loss)	<u>(4,526)</u>	<u>481,831</u>
Change in non-admitted assets	<u>(155,249)</u>	<u>0</u>
<u>Rounding</u>	<u></u>	<u></u>
<u>Change in Non Admitted Assets</u>	<u></u>	<u></u>
Change in fund balance for the period	<u>(159,776)</u>	<u>481,831</u>
Fund balance, current period	\$ <u>5,272,396</u> \$	<u>5,432,171</u>

Contract Year January 1, 2015 to December 31, 2015  
**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 September 30, 2015

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	Direct Losses Incurred	Loss Adj. Exp. Incurred	Loss & Loss Exp Incurred	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
					Col 4-5			Col 6+7							
0	310	PCY 21	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 20	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 19	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 18	1,754,515	117,122	1,637,393	1,804,856	90,802	1,895,658	204,543	217,864	102,541	524,948	115.8%	32.1%	142,705
2	572	PCY 17	1,377,722	79,456	1,298,266	1,431,345	90,598	1,521,942	187,000	211,071	82,901	480,972	117.2%	37.0%	116,189
4	551	PCY 16	1,552,110	80,124	1,471,986	1,557,831	147,702	1,705,534	185,000	190,573	77,653	453,226	115.9%	30.8%	96,882
2	552	PCY 15	1,689,773	86,819	1,602,954	1,457,094	123,714	1,580,808	190,000	188,080	73,593	451,673	98.6%	28.2%	129,613
0	605	PCY 14	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
1	670	PCY 13	2,616,641	189,458	2,427,183	1,211,714	129,112	1,340,826	217,500	243,407	69,799	530,706	55.2%	21.9%	50,668
1	612	PCY 12	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
4	645	PCY 11	3,256,648	221,435	3,035,213	2,286,063	151,678	2,437,741	293,000	308,419	134,300	735,719	80.3%	24.2%	59,068
13	770	PCY 10	3,837,793	374,472	3,463,321	3,701,814	244,828	3,946,643	310,000	303,923	195,148	809,071	114.0%	23.4%	95,674
18	765	PCY 9	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
7	906	PCY 8	4,950,171	420,728	4,529,443	2,801,432	202,527	3,003,959	365,000	384,794	157,905	907,699	66.3%	20.0%	260,619
15	768	PCY 7	5,519,169	372,790	5,146,379	3,332,922	242,571	3,575,493	375,000	400,364	180,033	955,397	69.5%	18.6%	245,802
13	654	PCY 6	5,193,427	341,935	4,851,492	2,044,150	131,439	2,175,590	390,000	422,122	158,861	970,983	44.8%	20.0%	79,601
16	666	PCY 5	5,213,859	351,375	4,862,484	3,597,669	186,621	3,784,290	410,000	411,213	218,444	1,039,657	77.8%	21.4%	54,690
10	635	PCY 4	4,442,326	336,728	4,105,598	2,703,324	145,927	2,849,251	400,000	374,349	211,548	985,897	69.4%	24.0%	72,925
9	598	PCY 3	4,484,533	337,121	4,147,412	1,827,772	160,460	1,988,233	400,000	407,086	174,669	981,755	47.9%	23.7%	71,545
10	696	PCY 2	4,853,835	395,840	4,457,995	1,695,415	123,817	1,819,232	580,600	286,205	112,977	979,782	40.8%	22.0%	71,861
24	741	PCY 1	5,460,508	429,976	5,030,532	2,924,487	121,974	3,046,461	596,571	291,845	383,143	1,271,559	60.6%	25.3%	107,601
197	527	CCY	4,133,185	360,697	3,772,488	1,230,765	91,031	1,321,797	604,440	168,163	146,455	919,059	35.0%	24.4%	98,706

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

September 30, 2015

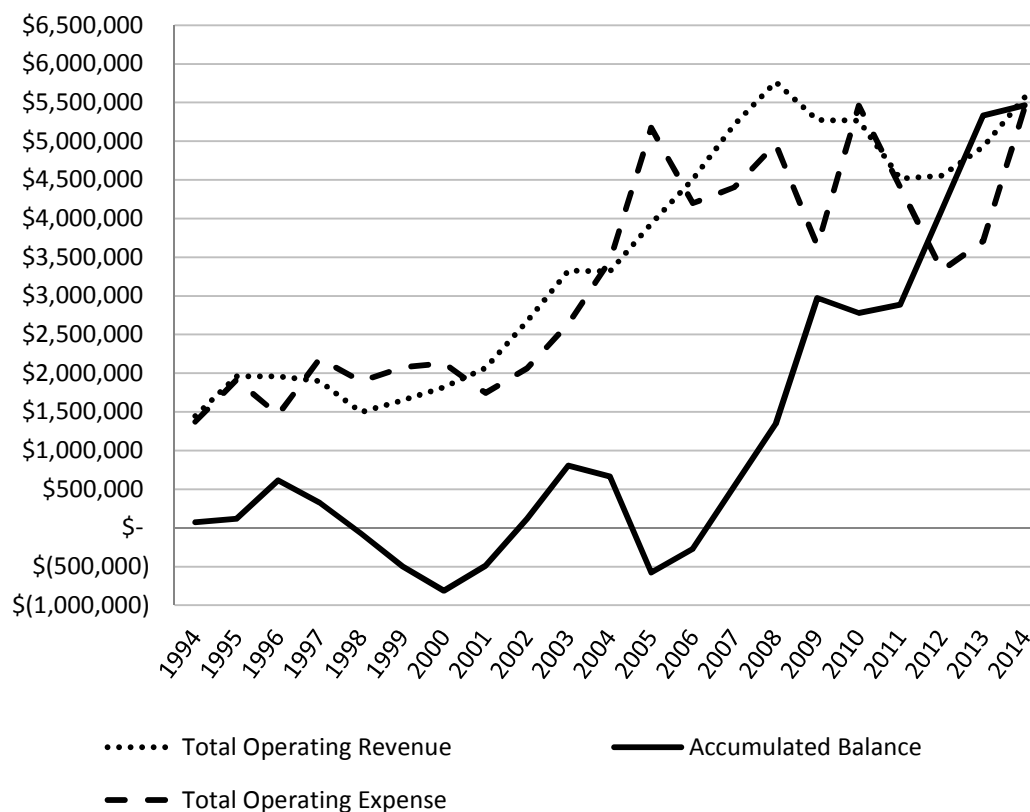
## ASSETS

Checking Accounts	\$	1,052,112
Investments	\$	12,619,000
Accrued Interest	\$	100,712
Accounts Receivable	\$	390
Excess Premium Receivable	\$	25,550
Specific Recoverable	\$	507,607
Aggregate Recoverable	\$	61,718
Prepaid Expenses	\$	155,249
<b>Total Assets</b>	<b>\$</b>	<b>14,522,339</b>

## LIABILITIES & EQUITY

Accounts Payable	\$	-
Excess Premium Payable	\$	-
Reserve for Losses	\$	2,879,939
IBNR Reserve	\$	4,355,643
Deposits on Premium	\$	1,383,274
Accrued Taxes and Assessments	\$	475,838
<b>Total Liabilities</b>	<b>\$</b>	<b>9,094,694</b>
<b>Total Equity</b>	<b>\$</b>	<b>5,427,645</b>
<b>Total Liabilities and Equity</b>	<b>\$</b>	<b>14,522,339</b>

## KMIT Financial Overview





# KMIT Profit and Loss

September 30, 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
<b>REVENUE FUND</b>														
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
<b>Total Operating Revenue</b>	<b>\$ 1,445,257</b>	<b>\$ 1,958,726</b>	<b>\$ 1,957,959</b>	<b>\$ 1,897,220</b>	<b>\$ 1,498,357</b>	<b>\$ 1,649,067</b>	<b>\$ 1,819,386</b>	<b>\$ 2,067,350</b>	<b>\$ 2,669,644</b>	<b>\$ 3,326,981</b>	<b>\$ 3,315,716</b>	<b>\$ 3,934,067</b>	<b>\$ 4,507,126</b>	<b>\$ 5,215,600</b>
		\$ 390,462												
<b>ADMINISTRATION FUND EXPENSE</b>	<b>\$ 477,137</b>	<b>\$ 601,545</b>	<b>\$ 492,669</b>	<b>\$ 525,820</b>	<b>\$ 488,402</b>	<b>\$ 454,561</b>	<b>\$ 451,116</b>	<b>\$ 437,018</b>	<b>\$ 533,041</b>	<b>\$ 649,336</b>	<b>\$ 739,508</b>	<b>\$ 814,783</b>	<b>\$ 909,120</b>	<b>\$ 918,306</b>
<b>CLAIMS FUND EXPENSE</b>														
Claims Paid Expense	\$ 716,700	\$ 1,049,152	\$ 790,125	\$ 2,073,604	\$ 1,935,692	\$ 1,684,721	\$ 1,442,636	\$ 1,097,087	\$ 1,211,714	\$ 1,874,209	\$ 2,256,937	\$ 3,808,098	\$ 2,577,827	\$ 2,706,107
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	\$ 236,567	\$ 178,822	\$ 189,557
Claims Reserve Expense	\$ -	\$ -	\$ -	\$ -	\$ 133,783	\$ 47,176	\$ 14,458	\$ -	\$ -	\$ -	\$ 29,126	\$ 81,842	\$ 60,800	\$ 95,325
Claims Reserves Adjusting Expense	\$ -	\$ -	\$ -	\$ -	\$ 6,929	\$ 4,816	\$ 572	\$ -	\$ -	\$ -	\$ 2,457	\$ 8,261	\$ 11,588	\$ 12,970
IBNR Reserve Expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,158	\$ -	\$ -	\$ -	\$ 56,931	\$ 39,246	\$ 76,534	\$ 61,250
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	\$ -	\$ -	\$ -	\$ -	\$ (193,312)	\$ (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)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Claims Fund Expense</b>	<b>\$ 893,634</b>	<b>\$ 1,313,638</b>	<b>\$ 970,007</b>	<b>\$ 1,660,153</b>	<b>\$ 1,408,086</b>	<b>\$ 1,620,386</b>	<b>\$ 1,679,785</b>	<b>\$ 1,307,461</b>	<b>\$ 1,530,284</b>	<b>\$ 1,990,358</b>	<b>\$ 2,717,453</b>	<b>\$ 4,360,361</b>	<b>\$ 3,289,996</b>	<b>\$ 3,485,937</b>
<b>Total Operating Expense</b>	<b>\$ 1,370,771</b>	<b>\$ 1,915,183</b>	<b>\$ 1,462,676</b>	<b>\$ 2,185,973</b>	<b>\$ 1,896,488</b>	<b>\$ 2,074,947</b>	<b>\$ 2,130,901</b>	<b>\$ 1,744,478</b>	<b>\$ 2,063,325</b>	<b>\$ 2,639,694</b>	<b>\$ 3,456,961</b>	<b>\$ 5,175,144</b>	<b>\$ 4,199,116</b>	<b>\$ 4,404,243</b>
<b>BALANCES</b>														
KMIT Statutory Fund Balance	\$ 74,486	\$ 43,543	\$ 495,283	\$ (288,753)	\$ (398,131)	\$ (425,880)	\$ (311,514)	\$ 322,872	\$ 606,319	\$ 687,287	\$ (141,245)	\$ (1,241,077)	\$ 308,010	\$ 811,357
<b>Accumulated Balance</b>	<b>\$ 74,486</b>	<b>\$ 118,029</b>	<b>\$ 613,312</b>	<b>\$ 324,559</b>	<b>\$ (73,571)</b>	<b>\$ (499,451)</b>	<b>\$ (810,966)</b>	<b>\$ (488,094)</b>	<b>\$ 118,225</b>	<b>\$ 805,512</b>	<b>\$ 664,267</b>	<b>\$ (576,810)</b>	<b>\$ (268,800)</b>	<b>\$ 542,557</b>

# KMIT Profit and Loss

September 30, 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
<b>REVENUE FUND</b>										
Direct Premium Earned	\$ 5,519,169	\$ 5,193,427	\$ 5,213,859	\$ 4,442,326	\$ 4,484,533	\$ 4,853,835	\$ 5,460,508	\$ 4,133,185	\$ 5,640,000	\$ 74,999,630
Interest Income	\$ 245,802	\$ 81,601	\$ 52,768	\$ 72,925	\$ 70,104	\$ 71,861	\$ 107,601	\$ 98,706	\$ 225,000	\$ 2,355,726
Miscellaneous Income	\$ -	\$ -	\$ -	\$ 1,441	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,701
<b>Total Operating Revenue</b>	<b>\$ 5,764,971</b>	<b>\$ 5,275,028</b>	<b>\$ 5,266,578</b>	<b>\$ 4,516,692</b>	<b>\$ 4,554,637</b>	<b>\$ 4,925,696</b>	<b>\$ 5,568,109</b>	<b>\$ 4,231,891</b>	<b>\$ 5,865,000</b>	<b>\$ 77,366,057</b>
<b>ADMINISTRATION FUND EXPENSE</b>	<b>\$ 952,817</b>	<b>\$ 957,294</b>	<b>\$ 1,028,704</b>	<b>\$ 974,382</b>	<b>\$ 929,363</b>	<b>\$ 1,013,785</b>	<b>\$ 1,112,996</b>	<b>\$ 952,024</b>	<b>\$ 1,098,000</b>	<b>\$ 16,413,724</b>
<b>CLAIMS FUND EXPENSE</b>										
Claims Paid Expense	\$ 3,183,065	\$ 2,018,009	\$ 3,500,435	\$ 2,351,710	\$ 1,702,352	\$ 1,527,522	\$ 2,452,264	\$ 439,850		\$ 42,399,815
Claims Paid Adjusting Expense	\$ 227,092	\$ 128,094	\$ 173,927	\$ 128,494	\$ 134,916	\$ 105,350	\$ 80,399	\$ 18,095		\$ 2,680,384
Claims Reserve Expense	\$ 149,857	\$ 26,139	\$ 97,234	\$ 351,614	\$ 135,385	\$ 167,893	\$ 472,223	\$ 790,915		\$ 2,653,771
Claims Reserves Adjusting Expense	\$ 15,479	\$ 3,347	\$ 12,693	\$ 17,432	\$ 25,544	\$ 18,467	\$ 40,229	\$ 45,383		\$ 226,168
IBNR Reserve Expense	\$ 61,207	\$ 173,354	\$ 296,819	\$ 247,844	\$ 73,852	\$ 476,384	\$ 1,117,644	\$ 1,662,418		\$ 4,355,643
Excess Work Comp Insurance	\$ 372,790	\$ 341,935	\$ 351,375	\$ 336,966	\$ 337,595	\$ 395,128	\$ 429,976	\$ 360,697	\$ 480,000	\$ 5,869,570
Specific Recoverable Expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (270,282)	\$ -		\$ (507,607)
Specific Recovery Expense	\$ -	\$ -	\$ -	\$ -	\$ (9,965)	\$ -	\$ -	\$ -		\$ (1,679,172)
Aggregate Recoverable Expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ (61,718)
Aggregate Recovery Expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ (412,167)
<b>Claims Fund Expense</b>	<b>\$ 4,009,490</b>	<b>\$ 2,690,879</b>	<b>\$ 4,432,484</b>	<b>\$ 3,434,061</b>	<b>\$ 2,399,680</b>	<b>\$ 2,690,744</b>	<b>\$ 4,322,453</b>	<b>\$ 3,317,359</b>	<b>\$ 480,000</b>	<b>\$ 55,524,688</b>
<b>Total Operating Expense</b>	<b>\$ 4,962,307</b>	<b>\$ 3,648,173</b>	<b>\$ 5,461,188</b>	<b>\$ 4,408,442</b>	<b>\$ 3,329,043</b>	<b>\$ 3,704,529</b>	<b>\$ 5,435,449</b>	<b>\$ 4,269,383</b>	<b>\$ 1,578,000</b>	<b>\$ 71,938,412</b>
<b>BALANCES</b>										
<b>KMIT Statutory Fund Balance</b>	<b>\$ 802,664</b>	<b>\$ 1,626,855</b>	<b>\$ (194,610)</b>	<b>\$ 108,249</b>	<b>\$ 1,225,594</b>	<b>\$ 1,221,167</b>	<b>\$ 132,660</b>	<b>\$ (37,491.54)</b>	<b>\$ 4,287,000</b>	<b>\$ 5,427,645</b>
<b>Accumulated Balance</b>	<b>\$ 1,345,221</b>	<b>\$ 2,972,077</b>	<b>\$ 2,777,467</b>	<b>\$ 2,885,716</b>	<b>\$ 4,111,310</b>	<b>\$ 5,332,477</b>	<b>\$ 5,465,137</b>	<b>\$ 5,427,645</b>		

