



Board of Trustees

Board Meeting

March 3, 2016

Abilene, Kansas

Abilene Civic Center

201 N.W. 2nd St.

9:00 AM (CST)

BOARD OF TRUSTEES MEETING KANSAS MUNICIPAL INSURANCE TRUST

9:00 AM CST, Thursday, March 3, 2016

Civic Center*, Abilene, KS

1. Welcome, Introductions and Call To Order (President Hardy)
2. Trustee Absences from Meeting (Hardy)
3. Approval of Minutes, December 11, 2015—Bel Aire (Hardy)
4. Financial Reports (Kifer/Osenbaugh)
 - a. December 31, 2015 KID Quarterly Report
 - b. December 31, 2015 Financials
 - c. January 31, 2016 Financials
 - d. January 31, 2016 Cash and Investment Summary
5. Reserve Advisory & Settlement Authority (Miller)
6. Loss Control Activities (Retter)
7. Pool Performance History (Cornejo)
8. Annual Marketing Overview (Osenbaugh)
9. POET Program Update (Dorothy Riviere, Bardavon Health Innovations/Osenbaugh)
10. Other Business/Staff Reports
11. Resignation of Jay Byers as Trustee (Hardy)
12. Appointment of Carey Steier as Trustee (Hardy)
13. Adjourn/Lunch (approximately 12:00 CST)

*201 N.W. 2nd St.

KANSAS MUNICIPAL INSURANCE TRUST

Board of Trustees Minutes from December 11, 2015

Unapproved

Meeting Convened: Friday, December 11, 2015 at Bel Aire City Hall, Bel Aire, KS. The meeting was called to order by KMIT President Tim Hardy at 9:07 AM (CST).

Members Present: *Board Members Present:* President Hardy (Elkhart), Vice President Debbie Price (Marysville), Treasurer Randy Frazer (Moundridge), Immediate Past President Keith Schlaegel (Stockton), Nathan McCommon [left meeting at 10:59] (Tonganoxie), David Dillner (Abilene), Kerry Rozman (Clay Center), Ty Lasher (Bel Aire), Jay Byers (Pittsburg), Michael Reagle (Garden City), and Janie Cox (Haysville). *Staff:* Paul Davis (IMA), Jess Cornejo (IMA), Jaci Davis (IMA), Gene Miller (IMA), Renee Rhodes (IMA), Deanna Furman (IMA), Barbie Kifer (IMA), Kyle Johnston (IMA), Amanda Chamberland (IMA), Chris Retter (IMA), and Don Osenbaugh (KMIT Pool Administrator). *Guests:* None.

Members Absences From Meeting: None.

Minutes: October 11, 2015, Topeka. Motion to approve as written, by Price; second by Dillner. Approved unanimously.

Financial Reports:

- a. September 30, 2015 KID Quarterly Report
- b. September 30, 2015 Financials
- c. October 31, 2015 Financials
- d. November 30, 2015 Financials
- e. November 30, 2015 Cash and Investment Summary

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

Reserve Advisory and Settlement Authority:

Miller reported on the following claims—

1. Claim #2012043680 (Galena). Motion to approve requested settlement authority of up to \$65,000 made by McCommon; seconded by Schlaegel. Approved unanimously.
2. Claim #2015071759 (Horton). Reserve Increase Advisory only.
3. Claim #2015070895 (Hays). Reserve Increase Advisory only.
4. Claim #2015072054 (Paola). Reserve Increase Advisory only.
5. Claim #2015071784 (Augusta). Reserve Increase Advisory only.

Risk Control Report: Rhodes presented the monthly update reports, which included a listing of all 2015 claims (33 to-date) whose current estimated value exceeds \$10,000.

Rhodes also reviewed the 2016 loss control certification checklist, which has been 'tweaked' in several areas, including a small credit for being in the KMIT POET program.

Excess Coverage Renewal: Cornejo gave this presentation, and recommended staying with SNCC for 2016, under the same coverage terms as in 2015. The estimated premium was down a

bit from 2015. Deposit premium in the amount of \$474,962 approved unanimously, following a motion by Dillner and a second by Rozman.

Errors and Omission (D&O) Policy Renewal: Cornejo presented this, and recommended staying with Lloyds of London, under the same terms as in 2015. This premium went up just a bit from 2015. Premium in the amount of \$15,969.96 approved unanimously, following a motion by Dillner and a second by McCommon.

Review of 2015 (for 2016) Pool Pricing: Osenbaugh presented an overview of the team process followed in the pricing of the pool (which takes place in late November each year). The challenging obstacles this time around were the drastic rate decreases in several state class codes and the somewhat-usual significant changes in mods for several (especially larger) member cities. The primary goal of the process this year was to stay close to the parameters outlined in the August meeting, at which the Board chose to not raise rates, while also understanding that the pool potential loss risk (net worth) was going to somewhere in the range of \$.5 Million. The final estimate, following the pricing, is that the 'risk' following this year's pricing could be expected to be about \$.576 Million.

Approval of 2016 Operating (Administrative) Budget: Osenbaugh presented the budget, which was approved unanimously, following a motion by Lasher and a second by Dillner.

Staff Report/Other: Osenbaugh gave a brief report of some recent activities and events of note, including:

1. The NCCI annual state seminar, held in Lawrence in October, attended by Furman and Osenbaugh;
2. A phone conference and recent court rulings on the Sweep lawsuit;
3. The annual KMIT Supervisor Seminars, held in four KMIT cities in September;
4. An updated 2016 Board of Trustees meeting schedule.

Adjournment: Motion made by Rozman to adjourn; seconded by Dillner. Approved unanimously. The meeting was adjourned at 11:47 AM.

KANSAS MUNICIPAL INSURANCE TRUST

Board of Trustees Minutes from October 11, 2015

Approved in Bel Aire, December 11, 2015

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

Members Present: *Board Members Present:* President Schlaegel (Stockton), Vice President Tim Hardy (Elkhart), Treasurer Debbie Price (Marysville), Randy Frazer (Moundridge), Nathan McCommon (Tonganoxie), Ty Lasher (Bel Aire), David Dillner (Abilene), Kerry Rozman (Clay Center), Jay Byers and Michael Reagle (Garden City). *Staff:* Paul Davis (IMA), Jess Cornejo (IMA), Jaci Davis (IMA), Gene Miller (IMA), Renee Rhodes (IMA), Deanna Furman (IMA), and Don Osenbaugh (KMIT Pool Administrator).

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

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

Financial Reports:

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

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

Reserve Advisory and Settlement Authority: NONE

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

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

President: Hardy

Vice President: Price

Treasurer: Frazer

Immediate Past President: Schlaegel

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

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

Kansas Municipal Insurance Trust
 (Name of Company)

As of December 31, 2015
 1st 2nd 3rd 4th Quarter (CIRCLE ONE)

	CURRENT FISCAL YEAR TO DATE	PREVIOUS FISCAL YEAR END
	12/31/2015	12/31/2014 - Audited Amended
ASSETS		
Administrative fund:		
Cash	\$ 757,718	\$ 183,238
Claims fund:		
Cash	1,136,472	1,311,575
Investments	11,767,000	11,800,000
Premium contributions receivable	(42)	100,635
Excess insurance recoverable on claims payments	63,006	15,994
Interest income due and accrued	102,964	152,958
Receivable from affiliates		
Other assets:		
Agent Commissions Receivable	432	1,960
Prepaid Excess Insurance		
Prepaid Expenses		
Excess Insurance Premium Receivable		25,550
Less: Non Admitted Assets	0	0
Total Assets	\$ 13,827,549	\$ 13,591,910

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

Kansas Municipal Insurance Trust
 (Name of Pool)

By: Don Osenbaugh Chair of Trustees
Don Osenbaugh Administrator

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

<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	<u>CURRENT FISCAL YEAR TO DATE</u>	<u>PREVIOUS FISCAL YEAR END</u>
	12/31/2015	12/31/2014 - Audited Amended
Reserve for unpaid workers' compensation claims	\$ 2,190,254 \$	2,546,138
Reserve for unpaid claim adjustment expenses	222,647	249,725
Reserve for claims incurred but not reported	4,561,948	3,404,258
Unearned premium contribution	775,849	
Other expenses due or accrued		
Taxes, licenses and fees due or accrued	541,121	499,248
Borrowed money \$_____ and interest thereon \$_____		
Dividends payable to members		
Deposits on premium contributions		1,014,404
Excess insurance premium payable		
Payable to affiliates		
Accounts payable	46,000	45,000
Miscellaneous liabilities:		
Return Premium Payable		400,965
Total Liabilities:	\$ 8,337,819 \$	8,159,739
Special reserve funds:		
Total Special Reserve Funds		
<u>FUND BALANCE</u>		
Total Reserves and Fund Balance (Assets-Liabilities)	5,489,731 \$	5,432,171
Total Liabilities, Reserves and Fund Balance	\$ 13,827,549 \$	13,591,910

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

<u>SUMMARY OF OPERATIONS</u>	<u>CURRENT FISCAL YEAR TO DATE</u>	<u>PREVIOUS FISCAL YEAR END</u>
	12/31/2015	12/31/2014 - Audited Amended
Underwriting Income		
Direct Premium Contributions Earned	\$ <u>5,516,459</u> \$	<u>5,460,508</u>
Deductions:		
Excess insurance premium incurred	<u>481,156</u>	<u>429,976</u>
Workers' compensation claims incurred	<u>3,817,929</u>	<u>3,194,693</u>
Claims adjustment expenses incurred	<u>156,405</u>	<u>190,071</u>
Other administrative expenses incurred	<u>1,132,009</u>	<u>1,271,537</u>
Total underwriting deductions	<u>5,587,499</u>	<u>5,086,277</u>
Net underwriting Gain or (Loss)	\$ <u>(71,040)</u> \$	<u>374,231</u>
Investment income		
Interest income earned (Net of investment expenses)	<u>128,600</u>	<u>107,601</u>
Other income		
Other income	<u></u>	<u></u>
Net income before dividends to members	<u>57,559</u>	<u>481,831</u>
Dividends to members	<u></u>	<u></u>
Net income after dividends to members	<u>57,559</u>	<u>481,831</u>
Net Income(Loss)	\$ <u>57,559</u> \$	<u>481,831</u>

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

<u>ANALYSIS OF FUND BALANCE</u>	<u>CURRENT FISCAL YEAR TO DATE</u>		<u>PREVIOUS FISCAL YEAR END</u>	
	12/31/2015		12/31/2014 - Audited Amended	
Fund balance, previous period	\$	5,432,171	\$	4,950,340
Net income (Loss)		57,559		481,831
Change in non-admitted assets		0		0
<u>Rounding</u>				
<u>Change in Non Admitted Assets</u>				
Change in fund balance for the period		57,559		481,831
Fund balance, current period	\$	5,489,731	\$	5,432,171

Contract Year January 1, 2015 to December 31, 2015
KANSAS PREMIUM AND LOSS EXPERIENCE EXHIBIT
1st 2nd 3rd 4th Quarter (circle one)

NAME OF KANSAS GROUP-FUNDED POOL Kansas Municipal Insurance Trust

LINE OF BUSINESS: Workers Compensation

EXPERIENCE CURRENT AS OF December 31, 2015

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
Current Injuries	Total Injuries	Contract Period	Direct Premium Earned	Excess Insurance Premium Incurred	Net Premiums Earned	Direct Losses Incurred	Loss Adj. Exp. Incurred	Loss & Loss Exp Incurred	Service Agent Fees Incurred	General Expenses Incurred	Taxes, Licenses & Fees Incurred	Total Expenses Incurred	Claims Ratios as a %	Admin. Ratios as a %	Investment Income Earned
					Col 4-5			Col 6-7				Col 10 + 11 + 12	Col 6	Col 6	
0	310	PCY 21	1,422,582	151,393	1,271,189	716,700	25,541	742,241	298,447	83,330	95,360	477,137	58.4%	37.5%	22,675
0	243	PCY 20	1,885,501	210,142	1,675,359	1,049,152	54,345	1,103,496	312,500	211,579	77,466	601,545	65.9%	35.9%	73,225
0	424	PCY 19	1,843,047	133,376	1,709,671	790,125	46,505	836,631	277,342	159,046	56,281	492,669	48.9%	28.8%	114,912
1	524	PCY 18	1,754,515	117,122	1,637,393	1,804,856	90,802	1,895,658	204,543	217,864	102,541	524,948	115.8%	32.1%	142,705
2	572	PCY 17	1,377,722	79,456	1,298,266	1,382,589	90,598	1,473,186	187,000	211,071	82,901	480,972	113.5%	37.0%	116,190
4	551	PCY 16	1,552,110	80,124	1,471,986	1,556,981	147,702	1,704,683	185,000	190,573	77,653	453,226	115.8%	30.8%	96,882
2	552	PCY 15	1,689,773	86,819	1,602,954	1,457,094	123,714	1,580,808	190,000	188,080	73,593	451,673	98.6%	28.2%	129,613
0	605	PCY 14	1,965,656	127,168	1,838,488	1,097,087	83,206	1,920,293	195,000	186,428	55,589	437,017	64.2%	23.8%	101,694
1	670	PCY 13	2,616,641	189,458	2,427,183	1,211,714	129,112	1,340,826	217,500	243,407	69,799	530,706	55.2%	21.9%	50,668
1	612	PCY 12	3,274,489	366,991	2,907,498	1,474,072	149,296	1,623,367	280,000	274,918	96,684	651,602	55.8%	22.4%	52,492
4	645	PCY 11	3,256,648	221,435	3,035,213	2,285,513	151,678	2,437,191	283,000	308,419	134,300	735,719	80.3%	24.2%	59,068
13	770	PCY 10	3,837,793	374,472	3,463,321	3,701,814	244,828	3,946,643	310,000	303,923	195,148	809,071	114.0%	23.4%	96,274
18	765	PCY 9	4,272,140	384,425	3,887,715	2,638,627	190,410	2,829,037	330,000	409,548	164,537	904,085	72.8%	23.3%	234,986
7	906	PCY 8	4,950,171	420,728	4,529,443	2,826,432	202,527	3,028,959	365,000	384,794	157,905	907,699	66.9%	20.0%	263,024
14	768	PCY 7	5,519,169	372,790	5,146,379	3,372,139	240,853	3,612,982	375,000	400,364	180,033	955,397	70.2%	18.6%	245,802
11	654	PCY 6	5,193,427	341,935	4,851,492	2,043,726	131,726	2,175,452	390,000	422,122	158,861	970,983	44.8%	20.0%	81,601
17	666	PCY 5	5,213,859	351,375	4,862,484	3,767,628	192,677	3,960,305	410,000	411,213	218,444	1,039,657	81.4%	21.4%	52,768
10	635	PCY 4	4,442,326	336,966	4,105,361	2,705,222	148,427	2,853,648	400,000	374,349	211,548	985,897	69.5%	24.0%	72,925
9	588	PCY 3	4,484,533	337,595	4,146,938	1,880,419	165,460	2,045,879	400,000	407,086	174,669	981,755	49.3%	23.7%	70,104
11	696	PCY 2	4,853,835	395,128	4,458,707	1,697,734	129,162	1,826,896	580,600	286,205	112,977	979,782	41.0%	22.0%	71,861
21	742	PCY 1	5,460,344	432,750	5,027,594	2,972,669	117,428	3,090,097	596,571	291,845	383,143	1,271,559	61.5%	25.3%	107,601
132	708	CCY	5,516,623	478,382	5,038,241	1,842,163	87,814	1,729,978	628,560	291,711	211,739	1,132,009	34.3%	22.5%	128,600

PFY = Prior fiscal Year

CFY = Current Fiscal Year

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

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

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

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

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

KMIT Balance Sheet

December 31, 2015

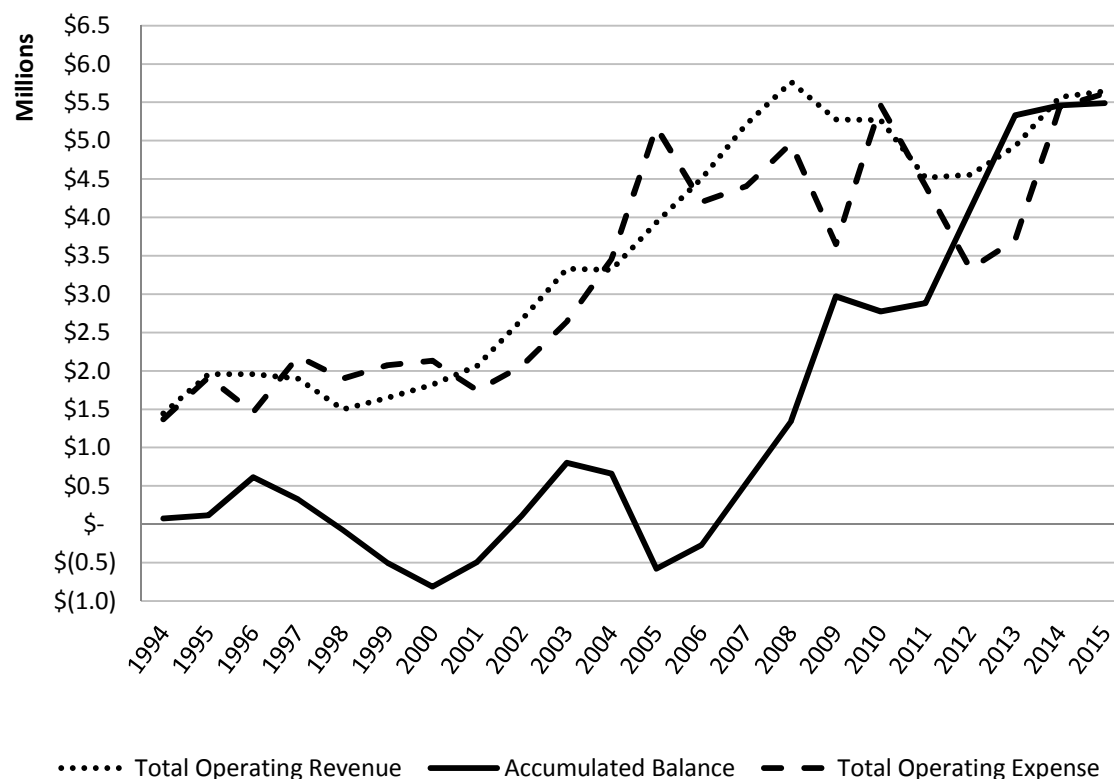
ASSETS

Checking Accounts	\$	1,894,189
Investments	\$	11,767,000
Accrued Interest	\$	102,964
Accounts Receivable	\$	390
Excess Premium Receivable	\$	-
Specific Recoverable	\$	433,537
Aggregate Recoverable	\$	61,718
Prepaid Expenses	\$	-
Total Assets	\$	14,259,798

LIABILITIES & EQUITY

Accounts Payable	\$	46,000
Excess Premium Payable	\$	-
Reserve for Losses	\$	2,845,149
IBNR Reserve	\$	4,561,948
Deposits on Premium	\$	775,849
Accrued Taxes and Assessments	\$	541,121
Total Liabilities	\$	8,770,068
Total Equity	\$	5,489,731
Total Liabilities and Equity	\$	14,259,798

KMIT Financial Overview



KMIT Profit and Loss

December 31, 2015

	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
	Closed	Closed	Closed	Accrued To Date	Accrued To Date	Accrued To Date	Accrued To Date	Accrued To Date	Accrued To Date	Accrued To Date	Accrued To Date	Accrued To Date	Accrued To Date	Accrued To Date
REVENUE FUND														
Direct Premium Earned	\$ 1,422,582	\$ 1,885,501	\$ 1,843,047	\$ 1,754,515	\$ 1,377,722	\$ 1,552,110	\$ 1,689,773	\$ 1,965,656	\$ 2,616,641	\$ 3,274,489	\$ 3,256,648	\$ 3,837,793	\$ 4,272,140	\$ 4,950,171
Interest Income	\$ 22,675	\$ 73,225	\$ 114,912	\$ 142,705	\$ 116,190	\$ 96,882	\$ 129,613	\$ 101,694	\$ 50,668	\$ 52,492	\$ 59,068	\$ 96,274	\$ 234,986	\$ 263,024
Miscellaneous Income	\$ -	\$ -	\$ -	\$ -	\$ 4,445	\$ 75	\$ -	\$ -	\$ 2,335	\$ -	\$ -	\$ -	\$ -	\$ 2,405
Total Operating Revenue	\$ 1,445,257	\$ 1,958,726	\$ 1,957,959	\$ 1,897,220	\$ 1,498,357	\$ 1,649,067	\$ 1,819,386	\$ 2,067,350	\$ 2,669,644	\$ 3,326,981	\$ 3,315,716	\$ 3,934,067	\$ 4,507,126	\$ 5,215,600
		\$ 390,462												
ADMINISTRATION FUND EXPENSE	\$ 477,137	\$ 601,545	\$ 492,669	\$ 525,820	\$ 490,859	\$ 454,604	\$ 451,116	\$ 437,018	\$ 533,041	\$ 649,336	\$ 739,506	\$ 814,783	\$ 909,120	\$ 918,368
CLAIMS FUND EXPENSE														
Claims Paid Expense	\$ 716,700	\$ 1,049,152	\$ 790,125	\$ 2,073,604	\$ 1,942,052	\$ 1,687,373	\$ 1,440,779	\$ 1,097,087	\$ 1,211,714	\$ 1,874,209	\$ 2,260,567	\$ 3,812,490	\$ 2,579,964	\$ 2,718,564
Claims Paid Adjusting Expense	\$ 25,541	\$ 54,345	\$ 46,505	\$ 90,802	\$ 83,669	\$ 142,886	\$ 123,313	\$ 83,206	\$ 129,112	\$ 149,296	\$ 151,103	\$ 236,567	\$ 178,822	\$ 190,817
Claims Reserve Expense	\$ -	\$ -	\$ -	\$ -	\$ 127,423	\$ 44,524	\$ 16,315	\$ -	\$ -	\$ -	\$ 24,946	\$ 77,450	\$ 58,663	\$ 107,868
Claims Reserves Adjusting Expense	\$ -	\$ -	\$ -	\$ -	\$ 6,929	\$ 4,816	\$ 401	\$ -	\$ -	\$ -	\$ 1,922	\$ 8,261	\$ 11,588	\$ 11,710
IBNR Reserve Expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,158	\$ -	\$ -	\$ -	\$ 57,481	\$ 39,246	\$ 76,534	\$ 36,250
Excess Work Comp Insurance	\$ 151,393	\$ 210,142	\$ 133,376	\$ 117,122	\$ 79,456	\$ 80,124	\$ 86,819	\$ 127,168	\$ 189,458	\$ 366,991	\$ 221,435	\$ 374,472	\$ 384,425	\$ 420,728
Specific Recoverable Expense	\$ -	\$ -	\$ -	\$ -	\$ (144,556)	\$ (43,163)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Specific Recovery Expense	\$ -	\$ -	\$ -	\$ (268,748)	\$ (686,886)	\$ (174,916)	\$ -	\$ -	\$ -	\$ (400,137)	\$ -	\$ (188,126)	\$ -	\$ -
Aggregate Recoverable Expense	\$ -	\$ -	\$ -	\$ (52,380)	\$ -	\$ (9,338)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Aggregate Recovery Expense	\$ -	\$ -	\$ -	\$ (300,247)	\$ -	\$ (111,920)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Claims Fund Expense	\$ 893,634	\$ 1,313,638	\$ 970,007	\$ 1,660,153	\$ 1,408,086	\$ 1,620,386	\$ 1,679,785	\$ 1,307,461	\$ 1,530,284	\$ 1,990,358	\$ 2,717,453	\$ 4,360,361	\$ 3,289,996	\$ 3,485,937
Total Operating Expense	\$ 1,370,771	\$ 1,915,183	\$ 1,462,676	\$ 2,185,973	\$ 1,898,945	\$ 2,074,990	\$ 2,130,901	\$ 1,744,478	\$ 2,063,325	\$ 2,639,694	\$ 3,456,959	\$ 5,175,144	\$ 4,199,116	\$ 4,404,305
BALANCES														
KMIT Statutory Fund Balance	\$ 74,486	\$ 43,543	\$ 495,283	\$ (288,753)	\$ (400,588)	\$ (425,923)	\$ (311,514)	\$ 322,872	\$ 606,319	\$ 687,287	\$ (141,243)	\$ (1,241,077)	\$ 308,010	\$ 811,295
Accumulated Balance	\$ 74,486	\$ 118,029	\$ 613,312	\$ 324,559	\$ (76,028)	\$ (501,951)	\$ (813,466)	\$ (490,594)	\$ 115,725	\$ 803,011	\$ 661,768	\$ (579,308)	\$ (271,299)	\$ 539,996

