



# Board of Trustees

**Board Meeting**

**June 28, 2019**

**McPherson, Kansas**

**KMU**

**2090 East Avenue A**

**9:00 AM**

# **BOARD OF TRUSTEES MEETING**

## **KANSAS MUNICIPAL INSURANCE TRUST (KMIT)**

9:00 AM, Friday, June 28, 2019

KMU Training Center\*, McPherson, KS

### **AGENDA**

1. Call-To-Order (President David Dillner)
2. Local Welcome (if any)
3. Trustee Absences/Quorum Declaration (Dillner)
4. Minutes Approval: Coffeyville, April 26, 2019 (Dillner)
5. Financial Reports (Kifer)
  - a. April 30, 2019 Financials
  - b. May 31, 2019 Financials
  - c. Audited 2019 First Quarter KID Report
  - d. May 31, 2019 Cash/Investment Summary [Osenbaugh]
6. Claims: Settlements and Advisories (Miller)
7. Risk Control: Report (Rhodes)
8. Annual [Milliman] Actuary Report (Cornejo)
9. Annual Financial Audit (Stuart Bach—Summers, Spencer & Co)
10. Appointment of 2019/2020 Nomination Committee (Dillner)
11. New Member(s) Admitted (Osenbaugh)
12. Administrator Report (Osenbaugh)
13. Other
14. Adjourn

### **LUNCH**

\*2090 E. Avenue A

# KANSAS MUNICIPAL INSURANCE TRUST

## Board of Trustees Minutes from April 26, 2019

*Unapproved*

**Meeting Convened:** Friday, April 26, 2019, in the Student Union Bldg. 'Oak Room', on the campus of Coffeyville Community College, Coffeyville, KS. The meeting was called to order President David Dillner at 9:00 A.M.

**Absences/Quorum Declaration:** Dillner declared a quorum, while noting the excused absences of Trustees Janie Cox (Haysville), Michael Reagle (Garden City), Kelly McElroy (Newton), and Jonathan Mitchell (Hoisington).

**Members Present:** *Board Members Present:* President David Dillner (El Dorado), Vice President Ty Lasher (Bel Aire), Immediate Past President Randy Frazer (Moundridge), Treasurer Greg DuMars (Lindsborg), Andrew Finzen (Goodland), Deb Needleman (Fort Scott), Hardy Howard (WaKeeney), and Jeff Morris (*Ex-Officio*, Coffeyville Community College). *Staff:* Barbie Kifer (CORnerstone), Kyle Johnston (CORnerstone), Jess Cornejo (CORnerstone), Renee Rhodes (IMA), Gene Miller (TRISTAR), and Don Osenbaugh (KMIT Pool Administrator). *Guest:* Ryan Box (Commerce Bank).

**Minutes Approval:** The minutes from the Lindsborg meeting of February 22, 2019 were unanimously approved as written, following a motion by Lasher and a second by Howard.

### **Financial Reports (Kifer):**

1. February 28, 2019 Financials
2. March 31, 2019 Financials
3. KID 2019 1<sup>st</sup> Quarter (3/31) Report
4. March 31, 2019 Cash/Investments Summary (Osenbaugh)

The motion to approve the above reports was made by Frazer; seconded by Needleman. Approved unanimously.

### **Reserve Advisory and Settlement Authority:** Miller presented the following claims--

1. Claim #00282403069101 (Independence). Settlement authority in the amount of \$30,000 was previously given via phone poll.
2. Claim #18750643 (Parsons). Reserve Advisory only.
3. Claim #17686849 (Augusta). Reserve Advisory only.
4. Claim #18742384 (Pittsburg). Reserve Advisory only.
5. Claim #18746679 (Concordia). Reserve Advisory only.
6. Claim #18748470 (Parsons). Reserve Advisory only.
7. Claim #19753613 (Abilene). Reserve Advisory only.
8. Claim #19756776 (Wellington). Reserve Advisory only.
9. Claim #19757369 (Arma). Reserve Advisory only.
10. Claim #19758468 (Parsons). Reserve Advisory only.

**Loss Control Activities:** Rhodes presented loss control update and accident stats review.

**Annual Historical Performance Review:** Cornejo presented. The 2019 actuary report will be reviewed at the June meeting.

**‘Spring Season’ Marketing Review:** Osenbaugh presented. A total of seven quotes were issued. The City of Luray was the only new member admitted.

**Annual Investment Report:** Presented by Ryan Box (Commerce Bank), KMIT’s investment advisor.

**Administrator's Report:** Osenbaugh reported on the following topics...

1. RFP progress. It was agreed by consensus that President Dillner and VP Lasher would join Osenbaugh and RFP consultant Jerry Smades to comprise the committee to review proposals, do the interviews and make a final recommendation to the Board.
2. Osenbaugh noted that KMIT had a booth at both the Spring Clerks Conference and the Rural Water District Conference, and he plans to attend the summer meeting of the Community College business managers, at the invitation of Jeff Morris, in Great Bend, in June.
3. The first of this year’s Supervisor Seminar Series was held on April 25 in Independence; the next will be in McPherson on June 27.

**Adjournment:** Motion to adjourn by Frazer; second by Howard. Unanimous. Adjourned at 12:07 P.M.

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Don Osenbaugh, Pool Administrator (acting as Board-Designated Secretary)



# KMIT Balance Sheet

April 30, 2019

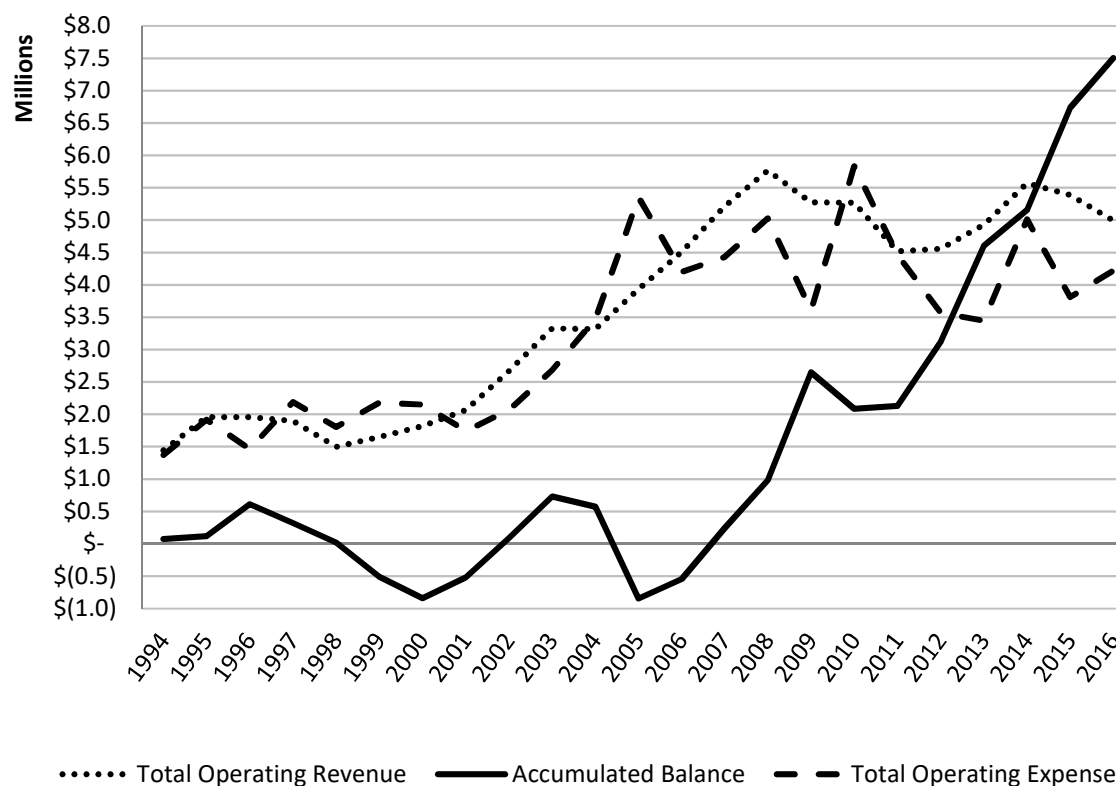
## ASSETS

Checking Accounts	\$	436,494
Investments	\$	18,445,874
Accrued Interest	\$	120,983
Accounts Receivable	\$	34,242
Excess Premium Receivable	\$	-
Specific Recoverable	\$	1,305,022
Aggregate Recoverable	\$	7,011
Prepaid Expenses	\$	417,575
<b>Total Assets</b>	<b>\$</b>	<b>20,767,201</b>

## LIABILITIES & EQUITY

Accounts Payable	\$	32,667
Excess Premium Payable	\$	-
Reserve for Losses	\$	6,845,640
IBNR Reserve	\$	3,958,280
Deposits on Premium	\$	3,320,252
Accrued Taxes and Assessments	\$	375,159
<b>Total Liabilities</b>	<b>\$</b>	<b>14,531,999</b>
<b>Total Equity</b>	<b>\$</b>	<b>6,235,203</b>
<b>Total Liabilities and Equity</b>	<b>\$</b>	<b>20,767,201</b>