# KMIT Admin Expenses

September 30, 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
<b>GENERAL EXPENSES</b>														
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	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Sub Total</b>	<b>\$ 1,249</b>	<b>\$ 21,179</b>	<b>\$ 4,151</b>	<b>\$ 9,889</b>	<b>\$ 7,795</b>	<b>\$ 16,504</b>	<b>\$ 11,408</b>	<b>\$ 30,892</b>	<b>\$ 59,906</b>	<b>\$ 72,999</b>	<b>\$ 85,051</b>	<b>\$ 84,659</b>	<b>\$ 141,982</b>	<b>\$ 132,193</b>
<b>REGULATORY</b>														
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	36,952	44,250	40,403	30,875	34,311	39,671	57,939	71,151	82,167	82,718
<b>Sub Total</b>	<b>\$ 95,360</b>	<b>\$ 77,466</b>	<b>\$ 56,281</b>	<b>\$ 103,413</b>	<b>\$ 85,885</b>	<b>\$ 78,914</b>	<b>\$ 73,035</b>	<b>\$ 55,589</b>	<b>\$ 69,799</b>	<b>\$ 94,418</b>	<b>\$ 138,089</b>	<b>\$ 200,860</b>	<b>\$ 169,572</b>	<b>\$ 166,108</b>
<b>CONTRACTURAL</b>														
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	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Sub Total</b>	<b>\$ 380,528</b>	<b>\$ 502,900</b>	<b>\$ 432,236</b>	<b>\$ 412,518</b>	<b>\$ 394,721</b>	<b>\$ 359,144</b>	<b>\$ 366,672</b>	<b>\$ 350,536</b>	<b>\$ 403,336</b>	<b>\$ 481,918</b>	<b>\$ 516,368</b>	<b>\$ 529,264</b>	<b>\$ 597,566</b>	<b>\$ 620,006</b>
<b>Administration Fund Expense</b>	<b>\$ 477,137</b>	<b>\$ 601,545</b>	<b>\$ 492,669</b>	<b>\$ 525,820</b>	<b>\$ 488,402</b>	<b>\$ 454,561</b>	<b>\$ 451,116</b>	<b>\$ 437,018</b>	<b>\$ 533,041</b>	<b>\$ 649,336</b>	<b>\$ 739,508</b>	<b>\$ 814,783</b>	<b>\$ 909,120</b>	<b>\$ 918,306</b>

# KMIT Admin Expenses

September 30, 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
<b>GENERAL EXPENSES</b>										
Agent Commissions	\$ 88,532	\$ 94,214	\$ 93,637	\$ 82,860	\$ 96,481	\$ 102,636	\$ 97,189	\$ 70,420	\$ 100,000	\$ 1,085,956
Directors and Officers Insurance	\$ 18,542	\$ 15,857	\$ 15,942	\$ 16,038	\$ 16,488	\$ 17,224	\$ 15,956	\$ 11,750	\$ 18,000	\$ 148,653
Meetings/Travel	\$ -	\$ -	\$ -	\$ 829	\$ 4,881	\$ 19,334	\$ 29,749	\$ 9,221	\$ 20,000	\$ 78,634
Contingencies/Miscellaneous	\$ 26,155	\$ 34,318	\$ 2,657	\$ 1,708	\$ 3,175	\$ 3,623	\$ 4,385	\$ 3,239	\$ 5,000	\$ 356,170
Bank Fees	\$ 2,638	\$ 2,758	\$ 9,239	\$ 5,776	\$ 4,159	\$ 7,528	\$ 4,460	\$ 3,841	\$ 8,000	\$ 47,883
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
<b>Sub Total</b>	<b>\$ 135,867</b>	<b>\$ 147,147</b>	<b>\$ 121,475</b>	<b>\$ 107,167</b>	<b>\$ 126,735</b>	<b>\$ 152,627</b>	<b>\$ 155,632</b>	<b>\$ 100,667</b>	<b>\$ 156,000</b>	<b>\$ 1,727,174</b>
<b>REGULATORY</b>										
Kansas Insurance Dept (KID) Premium Tax	54,139	48,525	49,030	40,919	\$ 43,445	\$ 44,349	\$ 51,057	\$ 37,725	\$ 48,000	\$ 698,650
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	87,136	64,807	97,257	45,855	\$ 79,051	\$ 102,689	\$ 174,465	\$ 141,718	\$ 115,000	\$ 1,390,726
<b>Sub Total</b>	<b>\$ 177,453</b>	<b>\$ 145,171</b>	<b>\$ 207,491</b>	<b>\$ 168,388</b>	<b>\$ 122,496</b>	<b>\$ 147,039</b>	<b>\$ 225,523</b>	<b>\$ 179,443</b>	<b>\$ 163,000</b>	<b>\$ 2,837,792</b>
<b>CONTRACTURAL</b>										
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	\$ 170,000	\$ 170,000	\$ 1,100,000
Risk Control	\$ 140,000	\$ 145,000	\$ 145,000	\$ 145,000	\$ 145,000	\$ 150,000	\$ 150,000	\$ 155,000	\$ 155,000	\$ 2,389,073
Claims Adjusting	\$ 165,000	\$ 175,000	\$ 195,000	\$ 185,000	\$ 185,000	\$ 185,000	\$ 185,000	\$ 205,000	\$ 205,000	\$ 3,671,259
Risk Analysis	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,671	\$ 3,563	\$ 10,000	\$ 13,233
POET	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,450	\$ 19,000	\$ 6,450
Pool Admin Services	\$ 220,000	\$ 225,000	\$ 225,000	\$ 230,000	\$ 230,004	\$ 75,600	\$ 81,900	\$ 74,440	\$ 90,000	\$ 3,734,960
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
<b>Sub Total</b>	<b>\$ 639,497</b>	<b>\$ 664,975</b>	<b>\$ 699,738</b>	<b>\$ 698,827</b>	<b>\$ 680,133</b>	<b>\$ 714,119</b>	<b>\$ 731,842</b>	<b>\$ 671,914</b>	<b>\$ 779,000</b>	<b>\$ 11,848,758</b>
<b>Administration Fund Expense</b>	<b>\$ 952,817</b>	<b>\$ 957,294</b>	<b>\$ 1,028,704</b>	<b>\$ 974,382</b>	<b>\$ 929,363</b>	<b>\$ 1,013,785</b>	<b>\$ 1,112,996</b>	<b>\$ 952,024</b>	<b>\$ 1,098,000</b>	<b>\$ 16,413,724</b>



# KMIT Balance Sheet

October 31, 2015

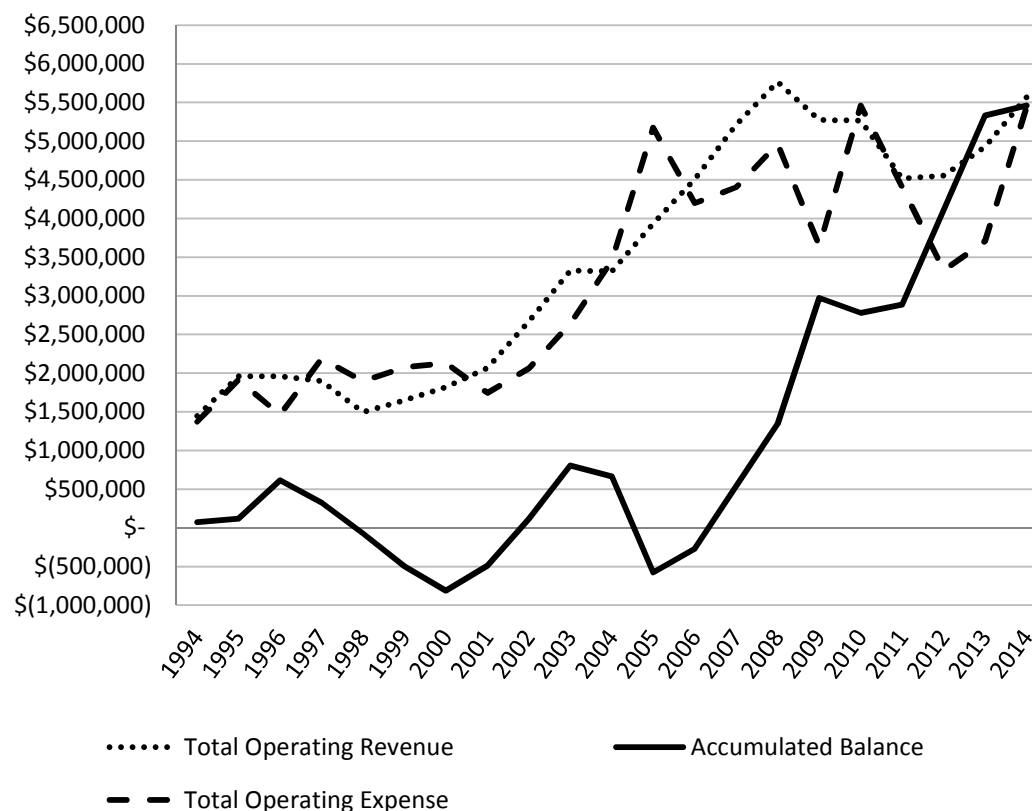
## ASSETS

Checking Accounts	\$	611,731
Investments	\$	12,613,000
Accrued Interest	\$	108,272
Accounts Receivable	\$	390
Excess Premium Receivable		
Specific Recoverable	\$	458,851
Aggregate Recoverable	\$	61,718
Prepaid Expenses	\$	100,629
<b>Total Assets</b>	<b>\$</b>	<b>13,954,591.24</b>

## LIABILITIES & EQUITY

Accounts Payable	\$	-
Excess Premium Payable	\$	-
Reserve for Losses	\$	2,807,692
IBNR Reserve	\$	4,271,477
Deposits on Premium	\$	922,183
Accrued Taxes and Assessments	\$	475,838
<b>Total Liabilities</b>	<b>\$</b>	<b>8,477,190</b>
<b>Total Equity</b>	<b>\$</b>	<b>5,477,401</b>
<b>Total Liabilities and Equity</b>	<b>\$</b>	<b>13,954,591</b>

## KMIT Financial Overview



# KMIT Profit and Loss

October 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
<b>REVENUE FUND</b>														
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
<b>Total Operating Revenue</b>	<b>\$ 1,445,257</b>	<b>\$ 1,958,726</b>	<b>\$ 1,957,959</b>	<b>\$ 1,897,220</b>	<b>\$ 1,498,357</b>	<b>\$ 1,649,067</b>	<b>\$ 1,819,386</b>	<b>\$ 2,067,350</b>	<b>\$ 2,669,644</b>	<b>\$ 3,326,981</b>	<b>\$ 3,315,716</b>	<b>\$ 3,934,067</b>	<b>\$ 4,507,126</b>	<b>\$ 5,215,600</b>
		\$ 390,462												
<b>ADMINISTRATION FUND EXPENSE</b>	<b>\$ 477,137</b>	<b>\$ 601,545</b>	<b>\$ 492,669</b>	<b>\$ 525,820</b>	<b>\$ 488,402</b>	<b>\$ 454,561</b>	<b>\$ 451,116</b>	<b>\$ 437,018</b>	<b>\$ 533,041</b>	<b>\$ 649,336</b>	<b>\$ 739,508</b>	<b>\$ 814,783</b>	<b>\$ 909,120</b>	<b>\$ 918,306</b>
<b>CLAIMS FUND EXPENSE</b>														
Claims Paid Expense	\$ 716,700	\$ 1,049,152	\$ 790,125	\$ 2,073,604	\$ 1,938,323	\$ 1,684,835	\$ 1,442,958	\$ 1,097,087	\$ 1,211,714	\$ 1,874,209	\$ 2,257,860	\$ 3,809,649	\$ 2,578,622	\$ 2,708,328
Claims Paid Adjusting Expense	\$ 25,541	\$ 54,345	\$ 46,505	\$ 90,802	\$ 83,669	\$ 142,886	\$ 123,313	\$ 83,206	\$ 129,112	\$ 149,296	\$ 151,103	\$ 236,567	\$ 178,822	\$ 190,680
Claims Reserve Expense	\$ -	\$ -	\$ -	\$ -	\$ 131,152	\$ 47,062	\$ 14,137	\$ -	\$ -	\$ -	\$ 27,653	\$ 80,291	\$ 60,005	\$ 118,104
Claims Reserves Adjusting Expense	\$ -	\$ -	\$ -	\$ -	\$ 6,929	\$ 4,816	\$ 401	\$ -	\$ -	\$ -	\$ 1,922	\$ 8,261	\$ 11,588	\$ 11,847
IBNR Reserve Expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,158	\$ -	\$ -	\$ -	\$ 57,481	\$ 39,246	\$ 76,534	\$ 36,250
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	\$ -	\$ -	\$ -	\$ -	\$ (144,556)	\$ (44,013)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Specific Recovery Expense	\$ -	\$ -	\$ -	\$ (268,748)	\$ (686,886)	\$ (174,066)	\$ -	\$ -	\$ -	\$ (400,137)	\$ -	\$ (188,126)	\$ -	\$ -
Aggregate Recoverable Expense	\$ -	\$ -	\$ -	\$ (52,380)	\$ -	\$ (9,338)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Aggregate Recovery Expense	\$ -	\$ -	\$ -	\$ (300,247)	\$ -	\$ (111,920)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Claims Fund Expense</b>	<b>\$ 893,634</b>	<b>\$ 1,313,638</b>	<b>\$ 970,007</b>	<b>\$ 1,660,153</b>	<b>\$ 1,408,086</b>	<b>\$ 1,620,386</b>	<b>\$ 1,679,785</b>	<b>\$ 1,307,461</b>	<b>\$ 1,530,284</b>	<b>\$ 1,990,358</b>	<b>\$ 2,717,453</b>	<b>\$ 4,360,361</b>	<b>\$ 3,289,996</b>	<b>\$ 3,485,937</b>
<b>Total Operating Expense</b>	<b>\$ 1,370,771</b>	<b>\$ 1,915,183</b>	<b>\$ 1,462,676</b>	<b>\$ 2,185,973</b>	<b>\$ 1,896,488</b>	<b>\$ 2,074,947</b>	<b>\$ 2,130,901</b>	<b>\$ 1,744,478</b>	<b>\$ 2,063,325</b>	<b>\$ 2,639,694</b>	<b>\$ 3,456,961</b>	<b>\$ 5,175,144</b>	<b>\$ 4,199,116</b>	<b>\$ 4,404,243</b>
<b>BALANCES</b>														
KMIT Statutory Fund Balance	\$ 74,486	\$ 43,543	\$ 495,283	\$ (288,753)	\$ (398,131)	\$ (425,880)	\$ (311,514)	\$ 322,872	\$ 606,319	\$ 687,287	\$ (141,245)	\$ (1,241,077)	\$ 308,010	\$ 811,357
<b>Accumulated Balance</b>	<b>\$ 74,486</b>	<b>\$ 118,029</b>	<b>\$ 613,312</b>	<b>\$ 324,559</b>	<b>\$ (73,571)</b>	<b>\$ (499,451)</b>	<b>\$ (810,966)</b>	<b>\$ (488,094)</b>	<b>\$ 118,225</b>	<b>\$ 805,512</b>	<b>\$ 664,267</b>	<b>\$ (576,810)</b>	<b>\$ (268,800)</b>	<b>\$ 542,557</b>