KMIT Profit and Loss

December 31, 2015

	2008	2009	2010	2011	2012	2013	2014	2015	2015	Total
	Accrued To Date	Accrued To Date	Accrued To Date	Accrued To Date	Accrued To Date	Accrued To Date	Accrued To Date	Accrued To Date	Budget	Accrued To Date
REVENUE FUND										
Direct Premium Earned	\$ 5,519,169	\$ 5,193,427	\$ 5,213,859	\$ 4,442,326	\$ 4,484,533	\$ 4,853,835	\$ 5,460,508	\$ 5,516,459	\$ 5,640,000	\$ 76,382,904
Interest Income	\$ 245,802	\$ 81,601	\$ 52,768	\$ 72,925	\$ 70,104	\$ 71,861	\$ 107,601	\$ 128,600	\$ 225,000	\$ 2,385,620
Miscellaneous Income	\$ -	\$ -	\$ -	\$ 1,441	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,701
Total Operating Revenue	\$ 5,764,971	\$ 5,275,028	\$ 5,266,578	\$ 4,516,692	\$ 4,554,637	\$ 4,925,696	\$ 5,568,109	\$ 5,645,059	\$ 5,865,000	\$ 78,779,225
ADMINISTRATION FUND EXPENSE	\$ 952,997	\$ 957,279	\$ 1,028,841	\$ 974,267	\$ 929,256	\$ 1,013,535	\$ 1,114,629	\$ 1,160,947	\$ 1,114,443	\$ 16,626,675
CLAIMS FUND EXPENSE										
Claims Paid Expense	\$ 3,241,799	\$ 2,025,244	\$ 3,533,049	\$ 2,379,235	\$ 1,714,042	\$ 1,546,920	\$ 2,538,160	\$ 972,365		\$ 43,205,193
Claims Paid Adjusting Expense	\$ 231,531	\$ 129,025	\$ 174,151	\$ 130,713	\$ 142,883	\$ 111,612	\$ 84,123	\$ 31,140		\$ 2,721,164
Claims Reserve Expense	\$ 130,340	\$ 18,482	\$ 234,578	\$ 325,987	\$ 176,342	\$ 150,814	\$ 458,973	\$ 669,799		\$ 2,622,502
Claims Reserves Adjusting Expense	\$ 9,322	\$ 2,701	\$ 18,526	\$ 17,713	\$ 22,577	\$ 17,550	\$ 31,959	\$ 56,674		\$ 222,647
IBNR Reserve Expense	\$ 23,708	\$ 173,492	\$ 120,804	\$ 243,447	\$ 16,206	\$ 468,720	\$ 1,049,544	\$ 2,244,356		\$ 4,561,948
Excess Work Comp Insurance	\$ 372,790	\$ 341,935	\$ 351,375	\$ 336,966	\$ 337,595	\$ 395,128	\$ 432,750	\$ 478,382	\$ 480,000	\$ 5,990,030
Specific Recoverable Expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (245,818)	\$ -		\$ (433,537)
Specific Recovery Expense	\$ -	\$ -	\$ -	\$ -	\$ (9,965)	\$ -	\$ (24,464)	\$ -		\$ (1,753,242)
Aggregate Recoverable Expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ (61,718)
Aggregate Recovery Expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ (412,167)
Claims Fund Expense	\$ 4,009,490	\$ 2,690,879	\$ 4,432,484	\$ 3,434,061	\$ 2,399,680	\$ 2,690,744	\$ 4,325,227	\$ 4,452,716	\$ 480,000	\$ 56,662,819
Total Operating Expense	\$ 4,962,487	\$ 3,648,158	\$ 5,461,325	\$ 4,408,328	\$ 3,328,936	\$ 3,704,279	\$ 5,439,856	\$ 5,613,663	\$ 1,594,443	\$ 73,289,494
BALANCES										
KMIT Statutory Fund Balance	\$ 802,484	\$ 1,626,870	\$ (194,747)	\$ 108,364	\$ 1,225,701	\$ 1,221,416	\$ 128,252	\$ 31,395	\$ 4,270,557	\$ 5,489,731
Accumulated Balance	\$ 1,342,480	\$ 2,969,350	\$ 2,774,602	\$ 2,882,966	\$ 4,108,667	\$ 5,330,083	\$ 5,458,335	\$ 5,489,731		

KMIT Admin Expenses

December 31, 2015

	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
	Closed	Closed	Closed	Accrued To Date	Accrued To Date	Accrued To Date	Accrued To Date	Accrued To Date	Accrued To Date	Accrued To Date	Accrued To Date	Accrued To Date	Accrued To Date	Accrued To Date
GENERAL EXPENSES														
Agent Commissions	\$ -	\$ -	\$ -	\$ -	\$ 969	\$ 4,919	\$ 5,239	\$ 12,669	\$ 33,803	\$ 44,060	\$ 43,231	\$ 61,486	\$ 75,650	\$ 77,961
Directors and Officers Insurance	\$ -	\$ 489	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 20,367
Meetings/Travel	\$ -	\$ 6,971	\$ 976	\$ 5,318	\$ 1,206	\$ -	\$ 149	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contingencies/Miscellaneous	\$ -	\$ 8,984	\$ 2,596	\$ 3,913	\$ 5,357	\$ 11,585	\$ 6,020	\$ 18,223	\$ 26,103	\$ 28,939	\$ 41,820	\$ 23,173	\$ 66,332	\$ 33,865
Bank Fees	\$ 1,249	\$ 4,735	\$ 579	\$ 658	\$ 263	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Write Off	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
LKM Clearing	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Marketing	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Office Supplies	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sub Total	\$ 1,249	\$ 21,179	\$ 4,151	\$ 9,889	\$ 7,795	\$ 16,504	\$ 11,408	\$ 30,892	\$ 59,906	\$ 72,999	\$ 85,051	\$ 84,659	\$ 141,982	\$ 132,193
REGULATORY														
Kansas Insurance Dept (KID) Premium Tax	12,847	18,402	13,177	10,823	13,893	18,215	19,568	18,564	24,377	29,017	30,168	34,004	40,212	46,194
KID Pool Assessment	9,407		5,372	3,470	3,798	1,855	2,693	4,355	3,341	5,983	2,844	3,900		4,300
KID Workers Compensation Assessment	64,034	44,011	25,322	48,345	31,243	14,594	10,372	1,795	7,770	19,748	47,137	91,805	47,193	32,896
KID State Audit														
KDOL Annual Assessment Fee	9,073	15,053	12,410	40,776	39,409	44,293	40,403	30,875	34,311	39,671	57,938	71,151	82,167	82,780
Sub Total	\$ 95,360	\$ 77,466	\$ 56,281	\$ 103,413	\$ 88,342	\$ 78,957	\$ 73,035	\$ 55,589	\$ 69,799	\$ 94,418	\$ 138,087	\$ 200,860	\$ 169,572	\$ 166,170
CONTRACTURAL														
Financial Audit	\$ 4,603	\$ -	\$ 6,639	\$ 32,625	\$ 12,292	\$ 8,288	\$ 10,973	\$ 8,474	\$ 9,600	\$ 9,806	\$ 10,465	\$ 10,264	\$ 33,013	\$ 6,462
Actuarial	\$ -	\$ -	\$ 2,855	\$ 5,000	\$ 25,033	\$ 5,859	\$ 5,703	\$ 7,062	\$ 6,148	\$ 6,272	\$ 7,862	\$ 9,000	\$ 9,991	\$ 12,860
Risk Management	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 40,000	\$ 40,000	\$ 50,000	\$ 50,000	\$ 60,000
Risk Control	\$ -	\$ -	\$ 82,500	\$ 99,073	\$ 87,000	\$ 80,000	\$ 80,000	\$ 85,000	\$ 92,500	\$ 105,000	\$ 113,000	\$ 120,000	\$ 130,000	\$ 140,000
Claims Adjusting	\$ 298,447	\$ 312,500	\$ 194,842	\$ 105,470	\$ 100,000	\$ 105,000	\$ 110,000	\$ 110,000	\$ 125,000	\$ 135,000	\$ 140,000	\$ 140,000	\$ 150,000	\$ 165,000
Risk Analysis	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
POET	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Pool Admin Services	\$ 77,478	\$ 190,400	\$ 145,400	\$ 170,350	\$ 170,396	\$ 159,996	\$ 159,996	\$ 140,000	\$ 160,000	\$ 176,000	\$ 193,000	\$ 200,000	\$ 210,000	\$ 220,000
Payroll Audits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,088	\$ 9,840	\$ 12,042	\$ -	\$ 14,562	\$ 15,684
Rating Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Web Hosting	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Endorsement Fee	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sub Total	\$ 380,528	\$ 502,900	\$ 432,236	\$ 412,518	\$ 394,721	\$ 359,144	\$ 366,672	\$ 350,536	\$ 403,336	\$ 481,918	\$ 516,368	\$ 529,264	\$ 597,566	\$ 620,006
Administration Fund Expense	\$ 477,137	\$ 601,545	\$ 492,669	\$ 525,820	\$ 490,859	\$ 454,604	\$ 451,116	\$ 437,018	\$ 533,041	\$ 649,336	\$ 739,506	\$ 814,783	\$ 909,120	\$ 918,368

KMIT Admin Expenses

December 31, 2015

	2008	2009	2010	2011	2012	2013	2014	2015	2015	Total
	Accrued To Date	Accrued To Date	Accrued To Date	Accrued To Date	Accrued To Date	Accrued To Date	Accrued To Date	Accrued To Date	Budget	Accrued To Date
GENERAL EXPENSES										
Agent Commissions	\$ 88,532	\$ 94,214	\$ 93,637	\$ 82,860	\$ 96,481	\$ 102,636	\$ 97,189	\$ 101,196	\$ 100,000	\$ 1,116,732
Directors and Officers Insurance	\$ 18,542	\$ 15,857	\$ 15,942	\$ 16,038	\$ 16,488	\$ 17,224	\$ 15,956	\$ 15,667	\$ 18,000	\$ 152,570
Meetings/Travel	\$ -	\$ -	\$ -	\$ 829	\$ 4,881	\$ 19,334	\$ 29,749	\$ 18,558	\$ 20,000	\$ 87,971
Contingencies/Miscellaneous	\$ 26,155	\$ 34,318	\$ 2,657	\$ 1,708	\$ 3,175	\$ 3,623	\$ 4,385	\$ 3,884	\$ 5,000	\$ 356,815
Bank Fees	\$ 2,638	\$ 2,758	\$ 9,239	\$ 5,776	\$ 4,159	\$ 7,528	\$ 4,460	\$ 3,964	\$ 8,000	\$ 48,006
Write Off	\$ -	\$ -	\$ -	\$ (104)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (104)
LKM Clearing	\$ -	\$ -	\$ -	\$ 60	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 60
Marketing	\$ -	\$ -	\$ -	\$ -	\$ 439	\$ 452	\$ 161	\$ 34	\$ -	\$ 1,086
Office Supplies	\$ -	\$ -	\$ -	\$ -	\$ 1,112	\$ 1,830	\$ 3,732	\$ 4,485	\$ 5,000	\$ 11,158
Sub Total	\$ 135,867	\$ 147,147	\$ 121,475	\$ 107,167	\$ 126,735	\$ 152,627	\$ 155,632	\$ 147,787	\$ 156,000	\$ 1,774,294
REGULATORY										
Kansas Insurance Dept (KID) Premium Tax	54,139	48,525	49,030	40,919	\$ 43,445	\$ 44,349	\$ 51,057	\$ 50,382	\$ 37,725	\$ 711,307
KID Pool Assessment	3,409	3,476	3,500	3,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 64,701
KID Workers Compensation Assessment	32,770	28,363	57,704	65,962	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 671,063
KID State Audit	-	-	-	12,652	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,652
KDOL Annual Assessment Fee	87,316	64,793	97,395	45,740	\$ 78,944	\$ 102,440	\$ 176,099	\$ 190,317	\$ 141,718	\$ 1,443,352
Sub Total	\$ 177,634	\$ 145,157	\$ 207,629	\$ 168,273	\$ 122,389	\$ 146,789	\$ 227,156	\$ 240,699	\$ 179,443	\$ 2,903,075
CONTRACTURAL										
Financial Audit	\$ 13,127	\$ 18,608	\$ 31,565	\$ 12,023	\$ 11,738	\$ 11,904	\$ 15,803	\$ 13,803	\$ 23,000	\$ 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	\$ 170,000	\$ 1,100,000
Risk Control	\$ 140,000	\$ 145,000	\$ 145,000	\$ 145,000	\$ 145,000	\$ 150,000	\$ 150,000	\$ 155,000	\$ 155,000	\$ 2,389,073
Claims Adjusting	\$ 165,000	\$ 175,000	\$ 195,000	\$ 185,000	\$ 185,000	\$ 185,000	\$ 185,000	\$ 205,000	\$ 205,000	\$ 3,671,259
Risk Analysis	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,671	\$ 14,651	\$ 10,000	\$ 24,322
POET	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,425	\$ 19,000	\$ 7,425
Pool Admin Services	\$ 220,000	\$ 225,000	\$ 225,000	\$ 230,000	\$ 230,004	\$ 75,600	\$ 81,900	\$ 98,560	\$ 90,000	\$ 3,759,080
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	\$ -	\$ 59,629
Web Hosting	\$ -	\$ -	\$ -	\$ 1,155	\$ 1,187	\$ 2,663	\$ 3,439	\$ 2,846	\$ -	\$ 11,289
Endorsement Fee	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 70,000	\$ 70,000	\$ 70,000	\$ 70,000	\$ 210,000
Sub Total	\$ 639,497	\$ 664,975	\$ 699,738	\$ 698,827	\$ 680,133	\$ 714,119	\$ 731,842	\$ 772,461	\$ 779,000	\$ 11,949,305
Administration Fund Expense	\$ 952,997	\$ 957,279	\$ 1,028,841	\$ 974,267	\$ 929,256	\$ 1,013,535	\$ 1,114,629	\$ 1,160,947	\$ 1,114,443	\$ 16,626,675

KMIT Balance Sheet

January 1, 2016

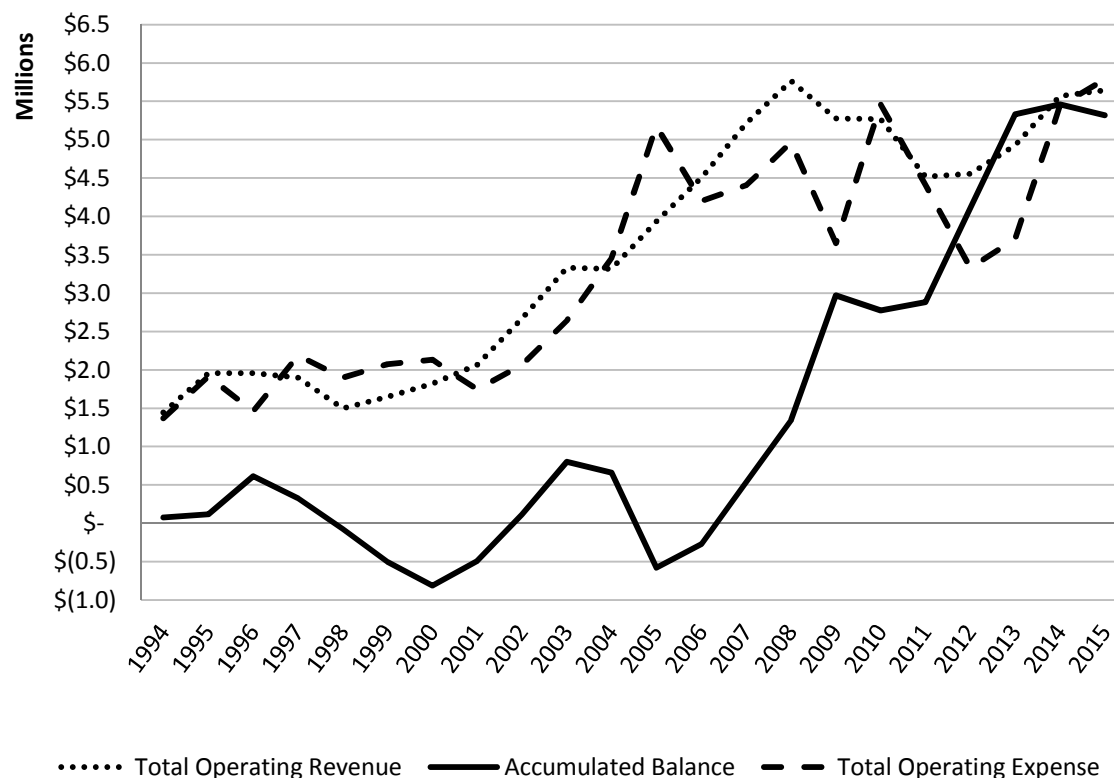
ASSETS

Checking Accounts	\$	2,902,782
Investments	\$	12,573,000
Accrued Interest	\$	116,980
Accounts Receivable	\$	1,608,247
Excess Premium Receivable		
Specific Recoverable	\$	401,338
Aggregate Recoverable	\$	61,718
Prepaid Expenses	\$	450,021
Total Assets	\$	18,114,086

LIABILITIES & EQUITY

Accounts Payable	\$	43,552
Excess Premium Payable	\$	-
Reserve for Losses	\$	2,671,478
IBNR Reserve	\$	4,913,052
Deposits on Premium	\$	4,715,282
Accrued Taxes and Assessments	\$	541,121
Total Liabilities	\$	12,884,485
Total Equity	\$	5,229,601
Total Liabilities and Equity	\$	18,114,086

KMIT Financial Overview



KMIT Profit and Loss

January 1, 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
REVENUE FUND														
Direct Premium Earned	\$ 1,422,582	\$ 1,885,501	\$ 1,843,047	\$ 1,754,515	\$ 1,377,722	\$ 1,552,110	\$ 1,689,773	\$ 1,965,656	\$ 2,616,641	\$ 3,274,489	\$ 3,256,648	\$ 3,837,793	\$ 4,272,140	\$ 4,950,171
Interest Income	\$ 22,675	\$ 73,225	\$ 114,912	\$ 142,705	\$ 116,190	\$ 96,882	\$ 129,613	\$ 101,694	\$ 50,668	\$ 52,492	\$ 59,068	\$ 96,274	\$ 234,986	\$ 263,024
Miscellaneous Income	\$ -	\$ -	\$ -	\$ -	\$ 4,445	\$ 75	\$ -	\$ -	\$ 2,335	\$ -	\$ -	\$ -	\$ -	\$ 2,405
Total Operating Revenue	\$ 1,445,257	\$ 1,958,726	\$ 1,957,959	\$ 1,897,220	\$ 1,498,357	\$ 1,649,067	\$ 1,819,386	\$ 2,067,350	\$ 2,669,644	\$ 3,326,981	\$ 3,315,716	\$ 3,934,067	\$ 4,507,126	\$ 5,215,600
		\$ 390,462												
ADMINISTRATION FUND EXPENSE	\$ 477,137	\$ 601,545	\$ 492,669	\$ 525,820	\$ 490,859	\$ 454,604	\$ 451,116	\$ 437,018	\$ 533,041	\$ 649,336	\$ 739,506	\$ 814,783	\$ 909,120	\$ 918,368
CLAIMS FUND EXPENSE														
Claims Paid Expense	\$ 716,700	\$ 1,049,152	\$ 790,125	\$ 2,073,604	\$ 1,945,921	\$ 1,687,957	\$ 1,441,633	\$ 1,097,087	\$ 1,211,714	\$ 1,874,209	\$ 2,262,200	\$ 3,814,612	\$ 2,580,700	\$ 2,722,111
Claims Paid Adjusting Expense	\$ 25,541	\$ 54,345	\$ 46,505	\$ 90,802	\$ 83,669	\$ 142,886	\$ 123,313	\$ 83,206	\$ 129,112	\$ 149,296	\$ 151,103	\$ 236,567	\$ 178,822	\$ 190,817
Claims Reserve Expense	\$ -	\$ -	\$ -	\$ -	\$ 123,554	\$ 43,939	\$ 15,462	\$ -	\$ -	\$ -	\$ 23,313	\$ 75,328	\$ 57,927	\$ 104,321
Claims Reserves Adjusting Expense	\$ -	\$ -	\$ -	\$ -	\$ 6,929	\$ 4,816	\$ 401	\$ -	\$ -	\$ -	\$ 1,922	\$ 8,261	\$ 11,588	\$ 11,710
IBNR Reserve Expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,158	\$ -	\$ -	\$ -	\$ 57,481	\$ 39,246	\$ 76,534	\$ 36,250
Excess Work Comp Insurance	\$ 151,393	\$ 210,142	\$ 133,376	\$ 117,122	\$ 79,456	\$ 80,124	\$ 86,819	\$ 127,168	\$ 189,458	\$ 366,991	\$ 221,435	\$ 374,472	\$ 384,425	\$ 420,728
Specific Recoverable Expense	\$ -	\$ -	\$ -	\$ -	\$ (138,525)	\$ (43,163)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Specific Recovery Expense	\$ -	\$ -	\$ -	\$ (268,748)	\$ (692,918)	\$ (174,916)	\$ -	\$ -	\$ -	\$ (400,137)	\$ -	\$ (188,126)	\$ -	\$ -
Aggregate Recoverable Expense	\$ -	\$ -	\$ -	\$ (52,380)	\$ -	\$ (9,338)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Aggregate Recovery Expense	\$ -	\$ -	\$ -	\$ (300,247)	\$ -	\$ (111,920)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Claims Fund Expense	\$ 893,634	\$ 1,313,638	\$ 970,007	\$ 1,660,153	\$ 1,408,086	\$ 1,620,386	\$ 1,679,785	\$ 1,307,461	\$ 1,530,284	\$ 1,990,358	\$ 2,717,453	\$ 4,360,361	\$ 3,289,996	\$ 3,485,937
Total Operating Expense	\$ 1,370,771	\$ 1,915,183	\$ 1,462,676	\$ 2,185,973	\$ 1,898,945	\$ 2,074,990	\$ 2,130,901	\$ 1,744,478	\$ 2,063,325	\$ 2,639,694	\$ 3,456,959	\$ 5,175,144	\$ 4,199,116	\$ 4,404,305
BALANCES														
KMIT Statutory Fund Balance	\$ 74,486	\$ 43,543	\$ 495,283	\$ (288,753)	\$ (400,588)	\$ (425,923)	\$ (311,514)	\$ 322,872	\$ 606,319	\$ 687,287	\$ (141,243)	\$ (1,241,077)	\$ 308,010	\$ 811,295
Accumulated Balance	\$ 74,486	\$ 118,029	\$ 613,312	\$ 324,559	\$ (76,028)	\$ (501,951)	\$ (813,466)	\$ (490,594)	\$ 115,725	\$ 803,011	\$ 661,768	\$ (579,308)	\$ (271,299)	\$ 539,996

KMIT Profit and Loss

January 1, 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
REVENUE FUND											
Direct Premium Earned	\$ 5,519,169	\$ 5,193,427	\$ 5,213,859	\$ 4,442,326	\$ 4,484,533	\$ 4,853,835	\$ 5,460,508	\$ 5,516,459	\$ 428,662	\$ 5,320,000	\$ 76,811,566
Interest Income	\$ 245,802	\$ 81,601	\$ 52,768	\$ 72,925	\$ 70,104	\$ 71,861	\$ 107,601	\$ 128,600	\$ 17,906	\$ 125,000	\$ 2,403,525
Miscellaneous Income	\$ -	\$ -	\$ -	\$ 1,441	\$ -	\$ -	\$ -	\$ -		\$ -	\$ 10,701
Total Operating Revenue	\$ 5,764,971	\$ 5,275,028	\$ 5,266,578	\$ 4,516,692	\$ 4,554,637	\$ 4,925,696	\$ 5,568,109	\$ 5,645,059	\$ 446,568	\$ 5,445,000	\$ 79,225,792
ADMINISTRATION FUND EXPENSE	\$ 952,997	\$ 957,279	\$ 1,028,841	\$ 974,267	\$ 929,256	\$ 1,013,535	\$ 1,114,629	\$ 1,164,321	\$ 149,243	\$ 1,210,000	\$ 16,779,291
CLAIMS FUND EXPENSE											
Claims Paid Expense	\$ 3,242,949	\$ 2,025,277	\$ 3,653,619	\$ 2,465,634	\$ 1,714,222	\$ 1,547,805	\$ 2,542,872	\$ 1,070,743	\$ 239		\$ 43,531,084
Claims Paid Adjusting Expense	\$ 231,531	\$ 129,025	\$ 174,584	\$ 132,359	\$ 142,932	\$ 112,190	\$ 89,121	\$ 34,614			\$ 2,732,341
Claims Reserve Expense	\$ 129,190	\$ 24,763	\$ 120,806	\$ 239,587	\$ 175,052	\$ 149,929	\$ 457,664	\$ 635,805	\$ 51,961		\$ 2,428,601
Claims Reserves Adjusting Expense	\$ 9,322	\$ 3,551	\$ 18,476	\$ 16,067	\$ 22,496	\$ 19,472	\$ 42,246	\$ 61,921	\$ 3,700		\$ 242,877
IBNR Reserve Expense	\$ 23,708	\$ 166,328	\$ 113,624	\$ 243,447	\$ 17,347	\$ 466,220	\$ 1,030,856	\$ 2,340,808	\$ 289,044		\$ 4,913,052
Excess Work Comp Insurance	\$ 372,790	\$ 341,935	\$ 351,375	\$ 336,966	\$ 337,595	\$ 395,128	\$ 432,750	\$ 478,382	\$ 39,580	\$ 480,000	\$ 6,029,610
Specific Recoverable Expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (219,651)	\$ -			\$ (401,338)
Specific Recovery Expense	\$ -	\$ -	\$ -	\$ -	\$ (9,965)	\$ -	\$ (50,631)	\$ -			\$ (1,785,441)
Aggregate Recoverable Expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -			\$ (61,718)
Aggregate Recovery Expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -			\$ (412,167)
Claims Fund Expense	\$ 4,009,490	\$ 2,690,879	\$ 4,432,484	\$ 3,434,061	\$ 2,399,680	\$ 2,690,744	\$ 4,325,227	\$ 4,622,273	\$ 384,524	\$ 480,000	\$ 57,216,901
Total Operating Expense	\$ 4,962,487	\$ 3,648,158	\$ 5,461,325	\$ 4,408,328	\$ 3,328,936	\$ 3,704,279	\$ 5,439,856	\$ 5,786,594	\$ 533,767	\$ 1,690,000	\$ 73,996,191
BALANCES											
KMIT Statutory Fund Balance	\$ 802,484	\$ 1,626,870	\$ (194,747)	\$ 108,364	\$ 1,225,701	\$ 1,221,416	\$ 128,252	\$ (141,535)	\$ (87,199)	\$ 3,755,000	\$ 5,229,601
Accumulated Balance	\$ 1,342,480	\$ 2,969,350	\$ 2,774,602	\$ 2,882,966	\$ 4,108,667	\$ 5,330,083	\$ 5,458,335	\$ 5,316,800	\$ 5,229,601		

