



# Board of Trustees

## Board Meeting August 26, 2016 Garden City, Kansas

City Administration Building

301 N. 8th St.

9:00 AM

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

**9:00 AM, Friday, August 26, 2016**

**City Administration Building\*, Garden City, KS**

1. Welcome, Introductions and Call To Order (President Tim Hardy)
2. Trustee Absences from Meeting (Hardy)
3. Minutes, June 24, 2016—Tonganoxie (Hardy)
4. Financial Reports (Kifer/Osenbaugh)
  - a. June 30, 2016 Financials
  - b. July 31, 2016 Financials
  - c. Second Quarter 2016 KID Report
  - d. July 31, 2016 Cash/Investments Summary
5. Reserve Advisory & Settlement Authority (Miller)
6. Loss Control Activities (Rhodes)
7. 'LCM' (Rate) Review/2017 Rate Determination (P. Davis/Osenbaugh)
8. CORnerstone (IMA) Contract Renewal, for 2017 (P. Davis)
9. KMIT/LKM Contract (Osenbaugh)
10. Nomination Committee Report (Frazer)
11. Nathan McCommon Resignation (Hardy)
12. Other Business
13. Adjourn (approximately noon)

Lunch.

\*301 N. 8th

# KANSAS MUNICIPAL INSURANCE TRUST

## Board of Trustees Minutes from June 24, 2016

*Unapproved*

**Meeting Convened:** Friday, June 24, 2016 at Village Park, Tonganoxie, KS. The meeting was called to order by KMIT President Tim Hardy at 9:03 AM. Tonganoxie Mayor Jason K. Ward welcomed the group to his city.

**Members Present:** *Board Members Present:* President Hardy (Elkhart), Treasurer Randy Frazer (Moundridge), Immediate Past President Keith Schlaegel (Stockton), David Dillner (Abilene), Kerry Rozman, Ty Lasher (Bel Aire), Nathan McCommon (Tonganoxie), and Carey Steirer (Pittsburg). *Staff:* Paul Davis (IMA), Jess Cornejo (IMA), Gene Miller (IMA), Deanna Furman (IMA), Barbie Kifer (IMA), Amanda Chamberland (IMA), Chris Retter (IMA) and Don Osenbaugh (KMIT Pool Administrator). *Guest:* Skyler Fairchild (Summers, Spencer and Co.).

**Members Absent From Meeting:** Vice President Debbie Price (Marysville), Janie Cox (Haysville), and Michael Reagle (Garden City).

**Minutes: April 29, 2016, Abilene:** Motion to approve as written by Dillner; seconded by Rozman. Approved unanimously.

### **Financial Reports:**

- a. April 30, 2016 Financials
- b. May 31, 2016 Financials
- c. Fourth Quarter 2015 KID Report, Amended
- d. First Quarter 2016 KID Report
- e. May 31, 2016 Cash and Investment Summary

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

**2016 Milliman Actuary Report:** Cornejo reviewed the report and led the discussion. Motion to receive and file by Dillner, seconded by Frazer. Motion unanimously approved.

**2014/2015 Summers, Spencer and Co. Financial Audit:** Presented by Skyler Fairchild of SS&C (on behalf of KMIT's primary auditor, Stuart Bach [SS&C]). Fairchild reviewed the report, and noted no major issues of any kind. Motion to receive and file by Rozman, seconded by Dillner. Motion approved unanimously.

### **Reserve Advisory and Settlement Authority:**

Miller reported on the following claims:

1. Claim #2013046988 (Haysville). Settlement authority approved up to an amount of \$22,444.03, upon a motion by Frazer; second by Dillner. Unanimous.
2. Claim #2012042862 (Girard). Settlement authority approved up to an amount of \$26,145.47, upon a motion by Dillner; second by Lasher. Unanimous.
3. Claim #2014069540 (Bonner Springs). Reserve increase advisory only.
4. Claim #2014069973 (Fredonia). Reserve increase advisory only.
5. Claim #2015071269 (Garden City). Reserve increase advisory only.
6. Claim #2016073932 (Peabody). Reserve increase advisory only.

7. Claim #2015070906 (Independence). Reserve increase advisory only.
8. Claim #2016073580 (Newton). Reserve increase advisory only.

**Loss Control Report:** Retter reported that the annual assessments are "96-98% complete", and also briefly reviewed the monthly reports.

**Formal Appointment of 2016 Nominating Committee:** President Hardy (by policy) appointed Treasurer Frazer as chair. He also appointed Lasher and Dillner to round out the committee, which will also serve as a Standing Committee until June 2017.

**The KMIT Brand:** Osenbaugh gave a presentation concerning the ongoing need to keep the KMIT brand, both in terms of what KMIT stands for and in terms of the visual brand, foremost, as we move into the future, and overviewed some of the steps being taken to enhance the brand and to meet those branding goals.

**KMIT/LKM Contract:** Osenbaugh suggested some ideas, and led a discussion about what the next contract with the League might look like. Osenbaugh will meet with LKM E.D. Erik Sartorius between now and the next board meeting, and, hopefully, bring back a draft. The current contract expires on 12/31/17. Key elements of the next contract are expected to include: an endorsement fee to be paid to LKM by KMIT; KMIT's major sponsorship of the LKM annual conference; specific fees for detailed miscellaneous League services and products; and, a term not to exceed three years. Osenbaugh's recommendation, and the general consensus of the Board, is that the overall contract amount, now \$70,000, will become significantly lower.

**Other Business:** Osenbaugh gave an update on the 'Sweeps' lawsuit, and also reviewed the annual (third year) June 'Mod Alert' Project, in which KMIT staff identifies those cities who may see a substantial increase in their mod for next year, so that those cities can budget accordingly. Osenbaugh made 25 phone calls to cities which were identified by staff as likely to see a 10% or greater increase in their 2017 mods, and, thus, an approximate similar increase in their premium.

**Adjournment:** Motion to adjourn by Dillner; second by Rozman. Unanimous. Adjourned at 12:20 PM.

# KANSAS MUNICIPAL INSURANCE TRUST

## Board of Trustees Minutes from April 29, 2016

*Approved in Tonganoxie on June 24, 2016*

**Meeting Convened:** Friday, April 29, 2016 at the CTI John Deere, Clay Center, KS. The meeting was called to order by KMIT President Tim Hardy at 9:00 AM (CDT). CTI owner/manager Harvey Adams was introduced, and Clay Center Mayor Jim Thatcher welcomed the group to his city.

**Members Present:** *Board Members Present:* President Hardy (Elkhart), Immediate Past President Keith Schlaegel (Stockton), David Dillner (Abilene), Kerry Rozman (Clay Center), Janie Cox (Haysville), Ty Lasher (Bel Aire), Carey Steirer (Pittsburg) and Michael Reagle (Garden City). *Staff:* Paul Davis (IMA), Jess Cornejo (IMA), Jaci Davis (IMA), Gene Miller (IMA), Deanna Furman (IMA), Barbie Kifer (IMA), Amanda Chamberland (IMA), Renee Rhodes (IMA) and Don Osenbaugh (KMIT Pool Administrator). *Guest:* Greg Nelson (Commerce Bank).

**Members Absences From Meeting:** Vice President Debbie Price (Marysville) and Treasurer Randy Frazer (Moundridge).

**Minutes: March 3, 2016, Abilene:** Motion to approve as written by Dillner; seconded by Rozman. Approved unanimously.

### **Financial Reports:**

- a. February 28, 2016 Financials
- b. March 31, 2016 Financials
- c. March 31, 2016 Cash and Investment Summary

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

### **Reserve Advisory and Settlement Authority:**

Miller reported on the following claims:

1. Claim #2015071709 (Eudora). Settlement in the amount of \$12,224.23 previously approved by Pool Administrator.
2. Claim #2015070812 (Girard). Settlement in the amount of \$18,711 previously approved by Administrator.
3. Claim #2015070895 (Hays). Settlement in the amount of \$14,571.41 previously approved by Administrator.
4. Claim #2014069090 (Haysville). Settlement in the amount of \$12,034.20 previously approved by Administrator.
5. Claim #2016073203 (Hays). Reserve Increase Advisory only
6. Claim #2016073536 (Hoisington). Reserve Increase Advisory only

Miller also reviewed a recent incident involving a Cheney volunteer firefighter who suffered a probable stroke while manning a 'tender' truck during a rural fire. At this point in time, it does not appear that the firefighter sustained a work-related injury, though no final determine has yet been made.

**Loss Control Report:** Rhodes reported that this year's risk assessments are nearly complete, and reviewed the monthly reports in the packet. She also reported that her team is working with several cities while KDOL does its safety audits, and that a new program called 'I-Auditor' is being made available to KMIT cities.

**Member-City Non Renewal:** Osenbaugh reviewed the draft notification in the packet concerning the recommended non-renewal action as to the City of Waterville, and staff gave the Board an overview of the Waterville activities since joining KMIT two years ago. A motion was made by Dillner and seconded by Schlaegel to not offer renewal to Waterville for 2017, and to authorize the sending of the notice. Motion was unanimously approved.

**Recognition of New Member Cities:** St. John and Goessel were presented as new KMIT members, and Osenbaugh gave a brief report on each, as well as a recap of all this year's marketing efforts.

**Annual Investment Report:** Greg Nelson, Commerce Bank (KMIT's investment manager) gave the annual investment management report, which overviewed the investment market and trends, and which also specifically reviewed KMIT's current investment portfolio.

**Staff Reports/Other:** Osenbaugh briefly touched on the LKM contract, and he will send out copies of the existing contract well in advance of the next meeting, so that a full discussion could take place in June, in Tonganoxie), given that the current contract expires 12/31/17, and sufficient advance negotiation will need to occur between KMIT and the LKM well in advance of the summer of 2017.

**Adjournment:** Motion to adjourn by Dillner; second by McCommon. Unanimous. Adjourned at 11:35 AM.

# KMIT Balance Sheet

June 30, 2016

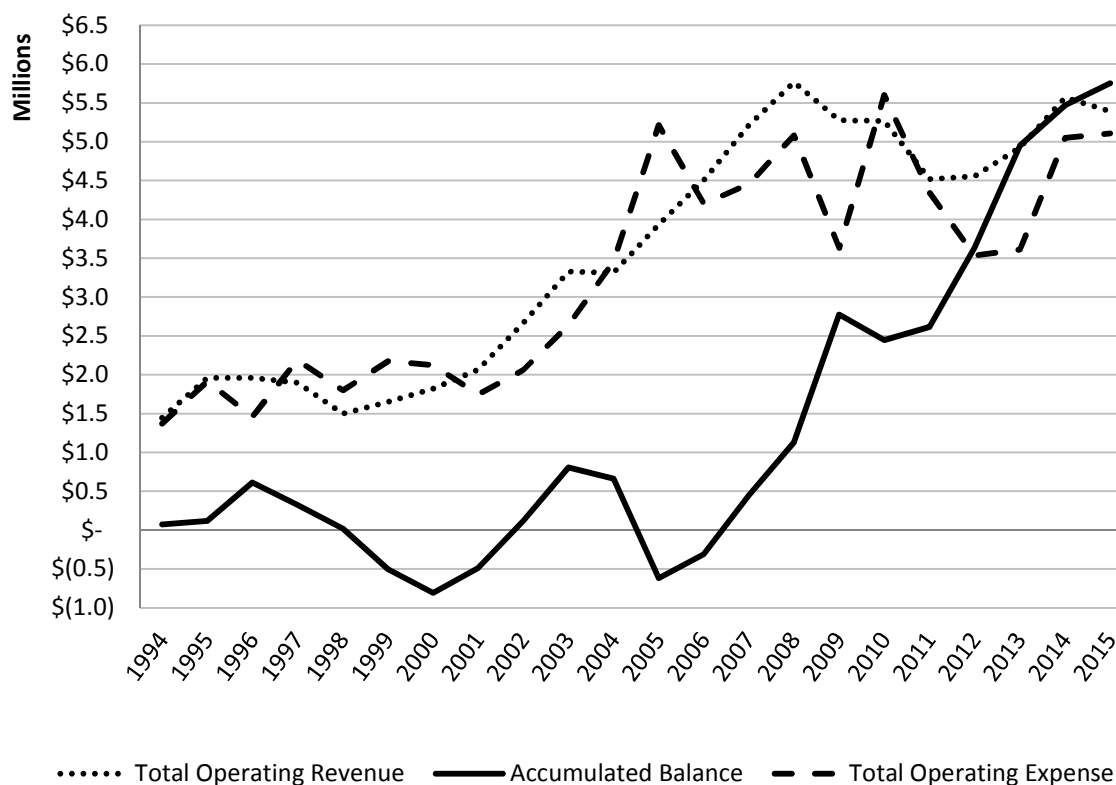
## ASSETS

Checking Accounts	\$ 570,267
Investments	\$ 14,620,050
Accrued Interest	\$ 166,684
Accounts Receivable	\$ 5,026
Excess Premium Receivable	\$ 22,030
Specific Recoverable	\$ 381,511
Aggregate Recoverable	\$ 8,559
Prepaid Expenses	\$ 300,099
<b>Total Assets</b>	<b>\$ 16,074,226</b>

## LIABILITIES & EQUITY

Accounts Payable	\$ 11,506
Excess Premium Payable	\$ -
Reserve for Losses	\$ 3,077,695
IBNR Reserve	\$ 4,426,741
Deposits on Premium	\$ 2,581,295
Accrued Taxes and Assessments	\$ 393,966
<b>Total Liabilities</b>	<b>\$ 10,491,203</b>
<b>Total Equity</b>	<b>\$ 5,583,023</b>
<b>Total Liabilities and Equity</b>	<b>\$ 16,074,226</b>