# KMIT Profit and Loss

October 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
<b>REVENUE FUND</b>										
Direct Premium Earned	\$ 5,519,169	\$ 5,193,427	\$ 5,213,859	\$ 4,442,326	\$ 4,484,533	\$ 4,853,835	\$ 5,460,508	\$ 4,594,276	\$ 5,640,000	\$ 75,460,721
Interest Income	\$ 245,802	\$ 81,601	\$ 52,768	\$ 72,925	\$ 70,104	\$ 71,861	\$ 107,601	\$ 109,365	\$ 225,000	\$ 2,366,385
Miscellaneous Income	\$ -	\$ -	\$ -	\$ 1,441	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,701
<b>Total Operating Revenue</b>	<b>\$ 5,764,971</b>	<b>\$ 5,275,028</b>	<b>\$ 5,266,578</b>	<b>\$ 4,516,692</b>	<b>\$ 4,554,637</b>	<b>\$ 4,925,696</b>	<b>\$ 5,568,109</b>	<b>\$ 4,703,642</b>	<b>\$ 5,865,000</b>	<b>\$ 77,837,808</b>
<b>ADMINISTRATION FUND EXPENSE</b>	<b>\$ 952,817</b>	<b>\$ 957,294</b>	<b>\$ 1,028,704</b>	<b>\$ 974,382</b>	<b>\$ 929,363</b>	<b>\$ 1,013,785</b>	<b>\$ 1,112,996</b>	<b>\$ 1,003,329</b>	<b>\$ 1,098,000</b>	<b>\$ 16,465,029</b>
<b>CLAIMS FUND EXPENSE</b>										
Claims Paid Expense	\$ 3,198,177	\$ 2,018,016	\$ 3,526,360	\$ 2,367,888	\$ 1,707,277	\$ 1,539,595	\$ 2,484,217	\$ 788,768		\$ 42,863,462
Claims Paid Adjusting Expense	\$ 227,566	\$ 128,094	\$ 174,151	\$ 130,232	\$ 141,741	\$ 107,426	\$ 83,167	\$ 22,657		\$ 2,700,881
Claims Reserve Expense	\$ 134,745	\$ 26,132	\$ 121,241	\$ 335,412	\$ 183,106	\$ 155,820	\$ 464,185	\$ 700,481		\$ 2,599,527
Claims Reserves Adjusting Expense	\$ 13,287	\$ 3,347	\$ 12,470	\$ 15,694	\$ 23,719	\$ 16,391	\$ 37,633	\$ 39,862		\$ 208,165
IBNR Reserve Expense	\$ 62,925	\$ 173,354	\$ 246,888	\$ 247,869	\$ 16,206	\$ 476,384	\$ 1,093,558	\$ 1,732,624		\$ 4,271,477
Excess Work Comp Insurance	\$ 372,790	\$ 341,935	\$ 351,375	\$ 336,966	\$ 337,595	\$ 395,128	\$ 432,750	\$ 400,882	\$ 480,000	\$ 5,912,530
Specific Recoverable Expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (270,282)	\$ -		\$ (458,851)
Specific Recovery Expense	\$ -	\$ -	\$ -	\$ -	\$ (9,965)	\$ -	\$ -	\$ -		\$ (1,727,928)
Aggregate Recoverable Expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ (61,718)
Aggregate Recovery Expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ (412,167)
<b>Claims Fund Expense</b>	<b>\$ 4,009,490</b>	<b>\$ 2,690,879</b>	<b>\$ 4,432,484</b>	<b>\$ 3,434,061</b>	<b>\$ 2,399,680</b>	<b>\$ 2,690,744</b>	<b>\$ 4,325,227</b>	<b>\$ 3,685,274</b>	<b>\$ 480,000</b>	<b>\$ 55,895,377</b>
<b>Total Operating Expense</b>	<b>\$ 4,962,307</b>	<b>\$ 3,648,173</b>	<b>\$ 5,461,188</b>	<b>\$ 4,408,442</b>	<b>\$ 3,329,043</b>	<b>\$ 3,704,529</b>	<b>\$ 5,438,223</b>	<b>\$ 4,688,603</b>	<b>\$ 1,578,000</b>	<b>\$ 72,360,407</b>
<b>BALANCES</b>										
<b>KMIT Statutory Fund Balance</b>	<b>\$ 802,664</b>	<b>\$ 1,626,855</b>	<b>\$ (194,610)</b>	<b>\$ 108,249</b>	<b>\$ 1,225,594</b>	<b>\$ 1,221,167</b>	<b>\$ 129,886</b>	<b>\$ 15,038.38</b>	<b>\$ 4,287,000</b>	<b>\$ 5,477,401</b>
<b>Accumulated Balance</b>	<b>\$ 1,345,221</b>	<b>\$ 2,972,077</b>	<b>\$ 2,777,467</b>	<b>\$ 2,885,716</b>	<b>\$ 4,111,310</b>	<b>\$ 5,332,477</b>	<b>\$ 5,462,363</b>	<b>\$ 5,477,401</b>		

# KMIT Admin Expenses

October 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
<b>GENERAL EXPENSES</b>														
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	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Sub Total</b>	<b>\$ 1,249</b>	<b>\$ 21,179</b>	<b>\$ 4,151</b>	<b>\$ 9,889</b>	<b>\$ 7,795</b>	<b>\$ 16,504</b>	<b>\$ 11,408</b>	<b>\$ 30,892</b>	<b>\$ 59,906</b>	<b>\$ 72,999</b>	<b>\$ 85,051</b>	<b>\$ 84,659</b>	<b>\$ 141,982</b>	<b>\$ 132,193</b>
<b>REGULATORY</b>														
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	36,952	44,250	40,403	30,875	34,311	39,671	57,939	71,151	82,167	82,718
<b>Sub Total</b>	<b>\$ 95,360</b>	<b>\$ 77,466</b>	<b>\$ 56,281</b>	<b>\$ 103,413</b>	<b>\$ 85,885</b>	<b>\$ 78,914</b>	<b>\$ 73,035</b>	<b>\$ 55,589</b>	<b>\$ 69,799</b>	<b>\$ 94,418</b>	<b>\$ 138,089</b>	<b>\$ 200,860</b>	<b>\$ 169,572</b>	<b>\$ 166,108</b>
<b>CONTRACTURAL</b>														
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	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Sub Total</b>	<b>\$ 380,528</b>	<b>\$ 502,900</b>	<b>\$ 432,236</b>	<b>\$ 412,518</b>	<b>\$ 394,721</b>	<b>\$ 359,144</b>	<b>\$ 366,672</b>	<b>\$ 350,536</b>	<b>\$ 403,336</b>	<b>\$ 481,918</b>	<b>\$ 516,368</b>	<b>\$ 529,264</b>	<b>\$ 597,566</b>	<b>\$ 620,006</b>
<b>Administration Fund Expense</b>	<b>\$ 477,137</b>	<b>\$ 601,545</b>	<b>\$ 492,669</b>	<b>\$ 525,820</b>	<b>\$ 488,402</b>	<b>\$ 454,561</b>	<b>\$ 451,116</b>	<b>\$ 437,018</b>	<b>\$ 533,041</b>	<b>\$ 649,336</b>	<b>\$ 739,508</b>	<b>\$ 814,783</b>	<b>\$ 909,120</b>	<b>\$ 918,306</b>

# KMIT Admin Expenses

October 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
<b>GENERAL EXPENSES</b>										
Agent Commissions	\$ 88,532	\$ 94,214	\$ 93,637	\$ 82,860	\$ 96,481	\$ 102,636	\$ 97,189	\$ 80,678	\$ 100,000	\$ 1,096,215
Directors and Officers Insurance	\$ 18,542	\$ 15,857	\$ 15,942	\$ 16,038	\$ 16,488	\$ 17,224	\$ 15,956	\$ 13,056	\$ 18,000	\$ 149,959
Meetings/Travel	\$ -	\$ -	\$ -	\$ 829	\$ 4,881	\$ 19,334	\$ 29,749	\$ 16,173	\$ 20,000	\$ 85,586
Contingencies/Miscellaneous	\$ 26,155	\$ 34,318	\$ 2,657	\$ 1,708	\$ 3,175	\$ 3,623	\$ 4,385	\$ 3,239	\$ 5,000	\$ 356,170
Bank Fees	\$ 2,638	\$ 2,758	\$ 9,239	\$ 5,776	\$ 4,159	\$ 7,528	\$ 4,460	\$ 3,865	\$ 8,000	\$ 47,907
Write Off	\$ -	\$ -	\$ -	\$ (104)	\$ -		\$ -	\$ -		\$ (104)
LKM Clearing	\$ -	\$ -		\$ 60	\$ -		\$ -	\$ -		\$ 60
Marketing	\$ -	\$ -	\$ -	\$ -	\$ 439	\$ 452	\$ 161	\$ 34		\$ 1,086
Office Supplies					\$ 1,112	\$ 1,830	\$ 3,732	\$ 4,078	\$ 5,000	\$ 10,751
<b>Sub Total</b>	<b>\$ 135,867</b>	<b>\$ 147,147</b>	<b>\$ 121,475</b>	<b>\$ 107,167</b>	<b>\$ 126,735</b>	<b>\$ 152,627</b>	<b>\$ 155,632</b>	<b>\$ 121,123</b>	<b>\$ 156,000</b>	<b>\$ 1,747,630</b>
<b>REGULATORY</b>										
Kansas Insurance Dept (KID) Premium Tax	54,139	48,525	49,030	40,919	\$ 43,445	\$ 44,349	\$ 51,057	\$ 37,725	\$ 48,000	\$ 698,650
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	87,136	64,807	97,257	45,855	\$ 79,051	\$ 102,689	\$ 174,465	\$ 141,718	\$ 115,000	\$ 1,390,726
<b>Sub Total</b>	<b>\$ 177,453</b>	<b>\$ 145,171</b>	<b>\$ 207,491</b>	<b>\$ 168,388</b>	<b>\$ 122,496</b>	<b>\$ 147,039</b>	<b>\$ 225,523</b>	<b>\$ 179,443</b>	<b>\$ 163,000</b>	<b>\$ 2,837,792</b>
<b>CONTRACTURAL</b>										
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	\$ 170,000	\$ 170,000	\$ 1,100,000
Risk Control	\$ 140,000	\$ 145,000	\$ 145,000	\$ 145,000	\$ 145,000	\$ 150,000	\$ 150,000	\$ 155,000	\$ 155,000	\$ 2,389,073
Claims Adjusting	\$ 165,000	\$ 175,000	\$ 195,000	\$ 185,000	\$ 185,000	\$ 185,000	\$ 185,000	\$ 205,000	\$ 205,000	\$ 3,671,259
Risk Analysis	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,671	\$ 8,647	\$ 10,000	\$ 18,318
POET	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,675	\$ 19,000	\$ 6,675
Pool Admin Services	\$ 220,000	\$ 225,000	\$ 225,000	\$ 230,000	\$ 230,004	\$ 75,600	\$ 81,900	\$ 82,480	\$ 90,000	\$ 3,743,000
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	\$ 70,000	\$ 70,000	\$ 210,000
<b>Sub Total</b>	<b>\$ 639,497</b>	<b>\$ 664,975</b>	<b>\$ 699,738</b>	<b>\$ 698,827</b>	<b>\$ 680,133</b>	<b>\$ 714,119</b>	<b>\$ 731,842</b>	<b>\$ 702,764</b>	<b>\$ 779,000</b>	<b>\$ 11,879,608</b>
<b>Administration Fund Expense</b>	<b>\$ 952,817</b>	<b>\$ 957,294</b>	<b>\$ 1,028,704</b>	<b>\$ 974,382</b>	<b>\$ 929,363</b>	<b>\$ 1,013,785</b>	<b>\$ 1,112,996</b>	<b>\$ 1,003,329</b>	<b>\$ 1,098,000</b>	<b>\$ 16,465,029</b>

# KMIT Balance Sheet

November 30, 2015

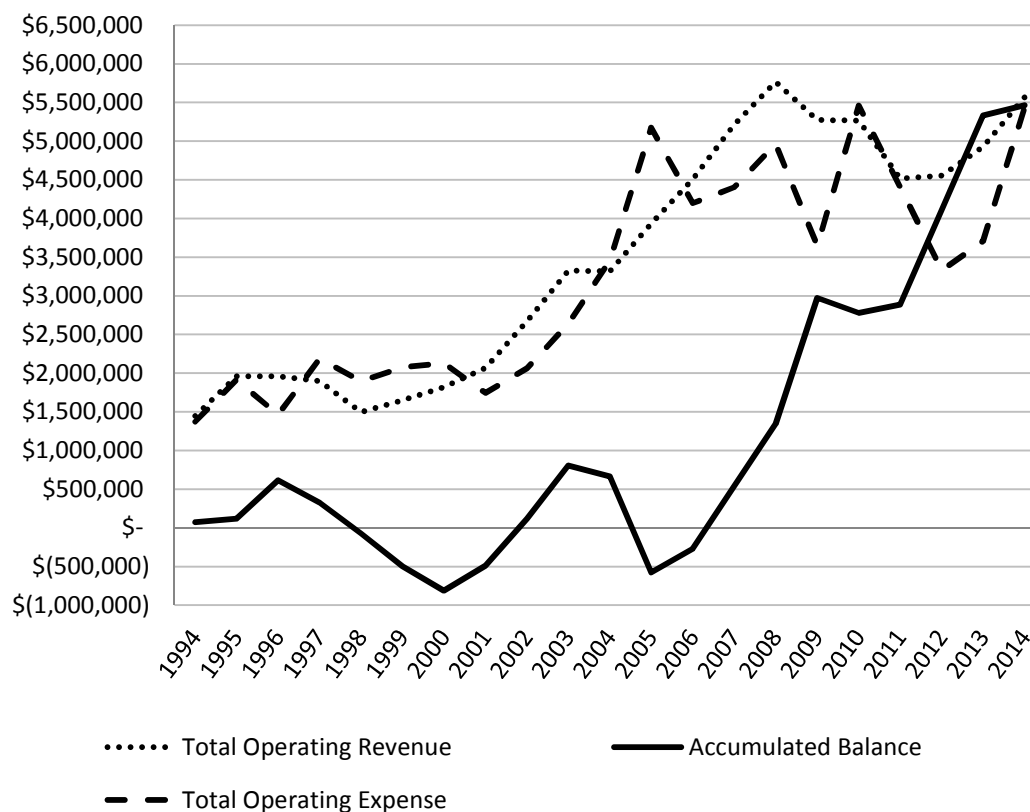
## ASSETS

Checking Accounts	\$	1,151,298
Investments	\$	11,867,000
Accrued Interest	\$	106,509
Accounts Receivable	\$	390
Excess Premium Receivable	\$	25,550
Specific Recoverable	\$	433,537
Aggregate Recoverable	\$	61,718
Prepaid Expenses	\$	51,750
<b>Total Assets</b>	<b>\$</b>	<b>13,697,752.48</b>

## LIABILITIES & EQUITY

Accounts Payable	\$	-
Excess Premium Payable	\$	-
Reserve for Losses	\$	2,753,351
IBNR Reserve	\$	4,453,613
Deposits on Premium	\$	461,091
Accrued Taxes and Assessments	\$	475,838
<b>Total Liabilities</b>	<b>\$</b>	<b>8,143,893</b>
<b>Total Equity</b>	<b>\$</b>	<b>5,553,859</b>
<b>Total Liabilities and Equity</b>	<b>\$</b>	<b>13,697,752</b>