KMIT Admin Expenses

January 1, 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
GENERAL EXPENSES														
Agent Commissions	\$ -	\$ -	\$ -	\$ -	\$ 969	\$ 4,919	\$ 5,239	\$ 12,669	\$ 33,803	\$ 44,060	\$ 43,231	\$ 61,486	\$ 75,650	\$ 77,961
Directors and Officers Insurance	\$ -	\$ 489	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 20,367
Meetings/Travel	\$ -	\$ 6,971	\$ 976	\$ 5,318	\$ 1,206	\$ -	\$ 149	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contingencies/Miscellaneous	\$ -	\$ 8,984	\$ 2,596	\$ 3,913	\$ 5,357	\$ 11,585	\$ 6,020	\$ 18,223	\$ 26,103	\$ 28,939	\$ 41,820	\$ 23,173	\$ 66,332	\$ 33,865
Bank Fees	\$ 1,249	\$ 4,735	\$ 579	\$ 658	\$ 263	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Write Off	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
LKM Clearing	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Marketing	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Office Supplies	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sub Total	\$ 1,249	\$ 21,179	\$ 4,151	\$ 9,889	\$ 7,795	\$ 16,504	\$ 11,408	\$ 30,892	\$ 59,906	\$ 72,999	\$ 85,051	\$ 84,659	\$ 141,982	\$ 132,193
REGULATORY														
Kansas Insurance Dept (KID) Premium Tax	12,847	18,402	13,177	10,823	13,893	18,215	19,568	18,564	24,377	29,017	30,168	34,004	40,212	46,194
KID Pool Assessment	9,407		5,372	3,470	3,798	1,855	2,693	4,355	3,341	5,983	2,844	3,900		4,300
KID Workers Compensation Assessment	64,034	44,011	25,322	48,345	31,243	14,594	10,372	1,795	7,770	19,748	47,137	91,805	47,193	32,896
KID State Audit														
KDOL Annual Assessment Fee	9,073	15,053	12,410	40,776	39,409	44,293	40,403	30,875	34,311	39,671	57,938	71,151	82,167	82,780
Sub Total	\$ 95,360	\$ 77,466	\$ 56,281	\$ 103,413	\$ 88,342	\$ 78,957	\$ 73,035	\$ 55,589	\$ 69,799	\$ 94,418	\$ 138,087	\$ 200,860	\$ 169,572	\$ 166,170
CONTRACTURAL														
Financial Audit	\$ 4,603	\$ -	\$ 6,639	\$ 32,625	\$ 12,292	\$ 8,288	\$ 10,973	\$ 8,474	\$ 9,600	\$ 9,806	\$ 10,465	\$ 10,264	\$ 33,013	\$ 6,462
Actuarial	\$ -	\$ -	\$ 2,855	\$ 5,000	\$ 25,033	\$ 5,859	\$ 5,703	\$ 7,062	\$ 6,148	\$ 6,272	\$ 7,862	\$ 9,000	\$ 9,991	\$ 12,860
Risk Management	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 40,000	\$ 40,000	\$ 50,000	\$ 50,000	\$ 60,000
Risk Control	\$ -	\$ -	\$ 82,500	\$ 99,073	\$ 87,000	\$ 80,000	\$ 80,000	\$ 85,000	\$ 92,500	\$ 105,000	\$ 113,000	\$ 120,000	\$ 130,000	\$ 140,000
Claims Adjusting	\$ 298,447	\$ 312,500	\$ 194,842	\$ 105,470	\$ 100,000	\$ 105,000	\$ 110,000	\$ 110,000	\$ 125,000	\$ 135,000	\$ 140,000	\$ 140,000	\$ 150,000	\$ 165,000
Risk Analysis	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
POET	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Pool Admin Services	\$ 77,478	\$ 190,400	\$ 145,400	\$ 170,350	\$ 170,396	\$ 159,996	\$ 159,996	\$ 140,000	\$ 160,000	\$ 176,000	\$ 193,000	\$ 200,000	\$ 210,000	\$ 220,000
Payroll Audits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,088	\$ 9,840	\$ 12,042	\$ -	\$ 14,562	\$ 15,684
Rating Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Web Hosting	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Endorsement Fee	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sub Total	\$ 380,528	\$ 502,900	\$ 432,236	\$ 412,518	\$ 394,721	\$ 359,144	\$ 366,672	\$ 350,536	\$ 403,336	\$ 481,918	\$ 516,368	\$ 529,264	\$ 597,566	\$ 620,006
Administration Fund Expense	\$ 477,137	\$ 601,545	\$ 492,669	\$ 525,820	\$ 490,859	\$ 454,604	\$ 451,116	\$ 437,018	\$ 533,041	\$ 649,336	\$ 739,506	\$ 814,783	\$ 909,120	\$ 918,368

KMIT Admin Expenses

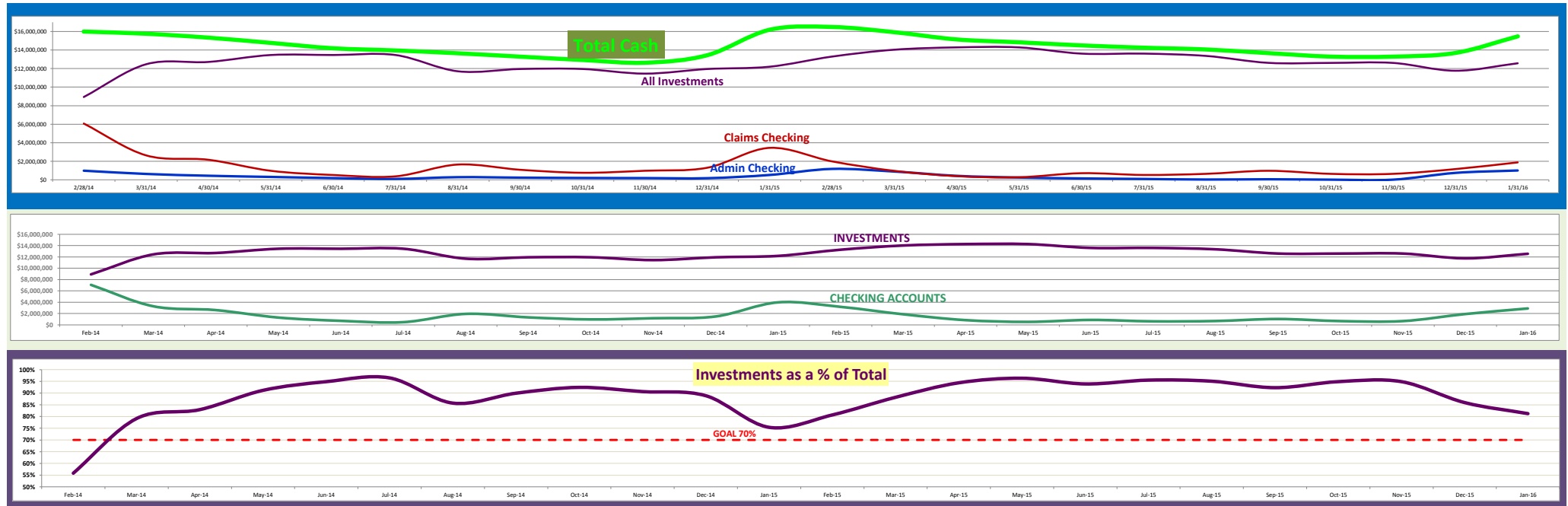
January 1, 2016

	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
GENERAL EXPENSES											
Agent Commissions	\$ 88,532	\$ 94,214	\$ 93,637	\$ 82,860	\$ 96,481	\$ 102,636	\$ 97,189	\$ 101,196		\$ 100,000	\$ 1,116,732
Directors and Officers Insurance	\$ 18,542	\$ 15,857	\$ 15,942	\$ 16,038	\$ 16,488	\$ 17,224	\$ 15,956	\$ 15,667	\$ 1,331	\$ 18,000	\$ 153,901
Meetings/Travel	\$ -	\$ -	\$ -	\$ 829	\$ 4,881	\$ 19,334	\$ 29,749	\$ 19,897	\$ 223	\$ 20,000	\$ 89,532
Contingencies/Miscellaneous	\$ 26,155	\$ 34,318	\$ 2,657	\$ 1,708	\$ 3,175	\$ 3,623	\$ 4,385	\$ 3,884	\$ 25	\$ 6,000	\$ 356,840
Bank Fees	\$ 2,638	\$ 2,758	\$ 9,239	\$ 5,776	\$ 4,159	\$ 7,528	\$ 4,460	\$ 5,998	\$ 4	\$ 8,000	\$ 50,044
Write Off	\$ -	\$ -	\$ -	\$ (104)	\$ -	\$ -	\$ -	\$ -			\$ (104)
LKM Clearing	\$ -	\$ -	\$ -	\$ 60	\$ -	\$ -	\$ -	\$ -			\$ 60
Marketing	\$ -	\$ -	\$ -	\$ -	\$ 439	\$ 452	\$ 161	\$ 34		\$ 1,000	\$ 2,086
Office Supplies					\$ 1,112	\$ 1,830	\$ 3,732	\$ 4,485	\$ 498	\$ 5,000	\$ 11,656
Sub Total	\$ 135,867	\$ 147,147	\$ 121,475	\$ 107,167	\$ 126,735	\$ 152,627	\$ 155,632	\$ 151,160	\$ 2,081	\$ 158,000	\$ 1,780,748
REGULATORY											
Kansas Insurance Dept (KID) Premium Tax	54,139	48,525	49,030	40,919	\$ 43,445	\$ 44,349	\$ 51,057	\$ 50,382		\$ 50,000	\$ 711,307
KID Pool Assessment	3,409	3,476	3,500	3,000	\$ -	\$ -	\$ -	\$ -			\$ 64,701
KID Workers Compensation Assessment	32,770	28,363	57,704	65,962	\$ -	\$ -	\$ -	\$ -			\$ 671,063
KID State Audit				12,652	\$ -	\$ -	\$ -	\$ -			\$ 12,652
KDOL Annual Assessment Fee	87,316	64,793	97,395	45,740	\$ 78,944	\$ 102,440	\$ 176,099	\$ 190,317		\$ 200,000	\$ 1,443,352
Sub Total	\$ 177,634	\$ 145,157	\$ 207,629	\$ 168,273	\$ 122,389	\$ 146,789	\$ 227,156	\$ 240,699	\$ -	\$ 250,000	\$ 2,903,075
CONTRACTURAL											
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	\$ 38,000	\$ 170,000	\$ 1,138,000
Risk Control	\$ 140,000	\$ 145,000	\$ 145,000	\$ 145,000	\$ 145,000	\$ 150,000	\$ 150,000	\$ 155,000	\$ 31,000	\$ 155,000	\$ 2,420,073
Claims Adjusting	\$ 165,000	\$ 175,000	\$ 195,000	\$ 185,000	\$ 185,000	\$ 185,000	\$ 185,000	\$ 205,000	\$ 41,000	\$ 205,000	\$ 3,712,259
Risk Analysis	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,671	\$ 14,651	\$ 4,050	\$ 25,000	\$ 28,372
POET	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,425	\$ 225	\$ 19,000	\$ 7,650
Pool Admin Services	\$ 220,000	\$ 225,000	\$ 225,000	\$ 230,000	\$ 230,004	\$ 75,600	\$ 81,900	\$ 98,560		\$ 100,000	\$ 3,759,080
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		\$ -	\$ 11,289
Endorsement Fee	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 70,000	\$ 70,000	\$ 70,000	\$ 17,500	\$ 70,000	\$ 227,500
Sub Total	\$ 639,497	\$ 664,975	\$ 699,738	\$ 698,827	\$ 680,133	\$ 714,119	\$ 731,842	\$ 772,461	\$ 147,162	\$ 802,000	\$ 12,096,467
Administration Fund Expense	\$ 952,997	\$ 957,279	\$ 1,028,841	\$ 974,267	\$ 929,256	\$ 1,013,535	\$ 1,114,629	\$ 1,164,321	\$ 149,243	\$ 1,210,000	\$ 16,780,291

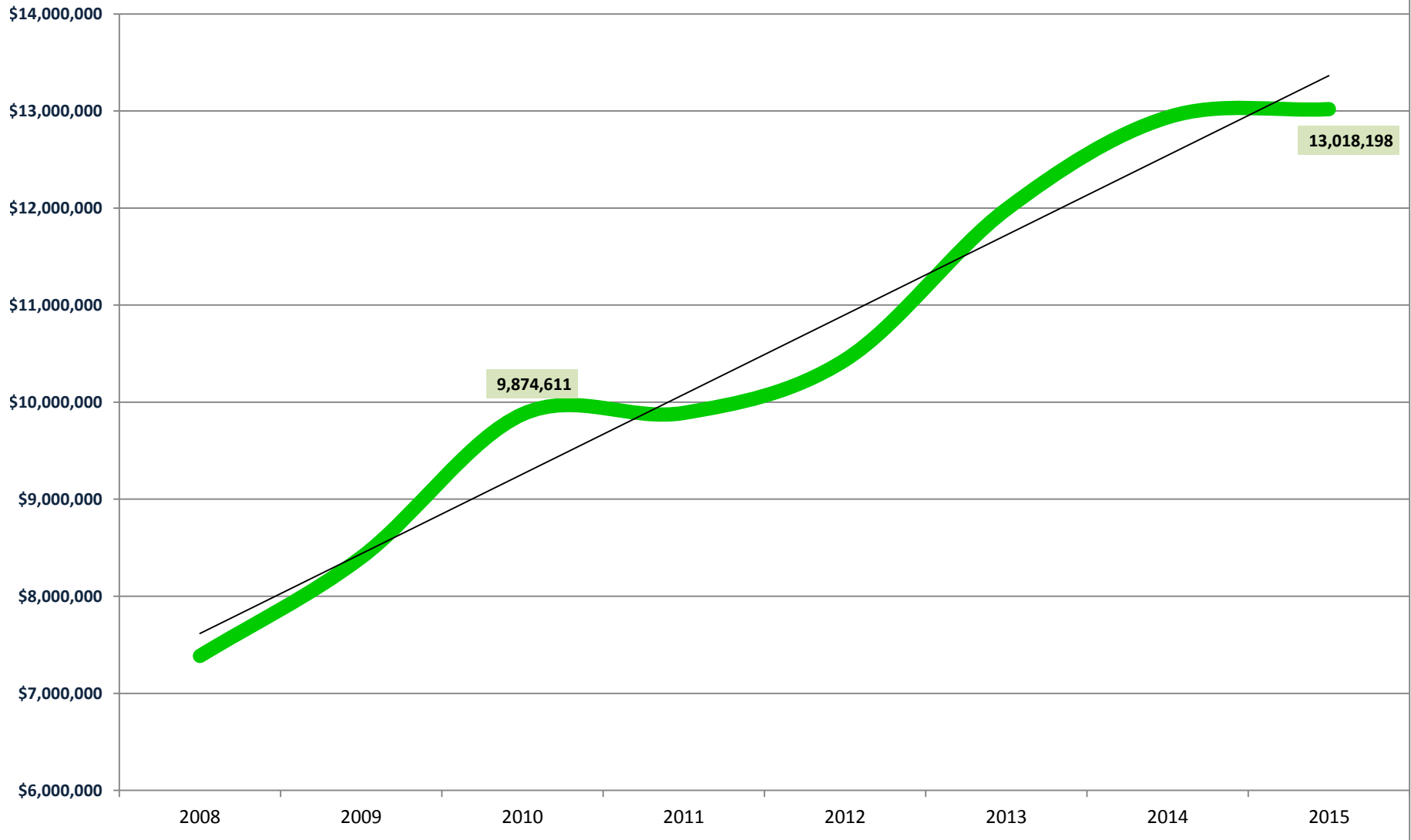
KMIT Cash Management/Investment Summary

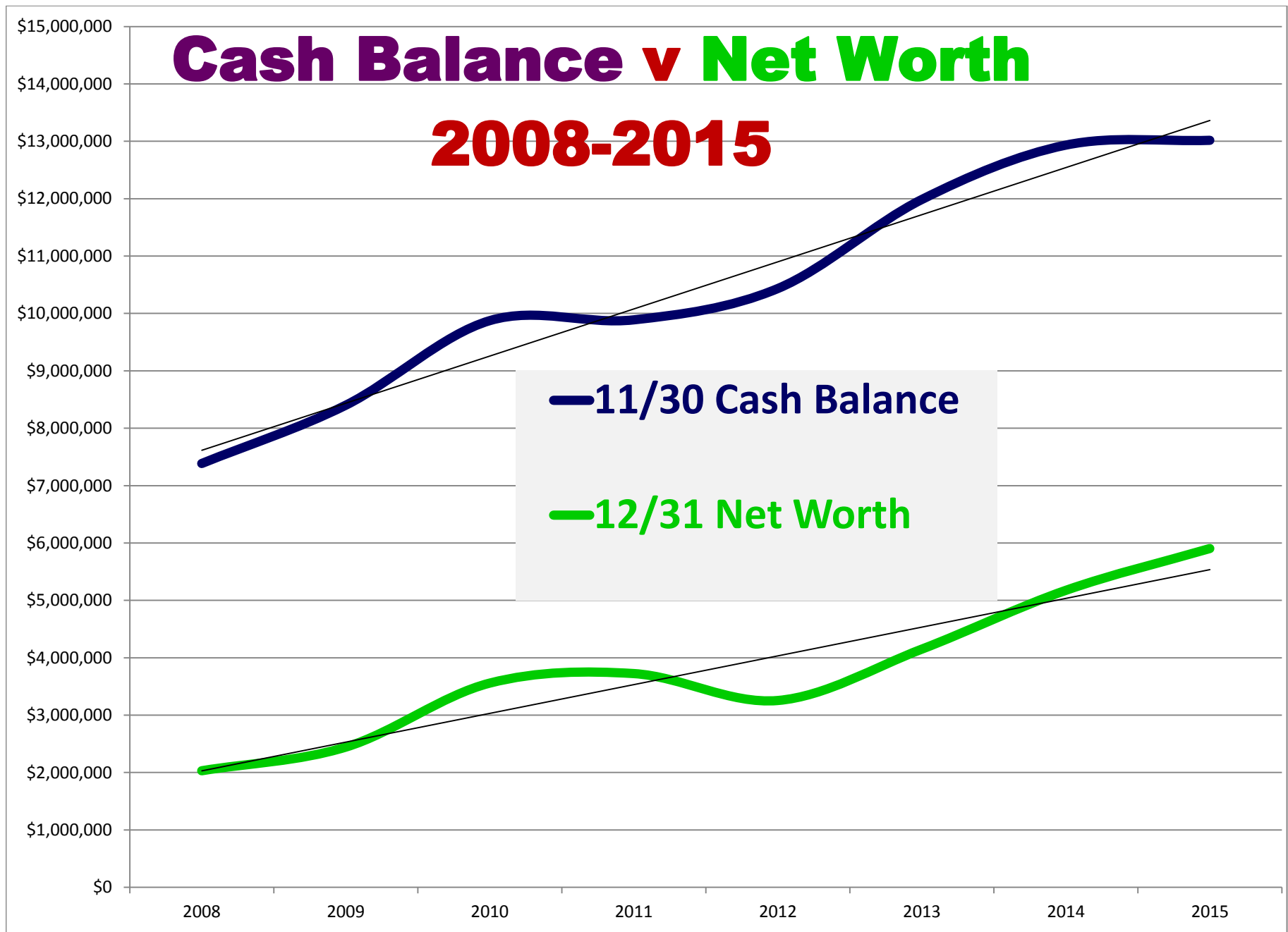
February 28, 2014--January 31, 2016

	2/28/14	3/31/14	4/30/14	5/31/14	6/30/14	7/31/14	8/31/14	9/30/14	10/31/14	11/30/14	12/31/14	1/31/15	2/28/15	3/31/15	4/30/15	5/31/15	6/30/15	7/31/15	8/31/15	9/30/15	10/31/15	11/30/15	12/31/15	1/31/16
KMIT Admin Fund (KAF)																								
Admin Account	994,516	642,448	447,381	319,213	194,070	104,799	294,067	242,279	206,707	194,692	183,238	531,389	1,187,182	902,626	438,126	252,742	157,676	99,363	38,155	66,032	26,315	26,316	757,718	1,016,657
Admin Checking	994,516	642,448	447,381	319,213	194,070	104,799	294,067	242,279	206,707	194,692	183,238	531,389	1,187,182	902,626	438,126	252,742	157,676	99,363	38,155	66,032	26,315	26,316	757,718	1,016,657
KMIT Claims Fund (KCF)																								
Claims Account	5,943,655	2,467,405	2,008,412	789,692	585,699	159,848	1,525,149	1,020,291	697,396	883,270	1,116,733	3,422,911	1,892,656	876,616	370,486	85,164	617,158	292,834	437,404	927,412	620,803	620,803	926,297	1,822,205
TPA Claims Check Book (at IMA)	121,939	175,879	161,078	195,508	(52,314)	228,201	130,108	74,164	74,390	105,878	194,855	26,993	105,088	101,161	42,536	206,337	110,386	244,843	219,388	58,669	35,387	35,387	241,381	65,054
Claims Checking	6,065,594	2,643,283	2,169,490	985,200	533,385	388,049	1,655,257	1,094,455	771,786	989,148	1,311,588	3,449,905	1,997,744	977,777	413,022	291,500	727,544	537,677	656,792	986,081	656,190	656,190	1,167,678	1,887,259
INVESTMENTS																								
All Investments	8,927,185	12,468,606	12,718,606	13,465,606	13,465,606	13,465,606	11,706,606	11,955,606	11,955,606	11,455,606	11,951,607	12,201,606	13,296,000	14,041,000	14,291,000	14,291,000	13,617,000	13,617,000	13,369,000	12,619,000	12,613,000	12,613,000	11,767,000	12,573,000
TOTAL CASH	15,987,295	15,754,337	15,335,477	14,770,019	14,193,061	13,958,454	13,655,930	13,292,340	12,934,099	12,639,446	13,446,433	16,182,900	16,480,926	15,921,403	15,142,148	14,835,243	14,502,220	14,254,040	14,063,947	13,671,112	13,295,505	13,295,506	13,692,396	15,476,916
	2/28/14	3/31/14	4/30/14	5/31/14	6/30/14	7/31/14	8/31/14	9/30/14	10/31/14	11/30/14	12/31/14	1/31/15	2/28/15	3/31/15	4/30/15	5/31/15	6/30/15	7/31/15	8/31/15	9/30/15	10/31/15	11/30/15	12/31/15	1/31/16

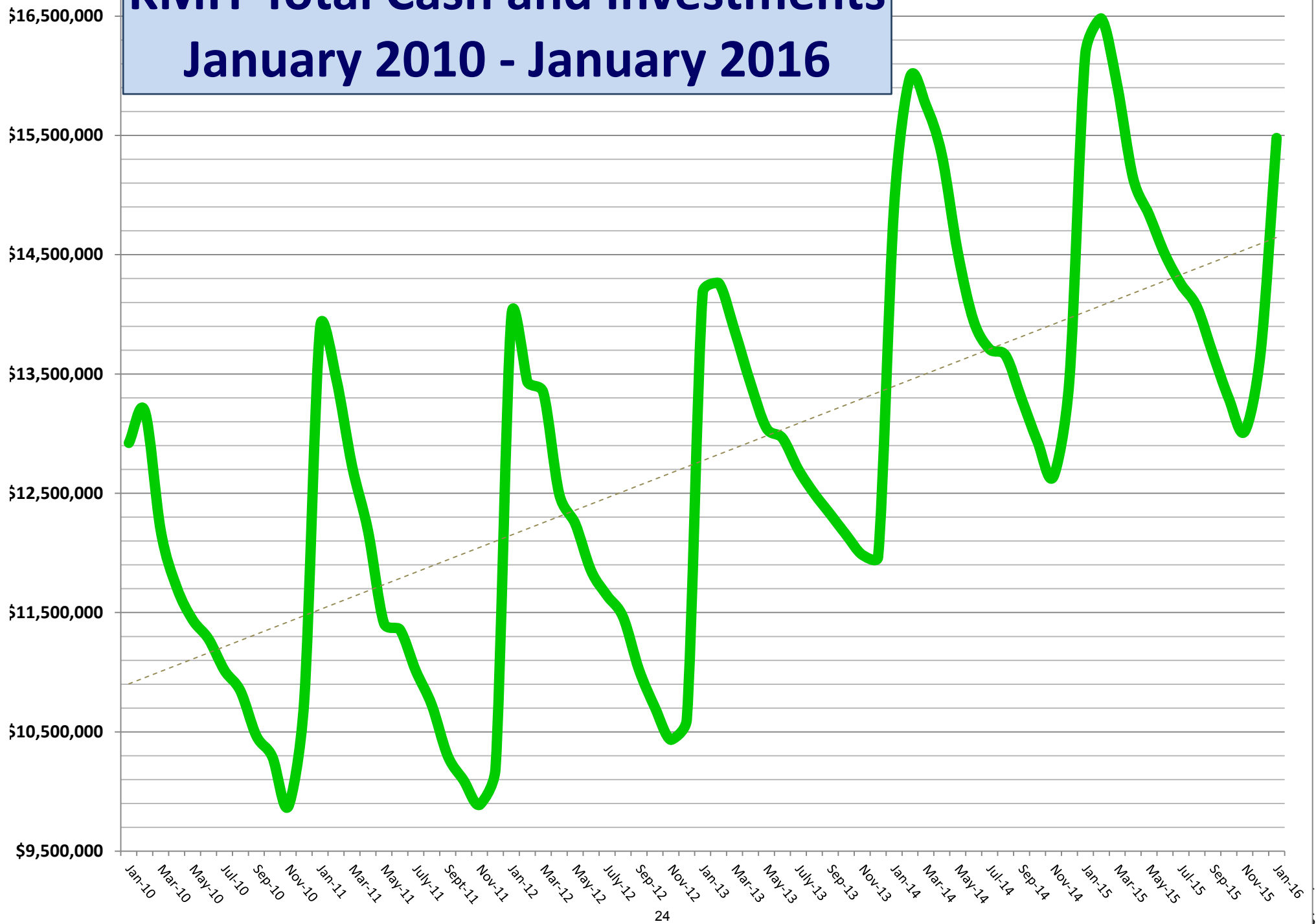


November 30 Cash Balance 2008-2015





KMIT Total Cash and Investments January 2010 - January 2016



CLAIM SUMMARY-RESERVE INCREASE

Employer: City of Garden City
Claim No.: 2015071747
Employee Age: 58
AWW: \$630.10
Attorneys: Employee -NA
Adjuster: Gene Miller

Date of Injury: 8/5/2015
Job Description: Parks Dept
Updated: 1/26/16
TTD Rate: \$420.06
Employer -NA

	Medical	Indemnity	Expense	Total
Prev. Reserves	\$1,200.00	\$0.00	\$100.00	\$1,300.00
New Reserves	\$20,000.00	\$16,000.00	\$2,500.00	\$38,000.00
Amount Paid	\$2,128.75	\$420.06	\$1,197.86	\$3,746.67
Outstanding	\$17,871.25	\$15,579.94	\$802.14	\$34,253.33

Accident Description/Nature of Injury:

- Claimant tried to grab trailer ramp with right hand and right shoulder was jerked and injured.