## KMIT Financial Overview



# KMIT Profit and Loss

April 30, 2019

	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
	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	Accrued To Date	Accrued To Date
<b>REVENUE FUND</b>																
Direct Premium Earned	\$ 1,422,582	\$ 1,885,501	\$ 1,843,047	\$ 1,754,515	\$ 1,377,722	\$ 1,552,110	\$ 1,689,773	\$ 1,965,656	\$ 2,616,641	\$ 3,274,489	\$ 3,256,648	\$ 3,837,793	\$ 4,272,140	\$ 4,950,171	\$ 5,519,169	\$ 5,193,427
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	\$ 245,802	\$ 81,601
Miscellaneous Income	\$ -	\$ -	\$ -	\$ -	\$ 4,445	\$ 75	\$ -	\$ -	\$ 2,335	\$ -	\$ -	\$ -	\$ -	\$ 2,405	\$ -	\$ -
<b>Total Operating Revenue</b>	<b>\$ 1,445,257</b>	<b>\$ 1,958,726</b>	<b>\$ 1,957,959</b>	<b>\$ 1,897,220</b>	<b>\$ 1,498,357</b>	<b>\$ 1,649,067</b>	<b>\$ 1,819,386</b>	<b>\$ 2,067,350</b>	<b>\$ 2,669,644</b>	<b>\$ 3,326,981</b>	<b>\$ 3,315,716</b>	<b>\$ 3,934,067</b>	<b>\$ 4,507,126</b>	<b>\$ 5,215,600</b>	<b>\$ 5,764,971</b>	<b>\$ 5,275,028</b>
	\$ 390,462															
<b>ADMINISTRATION FUND EXPENSE</b>	<b>\$ 477,137</b>	<b>\$ 601,545</b>	<b>\$ 492,681</b>	<b>\$ 527,664</b>	<b>\$ 493,308</b>	<b>\$ 456,757</b>	<b>\$ 451,058</b>	<b>\$ 437,032</b>	<b>\$ 533,041</b>	<b>\$ 649,336</b>	<b>\$ 738,745</b>	<b>\$ 818,477</b>	<b>\$ 906,947</b>	<b>\$ 916,794</b>	<b>\$ 952,252</b>	<b>\$ 952,520</b>
<b>CLAIMS FUND EXPENSE</b>																
Claims Paid Expense	\$ 716,700	\$ 1,049,152	\$ 790,461	\$ 2,073,604	\$ 2,037,418	\$ 1,750,023	\$ 1,453,201	\$ 1,097,367	\$ 1,211,714	\$ 1,874,344	\$ 2,292,696	\$ 3,956,400	\$ 2,619,599	\$ 2,797,143	\$ 3,349,027	\$ 2,037,680
Claims Paid Adjusting Expense	\$ 25,541	\$ 54,345	\$ 46,583	\$ 90,802	\$ 87,217	\$ 143,991	\$ 124,507	\$ 83,207	\$ 129,112	\$ 149,371	\$ 150,419	\$ 247,303	\$ 182,729	\$ 194,162	\$ 239,646	\$ 134,236
Claims Reserve Expense	\$ -	\$ -	\$ -	\$ -	\$ 29,136	\$ 46,320	\$ 26,393	\$ -	\$ -	\$ 34,865	\$ 37,317	\$ 89,132	\$ 41,205	\$ 82,190	\$ 60,190	\$ 53,595
Claims Reserves Adjusting Expense	\$ -	\$ -	\$ -	\$ -	\$ 3,381	\$ 3,711	\$ 9,216	\$ -	\$ -	\$ 9,425	\$ 420	\$ 11,259	\$ 16,521	\$ 15,075	\$ 12,213	\$ 19,864
IBNR Reserve Expense	\$ -	\$ -	\$ -	\$ -	\$ 1,120	\$ -	\$ -	\$ 141	\$ -	\$ -	\$ 30,048	\$ 46,108	\$ 51,394	\$ 56,731	\$ 107,427	\$ 67,900
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	\$ 372,790	\$ 341,935
Specific Recoverable Expense	\$ -	\$ -	\$ -	\$ -	\$ (141,560)	\$ 51,153	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Specific Recovery Expense	\$ -	\$ -	\$ -	\$ (268,748)	\$ (786,361)	\$ (235,398)	\$ -	\$ -	\$ -	\$ (400,137)	\$ -	\$ (188,126)	\$ -	\$ (53,999)	\$ (66,549)	\$ -
Aggregate Recoverable Expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (7,011)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Aggregate Recovery Expense	\$ -	\$ -	\$ -	\$ (352,627)	\$ -	\$ (112,699)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Claims Fund Expense</b>	<b>\$ 893,634</b>	<b>\$ 1,313,638</b>	<b>\$ 970,420</b>	<b>\$ 1,660,153</b>	<b>\$ 1,309,807</b>	<b>\$ 1,720,214</b>	<b>\$ 1,700,136</b>	<b>\$ 1,307,883</b>	<b>\$ 1,530,284</b>	<b>\$ 2,034,858</b>	<b>\$ 2,732,334</b>	<b>\$ 4,536,548</b>	<b>\$ 3,295,873</b>	<b>\$ 3,512,030</b>	<b>\$ 4,074,744</b>	<b>\$ 2,655,210</b>
<b>Total Operating Expense</b>	<b>\$ 1,370,771</b>	<b>\$ 1,915,183</b>	<b>\$ 1,463,101</b>	<b>\$ 2,187,817</b>	<b>\$ 1,803,115</b>	<b>\$ 2,176,971</b>	<b>\$ 2,151,194</b>	<b>\$ 1,744,916</b>	<b>\$ 2,063,325</b>	<b>\$ 2,684,194</b>	<b>\$ 3,471,079</b>	<b>\$ 5,355,025</b>	<b>\$ 4,202,820</b>	<b>\$ 4,428,823</b>	<b>\$ 5,026,996</b>	<b>\$ 3,607,730</b>
<b>BALANCES</b>																
KMIT Statutory Fund Balance	\$ 74,486	\$ 43,543	\$ 494,858	\$ (290,597)	\$ (304,758)	\$ (527,904)	\$ (331,808)	\$ 322,434	\$ 606,319	\$ 642,787	\$ (155,363)	\$ (1,420,958)	\$ 304,306	\$ 786,777	\$ 737,975	\$ 1,667,298
<b>Accumulated Balance</b>	<b>\$ 74,486</b>	<b>\$ 118,029</b>	<b>\$ 612,887</b>	<b>\$ 322,290</b>	<b>\$ 17,532</b>	<b>\$ (510,371)</b>	<b>\$ (842,179)</b>	<b>\$ (519,745)</b>	<b>\$ 86,574</b>	<b>\$ 729,361</b>	<b>\$ 573,998</b>	<b>\$ (846,960)</b>	<b>\$ (542,655)</b>	<b>\$ 244,122</b>	<b>\$ 982,097</b>	<b>\$ 2,649,395</b>

# KMIT Profit and Loss

April 30, 2019

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2019	Total
	Accrued To Date	Accrued To Date	Accrued To Date	Accrued To Date	Accrued To Date	Accrued To Date	Accrued To Date	Accrued To Date	Accrued To Date	Accrued To Date	Budget	Accrued To Date
<b>REVENUE FUND</b>												
Direct Premium Earned	\$ 5,213,859	\$ 4,442,326	\$ 4,484,533	\$ 4,853,835	\$ 5,460,344	\$ 5,261,044	\$ 4,829,526	\$ 4,984,618	\$ 4,860,795	\$ 1,789,725	\$ 5,080,000	\$ 92,591,989
Interest Income	\$ 52,768	\$ 72,925	\$ 70,104	\$ 71,861	\$ 107,601	\$ 128,600	\$ 160,374	\$ 220,606	\$ 283,636	\$ 121,513	\$ 230,000	\$ 3,171,749
Miscellaneous Income	\$ -	\$ 1,441	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,701
<b>Total Operating Revenue</b>	<b>\$ 5,266,578</b>	<b>\$ 4,516,692</b>	<b>\$ 4,554,637</b>	<b>\$ 4,925,696</b>	<b>\$ 5,567,945</b>	<b>\$ 5,389,644</b>	<b>\$ 4,989,900</b>	<b>\$ 5,205,224</b>	<b>\$ 5,144,431</b>	<b>\$ 1,911,238</b>	<b>\$ 5,310,000</b>	<b>\$ 95,774,439</b>
<b>ADMINISTRATION FUND EXPENSE</b>	<b>\$ 1,034,032</b>	<b>\$ 966,415</b>	<b>\$ 931,686</b>	<b>\$ 994,118</b>	<b>\$ 1,070,998</b>	<b>\$ 1,043,972</b>	<b>\$ 1,112,835</b>	<b>\$ 1,170,961</b>	<b>\$ 1,180,111</b>	<b>\$ 371,629</b>	<b>\$ 1,301,000</b>	<b>\$ 20,282,052</b>
<b>CLAIMS FUND EXPENSE</b>												
Claims Paid Expense	\$ 3,889,790	\$ 2,772,209	\$ 1,920,451	\$ 1,708,177	\$ 3,294,795	\$ 1,748,980	\$ 1,555,797	\$ 1,932,191	\$ 1,574,562	\$ 89,778	\$ -	\$ 51,593,258
Claims Paid Adjusting Expense	\$ 188,891	\$ 148,781	\$ 171,765	\$ 129,540	\$ 156,329	\$ 158,425	\$ 108,845	\$ 133,404	\$ 116,071	\$ 9,351	\$ -	\$ 3,404,572
Claims Reserve Expense	\$ 208,116	\$ 90,525	\$ 39,217	\$ 26,024	\$ 1,272,089	\$ 62,871	\$ 258,650	\$ 1,008,149	\$ 1,811,540	\$ 671,579	\$ -	\$ 5,949,100
Claims Reserves Adjusting Expense	\$ 26,112	\$ 8,697	\$ 3,874	\$ 6,147	\$ 54,830	\$ 23,100	\$ 64,730	\$ 167,517	\$ 340,345	\$ 100,103	\$ -	\$ 896,540
IBNR Reserve Expense	\$ 133,529	\$ 145,623	\$ 174,450	\$ 183,714	\$ 274,526	\$ 316,971	\$ 670,122	\$ 640,491	\$ 621,167	\$ 436,818	\$ -	\$ 3,958,280
Excess Work Comp Insurance	\$ 351,375	\$ 336,966	\$ 337,595	\$ 395,128	\$ 432,750	\$ 456,352	\$ 451,042	\$ 476,604	\$ 505,287	\$ 171,146	\$ 510,000	\$ 7,572,078
Specific Recoverable Expense	\$ -	\$ -	\$ -	\$ -	\$ (1,214,614)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (1,305,022)
Specific Recovery Expense	\$ (43)	\$ -	\$ (9,965)	\$ -	\$ (329,962)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (2,339,287)
Aggregate Recoverable Expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (7,011)
Aggregate Recovery Expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (465,326)
<b>Claims Fund Expense</b>	<b>\$ 4,797,768</b>	<b>\$ 3,502,801</b>	<b>\$ 2,637,388</b>	<b>\$ 2,448,730</b>	<b>\$ 3,940,743</b>	<b>\$ 2,766,699</b>	<b>\$ 3,109,186</b>	<b>\$ 4,358,356</b>	<b>\$ 4,968,973</b>	<b>\$ 1,478,775</b>	<b>\$ 510,000</b>	<b>\$ 69,257,184</b>
<b>Total Operating Expense</b>	<b>\$ 5,831,800</b>	<b>\$ 4,469,216</b>	<b>\$ 3,569,074</b>	<b>\$ 3,442,848</b>	<b>\$ 5,011,741</b>	<b>\$ 3,810,671</b>	<b>\$ 4,222,021</b>	<b>\$ 5,529,317</b>	<b>\$ 6,149,084</b>	<b>\$ 1,850,404</b>	<b>\$ 1,811,000</b>	<b>\$ 89,539,237</b>
<b>BALANCES</b>												
KMIT Statutory Fund Balance	\$ (565,222)	\$ 47,476	\$ 985,563	\$ 1,482,848	\$ 556,204	\$ 1,578,972	\$ 767,879	\$ (324,093)	\$ (1,004,653)	\$ 60,834	\$ 3,499,000	\$ 6,235,203
<b>Accumulated Balance</b>	<b>\$ 2,084,172</b>	<b>\$ 2,131,648</b>	<b>\$ 3,117,211</b>	<b>\$ 4,600,059</b>	<b>\$ 5,156,263</b>	<b>\$ 6,735,235</b>	<b>\$ 7,503,115</b>	<b>\$ 7,179,022</b>	<b>\$ 6,174,369</b>	<b>\$ 6,235,203</b>		

# KMIT Admin Expenses

April 30, 2019

	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
	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	Accrued To Date	Accrued To Date
<b>GENERAL EXPENSES</b>																
Agent Commissions	\$ -	\$ -	\$ -	\$ -	\$ 969	\$ 4,919	\$ 5,239	\$ 12,669	\$ 33,803	\$ 44,060	\$ 43,231	\$ 61,486	\$ 75,650	\$ 77,961	\$ 88,532	\$ 94,214
Directors and Officers Insurance	\$ -	\$ 489	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 20,367	\$ 18,542	\$ 15,857
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	\$ 26,155	\$ 34,318
Bank Fees	\$ 1,249	\$ 4,735	\$ 579	\$ 658	\$ 263	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,638	\$ 2,758
Write Off	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
LKM Clearing	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Marketing	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Office Supplies	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Sub Total</b>	<b>\$ 1,249</b>	<b>\$ 21,179</b>	<b>\$ 4,151</b>	<b>\$ 9,889</b>	<b>\$ 7,795</b>	<b>\$ 16,504</b>	<b>\$ 11,408</b>	<b>\$ 30,892</b>	<b>\$ 59,906</b>	<b>\$ 72,999</b>	<b>\$ 85,051</b>	<b>\$ 84,659</b>	<b>\$ 141,982</b>	<b>\$ 132,193</b>	<b>\$ 135,867</b>	<b>\$ 147,147</b>
<b>REGULATORY</b>																
Kansas Insurance Dept (KID) Premium Tax	\$ 12,847	\$ 18,402	\$ 13,177	\$ 10,823	\$ 13,893	\$ 18,215	\$ 19,568	\$ 18,564	\$ 24,377	\$ 29,017	\$ 30,168	\$ 34,004	\$ 40,212	\$ 46,194	\$ 54,139	\$ 48,525
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	\$ 3,409	\$ 3,476
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	\$ 32,770	\$ 28,363
KID State Audit	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
KDOL Annual Assessment Fee	\$ 9,073	\$ 15,053	\$ 12,422	\$ 42,620	\$ 41,858	\$ 46,445	\$ 40,346	\$ 30,890	\$ 34,311	\$ 39,671	\$ 57,177	\$ 74,845	\$ 79,994	\$ 81,206	\$ 86,571	\$ 60,034
<b>Sub Total</b>	<b>\$ 95,360</b>	<b>\$ 77,466</b>	<b>\$ 56,293</b>	<b>\$ 105,257</b>	<b>\$ 90,792</b>	<b>\$ 81,109</b>	<b>\$ 72,978</b>	<b>\$ 55,604</b>	<b>\$ 69,799</b>	<b>\$ 94,418</b>	<b>\$ 137,326</b>	<b>\$ 204,554</b>	<b>\$ 167,399</b>	<b>\$ 164,595</b>	<b>\$ 176,889</b>	<b>\$ 140,398</b>
<b>CONTRACTURAL</b>																
Financial Audit	\$ 4,603	\$ -	\$ 6,639	\$ 32,625	\$ 12,292	\$ 8,288	\$ 10,973	\$ 8,474	\$ 9,600	\$ 9,806	\$ 10,465	\$ 10,264	\$ 33,013	\$ 6,462	\$ 13,127	\$ 18,608
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	\$ 13,000	\$ 13,750
Risk Management	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 40,000	\$ 40,000	\$ 50,000	\$ 50,000	\$ 60,000	\$ 70,000	\$ 70,000
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	\$ 140,000	\$ 145,000
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	\$ 165,000	\$ 175,000
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	\$ 220,000	\$ 225,000
Payroll Audits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,088	\$ 9,840	\$ 12,042	\$ -	\$ 14,562	\$ 15,684	\$ 18,370	\$ 17,617
Rating Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Crime	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Web Hosting	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Endorsement Fee	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Sub Total</b>	<b>\$ 380,528</b>	<b>\$ 502,900</b>	<b>\$ 432,236</b>	<b>\$ 412,518</b>	<b>\$ 394,721</b>	<b>\$ 359,144</b>	<b>\$ 366,672</b>	<b>\$ 350,536</b>	<b>\$ 403,336</b>	<b>\$ 481,918</b>	<b>\$ 516,368</b>	<b>\$ 529,264</b>	<b>\$ 597,566</b>	<b>\$ 620,006</b>	<b>\$ 639,497</b>	<b>\$ 664,975</b>
<b>Administration Fund Expense</b>	<b>\$ 477,137</b>	<b>\$ 601,545</b>	<b>\$ 492,681</b>	<b>\$ 527,664</b>	<b>\$ 493,308</b>	<b>\$ 456,757</b>	<b>\$ 451,058</b>	<b>\$ 437,032</b>	<b>\$ 533,041</b>	<b>\$ 649,336</b>	<b>\$ 738,745</b>	<b>\$ 818,477</b>	<b>\$ 906,947</b>	<b>\$ 916,794</b>	<b>\$ 952,252</b>	<b>\$ 952,520</b>