## KMIT Financial Overview



# KMIT Profit and Loss

November 30, 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
<b>REVENUE FUND</b>														
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
<b>Total Operating Revenue</b>	<b>\$ 1,445,257</b>	<b>\$ 1,958,726</b>	<b>\$ 1,957,959</b>	<b>\$ 1,897,220</b>	<b>\$ 1,498,357</b>	<b>\$ 1,649,067</b>	<b>\$ 1,819,386</b>	<b>\$ 2,067,350</b>	<b>\$ 2,669,644</b>	<b>\$ 3,326,981</b>	<b>\$ 3,315,716</b>	<b>\$ 3,934,067</b>	<b>\$ 4,507,126</b>	<b>\$ 5,215,600</b>
		\$ 390,462												
<b>ADMINISTRATION FUND EXPENSE</b>	<b>\$ 477,137</b>	<b>\$ 601,545</b>	<b>\$ 492,669</b>	<b>\$ 525,820</b>	<b>\$ 488,402</b>	<b>\$ 454,561</b>	<b>\$ 451,116</b>	<b>\$ 437,018</b>	<b>\$ 533,041</b>	<b>\$ 649,336</b>	<b>\$ 739,508</b>	<b>\$ 814,783</b>	<b>\$ 909,120</b>	<b>\$ 918,306</b>
<b>CLAIMS FUND EXPENSE</b>														
Claims Paid Expense	\$ 716,700	\$ 1,049,152	\$ 790,125	\$ 2,073,604	\$ 1,941,194	\$ 1,685,871	\$ 1,440,458	\$ 1,097,087	\$ 1,211,714	\$ 1,874,209	\$ 2,259,431	\$ 3,811,227	\$ 2,579,195	\$ 2,716,306
Claims Paid Adjusting Expense	\$ 25,541	\$ 54,345	\$ 46,505	\$ 90,802	\$ 83,669	\$ 142,886	\$ 123,313	\$ 83,206	\$ 129,112	\$ 149,296	\$ 151,103	\$ 236,567	\$ 178,822	\$ 190,730
Claims Reserve Expense	\$ -	\$ -	\$ -	\$ -	\$ 128,281	\$ 46,026	\$ 16,637	\$ -	\$ -	\$ -	\$ 26,082	\$ 78,714	\$ 59,432	\$ 110,126
Claims Reserves Adjusting Expense	\$ -	\$ -	\$ -	\$ -	\$ 6,929	\$ 4,816	\$ 401	\$ -	\$ -	\$ -	\$ 1,922	\$ 8,261	\$ 11,588	\$ 11,797
IBNR Reserve Expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,158	\$ -	\$ -	\$ -	\$ 57,481	\$ 39,246	\$ 76,534	\$ 36,250
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	\$ -	\$ -	\$ -	\$ -	\$ (144,556)	\$ (43,163)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Specific Recovery Expense	\$ -	\$ -	\$ -	\$ (268,748)	\$ (686,886)	\$ (174,916)	\$ -	\$ -	\$ -	\$ (400,137)	\$ -	\$ (188,126)	\$ -	\$ -
Aggregate Recoverable Expense	\$ -	\$ -	\$ -	\$ (52,380)	\$ -	\$ (9,338)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Aggregate Recovery Expense	\$ -	\$ -	\$ -	\$ (300,247)	\$ -	\$ (111,920)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Claims Fund Expense</b>	<b>\$ 893,634</b>	<b>\$ 1,313,638</b>	<b>\$ 970,007</b>	<b>\$ 1,660,153</b>	<b>\$ 1,408,086</b>	<b>\$ 1,620,386</b>	<b>\$ 1,679,785</b>	<b>\$ 1,307,461</b>	<b>\$ 1,530,284</b>	<b>\$ 1,990,358</b>	<b>\$ 2,717,453</b>	<b>\$ 4,360,361</b>	<b>\$ 3,289,996</b>	<b>\$ 3,485,937</b>
<b>Total Operating Expense</b>	<b>\$ 1,370,771</b>	<b>\$ 1,915,183</b>	<b>\$ 1,462,676</b>	<b>\$ 2,185,973</b>	<b>\$ 1,896,488</b>	<b>\$ 2,074,947</b>	<b>\$ 2,130,901</b>	<b>\$ 1,744,478</b>	<b>\$ 2,063,325</b>	<b>\$ 2,639,694</b>	<b>\$ 3,456,961</b>	<b>\$ 5,175,144</b>	<b>\$ 4,199,116</b>	<b>\$ 4,404,243</b>
<b>BALANCES</b>														
KMIT Statutory Fund Balance	\$ 74,486	\$ 43,543	\$ 495,283	\$ (288,753)	\$ (398,131)	\$ (425,880)	\$ (311,514)	\$ 322,872	\$ 606,319	\$ 687,287	\$ (141,245)	\$ (1,241,077)	\$ 308,010	\$ 811,357
<b>Accumulated Balance</b>	<b>\$ 74,486</b>	<b>\$ 118,029</b>	<b>\$ 613,312</b>	<b>\$ 324,559</b>	<b>\$ (73,571)</b>	<b>\$ (499,451)</b>	<b>\$ (810,966)</b>	<b>\$ (488,094)</b>	<b>\$ 118,225</b>	<b>\$ 805,512</b>	<b>\$ 664,267</b>	<b>\$ (576,810)</b>	<b>\$ (268,800)</b>	<b>\$ 542,557</b>



# KMIT Profit and Loss

November 30, 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
<b>REVENUE FUND</b>										
Direct Premium Earned	\$ 5,519,169	\$ 5,193,427	\$ 5,213,859	\$ 4,442,326	\$ 4,484,533	\$ 4,853,835	\$ 5,460,508	\$ 5,055,368	\$ 5,640,000	\$ 75,921,812
Interest Income	\$ 245,802	\$ 81,601	\$ 52,768	\$ 72,925	\$ 70,104	\$ 71,861	\$ 107,601	\$ 120,053	\$ 225,000	\$ 2,377,072
Miscellaneous Income	\$ -	\$ -	\$ -	\$ 1,441	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,701
<b>Total Operating Revenue</b>	<b>\$ 5,764,971</b>	<b>\$ 5,275,028</b>	<b>\$ 5,266,578</b>	<b>\$ 4,516,692</b>	<b>\$ 4,554,637</b>	<b>\$ 4,925,696</b>	<b>\$ 5,568,109</b>	<b>\$ 5,175,420</b>	<b>\$ 5,865,000</b>	<b>\$ 78,309,586</b>
<b>ADMINISTRATION FUND EXPENSE</b>	<b>\$ 952,817</b>	<b>\$ 957,294</b>	<b>\$ 1,028,704</b>	<b>\$ 974,382</b>	<b>\$ 929,363</b>	<b>\$ 1,013,785</b>	<b>\$ 1,112,996</b>	<b>\$ 1,030,044</b>	<b>\$ 1,098,000</b>	<b>\$ 16,491,744</b>
<b>CLAIMS FUND EXPENSE</b>										
Claims Paid Expense	\$ 3,213,271	\$ 2,025,156	\$ 3,528,953	\$ 2,375,128	\$ 1,712,548	\$ 1,545,071	\$ 2,508,476	\$ 901,976		\$ 43,056,848
Claims Paid Adjusting Expense	\$ 231,531	\$ 128,094	\$ 174,151	\$ 130,232	\$ 142,614	\$ 110,339	\$ 83,727	\$ 24,310		\$ 2,710,894
Claims Reserve Expense	\$ 158,868	\$ 18,993	\$ 118,648	\$ 328,172	\$ 177,836	\$ 152,663	\$ 439,118	\$ 691,345		\$ 2,550,940
Claims Reserves Adjusting Expense	\$ 9,322	\$ 3,347	\$ 12,470	\$ 18,194	\$ 22,846	\$ 18,814	\$ 33,507	\$ 38,198		\$ 202,411
IBNR Reserve Expense	\$ 23,708	\$ 173,354	\$ 246,888	\$ 245,369	\$ 16,206	\$ 468,729	\$ 1,097,932	\$ 1,959,757		\$ 4,453,613
Excess Work Comp Insurance	\$ 372,790	\$ 341,935	\$ 351,375	\$ 336,966	\$ 337,595	\$ 395,128	\$ 429,976	\$ 441,068	\$ 480,000	\$ 5,949,941
Specific Recoverable Expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (245,818)	\$ -		\$ (433,537)
Specific Recovery Expense	\$ -	\$ -	\$ -	\$ -	\$ (9,965)	\$ -	\$ (24,464)	\$ -		\$ (1,753,242)
Aggregate Recoverable Expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ (61,718)
Aggregate Recovery Expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ (412,167)
<b>Claims Fund Expense</b>	<b>\$ 4,009,490</b>	<b>\$ 2,690,879</b>	<b>\$ 4,432,484</b>	<b>\$ 3,434,061</b>	<b>\$ 2,399,680</b>	<b>\$ 2,690,744</b>	<b>\$ 4,322,453</b>	<b>\$ 4,056,654</b>	<b>\$ 480,000</b>	<b>\$ 56,263,983</b>
<b>Total Operating Expense</b>	<b>\$ 4,962,307</b>	<b>\$ 3,648,173</b>	<b>\$ 5,461,188</b>	<b>\$ 4,408,442</b>	<b>\$ 3,329,043</b>	<b>\$ 3,704,529</b>	<b>\$ 5,435,449</b>	<b>\$ 5,086,698</b>	<b>\$ 1,578,000</b>	<b>\$ 72,755,727</b>
<b>BALANCES</b>										
<b>KMIT Statutory Fund Balance</b>	<b>\$ 802,664</b>	<b>\$ 1,626,855</b>	<b>\$ (194,610)</b>	<b>\$ 108,249</b>	<b>\$ 1,225,594</b>	<b>\$ 1,221,167</b>	<b>\$ 132,660</b>	<b>\$ 88,722.33</b>	<b>\$ 4,287,000</b>	<b>\$ 5,553,859</b>
<b>Accumulated Balance</b>	<b>\$ 1,345,221</b>	<b>\$ 2,972,077</b>	<b>\$ 2,777,467</b>	<b>\$ 2,885,716</b>	<b>\$ 4,111,310</b>	<b>\$ 5,332,477</b>	<b>\$ 5,465,137</b>	<b>\$ 5,553,859</b>		

# KMIT Admin Expenses

November 30, 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
<b>GENERAL EXPENSES</b>														
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	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Sub Total</b>	<b>\$ 1,249</b>	<b>\$ 21,179</b>	<b>\$ 4,151</b>	<b>\$ 9,889</b>	<b>\$ 7,795</b>	<b>\$ 16,504</b>	<b>\$ 11,408</b>	<b>\$ 30,892</b>	<b>\$ 59,906</b>	<b>\$ 72,999</b>	<b>\$ 85,051</b>	<b>\$ 84,659</b>	<b>\$ 141,982</b>	<b>\$ 132,193</b>
<b>REGULATORY</b>														
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	36,952	44,250	40,403	30,875	34,311	39,671	57,939	71,151	82,167	82,718
<b>Sub Total</b>	<b>\$ 95,360</b>	<b>\$ 77,466</b>	<b>\$ 56,281</b>	<b>\$ 103,413</b>	<b>\$ 85,885</b>	<b>\$ 78,914</b>	<b>\$ 73,035</b>	<b>\$ 55,589</b>	<b>\$ 69,799</b>	<b>\$ 94,418</b>	<b>\$ 138,089</b>	<b>\$ 200,860</b>	<b>\$ 169,572</b>	<b>\$ 166,108</b>
<b>CONTRACTURAL</b>														
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	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Sub Total</b>	<b>\$ 380,528</b>	<b>\$ 502,900</b>	<b>\$ 432,236</b>	<b>\$ 412,518</b>	<b>\$ 394,721</b>	<b>\$ 359,144</b>	<b>\$ 366,672</b>	<b>\$ 350,536</b>	<b>\$ 403,336</b>	<b>\$ 481,918</b>	<b>\$ 516,368</b>	<b>\$ 529,264</b>	<b>\$ 597,566</b>	<b>\$ 620,006</b>
<b>Administration Fund Expense</b>	<b>\$ 477,137</b>	<b>\$ 601,545</b>	<b>\$ 492,669</b>	<b>\$ 525,820</b>	<b>\$ 488,402</b>	<b>\$ 454,561</b>	<b>\$ 451,116</b>	<b>\$ 437,018</b>	<b>\$ 533,041</b>	<b>\$ 649,336</b>	<b>\$ 739,508</b>	<b>\$ 814,783</b>	<b>\$ 909,120</b>	<b>\$ 918,306</b>

# KMIT Admin Expenses

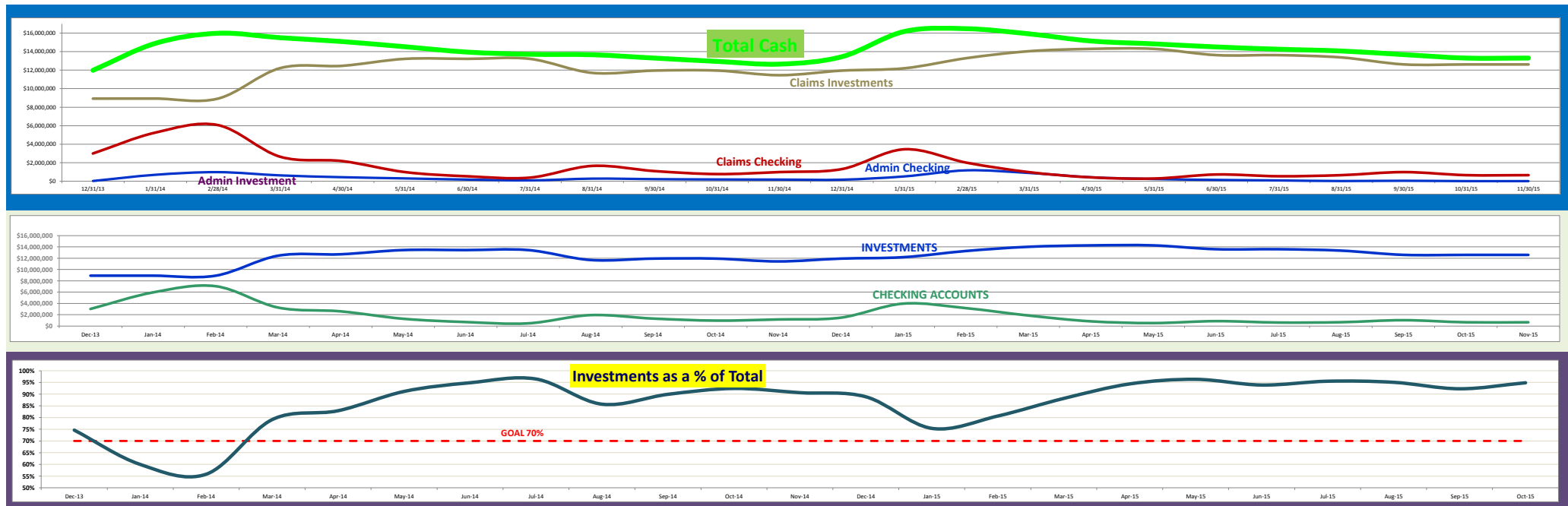
November 30, 2015

	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
<b>GENERAL EXPENSES</b>										
Agent Commissions	\$ 88,532	\$ 94,214	\$ 93,637	\$ 82,860	\$ 96,481	\$ 102,636	\$ 97,189	\$ 90,937	\$ 100,000	\$ 1,106,474
Directors and Officers Insurance	\$ 18,542	\$ 15,857	\$ 15,942	\$ 16,038	\$ 16,488	\$ 17,224	\$ 15,956	\$ 14,361	\$ 18,000	\$ 151,264
Meetings/Travel	\$ -	\$ -	\$ -	\$ 829	\$ 4,881	\$ 19,334	\$ 29,749	\$ 17,454	\$ 20,000	\$ 86,867
Contingencies/Miscellaneous	\$ 26,155	\$ 34,318	\$ 2,657	\$ 1,708	\$ 3,175	\$ 3,623	\$ 4,385	\$ 3,239	\$ 5,000	\$ 356,170
Bank Fees	\$ 2,638	\$ 2,758	\$ 9,239	\$ 5,776	\$ 4,159	\$ 7,528	\$ 4,460	\$ 3,917	\$ 8,000	\$ 47,959
Write Off	\$ -	\$ -	\$ -	\$ (104)	\$ -		\$ -	\$ -		\$ (104)
LKM Clearing	\$ -	\$ -		\$ 60	\$ -		\$ -	\$ -		\$ 60
Marketing	\$ -	\$ -	\$ -	\$ -	\$ 439	\$ 452	\$ 161	\$ 34		\$ 1,086
Office Supplies					\$ 1,112	\$ 1,830	\$ 3,732	\$ 4,485	\$ 5,000	\$ 11,158
<b>Sub Total</b>	<b>\$ 135,867</b>	<b>\$ 147,147</b>	<b>\$ 121,475</b>	<b>\$ 107,167</b>	<b>\$ 126,735</b>	<b>\$ 152,627</b>	<b>\$ 155,632</b>	<b>\$ 134,427</b>	<b>\$ 156,000</b>	<b>\$ 1,760,934</b>
<b>REGULATORY</b>										
Kansas Insurance Dept (KID) Premium Tax	54,139	48,525	49,030	40,919	\$ 43,445	\$ 44,349	\$ 51,057	\$ 37,725	\$ 48,000	\$ 698,650
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	87,136	64,807	97,257	45,855	\$ 79,051	\$ 102,689	\$ 174,465	\$ 141,718	\$ 115,000	\$ 1,390,726
<b>Sub Total</b>	<b>\$ 177,453</b>	<b>\$ 145,171</b>	<b>\$ 207,491</b>	<b>\$ 168,388</b>	<b>\$ 122,496</b>	<b>\$ 147,039</b>	<b>\$ 225,523</b>	<b>\$ 179,443</b>	<b>\$ 163,000</b>	<b>\$ 2,837,792</b>
<b>CONTRACTURAL</b>										
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	\$ 170,000	\$ 170,000	\$ 1,100,000
Risk Control	\$ 140,000	\$ 145,000	\$ 145,000	\$ 145,000	\$ 145,000	\$ 150,000	\$ 150,000	\$ 155,000	\$ 155,000	\$ 2,389,073
Claims Adjusting	\$ 165,000	\$ 175,000	\$ 195,000	\$ 185,000	\$ 185,000	\$ 185,000	\$ 185,000	\$ 205,000	\$ 205,000	\$ 3,671,259
Risk Analysis	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,671	\$ 12,851	\$ 10,000	\$ 22,522
POET	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,125	\$ 19,000	\$ 7,125
Pool Admin Services	\$ 220,000	\$ 225,000	\$ 225,000	\$ 230,000	\$ 230,004	\$ 75,600	\$ 81,900	\$ 90,520	\$ 90,000	\$ 3,751,040
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	\$ 2,846	\$ -	\$ 11,289
Endorsement Fee	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 70,000	\$ 70,000	\$ 70,000	\$ 70,000	\$ 210,000
<b>Sub Total</b>	<b>\$ 639,497</b>	<b>\$ 664,975</b>	<b>\$ 699,738</b>	<b>\$ 698,827</b>	<b>\$ 680,133</b>	<b>\$ 714,119</b>	<b>\$ 731,842</b>	<b>\$ 716,174</b>	<b>\$ 779,000</b>	<b>\$ 11,893,018</b>
<b>Administration Fund Expense</b>	<b>\$ 952,817</b>	<b>\$ 957,294</b>	<b>\$ 1,028,704</b>	<b>\$ 974,382</b>	<b>\$ 929,363</b>	<b>\$ 1,013,785</b>	<b>\$ 1,112,996</b>	<b>\$ 1,030,044</b>	<b>\$ 1,098,000</b>	<b>\$ 16,491,744</b>