## KMIT Financial Overview



# KMIT Profit and Loss

June 30, 2016

	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>\$ 527,664</b>	<b>\$ 490,167</b>	<b>\$ 454,724</b>	<b>\$ 450,843</b>	<b>\$ 437,018</b>	<b>\$ 533,041</b>	<b>\$ 649,336</b>	<b>\$ 739,288</b>	<b>\$ 816,032</b>	<b>\$ 908,854</b>	<b>\$ 918,395</b>
<b>CLAIMS FUND EXPENSE</b>														
Claims Paid Expense	\$ 716,700	\$ 1,049,152	\$ 790,125	\$ 2,073,604	\$ 1,952,747	\$ 1,689,245	\$ 1,441,954	\$ 1,097,087	\$ 1,211,714	\$ 1,874,209	\$ 2,272,283	\$ 3,823,114	\$ 2,583,745	\$ 2,721,576
Claims Paid Adjusting Expense	\$ 25,541	\$ 54,345	\$ 46,505	\$ 90,802	\$ 84,717	\$ 143,366	\$ 123,332	\$ 83,206	\$ 129,112	\$ 149,296	\$ 149,834	\$ 236,830	\$ 178,912	\$ 191,581
Claims Reserve Expense	\$ -	\$ -	\$ -	\$ -	\$ 113,806	\$ 42,808	\$ 15,140	\$ -	\$ -	\$ -	\$ 13,230	\$ 66,826	\$ 54,881	\$ 160,154
Claims Reserves Adjusting Expense	\$ -	\$ -	\$ -	\$ -	\$ 5,881	\$ 4,335	\$ 382	\$ -	\$ -	\$ -	\$ 1,845	\$ 7,998	\$ 11,498	\$ 11,962
IBNR Reserve Expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,915	\$ -	\$ -	\$ -	\$ 61,778	\$ 78,257	\$ 76,136	\$ 30,902
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	\$ -	\$ -	\$ -	\$ -	\$ (222,635)	\$ 59,280	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Specific Recovery Expense	\$ -	\$ -	\$ -	\$ (268,748)	\$ (704,166)	\$ (179,236)	\$ -	\$ -	\$ -	\$ (400,137)	\$ -	\$ (188,126)	\$ -	\$ -
Aggregate Recoverable Expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (8,559)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Aggregate Recovery Expense	\$ -	\$ -	\$ -	\$ (352,627)	\$ -	\$ (112,699)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Claims Fund Expense</b>	<b>\$ 893,634</b>	<b>\$ 1,313,638</b>	<b>\$ 970,007</b>	<b>\$ 1,660,153</b>	<b>\$ 1,309,807</b>	<b>\$ 1,718,664</b>	<b>\$ 1,675,542</b>	<b>\$ 1,307,461</b>	<b>\$ 1,530,284</b>	<b>\$ 1,990,358</b>	<b>\$ 2,720,404</b>	<b>\$ 4,399,372</b>	<b>\$ 3,289,598</b>	<b>\$ 3,536,903</b>
<b>Total Operating Expense</b>	<b>\$ 1,370,771</b>	<b>\$ 1,915,183</b>	<b>\$ 1,462,676</b>	<b>\$ 2,187,817</b>	<b>\$ 1,799,974</b>	<b>\$ 2,173,388</b>	<b>\$ 2,126,385</b>	<b>\$ 1,744,478</b>	<b>\$ 2,063,325</b>	<b>\$ 2,639,694</b>	<b>\$ 3,459,692</b>	<b>\$ 5,215,404</b>	<b>\$ 4,198,452</b>	<b>\$ 4,455,298</b>
<b>BALANCES</b>														
KMIT Statutory Fund Balance	\$ 74,486	\$ 43,543	\$ 495,283	\$ (290,597)	\$ (301,616)	\$ (524,321)	\$ (306,999)	\$ 322,872	\$ 606,319	\$ 687,287	\$ (143,976)	\$ (1,281,337)	\$ 308,674	\$ 760,302
<b>Accumulated Balance</b>	<b>\$ 74,486</b>	<b>\$ 118,029</b>	<b>\$ 613,312</b>	<b>\$ 322,715</b>	<b>\$ 21,099</b>	<b>\$ (503,223)</b>	<b>\$ (810,221)</b>	<b>\$ (487,350)</b>	<b>\$ 118,969</b>	<b>\$ 806,256</b>	<b>\$ 662,279</b>	<b>\$ (619,058)</b>	<b>\$ (310,383)</b>	<b>\$ 449,919</b>



# KMIT Profit and Loss

June 30, 2016

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2016	Total
	Accrued To Date	Accrued To Date	Accrued To Date	Accrued To Date	Accrued To Date	Accrued To Date	Accrued To Date	Accrued To Date	Accrued To Date	Budget	Accrued To Date
<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	\$ 5,460,344	\$ 5,261,044	\$ 2,576,633	\$ 5,320,000	\$ 78,703,958
Interest Income	\$ 245,802	\$ 81,601	\$ 52,768	\$ 72,925	\$ 70,104	\$ 71,861	\$ 107,601	\$ 128,600	\$ 76,798	\$ 125,000	\$ 2,462,418
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>\$ 5,567,945</b>	<b>\$ 5,389,644</b>	<b>\$ 2,653,432</b>	<b>\$ 5,445,000</b>	<b>\$ 81,177,077</b>
<b>ADMINISTRATION FUND EXPENSE</b>	<b>\$ 954,551</b>	<b>\$ 956,285</b>	<b>\$ 1,027,403</b>	<b>\$ 965,184</b>	<b>\$ 933,043</b>	<b>\$ 1,005,634</b>	<b>\$ 1,081,904</b>	<b>\$ 1,107,971</b>	<b>\$ 664,677</b>	<b>\$ 1,210,000</b>	<b>\$ 17,193,365</b>
<b>CLAIMS FUND EXPENSE</b>											
Claims Paid Expense	\$ 3,305,238	\$ 2,026,782	\$ 3,685,754	\$ 2,489,588	\$ 1,768,327	\$ 1,577,964	\$ 2,855,890	\$ 1,410,319	\$ 303,598	\$ -	\$ 44,720,715
Claims Paid Adjusting Expense	\$ 234,373	\$ 129,658	\$ 182,008	\$ 140,738	\$ 157,909	\$ 116,719	\$ 107,582	\$ 86,459	\$ 10,031	\$ -	\$ 2,852,855
Claims Reserve Expense	\$ 143,417	\$ 18,477	\$ 221,019	\$ 225,801	\$ 187,092	\$ 84,239	\$ 477,851	\$ 402,834	\$ 594,402	\$ -	\$ 2,821,979
Claims Reserves Adjusting Expense	\$ 8,480	\$ 2,700	\$ 11,883	\$ 8,998	\$ 22,908	\$ 12,549	\$ 45,810	\$ 64,004	\$ 34,485	\$ -	\$ 255,716
IBNR Reserve Expense	\$ 62,885	\$ 155,705	\$ 119,605	\$ 179,979	\$ 136,843	\$ 418,494	\$ 540,631	\$ 1,579,316	\$ 978,296	\$ -	\$ 4,426,741
Excess Work Comp Insurance	\$ 372,790	\$ 341,935	\$ 351,375	\$ 336,966	\$ 337,595	\$ 395,128	\$ 432,750	\$ 456,352	\$ 237,300	\$ 480,000	\$ 6,205,300
Specific Recoverable Expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (218,157)	\$ -	\$ -	\$ -	\$ (381,511)
Specific Recovery Expense	\$ -	\$ -	\$ -	\$ -	\$ (9,965)	\$ -	\$ (276,843)	\$ -	\$ -	\$ -	\$ (2,027,221)
Aggregate Recoverable Expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (8,559)
Aggregate Recovery Expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (465,326)
<b>Claims Fund Expense</b>	<b>\$ 4,127,183</b>	<b>\$ 2,675,257</b>	<b>\$ 4,571,644</b>	<b>\$ 3,382,069</b>	<b>\$ 2,600,710</b>	<b>\$ 2,605,092</b>	<b>\$ 3,965,514</b>	<b>\$ 3,999,284</b>	<b>\$ 2,158,112</b>	<b>\$ 480,000</b>	<b>\$ 58,400,689</b>
<b>Total Operating Expense</b>	<b>\$ 5,081,734</b>	<b>\$ 3,631,542</b>	<b>\$ 5,599,047</b>	<b>\$ 4,347,253</b>	<b>\$ 3,533,753</b>	<b>\$ 3,610,726</b>	<b>\$ 5,047,418</b>	<b>\$ 5,107,255</b>	<b>\$ 2,822,789</b>	<b>\$ 1,690,000</b>	<b>\$ 75,594,054</b>
<b>BALANCES</b>											
KMIT Statutory Fund Balance	\$ 683,237	\$ 1,643,486	\$ (332,469)	\$ 169,439	\$ 1,020,884	\$ 1,314,970	\$ 520,527	\$ 282,389	\$ (169,358)	\$ 3,755,000	\$ 5,583,023
<b>Accumulated Balance</b>	<b>\$ 1,133,156</b>	<b>\$ 2,776,642</b>	<b>\$ 2,444,173</b>	<b>\$ 2,613,612</b>	<b>\$ 3,634,496</b>	<b>\$ 4,949,465</b>	<b>\$ 5,469,992</b>	<b>\$ 5,752,381</b>	<b>\$ 5,583,023</b>		

# KMIT Admin Expenses

June 30, 2016

	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	\$ 42,620	\$ 38,717	\$ 44,413	\$ 40,130	\$ 30,875	\$ 34,311	\$ 39,671	\$ 57,720	\$ 72,400	\$ 81,901	\$ 82,807
<b>Sub Total</b>	<b>\$ 95,360</b>	<b>\$ 77,466</b>	<b>\$ 56,281</b>	<b>\$ 105,257</b>	<b>\$ 87,651</b>	<b>\$ 79,077</b>	<b>\$ 72,763</b>	<b>\$ 55,589</b>	<b>\$ 69,799</b>	<b>\$ 94,418</b>	<b>\$ 137,869</b>	<b>\$ 202,109</b>	<b>\$ 169,306</b>	<b>\$ 166,196</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>\$ 527,664</b>	<b>\$ 490,167</b>	<b>\$ 454,724</b>	<b>\$ 450,843</b>	<b>\$ 437,018</b>	<b>\$ 533,041</b>	<b>\$ 649,336</b>	<b>\$ 739,288</b>	<b>\$ 816,032</b>	<b>\$ 908,854</b>	<b>\$ 918,395</b>

# KMIT Admin Expenses

June 30, 2016

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2016	Total
	Accrued To Date	Accrued To Date	Accrued To Date	Accrued To Date	Accrued To Date	Accrued To Date	Accrued To Date	Accrued To Date	Accrued To Date	Budget	Accrued To Date
<b>GENERAL EXPENSES</b>											
Agent Commissions	\$ 88,532	\$ 94,214	\$ 93,637	\$ 82,860	\$ 96,481	\$ 102,636	\$ 97,189	\$ 97,505	\$ 37,383	\$ 100,000	\$ 1,150,425
Directors and Officers Insurance	\$ 18,542	\$ 15,857	\$ 15,942	\$ 16,038	\$ 16,488	\$ 17,224	\$ 15,956	\$ 15,667	\$ 7,985	\$ 18,000	\$ 160,555
Meetings/Travel	\$ -	\$ -	\$ -	\$ 829	\$ 4,881	\$ 19,334	\$ 29,749	\$ 19,897	\$ 6,180	\$ 20,000	\$ 95,490
Contingencies/Miscellaneous	\$ 26,155	\$ 34,318	\$ 2,657	\$ 1,708	\$ 3,175	\$ 3,623	\$ 4,385	\$ 3,884	\$ 1,751	\$ 6,000	\$ 358,566
Bank Fees	\$ 2,638	\$ 2,758	\$ 9,239	\$ 5,776	\$ 4,159	\$ 7,528	\$ 4,460	\$ 5,998	\$ 2,125	\$ 8,000	\$ 52,165
Write Off	\$ -	\$ -	\$ -	\$ (104)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (104)
LKM Clearing	\$ -	\$ -	\$ -	\$ 60	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 60
Marketing	\$ -	\$ -	\$ -	\$ -	\$ 439	\$ 452	\$ 161	\$ 34	\$ 502	\$ 1,000	\$ 1,588
Office Supplies	\$ -	\$ -	\$ -	\$ -	\$ 1,112	\$ 1,830	\$ 3,732	\$ 4,485	\$ 2,041	\$ 5,000	\$ 13,199
<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>\$ 147,469</b>	<b>\$ 57,967</b>	<b>\$ 158,000</b>	<b>\$ 1,831,944</b>
<b>REGULATORY</b>											
Kansas Insurance Dept (KID) Premium Tax	\$ 54,139	\$ 48,525	\$ 49,030	\$ 40,919	\$ 43,445	\$ 44,349	\$ 51,057	\$ 47,827	\$ 23,393	\$ 50,000	\$ 732,145
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	\$ 88,870	\$ 63,798	\$ 95,957	\$ 36,657	\$ 82,731	\$ 94,538	\$ 143,374	\$ 140,214	\$ 89,808	\$ 200,000	\$ 1,438,046
<b>Sub Total</b>	<b>\$ 179,187</b>	<b>\$ 144,162</b>	<b>\$ 206,191</b>	<b>\$ 159,190</b>	<b>\$ 126,176</b>	<b>\$ 138,888</b>	<b>\$ 194,431</b>	<b>\$ 188,040</b>	<b>\$ 113,201</b>	<b>\$ 250,000</b>	<b>\$ 2,918,607</b>
<b>CONTRACTURAL</b>											
Financial Audit	\$ 13,127	\$ 18,608	\$ 31,565	\$ 12,023	\$ 11,738	\$ 11,904	\$ 15,803	\$ 13,803	\$ -	\$ 21,000	\$ 292,075
Actuarial	\$ 13,000	\$ 13,750	\$ 14,000	\$ 14,000	\$ 14,250	\$ 14,250	\$ 15,000	\$ 14,500	\$ -	\$ 15,000	\$ 216,395
Risk Management	\$ 70,000	\$ 70,000	\$ 70,000	\$ 70,000	\$ 70,000	\$ 170,000	\$ 170,000	\$ 170,000	\$ 133,000	\$ 170,000	\$ 1,233,000
Risk Control	\$ 140,000	\$ 145,000	\$ 145,000	\$ 145,000	\$ 145,000	\$ 150,000	\$ 150,000	\$ 155,000	\$ 108,500	\$ 155,000	\$ 2,497,573
Claims Adjusting	\$ 165,000	\$ 175,000	\$ 195,000	\$ 185,000	\$ 185,000	\$ 185,000	\$ 185,000	\$ 205,000	\$ 143,500	\$ 205,000	\$ 3,814,759
Risk Analysis	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,671	\$ 14,651	\$ 4,650	\$ 25,000	\$ 28,972
POET	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,425	\$ 3,075	\$ 19,000	\$ 10,500
Pool Admin Services	\$ 220,000	\$ 225,000	\$ 225,000	\$ 230,000	\$ 230,004	\$ 75,600	\$ 81,900	\$ 98,560	\$ 67,180	\$ 100,000	\$ 3,826,260
Payroll Audits	\$ 18,370	\$ 17,617	\$ 19,173	\$ 19,000	\$ 16,318	\$ 16,000	\$ 20,143	\$ 19,923	\$ -	\$ 22,000	\$ 208,759
Rating Services	\$ -	\$ -	\$ -	\$ 22,650	\$ 6,636	\$ 18,702	\$ 10,887	\$ 754	\$ 15,387	\$ -	\$ 75,016
Web Hosting	\$ -	\$ -	\$ -	\$ 1,155	\$ 1,187	\$ 2,663	\$ 3,439	\$ 2,846	\$ 717	\$ -	\$ 12,006
Endorsement Fee	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 70,000	\$ 70,000	\$ 70,000	\$ 17,500	\$ 70,000	\$ 227,500
<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>\$ 772,461</b>	<b>\$ 493,509</b>	<b>\$ 802,000</b>	<b>\$ 12,442,814</b>
<b>Administration Fund Expense</b>	<b>\$ 954,551</b>	<b>\$ 956,285</b>	<b>\$ 1,027,403</b>	<b>\$ 965,184</b>	<b>\$ 933,043</b>	<b>\$ 1,005,634</b>	<b>\$ 1,081,904</b>	<b>\$ 1,107,971</b>	<b>\$ 664,677</b>	<b>\$ 1,210,000</b>	<b>\$ 17,193,365</b>