# KMIT Admin Expenses

April 30, 2019

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2019	Total
	Accrued To Date	Accrued To Date	Accrued To Date	Accrued To Date	Accrued To Date	Accrued To Date	Accrued To Date	Accrued To Date	Accrued To Date	Accrued To Date	Budget	Accrued To Date
<b>GENERAL EXPENSES</b>												
Agent Commissions	\$ 93,637	\$ 82,860	\$ 96,481	\$ 102,636	\$ 97,189	\$ 97,505	\$ 90,158	\$ 104,978	\$ 98,270	\$ 27,498	\$ 110,000	\$ 1,433,945
Directors and Officers Insurance	\$ 15,942	\$ 16,038	\$ 16,488	\$ 17,224	\$ 15,956	\$ 15,667	\$ 15,970	\$ 15,939	\$ 15,939	\$ 5,535	\$ 16,000	\$ 205,953
Meetings/Travel	\$ -	\$ 829	\$ 4,881	\$ 19,334	\$ 29,749	\$ 19,897	\$ 22,638	\$ 20,165	\$ 21,479	\$ 1,632	\$ 24,000	\$ 155,224
Contingencies/Miscellaneous	\$ 2,657	\$ 1,708	\$ 3,175	\$ 3,623	\$ 4,385	\$ 3,884	\$ 2,594	\$ (2,597)	\$ 8,234	\$ 6,953	\$ 12,000	\$ 371,999
Bank Fees	\$ 9,239	\$ 5,776	\$ 4,159	\$ 7,528	\$ 4,460	\$ 5,998	\$ 6,333	\$ 7,391	\$ 6,764	\$ 2,427	\$ 8,000	\$ 72,955
Write Off	\$ -	\$ (104)	\$ -	\$ -	\$ -	\$ -	\$ 464	\$ -	\$ -	\$ -	\$ -	\$ 360
LKM Clearing	\$ -	\$ 60	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 60
Marketing	\$ -	\$ -	\$ 439	\$ 452	\$ 161	\$ 34	\$ 502	\$ -	\$ -	\$ -	\$ 1,000	\$ 1,588
Office Supplies	\$ -	\$ -	\$ 1,112	\$ 1,830	\$ 3,732	\$ 4,485	\$ 6,176	\$ 9,399	\$ 3,978	\$ 5,375	\$ 14,000	\$ 36,086
<b>Sub Total</b>	<b>\$ 121,475</b>	<b>\$ 107,167</b>	<b>\$ 126,735</b>	<b>\$ 152,627</b>	<b>\$ 155,632</b>	<b>\$ 147,469</b>	<b>\$ 144,835</b>	<b>\$ 155,276</b>	<b>\$ 154,663</b>	<b>\$ 49,420</b>	<b>\$ 185,000</b>	<b>\$ 2,278,171</b>
<b>REGULATORY</b>												
Kansas Insurance Dept (KID) Premium Tax	\$ 49,030	\$ 40,919	\$ 43,445	\$ 44,349	\$ 51,057	\$ 48,309	\$ 46,830	\$ 48,311	\$ 43,572	\$ -	\$ 50,000	\$ 847,946
KID Pool Assessment	\$ 3,500	\$ 3,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 64,701
KID Workers Compensation Assessment	\$ 57,704	\$ 65,962	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 671,063
KID State Audit	\$ -	\$ 12,652	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,652
KDOL Annual Assessment Fee	\$ 102,585	\$ 37,888	\$ 81,374	\$ 83,022	\$ 132,468	\$ 75,733	\$ 87,399	\$ 125,844	\$ 141,261	\$ -	\$ 230,000	\$ 1,620,089
<b>Sub Total</b>	<b>\$ 212,819</b>	<b>\$ 160,421</b>	<b>\$ 124,819</b>	<b>\$ 127,371</b>	<b>\$ 183,525</b>	<b>\$ 124,042</b>	<b>\$ 134,228</b>	<b>\$ 174,155</b>	<b>\$ 184,833</b>	<b>\$ -</b>	<b>\$ 280,000</b>	<b>\$ 3,216,451</b>
<b>CONTRACTURAL</b>												
Financial Audit	\$ 31,565	\$ 12,023	\$ 11,738	\$ 11,904	\$ 15,803	\$ 13,803	\$ 12,000	\$ 13,165	\$ 13,624	\$ -	\$ 26,000	\$ 330,863
Actuarial	\$ 14,000	\$ 14,000	\$ 14,250	\$ 14,250	\$ 15,000	\$ 14,500	\$ 15,000	\$ 15,000	\$ 15,000	\$ -	\$ 16,000	\$ 261,395
Risk Management	\$ 70,000	\$ 70,000	\$ 70,000	\$ 170,000	\$ 170,000	\$ 170,000	\$ 190,000	\$ 205,000	\$ 210,700	\$ 86,760	\$ 216,900	\$ 1,792,460
Risk Control	\$ 145,000	\$ 145,000	\$ 145,000	\$ 150,000	\$ 150,000	\$ 155,000	\$ 155,000	\$ 155,000	\$ 160,800	\$ 65,640	\$ 164,100	\$ 2,925,513
Claims Adjusting	\$ 195,000	\$ 185,000	\$ 185,000	\$ 185,000	\$ 185,000	\$ 205,000	\$ 205,000	\$ 210,000	\$ 216,300	\$ 89,116	\$ 216,500	\$ 4,391,674
Risk Analysis	\$ -	\$ -	\$ -	\$ -	\$ 9,671	\$ 14,651	\$ 27,647	\$ 12,113	\$ 25,720	\$ 3,450	\$ 11,000	\$ 93,252
POET	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,425	\$ 10,513	\$ 20,138	\$ 24,000	\$ 6,713	\$ 23,000	\$ 68,788
Pool Admin Services	\$ 225,000	\$ 230,000	\$ 230,004	\$ 75,600	\$ 81,900	\$ 98,560	\$ 99,360	\$ 102,240	\$ 105,120	\$ 36,000	\$ 108,000	\$ 4,101,800
Payroll Audits	\$ 19,173	\$ 19,000	\$ 16,318	\$ 16,000	\$ 20,143	\$ 19,923	\$ 19,954	\$ 23,175	\$ 21,059	\$ -	\$ 22,000	\$ 272,946
Rating Services	\$ -	\$ 22,650	\$ 6,636	\$ 18,702	\$ 10,887	\$ 754	\$ 27,105	\$ 11,595	\$ 12,072	\$ -	\$ -	\$ 110,401
Crime	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 348	\$ 1,393	\$ 464	\$ -	\$ 2,206
Web Hosting	\$ -	\$ 1,155	\$ 1,187	\$ 2,663	\$ 3,439	\$ 2,846	\$ 2,193	\$ 3,758	\$ 2,327	\$ 1,566	\$ -	\$ 21,134
Endorsement Fee	\$ -	\$ -	\$ -	\$ 70,000	\$ 70,000	\$ 70,000	\$ 70,000	\$ 70,000	\$ 32,500	\$ 32,500	\$ 32,500	\$ 415,000
<b>Sub Total</b>	<b>\$ 699,738</b>	<b>\$ 698,827</b>	<b>\$ 680,133</b>	<b>\$ 714,119</b>	<b>\$ 731,842</b>	<b>\$ 772,461</b>	<b>\$ 833,772</b>	<b>\$ 841,530</b>	<b>\$ 840,615</b>	<b>\$ 322,209</b>	<b>\$ 836,000</b>	<b>\$ 14,787,431</b>
<b>Administration Fund Expense</b>	<b>\$ 1,034,032</b>	<b>\$ 966,415</b>	<b>\$ 931,686</b>	<b>\$ 994,118</b>	<b>\$ 1,070,998</b>	<b>\$ 1,043,972</b>	<b>\$ 1,112,835</b>	<b>\$ 1,170,961</b>	<b>\$ 1,180,111</b>	<b>\$ 371,629</b>	<b>\$ 1,301,000</b>	<b>\$ 20,282,052</b>

# KMIT Balance Sheet

May 31, 2019

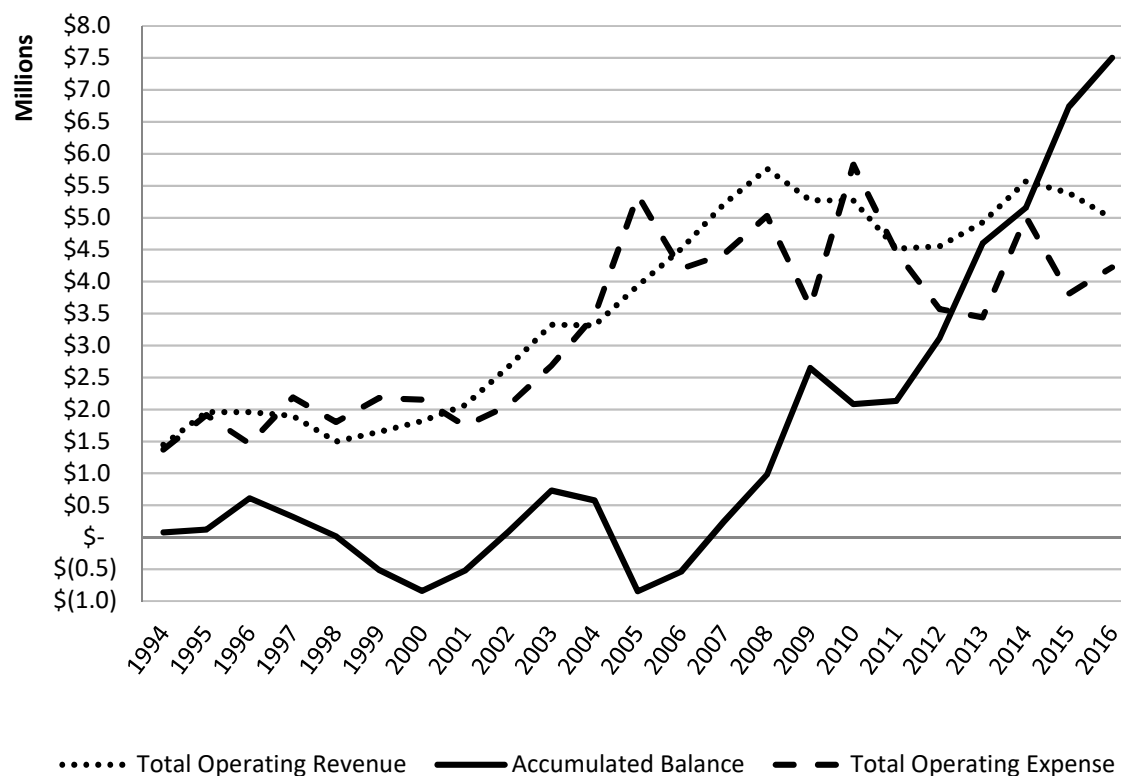
## ASSETS

Checking Accounts	\$	324,030
Investments	\$	18,109,223
Accrued Interest	\$	119,019
Accounts Receivable	\$	5,000
Excess Premium Receivable	\$	-
Specific Recoverable	\$	1,297,877
Aggregate Recoverable	\$	7,011
Prepaid Expenses	\$	365,335
<b>Total Assets</b>	<b>\$</b>	<b>20,227,496</b>