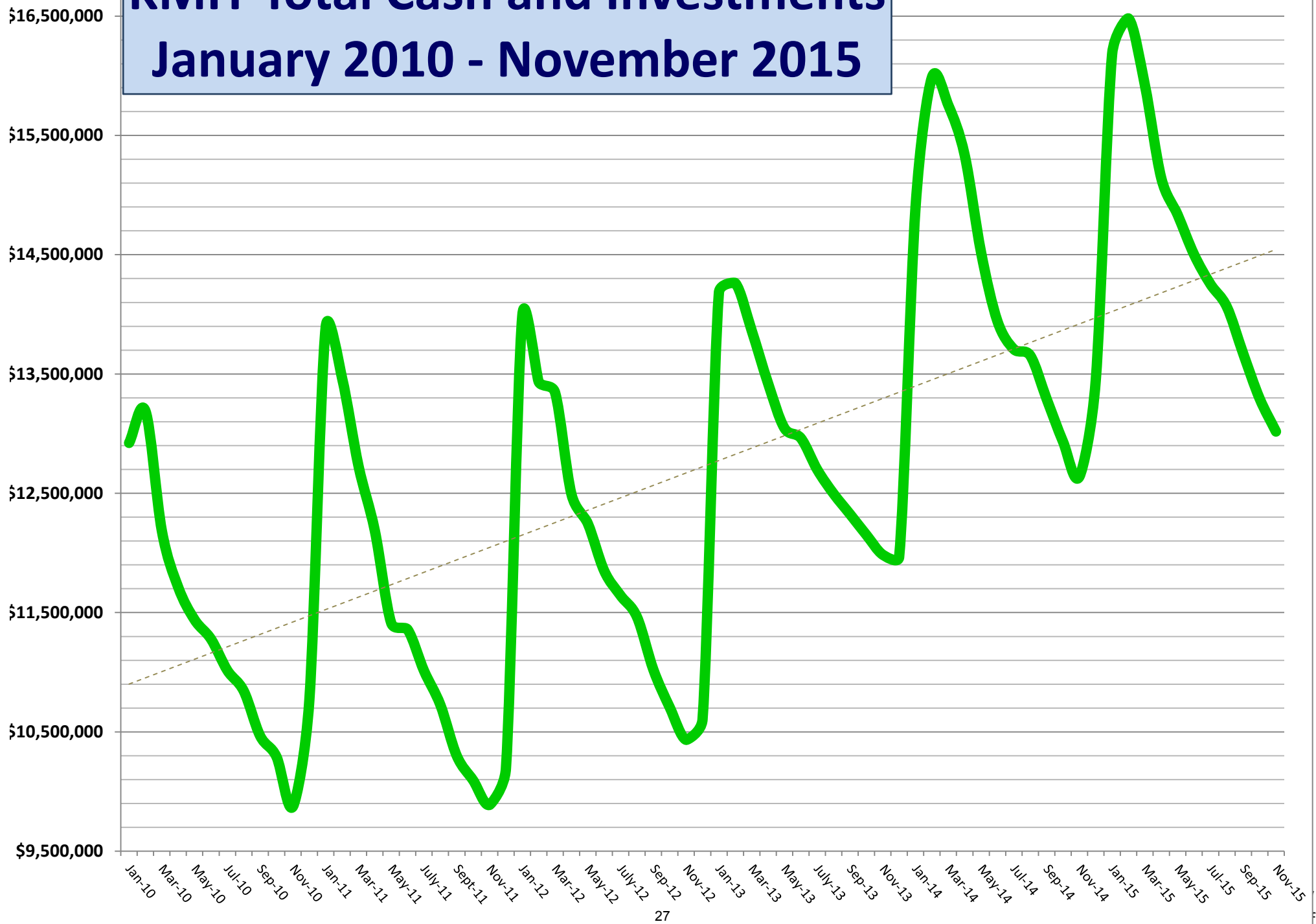
# KMIT Cash Management/Investment Summary

## December 2013--November 2015

	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	9/30/15	10/31/15	11/30/15
<b>KMIT Admin Fund (KAF)</b>																								
Admin Account	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	66,032	26,315	26,316
Admin Checking	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	66,032	26,315	26,316
<b>KMIT Claims Fund (KCF)</b>																								
Claims Account	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	927,412	620,803	620,803
TPA Claims Check Book (at IMA)	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	58,669	35,387	35,387
Claims Checking	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	986,081	656,190	656,190
<b>INVESTMENTS</b>																								
Admin Investments	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	0	0	0
Claims Investments	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	12,619,000	12,613,000	12,613,000
<b>TOTAL CASH</b>	<b>11,966,376</b>	<b>14,896,621</b>	<b>15,987,295</b>	<b>15,504,337</b>	<b>15,085,477</b>	<b>14,520,019</b>	<b>13,943,061</b>	<b>13,708,454</b>	<b>13,655,930</b>	<b>13,292,340</b>	<b>12,934,099</b>	<b>12,639,446</b>	<b>13,446,433</b>	<b>16,182,900</b>	<b>16,480,926</b>	<b>15,921,403</b>	<b>15,142,148</b>	<b>14,835,243</b>	<b>14,502,220</b>	<b>14,254,040</b>	<b>14,063,947</b>	<b>13,671,112</b>	<b>13,295,505</b>	<b>13,295,506</b>
	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	9/30/15	10/31/15	11/30/15



# KMIT Total Cash and Investments January 2010 - November 2015



## **CLAIM SUMMARY-SETTLEMENT REQUEST**

**Employer:** City of Galena  
**Claim No.:** 2012043680  
**Employee Age:** 52  
**AWW:** \$329.56  
**Attorneys:** Employee Y-Kayla Spigarelli  
**Adjuster:** Gene Miller

**Date of Injury:** 8/17/2012  
**Job Description:** Sanitation  
**Updated:** 10/13/15  
**TTD Rate:** \$257.35  
**Employer** Y-Jeff Brewer

	Medical	Indemnity	Expense	Total
<b>Reserves</b>	<b>\$80,000.00</b>	<b>\$87,646.29</b>	<b>\$20,000.00</b>	<b>\$187,646.29</b>
<b>Amount Paid</b>	<b>\$72,311.02</b>	<b>\$22,646.29</b>	<b>\$12,738.48</b>	<b>\$107,695.79</b>
<b>Outstanding</b>	<b>\$7,688.98</b>	<b>\$65,000.00</b>	<b>\$7,261.52</b>	<b>\$79,950.50</b>

### **Accident Description/Nature of Injury:**

- Co-workers jostling and bumped into claimant, knocking him down and injuring his back.

### **Investigation/Compensability**

Claimant was not a participant in the event, fall witnessed and not questioned. Initial treating doctor ordered a MRI and opined that claimant had aggravated a pre-existing condition and claim was denied. Claimant retained an attorney and ALJ found injury compensable and ordered benefits.

### **Medical Management**

Court ordered Dr. Hess recommended spinal cord stimulator which was installed in September 2013. His symptoms continued and ALJ ordered another IME with Dr. Hendricks who opined that he didn't understand why stimulator was done and recommended its removal in order to diagnose claimant's problem. Stimulator removed October 2014 and another MRI and EMG were performed, both were normal and Dr. Hendricks released w/out restrictions.

### **Periods of Disability**

- 8/18/12 to 2/4/15.

### **Permanent Partial Impairment/Permanent Disability**

- Dr. Hess has given 15%BAW and states claimant cannot work.
- Dr. Hendrick assigns 0% and provides no work restrictions.

### **Subrogation/Other Issues**

- We are pursuing a claim against the manufacturer of the spinal cord stimulator.

### **Plan of Action:**

- Request settlement authority to \$65,000.00.
- Exposure on this case is \$155,000 (Permanent Total Disability) or \$130,000 (Permanent Partial Disability), less indemnity payments made to date, dependent on the finder of fact.

Our attorney estimated 50% chance at trial. Initial offer would be less than my request.



## **CLAIM SUMMARY-RESERVE INCREASE**

**Employer:** City of Horton  
**Claim No.:** 2015071759  
**Employee Age:** 55  
**AWW:** \$962.12  
**Attorneys:** Employee -N  
**Adjuster:** Gene Miller

**Date of Injury:** 7/23/15  
**Job Description:** Street Dept  
**Updated:** 11/17/15  
**TTD Rate:** \$610.00  
**Employer** -N

	Medical	Indemnity	Expense	Total
Prev. Reserves	\$1,200.00	\$0.00	\$100.00	\$1,300.00
New Reserves	\$25,000.00	\$25,000.00	\$1,500.00	\$51,500.00
Amount Paid	\$11,117.50	\$4,008.57	\$10.45	\$15,136.52
Outstanding	\$13,882.50	\$20,991.43	\$1,489.55	\$36,363.48

### **Accident Description/Nature of Injury:**

- Claimant was exiting city truck when his foot slid on loose gravel and he fell, landing on left shoulder.

### **Investigation/Compensability**

- The accident took place at city hall, was not witnessed but was promptly reported and accepted as compensable.

### **Medical Management**

- Conservative treatment failed to relieve his symptoms and MRI was ordered. It revealed rotator cuff tear and he was referred to Dr. Wilkinson, who performed surgery 10/1/15. He returned to modified duty on 1/17/15 while he is completing physical therapy.

### **Periods of Disability**

- 10/1/15 to 11/16/15

### **Indemnity**

- TTD: Reflects 6 weeks.
- PPD: Reflects 15% shoulder.

### **Subrogation/Other Issues**

- No source for subrogation or contribution.

### **Plan of Action:**

- Early return to work already achieved. I will follow-up with him after every doctor appointment to learn of medical progress and maintain control. When he is released from care, I will request disability rating, obtain settlement authority, negotiate settlement, obtain Division approval and close file.

## **CLAIM SUMMARY-RESERVE INCREASE**

**Employer:** City of Hays  
**Claim No.:** 2015070895  
**Employee Age:** 55  
**AWW:** \$1,393.80  
**Attorneys:** Employee -No  
**Adjuster:** Gene Miller

**Date of Injury:** 4/18/15  
**Job Description:** Police Officer  
**Updated:** 10/8/15  
**TTD Rate:** \$594.00  
**Employer** -No

	Medical	Indemnity	Expense	Total
Prev. Reserves	\$3,500.00	\$0.00	\$100.00	\$3,600.00
New Reserves	\$30,000.00	\$22,000.00	\$2,500.00	\$54,500.00
Amount Paid	\$6,640.49	\$2,376.00	\$1.50	\$9,017.99
Outstanding	\$23,359.51	\$19,624.00	\$2,498.50	\$45,482.01

### **Accident Description/Nature of Injury:**

- Officer was wrestling with suspect and twisted right knee at bar fight.

### **Investigation/Compensability**

- Accident was witnessed by coworkers and promptly reported. Accepted as compensable.

### **Medical Management**

- He was directed to the city's doctor and underwent conservative treatment but symptoms were not resolved so he was referred to orthopedic Johnson. Dr. Johnson ordered a bone scan which revealed the femoral component of his previous TKR was loose and opinioned that the structural change was due to the work injury. Dr. Johnson recommended a total knee arthroplasty which we authorized and was performed 9/9/15.

### **Periods of Disability**

- 9/9/15 to present

### **Indemnity**

- TTD: Reserves reflect 15 weeks.
- PPD: Reserves reflect 10% knee

### **Subrogation/Other Issues**

- Officer has had 5 prior knee surgeries to include a previous TKR. We will make sure the doctor omits any pre-existing disability from the current rating.

### **Plan of Action:**

- We will continue to follow-up after every doctor's appointment, striving for release to modified duty as the city has a modified duty work program. When he is released from care we will request a disability rating, obtain settlement authorization, negotiate settlement, obtain Division approval and close file.

## **CLAIM SUMMARY-RESERVE INCREASE**

**Employer:** City of Paola  
**Claim No.:** 2015072054  
**Employee Age:** 52  
**AWW:** \$ 1,019.59  
**Attorneys:** Employee -No  
**Adjuster:** Gene Miller

**Date of Injury:** 9/15/15  
**Job Description:** Utility Supervisor  
**Updated:** 10/14/15  
**TTD Rate:** \$610.00  
**Employer** -No

	Medical	Indemnity	Expense	Total
Prev. Reserves	\$1,200.00	\$0.00	\$100.00	\$1,300.00
New Reserves	\$50,000.00	\$15,000.00	\$5,000.00	\$70,000.00
Amount Paid	\$1,534.50	\$2,440.00	\$1,435.22	\$5,409.72
Outstanding	\$48,465.50	\$12,560.00	\$3,564.78	\$64,590.28

### **Accident Description/Nature of Injury:**

- Claimant was tightening a fitting on a water line when the fitting blew off hitting him in the upper torso and face. He suffered multiple facial fractures on the right side of his face, right eye injury and contusion to upper torso.

### **Investigation/Compensability**

- The accident was witnessed by coworker and not questioned.

### **Medical Management**

- He was initially taken to the emergency room but is home now and under the care of a plastic surgeon for his facial fractures, an eye doctor and a general practitioner for his contusions. The facial fractures are non-displaced and surgery not anticipated. We expect 1-2 eye surgeries. Contusions are resolving. We are striving for early return to work. Medical nurse case management has been assigned.

### **Periods of Disability**

- 9/15/15 to 10/27/15

### **Indemnity**

- TTD: Reserves reflect 8 weeks.
- PPD: Reserves reflect 5% Body.

### **Subrogation/Other Issues**

- No known sources for subrogation or contribution.

### **Plan of Action:**

- Maintain contact with claimant after every doctor's visit. When released from medical care, obtain disability rating, obtain settlement authority, negotiate settlement, obtain Division approval and close file.