# KMIT Balance Sheet

July 31, 2016

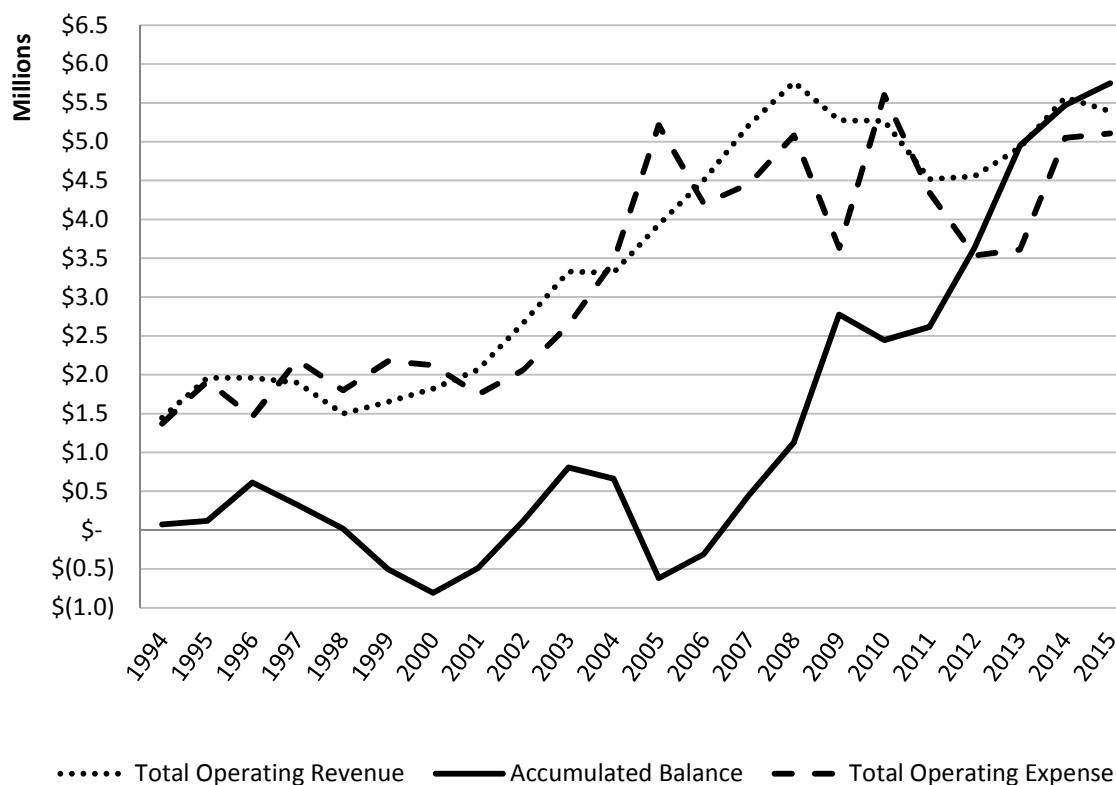
## ASSETS

Checking Accounts	\$	340,832
Investments	\$	14,461,287
Accrued Interest	\$	157,359
Accounts Receivable	\$	4,971
Excess Premium Receivable	\$	22,030
Specific Recoverable	\$	376,833
Aggregate Recoverable	\$	8,559
Prepaid Expenses	\$	250,014
<b>Total Assets</b>	<b>\$</b>	<b>15,621,886</b>

## LIABILITIES & EQUITY

Accounts Payable	\$	-
Excess Premium Payable	\$	-
Reserve for Losses	\$	3,025,632
IBNR Reserve	\$	4,483,944
Deposits on Premium	\$	2,151,079
Accrued Taxes and Assessments	\$	393,966
<b>Total Liabilities</b>	<b>\$</b>	<b>10,054,621</b>
<b>Total Equity</b>	<b>\$</b>	<b>5,567,265</b>
<b>Total Liabilities and Equity</b>	<b>\$</b>	<b>15,621,886</b>

## KMIT Financial Overview



# KMIT Profit and Loss

July 31, 2016

	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>\$ 527,664</b>	<b>\$ 490,167</b>	<b>\$ 454,724</b>	<b>\$ 450,843</b>	<b>\$ 437,018</b>	<b>\$ 533,041</b>	<b>\$ 649,336</b>	<b>\$ 739,288</b>	<b>\$ 816,032</b>	<b>\$ 908,854</b>	<b>\$ 918,395</b>
<b>CLAIMS FUND EXPENSE</b>														
Claims Paid Expense	\$ 716,700	\$ 1,049,152	\$ 790,125	\$ 2,073,604	\$ 1,954,561	\$ 1,689,245	\$ 1,441,954	\$ 1,097,087	\$ 1,211,714	\$ 1,874,209	\$ 2,273,070	\$ 3,824,652	\$ 2,584,677	\$ 2,723,842
Claims Paid Adjusting Expense	\$ 25,541	\$ 54,345	\$ 46,505	\$ 90,802	\$ 84,727	\$ 143,366	\$ 123,332	\$ 83,206	\$ 129,112	\$ 149,296	\$ 149,865	\$ 236,834	\$ 178,917	\$ 191,642
Claims Reserve Expense	\$ -	\$ -	\$ -	\$ -	\$ 111,993	\$ 42,808	\$ 15,140	\$ -	\$ -	\$ -	\$ 12,443	\$ 65,288	\$ 53,950	\$ 157,888
Claims Reserves Adjusting Expense	\$ -	\$ -	\$ -	\$ -	\$ 5,871	\$ 4,335	\$ 382	\$ -	\$ -	\$ -	\$ 1,814	\$ 7,995	\$ 11,493	\$ 11,901
IBNR Reserve Expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,915	\$ -	\$ -	\$ -	\$ 61,778	\$ 78,257	\$ 76,136	\$ 30,902
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	\$ -	\$ -	\$ -	\$ -	\$ (217,957)	\$ 59,280	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Specific Recovery Expense	\$ -	\$ -	\$ -	\$ (268,748)	\$ (708,844)	\$ (179,236)	\$ -	\$ -	\$ -	\$ (400,137)	\$ -	\$ (188,126)	\$ -	\$ -
Aggregate Recoverable Expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (8,559)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Aggregate Recovery Expense	\$ -	\$ -	\$ -	\$ (352,627)	\$ -	\$ (112,699)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Claims Fund Expense</b>	<b>\$ 893,634</b>	<b>\$ 1,313,638</b>	<b>\$ 970,007</b>	<b>\$ 1,660,153</b>	<b>\$ 1,309,807</b>	<b>\$ 1,718,664</b>	<b>\$ 1,675,542</b>	<b>\$ 1,307,461</b>	<b>\$ 1,530,284</b>	<b>\$ 1,990,358</b>	<b>\$ 2,720,404</b>	<b>\$ 4,399,372</b>	<b>\$ 3,289,598</b>	<b>\$ 3,536,903</b>
<b>Total Operating Expense</b>	<b>\$ 1,370,771</b>	<b>\$ 1,915,183</b>	<b>\$ 1,462,676</b>	<b>\$ 2,187,817</b>	<b>\$ 1,799,974</b>	<b>\$ 2,173,388</b>	<b>\$ 2,126,385</b>	<b>\$ 1,744,478</b>	<b>\$ 2,063,325</b>	<b>\$ 2,639,694</b>	<b>\$ 3,459,692</b>	<b>\$ 5,215,404</b>	<b>\$ 4,198,452</b>	<b>\$ 4,455,298</b>
<b>BALANCES</b>														
KMIT Statutory Fund Balance	\$ 74,486	\$ 43,543	\$ 495,283	\$ (290,597)	\$ (301,616)	\$ (524,321)	\$ (306,999)	\$ 322,872	\$ 606,319	\$ 687,287	\$ (143,976)	\$ (1,281,337)	\$ 308,674	\$ 760,302
Accumulated Balance	\$ 74,486	\$ 118,029	\$ 613,312	\$ 322,715	\$ 21,099	\$ (503,223)	\$ (810,221)	\$ (487,350)	\$ 118,969	\$ 806,256	\$ 662,279	\$ (619,058)	\$ (310,383)	\$ 449,919

# KMIT Profit and Loss

July 31, 2016

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2016	Total
	Accrued To Date	Accrued To Date	Accrued To Date	Accrued To Date	Accrued To Date	Accrued To Date	Accrued To Date	Accrued To Date	Accrued To Date	Budget	Accrued To Date
<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	\$ 5,460,344	\$ 5,261,044	\$ 3,006,849	\$ 5,320,000	\$ 79,134,174
Interest Income	\$ 245,802	\$ 81,601	\$ 52,768	\$ 72,925	\$ 70,104	\$ 71,861	\$ 107,601	\$ 128,600	\$ 91,099	\$ 125,000	\$ 2,476,719
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>\$ 5,567,945</b>	<b>\$ 5,389,644</b>	<b>\$ 3,097,948</b>	<b>\$ 5,445,000</b>	<b>\$ 81,621,594</b>
<b>ADMINISTRATION FUND EXPENSE</b>	<b>\$ 954,551</b>	<b>\$ 956,285</b>	<b>\$ 1,027,403</b>	<b>\$ 965,184</b>	<b>\$ 933,043</b>	<b>\$ 1,005,634</b>	<b>\$ 1,081,904</b>	<b>\$ 1,107,971</b>	<b>\$ 765,236</b>	<b>\$ 1,210,000</b>	<b>\$ 17,293,924</b>
<b>CLAIMS FUND EXPENSE</b>											
Claims Paid Expense	\$ 3,307,413	\$ 2,026,372	\$ 3,727,690	\$ 2,507,715	\$ 1,789,473	\$ 1,601,073	\$ 2,920,765	\$ 1,441,444	\$ 394,381	\$ -	\$ 45,020,918
Claims Paid Adjusting Expense	\$ 234,443	\$ 129,658	\$ 182,534	\$ 142,293	\$ 160,075	\$ 117,313	\$ 109,604	\$ 88,260	\$ 15,981	\$ -	\$ 2,867,649
Claims Reserve Expense	\$ 141,242	\$ 18,887	\$ 173,472	\$ 263,623	\$ 165,947	\$ 88,574	\$ 438,157	\$ 386,298	\$ 641,447	\$ -	\$ 2,777,156
Claims Reserves Adjusting Expense	\$ 8,410	\$ 2,700	\$ 11,016	\$ 9,942	\$ 20,742	\$ 11,673	\$ 43,211	\$ 59,779	\$ 37,213	\$ -	\$ 248,476
IBNR Reserve Expense	\$ 62,885	\$ 155,705	\$ 125,558	\$ 121,529	\$ 136,843	\$ 391,331	\$ 516,026	\$ 1,567,151	\$ 1,151,927	\$ -	\$ 4,483,944
Excess Work Comp Insurance	\$ 372,790	\$ 341,935	\$ 351,375	\$ 336,966	\$ 337,595	\$ 395,128	\$ 432,750	\$ 456,352	\$ 276,880	\$ 480,000	\$ 6,244,880
Specific Recoverable Expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (218,157)	\$ -	\$ -	\$ -	\$ (376,833)
Specific Recovery Expense	\$ -	\$ -	\$ -	\$ -	\$ (9,965)	\$ -	\$ (276,843)	\$ -	\$ -	\$ -	\$ (2,031,899)
Aggregate Recoverable Expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (8,559)
Aggregate Recovery Expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (465,326)
<b>Claims Fund Expense</b>	<b>\$ 4,127,183</b>	<b>\$ 2,675,257</b>	<b>\$ 4,571,644</b>	<b>\$ 3,382,069</b>	<b>\$ 2,600,710</b>	<b>\$ 2,605,092</b>	<b>\$ 3,965,514</b>	<b>\$ 3,999,284</b>	<b>\$ 2,517,828</b>	<b>\$ 480,000</b>	<b>\$ 58,760,406</b>
<b>Total Operating Expense</b>	<b>\$ 5,081,734</b>	<b>\$ 3,631,542</b>	<b>\$ 5,599,047</b>	<b>\$ 4,347,253</b>	<b>\$ 3,533,753</b>	<b>\$ 3,610,726</b>	<b>\$ 5,047,418</b>	<b>\$ 5,107,255</b>	<b>\$ 3,283,064</b>	<b>\$ 1,690,000</b>	<b>\$ 76,054,329</b>
<b>BALANCES</b>											
<b>KMIT Statutory Fund Balance</b>	<b>\$ 683,237</b>	<b>\$ 1,643,486</b>	<b>\$ (332,469)</b>	<b>\$ 169,439</b>	<b>\$ 1,020,884</b>	<b>\$ 1,314,970</b>	<b>\$ 520,527</b>	<b>\$ 282,389</b>	<b>\$ (185,116)</b>	<b>\$ 3,755,000</b>	<b>\$ 5,567,265</b>
<b>Accumulated Balance</b>	<b>\$ 1,133,156</b>	<b>\$ 2,776,642</b>	<b>\$ 2,444,173</b>	<b>\$ 2,613,612</b>	<b>\$ 3,634,496</b>	<b>\$ 4,949,465</b>	<b>\$ 5,469,992</b>	<b>\$ 5,752,381</b>	<b>\$ 5,567,265</b>		