## LIABILITIES & EQUITY

Accounts Payable	\$	11,873
Excess Premium Payable	\$	-
Reserve for Losses	\$	6,603,944
IBNR Reserve	\$	4,279,353
Deposits on Premium	\$	2,720,464
Accrued Taxes and Assessments	\$	375,159
<b>Total Liabilities</b>	<b>\$</b>	<b>13,990,792</b>
<b>Total Equity</b>	<b>\$</b>	<b>6,236,703</b>
<b>Total Liabilities and Equity</b>	<b>\$</b>	<b>20,227,496</b>

## KMIT Financial Overview



# KMIT Profit and Loss

May 31, 2019

	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
	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	Accrued To Date	Accrued To Date
<b>REVENUE FUND</b>																
Direct Premium Earned	\$ 1,422,582	\$ 1,885,501	\$ 1,843,047	\$ 1,754,515	\$ 1,377,722	\$ 1,552,110	\$ 1,689,773	\$ 1,965,656	\$ 2,616,641	\$ 3,274,489	\$ 3,256,648	\$ 3,837,793	\$ 4,272,140	\$ 4,950,171	\$ 5,519,169	\$ 5,193,427
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	\$ 245,802	\$ 81,601
Miscellaneous Income	\$ -	\$ -	\$ -	\$ -	\$ 4,445	\$ 75	\$ -	\$ -	\$ 2,335	\$ -	\$ -	\$ -	\$ -	\$ 2,405	\$ -	\$ -
<b>Total Operating Revenue</b>	<b>\$ 1,445,257</b>	<b>\$ 1,958,726</b>	<b>\$ 1,957,959</b>	<b>\$ 1,897,220</b>	<b>\$ 1,498,357</b>	<b>\$ 1,649,067</b>	<b>\$ 1,819,386</b>	<b>\$ 2,067,350</b>	<b>\$ 2,669,644</b>	<b>\$ 3,326,981</b>	<b>\$ 3,315,716</b>	<b>\$ 3,934,067</b>	<b>\$ 4,507,126</b>	<b>\$ 5,215,600</b>	<b>\$ 5,764,971</b>	<b>\$ 5,275,028</b>
		\$ 390,462														
<b>ADMINISTRATION FUND EXPENSE</b>	<b>\$ 477,137</b>	<b>\$ 601,545</b>	<b>\$ 492,681</b>	<b>\$ 527,664</b>	<b>\$ 493,308</b>	<b>\$ 456,757</b>	<b>\$ 451,058</b>	<b>\$ 437,032</b>	<b>\$ 533,041</b>	<b>\$ 649,336</b>	<b>\$ 738,745</b>	<b>\$ 818,477</b>	<b>\$ 906,947</b>	<b>\$ 916,794</b>	<b>\$ 952,252</b>	<b>\$ 952,520</b>
<b>CLAIMS FUND EXPENSE</b>																
Claims Paid Expense	\$ 716,700	\$ 1,049,152	\$ 790,461	\$ 2,073,604	\$ 2,039,514	\$ 1,750,116	\$ 1,453,690	\$ 1,097,367	\$ 1,211,714	\$ 1,875,144	\$ 2,292,696	\$ 3,957,447	\$ 2,620,846	\$ 2,799,388	\$ 3,349,230	\$ 2,037,954
Claims Paid Adjusting Expense	\$ 25,541	\$ 54,345	\$ 46,583	\$ 90,802	\$ 87,271	\$ 143,991	\$ 124,512	\$ 83,207	\$ 129,112	\$ 149,371	\$ 150,419	\$ 247,333	\$ 182,767	\$ 194,233	\$ 239,669	\$ 134,248
Claims Reserve Expense	\$ -	\$ -	\$ -	\$ -	\$ 27,040	\$ 46,226	\$ 25,904	\$ -	\$ -	\$ 34,065	\$ 37,317	\$ 88,085	\$ 39,958	\$ 79,945	\$ 59,941	\$ 53,321
Claims Reserves Adjusting Expense	\$ -	\$ -	\$ -	\$ -	\$ 3,326	\$ 3,711	\$ 9,211	\$ -	\$ -	\$ 9,425	\$ 420	\$ 11,229	\$ 16,484	\$ 15,003	\$ 11,882	\$ 19,852
IBNR Reserve Expense	\$ -	\$ -	\$ -	\$ -	\$ 1,120	\$ -	\$ -	\$ 141	\$ -	\$ -	\$ 30,048	\$ 46,108	\$ 51,394	\$ 56,731	\$ 107,781	\$ 67,900
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	\$ 372,790	\$ 341,935
Specific Recoverable Expense	\$ -	\$ -	\$ -	\$ -	\$ (134,415)	\$ 51,153	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Specific Recovery Expense	\$ -	\$ -	\$ -	\$ (268,748)	\$ (793,505)	\$ (235,398)	\$ -	\$ -	\$ -	\$ (400,137)	\$ -	\$ (188,126)	\$ -	\$ (53,999)	\$ (66,549)	\$ -
Aggregate Recoverable Expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (7,011)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Aggregate Recovery Expense	\$ -	\$ -	\$ -	\$ (352,627)	\$ -	\$ (112,699)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Claims Fund Expense</b>	<b>\$ 893,634</b>	<b>\$ 1,313,638</b>	<b>\$ 970,420</b>	<b>\$ 1,660,153</b>	<b>\$ 1,309,807</b>	<b>\$ 1,720,214</b>	<b>\$ 1,700,136</b>	<b>\$ 1,307,883</b>	<b>\$ 1,530,284</b>	<b>\$ 2,034,858</b>	<b>\$ 2,732,334</b>	<b>\$ 4,536,548</b>	<b>\$ 3,295,873</b>	<b>\$ 3,512,030</b>	<b>\$ 4,074,744</b>	<b>\$ 2,655,210</b>
<b>Total Operating Expense</b>	<b>\$ 1,370,771</b>	<b>\$ 1,915,183</b>	<b>\$ 1,463,101</b>	<b>\$ 2,187,817</b>	<b>\$ 1,803,115</b>	<b>\$ 2,176,971</b>	<b>\$ 2,151,194</b>	<b>\$ 1,744,916</b>	<b>\$ 2,063,325</b>	<b>\$ 2,684,194</b>	<b>\$ 3,471,079</b>	<b>\$ 5,355,025</b>	<b>\$ 4,202,820</b>	<b>\$ 4,428,823</b>	<b>\$ 5,026,996</b>	<b>\$ 3,607,730</b>
<b>BALANCES</b>																
KMIT Statutory Fund Balance	\$ 74,486	\$ 43,543	\$ 494,858	\$ (290,597)	\$ (304,758)	\$ (527,904)	\$ (331,808)	\$ 322,434	\$ 606,319	\$ 642,787	\$ (155,363)	\$ (1,420,958)	\$ 304,306	\$ 786,777	\$ 737,975	\$ 1,667,298
Accumulated Balance	\$ 74,486	\$ 118,029	\$ 612,887	\$ 322,290	\$ 17,532	\$ (510,371)	\$ (842,179)	\$ (519,745)	\$ 86,574	\$ 729,361	\$ 573,998	\$ (846,960)	\$ (542,655)	\$ 244,122	\$ 982,097	\$ 2,649,395



# KMIT Profit and Loss

May 31, 2019

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2019	Total
	Accrued To Date	Accrued To Date	Accrued To Date	Accrued To Date	Accrued To Date	Accrued To Date	Accrued To Date	Accrued To Date	Accrued To Date	Accrued To Date	Budget	Accrued To Date
<b>REVENUE FUND</b>												
Direct Premium Earned	\$ 5,213,859	\$ 4,442,326	\$ 4,484,533	\$ 4,853,835	\$ 5,460,344	\$ 5,261,044	\$ 4,829,526	\$ 4,984,618	\$ 4,860,795	\$ 2,200,183	\$ 5,080,000	\$ 93,002,447
Interest Income	\$ 52,768	\$ 72,925	\$ 70,104	\$ 71,861	\$ 107,601	\$ 128,600	\$ 160,374	\$ 220,606	\$ 283,636	\$ 156,153	\$ 230,000	\$ 3,206,389
Miscellaneous Income	\$ -	\$ 1,441	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,701
<b>Total Operating Revenue</b>	<b>\$ 5,266,578</b>	<b>\$ 4,516,692</b>	<b>\$ 4,554,637</b>	<b>\$ 4,925,696</b>	<b>\$ 5,567,945</b>	<b>\$ 5,389,644</b>	<b>\$ 4,989,900</b>	<b>\$ 5,205,224</b>	<b>\$ 5,144,431</b>	<b>\$ 2,356,336</b>	<b>\$ 5,310,000</b>	<b>\$ 96,219,537</b>
<b>ADMINISTRATION FUND EXPENSE</b>	<b>\$ 1,034,032</b>	<b>\$ 966,415</b>	<b>\$ 931,686</b>	<b>\$ 994,118</b>	<b>\$ 1,070,998</b>	<b>\$ 1,043,972</b>	<b>\$ 1,112,835</b>	<b>\$ 1,170,961</b>	<b>\$ 1,182,746</b>	<b>\$ 442,898</b>	<b>\$ 1,301,000</b>	<b>\$ 20,355,957</b>
<b>CLAIMS FUND EXPENSE</b>												
Claims Paid Expense	\$ 3,890,511	\$ 2,774,429	\$ 1,920,451	\$ 1,708,327	\$ 3,297,340	\$ 1,749,642	\$ 1,557,122	\$ 1,977,493	\$ 1,640,421	\$ 185,192	\$ -	\$ 51,815,949
Claims Paid Adjusting Expense	\$ 188,908	\$ 148,781	\$ 171,765	\$ 129,577	\$ 156,478	\$ 158,487	\$ 108,989	\$ 134,618	\$ 124,674	\$ 23,733	\$ -	\$ 3,429,412
Claims Reserve Expense	\$ 247,894	\$ 88,305	\$ 39,217	\$ 25,875	\$ 1,269,544	\$ 61,508	\$ 256,837	\$ 949,128	\$ 1,534,485	\$ 775,454	\$ -	\$ 5,740,049
Claims Reserves Adjusting Expense	\$ 30,545	\$ 8,697	\$ 3,874	\$ 6,110	\$ 54,681	\$ 22,914	\$ 64,328	\$ 160,684	\$ 299,562	\$ 111,956	\$ -	\$ 863,895
IBNR Reserve Expense	\$ 88,579	\$ 145,623	\$ 174,450	\$ 183,714	\$ 274,526	\$ 317,796	\$ 670,868	\$ 659,829	\$ 864,543	\$ 538,202	\$ -	\$ 4,279,353
Excess Work Comp Insurance	\$ 351,375	\$ 336,966	\$ 337,595	\$ 395,128	\$ 432,750	\$ 456,352	\$ 451,042	\$ 476,604	\$ 505,287	\$ 213,932	\$ 510,000	\$ 7,614,865
Specific Recoverable Expense	\$ -	\$ -	\$ -	\$ -	\$ (1,214,614)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (1,297,877)
Specific Recovery Expense	\$ (43)	\$ -	\$ (9,965)	\$ -	\$ (329,962)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (2,346,431)
Aggregate Recoverable Expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (7,011)
Aggregate Recovery Expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (465,326)
<b>Claims Fund Expense</b>	<b>\$ 4,797,768</b>	<b>\$ 3,502,801</b>	<b>\$ 2,637,388</b>	<b>\$ 2,448,730</b>	<b>\$ 3,940,743</b>	<b>\$ 2,766,699</b>	<b>\$ 3,109,186</b>	<b>\$ 4,358,356</b>	<b>\$ 4,968,973</b>	<b>\$ 1,848,468</b>	<b>\$ 510,000</b>	<b>\$ 69,626,878</b>
<b>Total Operating Expense</b>	<b>\$ 5,831,800</b>	<b>\$ 4,469,216</b>	<b>\$ 3,569,074</b>	<b>\$ 3,442,848</b>	<b>\$ 5,011,741</b>	<b>\$ 3,810,671</b>	<b>\$ 4,222,021</b>	<b>\$ 5,529,317</b>	<b>\$ 6,151,719</b>	<b>\$ 2,291,366</b>	<b>\$ 1,811,000</b>	<b>\$ 89,982,834</b>
<b>BALANCES</b>												
KMIT Statutory Fund Balance	\$ (565,222)	\$ 47,476	\$ 985,563	\$ 1,482,848	\$ 556,204	\$ 1,578,972	\$ 767,879	\$ (324,093)	\$ (1,007,288)	\$ 64,970	\$ 3,499,000	\$ 6,236,703
Accumulated Balance	\$ 2,084,172	\$ 2,131,648	\$ 3,117,211	\$ 4,600,059	\$ 5,156,263	\$ 6,735,235	\$ 7,503,115	\$ 7,179,022	\$ 6,171,734	\$ 6,236,703		