Investigation/Compensability

- There were no witnesses but the injury was reported timely and not questioned.

Medical Management

- Conservative treatment failed and MRI done which revealed tendon tear in his right shoulder. He was referred to Dr. Neel who recommended surgery and same was completed 1/19/16.

Periods of Disability

- January 19 to present.

Indemnity

- TTD: Reflect 12 weeks.
- PPD: Reflect 12% to shoulder.

Subrogation/Other Issues

- No sources for subrogation or contribution.

Plan of Action:

- I plan to follow-up after every doctor appointment to learn medical status and to strive for early return to work. 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 Waterville
Claim No.: 2016072927
Employee Age: 47
AWW: \$Volunteer
Attorneys: Employee -NA
Adjuster: Gene Miller

Date of Injury: 1/10/2016
Job Description: Volunteer EMT
Updated: 2/4/2016
TTD Rate: \$610.00
Employer -NA

	Medical	Indemnity	Expense	Total
Prev. Reserves	\$0.00	\$0.00	\$0.00	\$0.00
New Reserves	\$25,000.00	\$35,000.00	\$1,500.00	\$61,500.00
Amount Paid	\$16.80	\$0.00	\$0.00	\$16.80
Outstanding	\$24,983.20	\$35,000.00	\$1,500.00	\$61,483.20

Accident Description/Nature of Injury:

- Claimant was lifting the downhill side of a gurney with patient. The elevated end of the gurney was rolling on the walk and dropped down at the first step. This action jerked claimant's right shoulder and he felt a pop in the shoulder.

Investigation/Compensability

- The accident was witnessed, promptly reported and accepted as compensable.

Medical Management

- Conservative treatment failed and MRI was ordered which revealed partial tear of right rotator cuff. He was referred to orthopedic Dr. Gaskill who has recommended surgical repair.

Periods of Disability

- No lost time to date.

Indemnity

- TTD: Reserves reflect 16 weeks.
- PPD: Reserves reflect 15% shoulder.

Subrogation/Other Issues

- No source for subrogation or contribution.

Plan of Action:

- I will monitor his recovery following surgery, striving for early return to work. When he is released from medical care, I will obtain a disability rating, obtain settlement authority, negotiate settlement, obtain Division approval and close file.

CLAIM SUMMARY-RESERVE INCREASE

Employer: City of Andover
Claim No.: 2015072603
Employee Age: 27
AWW: \$469.87 (est)
Attorneys: Employee -NA
Adjuster: Gene Miller

Date of Injury: 10/6/15
Job Description: Police Officer
Updated: 2/23/16
TTD Rate: \$704.80 (est)
Employer -NA

	Medical	Indemnity	Expense	Total
Prev. Reserves	\$1,200.00	\$0.00	\$100.00	\$1,300.00
New Reserves	\$20,000.00	\$17,000.00	\$2,000.00	\$39,000.00
Amount Paid	\$3,252.20	\$0.00	\$0.00	\$3,252.20
Outstanding	\$16,747.80	\$17,000.00	\$2,000.00	\$35,747.80

Accident Description/Nature of Injury:

- Claimant was participating in training exercise of being extracted from vehicle.
Fellow officer grabbed her left arm and pulled her from the driver's seat and injured her left shoulder.

Investigation/Compensability

- The injury was witnessed by several coworkers and promptly reported. The injury has been accepted as compensable.

Medical Management

- Conservative care failed to relieve her symptoms and MRI ordered which revealed left rotator cuff tear. She was referred to Dr. Do who recommends surgery and same has been scheduled for 3/21/16.

Periods of Disability

- There has been no lost time to date as the city has accommodated her restrictions.

Indemnity

- TTD: Reserves reflect 6 weeks.
- PPD: Reserves reflect 12% shoulder.

Subrogation/Other Issues

- She admitted to prior left shoulder injury/surgery in 2008. We will ask Dr. Do to separate out her pre-existing disability from her previous injury/surgery.

Plan of Action:

- She continues to work modified duty. Following the surgery, I will follow-up with her after every doctor's appointment, striving for early return to work. When released from care a disability rating will be requested, settlement authority obtained, settlement negotiated, Division approval obtained and file closed.

CLAIM SUMMARY-RESERVE INCREASE

Employer: City of Hillsboro
Claim No.: 2016072866
Employee Age: 57
AWW: \$1,358.85
Attorneys: Employee -No
Adjuster: Gene Miller

Date of Injury: 1/1/16
Job Description: Police Officer
Updated: 2/9/16
TTD Rate: \$610.00
Employer -No

	Medical	Indemnity	Expense	Total
Prev. Reserves	\$1,200.00	\$0.00	\$100.00	\$1,300.00
New Reserves	\$25,000.00	\$18,000.00	\$1,500.00	\$44,500.00
Amount Paid	\$602.65	\$0.00	\$0.00	\$602.65
Outstanding	\$24,397.35	\$18,000.00	\$1,500.00	\$43,897.35

Accident Description/Nature of Injury:

Claimant slipped/fell on ice landing on his right side. Initial injuries listed as right knee and right shoulder.

Investigation/Compensability

- No witnesses to the fall but reported promptly and accepted as compensable.

Medical Management

- Conservative treatment failed and MRI ordered which revealed full thickness tear in right rotator cuff. He was referred to Dr. Do and surgery recommended. Surgery scheduled 2/22/16.
- He advises initial right knee symptoms have resolved and no farther medical care anticipated.

Periods of Disability

- No lost time to date. He advises that his surgery is on a Monday and he hopes to return to work Thursday, so he will not meet the 7-day waiting period for TTD.

Indemnity

- TTD: None anticipated.
- PPD: Reserves reflect 13% to right shoulder.

Subrogation/Other Issues

- He has had a work injury to his left shoulder but will not impact this claim. No other sources for contribution or subrogation.

Plan of Action:

- I plan to follow-up with him after every doctor's visit until released from medical care. I will strive for early return to work. When he is released from care, I will request disability rating, obtain settlement authority, negotiate settlement, obtain Division approval and close file.

CLAIM SUMMARY-RESERVE INCREASE

Employer: City of LaCygne
Claim No.: 2016072899
Employee Age: 58
AWW: \$890.06
Attorneys: Employee -NA
Adjuster: Gene Miller

Date of Injury: 1/7/2016
Job Description: PW Superintendent
Updated: 2/22/2016
TTD Rate: \$593.38
Employer -NA

	Medical	Indemnity	Expense	Total
Prev. Reserves	\$1,200.00	\$0.00	\$100.00	\$1,300.00
New Reserves	\$35,000.00	\$27,000.00	\$1,500.00	\$63,500.00
Amount Paid	\$2,772.69	\$0.00	\$0.00	\$2,772.69
Outstanding	\$32,227.31	\$27,000.00	\$1,500.00	\$60,727.31

Accident Description/Nature of Injury:

- Claimant was helping move containment apparatus on dolly, as they crossed door threshold, apparatus fell off dolly and caught claimant's right arm pulling him to the floor.

Investigation/Compensability

- The accident was witnessed by several coworkers, reported promptly and accepted as compensable.

Medical Management

- MRI revealed partial thickness tearing of right rotator cuff. Conservative care has not relieved his symptoms and surgery has been recommended and authorized. The surgery is scheduled for 3/21/16 with Dr. Stechschulte.

Periods of Disability

- No lost time to date as he continues to work modified duty.

Indemnity

- TTD: Reserves reflect 12 weeks.
- PPD: Reserves reflect 15% shoulder.

Subrogation/Other Issues

- No source for subrogation or contribution.

Plan of Action:

- I will monitor his recovery with follow-up after the surgery and every doctor's appointment thereafter, striving for early return to work. When released MMI, I will obtain a disability rating, obtain settlement authority, negotiate settlement, obtain Division approval and close file.

KMIT Risk Control
2016 Year to Date

Comparison by Year

Year	Severity	Frequency
2010	\$3,967,763.00	666
2011	\$2,854,773.00	633
2012	\$2,063,857.00	594
2013	\$1,797,218.00	696
2014	\$3,094,582.00	742
2015	\$1,819,403.00	719
2016	\$245,387.00	86

2016 by Month

Month	Severity	Frequency
January	\$232,137.00	66
February	\$13,250.00	20
March		
April		
May		
June		
July		
August		
September		
October		
November		
December		

2016 by Dept.

Department	Severity	Frequency
Police	\$70,650.00	32
Street	\$69,200.00	9
Emergency	\$62,800.00	2
Maintenance	\$16,500.00	8
Public Works	\$8,614.00	7
Water	\$7,223.00	6
Fire	\$3,900.00	5
Park	\$2,600.00	4
Landfill	\$1,300.00	1
Sanitation	\$1,300.00	1
Electric	\$1,300.00	3
Zoo	\$0.00	1
Administration	\$0.00	2
Service and Finance department	\$0.00	1
Cemetery	\$0.00	2
Animal Control/Shelter	\$0.00	1
Municipality	\$0.00	1

2016 Total **\$245,387.00** **86**

2016 Total **\$245,387.00** **86**

2016 by Accident Type

Accident Type	Severity	Frequency
Strain or Injury By	\$136,214.00	12
Fall or Slip Injury	\$71,800.00	26
Struck or Injured By	\$6,500.00	7
Motor Vehicle	\$6,400.00	2
Occupational Hazards	\$5,700.00	6
Animal/Insect	\$4,473.00	7
Cut/Puncture/Scrape By	\$5,200.00	9
Occupational Hazards:		
Rep. Motion	\$2,600.00	5
Foreign Body in Eye	\$2,600.00	3
Caught in or Between	\$2,600.00	2
Robbery/Assault	\$1,300.00	1
Step/Strike Against	\$0.00	3
Miscellaneous Causes	\$0.00	3

2016 Total **\$245,387.00** **86**

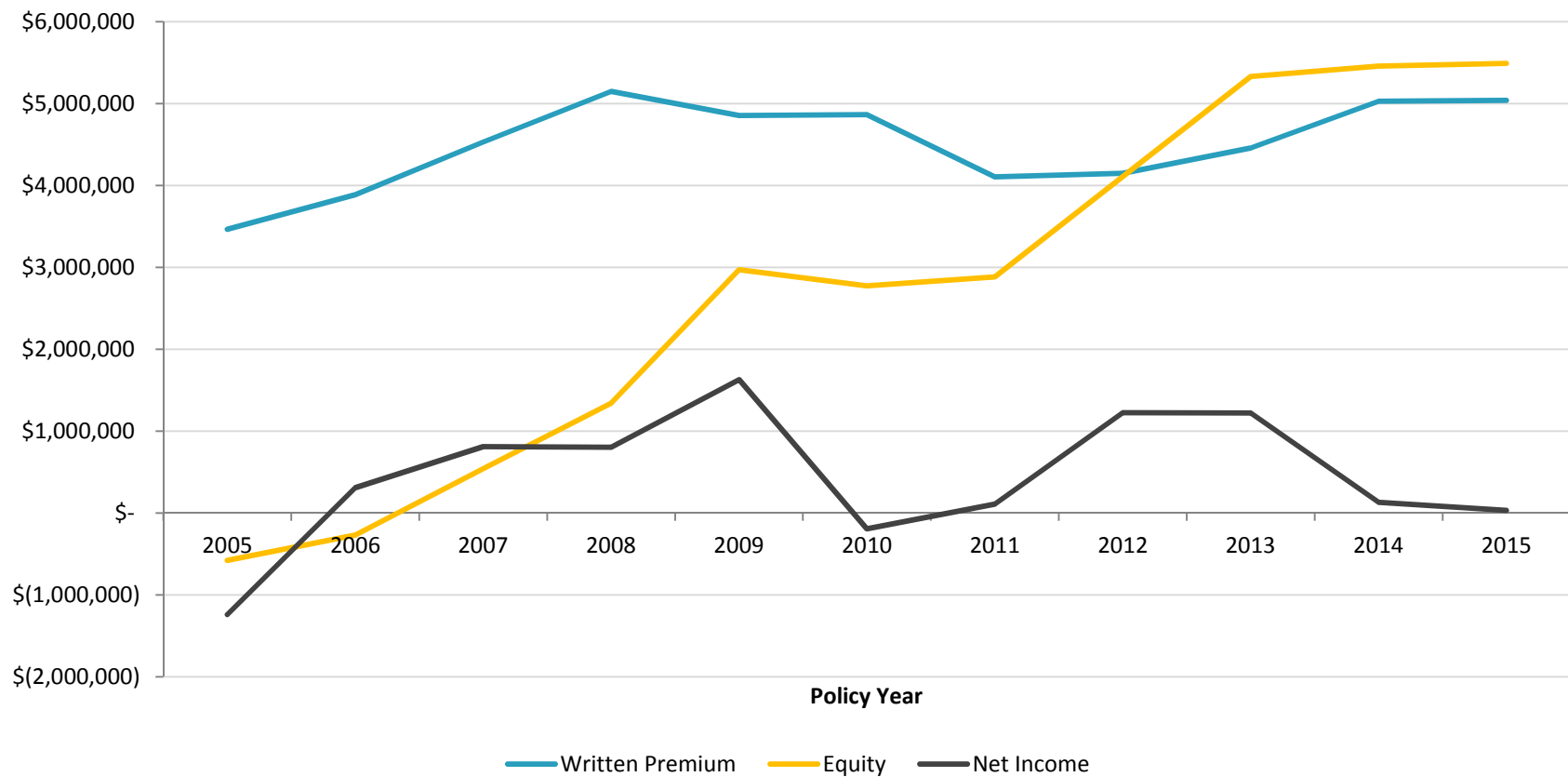
2016 Claims Over \$10,000 to Date

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Pool Performance History

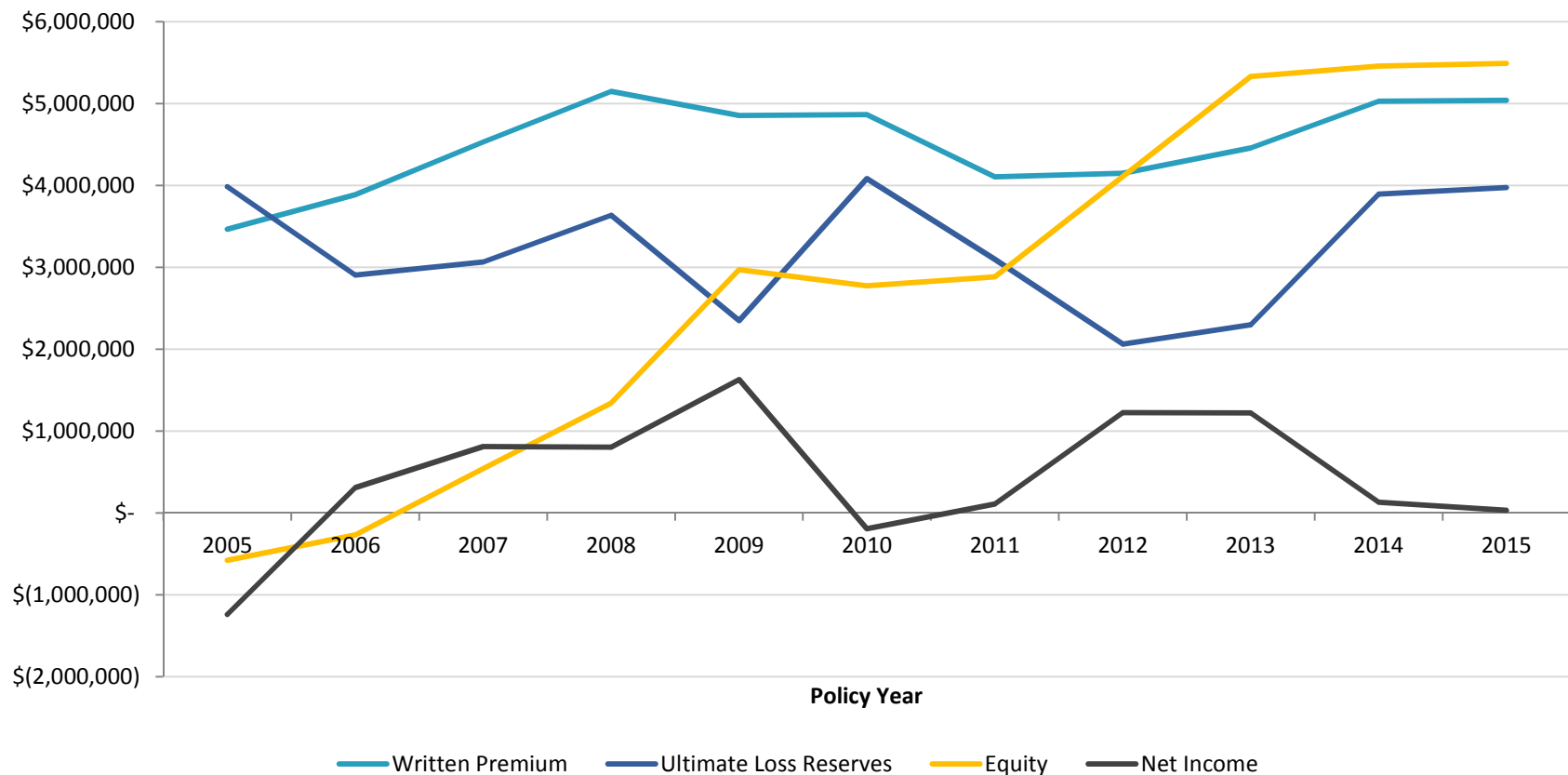
Without Ultimate Loss Reserves

KMIT Financial Strength Summary (As of 12/31/2015)



With Ultimate Loss Reserves

KMIT Financial Strength Summary (As of 12/31/2015)



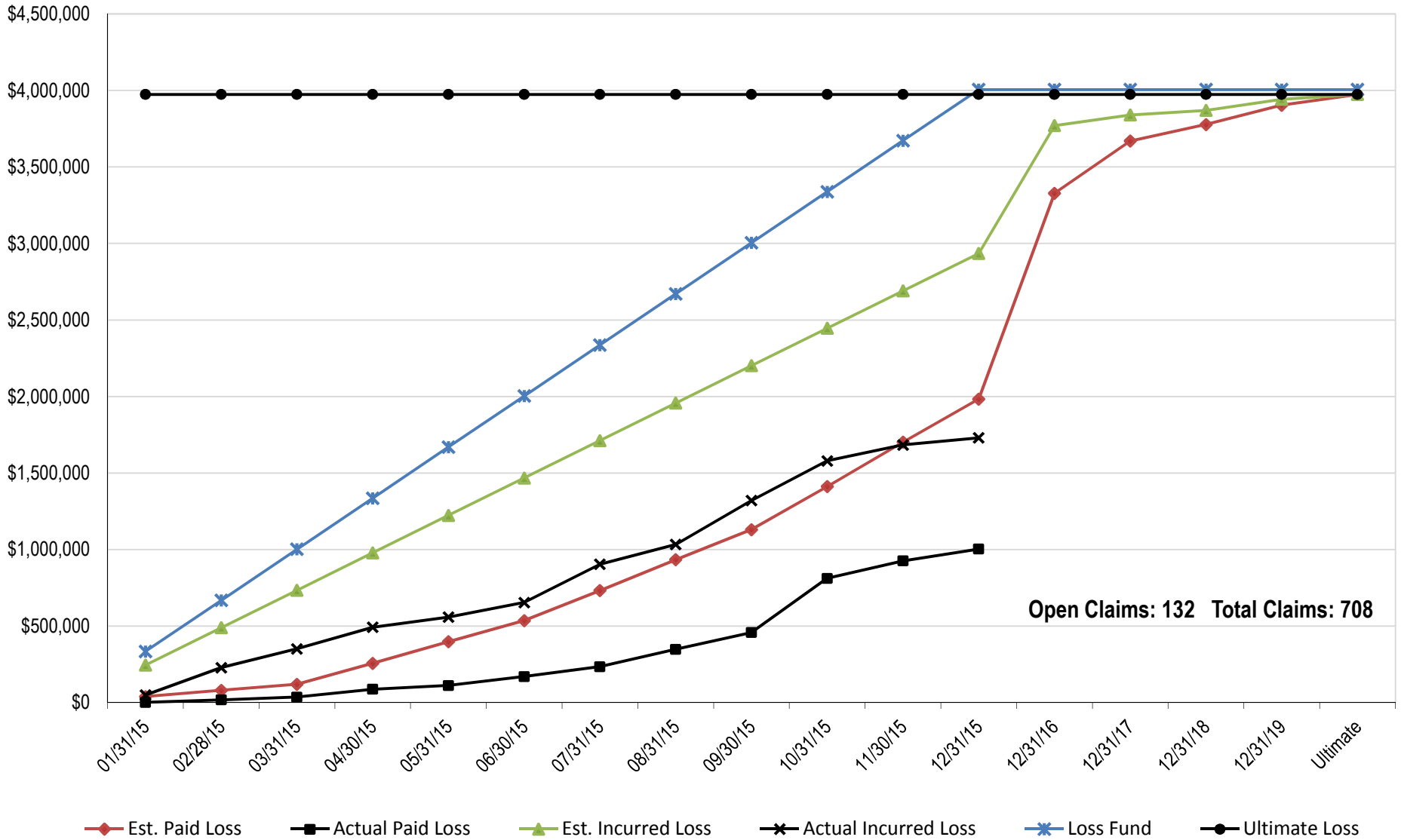
Policy Year Performance Review

2011 – 2015 Policy Years
(Valued as of 12/31/2015)