# KMIT Admin Expenses

July 31, 2016

	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	\$ 42,620	\$ 38,717	\$ 44,413	\$ 40,130	\$ 30,875	\$ 34,311	\$ 39,671	\$ 57,720	\$ 72,400	\$ 81,901	\$ 82,807
<b>Sub Total</b>	<b>\$ 95,360</b>	<b>\$ 77,466</b>	<b>\$ 56,281</b>	<b>\$ 105,257</b>	<b>\$ 87,651</b>	<b>\$ 79,077</b>	<b>\$ 72,763</b>	<b>\$ 55,589</b>	<b>\$ 69,799</b>	<b>\$ 94,418</b>	<b>\$ 137,869</b>	<b>\$ 202,109</b>	<b>\$ 169,306</b>	<b>\$ 166,196</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>\$ 527,664</b>	<b>\$ 490,167</b>	<b>\$ 454,724</b>	<b>\$ 450,843</b>	<b>\$ 437,018</b>	<b>\$ 533,041</b>	<b>\$ 649,336</b>	<b>\$ 739,288</b>	<b>\$ 816,032</b>	<b>\$ 908,854</b>	<b>\$ 918,395</b>

# KMIT Admin Expenses

July 31, 2016

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2016	Total
	Accrued To Date	Accrued To Date	Accrued To Date	Accrued To Date	Accrued To Date	Accrued To Date	Accrued To Date	Accrued To Date	Accrued To Date	Budget	Accrued To Date
<b>GENERAL EXPENSES</b>											
Agent Commissions	\$ 88,532	\$ 94,214	\$ 93,637	\$ 82,860	\$ 96,481	\$ 102,636	\$ 97,189	\$ 97,505	\$ 46,825	\$ 100,000	\$ 1,159,867
Directors and Officers Insurance	\$ 18,542	\$ 15,857	\$ 15,942	\$ 16,038	\$ 16,488	\$ 17,224	\$ 15,956	\$ 15,667	\$ 9,316	\$ 18,000	\$ 161,886
Meetings/Travel	\$ -	\$ -	\$ -	\$ 829	\$ 4,881	\$ 19,334	\$ 29,749	\$ 19,897	\$ 6,757	\$ 20,000	\$ 96,066
Contingencies/Miscellaneous	\$ 26,155	\$ 34,318	\$ 2,657	\$ 1,708	\$ 3,175	\$ 3,623	\$ 4,385	\$ 3,884	\$ 1,751	\$ 6,000	\$ 358,566
Bank Fees	\$ 2,638	\$ 2,758	\$ 9,239	\$ 5,776	\$ 4,159	\$ 7,528	\$ 4,460	\$ 5,998	\$ 3,308	\$ 8,000	\$ 53,348
Write Off	\$ -	\$ -	\$ -	\$ (104)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (104)
LKM Clearing	\$ -	\$ -	\$ -	\$ 60	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 60
Marketing	\$ -	\$ -	\$ -	\$ -	\$ 439	\$ 452	\$ 161	\$ 34	\$ 502	\$ 1,000	\$ 1,588
Office Supplies	\$ -	\$ -	\$ -	\$ -	\$ 1,112	\$ 1,830	\$ 3,732	\$ 4,485	\$ 2,806	\$ 5,000	\$ 13,964
<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>\$ 147,469</b>	<b>\$ 71,266</b>	<b>\$ 158,000</b>	<b>\$ 1,845,243</b>
<b>REGULATORY</b>											
Kansas Insurance Dept (KID) Premium Tax	\$ 54,139	\$ 48,525	\$ 49,030	\$ 40,919	\$ 43,445	\$ 44,349	\$ 51,057	\$ 47,827	\$ 23,393	\$ 50,000	\$ 732,145
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	\$ 88,870	\$ 63,798	\$ 95,957	\$ 36,657	\$ 82,731	\$ 94,538	\$ 143,374	\$ 140,214	\$ 89,808	\$ 200,000	\$ 1,438,046
<b>Sub Total</b>	<b>\$ 179,187</b>	<b>\$ 144,162</b>	<b>\$ 206,191</b>	<b>\$ 159,190</b>	<b>\$ 126,176</b>	<b>\$ 138,888</b>	<b>\$ 194,431</b>	<b>\$ 188,040</b>	<b>\$ 113,201</b>	<b>\$ 250,000</b>	<b>\$ 2,918,607</b>
<b>CONTRACTURAL</b>											
Financial Audit	\$ 13,127	\$ 18,608	\$ 31,565	\$ 12,023	\$ 11,738	\$ 11,904	\$ 15,803	\$ 13,803	\$ -	\$ 21,000	\$ 292,075
Actuarial	\$ 13,000	\$ 13,750	\$ 14,000	\$ 14,000	\$ 14,250	\$ 14,250	\$ 15,000	\$ 14,500	\$ -	\$ 15,000	\$ 216,395
Risk Management	\$ 70,000	\$ 70,000	\$ 70,000	\$ 70,000	\$ 70,000	\$ 170,000	\$ 170,000	\$ 170,000	\$ 152,000	\$ 170,000	\$ 1,252,000
Risk Control	\$ 140,000	\$ 145,000	\$ 145,000	\$ 145,000	\$ 145,000	\$ 150,000	\$ 150,000	\$ 155,000	\$ 124,000	\$ 155,000	\$ 2,513,073
Claims Adjusting	\$ 165,000	\$ 175,000	\$ 195,000	\$ 185,000	\$ 185,000	\$ 185,000	\$ 185,000	\$ 205,000	\$ 164,000	\$ 205,000	\$ 3,835,259
Risk Analysis	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,671	\$ 14,651	\$ 8,589	\$ 25,000	\$ 32,910
POET	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,425	\$ 4,425	\$ 19,000	\$ 11,850
Pool Admin Services	\$ 220,000	\$ 225,000	\$ 225,000	\$ 230,000	\$ 230,004	\$ 75,600	\$ 81,900	\$ 98,560	\$ 92,960	\$ 100,000	\$ 3,852,040
Payroll Audits	\$ 18,370	\$ 17,617	\$ 19,173	\$ 19,000	\$ 16,318	\$ 16,000	\$ 20,143	\$ 19,923	\$ 454	\$ 22,000	\$ 209,212
Rating Services	\$ -	\$ -	\$ -	\$ 22,650	\$ 6,636	\$ 18,702	\$ 10,887	\$ 754	\$ 15,387	\$ -	\$ 75,016
Web Hosting	\$ -	\$ -	\$ -	\$ 1,155	\$ 1,187	\$ 2,663	\$ 3,439	\$ 2,846	\$ 1,455	\$ -	\$ 12,744
Endorsement Fee	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 70,000	\$ 70,000	\$ 70,000	\$ 17,500	\$ 70,000	\$ 227,500
<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>\$ 772,461</b>	<b>\$ 580,769</b>	<b>\$ 802,000</b>	<b>\$ 12,530,075</b>
<b>Administration Fund Expense</b>	<b>\$ 954,551</b>	<b>\$ 956,285</b>	<b>\$ 1,027,403</b>	<b>\$ 965,184</b>	<b>\$ 933,043</b>	<b>\$ 1,005,634</b>	<b>\$ 1,081,904</b>	<b>\$ 1,107,971</b>	<b>\$ 765,236</b>	<b>\$ 1,210,000</b>	<b>\$ 17,293,924</b>



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

Kansas Municipal Insurance Trust  
 (Name of Company)

As of June 30, 2016  
 1st (2nd) 3rd 4th Quarter (CIRCLE ONE)

ASSETS	CURRENT FISCAL YEAR TO DATE 6/30/2016	PREVIOUS FISCAL YEAR END 12/31/2015 - Audited
Administrative fund:		
Cash	\$ 123,160	\$ 756,379
Claims fund:		
Cash	447,107	1,158,233
Investments	14,620,050	11,767,000
Premium contributions receivable	4,143	109,926
Excess insurance recoverable on claims payments	9,795	34,311
Interest income due and accrued	166,684	110,379
Receivable from affiliates		
Other assets:		
Agent Commissions Receivable	883	4,123
Prepaid Excess Insurance	237,481	
Prepaid Expenses	62,618	
Excess Insurance Premium Receivable	22,030	22,030
Less: Non Admitted Assets	(300,099)	0
Total Assets	\$ 15,393,852	\$ 13,962,381

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  
Don Osenbaugh 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>
	6/30/2016	12/31/2015 - Audited
Reserve for unpaid workers' compensation claims	\$ 2,441,704 \$	2,192,769
Reserve for unpaid claim adjustment expenses	255,716	222,647
Reserve for claims incurred but not reported	4,426,741	4,163,737
Unearned premium contribution		
Other expenses due or accrued		
Taxes, licenses and fees due or accrued	393,966	519,500
Borrowed money \$_____ and interest thereon \$_____		
Dividends payable to members		
Deposits on premium contributions	2,581,295	775,849
Excess insurance premium payable		
Payable to affiliates		
Accounts payable	11,506	46,000
Miscellaneous liabilities:		
Return Premium Payable		365,547
Total Liabilities:	\$ 10,110,928 \$	8,286,049
Special reserve funds:		
Total Special Reserve Funds		
<b><u>FUND BALANCE</u></b>		
Total Reserves and Fund Balance (Assets-Liabilities)	5,282,924 \$	5,676,332
Total Liabilities, Reserves and Fund Balance	\$ 15,393,852 \$	13,962,381

**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> 6/30/2016</b>	<b><u>PREVIOUS FISCAL YEAR END</u> 12/31/2015 - Audited</b>
Underwriting Income		
Direct Premium Contributions Earned	\$ <u>2,576,633</u> \$	<u>5,260,880</u>
Deductions:		
Excess insurance premium incurred	<u>237,300</u>	<u>459,126</u>
Workers' compensation claims incurred	<u>1,756,549</u>	<u>3,419,718</u>
Claims adjustment expenses incurred	<u>164,262</u>	<u>156,405</u>
Other administrative expenses incurred	<u>588,629</u>	<u>1,110,070</u>
Total underwriting deductions	<u>2,746,740</u>	<u>5,145,319</u>
Net underwriting Gain or (Loss)	\$ <u>(170,107)</u> \$	<u>115,561</u>
Investment income		
Interest income earned (Net of investment expenses)	<u>76,798</u>	<u>128,600</u>
Other income		
Other income	<u></u>	<u></u>
Net income before dividends to members	<u>(93,309)</u>	<u>244,161</u>
Dividends to members	<u></u>	<u></u>
Net income after dividends to members	<u>(93,309)</u>	<u>244,161</u>
<b>Net Income(Loss)</b>	\$ <u>(93,309)</u> \$	<u>244,161</u>

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

<b><u>ANALYSIS OF FUND BALANCE</u></b>	<b><u>CURRENT FISCAL YEAR TO DATE</u></b>		<b><u>PREVIOUS FISCAL YEAR END</u></b>	
	6/30/2016		12/31/2015 - Audited	
Fund balance, previous period	\$	<u>5,676,332</u>	\$	<u>5,432,171</u>
Net income (Loss)		<u>(93,309)</u>		<u>244,161</u>
Change in non-admitted assets		<u>(300,099)</u>		<u>0</u>
<u>Rounding</u>				
<u>Change in Non Admitted Assets</u>				
Change in fund balance for the period		<u>(393,408)</u>		<u>244,161</u>
Fund balance, current period	\$	<u>5,282,924</u>	\$	<u>5,676,332</u>



Contract Year January 1, 2016 to December 31, 2016  
**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 June 30, 2016