# KMIT Admin Expenses

May 31, 2019

	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
	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	Accrued To Date	Accrued To Date	Accrued To Date
<b>GENERAL EXPENSES</b>																	
Agent Commissions	\$ -	\$ -	\$ -	\$ -	\$ 969	\$ 4,919	\$ 5,239	\$ 12,669	\$ 33,803	\$ 44,060	\$ 43,231	\$ 61,486	\$ 75,650	\$ 77,961	\$ 88,532	\$ 94,214	\$ 93,637
Directors and Officers Insurance	\$ -	\$ 489	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 20,367	\$ 18,542	\$ 15,857	\$ 15,942
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	\$ 26,155	\$ 34,318	\$ 2,657
Bank Fees	\$ 1,249	\$ 4,735	\$ 579	\$ 658	\$ 263	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,638	\$ 2,758	\$ 9,239
Write Off	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
LKM Clearing	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Marketing	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Office Supplies	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Sub Total</b>	<b>\$ 1,249</b>	<b>\$ 21,179</b>	<b>\$ 4,151</b>	<b>\$ 9,889</b>	<b>\$ 7,795</b>	<b>\$ 16,504</b>	<b>\$ 11,408</b>	<b>\$ 30,892</b>	<b>\$ 59,906</b>	<b>\$ 72,999</b>	<b>\$ 85,051</b>	<b>\$ 84,659</b>	<b>\$ 141,982</b>	<b>\$ 132,193</b>	<b>\$ 135,867</b>	<b>\$ 147,147</b>	<b>\$ 121,475</b>
<b>REGULATORY</b>																	
Kansas Insurance Dept (KID) Premium Tax	\$ 12,847	\$ 18,402	\$ 13,177	\$ 10,823	\$ 13,893	\$ 18,215	\$ 19,568	\$ 18,564	\$ 24,377	\$ 29,017	\$ 30,168	\$ 34,004	\$ 40,212	\$ 46,194	\$ 54,139	\$ 48,525	\$ 49,030
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	\$ 3,409	\$ 3,476	\$ 3,500
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	\$ 32,770	\$ 28,363	\$ 57,704
KID State Audit	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
KDOL Annual Assessment Fee	\$ 9,073	\$ 15,053	\$ 12,422	\$ 42,620	\$ 41,858	\$ 46,445	\$ 40,346	\$ 30,890	\$ 34,311	\$ 39,671	\$ 57,177	\$ 74,845	\$ 79,994	\$ 81,206	\$ 86,571	\$ 60,034	\$ 102,585
<b>Sub Total</b>	<b>\$ 95,360</b>	<b>\$ 77,466</b>	<b>\$ 56,293</b>	<b>\$ 105,257</b>	<b>\$ 90,792</b>	<b>\$ 81,109</b>	<b>\$ 72,978</b>	<b>\$ 55,604</b>	<b>\$ 69,799</b>	<b>\$ 94,418</b>	<b>\$ 137,326</b>	<b>\$ 204,554</b>	<b>\$ 167,399</b>	<b>\$ 164,595</b>	<b>\$ 176,889</b>	<b>\$ 140,398</b>	<b>\$ 212,819</b>
<b>CONTRACTURAL</b>																	
Financial Audit	\$ 4,603	\$ -	\$ 6,639	\$ 32,625	\$ 12,292	\$ 8,288	\$ 10,973	\$ 8,474	\$ 9,600	\$ 9,806	\$ 10,465	\$ 10,264	\$ 33,013	\$ 6,462	\$ 13,127	\$ 18,608	\$ 31,565
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	\$ 13,000	\$ 13,750	\$ 14,000
Risk Management	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 40,000	\$ 40,000	\$ 50,000	\$ 50,000	\$ 60,000	\$ 70,000	\$ 70,000
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	\$ 140,000	\$ 145,000	\$ 145,000
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	\$ 165,000	\$ 175,000	\$ 195,000
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	\$ 220,000	\$ 225,000	\$ 225,000
Payroll Audits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,088	\$ 9,840	\$ 12,042	\$ -	\$ 14,562	\$ 15,684	\$ 18,370	\$ 17,617	\$ 19,173
Rating Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Crime	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Web Hosting	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Endorsement Fee	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Sub Total</b>	<b>\$ 380,528</b>	<b>\$ 502,900</b>	<b>\$ 432,236</b>	<b>\$ 412,518</b>	<b>\$ 394,721</b>	<b>\$ 359,144</b>	<b>\$ 366,672</b>	<b>\$ 350,536</b>	<b>\$ 403,336</b>	<b>\$ 481,918</b>	<b>\$ 516,368</b>	<b>\$ 529,264</b>	<b>\$ 597,566</b>	<b>\$ 620,006</b>	<b>\$ 639,497</b>	<b>\$ 664,975</b>	<b>\$ 699,738</b>
<b>Administration Fund Expense</b>	<b>\$ 477,137</b>	<b>\$ 601,545</b>	<b>\$ 492,681</b>	<b>\$ 527,664</b>	<b>\$ 493,308</b>	<b>\$ 456,757</b>	<b>\$ 451,058</b>	<b>\$ 437,032</b>	<b>\$ 533,041</b>	<b>\$ 649,336</b>	<b>\$ 738,745</b>	<b>\$ 818,477</b>	<b>\$ 906,947</b>	<b>\$ 916,794</b>	<b>\$ 952,252</b>	<b>\$ 952,520</b>	<b>\$ 1,034,032</b>

# KMIT Admin Expenses

May 31, 2019

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2019	Total
	Accrued To Date	Accrued To Date	Accrued To Date	Accrued To Date	Accrued To Date	Accrued To Date	Accrued To Date	Accrued To Date	Accrued To Date	Budget	Accrued To Date
<b>GENERAL EXPENSES</b>											
Agent Commissions	\$ 82,860	\$ 96,481	\$ 102,636	\$ 97,189	\$ 97,505	\$ 90,158	\$ 104,978	\$ 100,905	\$ 35,452	\$ 110,000	\$ 1,444,534
Directors and Officers Insurance	\$ 16,038	\$ 16,488	\$ 17,224	\$ 15,956	\$ 15,667	\$ 15,970	\$ 15,939	\$ 15,939	\$ 6,918	\$ 16,000	\$ 207,337
Meetings/Travel	\$ 829	\$ 4,881	\$ 19,334	\$ 29,749	\$ 19,897	\$ 22,638	\$ 20,165	\$ 21,479	\$ 2,925	\$ 24,000	\$ 156,517
Contingencies/Miscellaneous	\$ 1,708	\$ 3,175	\$ 3,623	\$ 4,385	\$ 3,884	\$ 2,594	\$ (2,597)	\$ 8,234	\$ 7,628	\$ 12,000	\$ 372,674
Bank Fees	\$ 5,776	\$ 4,159	\$ 7,528	\$ 4,460	\$ 5,998	\$ 6,333	\$ 7,391	\$ 6,764	\$ 3,054	\$ 8,000	\$ 73,582
Write Off	\$ (104)	\$ -	\$ -	\$ -	\$ -	\$ 464	\$ -	\$ -	\$ -	\$ -	\$ 360
LKM Clearing	\$ 60	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 60
Marketing	\$ -	\$ 439	\$ 452	\$ 161	\$ 34	\$ 502	\$ -	\$ -	\$ -	\$ 1,000	\$ 1,588
Office Supplies	\$ -	\$ 1,112	\$ 1,830	\$ 3,732	\$ 4,485	\$ 6,176	\$ 9,399	\$ 3,978	\$ 5,452	\$ 14,000	\$ 36,163
<b>Sub Total</b>	<b>\$ 107,167</b>	<b>\$ 126,735</b>	<b>\$ 152,627</b>	<b>\$ 155,632</b>	<b>\$ 147,469</b>	<b>\$ 144,835</b>	<b>\$ 155,276</b>	<b>\$ 157,298</b>	<b>\$ 61,430</b>	<b>\$ 185,000</b>	<b>\$ 2,292,815</b>
<b>REGULATORY</b>											
Kansas Insurance Dept (KID) Premium Tax	\$ 40,919	\$ 43,445	\$ 44,349	\$ 51,057	\$ 48,309	\$ 46,830	\$ 48,311	\$ 43,572	\$ -	\$ 50,000	\$ 847,946
KID Pool Assessment	\$ 3,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 64,701
KID Workers Compensation Assessment	\$ 65,962	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 671,063
KID State Audit	\$ 12,652	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,652
KDOL Annual Assessment Fee	\$ 37,888	\$ 81,374	\$ 83,022	\$ 132,468	\$ 75,733	\$ 87,399	\$ 125,844	\$ 141,261	\$ -	\$ 230,000	\$ 1,620,089
<b>Sub Total</b>	<b>\$ 160,421</b>	<b>\$ 124,819</b>	<b>\$ 127,371</b>	<b>\$ 183,525</b>	<b>\$ 124,042</b>	<b>\$ 134,228</b>	<b>\$ 174,155</b>	<b>\$ 184,833</b>	<b>\$ -</b>	<b>\$ 280,000</b>	<b>\$ 3,216,451</b>
<b>CONTRACTURAL</b>											
Financial Audit	\$ 12,023	\$ 11,738	\$ 11,904	\$ 15,803	\$ 13,803	\$ 12,000	\$ 13,165	\$ 13,624	\$ -	\$ 26,000	\$ 330,863
Actuarial	\$ 14,000	\$ 14,250	\$ 14,250	\$ 15,000	\$ 14,500	\$ 15,000	\$ 15,000	\$ 15,000	\$ -	\$ 16,000	\$ 261,395
Risk Management	\$ 70,000	\$ 70,000	\$ 170,000	\$ 170,000	\$ 170,000	\$ 190,000	\$ 205,000	\$ 210,700	\$ 108,450	\$ 216,900	\$ 1,814,150
Risk Control	\$ 145,000	\$ 145,000	\$ 150,000	\$ 150,000	\$ 155,000	\$ 155,000	\$ 155,000	\$ 160,800	\$ 82,050	\$ 164,100	\$ 2,941,923
Claims Adjusting	\$ 185,000	\$ 185,000	\$ 185,000	\$ 185,000	\$ 205,000	\$ 205,000	\$ 210,000	\$ 216,300	\$ 89,116	\$ 216,500	\$ 4,391,674
Risk Analysis	\$ -	\$ -	\$ -	\$ 9,671	\$ 14,651	\$ 27,647	\$ 12,113	\$ 25,720	\$ 12,563	\$ 11,000	\$ 102,364
POET	\$ -	\$ -	\$ -	\$ -	\$ 7,425	\$ 10,513	\$ 20,138	\$ 24,000	\$ 9,638	\$ 23,000	\$ 71,713
Pool Admin Services	\$ 230,000	\$ 230,004	\$ 75,600	\$ 81,900	\$ 98,560	\$ 99,360	\$ 102,240	\$ 105,120	\$ 45,000	\$ 108,000	\$ 4,110,800
Payroll Audits	\$ 19,000	\$ 16,318	\$ 16,000	\$ 20,143	\$ 19,923	\$ 19,954	\$ 23,175	\$ 21,059	\$ -	\$ 22,000	\$ 272,946
Rating Services	\$ 22,650	\$ 6,636	\$ 18,702	\$ 10,887	\$ 754	\$ 27,105	\$ 11,595	\$ 12,072	\$ 6	\$ -	\$ 110,407
Crime	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 348	\$ 1,393	\$ 581	\$ -	\$ 2,322
Web Hosting	\$ 1,155	\$ 1,187	\$ 2,663	\$ 3,439	\$ 2,846	\$ 2,193	\$ 3,758	\$ 2,327	\$ 1,566	\$ -	\$ 21,134
Endorsement Fee	\$ -	\$ -	\$ 70,000	\$ 70,000	\$ 70,000	\$ 70,000	\$ 70,000	\$ 32,500	\$ 32,500	\$ 32,500	\$ 415,000
<b>Sub Total</b>	<b>\$ 698,827</b>	<b>\$ 680,133</b>	<b>\$ 714,119</b>	<b>\$ 731,842</b>	<b>\$ 772,461</b>	<b>\$ 833,772</b>	<b>\$ 841,530</b>	<b>\$ 840,615</b>	<b>\$ 381,469</b>	<b>\$ 836,000</b>	<b>\$ 14,846,691</b>
<b>Administration Fund Expense</b>	<b>\$ 966,415</b>	<b>\$ 931,686</b>	<b>\$ 994,118</b>	<b>\$ 1,070,998</b>	<b>\$ 1,043,972</b>	<b>\$ 1,112,835</b>	<b>\$ 1,170,961</b>	<b>\$ 1,182,746</b>	<b>\$ 442,898</b>	<b>\$ 1,301,000</b>	<b>\$ 20,355,957</b>