## **CLAIM SUMMARY-RESERVE INCREASE**

**Employer: City of Augusta**

**Claim No.: 2015071784**

**Employee Age: 44**

**AWW: \$389.82**

**Attorneys: Employee Y-Lawrence Gurney**

**Adjuster: Gene Miller**

**Date of Injury: 8/17/2015**

**Job Description: Sanitation**

**Updated: 10/14/2015**

**TTD Rate: \$259.88**

**Employer Y-Ron Laskowski**

	Medical	Indemnity	Expense	Total
Prev. Reserves	\$0.00	\$0.00	\$0.00	\$0.00
New Reserves	\$50,000.00	\$50,000.00	\$10,000.00	\$110,000.00
Amount Paid	\$6,142.68	\$2,079.04	\$4,712.78	\$12,934.50
Outstanding	\$43,857.32	\$47,920.96	\$5,287.22	\$97,065.50

### **Accident Description/Nature of Injury:**

- City Sanitation truck had dumped its load and claimant went behind truck to remove attached trash. Truck driver closed the lid on claimant. Claimant sustained crush type internal injuries but no broken bones.

### **Investigation/Compensability**

- The city driver was at the scene and promptly reported accident. Claimant was in course and scope of employment and accident accepted as compensable.

### **Medical Management**

- He was treated at Via Christi by several doctors. On discharge, treatment was for crush injury to lower abdomen and pelvis, no fractures. Left arm and leg weakness. Left back pain and spasm and left shoulder pain. Medical management is assigned. Treatment is coordinated by Dr. Estivo. Currently he is in therapy to obtain strength and range of motion.

### **Periods of Disability**

- 8/17/2015 to present.

### **Indemnity**

- TTD: Reserves reflect 20 weeks.
- PPD: Reserves reflect 38% body.

### **Subrogation/Other Issues**

- He has had several other work injuries and we will be identifying the doctors that treated him and gathering their records to explore contribution.

### **Plan of Action:**

- We will continue to administer his benefits and strive for early return to work.
- Our defense attorney is scheduling his deposition to learn of all prior injuries and medical treatment to aid with contribution and address prevailing factor issues.

- **Once released from care, a disability rating will be obtained, settlement authority obtained, settlement negotiated and file closed.**

# Workers' comp insurance rates expected to drop 12 percent

By Bryan Horwath

The Wichita Eagle 10/22/15

Business owners in Kansas could find more money in their coffers next year, which might help kick-start economic growth, according to the state's top insurance official.

Ken Selzer, Kansas insurance commissioner, said Thursday that business owners are expected to pay, on average, nearly 12 percent less on workers' compensation insurance in 2016, according to findings from the National Council on Compensation Insurance.

"This is all good for the state of Kansas," Selzer said. "I think this could be a very positive contributing factor to growing our economy."

The council's findings indicate that Kansas firms will pay average voluntary base rates that are 11.6 percent lower than 2015 filing numbers. For assigned risk workers' compensation rates in 2016, costs are expected to go down about 10.4 percent, according to a news release.

Selzer and the Kansas Insurance Department have approved the new filings, which will go into effect Jan. 1. Last year's filing showed an average rate drop of about 10 percent, Selzer added.

"The decrease means that many Kansas businesses will pay less for the insurance they have to provide," Selzer said. "This means more money to grow their businesses. We kind of expected this. Companies have better loss control programs today, and they're looking at better safety measures that they can take for their employees. The trend is generally down across the country."

The most injury-laden occupations, according to Kansas Department of Labor statistics from 2012 and 2013, often include jobs where the employee travels in a vehicle on a regular basis. In 2012 the most dangerous job in Kansas was working as a courier or messenger, according to the Department of Labor's annual survey of occupational injuries and illnesses, where 10.2 injuries or illnesses were reported per 100 workers.

James Oberwortmann, co-owner and chief financial officer for Wichita-based delivery service provider Metro Courier, said a potential savings of 12 percent on workers' compensation rates could save his business – which employs 75 – tens of thousands of dollars.



“It would be significant for our business,” Oberwortmann said. “Savings like that could be used for a lot of other things. We could buy two new vehicles. Workers’ comp savings will always start with the employer and the type of program you have, but any savings on rates are great.”

Approximately 65,000 Kansas businesses pay for workers’ compensation insurance, according to the insurance department. The 2016 council filing applies to “all insurance carriers writing workers compensation policies for businesses in the state,” according to the insurance department release.

“The number put forth by the council generally revolves around improved loss experience by the insurer,” Selzer said. “As claim costs decrease, rates also decrease. Across different industries, there are different class codes that will find rates to be higher or lower than that 11.6 percent number, but this will contribute to a favorable environment for employees and for businesses.”

In the release, Michael Copeland, the state’s interim commerce secretary, said he expects the lower rates to allow companies to “invest more” and “create jobs.” The Florida-based council bills itself as a nonprofit workers’ compensation data and advisory organization and provides insurance rate recommendations

Read more here:

<http://www.kansas.com/news/business/article41060835.html#storylink=cpy>

# 2016 KMIT Operating Budget

## Proposed

	2013 Actual	2014 Actual	2015 Budget	2015 YE Est	2016 Proposed
<b>Revenues</b>					
Premium Payments [1] [3] [4]	4,853,835	5,460,509	5,640,000	5,390,000	5,320,000
Investment Income	71,861	120,862	225,000	122,000	125,000
Other	-	-	-	-	-
<b>Total Revenues</b>	<b>4,925,696</b>	<b>5,581,371</b>	<b>5,865,000</b>	<b>5,512,000</b>	<b>5,445,000</b>
<b>Administrative Expenses</b>					
<b>Operational</b>					
Meetings and Travel	19,334	15,956	20,000	20,000	20,000
Commissions to Independent Agents	102,695	97,169	100,000	100,000	100,000
Directors and Officers (E&O) Insurance	17,224	15,956	18,000	18,000	18,000
Miscellaneous Expense and Cancellation Expense	14,000	4,385	-	6,000	6,000
Other Marketing, Contingency, Outside Legal Expense, etc.	452	161	5,000	1,000	1,000
Bank Fees	7,528	4,447	8,000	8,000	8,000
Office Supplies, Web Services, etc.	5,545	4,960	5,000	5,000	5,000
<b>Operational Sub Total</b>	<b>166,778</b>	<b>143,034</b>	<b>156,000</b>	<b>158,000</b>	<b>158,000</b>
<b>Contractual</b>					
Pool Administrator Contract	75,600	81,900	90,000	96,000	100,000
Endorsement Fee--LKM	70,000	70,000	70,000	70,000	70,000
Risk Mgt, Administrative, and Claims Mgt Serv's (IMA/CORnerstone)	505,000	505,000	530,000	530,000	550,000
Payroll Audits	16,000	20,143	22,000	22,000	22,000
NCCI Membership and Rating Fee and Financial Audit	19,178	26,690	23,000	25,000	21,000
Actuarial Study	14,250	15,000	15,000	15,000	15,000
ARCPT+ 'Pilot Project'	-	9,671	-	-	-
POET Testing--Bardavon (formerly Job Analysis Testing)	-	-	19,000	4,000	5,000
Bardavon Network/Setup Services (formerly ARCPT+ Services)	-	-	10,000	36,000	25,000
<b>Contractual Sub Total</b>	<b>700,028</b>	<b>728,404</b>	<b>779,000</b>	<b>798,000</b>	<b>808,000</b>
<b>Regulatory</b>					
State Fees and Assessments (KID and KDOL)	112,979	400,099	163,000	249,000	250,000
<b>Regulatory Sub Total</b>	<b>112,979</b>	<b>400,099</b>	<b>163,000</b>	<b>249,000</b>	<b>250,000</b>
<b>Total Administrative Expenses</b>	<b>979,785</b>	<b>1,271,537</b>	<b>1,098,000</b>	<b>1,205,000</b>	<b>1,216,000</b>
<b>Excess Insurance Expense</b>	<b>395,840</b>	<b>429,976</b>	<b>480,000</b>	<b>480,000</b>	<b>480,000</b>
<b>AVAILABLE FOR CLAIMS</b>	<b>3,550,071</b>	<b>3,879,858</b>	<b>4,287,000</b>	<b>3,827,000</b>	<b>3,749,000</b>
	<b>2013 Actual</b>	<b>2014 Actual</b>	<b>2015 Budget</b>	<b>2015 YE Est</b>	<b>2016 Proposed</b>

	2013 Actual	2014 Actual	2015 Budget	2015 YE Est	2016 Proposed
<b>Administrative Expenses / Revenue [2]</b>	<b>19.9%</b>	<b>22.8%</b>	<b>18.7%</b>	<b>21.9%</b>	<b>22.3%</b>
Available for Claims / Revenue	72.1%	69.5%	73.1%	69.4%	68.9%
Administrative + Excess Insurance / Revenue	27.9%	30.5%	26.9%	30.6%	31.1%

[1] Final premium is determined via the annual financial audit. FY 2015 will be audited in early 2016, therefore 2015 Est YE is pre-audit.

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

[3] Projected audit difference for 2015 premium is -\$250,000. Unaudited 2015 premium is \$5,640,000.

[4] 2016 premium is the actual estimated, as billed in early December, 2015.

# Extra Effort Awards

		2013	2014	2015	2016	2017	2018	2019
Criteria		under 500 pop. Gold	Gold 2005-2014	Avg Mod .85< for 10 Yr	?	?	under 500 pop. Gold	Gold 2010-2019
Cities	1	Glasco	Abilene	Andover				
	2	Florence	Atchison	Baldwin City				
	3	Lucas	Augusta	Concordia				
	4	Melvorn	Bonner Springs	De Soto				
	5	Ransom	Cheney	Ellsworth				
	6	Palco	De Soto	Hays				
	7	Ford	Fort Scott	Minneapolis				
	8	Tipton	Fredonia	Wellington				
	9		Glasco					
	10		Goodland					
	11		Great Bend					
	12		Halstead					
	13		Haysville					
	14		Hiawatha					
	15		Hillsboro					
	16		Independence					
	17		Kingman					
	18		Lucas					
	19		Minneapolis					
	20		Newton					
	21		Oswego					
	22		Peabody					
	23		Sedgwick					
	24		Tipton					
	25		Wellington					

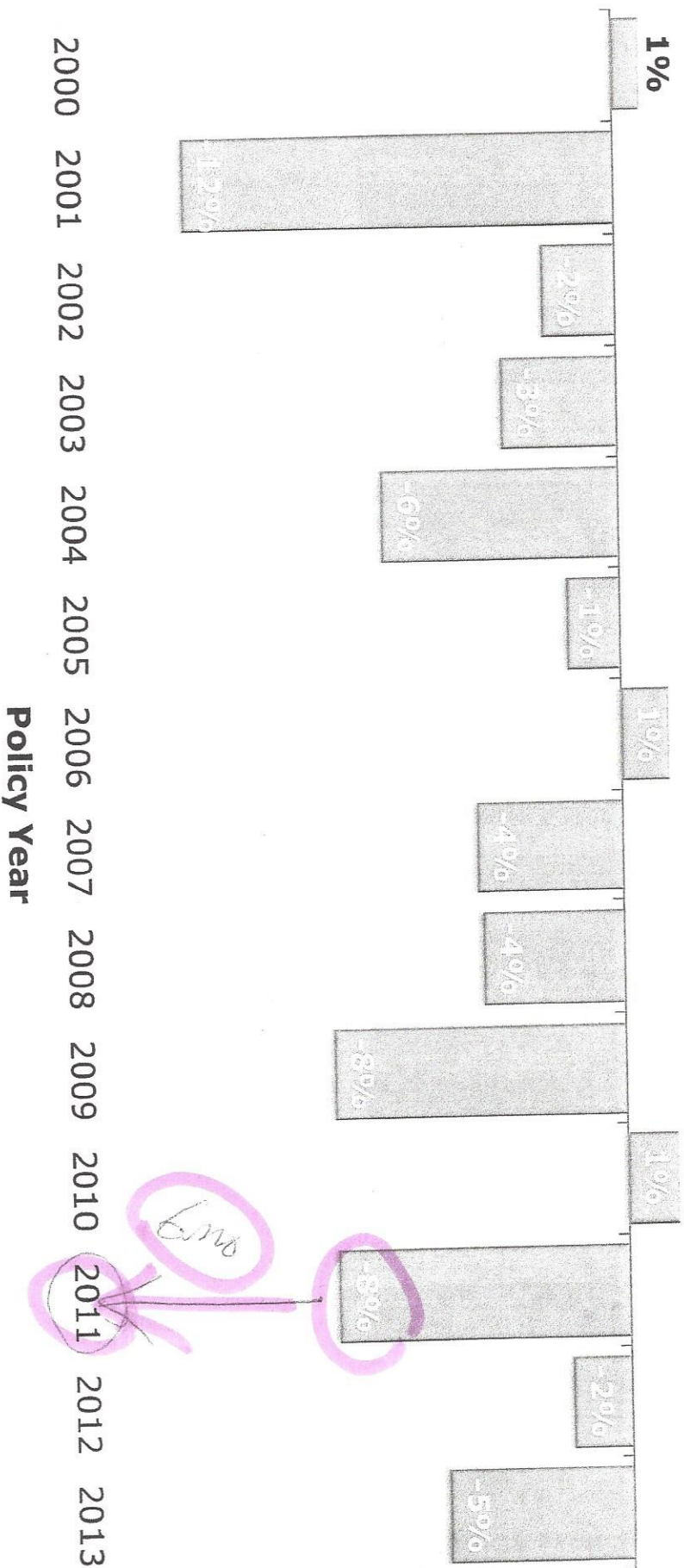
2-time winners

# Kansas Workers Compensation Lost-Time Claim Frequency

Lost-Time Claims

Percent  
Change

Cumulative Change of -41.7%  
(1999-2013)



Based on data through 12/31/2014, developed to ultimate

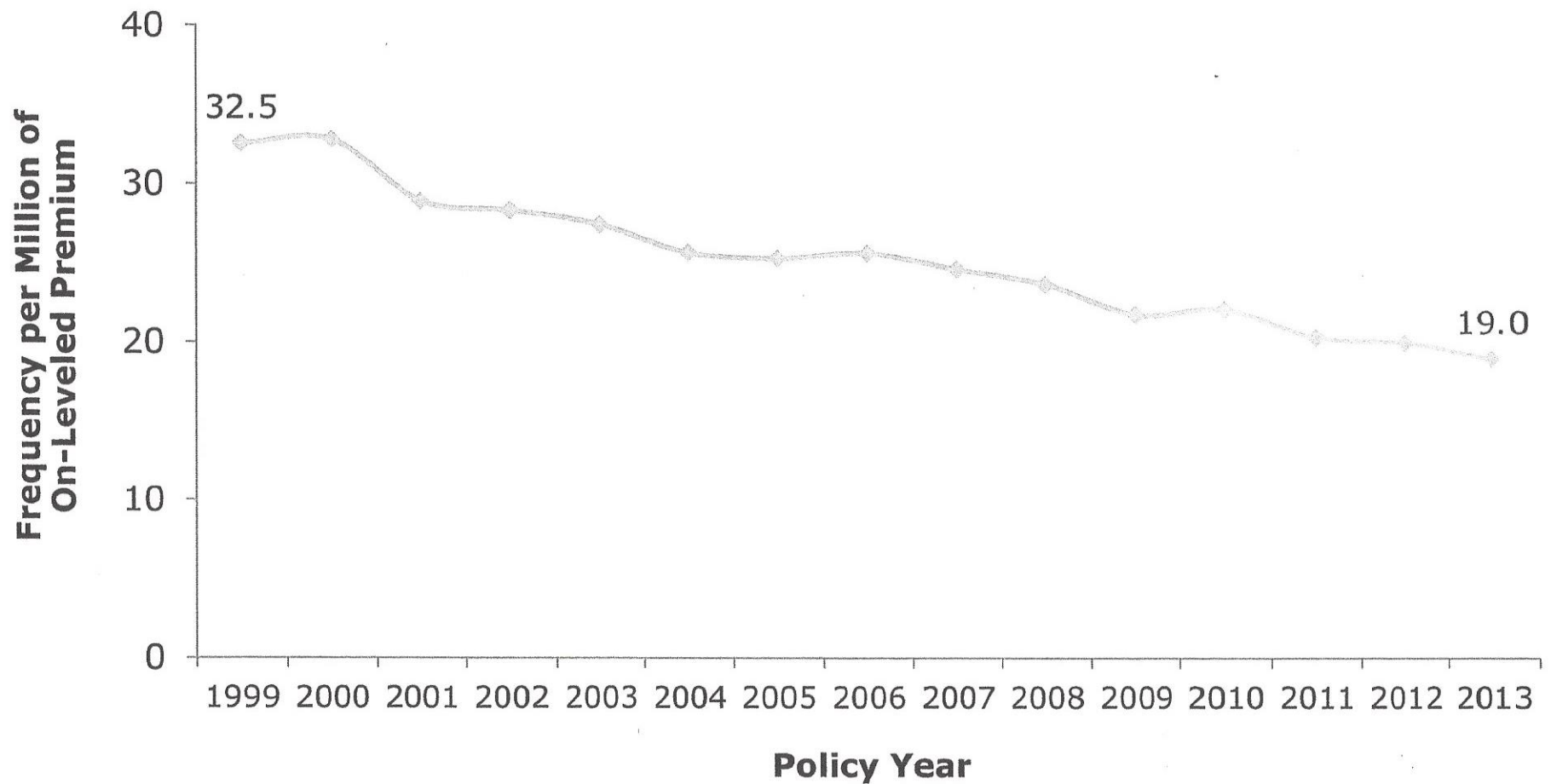
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NCCI  
Survivor  
10/27/15