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
Current Injuries	Total Injuries	Contract Period	Direct Premium Earned	Excess Insurance Premium Incurred	Net Premiums Earned Col 4-5	Direct Losses Incurred	Loss Adj. Exp. Incurred	Loss & Loss Exp Incurred Col 6+7	Service Agent Fees Incurred	General Expenses Incurred	Taxes, Licenses & Fees Incurred	Total Expenses Incurred Col 10 + 11 + 12	Claims Ratios as a % Col 9 / Col 6	Admin. Ratios as a % Col 13 / Col 6	Investment Income Earned
0	310	PCY 22	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 21	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%	73,225
0	424	PCY 20	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	523	PCY 19	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	570	PCY 18	1,377,722	79,456	1,298,266	1,362,388	90,598	1,452,986	187,000	211,071	82,901	480,972	111.9%	37.0%	116,190
4	547	PCY 17	1,552,110	80,124	1,471,986	1,552,817	147,702	1,700,519	185,000	190,573	77,653	453,226	115.5%	30.8%	96,882
2	552	PCY 16	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 15	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 14	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 13	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 12	3,256,648	221,435	3,035,213	2,285,513	151,678	2,437,191	293,000	308,419	134,300	735,719	80.3%	24.2%	59,068
13	770	PCY 11	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%	96,274
18	765	PCY 10	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 9	4,950,171	420,728	4,529,443	2,881,731	203,542	3,085,273	365,000	384,794	157,905	907,699	68.1%	20.0%	263,024
13	768	PCY 8	5,519,169	372,790	5,146,379	3,448,655	242,853	3,691,508	375,000	400,364	180,033	955,397	71.7%	18.6%	245,802
10	654	PCY 7	5,193,427	341,935	4,851,492	2,045,259	132,358	2,177,617	390,000	422,122	158,861	970,983	44.9%	20.0%	81,601
17	666	PCY 6	5,213,859	351,375	4,862,484	3,906,773	193,891	4,100,664	410,000	411,213	218,444	1,039,657	84.3%	21.4%	52,768
8	635	PCY 5	4,442,326	336,966	4,105,361	2,715,389	149,735	2,865,124	400,000	374,349	211,548	985,897	69.8%	24.0%	72,925
8	598	PCY 4	4,484,533	337,595	4,146,938	1,945,455	180,817	2,126,272	400,000	407,086	174,669	981,755	51.3%	23.7%	70,104
7	696	PCY 3	4,853,835	395,128	4,458,707	1,662,203	129,267	1,791,470	580,600	286,205	112,977	979,782	40.2%	22.0%	71,861
19	742	PCY 2	5,460,344	432,750	5,027,594	3,056,898	153,392	3,210,290	596,571	291,845	383,143	1,271,559	63.9%	25.3%	107,601
44	724	PCY 1	5,261,044	459,126	4,801,918	1,813,153	150,463	1,963,616	628,560	291,393	190,117	1,110,070	40.9%	23.1%	128,600
192	366	CCY	2,576,633	237,300	2,339,333	898,000	44,516	942,516	452,180	99,296	37,153	588,629	40.3%	25.2%	76,798

PFY = Prior fiscal Year

CFY = Current Fiscal Year

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

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

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

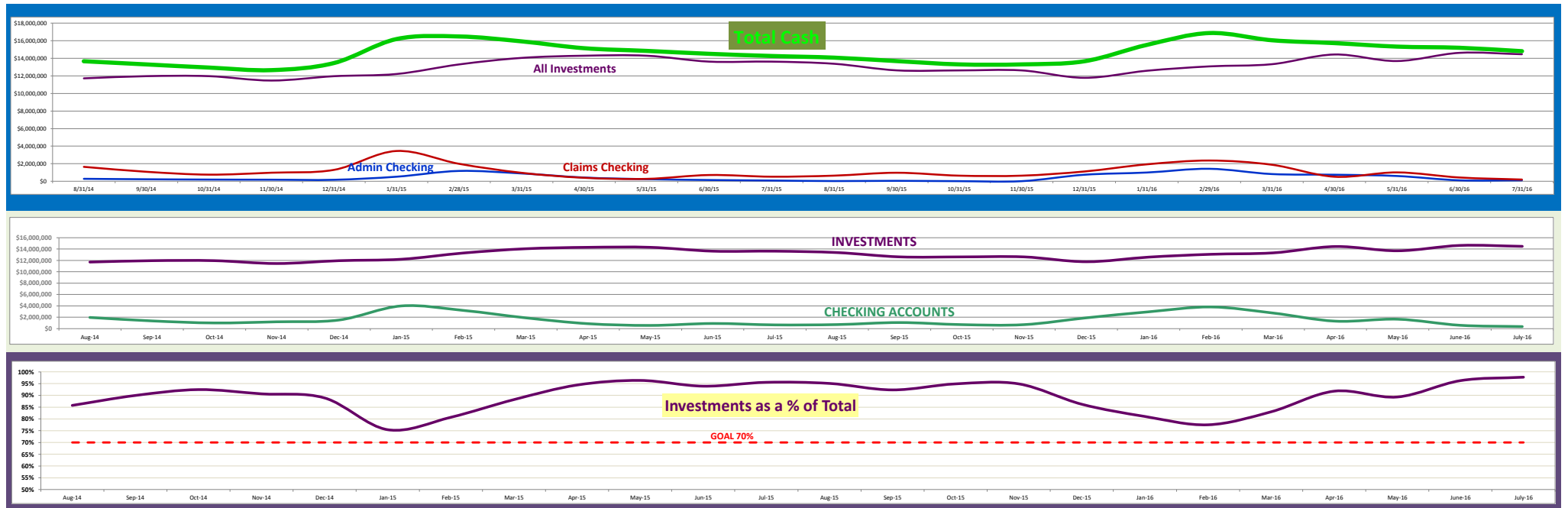
Column 15 should reflect the Total Expenses Incurred divided by the Net Premiums Earned. (Column 13 divided by Column 6)

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

# KMIT Cash/Investment Summary

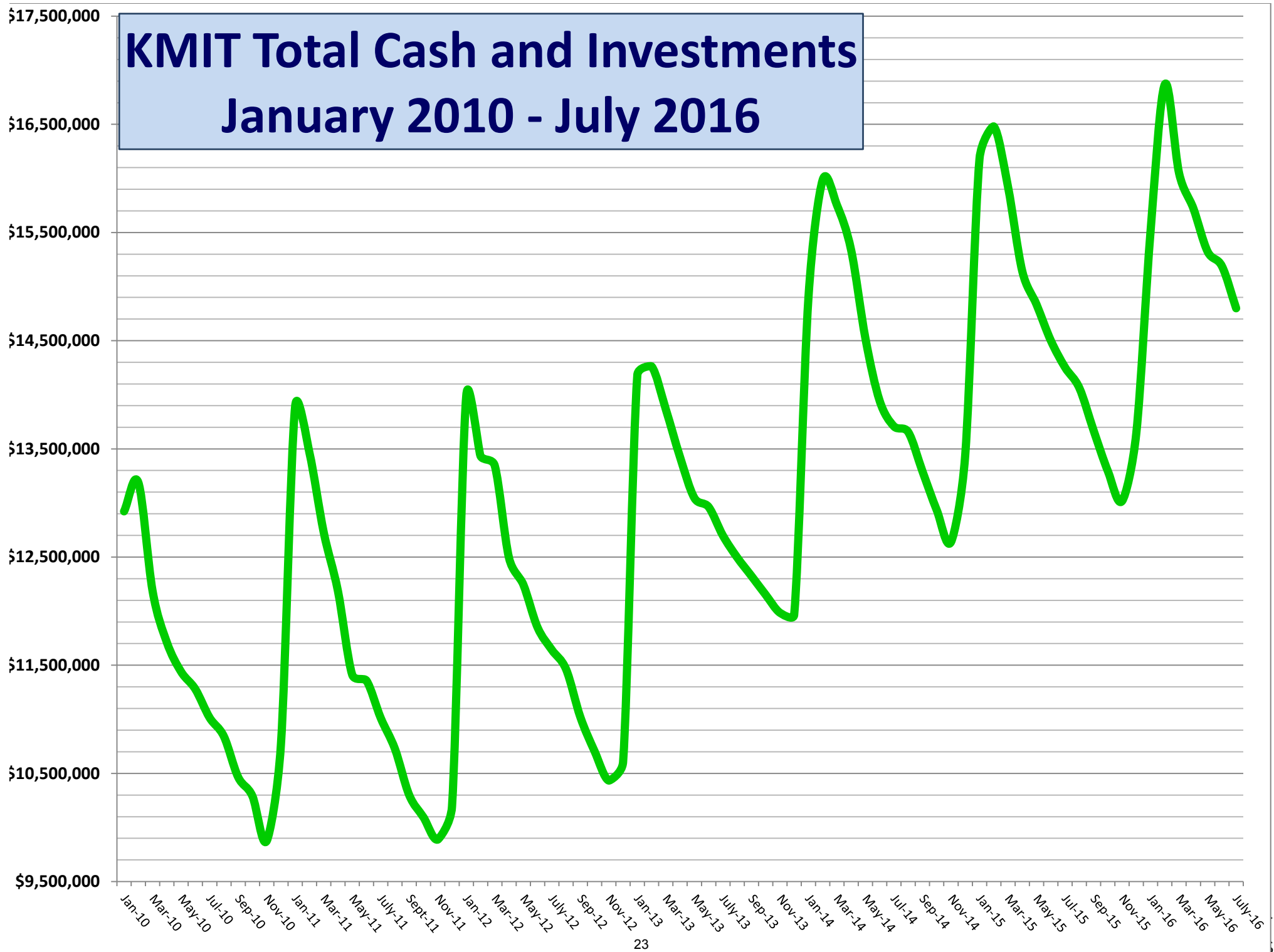
## August 31, 2014--July 31, 2016

	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	12/31/15	1/31/16	2/29/16	3/31/16	4/30/16	5/31/16	6/30/16	7/31/16
<b>KMIT Admin Fund (KAF)</b>																								
Admin Account	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	756,379	1,007,808	1,429,800	834,738	758,995	614,962	123,160	124,460
Admin Checking	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	756,379	1,007,808	1,429,800	834,738	758,995	614,962	123,160	124,460
<b>KMIT Claims Fund (KCF)</b>																								
Claims Account	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	916,848	1,873,340	2,184,922	1,739,923	333,513	953,807	125,202	125,000
TPA Claims Check Book (at IMA)	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	210,174	63,920	184,669	152,171	200,914	71,336	321,905	89,682
Claims Checking	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	1,127,022	1,937,260	2,369,591	1,892,094	534,427	1,025,144	447,107	214,682
<b>INVESTMENTS</b>																								
All Investments	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	11,767,000	12,573,000	13,071,000	13,320,000	14,430,000	13,684,000	14,620,050	14,461,287
<b>TOTAL CASH</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>	<b>13,650,401</b>	<b>15,518,067</b>	<b>16,870,392</b>	<b>16,046,832</b>	<b>15,723,422</b>	<b>15,324,105</b>	<b>15,190,317</b>	<b>14,800,429</b>
	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	12/31/15	1/31/16	2/29/16	3/31/16	4/30/16	5/31/16	6/30/16	7/31/16



# KMIT Total Cash and Investments

## January 2010 - July 2016



## **CLAIM SUMMARY-SETTLEMENT REQUEST**

**Employer:** City of Parsons  
**Claim No.:** 2012043180  
**Employee Age:** 32  
**AWW:** \$905.46  
**Attorneys:** Employee -Bill Phalen  
**Adjuster:**

**Date of Injury:** 6/6/2012  
**Job Description:** Police Officer  
**Updated:** 8/11/2016  
**TTD Rate:** \$555.00  
**Employer** -Jeff Brewer

	Medical	Indemnity	Expense	Total
Reserves	\$40,000.00	\$73,473.57	\$30,000.00	\$143,473.57
Amount Paid	\$33,158.97	\$3,473.57	\$24,532.83	\$61,165.37
Outstanding	\$6,841.03	\$70,000.00	\$5,467.17	\$82,308.20

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

- Claimant injured his left shoulder in arresting suicidal subject.

### **Investigation/Compensability**

- There were 3 other officers present so the accident was not questioned and accepted as compensable.

### **Medical Management**

- Conservative treatment did not relieve his symptoms and MRI of shoulder was negative. He was referred to Dr. Grantham who scoped his shoulder in September 2012. He had continued numbness in his arm and EMG revealed cubital tunnel which Dr. Storm repaired in September 2014. He also complains of ongoing neck pain.

### **Periods of Disability**

- 8/15/12 to 9/6/12 and 9/24/14 to 10/22/14

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

- Claimant's Dr Fluter assigns 100% and his Vocational expert gives 29.5% task loss.
- Dr Grantham gives 6% shoulder
- Court ordered Dr. Carabetta gives 15% shoulder.

### **Subrogation/Other Issues**

- No source for subrogation or contribution.

### **Plan of Action:**

- Request settlement authority to \$70,000.00.
- At issue in this case is whether this case can be held to a scheduled injury (shoulder) or it is a Body as Whole one, due to neck component. A Whole Body injury allows claimants to make a work disability claim. His work disability claim is valued at 65% or \$125,600.
- If the injury can be held to the shoulder only, then the court ordered IME 15% rating is worth \$18,300.
- The court ordered IME doctor has not given his final opinion on the neck so taking this opportunity to try and settle all issues before he does.