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

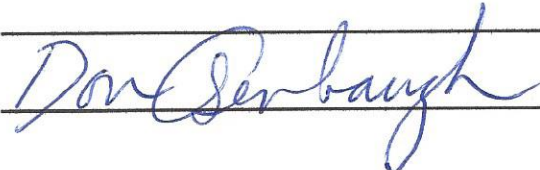
Kansas Municipal Insurance Trust  
(Name of Company)

As of 03/31/2019  
1st 2nd 3rd 4th Quarter (CIRCLE ONE)

		<b>CURRENT FISCAL YEAR TO DATE 03/31/2019</b>	<b>PREVIOUS FISCAL YEAR END 12/31/2018 Audited</b>
<b>ASSETS</b>			
Administrative fund:			
Cash	\$	83,925	\$ 123,631
Investments		0	0
Claims fund:			
Cash		188,852	278,127
Investments		18,719,250	16,362,826
Premium contributions receivable		150,026	(2,630)
Excess insurance recoverable on claims payments		40,894	33,272
Interest income due and accrued		116,136	115,826
Receivable from affiliates			148,652
Other assets:			
Agent Commissions Receivable		0	1,696
Prepaid Excess Insurance		385,078	0
Prepaid Expenses		84,578	3,486
Excess Insurance Premium Receivable			0
Less: Non Admitted Assets		(469,656)	(3,486)
Total Assets	\$	19,299,084	\$ 17,061,400

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: 

Chair of Trustees  
Administrator

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

<b><u>LIABILITIES, RESERVES AND FUND BALANCE</u></b>	<b><u>CURRENT FISCAL YEAR TO DATE</u></b> 03/31/2019	<b><u>PREVIOUS FISCAL YEAR END</u></b> 12/31/2018 Audited
Reserve for unpaid workers' compensation claims	\$ 4,418,027	\$ 4,204,760
Reserve for unpaid claim adjustment expenses	838,466	795,506
Reserve for claims incurred but not reported	4,124,980	4,163,315
Unearned premium contribution	0	933,558
Other expenses due or accrued	0	
Taxes, licenses and fees due or accrued	375,159	419,220
Borrowed money \$_____ and interest thereon \$_____		
Dividends payable to members		
Deposits on premium contributions	3,730,734	48,828
Excess insurance premium payable	0	238,979
Payable to affiliates		
Accounts payable	37,129	50,658
Miscellaneous liabilities:		
Return Premium Payable		
Total Liabilities:	\$ 13,524,496	\$ 10,854,824
Special reserve funds:		
Total Special Reserve Funds		
<b><u>FUND BALANCE</u></b>		
Total Reserves and Fund Balance (Assets-Liabilities)	5,774,588	\$ 6,206,576
Total Liabilities, Reserves and Fund Balance	\$ 19,299,084	\$ 17,061,400

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

<b><u>SUMMARY OF OPERATIONS</u></b>	<b><u>CURRENT FISCAL YEAR TO DATE</u> 03/31/2019</b>	<b><u>PREVIOUS FISCAL YEAR END</u> 12/31/2018 Audited</b>
Underwriting Income		
Direct Premium Contributions Earned	\$ <u>1,379,266</u> \$	<u>4,860,795</u>
Deductions:		
Excess insurance premium incurred	<u>128,359</u>	<u>505,287</u>
Workers' compensation claims incurred	<u>911,060</u>	<u>2,567,940</u>
Claims adjustment expenses incurred	<u>109,459</u>	<u>652,334</u>
Other administrative expenses incurred	<u>282,267</u>	<u>1,140,254</u>
Total underwriting deductions	<u>1,431,145</u>	<u>4,865,815</u>
Net underwriting Gain or (Loss)	\$ <u>(51,878)</u> \$	<u>(5,020)</u>
Investment income		
Interest income earned (Net of investment expenses)	<u>88,404</u>	<u>283,636</u>
Other income		
Other income	<u>0</u>	<u>0</u>
Net income before dividends to members	<u>36,525</u>	<u>278,616</u>
Dividends to members	<u>0</u>	<u>0</u>
Net income after dividends to members	<u>36,525</u>	<u>278,616</u>
<b>Net Income(Loss)</b>	<b>\$ <u>36,525</u> \$</b>	<b><u>278,616</u></b>



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

<b><u>ANALYSIS OF FUND BALANCE</u></b>	<b><u>CURRENT FISCAL</u></b>		<b><u>PREVIOUS FISCAL</u></b>	
	<b><u>YEAR TO DATE</u></b>		<b><u>YEAR END</u></b>	
		03/31/2019		12/31/2018 Audited
Fund balance, previous period	\$	<u>6,206,576</u>	\$	<u>5,931,446</u>
Net income (Loss)		<u>36,525</u>		<u>278,616</u>
Change in non-admitted assets		<u>(469,656)</u>		<u>(3,486)</u>
Rounding				
<u>Change in Non Admitted Assets</u>				
Change in fund balance for the period		<u>(433,131)</u>		<u>275,129</u>
Fund balance, current period	\$	<u>5,774,588</u>	\$	<u>6,206,576</u>



**Contract Year January 1, 2019 to December 31, 2019**  
**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 03/31/2019

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
Current Injuries	Total Injuries	Contract Period	Direct Premium Earned	Excess Insurance Premium Incurred	Net Premiums Earned Col 4-5	Direct Losses Incurred	Loss Adj. Exp. Incurred	Loss & Loss Exp Incurred Col 6+7	Service Agent Fees Incurred	General Expenses Incurred	Taxes, Licenses & Fees Incurred	Total Expenses Incurred Col 10 + 11 + 12	Claims Ratios as a % Col 9 / Col 6	Admin. Ratios as a % Col 13 / Col 6	Investment Income Earned
0	310	PCY 25	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 24	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 23	1,843,047	133,376	1,709,671	790,461	46,583	837,044	277,342	159,046	56,281	492,669	49.0%	28.8%	114,912
1	524	PCY 22	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 21	1,377,722	79,456	1,298,266	1,284,924	90,598	1,375,521	187,000	211,071	82,901	480,972	106.0%	37.0%	116,190
4	551	PCY 20	1,552,110	80,124	1,471,986	1,560,945	147,702	1,708,647	185,000	190,573	77,653	453,226	116.1%	30.8%	96,882
1	552	PCY 19	1,689,773	86,819	1,602,954	1,479,594	133,722	1,613,317	190,000	188,080	73,593	451,673	100.6%	28.2%	129,613
0	605	PCY 18	1,965,656	127,168	1,838,488	1,097,367	83,207	1,180,574	195,000	186,428	55,589	437,017	64.2%	23.8%	101,694
1	670	PCY 17	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
2	612	PCY 16	3,274,489	366,991	2,907,498	1,509,072	158,796	1,667,867	280,000	274,918	96,684	651,602	57.4%	22.4%	52,492
2	645	PCY 15	3,256,648	221,435	3,035,213	2,330,012	150,839	2,480,851	293,000	308,419	134,300	735,719	81.7%	24.2%	59,068
10	770	PCY 14	3,837,793	374,472	3,463,321	3,857,406	258,562	4,115,968	310,000	303,923	195,148	809,071	118.8%	23.4%	96,274
15	765	PCY 13	4,272,140	384,425	3,887,715	2,660,804	199,250	2,860,054	330,000	409,548	164,537	904,085	73.6%	23.3%	234,986
7	906	PCY 12	4,950,171	420,728	4,529,443	2,825,334	209,237	3,034,571	365,000	384,794	157,905	907,699	67.0%	20.0%	263,024
12	768	PCY 11	5,519,169	372,790	5,146,379	3,342,668	251,859	3,594,527	375,000	400,364	180,033	955,397	69.8%	18.6%	245,802
9	654	PCY 10	5,193,427	341,935	4,851,492	2,091,275	154,100	2,245,375	390,000	422,122	158,861	970,983	46.3%	20.0%	81,601
15	666	PCY 9	5,213,859	351,375	4,862,484	4,097,024	215,003	4,312,026	410,000	411,213	218,444	1,039,657	88.7%	21.4%	52,768
7	635	PCY 8	4,442,326	336,966	4,105,361	2,862,734	157,478	3,020,212	400,000	374,349	211,548	985,897	73.6%	24.0%	72,925
2	598	PCY 7	4,484,533	337,595	4,146,938	1,949,604	175,639	2,125,243	400,000	407,086	174,669	981,755	51.2%	23.7%	70,104
4	697	PCY 6	4,853,835	395,128	4,458,707	1,734,201	134,827	1,869,028	580,600	286,205	112,977	979,782	41.9%	22.0%	71,861
4	742	PCY 5	5,460,344	432,750	5,027,594	4,236,908	211,154	4,448,063	596,571	291,845	383,143	1,271,559	88.5%	25.3%	107,601
4	726	PCY 4	5,261,044	456,352	4,804,692	1,811,850	181,526	1,993,376	628,560	291,393	190,117	1,110,070	41.5%	23.1%	128,600
12	778	PCY 3	4,829,526	474,781	4,354,745	1,824,620	173,788	1,998,408	649,360	329,247	24,920	1,003,526	45.9%	23.0%	160,374
50	830	PCY 2	1,641,119	128,359	1,512,760	2,941,643	300,771	3,242,413	671,847	206,797	124,882	1,003,526	214.3%	66.3%	220,606
304	828	PCY 1	4,951,122	503,629	4,447,493	3,326,807	440,416	3,767,224	691,420	339,931	118,489	1,149,840	84.7%	25.9%	296,228
103	154	CCY	1,230,614	385,078	845,536	384,694	56,024	440,719	691,420	(532,975)	123,822	282,267	52.1%	33.4%	88,404

PFY = Prior fiscal Year

CFY = Current Fiscal Year

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

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

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

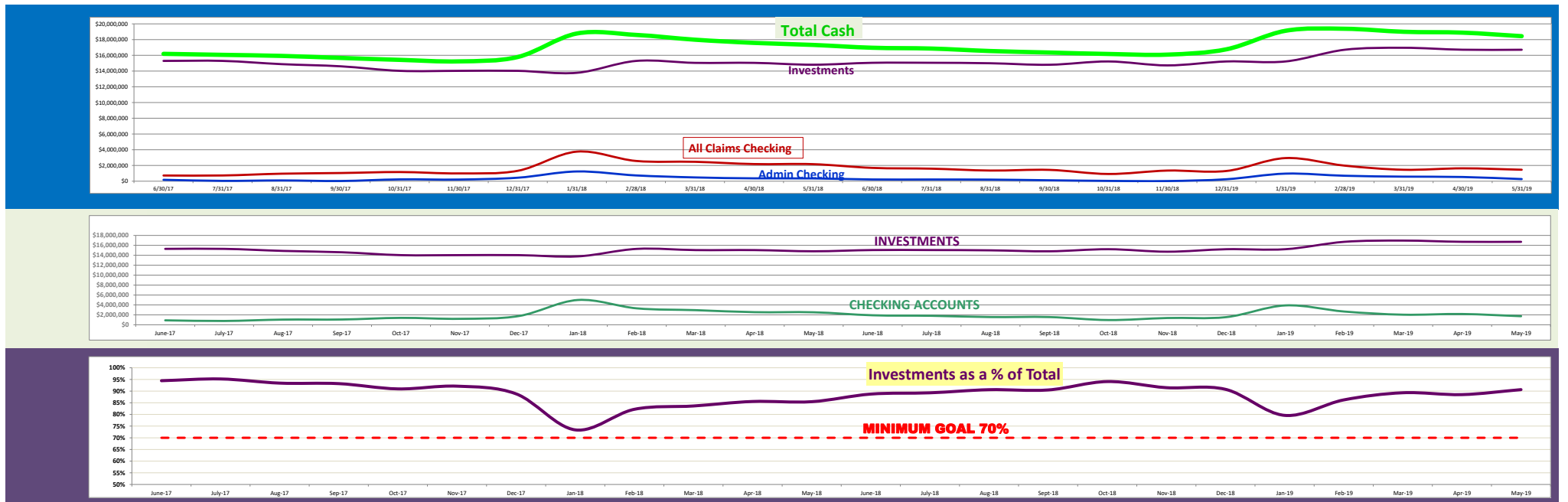
Column 15 should reflect the Total Expenses Incurred divided by the Net Premiums Earned. (Column 13 divided by Column 6)