Kansas Municipal Insurance Trust

2015 Policy Year Performance

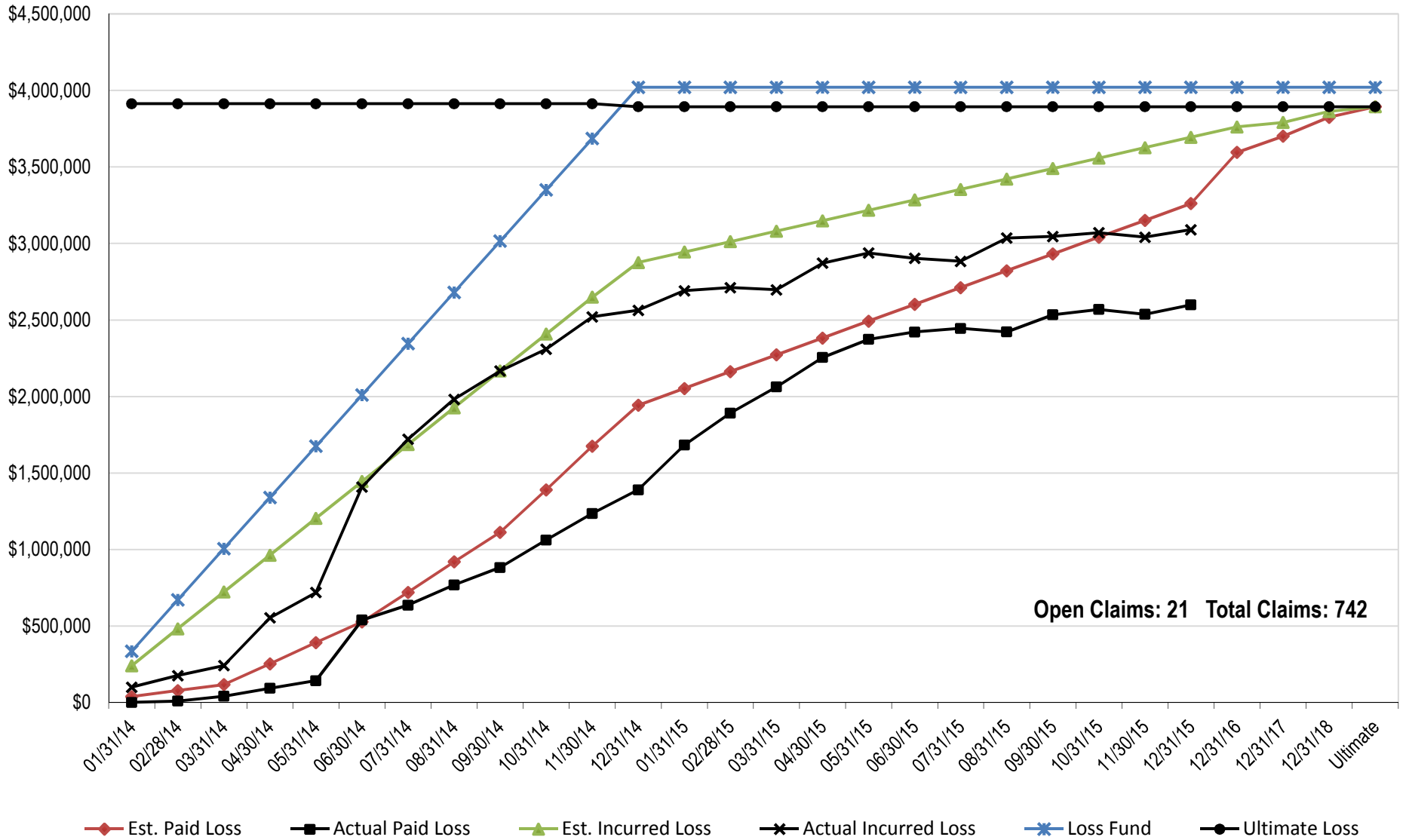
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Kansas Municipal Insurance Trust

2014 Policy Year Performance

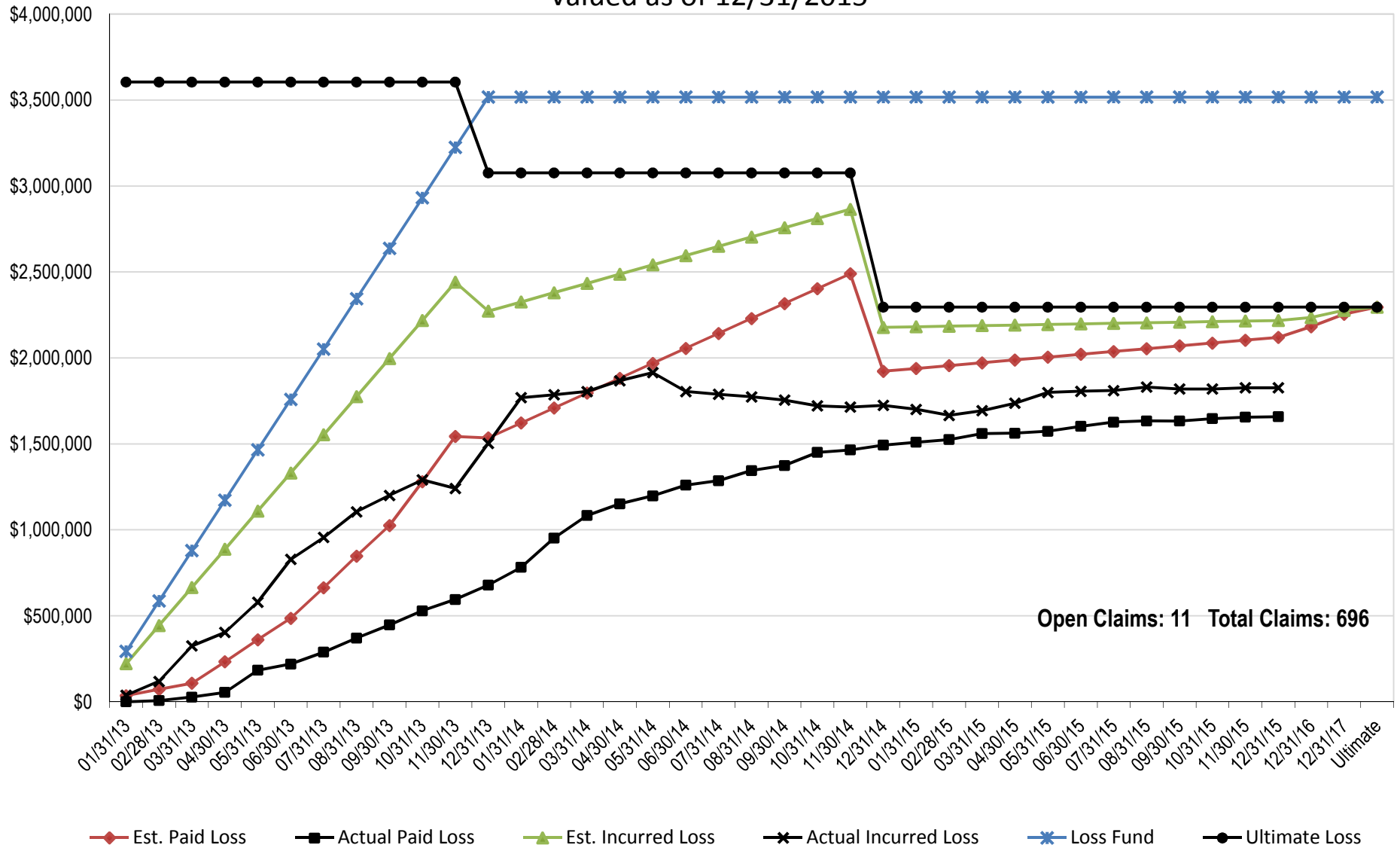
Valued as of 12/31/2015



Kansas Municipal Insurance Trust

2013 Policy Year Performance

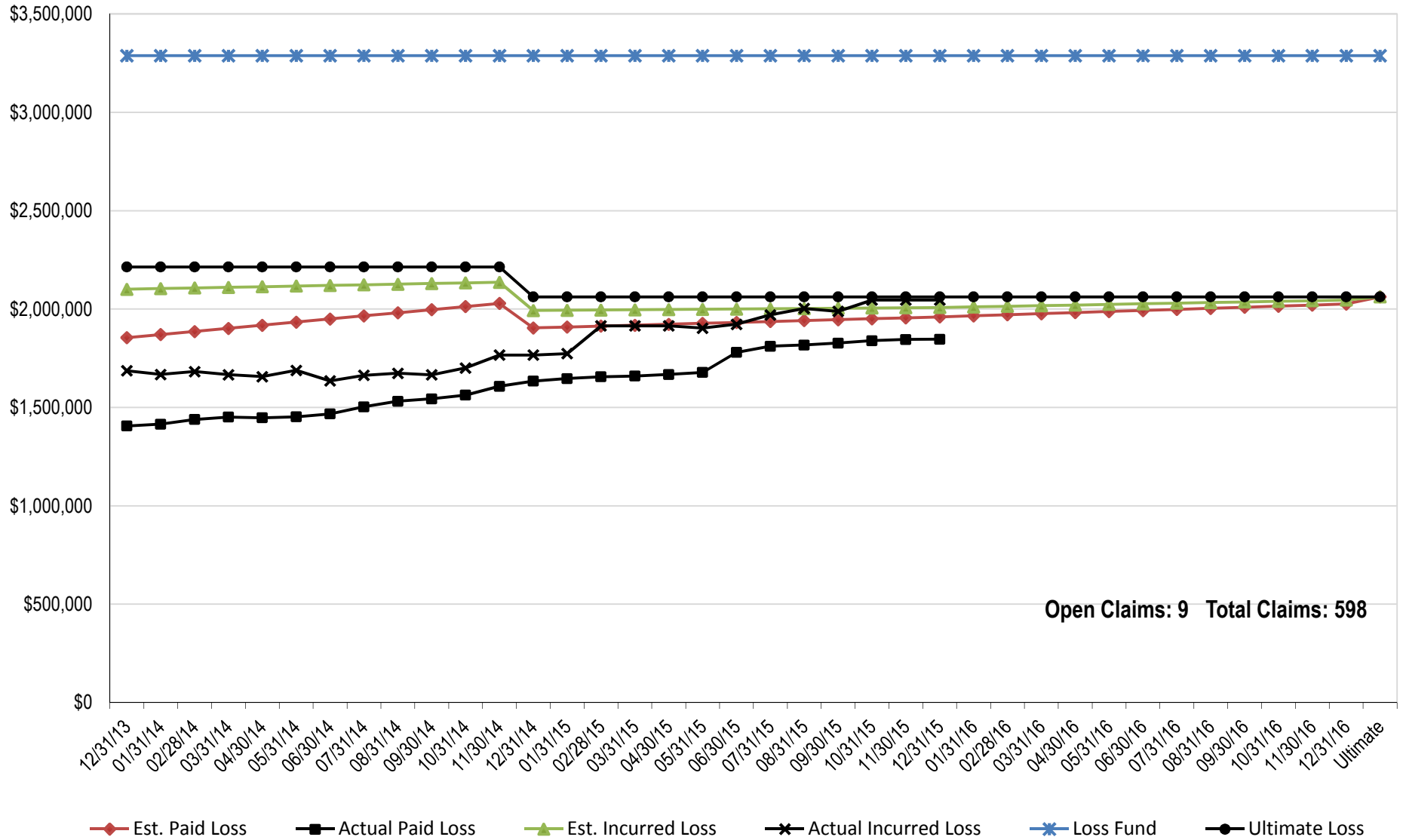
Valued as of 12/31/2015



Kansas Municipal Insurance Trust

2012 Policy Year Performance

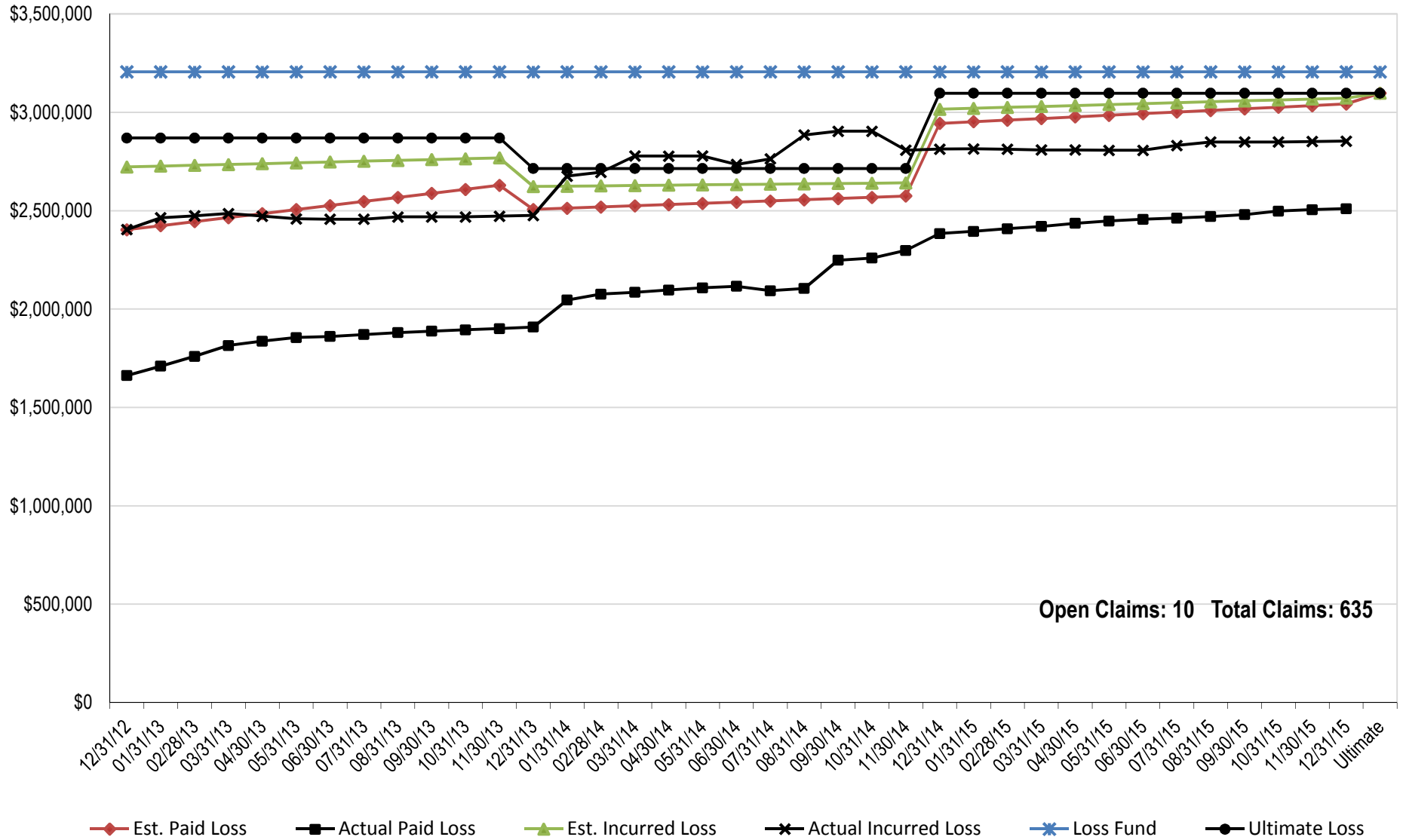
Valued as of 12/31/2015



Kansas Municipal Insurance Trust

2011 Policy Year Performance

Valued as of 12/31/2015



2016 Market Review/Action Plan

Market	St Size Rank	City	Population	KMIT	KERIT	Other
1	15	Dodge City	28,117	X		1 private market
2	16	Garden City	27,004	1	added in 2013	
3	17	Junction City	24,665		1	
4	18	Emporia	24,560	expect to Q in 2016		1 self insured
5	19	Derby	23,234	X	1	
6	20	Prairie Village	21,877		1	
7	21	Hays	21,044	1		
8	22	Liberal	21,012	Q in 2016	Q x 2	1 private market
9	23	Gardner	20,667		1	
10	24	Pittsburg	20,394	1	added in 2014	
11	25	Newton	19,120	1		
12	26	Great Bend	15,840	1		
13	27	McPherson	13,189		1	
14	28	El Dorado	12,879	1		
15	29	Andover	12,509	1		
16	30	Ottawa	12,403		1	
17	31	Winfield	12,258		1	
18	32	Arkansas City	12,205	1		
19	33	Lansing	11,713		1	
20	34	Merriam	11,290		1	
21	35	Haysville	11,112	1		
22	36	Atchison	10,771	1		
23	37	Parsons	10,174	1		

2016 Market Review/Action Plan

24	38	Coffeyville	9,876	X	1	left KMIT in Dec 2012
25	39	Mission	9,501	X	1	
26	40	Chanute	9,295		1	
27	41	Augusta	9,242	1		
28	42	Independence	9,162	1		
29	43	Wellington	7,942	1		
30	44	Fort Scott	7,874	1		
31	45	Park City	7,556	X	1	left KMIT in Dec 2014
32	46	Bonner Springs	7,314	1		
33	47	Bel Aire	7,284	1		
34	48	Valley Center	7,057	1		
35	49	Pratt	6,963		1	private market
36	50	Roeland Park	6,840	1		
37	51	Abilene	6,590	1		
38	52	Eudora	6,303	1		
39	53	Mulvane	6,289	Q	1	private market
40	54	Ulysses	6,160	1		
41	55	De Soto	6,038	1		
42	56	Spring Hill	5,896	1		
43	57	Paola	5,593	1		
44	58	Iola	5,553	Q 2012	1	private market
45	59	Colby	5,388		1	private market
46	60	Concordia	5,311	1		
47	61	Tonganoxie	5,190	1		
48	62	Basehor	5,119	1		

2016 Market Review/Action Plan

49	63	Baldwin City	4,585	1		
50	64	Goddard	4,692	Q 2015	1	private market
51	65	Wamego	4,578	1		
52	66	Goodland	4,554	1		
53	67	Russell	4,484	1		
54	68	Edwardsville	4,380	1		
55	69	Osawatomie	4,357	1		
56	70	Louisburg	4,322		1	private market
57	71	Clay Center	4,177	1		
58	72	Baxter Springs	4,073	X	1	left KMIT in Dec 2013
59	73	Maize	4,073	1		
60	74	Larned	4,023	1		
61	75	Fairway	3,969		1	
62	76	Hugoton	3,966		1	private market
63	77	Rose Hill	3,960	1		
64	78	Scott City	3,927		1	private market
65	79	Beloit	3,792	X	1	private market
66	80	Lyons	3,737	Q 2015	1	private market
67	81	Hesston	3,734	X	1	private market
68	82	Mission Hills	3,597		1	
69	83	Frontenac	3,444		1	private market
70	84	Lindsborg	3,438	1	added in 2012	
71	85	Holton	3,316		1	private market
72	86	Garnett	3,295		1	private market
73	87	Marysville	3,295	1		
74	88	Columbus	3,186	1		
75	89	Hiawatha	3,108	1		

2016 Market Review/Action Plan

76	90	Kingman	3,094	1			
77	91	Ellsworth	3,076	1			
78	92	Galena	2,966	1			
79	93	Hillsboro	2,893	1			
80	94	Osage City	2,862	1			
81	95	Norton	2,846	Q		1	private market
82	96	Girard	2,773	1			
83	97	Hoisington	2,664	1			
84	98	St. Marys	2,664	X	NOT LKM	1	private market
85	99	Burlington	2,635			1	private market
86	100	Sabetha	2,564			1	private market
87	101	Phillipsburg	2,556	Q		1	private market
88	102	South Hutchinson	2,544			1	private market
89	103	Clearwater	2,531	1			
90	104	Eureka	2,485	X		1	left KMIT in Dec 2014
91	105	Herington	2,413	1	added in 2014		
92	106	Neodesha	2,400	1			
93	107	Fredonia	2,372	1			
94	108	Sterling	2,303	1	added in 2015		
95	109	Cherryvale	2,283	1			
96	110	Cimarron	2,240	Q 2012		1	private market
97	111	Anthony	2,234			1	private market
98	112	Lakin	2,180			1	private market
99	113	Cheney	2,153	1			
100	114	Ogden	2,138	1			
101	115	Caney	2,125			1	private market
102	116	Holcomb	2,120	X		1	private market

2016 Market Review/Action Plan

103	117	Elkhart	2,113	1		
104	118	Council Grove	2,105	1		
105	119	Ellinwood	2,098		1	private market
106	120	Halstead	2,084	1		
107	121	Oakley	2,075	1	added in 2013	
108	122	Ellis	2,074	Q	1	private market
109	123	Minneapolis	2,029	1		
110	124	Medicine Lodge	2,021	1		
111	125	Seneca	2,006		1	private market
112	126	Belleville	1,917	1		
113	127	Kechi	1,982	Q 2012	1	private market
114	128	Humboldt	1,886		1	private market
115	129	Marion	1,861	1	added in 2015	
116	130	Wellsville	1,822	1		
117	131	WaKeeney	1,797	1		
118	132	North Newton	1,788	1	added in 2013	
119	133	Oswego	1,781	1		
120	134	Syracuse	1,750		1	private market
121	135	Oberlin	1,749	1		
122	136	Horton	1,732	1		
123	137	Moundridge	1,726	1	added in 2012	
124	138	Edgerton	1,703	1		
125	139	Sedgwick	1,701	1		
126	140	Douglass	1,692	1		
127	141	Grandview Plaza	1,670	1		
128	142	Smith Center	1,641	1	added in 2013	
129	143	Meade	1,637	X	1	private market

2016 Market Review/Action Plan

130	144	Belle Plaine	1,627	1	added in 2012	
131	145	Westwood	1,534	1	added in 2012	
132	146	Leoti	1,496	1		
133	147	Arma	1,464			1 private market
134	148	Hill City	1,454	1		
135	149	Ness City	1,454			1 private market
136	150	Kinsley	1,451	1		
137	151	Towanda	1,427	Q		1 private market
138	152	Silver Lake	1,426			1 private market
139	153	Johnson City	1,413	1		
140	154	Carbondale	1,405			1 private market
141	155	Sublette	1,399			1 private market
142	156	Harper	1,398			1 private market
143	157	Osborne	1,396	Q		1 private market
144	158	Chapman	1,379	1	added in 2012	
145	159	Inman	1,374	Q 2015		1 private market
146	160	Colwich	1,362			1 private market
147	161	Wathena	1,352	Q 2015		1 private market
148	162	Yates Center	1,350			1 private market
149	163	Buhler	1,335			1 private market
150	164	Stockton	1,315	1		
151	165	St. Francis	1,312	1		
152	166	La Crosse	1,290			1 private market
153	167	Lincoln Center	1,266	1		
154	168	St. John	1,244			1 private market
155	169	Conway Springs	1,239	1		
156	170	Haven	1,225	Q 2013/2015		1 private market

2016 Market Review/Action Plan

157	171	Victoria	1,225			1	private market
158	172	Atwood	1,222			1	private market
159	173	Auburn	1,217			1	private market
160	174	Elwood	1,204			1	private market
161	175	Plainville	1,189	Q		1	private market
162	176	Hoxie	1,189	X		1	private market
163	177	Pleasanton	1,180	Q		1	private market
164	178	Valley Falls	1,158	X		1	private market
165	179	Peabody	1,156	1			
166	180	Rossville	1,156	Q 2015	2016?	1	private market
167	181	Satanta	1,117	1			
168	182	La Cygne	1,116	1			
169	183	Erie	1,108			1	private market
170	184	Plains	1,093			1	private market
171	185	Chetopa	1,091	D x 3		1	private market
172	186	Washington	1,087			1	private market
173	187	Oskaloosa	1,086	1			
174	188	Sedan	1,065	1			
175	189	Solomon	1,061			1	private market
176	190	Altamont	1,049	1			
177	191	Nickerson	1,041	Q		1	private market
178	192	Caldwell	1,034	X		1	private market
179	193	Lyndon	1,030			1	private market
180	194	Overbrook	1,029	Q 2014		1	private market
181	195	Kiowa	1,028	expect to Q in 2016		1	private market
182	196	Oxford	1,022	expect to Q in 2016		1	private market
183	197	Highland	1,015			1	private market

2016 Market Review/Action Plan

184	198	Stafford	1,002	1	
185	199	Dighton	1,000		1 private market
Mkt	RANK				

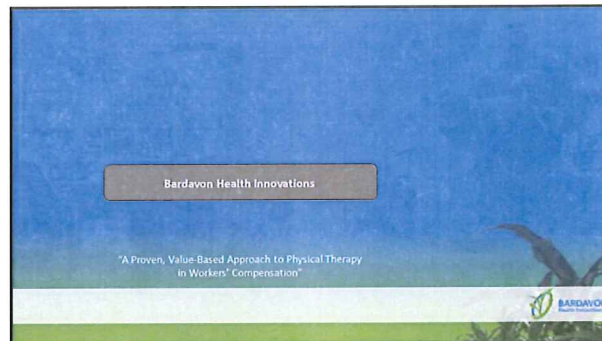
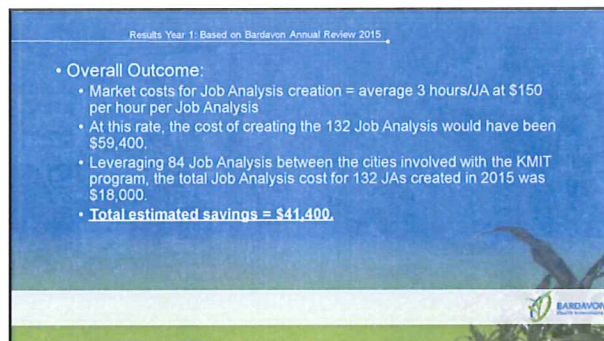
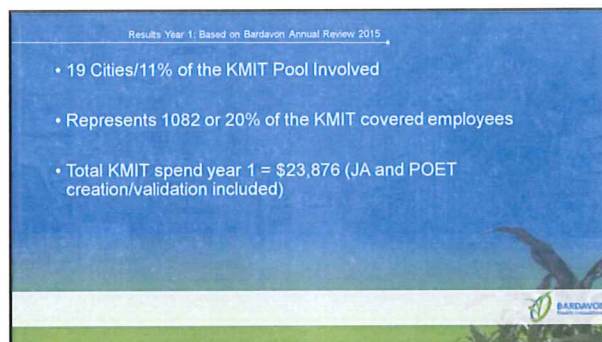
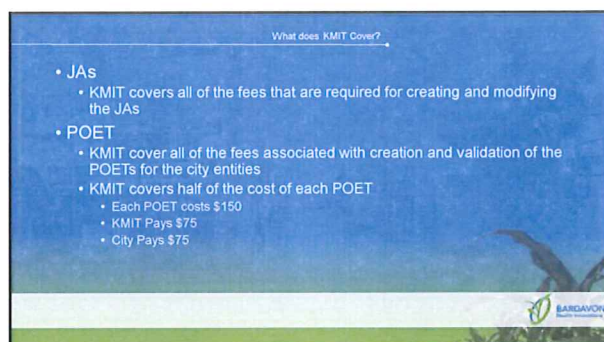
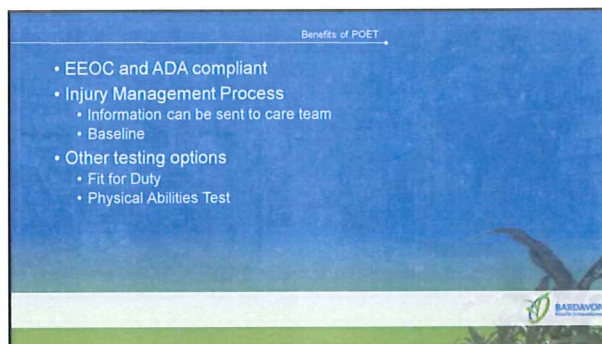
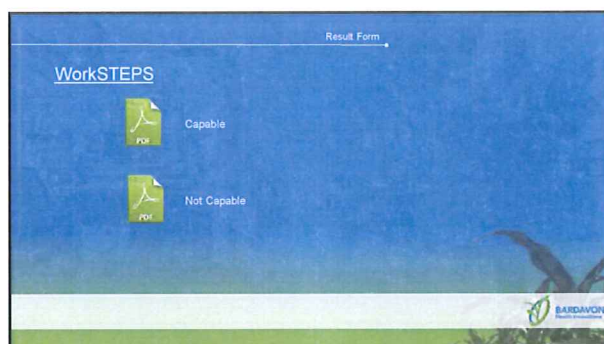
	KMIT	KERIT	Other
ALL Cities between 1,000 and 28,117 [185]	95 51.4%	14 7.6%	75 40.5%
1,000-2,000 [74]	32 43.2%	0 0%	42 56.8%
2,000-5,000 [68]	35 51.5%	2 2.9%	31 45.6%
5,000-10,000 [25]	17 68.0%	3 12.0%	5 20.0%
10,000-20,000 [13]	8 61.5%	5 38.5%	0 0.0%
20,000-28,117 [10]	3 30.0%	4 40.0%	3 30.0%

**Bardavon Health
Innovations, LLC**

KMIT PROJECT

Presentation Objectives

- Overview of KMIT process
- Results Year 1
- Who is Bardavon



What Bardavon Does


Bardavon Health Innovations

Bardavon manages worker compensation programs for large employers, leveraging outcome-based clinical data that it collects and analyzes through its proprietary iNotes cloud architecture.