## **CLAIM SUMMARY-SETTLEMENT REQUEST**

**Employer:** City of Parsons  
**Claim No.:** 2018070579  
**Employee Age:** 39  
**AWW:** \$1,415.49  
**Attorneys:** Employee -Pat Smith  
**Adjuster:** Gene Miller

**Date of Injury:** 3/30/2015  
**Job Description:** Policeman  
**Updated:** 7/19/2016  
**TTD Rate:** \$594.00  
**Employer:** Ron Laskowski

	Medical	Indemnity	Expense	Total
<b>Reserves</b>	<b>\$30,000.00</b>	<b>\$26,810.00</b>	<b>\$5,000.00</b>	<b>\$61,810.00</b>
<b>Amount Paid</b>	<b>\$27,502.26</b>	<b>\$15,309.26</b>	<b>\$1,857.93</b>	<b>\$44,669.45</b>
<b>Outstanding</b>	<b>\$2,497.74</b>	<b>\$11,500.74</b>	<b>\$3,142.07</b>	<b>\$17,140.55</b>

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

- Claimant was taking down suspect and suspect fell on claimant, fracturing his lower right leg and ankle.

### **Investigation/Compensability**

- The accident was promptly reported and medical treatment sought the same day. The injury was accepted as compensable.

### **Medical Management**

- Initial treatment and surgery performed by Dr. Mosier with hardware and bone stimulator. Prolonged care with non-union led to referral to Dr. Heddings at KUMC for second surgery and final recovery.

### **Periods of Disability**

- 3/13/15 to 2/11/16

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

- Dr. Heddings gives 7% lower right extremity (\$6,652.80)
- Dr. Prostin gives 12% lower right extremity

### **Subrogation/Other Issues**

- There was potential recovery from the suspect and the city discouraged us from pursuing same. No other source for subrogation or contribution.

### **Plan of Action:**

- Request settlement authority to \$11,500.00
- $200 - 30 = 160 \times 12\% = 19.2 \times \$594 = \$11,404.80$
- Claimant's attorney indicates that he doesn't want to close future medical. Our attorney recommends that due to claimant's young age and complicated recovery that we offer up to \$11,500 for a full/final settlement. If that offer not accepted, we will strive to settle the indemnity on a split of the ratings (\$9,028.80) with medical left open.

## **CLAIM SUMMARY-RESERVE INCREASE**

**Employer:** City of Garden City  
**Claim No.:** 2016073990  
**Employee Age:** 43  
**AWW:** \$623.57  
**Attorneys:** Employee -NA  
**Adjuster:** Gene Miller

**Date of Injury:** 5/30/2016  
**Job Description:** Animal Control Officer  
**Updated:** 8/8/2016  
**TTD Rate:** \$415.71  
**Employer** -NA

	Medical	Indemnity	Expense	Total
Prev. Reserves	\$1,200.00	\$0.00	\$100.00	\$1,300.00
New Reserves	\$30,000.00	\$15,000.00	\$1,500.00	\$46,500.00
Amount Paid	\$9,156.77	\$1,781.61	\$33.39	\$10,971.77
Outstanding	\$20,843.23	\$13,218.39	\$1,466.61	\$35,528.23

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

- Claimant was off-duty at her residence when a stray dog came into her yard. She took the dog into custody for the on-duty officer to pick up and the dog attacked her. She suffered numerous bites and lacerations to her right arm/shoulder.

### **Investigation/Compensability**

- The issue of her being in course & scope of her employment was addressed and the city requires that their officers act on incidents that require attention, even if off duty. The city paid her wages for the time she spent with the animal. Injury was accepted as compensable.

### **Medical Management**

- She had 50 stitches to repair the lacerations on her right arm. MRI revealed tendonitis but no rotator cuff tear. Dr. Do continues to treat a nerve injury to her wrist.

### **Periods of Disability**

- May 31 to June 29.

### **Indemnity**

- TTD: Reserves reflect 5 weeks.
- PPD: Reserves reflect 15% upper arm.

### **Subrogation/Other Issues**

- The dog owner has been identified, their home owners insurance has been put on notice and they have acknowledged our subrogation claim.

### **Plan of Action:**

- Early return to work was achieved so I am currently monitoring her medical recovery by following up after every doctor appointment. When she is placed at MMI, I will request a disability rating, negotiate full/final settlement, obtain Division approval and close file.
- I will also pursue subrogation for our costs.

## **CLAIM SUMMARY-RESERVE INCREASE**

**Employer:** City of Garden City  
**Claim No.:** 2016074294  
**Employee Age:** 30  
**AWW:** \$1,228.47  
**Attorneys:** Employee -NA  
**Adjuster:** Gene Miller

**Date of Injury:** 7/8/2016  
**Job Description:** Apprentice Lineman  
**Updated:** 7/18/2016  
**TTD Rate:** \$610.00  
**Employer** -NA

	Medical	Indemnity	Expense	Total
Prev. Reserves	\$1,200.00	\$0.00	\$100.00	\$1,300.00
New Reserves	\$20,000.00	\$7,500.00	\$1,500.00	\$29,000.00
Amount Paid	\$31.21	\$179.14	\$0.00	\$210.46
Outstanding	\$19,968.68	\$7,320.86	\$1,500.00	\$28,789.54

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

- Claimant was attaching sling to auger for cradling when the operator rolled the auger up and it caught the tip of claimant's right index finger, severing same.

### **Investigation/Compensability**

- The accident was witnessed by several coworkers and medical treatment immediately sought. Injury accepted as compensable.

### **Medical Management**

- Following his emergency room visit, he continued care with orthopedic Dr. Shah. Surgery for partial amputation, crush with skin graft and nail bed repair. The doctor is trying to save the tip of his finger, although there were no bone fractures. He was been released to one-handed work.

### **Periods of Disability**

- He was off work from July 9 till July 17.

### **Indemnity**

- TTD: Reserves reflect 6 weeks.
- PPD: Reserves reflect 18% to finger.

### **Subrogation/Other Issues**

- No source for subrogation or contribution.

### **Plan of Action:**

- Early return to work has already been achieved, effective July 18. I will continue to monitor his medical recovery and follow-up with him after every doctor's visit. When he is released from care, I will obtain a disability rating, negotiate a full/final settlement, obtain Division approval and close the file.

## **CLAIM SUMMARY-RESERVE INCREASE**

**Employer:** City of Newton  
**Claim No.:** 2016074196  
**Employee Age:** 58  
**AWW:** \$1,008.45  
**Attorneys:** Employee -NA  
**Adjuster:** Gene Miller

**Date of Injury:** 6/27/2016  
**Job Description:** Mechanic  
**Updated:** 7/26/2016  
**TTD Rate:** \$610.00  
**Employer** -NA

	Medical	Indemnity	Expense	Total
Prev. Reserves	\$1,200.00	\$0.00	\$100.00	\$1,300.00
New Reserves	\$25,000.00	\$14,000.00	\$1,500.00	\$40,500.00
Amount Paid	\$513.95	\$0.00	\$0.00	\$513.95
Outstanding	\$24,486.05	\$14,000.00	\$1,500.00	\$39,986.05

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

- Claimant was pushing a hydraulic valve into position and felt a pop and pain in his right shoulder.

### **Investigation/Compensability**

- The accident was reported promptly and had been witnessed by coworkers. The injury accepted as compensable.

### **Medical Management**

- Conservative treatment by the city's doctor failed to relieve his symptoms and he was referred to Dr. Do. MRI ordered and revealed near full-thickness rotator cuff tear. Surgery performed 7/22/16. We anticipate 6 month recovery to MMI.

### **Periods of Disability**

- He returned to modified work 7/25/16.

### **Indemnity**

- TTD: No reserves posted as he has returned to work.
- PPD: Reserves reflect 10% to shoulder.

### **Subrogation/Other Issues**

- No source for subrogation or contribution.

### **Plan of Action:**

- Early return to work already achieved. I will monitor his medical progress by following up with him after every doctor's appointment, to maintain control. When he is released from care, I will obtain a disability rating, negotiate settlement, obtain Division approval and close file.
-

## **CLAIM SUMMARY-RESERVE INCREASE**

**Employer:** City of Goodland  
**Claim No.:** 2016074088  
**Employee Age:** 34  
**AWW:** \$670.48  
**Attorneys:** Employee -NA  
**Adjuster:** Gene Miller

**Date of Injury:** 6/12/2016  
**Job Description:** Policeman  
**Updated:** 7/18-2016  
**TTD Rate:** \$446.98  
**Employer** -NA

	Medical	Indemnity	Expense	Total
Prev. Reserves	\$1,200.00	\$0.00	\$100.00	\$1,300.00
New Reserves	\$15,000.00	\$10,000.00	\$1,200.00	\$26,200.00
Amount Paid	\$124.36	\$0.00	\$0.00	\$124.36
Outstanding	\$14,875.64	\$10,000.00	\$1,200.00	\$26,075.64

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

- Claimant was taking suspect down who was resisting arrest and injured his right knee.

### **Investigation/Compensability**

- Accident/injury was promptly reported and medical treatment sought the following day. Injury accepted as compensable.

### **Medical Management**

- He saw the city's doctor and was provided conservative care and placed on modified duty. After no improvement, an MRI was done which revealed a medial meniscus tear and he was referred to orthopedic Dr. Nagamani. Surgery scheduled for 8/17/16. He continues to work modified duty.

### **Periods of Disability**

- None to date.

### **Indemnity**

- TTD: Reserves reflect 6 weeks.
- PPD: Reserves reflect 15% to knee.

### **Subrogation/Other Issues**

- We will seek recovery from the suspect. No other source for subrogation or contribution.

### **Plan of Action:**

- I will follow-up with claimant after his surgery, to maintain control and strive for early return to work. Administer statutory benefits will released from care. I will then obtain a disability rating, negotiate a full/final settlement, obtain Division approval and close file.

## **CLAIM SUMMARY-SETTLEMENT REQUEST**

**Employer:** City of Newton  
**Claim No.:** 2011042000  
**Employee Age:** 53  
**AWW:** \$1,108.56  
**Attorneys:** Employee -Tom Warner  
**Adjuster:** Gene Miller

**Date of Injury:** 10/4/2011  
**Job Description:** Police  
**Updated:** 7/15/16  
**TTD Rate:** \$555.00  
**Employer** -Jeff Brewer

	Medical	Indemnity	Expense	Total
Reserves	\$40,000.00	50,000.00	\$12,500.00	\$102,500.00
Amount Paid	\$26,633.24	\$0.00	\$6,393.19	\$33,026.43
Outstanding	\$13,473.57	\$50,000.00	\$6,106.81	\$69,473.57

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

- Claimant participating in defensive tactics training and fellow officer took him down, slapping his head into mat injuring neck and right shoulder.

### **Investigation/Compensability**

- The accident was reported promptly and witnessed by several coworkers. Accident/injury not questioned.

### **Medical Management**

- Conservative treatment failed to relieve his symptoms and neck surgery performed 7/17/13 by Dr. Dickerson for herniated disc. MRI revealed right rotator cuff tear and surgery recommended but claimant could not get his diabetes to a level where he was not cleared for the surgery.

### **Periods of Disability**

- No TTD paid.

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

- Claimant's Dr. Murati gives 37% = \$85,248.
- Court Ordered IME Dr. Hufford 17% = \$39,183.
- Claimant attorney presents Vocational Assessment with 46% work disability

### **Subrogation/Other Issues**

- No source for subrogation or contribution.

### **Plan of Action:**

- Request settlement authority to \$105,949.50
- $415 - 0 = 415 \times 47\% = 190 \times \$555.00 = \$105,949.50$
- There is currently \$84,665.25 due from his work disability so we might be able to negotiate some discount on the balance for a lump sum payment. Claimant's attorney stated his client will not settle his future medical benefits. Please grant me the requested authority.

## Don Osenbaugh

---

**From:** Don Osenbaugh [dosenbaugh@cox.net]  
**Sent:** Monday, July 18, 2016 10:55 AM  
**To:** Carey Steier (Pittsburg); David Dillner (Abilene) (citymgr@abilenecityhall.com); Debbie Price (Marysville) (cityclk@bluevalley.net); Janie Cox (Haysville) (JCOX@haysville-ks.com); Keith Schlaegel (Stockton) (cosmgr@ruraltel.net); Kerry Rozman (Clay Center) (cityclerk@claycenterks.com); Michael Reagle (Garden City); Nathan McCommon (Tonganoxie) (nmcccommon@tonganoxie.org); Randy Frazer (Moundridge); Tim Hardy (Elkhart) (cityadministrator@elkhart.com); Ty Lasher (Bel Aire) (tdlasher@gmail.com)  
**Cc:** Paul Davis (IMA); Jess Cornejo (IMA); 'Furman, Deanna'; Gene Miller; Amanda Chamberland (IMA) (amanda.chamberland@imacorp.com)  
**Subject:** KMIT Board--Email Vote Needed  
**Attachments:** Settlement Request Claim #2011042000.pdf

KMIT Board,

The need to have an email vote on a pending settlement is somewhat rare, but occasionally does come up.

This is a big case, that we expect can be settled right now, but one which could get even more costly if it gets stretched out or goes to a trial.

Our attorney (Jeff Brewer) outlines the case in the attachment. This claimant needs surgery, but surgery cannot be performed in the foreseeable future, due to his high blood pressure caused by diabetes. Absent the surgery, there could be even more unknown costs at risk.

And, the claimant and his attorney have indicated that they will not settle unless medical is left open.

Gene and I agree that this recommended option is our best bet.

Please let me know how you vote on this settlement. A record of this vote will be kept, and placed in the minutes of the August meeting.

If you have further questions, please respond 'reply all', and I will get Gene to weigh in.

Thanks.