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

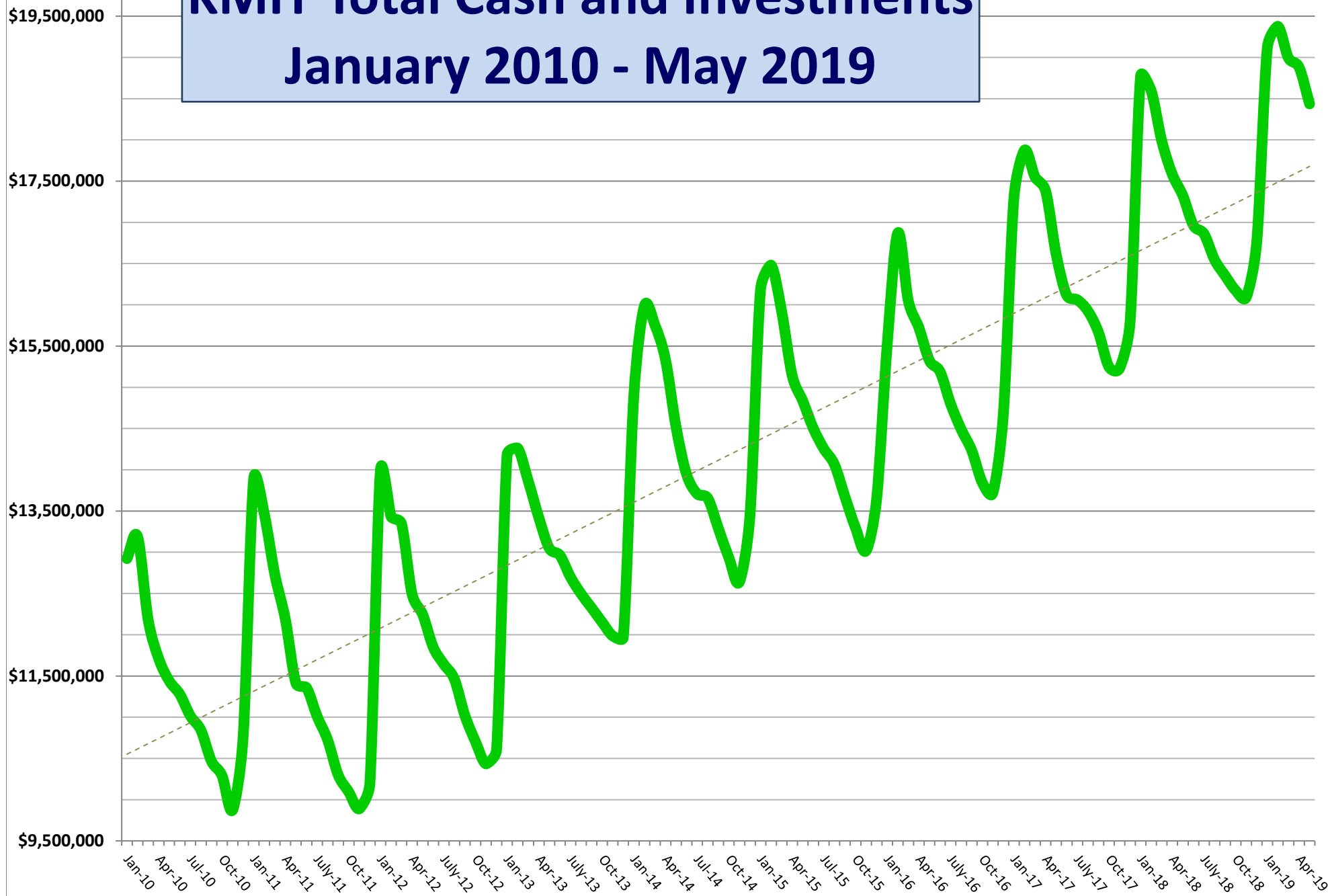
# KMIT Cash/Investment Summary

June 30, 2017--May 31, 2019

	6/30/17	7/31/17	8/31/17	9/30/17	10/31/17	11/30/17	12/31/17	1/31/18	2/28/18	3/31/18	4/30/18	5/31/18	6/30/18	7/31/18	8/31/18	9/30/18	10/31/18	11/30/18	12/31/19	1/31/19	2/28/19	3/31/19	4/30/19	5/31/19
<b>KMIT Admin Fund</b>																								
Admin Account (CORnerstone)	175,479	41,756	94,380	25,971	230,390	208,808	443,016	1,237,217	734,337	479,954	361,759	351,489	220,252	216,049	201,076	116,037	38,232	20,781	248,569	960,695	691,242	578,317	533,998	269,359
<b>Admin Checking</b>	<b>175,479</b>	<b>41,756</b>	<b>94,380</b>	<b>25,971</b>	<b>230,390</b>	<b>208,808</b>	<b>443,016</b>	<b>1,237,217</b>	<b>734,337</b>	<b>479,954</b>	<b>361,759</b>	<b>351,489</b>	<b>220,252</b>	<b>216,049</b>	<b>201,076</b>	<b>116,037</b>	<b>38,232</b>	<b>20,781</b>	<b>248,569</b>	<b>960,695</b>	<b>691,242</b>	<b>578,317</b>	<b>533,998</b>	<b>269,359</b>
<b>KMIT Claims Fund</b>																								
Claims Account (CORnerstone)	647,100	252,911	681,320	866,691	988,013	792,603	1,070,206	3,588,666	2,452,059	2,227,550	1,972,942	1,978,378	1,561,469	1,584,416	1,180,787	1,262,164	660,236	1,074,711	1,139,817	2,815,102	1,847,793	1,362,985	1,426,980	1,312,072
Claims Checking Acc't (TRISTAR)	75,262	475,262	271,193	171,316	176,942	198,612	250,559	169,273	122,596	237,228	205,299	187,183	130,636	8,397	171,989	175,719	255,972	275,706	159,586	123,440	130,139	91,322	209,451	144,633
<b>Claims Checking</b>	<b>722,362</b>	<b>728,173</b>	<b>952,513</b>	<b>1,038,007</b>	<b>1,164,955</b>	<b>991,215</b>	<b>1,320,765</b>	<b>3,757,939</b>	<b>2,574,655</b>	<b>2,464,778</b>	<b>2,178,241</b>	<b>2,165,561</b>	<b>1,692,105</b>	<b>1,592,813</b>	<b>1,352,776</b>	<b>1,437,883</b>	<b>916,209</b>	<b>1,350,417</b>	<b>1,299,403</b>	<b>2,938,542</b>	<b>1,977,933</b>	<b>1,454,307</b>	<b>1,636,431</b>	<b>1,456,706</b>
<b>INVESTMENTS</b>																								
All Investments	15,292,000	15,292,000	14,880,000	14,605,000	14,029,000	14,027,920	14,026,823	13,778,823	15,286,800	15,042,978	15,042,978	14,806,000	15,051,000	15,052,000	14,994,028	14,800,000	15,220,000	14,720,000	15,220,000	15,220,000	16,708,000	16,960,000	16,712,000	16,710,000
<b>TOTAL CASH</b>	<b>16,189,841</b>	<b>16,061,929</b>	<b>15,926,893</b>	<b>15,668,978</b>	<b>15,424,345</b>	<b>15,227,943</b>	<b>15,790,604</b>	<b>18,773,979</b>	<b>18,595,792</b>	<b>17,987,710</b>	<b>17,582,978</b>	<b>17,323,050</b>	<b>16,963,358</b>	<b>16,860,862</b>	<b>16,547,880</b>	<b>16,353,920</b>	<b>16,174,441</b>	<b>16,091,198</b>	<b>16,767,971</b>	<b>19,119,237</b>	<b>19,377,174</b>	<b>18,992,624</b>	<b>18,882,429</b>	<b>18,436,065</b>
	6/30/17	7/31/17	8/31/17	9/30/17	10/31/17	11/30/17	12/31/17	1/31/18	2/28/18	3/31/18	4/30/18	5/31/18	6/30/18	7/31/18	8/31/18	9/30/18	10/31/18	11/30/18	12/31/19	1/31/19	2/28/19	3/31/19	4/30/19	5/31/19



# KMIT Total Cash and Investments January 2010 - May 2019



## CLAIM SUMMARY-SETTLEMENT REQUEST

**Employer:** City of Atchison  
**Claim No.:** 2016073786  
**Employee Age:** 57  
**AWW:** \$645.81  
**Attorneys:** Employee -Jim Bryan  
**Adjuster:** Gene Miller

**Date of Injury:** 4/29/2016  
**Job Description:** Waste Water Operator  
**Updated:** 6/5/2019  
**TTD Rate:** \$430.75  
**Employer:** -Ron Laskowski

	Medical	Indemnity	Expense	Total
Reserves	\$25,926.54	\$99,416.00	\$15,342.22	\$140,684.76
Amount Paid	\$15,926.54	\$31,916.00	\$3,263.43	\$51,096.87
Outstanding	\$10,000.00	\$67,500.00	\$12,087.79	\$89,587.79

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

Claimant spent the day operating a jet machine to clean out sewer lines. At the end of the day his right arm/hands was cramping, swollen and painful.

### **Investigation/Compensability**

Our investigation confirmed his job duties and his promptly reporting of the injury. The city's doctor opinioned his symptoms were due to an aggravation of a prior non-industrial neck injury with multi-level neck fusion. There have been several other medical opinions on the compensability of his injury but the Administrative Law Judge has indicated he will find the injury compensable.

### **Medical Management**

His treatment has been conservative with physical therapy, medication and work restrictions.

### **Periods of Disability**

4/30/2016 to 11/21/2017

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

Reserves reflect 42% BAW.

### **Subrogation/Other Issues**

There is no source for subrogation however we will obtain an offset for his pre-existing disability from his prior neck injury/surgery.

### **Plan of Action:**

Claimant is making a claim for being permanently totally disabled and has presented a Vocational Report to support their claim. The Court-Ordered IME with Dr. Pratt does not support their perm total claim. The Judge has been sympathetic to the claimant and our attorney believes he will find the claim compensable if tried. The claimant does have some significant work restrictions and has been granted Social Security benefits and thus we need to take into consideration Medicare's interest as the settlement is above \$25k. We are obtaining a Medicare Set-A-Side evaluation and expecting it to be in the \$3k to \$10k range.

Settlement authority being requested is \$67,000 which represents 42%BAW + \$10k for future medical. Certainly, our initial offer will be much lower but it may take more to have a settlement that resolves all issues.

## CLAIM SUMMARY-RESERVES

**Employer:** City of Independence  
**Claim No.:** 18748399  
**Employee Age:** 57  
**AWW:** \$934.40  
**Attorneys:** Employee - NA  
**Adjuster:** Gene Miller

**Date of Injury:** 10/31/18  
**Job Description:** Cemetery Sexton  
**Updated:** 5/6/2019  
**TTD Rate:** \$ 622.93  
**Employer:** - NA

	Medical	Indemnity	Expense	Total
Reserves	\$30,000.00	\$20,000.00	\$3,750.00	\$53,750.00
Amount Paid	\$10,279.29	\$0.00	\$304.63	\$10,583.92
Outstanding	\$19,720.71	\$20,000.00	\$3,445.37	\$43,166.08

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

Claimant is a cemetery sexton that is a 20 year+ employee who developed bilateral CTS from weed eating the cemetery.

### **Investigation/Compensability**

His duties were confirmed and no other activities known to contribute to his condition. The city does not question the injury and no defenses to deny claim.

### **Medical Management**

Conservative care failed to relieve his symptoms and nerve conduction studies were done which confirmed his bilateral CTS condition, his left side worse than right. Dr. Do performed surgery on the left side 2/27/19 and the right side on 5/3/19.