- Measures clinical outcomes associated with work-related injuries,
- Integrates clinical and claims data to determine price/value of each provider within the employer's worker's compensation continuum of care,
- Provides an effective tool for facilitating best practices and accountability within provider networks.

The results are stunning and have led to a 60% market share within the first market deployed.

- Reduces the number of injuries by matching worker physical capabilities with job function,
- Reduces the cost of rehabilitation per worker,
- Gets injured workers back to work more quickly,
- Reduces indemnity claims and the monetary value of indemnity claims.




What Bardavon Solves

The Problem


- Cost Containment models have failed and resulted in increased indemnity costs and overall Workers' Compensation costs.
- Physical Therapists are generalists and receive no education or training in Workers' Compensation outcome metrics.
- Physical Therapists document in disparate EMR platforms, providing no data standardization across workers' compensation programs.
- Competing Networks use an incomplete formula for assessing "Outcomes."

The Bardavon Solution

- Bardavon's SMART Network is a Value-Based model, leveraging best practices with true outcome metrics.
- Bardavon's Proprietary cloud architecture assists in walking the Physical Therapist through the Workers' Compensation visit.
- Bardavon's Proprietary cloud architecture is utilized across all SMART Network providers for visit documentation and billing, providing data standardization across all providers.
- Bardavon incorporates functional improvement, to assess the true treatment outcome.




Bardavon Case Study



Since 2012

- # Employees Up 13%
- # Claims Down 18%
- Claim Rate Per Employee Down 27%
- Cost Per Claim Down 35%
- WC Cost Per Employee (CPEE) Down 52%




Cost Per Claim


CPEE (Monthly)

Notice:


- \$0 claims excluded
- Includes estimated costs for open claims
- For claims with more than 50% of end cost to reserve, the higher of the coverage end per claim for year or the amount already paid is used for the estimated cost.



Workforce




Year	# Employees	Increase	% Increase
2012	3274		
2013	3421	147	4%
2014	3538	118	3%
2015	3698	160	5%



Monthly WC Cost Per Employee



Includes estimated costs for open claims

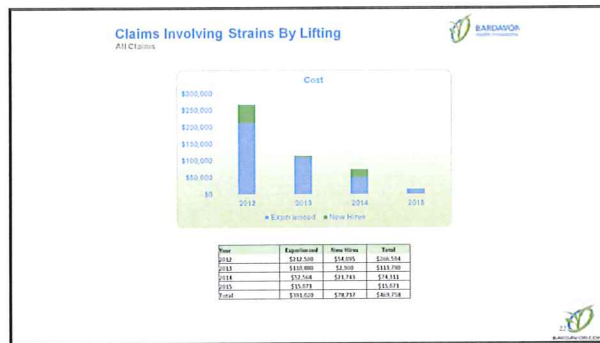
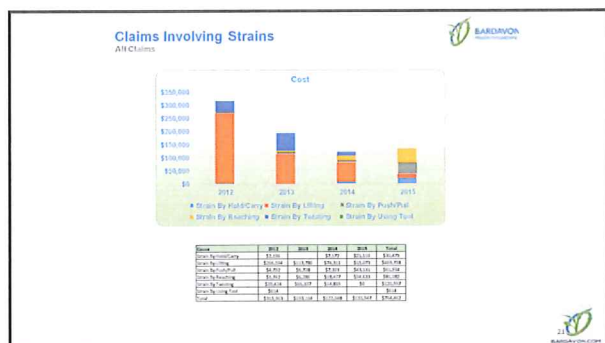
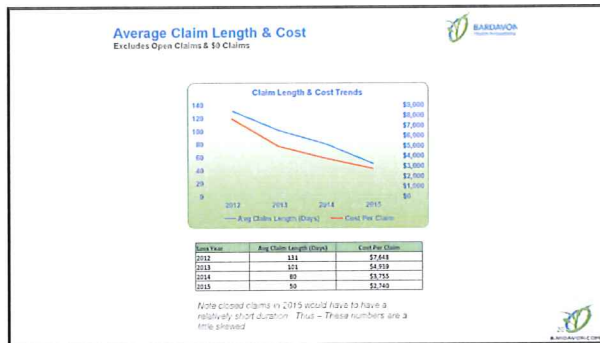
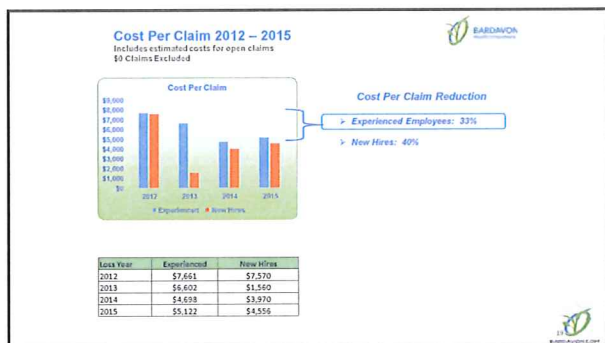


52% Reduction in WC Cost Per Employee from 2012 - 2015

Cause of reduction in CPEE:

- Decrease in # of claims despite increase in # of employees
- Decrease in average cost per claim



Thank YOU for your time!

Dorothy Riviere
Bardavon Health Innovations
driviere@bardavon.com
Phone: 913-236-1023

Non-Agenda Information and Background Material

2016 KMIT Operating (Administrative) Budget*

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

*approved in Bel Aire 12/11/15

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

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

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

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

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

2015 LKM OPERATING BUDGET

As approved by the League Governing Body in Topeka on September 5, 2014

REVENUES			
General Operations		2014 Budget	2015 Budget
Dues and Research		805,000	815,000
Rent Receipts		154,000	155,000
Kansas Government Journal		110,000	115,000
Publications and Advertising		145,000	130,000
Conference and Service Awards		330,000	275,000
Interest Earned and Other Revenue		6,000	6,000
Sub Total - General Operations		1,550,000	1,496,000
Special Programs			
Ordinance Codification		27,000	23,000
Personnel Programs		20,000	20,000
KMIT		70,000	70,000
Workshops and Seminars		65,000	65,000
Affiliate Services and Other Programs		46,000	38,000
Sub Total - Special Programs		228,000	216,000
TOTAL REVENUES		1,778,000	1,712,000

EXPENSES			
Personnel Services			
Staff Salaries		765,000	735,000
Staff Benefits		240,000	235,000
Professional Memberships		15,000	18,000
Training and Travel		35,000	45,000
Sub Total - Personnel Services		1,055,000	1,033,000
Contractual Services			
Building Maintenance		54,000	60,000
Equipment Related		59,000	59,000
Publications and Printing		38,000	51,500
Kansas Government Journal		90,000	75,000
General Overhead		30,000	30,000
Conference and Service Awards		277,500	225,000
Meeting Expense		20,000	25,000
Sub Total - Contractual Services		568,500	525,500
Commodities			
Office Supplies and Paper		30,000	17,000
Books, Software, and Subscriptions		15,000	20,000
Utilities, Telephone, and Postage		49,000	55,000
Sub Total - Commodities		94,000	92,000
Capital Outlay			
Equipment Purchases		17,500	17,500
Building Improvements		-	-
Sub Total - Capital Outlay		17,500	17,500
Special Programs			
Personnel Programs		5,500	2,000
Workshops and Seminars		22,500	37,000
Affiliate Services and Other Programs		15,000	5,000
Sub Total - Special Programs		43,000	44,000
TOTAL EXPENSES		1,778,000	1,712,000

2016 LEAGUE OPERATING BUDGET

As approved by the League Governing Body in Salina on September 11, 2015.

REVENUES		
General Operations		
	2015 Budget	2016 Budget
Dues and Research	815,000	813,000
Rent Receipts	155,000	155,000
Kansas Government Journal	115,000	120,000
Publications and Advertising	130,000	115,000
Conference and Service Awards	275,000	280,000
Interest Earned and Other Revenue	6,000	6,500
Sub Total - General Operations	1,496,000	1,489,500
Special Programs		
Ordinance Codification	23,000	15,000
Personnel Programs	20,000	30,000
Workshops and Seminars	65,000	30,000
Affiliate Services and Other Programs	38,000	38,000
Sub Total - Special Programs	146,000	113,000
Endorsements / Sponsorships		
KMIT	70,000	70,000
Sponsorships	-	-
Sub Total - Special Programs	70,000	70,000
TOTAL REVENUES	1,712,000	1,672,500
EXPENSES		
Personnel Services		
Staff Salaries	735,000	750,000
Staff Benefits	235,000	258,000
Professional Memberships	18,000	19,500
Training and Travel	45,000	40,000
Sub Total - Personnel Services	1,033,000	1,067,500
Contractual Services		
Building Maintenance	60,000	60,000
Equipment Related	59,000	56,500
Publications and Printing	51,500	30,000
Kansas Government Journal	75,000	62,000
General Overhead	30,000	23,000
Conference and Service Awards	225,000	230,000
Meeting Expense	25,000	25,000
Sub Total - Contractual Services	525,500	486,500
Commodities		
Office Supplies and Paper	17,000	12,500
Books, Software, and Subscriptions	20,000	15,000
Utilities, Telephone, and Postage	55,000	53,000
Sub Total - Commodities	92,000	80,500
Capital Outlay		
Equipment Purchases	17,500	10,000
Building Improvements	-	-
Sub Total - Capital Outlay	17,500	10,000
Special Programs		
Personnel Programs	2,000	2,000
Workshops and Seminars	37,000	25,000
Affiliate Services and Other Programs	5,000	1,000
Sub Total - Special Programs	44,000	28,000
TOTAL EXPENSES	1,712,000	1,672,500

KMIT Trustees 2016 Meeting Schedule

Thursday, March 3	Abilene
Friday, April 29	Clay Center
Friday, June 24	Tonganoxie
Friday, August 26	Garden City
Sunday, October 9	Overland Park (at LKM Conference)
Friday, December 16	IMA (Wichita)

FINAL

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	David Dillner	Abilene	City Manager	N/A	Oct-14	Oct-16	Oct-18		Oct-20	
2	Nancy Calkins	Ft. Scott	City Clerk	N/A	Oct-00					May-01
2	Keith DeHaven	Sedgwick	Mayor	Jun-01	Oct-01	Oct-03	Oct-05			Jun-07
2	Sasha Stiles	Andover	City Administrator	N/A	Oct-07	Oct-09	Oct-11			Oct-13
2	Kathy Axelson	Rose Hill	City Administrator	N/A	Oct-13					Mar-14
2	Randy Frazer	Moundridge	City Adm/City Clerk	May-14	Oct-14 [1]	Oct-15	Oct-17	Oct-19	Oct-21	
3	Cherise Tieben	Dodge City	HR Director	Jun-99	Oct-00					Oct-01
3	Larry Kenton	Dodge City	Risk Mgr	Oct-01?	Oct-01*					Apr-02
3	Howard Partington	Great Bend	City Administrator	Apr-02	Oct-02	Oct-04	Oct-06			Oct-08
3	Jane Longmeyer	Dodge City	HR Officer	N/A	Oct-08	Oct-10	Oct-12			Dec-08
3	Daron Hall	Ulysses	City Administrator	Jun-09	Oct-09 [1]	Oct-10				Mar-12
3	Tim Hardy	Elkhart	City Administrator	Jun-12	Oct-12	Oct-14	Oct-16		Oct-18	
4	Mark Arbuthnot	Abilene	City Manager	?	?					Oct-01
4	Carol Eddington	Oswego	Deputy City Clerk	N/A	Oct-01	Oct-03	Oct-05			Oct-07
4	Bobby Busch	Neodesha	City Clerk	N/A	Oct-07	Oct-09	Oct-11			Oct-13
4	Tim Vandall	Ellsworth	City Administrator	N/A	Oct-13					May-15
4	Janie Cox	Haysville	City Clerk	N/A	Oct-15	Oct-17	Oct-19		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	Debbie Price	Marysville	City Clerk	Apr-11	Oct-11	Oct-13	Oct-15		Oct-17	
6	Jane Henry	Derby	Environ/Safety Dir	N/A	Oct-96	Oct-98				May-00
6	Shawne Boyd	Derby	HR Coord	?-00	Oct-00					Oct-02
6	David Alfaro	Augusta	Assist. City Mgr.	N/A	Oct-02	Oct-04				Apr-06
6	Steve Archer	Arkansas City	City Manager	Apr-06	Oct-06	Oct-08	Oct-10			Dec-10
6	Debra Mootz	Roeland Park	City Clerk/DOF	Dec-10	Oct-11 [1]	Oct-12				Aug-14
6	Nathan McCommon	Tonganoxie	City Administrator	N/A	Oct-14	Oct-16	Oct-18		Oct-20	
7	Max Mize	Kingman	Mayor	N/A	Oct-96	Oct-98	Oct-00			Apr-01
7	Gary Hobbie	Russell	City Manager	Jun-01	Oct-01*	Oct-02	Oct-04	Oct-06		Oct-07
7	Larry Paine	Hillsboro	City Administrator	N/A	Oct-07 [1]	Oct-08	Oct-10	Oct-12		Oct-14
7	Kerry Rozman	Clay Center	City Clerk	N/A	Oct-14	Oct-16	Oct-18		Oct-20	
8	Ted Stolfus	Bonner Spgs	Mayor	May-97	Oct-99					Apr-01
8	Nancy Calkins	Mission	City Clerk	Jun-01	Oct-01*	Oct-02				Oct-04
8	Ty Lasher	Cheney	City Administrator	N/A	Oct-04	Oct-06				Jun-07
8	Toby Dougherty	Hays	City Manager	Jun-07	Oct-07 [1]	Oct-08	Oct-10	Oct-12		Oct-11
8	Keith Schlaegel	Stockton	City Manager	N/A	Oct-11 [1]	Oct-12	Oct-14	Oct-16	Oct-18	
9	Carl Myers	Wellington	City Manager	Jul-97	Oct-97	Oct-99				Oct-01
9	Rhonda Schuetz	Hiawatha	City Clerk	N/A	Oct-01	Oct-03				Sep-04
9	Lana McPherson	De Soto	City Clerk	N/A	Oct-04 [1]	Oct-05	Oct-07	Oct-09		Oct-11
9	Clausie Smith	Bonner Spgs	Mayor	N/A	Oct-11	Oct-13	Oct-15			Apr-13
9	Fred Gress	Parsons	City Manager	Apr-13	Oct-13					Aug-14
9	Ty Lasher	Bel Aire	City Manager	N/A	Oct-14 [1]	Oct-15	Oct-17	Oct-19	Oct-21	
10	Tim Richards	Newton	Commissioner	Jul-97	Oct-97					Apr-99
10	Willis Heck	Newton	Mayor	May-99	Oct-99	Oct-01				Oct-03
10	Linda Jones	Osage City	City Clerk	N/A	Oct-03	Oct-05	Oct-07			Oct-09
10	Doug Gerber	Goodland	City Manager	Oct-09	Oct-11	Oct-13				Apr-14
10	Megan Fry	Pittsburg	HR Director	Mar-14	Oct-14 [1]	Oct-15	Oct-17	Oct-19		Jan-15
10	Jay Byers	Pittsburg	Assist. City Mgr.	Mar-15	Oct-15	Oct-17	Oct-19		Oct-21	Mar-16
10	Carey Steier	Pittsburg	HR Mgr.	Mar-16	Oct-16 [1]	Oct-17	Oct-19		Oct-21	
11	Jim Beadle	De Soto	Mayor	Jan-94	?					Jan-97
11	Kelly DeMeritt	Atchison	Assist. City Mgr	May-97	Oct-97	Oct-99	Oct-01			Oct-03
11	Bill Powers	Ulysses	City Administrator	N/A	Oct-03					Jan-04
11	Bud Newberry [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	Oct-15	Oct-17			Apr-15
11	Michael Reagel	Garden City	Police Captain	May-15	Oct-15	Oct-17	Oct-19		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

- » Enhanced operating efficiency
- » Centralized insurance and risk contracting
- » Alignment of risk with controls
- » Strategic risk transfer
- » Enhanced risk management brought by the new ORM's industry expertise and oversight including claims reduction and insurance cost management
- Savings assume cooperation by the state agencies with the new ORM, Department of Procurement and KDHE initiatives.
- Capital outlay breakdown for ORM includes new salaries and wages of \$200,000 for a staff of three, plus an estimated 21% (\$42,000) staff overhead cost and \$6,276 each employee benefits cost (based on the State's Budget Cost Indices for FY16 and FY17), plus an estimated annual operational overhead expense of \$150,000.
 - » The first ORM staff hire, the Director of Risk Management, is completed by the fourth quarter of FY16, with the other two ORM members to be hired in FY17.
 - » Recruiting and hiring the ORM Director may take approximately three months to complete. The FY16 investment cost estimate is discounted accordingly to represent one Director at an estimated \$100,000 salary plus 21% staff overhead and \$6,276 benefits cost, discounted to 25% of that cost for the fourth quarter of FY16.
 - » ORM implementation and operational overhead costs (other than salaries and benefits—recruiting costs, office space and utilities allocations) are estimated at \$150,000 annually, with 25% of that amount allocated to the final quarter of FY16 in conjunction with hiring the new Director of Risk Management.
- The resultant efficiencies and cost savings of centralized risk management will outweigh the initial capital outlay and new salaries and wages costs for ORM creation. The investment costs associated with coordination with the new TPA and elimination of existing WC SSIF claims staff are accounted for in recommendation #4.

Critical Steps to Implement

The critical steps necessary to complete the implementation of recommendation #1 include:

- Prompt recruiting process to hire Director of Risk Management by fourth quarter FY16, and Claims and Safety specialists in early FY17.
- Director of ORM to coordinate with Procurement to develop and expedite an RFP for the new TPA services discussed in recommendation #4.

Recommendation #2 – Adjust the Kansas Department of Labor (KDOL) Administrative Fund Assessment Rate to 1% on a Written Premium Basis

Specifically, the KDOL should:

- Increase revenue by adjusting the KDOL Administrative Fund assessment levied to state Workers' Compensation (WC) carriers to a 1.00% rate using carriers' written premium as the rating base, from the current 2.79% rate that uses prior year losses as the rating base.

Background and Findings

- A review of National Council on Compensation Insurance (NCCI) statistical data found that—states that maintain an Administrative Fund (and finance such fund by levying an assessment surcharge or tax to their state WC insurance carriers), mostly use one of two rating bases—either written premiums or paid losses. A few states take a different approach, such as assessing a flat surcharge amount. Variations exist in each state's assessment methodology and application of the two identified general rating bases. For example, some states calculate assessments on net premiums (gross premiums less any returned premiums due to cancellations) while others use gross premiums including taxes, fees and other assessments; or some states use paid indemnity or total losses for each individual carrier while others use aggregated paid losses for all carriers in the state, with the total assessment amount levied to each carrier on a pro-rated basis. The most standardized methodology identified amongst all 50 states was to calculate assessments using prior

year net written premiums as the rating base.

- As its rating base, Kansas currently uses the prior year paid losses for each individual WC carrier. Its current 2.79% Workers' Compensation Administrative Fund rate assessed to Kansas WC insurance carriers is set forth in Kansas Statute, Chapter 74, Article 7, Sections 74-712 through 74-719¹. The statute specifies a maximum 2015 3% assessment rate levied against calendar year 2014 Paid Losses, to fund FY16. In 2015 the actual 2.79% assessment rate was levied against 466 companies with paid losses totaling \$426,557,683, generating a total revenue amount of \$11,900,930.
- Using written premium as the assessment base results in significantly greater revenue at a lower assessment rate percentage, because the written premium base is a significantly larger amount and more widely applied than the paid losses base. Specifically, written premium applies to all carriers on a leveled basis, while a paid-loss basis is a smaller funding pool that impacts some carriers more than others depending on their loss experience.
- Kansas' most recent written premium per National Council on Compensation Insurance (NCCI) statistics was \$4,841,778,073. The NCCI 2016 rate filing received by the Kansas Insurance Department shows a decrease of 11.6% to the Kansas WC base rate for voluntary market carriers. This decrease is expected to reduce the 2016 written premium base by a commensurate 11.6%, to \$4,280,131,817. Therefore, an assessment rate of 1.00% using written premium as the rating base would have generated a total revenue amount of \$42,801,318 compared to the \$11,900,930 revenue generated by a 2.79% rate based on paid losses. This represents an additional total annual revenue to Kansas of \$30,900,388.
- Kansas' current prior-year-loss based rating methodology was initially compared against 15 "peer" states as well as the shared border state of Missouri using NCCI statistical data. Of the states evaluated, five levy a specific Administrative Fund assessment to state WC carriers (in addition to taxes and other surcharges) by utilizing a standardized assessment methodology with written premium as the rating basis. The other evaluated states either have no Administrative Fund, or use

varying assessment methodologies (e.g., a flat amount, paid losses for each carrier, paid losses for all carriers on a pro-rated basis, or state-specific calculations).

- The benchmarking evaluation was then expanded to all 50 states in order to obtain a broader comparison. This comparison found that 23 states have no specific Administrative Fund assessment. Of the remainder, 14 states use a standardized written premium-based assessment methodology, with all other states using varying assessment methodologies. The assessment rates for these 14 states range from 0.50% to 6.50%, with 10 having a rate of 2.00% or lower, and five having a rate of 1.01% or lower. The average rate for the 14 states is 1.90%, which reflects the inclusion of Rhode Island's outlying rate of 6.50%. The detailed findings for the above mentioned 14 states are presented in the benchmarking chart at the end of this section.
- Although Missouri is not considered a fiscal or operational comparative state to Kansas, Missouri is presented as one of the benchmarked states because of its shared border with Kansas.
- Missouri's Administrative Fund assessment rate is 1.00%, levied against insurance carriers' written premium.
- Using 1.00% as Kansas' recommended Administrative Fund assessment rate, levied against insurance carriers' written premiums, will be less than the 1.90% average of the 14 benchmarked states, in line with the most conservative one-third of the 14 states evaluated that use this standardized methodology, and commensurate with Missouri's 1.00% rate. This analysis considered the potential risk of employers relocating to Missouri from Kansas due to implementation of this recommendation.
- The revised assessment approach is favorable to the state for the following reasons:
 - » Enhanced revenue stream to the state
 - » Revenue may be recognized sooner using a written premium basis than on a paid loss basis
 - » Simpler rating methodology for the state to calculate and administer

- » Consistent comparison to other states that use a standard assessment methodology
- » The 1.00% rate is consistent with neighboring state Missouri and comfortably falls within the conservative rate ranges of the 14 premium-based peer states
- » A written premium rating basis reduces the incentive for insurance carriers to avoid paying claims in order to avoid paying assessments, as might be the case using a paid-loss rating base
- Use the increased assessment revenue to support the recommended new ORM and the Division of Industrial Safety and Health, and to subsidize risk control and safety improvements across agencies for overall reduction of state claims and total cost of risk.