*DonO*

Don Osenbaugh  
KMIT Pool Administrator  
[www.kmit.net](http://www.kmit.net)  
[dosenbaugh@cox.net](mailto:dosenbaugh@cox.net)  
316-259-3847



## Claim # 2011042000 Settlement Request VOTE

	Yes	No	Date
1 President Hardy	1		7/18
2 Vice President Price	1		7/18
3 Treasurer Frazer	1		7/18
4 Past President Schlaegel	1		7/18
5 Cox	1		7/18
6 Dillner	1		7/18
7 Lasher	1		7/18
8 McCommon	1		7/18
9 Reagle	1		7/18
10 Rozman	1		7/18
11 Steier	1		7/18

**Total**

**11**

**0**

**Yes**

**No**

## KMIT Risk Control Valued as of 7/31/2016

### Comparison by Year

Policy Year	Severity	Frequency
2010	\$4,094,711	666
2011	\$2,923,574	635
2012	\$2,126,272	598
2013	\$1,818,633	696
2014	\$3,234,895	742
2015	\$1,975,781	724
2016	\$1,089,021	399

### 2016 by Month

Month	Severity	Frequency
January	\$294,381	69
February	\$48,298	43
March	\$146,781	68
April	\$108,517	60
May	\$175,322	48
June	\$213,822	66
July	\$101,900	45
<b>Totals</b>	<b>\$1,089,021</b>	<b>399</b>

### 2016 by Department

Department Name+	Severity	Frequency
Street	\$264,834	48
Police	\$178,605	117
Administration	\$114,201	13
Public Works	\$113,701	40
Fire	\$107,399	39
Emergency	\$83,418	6
Animal Control/Shelter	\$49,102	4
Water	\$43,371	23
Maintenance	\$40,362	14
Electric	\$39,718	22
Parks	\$33,055	33
Cemetery	\$5,664	10
Sanitation	\$4,702	9
Plant	\$2,600	1
Coop Employee	\$1,300	1
Golf Course	\$1,300	1
Solid Waste	\$1,300	2
Wastewater	\$1,300	1
Nursing Home	\$1,300	1
Zoo	\$1,052	2
All Other	\$738	12
<b>Totals</b>	<b>\$1,089,021</b>	<b>399</b>

### 2016 by Accident Type

Accident Type	Severity	Frequency
Strain or Injury By	\$354,665	72
Fall or Slip	\$280,720	62
Struck or Injured By	\$171,173	45
Animal or Insect	\$62,927	22
Occupational Hazard	\$42,755	60
Striking Against/Stepping On	\$40,268	13
Caught In or Between	\$36,470	12
Cut/Puncture/Scrape	\$25,520	43
Motor Vehicle	\$23,425	21
Occupational Hazards: Rep. Motion	\$21,090	7
Foreign Body in Eye	\$8,411	12
Miscellaneous	\$7,000	4
Burn or Scald	\$5,595	7
Robbery or Criminal Assault	\$4,634	11
Miscellaneous Causes	\$4,367	8
<b>Totals</b>	<b>\$1,089,021</b>	<b>399</b>

**2016 Claims Over \$10,000  
Valued as of 7/31/2016**

Rank	Accident Date	City	Department	Accident Type	Current Cost
1	1/7/2016	La Cygne	Street	Strain or Injury By	\$83,600
2	4/5/2016	Newton	Administration	Fall or Slip	\$82,500
3	1/10/2016	Waterville	Emergency	Strain or Injury By	\$81,500
4	1/11/2016	Hoisington	Street	Fall or Slip	\$51,500
4	3/7/2016	Abilene	Street	Struck or Injured By	\$51,500
6	5/19/2016	Peabody	Public Works	Struck or Injured By	\$46,500
6	5/30/2016	Garden City	Animal Control/Shelter	Animal or Insect	\$46,500
8	1/1/2016	Hillsboro	Police	Fall or Slip	\$44,500
9	6/27/2016	Newton	Street	Strain or Injury By	\$40,500
10	2/12/2016	Hays	Maintenance	Strain or Injury By	\$31,200
11	7/8/2016	Garden City	Electric	Caught In or Between	\$29,000
12	3/30/2016	Hoisington	Public Works	Fall or Slip	\$26,500
13	6/12/2016	Goodland	Police	Struck or Injured By	\$26,200
14	3/11/2016	Hill City	Administration	Fall or Slip	\$24,000
15	5/4/2016	Stafford	Water	Strain or Injury By	\$23,500
16	6/10/2016	Wellington	Fire	Occupational Hazards: Rep. Motion	\$21,000
17	6/29/2016	Girard	Fire	Striking Against/Stepping On	\$18,700
18	3/5/2016	Pittsburg	Fire	Strain or Injury By	\$16,460
19	6/10/2016	Oberlin	Police	Struck or Injured By	\$13,700

**2016 Claims Over \$10,000  
Valued as of 7/31/2016**

20	7/13/2016	Sterling	Fire Dept	Strain or Injury By	\$13,000
21	6/7/2016	Arkansas City	Police	Motor Vehicle	\$10,500
21	7/19/2016	Girard	Public Works	Strain or Injury By	\$10,500
				<b>Total Cost of All \$10K+ Claims:</b>	<b>\$792,860</b>
				<b>Avg. Cost of All \$10K+ Claims:</b>	<b>\$36,039</b>



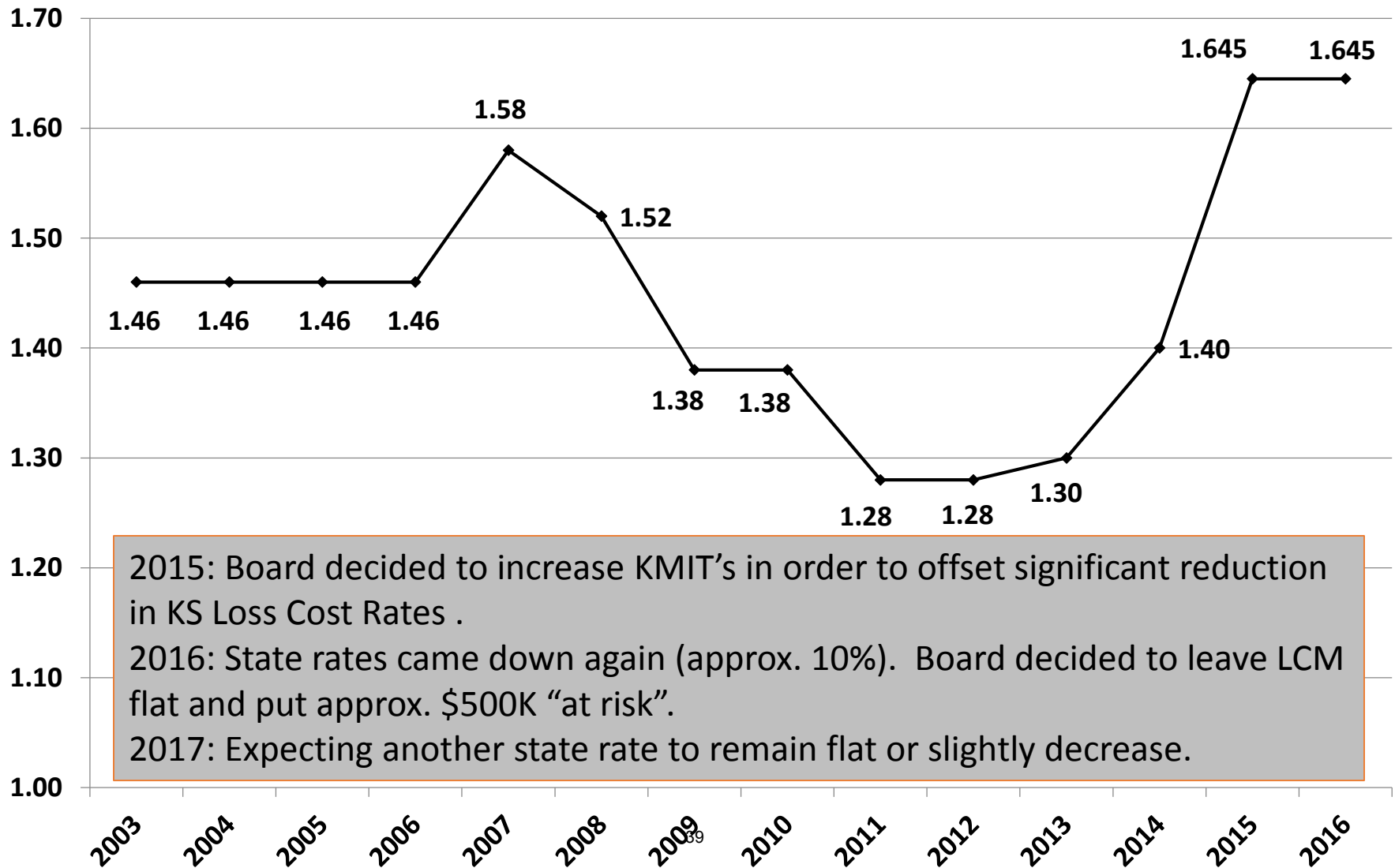
# **2017 Loss Cost Multiplier**

# What is a Loss Cost Multiplier?

- A loss cost multiplier (LCM) is one factor used by worker's compensation providers to set the premium rate, specifically the expense portion.
- LCMs on file with KID
- Applied to each NCCI loss cost rate by payroll class code.
- Goal when setting the LCM: Select a factor that enables the Pool to generate enough premium to cover projected losses, expenses, and provide underwriting gain (if any) required for stability.

# KMIT

## Historical Loss Cost Multipliers



# 2017 Premium Need Analysis

<b>1</b>	Expenses (2016 Budget)	\$1,696,000	
<b>2</b>	2017 Est Payroll (00's)	\$2,078,833	
<b>3</b>	Loss Rate (12/31/15 Act Report)	\$1.85	
<b>4</b>	Losses (12/31/15 Act Report)	\$3,845,840	<b>2x3</b>
<b>5</b>	<b>Total Premium Need</b>	<b>\$5,541,840</b>	<b>1+4</b>



## **AGREEMENT FOR SERVICES**

This Agreement for Services (“Agreement”) is made and entered into as of the 1<sup>st</sup> day of December, 201~~6~~<sup>5</sup>, 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, 201~~7~~<sup>6</sup> and shall expire and terminate 12:00 AM, January 1, 201~~8~~<sup>7</sup>. 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

Pool Administrator

“CRS”

CORnerstone Risk Solutions, LLC

By: \_\_\_\_\_

Paul J. Davis, Director of Program Operations~~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 ~~\$575~~**50,000**. The Fee shall be due and payable in monthly installments commencing January 1, 201~~7~~**6** in 10 equal installments of ~~\$55~~**7,000** 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.

## Don Osenbaugh

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**From:** Don Osenbaugh [dosenbaugh@cox.net]  
**Sent:** Thursday, August 18, 2016 2:23 PM  
**To:** 'Erik Sartorius'  
**Subject:** RE: KMIT contract

That works; thanks.

DonO

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**From:** Erik Sartorius [mailto:esartorius@lkm.org]  
**Sent:** Thursday, August 18, 2016 9:58 AM  
**To:** Don Osenbaugh  
**Subject:** RE: KMIT contract

Hi, Don –

Kate & I have been visiting about this some. I'm running into one of our policy committee meetings, and will be out of pocket for a big chunk of the day. Would something early next week be OK? I feel we have most of the structure pulled together, but still have some refining to do. Please let me know what you think when you get a second.

Thanks, Erik

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**From:** Don Osenbaugh [mailto:dosenbaugh@cox.net]  
**Sent:** Wednesday, August 17, 2016 6:47 PM  
**To:** Erik Sartorius <esartorius@lkm.org>  
**Subject:** KMIT contract

Erik,

Our Board meets late next week (8/25).

Do you expect to have anything in draft form for me to share with them at that time?

Their next (regular) meeting is not until December.

DonO

Don Osenbaugh  
KMIT Pool Administrator  
[www.kmit.net](http://www.kmit.net)

To: Trustees of the Kansas Municipal Insurance Trust  
From: Erik Sartorius  
CC: Don Osenbaugh, KMIT Pool Administrator  
Date: August 24, 2016  
Re: KMIT 'Signature+' Agreement with the League of Kansas Municipalities

The League of Kansas Municipalities has enjoyed its long relationship with the Kansas Municipal Insurance Trust. We believe that both organizations provide important services to the cities of Kansas, and that both the League and KMIT benefit by having a strong relationship. To that end, we would like to propose extending our formal relationship when our current agreement expires at the end of 2017.

I have appreciated the opportunity to meet with Don Osenbaugh on multiple occasions to discuss how the League and KMIT can continue to work together. The proposal outlined is driven by those conversations and the uniqueness of our organizations' relationship.

**Municipal Business Alliance** packages include a number of exclusive benefits and year-round exposure to key decision makers in local government across the state. Currently, KMIT is the only 'Endorsed' partner of the League of Kansas Municipalities, and is awarded a number of benefits exclusive to only KMIT.

We are proposing for KMIT a "Signature+" MBA level for three years with the following rate structure: 2018 - \$30,000; 2019 - \$32,500; 2020 - \$35,000. The balance of this memo details elements that would be part of your Signature + agreement.

#### **Signature + Level Exclusive Benefits**

- a) 'Endorsed' partner of the League of Kansas Municipalities, which will continue to be indicated on all KMIT advertisements.
- b) KMIT will be recognized at League events throughout the year as an 'Endorsed' Municipal Business Alliance partner of the League.

#### **Annual Conference**

- a) Kansas Municipal Insurance Trust would be deemed a "Title Sponsor" of the League Annual Conference.
- b) The League will provide a sponsor banner with the KMIT logo to be prominently displayed at the conference for additional recognition.
- c) KMIT will be recognized as "Title Sponsor" in the conference vendor/sponsor guide, as well as in pre-general session videos.
- d) In conjunction with the League's Annual Conference, KMIT will be provided suitable space to hold the KMIT annual meeting at no charge. KMIT will remain responsible for any food/beverage, or A/V services.
- e) The League will include the KMIT logo on all registrant badges for KMIT member cities.
- f) KMIT will receive two, full conference registrations for the League's Annual Conference.
- g) KMIT will be provided a vendor booth for member outreach and business development purposes.