# Kansas Claim Frequency

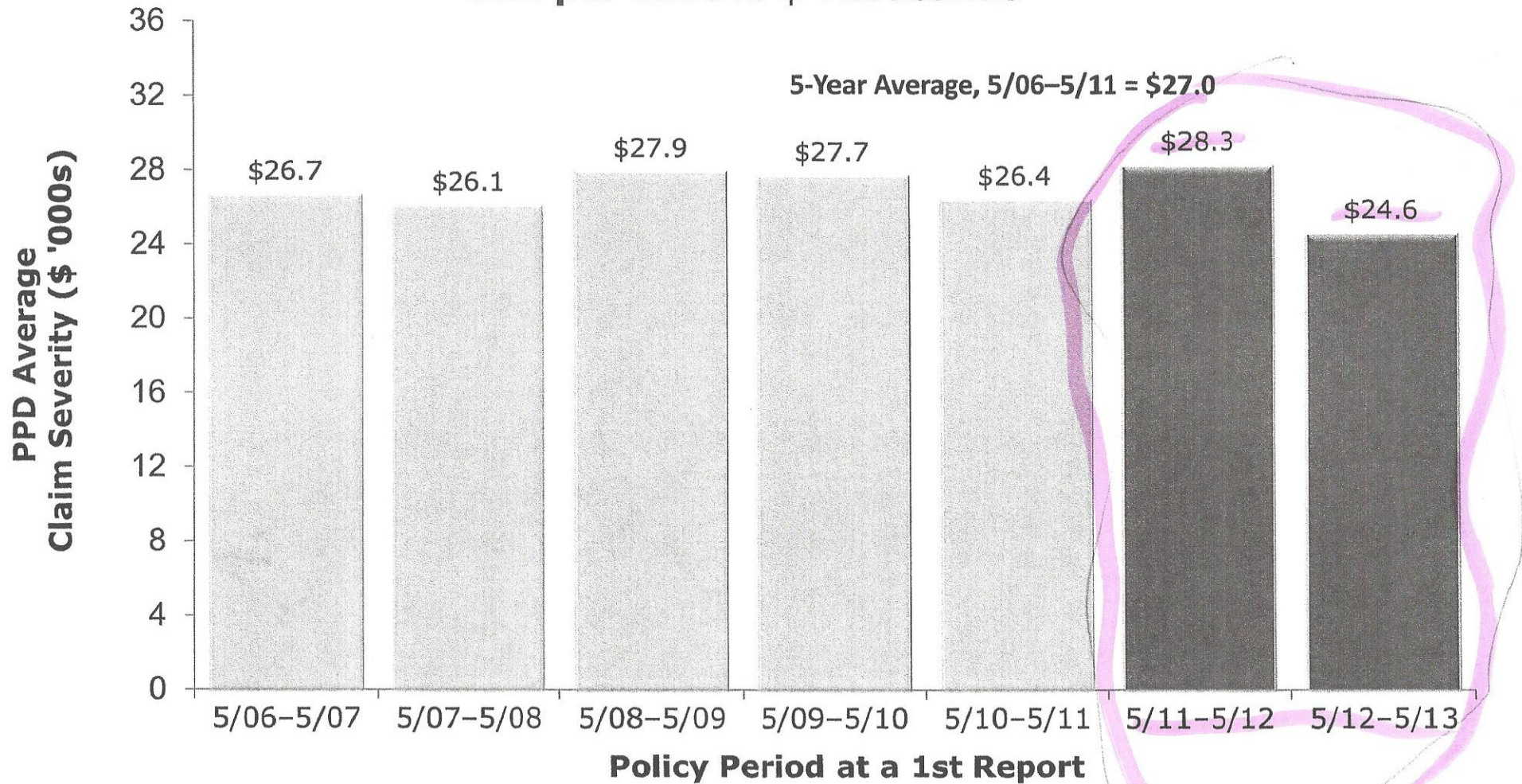


Based on NCCI's financial data  
Frequency of lost-time claims adjusted to a common wage level



# Kansas Permanent Partial (PPD) Medical Average Cost per Case

Cost per Case in \$ Thousands

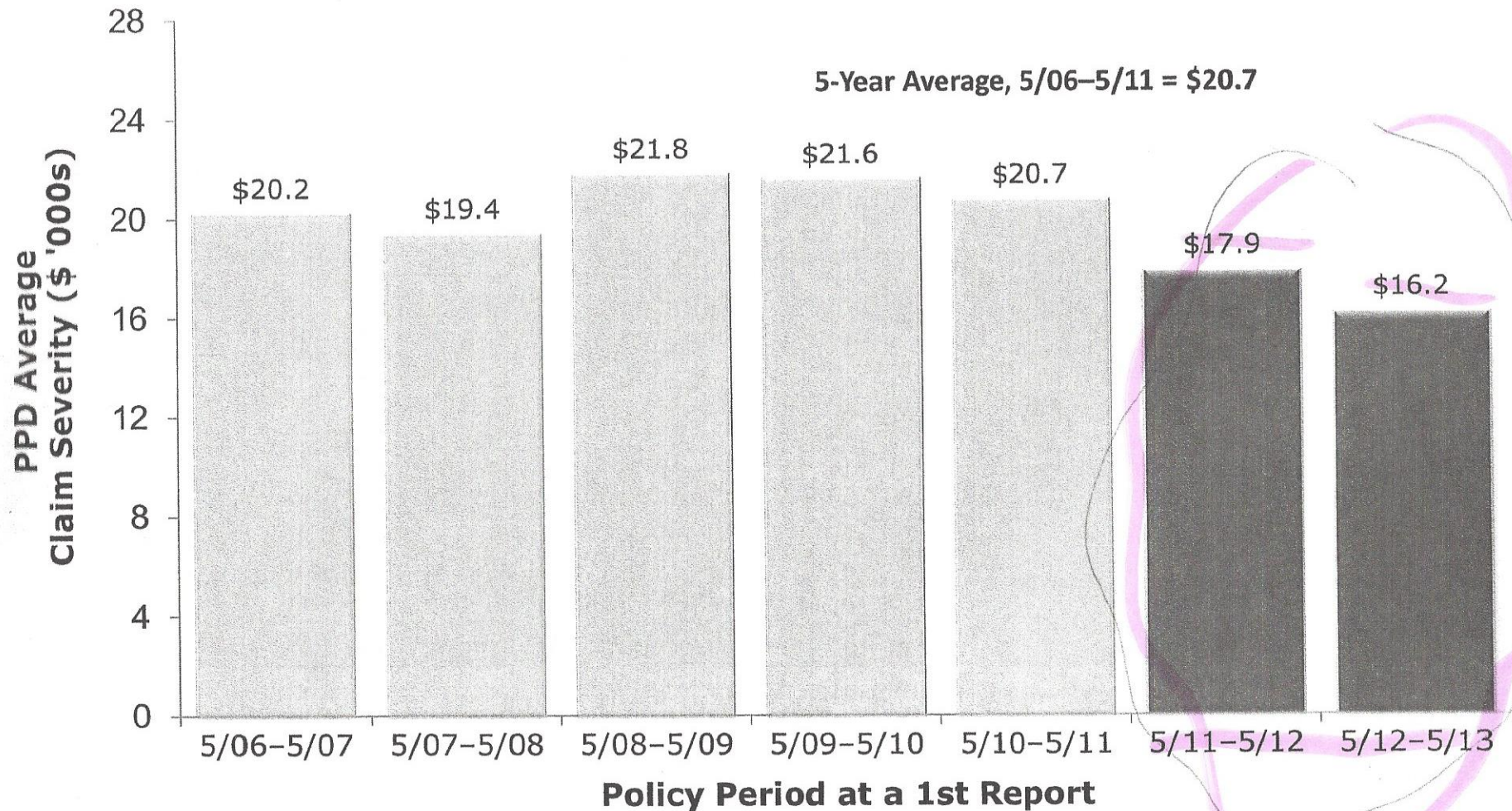


Based on NCCI's *Statistical Plan* data, undeveloped 1st report losses, adjusted to current wage level.



# Kansas Permanent Partial (PPD) Indemnity Average Cost per Case

Cost per Case in \$ Thousands



Based on NCCI's *Statistical Plan* data, undeveloped 1st report losses, adjusted to current wage level.

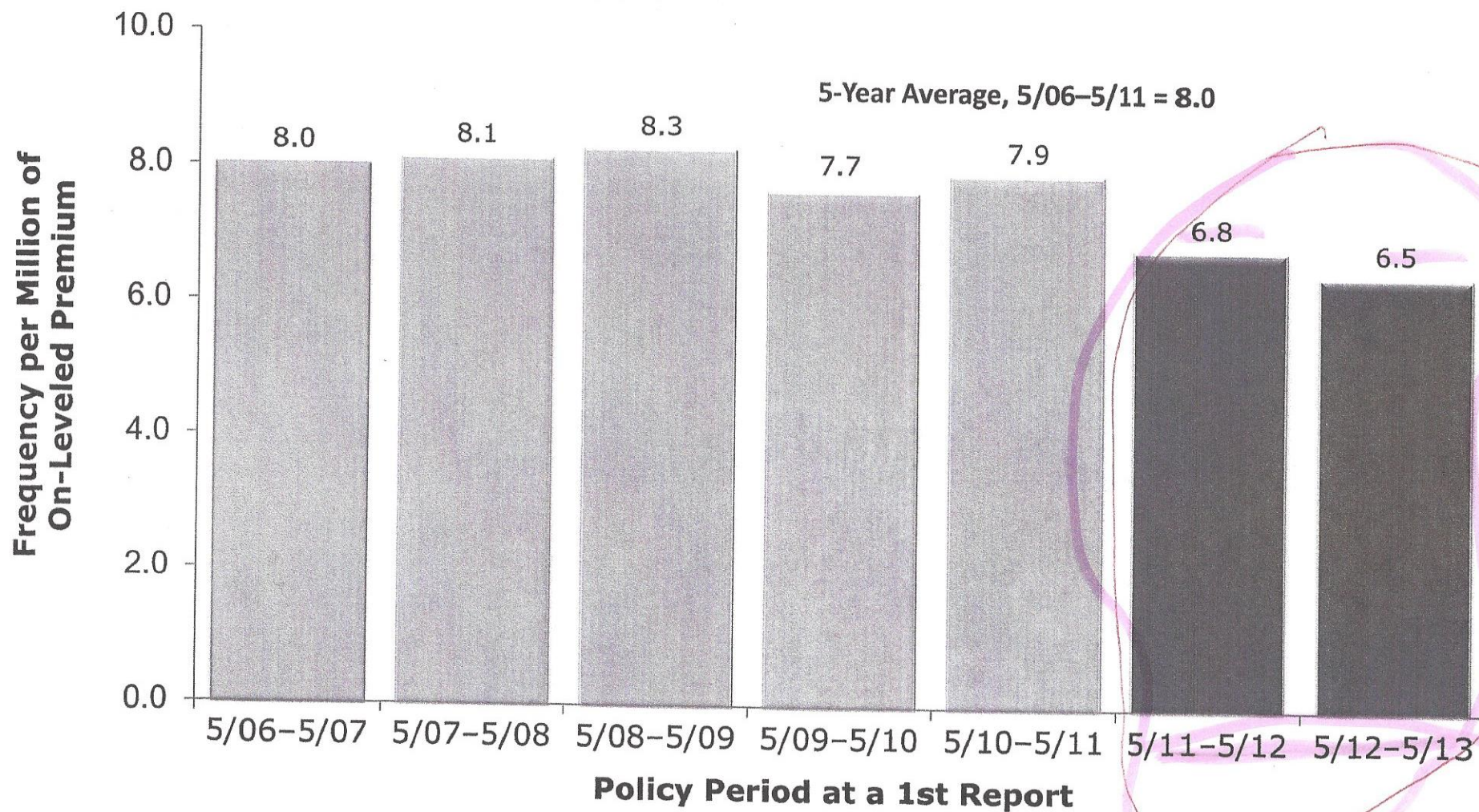
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# Kansas Permanent Partial (PPD) Claim Frequency per Premium



Based on NCCI's **Statistical Plan** data, undeveloped 1st report cases, and payroll adjusted to current wage level  
Payroll converted to premium using the current Kansas classification loss costs



# 2015 Workers Compensation Judicial Activity in Kansas

As of September 29, 2015

Case Court	Workers Compensation Topic	Summary
<i>Kansas Building Industry Workers' Compensation Fund v. State of Kansas</i> <b>(Kansas Supreme Court Decision)</b>	Standing	The Kansas Workers' Compensation Fund has standing to pursue a lawsuit against the State of Kansas and Kansas Director of Accounts and Reports alleging \$2 million swept from Fund by the State General Fund pursuant to enacted 2009 House Bill 2373 was an invalid exercise of the State's police power and an unconstitutional exercise of taxing authority.
<i>Hoesli v. Triplett</i> <b>(Pending with Kansas Supreme Court, oral arguments took place on 9/17/15)</b>	Benefits—Offset	Kansas Supreme Court is currently reviewing the 3/28/14 Kansas Court of Appeals' decision holding Social Security benefits do not offset workers compensation award.

*Sweep Case*

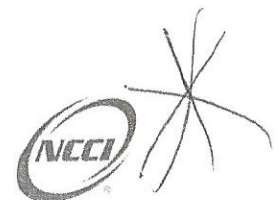




# 2015 Workers Compensation Judicial Activity in Kansas

As of September 29, 2015

Case Court	Workers Compensation Topic	Summary
<i>Moore v. Venture Corporation</i> <b>(Kansas Court of Appeals Decision)</b>	Compensability	Equipment operator's knee injury from stepping down and walking around a backhoe was part of a single job task of operating the backhoe, as opposed to a normal activity of day-to-day living, and was thus compensable.
<i>Ballard v. Dondlinger &amp; Sons Construction</i> <b>(Kansas Court of Appeals Decision)</b>	Benefits—Credit	Employer's credit for claimant's 25% pre-existing functional impairment was based on <b>reducing the PTD award</b> by 25% (award equaling \$93,750), not by reducing percentage of work disability by 25% impairment (award equaling \$68,457.45).