Recommendation # 2 - (dollars in 000's)

<u>FY17</u>	<u>FY18</u>	<u>FY19</u>	<u>FY20</u>	<u>FY21</u>
\$30,900	\$30,900	\$30,900	\$31	\$31

Key Assumptions

- Increased revenue will be achieved by changing the KDOL Assessment Rate base to written premium from prior year paid losses, at the same time reducing the rate percentage charged to state WC carriers to 1.00% from 2.79% against paid losses. With this change, Kansas can remain competitive with contiguous state Missouri's 1.00% written premium-based rate and with benchmarked states using the same standardized methodology.
- It is assumed Kansas' Administrative Fund assessment rating base will remain constant over the projected period of FY17 to FY21.
- No savings are projected for FY16 to allow time to effectuate regulatory changes that may be required and to notify state WC insurers of the change.

Critical Steps to Implement

The critical steps necessary to complete the implementation of recommendation #2 include:

- Effectuate any necessary statutory and/or regulatory changes to revise the rating base and percentage amount

- Notify state WC carriers of the changes

STATE WORKERS' COMPENSATION CARRIER ASSESSMENT RATE BENCHMARKS

Benchmarking was performed to evaluate the assessment rate levied by the Kansas Department of Labor (KDOL) to state Workers' Compensation (WC) carriers, to support its Administration Fund.

The states of Arkansas, Idaho, Illinois, Iowa, Michigan, Mississippi, Missouri, Nebraska, Nevada, New Mexico, Oklahoma, Pennsylvania, Texas, Utah, Washington and Wisconsin were initially identified as benchmark "peer" states to Kansas on a fiscal, operational, educational and/or contiguous-state basis for the purpose of comparing Administrative Fund assessment rates. An evaluation of those states found that five (Arkansas, Idaho, Illinois, Missouri and Oklahoma) levy a specific Administrative Fund assessment to state WC carriers in addition to taxes and other surcharges.

They do so by using a standardized assessment methodology with written premium as the rating basis. The other remaining evaluated states either do not have Administrative Funds, or have Administrative Funds but use varying assessment methodologies (for example, a flat amount, paid losses for each carrier, paid losses for all carriers on a pro-rated basis, or state-specific calculations).

The benchmarking comparison was then expanded to all 50 states for a broader data analysis, which found that 14 states support their Administrative Funds using the standardized methodology of levying an assessment rate against carriers' written premiums, 23 maintain no specific Administrative Fund, and the remaining states use varying assessment methodologies. The 14 comparative states are detailed in the chart below.¹

Recommendation #3 – Re-bid State-wide Insurance Procurement through a Competitive Request for Proposal (RFP) Process

The state's recommended new Office of Risk Manage-

¹ Source: National Council on Compensation Insurance (NCCI) Tax & Assessment History, Section 3-Detailed Tax and Assessment Information - <https://www.ncci.com/onlinemanuals>

NOT DESIGNATED FOR PUBLICATION

No. 112,947

IN THE COURT OF APPEALS OF THE STATE OF KANSAS

PHILIP J. WOLTERS,
Appellant,

v.

CITY OF ST. FRANCIS

and

KANSAS MUNICIPAL INSURANCE TRUST,
Appellees.

MEMORANDUM OPINION

Appeal from Workers Compensation Board. Opinion filed February 12, 2016. Affirmed.

Shirla R. McQueen, of Sharp McQueen, P.A., of Liberal, for appellant.

William L. Townsely and *Lyndon W. Vix*, of Fleeson, Gooing, Coulson & Kitch, L.L.C., of Wichita, for appellees.

Before BRUNS, P.J., MCANANY, J., and JOHNSON, S.J.

Per Curiam: Philip J. Wolters appeals the decision of the Workers Compensation Board (Board) modifying the award entered by the Administrative Law Judge (ALJ). In the present appeal, Wolters contends that the Board's decision was based on errors of law and on factual findings that were not supported by substantial competent evidence. Because we find no legal error and find that there is substantial evidence in the record on appeal to support the Board's findings of fact, we affirm.

FACTS

Wolters began working as a police officer for the City of St. Francis on December 27, 2007. In the early morning hours of February 2, 2008, Wolters—while acting in the scope of his employment—went to check pump gages at the city water plant. Unfortunately, as Wolters was exiting the building after checking the gages, he slipped and fell on ice that had accumulated on the sidewalk. When he fell, Wolters twisted his right ankle and landed on his hands and knees. Because it was near the end of Wolters' shift, he went to back to his office, turned in his activity log sheets, and went home.

When Wolters woke up later that morning, his right ankle was swollen. Moreover, he had streaks from his ankle to his toes. He called the Police Chief Deb Farland, and she took him to the Cheyenne County Clinic. At the clinic, Wolters saw a physician assistant, Tyler Raile, and had x-rays taken of his right ankle. In addition, a splint was placed on his ankle. According to Wolters, Raile asked him what his most debilitating injury was and he told him that it was his right ankle. Raile's notes, however, do not mention that Wolters made any other complaints. Specifically, there is no mention of a left knee injury. Subsequently, during the workers compensation proceeding, Raile would testify that he did not restrict Wolters from reporting all of his complaints, and—if Wolters had made him aware of other injuries—Raile would have recorded them in his notes.

On February 3, 2008, Wolters completed an employer's report of accident. In the report, Wolters stated that he twisted his ankle and fell on ice at 2:16 a.m. In the section of the report asking him to describe in detail the nature and extent of his injury and the part of body involved, Wolters wrote "'sprain to ankle.'" Later, during the workers compensation proceedings, Wolters would testify that he listed his ankle as his only injury upon Chief Farland's suggestion that he do so.

As a result of the slip and fall, Wolters was off work for 3 days. According to Wolters, he was told there was no option for light duty and that he needed to return to work. About a week after the fall, Wolters was given a release to go back to full duty. Although Wolters' right ankle continued to be painful, he continued performing his usual job duties.

At some point that is unclear from the record, Wolters' left knee began hurting. He evidently told Chief Farland about the pain. According to Wolters, Chief Farland once again told him that there was no light duty and that he would have to keep working in order to be paid.

Although there is no record of the appointment, Wolters claims that he saw Dr. Mary Beth Miller at the Cheyenne County Clinic for blood pressure and neck pain issues in March 2008. Furthermore, Wolters claims that he mentioned to Dr. Miller that he had left knee pain and was advised to take ibuprofen.

There is a record of Wolters' visit to Dr. Miller on October 3, 2008, for issues with his left knee. Dr. Miller would subsequently testify in the workers compensation proceedings that this was the first time she saw Wolters as a patient. According to her notes, Dr. Miller saw Wolters for a blood pressure check, for a cough as well as for ankle, knee, neck, and back pain. Specifically, Dr. Miller's records indicate that Wolters reported that he twisted his right ankle in February 2008 and that he had had a cough for 6 months. In addition, her notes reflect that he stated that his left knee had been giving him trouble for the previous 3 weeks. In particular, he said that his left knee was popping and that it was difficult for him to go up and down stairs. Although she saw that he had full range of motion with extension and flexion, no gross edema or evidence of acute injury, and no pain upon palpitation, Dr. Miller referred Wolters to Dr. Mekki M. Saba, an orthopedic surgeon in Colby.

Wolters saw Dr. Saba on October 6, 2008. Notes from Dr. Saba's consultation reflect:

"The patient stated to me after he had the initial injury in February and had treatment for the right ankle with the brace, he did not feel any problem with the left knee. He continued to work with the left knee until 6-08 and he felt pain on the outer side of the left knee on bending the knee, especially on going up and down the stairs.

. . . .

"Second, he developed pain on the outer aspect of the left knee in June which is almost five months after the initial injury. It could well be related to the original injury. Clinically, we suspect there is a tear of the anterior horn of the latera[l] meniscus."

In June 2009, Wolters evidently saw Dr. Daniel Pflieger in Greeley, Colorado, because his knee "went out" while he was at work. On July 20, 2009, Wolters saw Dr. Miller again because he had reinjured his right ankle. Dr. Miller's notes do not mention Wolters' left knee or back on that visit. However, she saw him for left knee and right ankle pain on August 26, 2009. According to Dr. Miller's notes, Wolters told her that he fell on February 2, 2008, onto both hands and knees and that at the time of his fall, his ankle hurt the most. He stated that his knee started hurting in March 2008. Later, at her deposition in the workers compensation proceedings, Dr. Miller stated it was impossible for her to say whether Wolters' left knee injury occurred during his initial fall or at a different time.

Wolters stated that in September 2009, at the referral of Dr. Pflieger, he evidently saw a Dr. Sanderford, another orthopedic surgeon. Dr. Sanderford reviewed Wolters' MRI and concluded that he had no cartilage in an area of his left knee. According to Wolters, Dr. Sanderford recommended that he take time off work and gave him a Synvisc

injection. Dr. Sanderford also x-rayed Wolters' right ankle, which Wolters stated was still hurting.

In October 2009, Dr. Sanderford performed surgery on Wolters' left knee. Before this surgery, Wolters continued performing his regular job duties, with the exception of the 3 days following the fall in February 2008. He apparently went back to work at some point until he had another surgery to replace his left kneecap and the end of his fibula on August 18, 2010. During this surgery, Wolters underwent a femoral nerve block that ended up damaging his femoral nerve. According to Wolters, the nerve damage caused weakness in his left quadriceps as well as pain in his left leg.

Wolters never returned to work as a police officer after this second surgery. Evidently, he was unable to perform the physical requirements of work and was subsequently terminated. At some point following his second surgery, Wolters also began experiencing back pain that progressively worsened. It appears that he later worked at Cabela's in Nebraska for about 2 months in the summer of 2013. However, due to pain, he voluntarily terminated his employment.

On March 9, 2011, Wolters filed an application for hearing with the division of workers compensation. In the application, he stated that he was injured as a result of a fall in the course of employment. Specifically, he indicated that he suffered injuries to his "left lower extremity, right ankle and low back." On June 6, 2011, Wolters was evaluated at the request of his attorney by Dr. Gareth E. Shemesh in Denver, Colorado. Wolters told Dr. Shemesh that when he fell on February 2, 2008, his right ankle gave out and he landed on his left knee. Wolters stated he had "'immediate onset of pain, swelling, and difficulty using his left knee.'"

Dr. Shemesh opined that Wolters had suffered a twisting/contusion injury to his left knee as a result of the fall, with subsequent development of traumatic degenerative

arthritis of the left knee. Dr. Shemesh gave Wolters a 15% whole person functional impairment rating but did not assess any right ankle permanent functional impairment. Dr. Shemesh also opined that within a reasonable degree of medical probability, Wolters' left knee problems developed as a direct result of the fall on February 2, 2008.

On October 11, 2012, Wolters' deposition was taken. At that time, Wolters testified that he still had numbness and loss of strength in his quadriceps as well as sharp pain around his left knee joint. On a scale of 1-10, Wolters described his pain as a constant 3. However, he testified that his pain escalated to a 10 when pressure was placed on his knee. He stated that wearing pants made him feel like he had a sunburn. He also testified that he had pain in both hips and a sharp pain at the belt level of his lower back. In addition, he testified that his right ankle was better but that he still had intermittent pain and weakness.

On September 16, 2011, the ALJ ordered an independent evaluation of Wolters to be performed by Dr. Terrence Pratt. The evaluation was conducted on December 27, 2011. At the evaluation, Wolters told Dr. Pratt that after the slip and fall in February 2008, he had discomfort in his wrists, left knee, and right ankle. He also told Dr. Pratt that he reported all his symptoms to a nurse practitioner but was told to concentrate on the most significant area of involvement, which was in his right ankle. Dr. Pratt opined that Wolters' right ankle and left knee injuries were a direct result of the fall, with the femoral nerve problems being a complication arising from his treatment. According to Dr. Pratt, Wolters had reached maximum medical improvement, had a 37% impairment to the left lower extremity, and had a 15% whole person impairment. Moreover, in a report dated January 11, 2012, Dr. Pratt rendered the opinion that Wolters had "left knee involvement in relationship to the February 2008 event."

On October 12, 2012, an ALJ held a preliminary hearing, at which Wolters testified in support of continued medical treatment. After the preliminary hearing, the

ALJ ordered another independent medical examination to be performed by Dr. Timothy J. Birney. Wolters was evaluated by Dr. Birney on November 12, 2012. In his report, Dr. Birney stated that Wolters had reported to him an immediate onset of right ankle and left knee pain after his fall on February 2, 2008. Further, in Dr. Birney's opinion, Wolters had not yet reached maximum medical improvement. Instead, Dr. Birney believed that additional evaluation was necessary and ordered an MRI.

Dr. Birney saw Wolters again on January 25, 2013. At that time, based on a review of Wolters' MRI, Dr. Birney determined that Wolters had reached maximum medical improvement. Dr. Birney believed that Wolters' chronic low back pain was the result of a gait abnormality caused by a combination of an abnormal painful sensation in the left thigh and ongoing left knee pain. Wolters told Dr. Birney that his low back pain developed after the femoral nerve block. Dr. Birney testified that his opinion was based on the subjective history related to him by Wolters—which included that he injured his left knee on February 2, 2008, and that he had no history of preexisting back pain.

On June 7, 2013, the ALJ ordered another independent medical examination to be conducted by Dr. Pratt. Based on his examination of Wolters on July 30, 2013. Dr. Pratt opined that Wolters should avoid lifting more than 30 pounds as well as avoid pushing and pulling more than 50 pounds. He further opined that Wolters should not perform activities where he had to climb, squat, crawl, or run as well as prolonged standing or walking or frequent bending or twisting.

In his report, Dr. Pratt stated:

"Permanent partial impairment in relationship to his lumbosacral involvement with current discomfort and limited range of motion, utilizing Fourth Edition of the Guides, he has DRE category II involvement utilizing page 3/102 and 5% impairment of the whole person. There is no significant evidence of lumbosacral radiculopathy.

"For his right ankle involvement, he does not have any significant findings with 0% permanency of the whole person. His left lower extremity involvement, knee and peripheral nerve injury continues to result in 15% permanent partial impairment of the whole person.

"Total permanency utilizing the Combined Values Chart 19% of the whole person."

Once again, Dr. Pratt's opinions were based on his understanding that when Wolters fell on February 2, 2008, he had immediate pain in his left knee. In fact, during cross-examination at his deposition, Dr. Pratt recognized that his ability to conclude that the left knee symptoms were related to the fall on February 2, 2008, would be impacted if Wolters had not initially had knee symptoms and had not reported those symptoms having begun until later in 2008. Dr. Pratt noted that his opinion on causation hinged on Wolters' report that he injured his left knee on February 2, 2008. He also stated that his opinions would be affected if Wolters had preexisting low back pain.

Dr. David Ebelke evaluated Wolters on July 29, 2013, at the City's request. Dr. Ebelke is an orthopedic physician who only treats the spine. He noted that Wolters' medical records showed that his first complaint of low back pain was in October 2008 and that Wolters had denied having any prior history of back problems. Dr. Ebelke did not believe that Wolters' low back pain was work related, and he stated that there was no medical evidence of a significant or serious back problem. He determined there was no impairment rating for Wolters' back.

The ALJ held a regular hearing on March 7, 2014, at which Wolters once again testified. At the hearing, the parties stipulated to the admission of medical records from Dr. Pamela Guthrie and Dr. Hans Coester from 1999. The records revealed that Dr. Guthrie saw Wolters on May 4, 1999, for complaints of having low back pain for approximately the past 8 months. At that time, Wolters complained of having periods of

severe pain causing him to not be able to straighten up, which lasted 15-30 minutes before resolving. The record further reflected that Wolters had indicated that he had been a bull rider as a youth and had the potential for multiple injuries. The remaining entries on Dr. Guthrie's records and the record from Dr. Coester documented Wolters' complaints of neck pain and problems with his upper spinal discs in July 1999.

On April 23, 2014, the ALJ filed a stipulated order, stating that the parties agreed to extend Wolters' "terminal date" to May 27, 2014, and that they would pay Wolters temporary total disability of \$456.25 per week until the terminal date. The parties also stipulated to how much Wolters had been paid in benefits and to how much he was making.

On May 5, 2014, Wolters was evaluated by Dr. David Clymer at the City's request. Wolters told Dr. Clymer that he fell on February 2, 2008, twisted his ankle, and landed on his hands and knees. Moreover, he told Dr. Clymer that he remembered skinning his left knee. According to Dr. Clymer, the history Wolters gave regarding his left knee injury was significantly different than the version contained in Dr. Miller's records or in the records of the physician's assistant who originally treated him. Dr. Clymer opined that Wolters did not have a permanent right ankle impairment or a significant left knee injury resulting from the fall in February 2008. Although Dr. Clymer reviewed an MRI from October 2008 and agreed that there was some patellar tendinitis, he found the rest of the findings to be normal. Specifically, he noted that he saw no bony fractures, meniscus tears, cartilage tears, or ligament injuries. Ultimately, he opined that Wolters had a 25% permanent functional impairment to the left lower extremity, which constituted a 10% whole person functional impairment.

In a decision filed on June 12, 2014, the ALJ determined that Wolters sustained personal injury by accident arising out of and in the course of his employment on February 2, 2008. The ALJ further found that Wolters suffered permanent injury to his

left knee and low back as a result of the fall. Accordingly, the ALJ awarded Wolters 41.98 weeks of temporary total disability compensation followed by 73.72 weeks of permanent partial disability compensation for a 19% permanent partial impairment to the body as a whole and subsequent periods of work disability ending with an 87.5% work disability.

On June 19, 2014, the City and its insurance carrier filed a request for review by the Board. The City filed its appellate brief on August 1, 2014, and Wolters stood on his submission letter to the ALJ. Thereafter, on October 14, 2014, the Board heard oral arguments and issued a comprehensive 14-page order on November 25, 2014.

In its order, the Board considered each of Wolters' claimed injuries to determine whether he met his burden to establish his right to workers compensation. As to his right ankle, the Board affirmed the ALJ's finding that Wolters suffered no permanent right ankle injury. The Board, however, disagreed with the ALJ's finding that Wolters sustained a work-related left knee injury. The Board found the testimony of the physician's assistant who initially treated Wolters to be credible. Moreover, the Board noted that Wolters listed only a right ankle injury on the report of accident.

The Board also noted that Wolters worked every day performing his regular job duties without restrictions until he complained of left knee pain to Dr. Miller on October 3, 2008. Furthermore, it noted that Wolters had stated at that time that his left knee had only been hurting for the last 3 weeks. The Board found that this evidence corroborated the physician assistant's testimony that Wolters did not complain of a left knee injury on his initial visit to the Cheyenne County Clinic following his fall. Moreover, the Board found that Wolters had told Dr. Saba that after his initial injury in February 2008, he was treated for his right ankle injury with a brace and that he did not have problems with his left knee until 4 to 5 months after the accident. The Board also noted that Dr. Clymer found only patellar tendinitis when reviewing Wolters' October 13, 2008, MRI.

The Board determined that Dr. Shemesh, Dr. Clymer, and Dr. Pratt all based their opinions on subjective medical histories given by Wolters that were different from the history he had given following the fall in February 2008. In particular, the Board found that Dr. Shemesh based his opinion on Wolters' report that he injured his left knee during his initial fall, including an immediate onset of pain, swelling, and difficulty using his left knee, which was different from Wolters' own testimony about his immediate injuries. The Board also found that Dr. Clymer specifically testified that the history Wolters gave him was different from the version in Dr. Miller's records. And although Dr. Clymer believed that the problems in Wolters' left knee could have been caused by a traumatic injury, he admitted that such problems were usually caused by wear, tear, and degeneration.

In addition, the Board noted that Dr. Pratt testified that filling out an accident report without mentioning a left knee injury was inconsistent with Wolters' history, and Dr. Pratt's causation opinion hinged entirely on Wolters' report that he injured his left knee on February 2, 2008. Finally, the Board found that the ALJ erroneously relied on photographs showing injury and bruising to Wolters' left knee. The Board noted that only one photograph showed any form of left knee injury—an abrasion—and it was not relevant because it was taken on February 13, 2007.

The Board concluded that because Wolters' left knee injury was not work related, his back injury—which allegedly resulted from an antalgic gait caused by problems with his knee—was also not work related. The Board also relied on Dr. Ebelke's opinion that Wolters had benign, non-work-related low back pain as well as the opinions of Drs. Shemesh, Ebelke, and Clymer that Wolters had no permanent functional impairment of his back. The Board also found Wolters' failure to report that he had previously sought medical treatment for low back pain in 1999 to be significant.

The Board, therefore, held that: (1) Wolters did not sustain a permanent functional impairment of his right ankle; (2) Wolters did not prove by a preponderance of

the evidence that he sustained work-related left knee or low back injuries; and (3) Wolters was not entitled to any temporary total disability benefits for the alleged left knee and low back injuries. Accordingly, the Board modified the ALJ's award, finding Wolters was entitled to payment of all authorized medical bills associated with his right ankle and any future medical treatment for his right ankle upon application and approval by the Director. The Board also awarded unauthorized medical up to \$500 but found that Wolters was not entitled to permanent partial disability or temporary total disability payments for his left knee or low back.

Subsequently, Wolters timely filed a petition for review with this court.

ANALYSIS

Final orders of the Board are subject to review under the Kansas Judicial Review Act (KJRA), K.S.A. 77-601 *et seq.* K.S.A. 2014 Supp. 44-556(a). The standard of judicial review under the KJRA varies, depending upon the issue raised. See K.S.A. 2014 Supp. 77-621. Wolters raises two issues on appeal: (1) he argues that the Board erroneously interpreted or applied the law; and (2) he argues that the Board's action was based on a determination of fact that is unsupported by substantial competent evidence in light of the record as a whole. See K.S.A. 2014 Supp. 77-621(c)(4) and (c)(7).

When an appellant alleges the Board erroneously applied the law, we exercise *de novo* review. See *Craig v. Val Energy, Inc.*, 47 Kan. App. 2d 164, 166, 274 P.3d 650 (2012), *rev. denied* 297 Kan. 1244 (2013); K.S.A. 2014 Supp. 77-621(c)(4) (stating that appellate court has authority to grant relief if agency has erroneously interpreted or applied the law). Additionally, we have unlimited review of issues involving the interpretation of a statute. See *Ft. Hays St. Univ. v. University Ch., Am. Ass'n. of Univ. Profs.*, 290 Kan. 446, 457, 228 P.3d 403 (2010).

In workers compensation cases, the statute in effect at the time of the claimant's injury governs the rights and obligations of the parties. See *Bryant v. Midwest Staff Solutions, Inc.*, 292 Kan. 585, 588, 257 P.3d 255 (2011). Accordingly, we must apply the statutes that were in effect on February 2, 2008. But the KJRA provisions in effect at the time of the agency action control the standard of review, so we apply the provisions of the KJRA in effect on November 25, 2014. K.S.A. 2014 Supp. 77-621(a)(2); *Redd v. Kansas Truck Center*, 291 Kan. 176, 183, 239 P.3d 66 (2010).

Wolters' first argument is that the Board misinterpreted and/or misapplied K.S.A. 44-520 because the statute only requires an employee to give the employer notice of the accident within 10 days; it does not require the employee to specify the injuries arising out of that accident. As effective on February 2, 2008, K.S.A. 44-520 stated:

"[P]roceedings for compensation under the workers compensation act shall not be maintainable unless notice of the accident, stating the time and place and particulars thereof, and the name and address of the person injured, is given to the employer within 10 days after the date of the accident, except that actual knowledge of the accident by the employer or the employer's duly authorized agent shall render the giving of such notice unnecessary. The ten-day notice provided in this section shall not bar any proceeding for compensation under the workers compensation act if the claimant shows that a failure to notify under this section was due to just cause"

We find that Wolters' argument that the Board misapplied this statute to be unpersuasive because the Board did not reject Wolters' claim for failure to provide notice of the accident. Instead, the Board relied on the absence within the notice of any mention of a left knee injury as one factor in weighing the conflicting evidence presented to it regarding when this injury was actually suffered. Thus, the Board did not misinterpret or misapply K.S.A. 44-520.

Next, Wolters argues that the Board violated K.S.A. 44-557(b) by considering Form A-1, Employer's Report of Accident. We find that this statute is not applicable to this case, nor did the Board violate it. See *Bearce v. United Methodist Homes*, No. 97,879, 2007 WL 4105377 (Kan. App. 2007) (unpublished opinion) (finding K.S.A. 44-557[b] inapplicable because the claimant did not die). Regardless, Wolters withdraws this argument in his reply brief.

The rest of Wolters' argument goes to the sufficiency of the evidence supporting the Board's decision. Nevertheless, Wolters argues in his reply brief that the Board misinterpreted and misapplied the law regarding the secondary injury rule because a review of the record as a whole shows that there was sufficient evidence to support its application to his back injury. However, a review of the record reveals that the Board did not misinterpret the secondary injury rule but simply found that it did not apply to the facts of this case. We, conclude, therefore that Wolters has not shown that the Board erroneously interpreted or applied the law.

Turning to the issue of whether there is sufficient competent evidence to support the Board's factual findings, we must review the record as a whole to determine whether the findings are supported by substantial evidence. See K.S.A. 2014 Supp. 77-621(c)(7). In undertaking this analysis, we note:

""[I]n light of the record as a whole' means that the adequacy of the evidence in the record before the court to support a particular finding of fact shall be judged in light of all the relevant evidence in the record cited by any party that detracts from such finding as well as all of the relevant evidence in the record, compiled pursuant to K.S.A. 77-620, and amendments thereto, cited by any party that supports such finding, including any determinations of veracity by the presiding officer who personally observed the demeanor of the witness and the agency's explanation of why the relevant evidence in the record supports its material findings of fact. In reviewing the evidence in light of the

record as a whole, the court shall not reweigh the evidence or engage in de novo review." K.S.A. 2014 Supp. 77-621(d).