### **Advertising**

- a) KMIT will receive a full-page advertisement in six issues of the *Kansas Government Journal*. The ad will be placed on the inside front or inside back cover four times per year.
- b) KMIT will be provided a Professional Services advertisement in the back of the *Kansas Government Journal*.
- c) KMIT is listed in the Business Links section of the League website, as well as in the Products & Services Guide listing in the printed *Directory of Kansas Public Officials*.
- d) KMIT receives a full-page advertisement in the *Directory of Kansas Public Officials*.

### **Publications**

- a) KMIT receives three subscriptions to the *Kansas Government Journal*.
- b) KMIT receives four copies of the *Directory of Kansas Public Officials*.
- c) KMIT receives a subscription to League News & Legislative Alerts.
- d) KMIT would also be able to purchase any other League produced publication at the member rate.

### **Expertise & Outreach**

- a) KMIT will be afforded the opportunity to have representatives provide expertise to League members, staff, and governing body. This may include, but is not limited to:
  - content publication in the *Kansas Government Journal*,
  - opportunities to conduct webinars, provide in-person Municipal Training Institute classes, or lead a session at the League's Annual Conference.
- b) KMIT would be invited to have representatives join the League Governing Body at a dinner prior to one of their governing body meetings. Time would be afforded to KMIT to provide an update and comments to the governing body.

We believe this is a comprehensive proposal for continuing our relationship, though we understand fine-tuning may be required. I would welcome the opportunity to appear before you and answer any questions you might have.

# **2016 KMIT Nominating Committee\* Report**

The following KMIT member-city officials have been selected by the Nominating Committee to appear on the ballot as nominees for KMIT Board of Trustees positions, before the General Membership of KMIT, at the 2016 KMIT Annual Meeting:

Position #1: David Dillner, Abilene (2-year term)

Position #3: Tim Hardy, Elkhart (2-year term)

Position #6: Mike Webb, Edwardsville (2-year term)

Position #7: Kerry Rozman, Clay Center (2-year term)

Position #8: Keith Schlaegel, Stockton (2-year term)

Position #10: Carey Steier, Pittsburg (1-year term)

\* Randy Frazer (Moundridge), Chair; Ty Lasher (Bel Aire) and David Dillner (Abilene).

# KMIT Trustee Terms, 2001 - Present

									term limit	End
pos	Name	City	Title	Appointed	Elect 1	Elect 2	Elect 3	Elect 4	date	Date
1	Gary Meagher	Lindsborg	City Administrator	Jun-98						Aug-98
1	Ron Pickman	Goodland	City Manager	N/A	Oct-98	Oct-00	Oct-02			Oct-04
1	Cheryl Beatty [3]	Eudora	City Manager	N/A	Oct-04	Oct-06	Oct-08			Apr-09
1	Herb Llewellyn	El Dorado	City Manager	Jun-09	Oct-09 [1]	Oct-10	Oct-12			Oct-14
1	<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	
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	<del>Oct-10</del>	<del>Oct-12</del>			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	Nathan McCommon	Tonganoxie	City Manager	N/A	Oct-14	<del>Oct-16</del>	<del>Oct-18</del>			
6	<b>Mike Webb</b>	<b>Edwardsville</b>	<b>City Manager</b>	<b>N/A</b>	<b>Oct-16</b>	<b>Oct-18</b>	<b>Oct-20</b>		Oct-22	
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 [4]	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	<del>Oct-12</del>		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	<del>Oct-13</del>	<del>Oct-15</del>			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]	<del>Oct-16</del>	<del>Oct-18</del>	<del>Oct-20</del>		Jan-15
10	Jay Byers	Pittsburg	Assist. City Mgr.	Mar-15	Oct-15					Mar-16
10	<b>Carey Steier</b>	<b>Pittsburg</b>	<b>HR Mgr.</b>	<b>Mar-16</b>	<b>Oct-16 [1]</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 [2]	Derby	City Planner	Jan-04	Oct-04	Oct-05	Oct-07			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>			Oct-19	

[1] one-year term

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

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

[4] first elected to the Board while in Ft. Scott

# **Non-Agenda Information and Background Material**

## **2017 KMIT Supervisor Seminar Schedule**

Thursday, April 27, 1-4PM, Marysville\*

Thursday, June 22, 1-4PM, Parsons

Thursday, August 24, 1-4PM, McPherson (at the KMU Training Center)

Wednesday, September 13, 1-4PM, Atchison

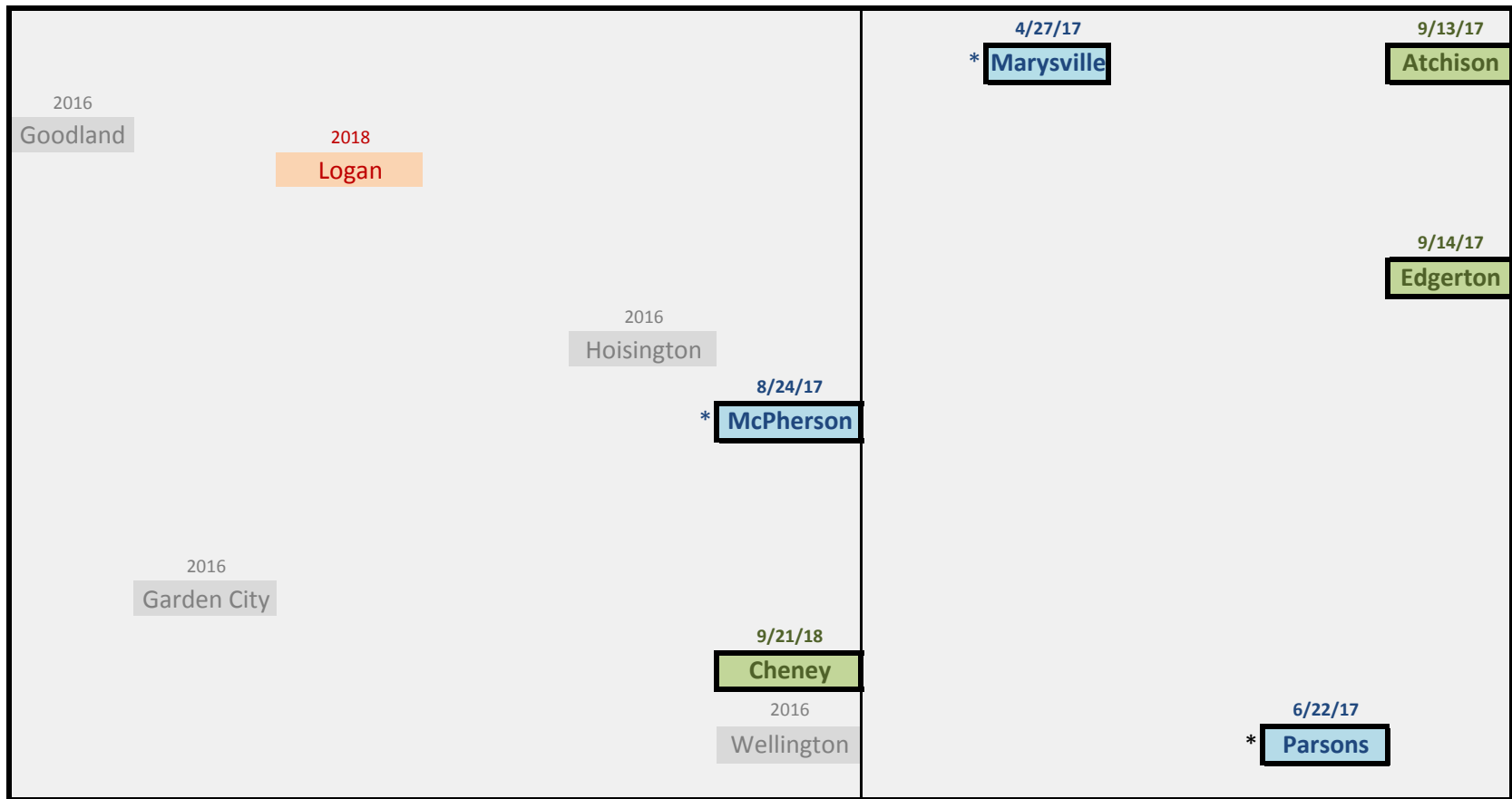
Thursday, September 14, 9AM-Noon, Edgerton

Thursday, September 21, 9AM-Noon, Cheney

\*subject to city verification



# KMIT Supervisor Seminar Schedule, 2016-2017



\*KMIT Board meeting in this city, or in a nearby city, the following day

## **2017 KMIT Board of Trustees Meeting Schedule**

Friday, February 24, Moundridge

Friday, April 28, Marysville\*

Friday, June 23, Pittsburg\*

Friday, August 25, McPherson (at KMU Training Center)\*

Sunday, October 8, Wichita (following KMIT Annual Meeting)

Friday, December 15, Haysville

\*a KMIT Supervisor Seminar session will take place in the same (or a nearby) city in the afternoon of the previous day

## Don Osenbaugh

**From:** Mike O'Neal [mikeo@kansaschamber.org]  
**Sent:** Thursday, July 21, 2016 4:10 PM  
**To:** Don Osenbaugh; 'Brent Sonnier'; 'Cindy Luxem'; Don McNeely; 'Dorothy Pope'; 'Doug Hamilton'; 'Doug Irmen'; 'Ed Reasoner'; 'Jim Parrish'; JMcWilliams@KHA-net.org; Kathy Taylor; 'Kevin McFarland'; 'Lance Cowell'; Luke Bell; 'Matt Wiltanger'; 'Mike Waters'; 'Ray Merz'; 'Sarah Hooke'; 'Tina Cox'; 'Tom Steele'  
**Subject:** RE: status

7/21/16  
Sweeps  
case update

Thanks, Don. I needed that sentiment today. Frustrating but the cause is just.

**Mike O'Neal**

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**From:** Don Osenbaugh [mailto:dosenbaugh@cox.net]  
**Sent:** Thursday, July 21, 2016 4:08 PM  
**To:** Mike O'Neal <mikeo@kansaschamber.org>; 'Brent Sonnier' <Brent\_Sonnier@oxy.com>; 'Cindy Luxem' <cluxem@khca.org>; Don McNeely <dmcneely@kansasdealers.org>; 'Dorothy Pope' <poped@marc.org>; 'Doug Hamilton' <doug@kbiwcf.com>; 'Doug Irmen' <J.Douglas.Irmen@KutakRock.com>; 'Ed Reasoner' <ereasoner@thomasmcgee.com>; 'Jim Parrish' <jimparrish@kworcc.com>; JMcWilliams@KHA-net.org; Kathy Taylor <ktaylor@ksbankers.com>; 'Kevin McFarland' <kevin@leadingagekansas.org>; 'Lance Cowell' <lance.cowell@yahoo.com>; Luke Bell <lbell@kansasrealtor.com>; 'Matt Wiltanger' <matt.wiltanger@qchi.com>; 'Mike Waters' <mike.waters@qchi.com>; 'Ray Merz' <ray.merz@imacorp.com>; 'Sarah Hooke' <sarahhooke@speedyinc.com>; 'Tina Cox' <tcx@krha.org>; 'Tom Steele' <tomsteele@speedyinc.com>  
**Subject:** RE: status

Mike,

Honestly, it wouldn't surprise me if this case never ends. It appears to be in everybody else's best interest (but ours, of course) that we get beat-down and worn-down, and go away. In my admittedly-layman's view, even the Court seems perfectly fine with this can being kicked further down a VERY long road.

If we are still discussing this five years from today, I will still be voting to stay the course.

DonO

Don Osenbaugh

KMIT Pool Administrator

[www.kmit.net](http://www.kmit.net)

[dosenbaugh@cox.net](mailto:dosenbaugh@cox.net)

316-259-3847

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**From:** Mike O'Neal [<mailto:mikeo@kansaschamber.org>]

**Sent:** Tuesday, July 19, 2016 10:33 AM

**To:** Brent Sonnier; Cindy Luxem; Dan Osenbaugh; Don McNeely; Dorothy Pope; Doug Hamilton; Doug Irmen; Ed Reasoner; Jim Parrish; [JMcWilliams@KHA-net.org](mailto:JMcWilliams@KHA-net.org); Kathy Taylor; Kevin McFarland; Lance Cowell; Luke Bell; Matt Wiltanger; Mike Waters; Ray Merz; Sarah Hooke; Tina Cox; Tom Steele

**Cc:** Mike O'Neal

**Subject:** status

Fee sweep case participants

I need to provide you a brief case update. The State has filed a motion asking the judge to reconsider his decision to lift the stay on discovery. The State says they are planning to file a motion to dismiss, this time renewing their claim of immunity, which was not addressed by the appellate courts. They want the case stayed until the court decides that issue. More delay. I have filed a response and have asked the court for the earliest possible hearing date. I have alleged that the State's motion and any claim of immunity are frivolous and should be summarily denied so the case can proceed. I'll continue to keep you posted but wanted to pass along the latest delay tactic. I predict the court will overrule the motion but my concern is that we won't be able to get the case on the docket for hearing very soon. This court have been very slow to get hearings scheduled.

## Mike O'Neal

President & CEO

Kansas Chamber of Commerce

835 SW Topeka Blvd | Topeka, KS 66612

PH: 785.357.6321 | FX: 785.357.4732

[mikeo@kansaschamber.org](mailto:mikeo@kansaschamber.org) | [kansaschamber.org](http://kansaschamber.org)

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*"... to continually strive to improve the economic climate for the benefit of every business and citizen and to safeguard our system of free, competitive enterprise".*



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