# 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						
1	Ron Pickman	Goodland	City Manager	N/A	Oct-98	Oct-00	Oct-02			Aug-98
1	Cheryl Beatty	Eudora [3]	City Manager	N/A	Oct-04	Oct-06	Oct-08			Oct-04
1	Herb Llewellyn	El Dorado	City Manager	Jun-09	Oct-09 [1]	Oct-10	Oct-12			Apr-09
1	<b>David Dillner</b>	<b>Abilene</b>	<b>City Manager</b>	<b>N/A</b>	<b>Oct-14</b>	<b>Oct-16</b>	<b>Oct-18</b>		Oct-20	Oct-14
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	<b>Randy Frazer</b>	<b>Moundridge</b>	<b>City Adm/City Clerk</b>	<b>May-14</b>	<b>Oct-14 [1]</b>	<b>Oct-15</b>	<b>Oct-17</b>	<b>Oct-19</b>	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	<b>Tim Hardy</b>	<b>Elkhart</b>	<b>City Administrator</b>	<b>Jun-12</b>	<b>Oct-12</b>	<b>Oct-14</b>	<b>Oct-16</b>		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					May-15
4	<b>Janie Cox</b>	<b>Haysville</b>	<b>City Clerk</b>	<b>N/A</b>	<b>Oct-15</b>	<b>Oct-17</b>	<b>Oct-19</b>		Oct-21	
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	<b>Debbie Price</b>	<b>Marysville</b>	<b>City Clerk</b>	<b>Apr-11</b>	<b>Oct-11</b>	<b>Oct-13</b>	<b>Oct-15</b>		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	<b>Nathan McCommon</b>	<b>Tonganoxie</b>	<b>City Administrator</b>	<b>N/A</b>	<b>Oct-14</b>	<b>Oct-16</b>	<b>Oct-18</b>		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	<b>Kerry Rozman</b>	<b>Clay Center</b>	<b>City Clerk</b>	<b>N/A</b>	<b>Oct-14</b>	<b>Oct-16</b>	<b>Oct-18</b>		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	<b>Keith Schlaegel</b>	<b>Stockton</b>	<b>City Manager</b>	<b>N/A</b>	<b>Oct-11 [1]</b>	<b>Oct-12</b>	<b>Oct-14</b>	<b>Oct-16</b>	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	<b>Ty Lasher</b>	<b>Bel Aire</b>	<b>City Manager</b>	<b>N/A</b>	<b>Oct-14 [1]</b>	<b>Oct-15</b>	<b>Oct-17</b>	<b>Oct-19</b>	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	<b>Jay Byers</b>	<b>Pittsburg</b>	<b>Assist. City Mgr.</b>	<b>Mar-15</b>	<b>Oct-15</b>	<b>Oct-17</b>	<b>Oct-19</b>		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					Apr-15
11	<b>Michael Reagel</b>	<b>Garden City</b>	<b>Police Captain</b>	<b>May-15</b>	<b>Oct-15</b>	<b>Oct-17</b>	<b>Oct-19</b>		Oct-21	

[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

# KMIT Trustees 2016 Meeting Schedule

Late Feb/Early Mar (exact date TBD)	Abilene
Late Apr/Early May (exact date TBD)	Clay Center
Friday, June 24	Tonganoxie
Friday, August 26	Garden City
Sunday, October 9 (at LKM)	Overland Park
<i>Friday, December 16</i>	<i>IMA (Wichita)</i> <small>still tentative</small>



## AGREEMENT FOR SERVICES

This Agreement for Services ("Agreement") is made and entered into as of the 1<sup>st</sup> day of December, 2015, by and among Kansas Municipal Insurance Trust, having offices at 3024 SW Wanamaker Road, Suite 203, Topeka, Kansas, 66614, for itself and on behalf of its Named Insureds, if any, hereinafter collectively referred to as "KMIT", and CORnerstone Risk Solutions, LLC hereinafter referred to as "CRS".

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

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

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

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

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

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

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

2. Term. This Agreement shall have a Term of one year, which shall become effective 12:01 AM, January 1, 2016 and shall expire and terminate 12:00 AM, January 1, 2017. Upon expiration of the Term of this Agreement, no further Services will be provided by CRS to KMIT. In the event of expiration of this Agreement, KMIT will be responsible for all outstanding service fees.

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

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

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

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



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

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

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

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

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

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

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

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

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

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

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

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

“KMIT”

Kansas Municipal Insurance Trust

By: Don Osenbaugh  
Don Osenbaugh  
Pool Administrator

“CRS”

CORnerstone Risk Solutions, LLC

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



## **Schedule A – Services**

### **Risk Control**

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

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

### **Insurance Placement**

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

#### **Excess Workers Compensation**

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

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

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

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

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

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

### **Risk Management and Administrative**

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

### **Claims Management**

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



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

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

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

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

## **Schedule B – Compensation for Services**

1. The fees below are deemed fully earned upon execution of this Agreement and KMIT agrees that such Fee is separate from, and in addition to, commissions for insurance coverage placement, if any.  
KMIT shall pay a fee ("Fee") to CRS as compensation for the Services provided under this Agreement, for the annual period described above, in the sum and amount of **\$550,000**. The Fee shall be due and payable in monthly installments commencing January 1, 2016 in 10 equal installments of **\$55,000** each. Conditional underwriting visits and supervisor training sessions will be billed, when Service is requested by KMIT, at \$500 per visit.
2. Payment of all invoices submitted to KMIT will be made pursuant to the invoice due date. In the event KMIT does not remit timely payment, CRS reserves the right to terminate this Agreement, in writing, without notice, and all further obligations of CRS under this Agreement are terminated and void.
3. It is understood that other benefit management or insurance services may be undertaken by CRS from time to time by mutual agreement of the parties. The parties agree to amend this Agreement as necessary to describe the additional services and compensation payable to IMA for such services.

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:

Tim Hardy, KMIT President (Oct 2015 - Oct 2016)  
433 Morton  
Elkhart, Kansas 67950  
Phone: (620) 697-2171

 11-16-15



KMIT Risk Control

2015 Year to Date

**Comparison by Year**

Year	Severity	Frequency
2010	\$3,834,224.00	666
2011	\$2,850,851.00	633
2012	\$2,054,998.00	594
2013	\$1,826,888.00	696
2014	\$3,066,086.00	742
2015	\$1,700,889.00	658

**2015 by Dept.**

Department	Severity	Frequency
Police	\$533,659.00	172
Sanitation	\$334,649.00	25
Water	\$199,632.00	76
Fire	\$164,703.00	67
Electric	\$143,534.00	31
Street	\$101,690.00	67
Park	\$81,664.00	75
Maintenance	\$74,709.00	62
Public Works	\$15,106.00	11
Zoo	\$14,100.00	4
Administration	\$11,653.00	23
Animal Control/Shelter	\$10,291.00	13
Emergency	\$4,962.00	9
Municipality	\$4,227.00	3
Cemetery	\$2,202.00	5
Solid Waste	\$1,308.00	7
Airport	\$1,300.00	1
Solomon Valley Family		
Medicine	\$1,034.00	1
Recycling	\$464.00	5
Miscellaneous	\$2.00	1

**2015 Total**                      **\$1,700,889.00**                      **658**

**2015 by Month**

Month	Severity	Frequency
January	\$92,848.00	51
February	\$47,885.00	48
March	\$96,218.00	50
April	\$322,834.00	53
May	\$53,652.00	59
June	\$100,967.00	72
July	\$99,854.00	75
August	\$539,287.00	78
September	\$170,177.00	48
October	\$112,467.00	69
November	\$63,200.00	53
December	\$1,500.00	2
<b>2015 Total</b>	<b>\$1,700,889.00</b>	<b>658</b>

**2015 by Accident Type**

Accident Type	Severity	Frequency
Caught in or Between	\$371,789.00	22
Fall or Slip Injury	\$322,773.00	121
Strain or Injury By	\$314,634.00	121
Struck or Injured By	\$249,736.00	74
Occupational Hazards:		
Rep. Motion	\$99,081.00	32
Miscellaneous Causes	\$70,000.00	2
Motor Vehicle	\$63,250.00	27
Step/Strike Against	\$58,210.00	28
Animal/Insect	\$53,211.00	49
Cut/Puncture/Scrape By	\$36,868.00	65
Occupational Hazards	\$29,754.00	70
Foreign Body in Eye	\$11,484.00	18
Electric Shock or Burn	\$8,997.00	4
Cut/Puncture/Scrape	\$5,006.00	6
Struck or Injured	\$4,829.00	9
Heat/Cold/Burn/Scald	\$1,267.00	10

**2015 Total**                      **\$1,700,889.00**                      **658**

## 2015 Claims Over \$10,000 to Date

Date of Loss	City Name	Department	Accident Type	Cost
17-Aug-15	CITY OF AUGUSTA	Sanitation	Caught in or Between	\$310,000.00
07-Apr-15	CITY OF GIRARD	Electric	Fall or Slip Injury	\$77,500.00
18-Apr-15	CITY OF HAYS	Police	Struck or Injured By	\$74,500.00
15-Sep-15	CITY OF PAOLA	Water	Miscellaneous Causes	\$70,000.00
23-Jul-15	CITY OF HORTON	Street	Fall or Slip Injury	\$51,500.00
05-Apr-15	CITY OF NEODESHA	Fire	Caught in or Between	\$51,500.00
09-Jun-15	CITY OF GARDEN CITY	Police	Strain or Injury By	\$48,500.00
15-Aug-15	CITY OF GALENA	Police	Strain or Injury By	\$46,500.00
30-Apr-15	CITY OF HAYSVILLE	Police	Struck or Injured By	\$41,200.00
27-Jan-15	CITY OF VALLEY CENTER	Water	Motor Vehicle	\$41,067.00
28-Aug-15	CITY OF EASTBOROUGH	Police	Occupational Hazards: Rep. Motion	\$40,000.00
30-Mar-15	CITY OF PARSONS	Police	Struck or Injured By	\$31,500.00
01-Aug-15	CITY OF EUDORA	Police	Strain or Injury By	\$31,200.00
09-Sep-15	CITY OF GARDEN CITY	Fire	Strain or Injury By	\$29,000.00
20-Oct-15	CITY OF PITTSBURG	Police	Struck or Injured By	\$29,000.00
25-Mar-15	CITY OF ELLSWORTH	Fire	Fall or Slip Injury	\$28,230.00
30-Jul-15	CITY OF INDEPENDENCE	Street	Fall or Slip Injury	\$26,200.00
17-Oct-15	CITY OF BALDWIN CITY	Police	Step/Strike Against	\$20,750.00
24-Jan-15	CITY OF GALENA	Police	Struck or Injured By	\$19,500.00
18-Aug-15	CITY OF FORT SCOTT	Maintenance	Step/Strike Against	\$19,000.00
04-Nov-15	CITY OF HORTON	Police	Occupational Hazards: Rep. Motion	\$17,750.00
29-Nov-15	CITY OF HERINGTON	Electric	Fall or Slip Injury	\$16,850.00
22-Apr-15	CITY OF BONNER SPRINGS	Water	Strain or Injury By	\$16,076.00
19-Apr-15	CITY OF GARDEN CITY	Police	Fall or Slip Injury	\$15,490.00
24-Feb-15	CITY OF CLEARWATER	Maintenance	Fall or Slip Injury	\$14,213.00
29-Mar-15	CITY OF INDEPENDENCE	Water	Strain or Injury By	\$14,150.00
20-Aug-15	CITY OF MEDICINE LODGE	Park	Struck or Injured By	\$13,250.00
19-Sep-15	CITY OF GREAT BEND	Fire	Strain or Injury By	\$13,000.00
26-May-15	CITY OF FREDONIA	Police	Fall or Slip Injury	\$12,990.00
06-Sep-15	CITY OF GARDEN CITY	Zoo	Animal/Insect	\$12,500.00
23-Jun-15	CITY OF GALENA	Sanitation	Strain or Injury By	\$11,032.00
17-Apr-15	CITY OF COLUMBUS	Street	Occupational Hazards: Rep. Motion	\$11,000.00
01-Aug-15	CITY OF AUGUSTA	Police	Animal/Insect	\$10,500.00

**Kansas Municipal Insurance Trust**  
**Coverage Renewal: Trustees E&O Insurance for Self Insured Funds**  
**Coverage Comparison**

					2016 Policy Quote
Terms	2011 Policy	2012 Policy	2014 Policy	2015 Policy	\$10K Deductible
<b>Policy Term:</b>	<b>9/10/11-12</b>	<b>9/10/12-1/1/14</b>	<b>1/1/14-15</b>	<b>1/1/15-16</b>	<b>1/1/16-17</b>
<b>Coverage:</b>	Trustees E&O for Self Insured Funds	Trustees E&O for Self Insured Funds	Trustees E&O for Self Insured Funds	Trustees E&O for Self Insured Funds	Trustees E&O for Self Insured Funds
<b>Carrier:</b>	Lloyd's of London	Lloyd's of London	Lloyd's of London	Lloyd's of London	Lloyd's of London
<b>Policy Form:</b>	Claims Made	Claims Made	Claims Made	Claims Made	Claims Made
<b>Retroactive Date:</b>	9/10/2004	9/10/2004	9/10/2004	9/10/2004	9/10/2004
<b>Limits of Liability:</b>					
<b>Per Claim</b>	\$3,000,000	\$3,000,000	\$3,000,000	\$3,000,000	\$3,000,000
<b>Aggregate</b>	\$3,000,000	\$3,000,000	\$3,000,000	\$3,000,000	\$3,000,000
<b>Deductible:</b>					
<b>Per Claim</b>	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000
<b>Aggregate</b>	\$40,000	\$40,000	\$40,000	\$40,000	\$40,000
<b>Premium:</b>	\$14,553.00	\$19,032.00	\$14,553.00	\$14,780.00	\$15,066.00
<b>TRIA/ Terrorism:</b>	Declined	Declined	Declined	Declined	Declined
<b>Fees:</b>	\$500.00	\$500.00	\$500.00	\$0.00	\$0.00
<b>Surplus Lines Tax:</b>	\$903.18	\$1,171.92	\$903.18	\$886.80	\$903.96
<b>Total:</b>	<b>\$15,956.18</b>	<b>\$20,703.92</b>	<b>\$15,956.18</b>	<b>\$15,666.80</b>	<b>\$15,969.96</b>
					<b>1.94%</b>

# Kansas Municipal Insurance Trust

Renewal: 2016 Policy Year

Excess Workers' Compensation: Quote Comparison

						SNCC Quote
Terms	2011	2012	2013	2014	2015	2016
<b>1 SIR\Loss Limitation</b>	<b>\$750,000</b>	<b>\$750,000</b>	<b>\$750,000</b>	<b>\$750,000</b>	<b>\$750,000</b>	<b>\$750,000</b>
<b>2 Excess Carrier</b>	Safety National	Safety National	Safety National	Safety National	Safety National	Safety National
<b>3 Specific Excess Limit</b>	Statutory	Statutory	Statutory	Statutory	Statutory	Statutory
<b>4 Employers Liability Limit</b>	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000
<b>5 Estimated Annual Payroll</b>	\$165,589,773	\$161,141,204	\$162,969,573	\$183,457,567	\$198,471,155	\$207,045,277
<b>6 Term Fund Premium</b>	\$5,374,282	\$4,657,055	\$4,701,976	\$5,648,515	\$5,369,916	\$5,300,283
<b>7 Deposit Premium</b>	<b>\$362,642</b>	<b>\$352,899</b>	<b>\$374,830</b>	<b>\$421,952</b>	<b>\$479,308</b>	<b>\$474,962</b>
<b>8 Term Minimum Premium</b>	\$344,510	\$335,254	\$356,089	\$400,854	\$455,343	\$451,214
<b>9 Premium Rate (per \$100 Payroll)</b>	\$0.2190	\$0.2190	\$0.2300	\$0.2300	\$0.2415	\$0.2294
<b>10 <i>percentage change</i></b>	0.00%	0.00%	5.02%	0.00%	5.00%	-5.01%
<b>11 Percent of Fund Premium</b>	6.75%	7.58%	7.97%	7.47%	8.93%	8.96%
<b>12 Corridor Retention</b>	None	None	None	None	None	None
<b>13 Estimated Loss Fund/Aggregate</b>	<b>\$5,842,007</b>	<b>\$5,672,170</b>	<b>\$5,736,529</b>	<b>\$6,457,706</b>	<b>\$6,986,185</b>	<b>\$7,287,994</b>
<b>14 Percent of Fund Premium</b>	109%	122%	122%	114%	130%	138%
<b>15 Minimum Term Loss Fund/Agg.</b>	\$5,549,907	\$5,388,562	\$5,449,703	\$6,134,821	\$6,636,876	\$6,923,594
<b>16 Loss Fund Per \$100 of Payroll</b>	\$3.528	\$3.520	\$3.520	\$3.520	\$3.520	\$3.520
<b>17 Aggregate Excess Limit</b>	\$3,000,000	\$3,000,000	\$3,000,000	\$3,000,000	\$3,000,000	\$3,000,000
<b>18 Aggregate Loss Limit</b>	SIR	SIR	SIR	SIR	SIR	SIR
<b>19 Commission %</b>	0%	0%	0%	0%	0%	0%
<b>20 AM Best Rating</b>	A X	A X	A X	A X	A+ XII	A+ XII

Notes: Potential differences in coverage and underwriting criteria not compared herein.