It is important to note that we do not weigh the evidence except to determine whether the evidence supporting the Board's decision has been so undermined by conflicting evidence that we no longer have confidence that the evidence is substantial. *Herrera-Gallegos v. H & H Delivery Service, Inc.*, 42 Kan. App. 2d 360, 363, 212 P.3d 239 (2009). The term "substantial evidence" is not statutorily defined. Nevertheless, the Kansas Supreme Court has found that it refers to evidence possessing something of substance and relevant consequence, which induces the conclusion that the award was proper and furnishes a basis of fact from which the issue raised easily could be resolved. *Saylor v. Westar Energy, Inc.*, 292 Kan. 610, 614, 256 P.3d 828 (2011).

Claimants in a worker's compensation case have the burden of proof to establish their right to an award of compensation under the Workers Compensation Act and to prove the various conditions on which their right depends. K.S.A. 2007 Supp. 44-501(a). "Burden of proof" means the burden of a party to persuade the trier of facts by a preponderance of the credible evidence that such party's position on an issue is more probably true than not true on the basis of the whole record." K.S.A. 2007 Supp. 44-508(g). Once a claimant has met the burden of proving a right to compensation, the employer has the burden of proving relief from that liability based on any statutory defense or exception. *Foos v. Terminix*, 277 Kan. 687, 693, 89 P.3d 546 (2004).

We note that although Wolters argues that the Board's decision is unsupported by substantial competent evidence because his initial report should not have been considered as evidence, he abandons this argument in his reply brief. Instead, Wolters contends that the record viewed as a whole refutes the Board's findings of fact. On appeal, he emphasizes the fact that although the City initially declined to pay his medical bills from Dr. Miller, it eventually determined that he made a timely notice of the injury and that his

claim was compensable. But he cites only his own testimony from the hearing before the ALJ to support this allegation, and he does not state how this initial payout is based on the same legal theory necessary to meet his burden of proving that he suffered a work-related injury.

The City argues that it had the right to voluntarily pay Wolters' medical bills without waiving its ability to eventually have someone determine whether the claims were actually compensable. See K.S.A. 44-534a (stating that benefits paid by the employer or insurance carrier voluntarily are to be reimbursed if the compensation was in excess of the amount of compensation the employee is entitled). In his reply brief, Wolters takes his argument a step further by maintaining that the City authorized medical treatment that actually made his condition worse. Specifically, he argues that the City must be found liable for the injury to his femoral nerve that evidently occurred during the surgery on his left knee. Wolters, however, cites no authority to support these contentions, so they are deemed abandoned. See *State v. Tague*, 296 Kan. 993, 1001, 298 P.3d 273 (2013) (stating that failure to support a point with pertinent authority or show why it is sound despite a lack of supporting authority is akin to failing to brief the issue). Furthermore, Wolters claims that the Board's decision was erroneous because there is no other explanation offered for his left knee injury. However, Dr. Clymer's opinion was that although the problems in Wolters' knee could have been caused by a traumatic injury, such injuries were usually caused by wear, tear, and degeneration.

This case required the Board to weigh conflicting evidence regarding when Wolters first began to have left knee pain and whether his knee injury was caused by his fall on February 2, 2008. The Board's finding that Wolters did not tell the physician assistant he saw the day of the fall that his knee was in pain is supported by substantial competent evidence. It is only Wolters' own testimony that contains evidence of knee pain prior to October 2008. It was not until after he had filed his application for hearing

with the division of workers compensation that he began telling physicians that he had had immediate problems with his knee beginning on February 2, 2008.

Accordingly, we find that a review of the record as a whole reveals that although a reasonable person may have ruled in Wolters' favor, it is not significant enough to undermine our confidence that the Board's findings were supported by substantial evidence. The Board viewed all of this evidence and made a reasonable determination. Although disputed, there is evidence in the record to support a finding that Wolters had initially told health care providers that he had injured his ankle during the fall. There is also evidence to support a finding that his left knee did not start causing him trouble until approximately 8 months after his fall. Thus, we conclude that the Board's determination that Wolters' left knee injury was not caused by the fall in February 2008 is supported by substantial competent evidence, and we will not replace our judgment for that of the Board. Furthermore, because the Board determined that the left knee injury was not compensable, it was reasonable to conclude that his back problems were also not caused by the fall.

Viewing the record as a whole, we conclude that there is substantial competent evidence in the record to support the Board's findings and conclusions.

Affirmed.

KMIT Member List

January 1, 2016

	Member City	Population [1]	Date Joined	FTE [2]
1	Abilene	6,590	4/1/96	63.0
2	Admire	154	4/1/06	2.0
3	Allen	175	4/11/00	1.0
4	Altamont	1,049	4/1/94	12.0
5	Andale	981	5/1/94	4.0
6	Andover	12,509	4/1/95	72.0
7	Arkansas City	12,205	4/1/05	144.0
8	Atchison	10,771	4/1/94	109.0
9	Atlanta	194	4/1/04	1.0
10	Augusta	9,242	1/1/02	110.0
11	Baldwin City	4,585	4/1/94	40.0
12	Basehor	5,119	4/1/96	22.0
13	Bel Aire	7,284	4/1/09	60.0
14	Belle Plaine	1,627	4/1/12	10.0
15	Belleville	1,917	4/1/04	28.0
16	Bennington	665	4/1/06	2.0
17	Benton	872	4/1/12	6.0
18	Beverly	159	8/9/98	1.0
19	Bird City	439	1/15/94	3.0
20	Blue Mound	275	1/1/09	2.0
21	Blue Rapids	997	4/1/05	5.0
22	Bonner Springs	7,553	1/1/94	81.0
23	Brewster	304	4/1/94	1.0
24	Centralia	508	4/1/94	3.0
25	Chapman	1,417	4/1/12	13.0
26	Chautauqua	106	4/1/96	1.0
27	Cheney	2,153	1/1/94	18.0
28	Cherryvale	2,283	2/1/94	21.0
29	Clay Center	4,177	7/1/04	40.0
30	Clearwater	2,531	4/1/10	7.0
31	Columbus	3,186	4/1/02	34.0

KMIT Member List

January 1, 2016

32	Concordia	5,311	1/1/96	60.0
33	Conway Springs	1,239	4/1/94	8.0
34	Council Grove	2,106	4/1/94	26.0
35	Cullison	104	4/1/01	3.0
36	Damar	132	3/1/05	1.0
37	De Soto	6,038	4/1/94	30.0
38	Douglass	1,692	4/1/03	7.0
39	Eastborough	769	11/15/04	7.0
40	Edgerton	1,703	12/11/00	9.0
41	Edwardsville	4,380	4/1/07	41.5
42	El Dorado	12,879	4/1/09	133.0
43	Elkhart	2,113	1/1/94	13.0
44	Ellsworth	3,076	4/1/06	24.0
45	Esbon	98	4/1/94	3.0
46	Eudora	6,303	4/1/03	39.0
47	Florence	444	4/1/06	4.0
48	Ford	220	4/1/01	2.0
49	Fort Scott	7,874	1/1/94	82.0
50	Fowler	560	6/8/95	2.0
51	Frankfort	711	4/1/96	4.0
52	Fredonia	2,372	4/1/03	35.0
53	Galena	2,966	1/1/94	39.0
54	Garden City	27,004	1/1/13	306.0
55	Girard	2,773	1/1/04	35.0
56	Glasco	487	4/1/94	3.0
57	Glen Elder	435	4/1/95	4.0
58	Goodland	4,554	1/1/94	57.0
59	Grainfield	275	7/9/01	1.0
60	Grandview Plaza	1,670	4/1/04	10.0
61	Great Bend	15,840	1/1/02	150.0
62	Greeley	296	3/9/98	2.0
63	Grenola	203	4/1/94	1.0

KMIT Member List

January 1, 2016

64	Grinnell	258	8/14/06	1.5
65	Halstead	2,084	1/1/94	22.0
66	Hamilton	255	4/1/06	2.5
67	Hartford	367	4/1/06	3.0
68	Hays	21,044	4/1/13	181.0
69	Haysville	11,112	4/1/01	76.0
70	Herington	2,413	4/1/14	36.0
71	Hiawatha	3,108	6/4/95	26.0
72	Hill City	1,454	4/1/95	17.0
73	Hillsboro	2,893	4/1/95	26.0
74	Hoisington	2,664	1/1/94	40.0
75	Horton	1,732	4/1/02	25.0
76	Independence	9,162	3/1/94	144.0
77	Jetmore	864	4/1/94	6.0
78	Johnson City	1,413	4/1/94	14.0
79	Kingman	3,094	4/1/95	37.0
80	Kinsley	1,451	1/1/94	11.0
81	La Cygne	1,116	4/1/09	9.0
82	Lake Quivira	934	12/1/14	10.0
83	Larned	4,023	4/1/08	56.0
84	LKM	NA	4/1/94	15.0
85	Lecompton	637	4/1/07	2.0
86	Lenora	240	4/1/97	2.0
87	Leoti	1,496	4/1/02	8.0
88	Lincoln Center	1,266	9/3/02	12.0
89	Lindsborg	3,438	4/1/12	31.0
90	Logan	569	4/1/13	4.0
91	Lucas	393	6/1/94	4.0
92	Maize	4,073	6/25/94	19.0
93	Marion	1,861	4/1/15	32.0
94	Marysville	3,295	10/1/94	36.0
95	McFarland	257	4/1/94	1.0

KMIT Member List

January 1, 2016

96	Medicine Lodge	2,021	4/11/95	19.0
97	Melvern	369	4/1/96	2.0
98	Minneapolis	2,029	1/1/94	25.0
99	Moline	344	4/1/94	3.0
100	Montezuma	979	4/1/94	6.0
101	Mound City	682	4/1/96	5.0
102	Moundridge	1,726	4/1/12	17.0
103	Neodesha	2,400	4/1/98	49.0
104	Neosho Rapids	262	4/1/06	2.5
105	Newton	19,120	1/1/94	176.0
106	North Newton	1,788	4/1/13	5.0
107	Oakley	2,075	4/1/13	27.5
108	Oberlin	1,749	1/15/94	15.0
109	Ogden	2,138	4/1/01	8.0
110	Olpe	537	4/1/94	2.0
111	Osage City	2,862	4/1/94	35.0
112	Osawatomie	4,357	4/1/08	75.0
113	Oskaloosa	1,086	4/1/94	5.0
114	Oswego	1,781	4/1/95	21.0
115	Palco	282	4/1/04	2.5
116	Paola	5,593	4/1/94	60.0
117	Parsons	10,174	4/1/05	133.0
118	Peabody	1,156	4/1/01	9.0
119	Pittsburg	20,394	1/1/14	250.0
120	Princeton	267	4/1/94	5.5
121	Ramona	181	4/1/06	1.0
122	Ransom	289	1/1/95	2.0
123	Reading	228	4/1/06	2.0
124	Roeland Park	6,840	12/31/00	31.0
125	Rose Hill	3,960	4/1/94	23.0
126	Russell	4,484	1/1/94	75.0
127	Satanta	1,117	4/1/02	4.0

KMIT Member List

January 1, 2016

128	Scranton	693	4/1/12	6.0
129	Sedan	1,065	7/1/94	11.0
130	Sedgwick	1,701	4/1/94	9.0
131	Sharon Springs	756	4/1/06	8.5
132	Smith Center	1,641	4/1/13	21.5
133	Spearville	806	5/8/00	4.0
134	Spring Hill	5,896	4/1/01	35.0
135	St. Francis	1,312	4/1/05	20.0
136	Stafford	1,002	4/1/03	14.0
137	Sterling	2,303	4/1/15	16.5
138	Stockton	1,315	4/1/02	50.0
139	Sylvan Grove	268	4/1/12	2.0
140	Tampa	108	4/1/06	1.0
141	Tescott	318	4/1/95	2.0
142	Tipton	207	7/27/01	2.0
143	Tonganoxie	5,192	4/1/97	28.0
144	Turon	378	9/10/95	2.0
145	Ulysses	6,160	3/31/95	40.0
146	Valley Center	7,057	4/15/94	45.0
147	WaKeeney	1,797	4/1/03	20.0
148	Wakefield	967	1/1/95	3.0
149	Walton	239	4/1/94	2.0
150	Wamego	4,578	1/1/94	40.0
151	Waterville	662	4/1/14	5.0
152	Wellington	7,942	4/1/95	123.0
153	Wellsville	1,822	3/31/01	10.0
154	Westwood	1,534	7/1/12	13.0
Total		468,609		4,596.0
Small		98		1.0
Large		27,004		306.0
Median		1,641		12.5
Avg		3,063		29.8

KMIT Member List

January 1, 2016

City Pop.		FTE
Member City		
Largest to Smallest		
1	Garden City	27,004
2	Hays	21,044
3	Pittsburg	20,394
4	Newton	19,120
5	Great Bend	15,840
6	El Dorado	12,879
7	Andover	12,509
8	Arkansas City	12,205
9	Haysville	11,112
10	Atchison	10,771
11	Parsons	10,174
12	Augusta	9,242
13	Independence	9,162
14	Wellington	7,942
15	Fort Scott	7,874
16	Bonner Springs	7,553
17	Bel Aire	7,284
18	Valley Center	7,057
19	Roeland Park	6,840
20	Abilene	6,590
21	Eudora	6,303
22	Ulysses	6,160
23	De Soto	6,038
24	Spring Hill	5,896
25	Paola	5,593
26	Concordia	5,311
27	Tonganoxie	5,192
28	Basehor	5,119
29	Baldwin City	4,585

KMIT Member List

January 1, 2016

30	Wamego	4,578
31	Goodland	4,554
32	Russell	4,484
33	Edwardsville	4,380
34	Osawatomie	4,357
35	Clay Center	4,177
36	Maize	4,073
37	Larned	4,023
38	Rose Hill	3,960
39	Lindsborg	3,438
40	Marysville	3,295
41	Columbus	3,186
42	Hiawatha	3,108
43	Kingman	3,094
44	Ellsworth	3,076
45	Galena	2,966
46	Hillsboro	2,893
47	Osage City	2,862
48	Girard	2,773
49	Hoisington	2,664
50	Clearwater	2,531
51	Herington	2,413
52	Neodesha	2,400
53	Fredonia	2,372
54	Sterling	2,303
55	Cherryvale	2,283
56	Cheney	2,153
57	Ogden	2,138
58	Elkhart	2,113
59	Council Grove	2,106
60	Halstead	2,084
61	Oakley	2,075
62	Minneapolis	2,029
63	Medicine Lodge	2,021
64	Belleville	1,917
65	Marion	1,861
66	Wellsville	1,822
67	WaKeeney	1,797

KMIT Member List

January 1, 2016

68	North Newton	1,788
69	Oswego	1,781
70	Oberlin	1,749
71	Horton	1,732
72	Moundridge	1,726
73	Edgerton	1,703
74	Sedgwick	1,701
75	Douglass	1,692
76	Grandview Plaza	1,670
77	Smith Center	1,641
78	Belle Plaine	1,627
79	Westwood	1,534
80	Leoti	1,496
81	Hill City	1,454
82	Kinsley	1,451
83	Chapman	1,417
84	Johnson City	1,413
85	Stockton	1,315
86	St. Francis	1,312
87	Lincoln Center	1,266
88	Conway Springs	1,239
89	Peabody	1,156
90	Satanta	1,117
91	La Cygne	1,116
92	Oskaloosa	1,086
93	Sedan	1,065
94	Altamont	1,049
95	Stafford	1,002
96	Blue Rapids	997
97	Andale	981
98	Montezuma	979
99	Wakefield	967
100	Lake Quivira	934
101	Benton	872
102	Jetmore	864
103	Spearville	806
104	Eastborough	769
105	Sharon Springs	756

KMIT Member List

January 1, 2016

106	Frankfort	711
107	Scranton	693
108	Mound City	682
109	Bennington	665
110	Waterville	662
111	Lecompton	637
112	Logan	569
113	Fowler	560
114	Olpe	537
115	Centralia	508
116	Glasco	487
117	Florence	444
118	Bird City	439
119	Glen Elder	435
120	Lucas	393
121	Turon	378
122	Melvern	369
123	Hartford	367
124	Moline	344
125	Tescott	318
126	Brewster	304
127	Greeley	296
128	Ransom	289
129	Palco	282
130	Grainfield	275
131	Blue Mound	275
132	Sylvan Grove	268
133	Princeton	267
134	Neosho Rapids	262
135	Grinnell	258
136	McFarland	257
137	Hamilton	255
138	Lenora	240
139	Walton	239
140	Reading	228
141	Ford	220
142	Tipton	207
143	Grenola	203

KMIT Member List

January 1, 2016

144	Atlanta	194
145	Ramona	181
146	Allen	175
147	Beverly	159
148	Admire	154
149	Damar	132
150	Tampa	108
151	Chautauqua	106
152	Cullison	104
153	Esbon	98
Current Board Member		
Past Board Member		

January 14, 2016

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

We are pleased to confirm our understanding of the services we are to provide for Kansas Municipal Insurance Trust for the year ended December 31, 2015.

We will audit the financial statements of Kansas Municipal Insurance Trust, which comprise the statutory basis balance sheet as of December 31, 2015 and the related statements of income and changes in surplus, and cash flow for the years then ended, and the related notes to the financial statement. Also, the following supplementary information accompanying the financial statements will be subjected to the auditing procedures applied in our audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, in accordance with auditing standards generally accepted in the United States of America, and our auditor's report will provide an opinion on it in relation to the financial statements as a whole.

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

Audit Objective

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

Audit Procedures

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

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement,

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

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

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

Management Responsibilities

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

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

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

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

Audit Administration, Fees, and Other

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

Stuart A. Bach, CPA is the engagement partner and is responsible for supervising the engagement and signing the report. We expect to begin our audit on approximately March 1, 2016.

Our fees for these services will be based on the actual time spent at our standard hourly rates, plus travel and other out-of-pocket costs such as report production, typing, postage, etc. Our standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your audit. Based on our preliminary estimates, our fees should approximate \$11,000 for the audit engagement.

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

Very truly yours,

Summers, Spencer & Company, P.A.

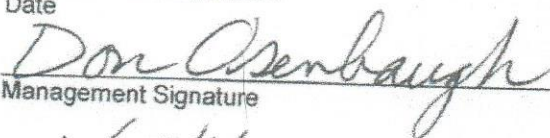
Summers, Spencer & Company P.A.

RESPONSE:

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


Board Signature

1-15-16
Date


Management Signature

1/15/16
Date



15800 Bluemound Road
Suite 100
Brookfield, WI 53005-6069
USA

Tel +1 262 784-2250
Fax +1 262 923-3686

milliman.com

January 29, 2016

Mr. Don Osenbaugh
League of Kansas Municipalities
6021 S.W. 29th Street – PMB355
Topeka, KS 66614

Re: Engagement Letter for Actuarial Services

Dear Don:

This engagement letter describes the services that Milliman, Inc. (Milliman) can provide again this year to assist Kansas Municipal Insurance Trust (KMIT).

CONSULTING OBJECTIVE

Our objective will be to conduct an actuarial analysis which will provide an estimate of the unpaid claim liabilities for KMIT. This analysis will be based on data evaluated as of December 31, 2015.

We will also derive an estimate of KMIT's ultimate losses for the January 1, 2016 to December 31, 2016 fund year discounted and at various probability levels.

DATA REQUIREMENTS

The following is a list of the data that we will need to complete our analysis. Last year, items 1 through 5 and 8 were sent to us in a file named "KMIT Actuarial Data 20141231.xls":

- 1) Payroll and earned premium by contract year including 2016;
- 2) Distribution of Premium by Class Code and Payroll by Contract Year;
- 3) History of the per claim and aggregate retentions by contract year including 2016;
- 4) History of the excess insurance policy limit by contract year including 2016;
- 5) Aggregate excess recoveries by contract year;
- 6) The average investment yield rate for 2016;
- 7) Preliminary Financial Statement showing booked reserves for unpaid claim liabilities as of December 31, 2015;
- 8) Summary of each closed or open claim paid or reserved in excess of \$100,000 as of December 31, 2015;

- 9) Report titled "Open/Closed Summary by Policy Year" which includes paid and incurred loss and ALAE, claim counts and recoveries for each contract year, both gross and net of excess insurance as of December 31, 2015. Last year, these files were named "OC Summary by Year 20141231.pdf" and "PD OS Reserve Summary by Year 20141231.pdf"; and
- 10) Any additional information we should be aware of during our analysis (e.g., change in reserving procedures, unusual losses, etc.).

COMMUNICATION OF RESULTS

The results of our analysis will be summarized in a written preliminary draft document, which will discuss our assumptions, methodologies and conclusions. Issuing the report in draft form allows the opportunity for our clients to review and discuss with us any areas, which may warrant additional attention, analysis or elaboration. After this review, a final written document will be issued.

SCHEDULES AND COST

The cost of this study will be \$15,000. If you request additional work, or if additional work becomes necessary due to data availability or unexpected results, we will discuss with you the likely additional charges before proceeding. For example, the cost related to meetings with KMIT management is excluded from our estimate. We charge for additional work based on time at our standard hourly billing rates plus out-of-pocket expenses.

GENERAL LIMITATIONS

We will rely on data and information provided by KMIT. We will not audit or independently verify this data. If the data and information received is inaccurate or incomplete, the results of our analysis may likewise be inaccurate or incomplete. In that event, the results of our analysis may not be suitable for the intended purpose. We will perform a limited review of the data used directly in our analysis for reasonableness and consistency. If there are material defects in the data, it is possible that they would be uncovered by a detailed, systematic review and comparison of the data to search for data values that are questionable or relationships that are materially inconsistent. Such a review is beyond the scope of our assignment.

Our estimates will reflect our best professional judgment, arrived at after careful actuarial analysis of the available data. However, our estimates involve future contingencies such as economic conditions and claim settlement patterns. Therefore, our estimates are subject to uncertainty and actual results are likely to vary from our estimates.

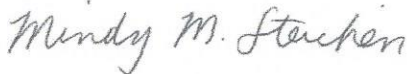
The services identified in this engagement letter are subject to the terms and conditions in the Consulting Services Agreement signed on March 7, 2007. A copy is available upon request.

♦ ♦ ♦ ♦ ♦

Mr. Don Osenbaugh
January 29, 2016
Page 3

We appreciate the opportunity to assist the Kansas Municipal Insurance Trust. If you should have any questions with regard to our proposed consulting assignment or would like any additional information, please do not hesitate to contact me. If this letter is acceptable, please sign and return the attached Project Acceptance and Client Information Forms. We look forward to working with you on this project.

Sincerely,



Mindy M. Steichen, FCAS, MAAA
Consulting Actuary

MMS/sbs

Encl.

cc: Deanne Furman
Pete Wick
Debbie James

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CLIENT INFORMATION FORM

Client Name: **Kansas Municipal Insurance Trust**

Date: **January 29, 2016**

Company Ownership and Operation

1. The Company is:
 - ☐ owned by an Individual
 - ☐ owned by a Family
 - ☐ otherwise closely held, [Top 10 owners own or control 25% or more of the Company (excluding institutional owners)]
 - ☐ publicly-traded
 - ☐ a mutual company
 - ☐ a risk retention group
 - ☐ a reciprocal exchange
 - ☒ other [please describe] Municipal Pool
2. The Company ☐ has / ☒ has not changed ownership (or, if publicly traded, ownership structure) within the last three years. If Company ownership has changed, please provide a brief summary below.
3. Please provide the name of the Company's audit firm and the principal contact:
Summers, Spencer & Co, Topeka (Stuart Bach)
4. The Company ☐ has / ☒ has not changed audit firms in the last three years. If the Company has changed audit firms, please provide a brief explanation of the rationale for the change and the name of the previous audit firm.
5. The Company ☐ has / ☒ has not had disputes with insurance regulators (or other relevant authority) that would have a material impact on the carried reserves or surplus levels over the past five years. If the Company has had any such disputes, please explain.
6. The Company ☐ has / ☒ has not been the subject of material negative regulatory action (including material fines) over the past five years. If the Company has been the subject of material negative regulatory action, please explain.

PROJECT ACCEPTANCE FORM

MILLIMAN, INC.

Proposed Services: Actuarial Analysis of Unpaid Claim Liabilities as of 12/31/15

Proposal Dated: January 29, 2016

Cost Quoted: \$15,000

Milliman, Inc. will perform the consulting services indicated within the accompanying engagement letter. KMIT agrees to the terms and conditions within the accompanying engagement letter and the Consulting Services Agreement signed on March 7, 2007. KMIT also agrees that any work performed beyond the scope of this engagement letter will be billed at our standard hourly rates. The terms and conditions of this engagement letter and the Consulting Services Agreement signed on March 7, 2007 will apply to the additional work.

We request return of this signed Project Acceptance Form prior to commencing the project. The project fees will be invoiced at the conclusion of the project and payments are due within 30 days from date of bill.

On Behalf of:

KMIT (Kansas Municipal Insurance Trust)

Accepted by:

Don Osenbaugh
(Signature)
Don Osenbaugh, Pool Administrator
(Print name and title)

Date:

1/29/16