### **Periods of Disability**

He returned to modified duty following the 2/27/19 left side surgery on 3/2/19.

He returned to modified duty following the 3/3/19 right side surgery on 3/6/19.

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

Since this is a bilateral injury, rating will be done as BAW. Reserves reflect 6% to body.

### **Subrogation/Other Issues**

There are no sources for subrogation or contribution.

### **Plan of Action:**

Early return to work following his two surgeries has been achieved. I am monitoring his recovery until he is released at MMI. I will then request a disability rating, obtain settlement authority if beyond my authority, negotiate a full/final settlement of all outstanding issues, obtain Division approval and close file.

## CLAIM SUMMARY-RESERVES

**Employer:** City of Pittsburgh  
**Claim No.:** 18748415  
**Employee Age:** 24  
**AWW:** \$723.94  
**Attorneys:** Employee -NA  
**Adjuster:** Gene Miller

**Date of Injury:** 11/1/2018  
**Job Description:** Police Officer  
**Updated:** 6/6/2019  
**TTD Rate:** \$482.64  
**Employer:** -NA

	Medical	Indemnity	Expense	Total
Reserves	\$35,000.00	\$15,000.00	\$4,250.00	\$54,250.00
Amount Paid	\$312.67	\$0.00	\$33.17	\$345.84
Outstanding	\$34,687.33	\$15,000.00	\$4,216.83	\$53,904.16

**Accident Description/Nature of Injury:**

Officer had handcuffed suspect and had her left arm locked in his arm. Suspect became uncooperative and jerked his arm causing her left shoulder to pop and have pain.

**Investigation/Compensability**

The accident was not witnessed but reported promptly and medical treatment sought. The injury has been accepted as compensable.

**Medical Management**

Conservative treatment did not relieve her symptoms so a MRI was done which revealed a torn labrum. She was referred to ortho Zafuta who has recommended surgery.

**Periods of Disability**

No lost time to date.

**Permanent Partial Impairment/Permanent Disability**

Reserves reflect 10% shoulder.

**Subrogation/Other Issues**

We will explore restitution during sentencing, if that hasn't been done. No source for contribution.

**Plan of Action:**

Surgery has been authorized and we will strive for early return to work within the 7-day waiting period, as the city has a modified duty work program. Thereafter, we will monitor her medical recovery till released MMI. Then obtain a disability rating, negotiate full/final settlement of remaining issues, obtain Division approval and close file.

## CLAIM SUMMARY-RESERVES

**Employer:** City of Dodge City  
**Claim No.:** 18748809  
**Employee Age:** 62  
**AWW:** \$511.97  
**Attorneys:** Employee -NA  
**Adjuster:** Gene Miller

**Date of Injury:** 11/28/2018  
**Job Description:** Bus Driver  
**Updated:** 5/31/2019  
**TTD Rate:** \$341.31  
**Employer:** -NA

	Medical	Indemnity	Expense	Total
Reserves	\$50,128.16	\$6,500.00	\$5,750.00	\$62,250.00
Amount Paid	\$35,128.16	\$252.99	\$1,262.14	\$36,643.29
Outstanding	\$14,871.84	\$6,247.01	\$4,487.86	\$25,606.71

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

Claimant is a bus driver who injured her right shoulder throwing a water hose while washing her bus.

### **Investigation/Compensability**

There were no witnesses. She reported the injury the next day and no defenses to deny the claim so it was accepted as compensable.

### **Medical Management**

Conservative treatment failed to relieve her symptoms and so an MRI was done which revealed a SLAP tear and partial thickness tear of her rotator cuff. She was referred to ortho Dr. Do who recommended and performed surgery on 2/27/19.

### **Periods of Disability**

She returned to modified duty on 3/4/19 and did not meet the 7-day waiting period for TTD.

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

Reserves reflect 6% to shoulder.

### **Subrogation/Other Issues**

There are no sources for subrogation or contribution.

### **Plan of Action:**

Early return to work has already been achieved but we did have to pay some TPD due to reduced hours. I am monitoring her medical recovery by speaking with her after every doctor's visit and expect her to be MMI around 6 month post-surgery. When released, I will obtain a disability rating, negotiate settlement of all remaining issues, obtain Division approval and close file.



## CLAIM SUMMARY-RESERVES

**Employer:** City of Dodge City  
**Claim No.:** 19754998  
**Employee Age:** 49  
**AWW:** \$929.64  
**Attorneys:** Employee -NA  
**Adjuster:** Gene Miller

**Date of Injury:** 1/20/2019  
**Job Description:** Policeman  
**Updated:** 5/9/2019  
**TTD Rate:** \$645.00  
**Employer:** -NA

	Medical	Indemnity	Expense	Total
Reserves	\$37,034.94	\$11,500.00	\$3,656.31	\$52,941.25
Amount Paid	\$2,283.13	\$0.00	\$184.69	\$2,467.82
Outstanding	\$34,751.81	\$11,500.00	\$3,471.72	\$50,473.43

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

Claimant was preparing for a fitness test by doing a bench test and felt a pop/pain in right shoulder.

### **Investigation/Compensability**

Co-worker spotter witnessed his accident and injury was reported same day. Injury accepted as compensable.

### **Medical Management**

Conservative treatment failed to relieve his symptoms and a MRI was done which revealed a rotator cuff tear. He was referred to ortho Dr. Do who recommended surgical repair and same was scheduled for 5/6/19 but canceled as he was not cleared. We are awaiting surgery to be rescheduled when he is cleared for same.

### **Periods of Disability**

No lost time from work.

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

Reserves reflect 6% to shoulder.

### **Subrogation/Other Issues**

There are no sources for subrogation or contribution.

### **Plan of Action**

He is working modified duty while we await his clearance for surgery. I will follow-up after surgery and monitor his recovery till released MMI. Then I will obtain a disability rating, obtain settlement authority if outside mine, negotiate a full/final settlement, obtain Division approval and close file.

## CLAIM SUMMARY-RESERVES

**Employer:** City of Garden City  
**Claim No.:** 19758496  
**Employee Age:** 30  
**AWW:** \$887.12  
**Attorneys:** Employee -NA  
**Adjuster:** Gene Miller

**Date of Injury:** 2/15/2019  
**Job Description:** Policeman  
**Updated:** 6/13/2019  
**TTD Rate:** \$591.41  
**Employer:** -NA

	Medical	Indemnity	Expense	Total
<b>Reserves</b>	<b>\$24,072.03</b>	<b>\$8,000.00</b>	<b>\$2,873.77</b>	<b>\$34,945.80</b>
<b>Amount Paid</b>	<b>\$16,656.20</b>	<b>\$0.00</b>	<b>\$455.41</b>	<b>\$17,111.61</b>
<b>Outstanding</b>	<b>\$7,415.83</b>	<b>\$8,000.00</b>	<b>\$2,418.36</b>	<b>\$17,834.19</b>

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

Claimant was crossing an ice covered chain link fence slipped and twisted his left knee.

### **Investigation/Compensability**

The accident was witnessed by coworker, reported timely and accepted as compensable.

### **Medical Management**

Conservative care failed to relieve his symptoms and a MRI was done which revealed a torn meniscus. He was referred to Dr. Do who performed surgery on 3/29/19.

### **Periods of Disability**

He returned to modified work on 4/1/19 and did not meet the State's 7-day waiting period for TTD.

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

Reserves reflect 5% knee.

### **Subrogation/Other Issues**

There are no sources for subrogation or contribution.

### **Plan of Action:**

He was released MMI on 6/13/2019 and a disability rating has been requested. When obtained, a settlement offer will be negotiated to conclude all outstanding issues, Division approval obtained and file closed.

## CLAIM SUMMARY-RESERVES

**Employer:** City of Newton  
**Claim No.:** 19761995  
**Employee Age:** 60  
**AWW:** \$1,146.53  
**Attorneys:** Employee –Chuck Hess  
**Adjuster:** Gene Miller

**Date of Injury:** 3/13/2019  
**Job Description:** Detective  
**Updated:** 5/6/2019  
**TTD Rate:** \$ 645.00  
**Employer:** - Ron Laskowski

	Medical	Indemnity	Expense	Total
<b>Reserves</b>	<b>\$55,000.00</b>	<b>\$16,000.00</b>	<b>\$17,000.00</b>	<b>\$88,000.00</b>
<b>Amount Paid</b>	<b>\$10,046.44</b>	<b>\$0.00</b>	<b>\$8,676.15</b>	<b>\$18,722.59</b>
<b>Outstanding</b>	<b>\$44,953.56</b>	<b>\$16,000.00</b>	<b>\$8,323.85</b>	<b>\$69,277.41</b>

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

Claimant was stopped along the roadway with his emergency lights on and other driver failed to move over and ran into the rear of his police car. Claimant lost consciousness and had pain in neck, back and left leg.

### **Investigation/Compensability**

The accident was promptly reported and medical treatment the same day. Claim has been accepted as compensable.

### **Medical Management**

He was taken to Wesley Medical by ambulance, where extensive testing was done, negative for fractures. His diagnosis was post concussive syndrome, sprain of low back and contusion of left lower extremity. He continues to receive conservative care.

### **Periods of Disability**

He returned to modified duty on 3/20/19, just meeting the 7-day waiting period for TT.

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

Reserves reflect 6% BAW.

### **Subrogation/Other Issues**

We have a right of subrogation against the other driver and have already placed them on notice of our workers compensation lien. We believe the other driver has \$100k liability limits. The Index Bureau shows a non-industrial MVA on 12/11/17 in which he injured his neck, back and left shoulder and we will research for contribution from those injuries. He also has an Open Running Award case from 2005 for a back injury and we will attempt to include that claim in this settlement.

### **Plan of Action:**

Early return to work already achieved and he is back to his regular duties. He is represented on both the work comp and his civil claim. Disability ratings have not been obtained as he has not been released from care. Our goal in this settlement will be to not only settle this claim but also settle out the 2005 ORA claim. Settlement authority will be requested if outside mine, Division approval of the settlement will be obtained and file closed.

## CLAIM SUMMARY-RESERVES

**Employer:** City of Abilene  
**Claim No.:** 19764199  
**Employee Age:** 47  
**AWW:** \$829.87  
**Attorneys:** Employee -NA  
**Adjuster:** Gene Miller

**Date of Injury:** 3/26/2019  
**Job Description:** Fireman  
**Updated:** 6/4/2019  
**TTD Rate:** \$553.25  
**Employer:** -NA

	Medical	Indemnity	Expense	Total
<b>Reserves</b>	<b>\$20,000.00</b>	<b>\$9,000.00</b>	<b>\$3,265.00</b>	<b>\$32,265.00</b>
<b>Amount Paid</b>	<b>\$1,496.79</b>	<b>\$0.00</b>	<b>\$134.33</b>	<b>\$1,631.12</b>
<b>Outstanding</b>	<b>\$18,503.21</b>	<b>\$9,000.00</b>	<b>\$3,130.67</b>	<b>\$30,633.88</b>

**Accident Description/Nature of Injury:**

Claimant had responded to medical call to recovery injured person near creek. As she was going down the rock embankment, a rock under her left foot slipped and she twisted her left knee.

**Investigation/Compensability**

Accident witnessed by city policeman and reported to supervisor thereafter. Injury accepted as compensable.

**Medical Management**

Conservative treatment failed to relieve her symptoms and a MRI was done which revealed meniscus tear. She was referred to ortho Herringbruck who recommended surgery, which is scheduled 6/10/19.

**Periods of Disability**

No lost time to date.

**Permanent Partial Impairment/Permanent Disability**

Reserves reflect 7% knee.

**Subrogation/Other Issues**

No source for subrogation or contribution.

**Plan of Action:**

The city has a modified duty work program and we will strive for early return to work within the 7-day waiting period. We will then monitor her recovery until she is released MMI. A disability rating will then be obtained, settlement negotiated to conclude all remaining issues, Division approval obtained and file closed.

## CLAIM SUMMARY-RESERVES

**Employer:** City of Dodge City  
**Claim No.:** 19766092  
**Employee Age:** 31  
**AWW:** \$904.02  
**Attorneys:** Employee -NA  
**Adjuster:** Gene Miller

**Date of Injury:** 4/11/2019  
**Job Description:** Fireman  
**Updated:** 5/8/2019  
**TTD Rate:** \$602.68  
**Employer:** -NA

	Medical	Indemnity	Expense	Total
Reserves	\$30,000.00	\$13,000.00	\$3,750.00	\$46,750.00
Amount Paid	\$0.00	\$1,119.26	\$0.00	\$1,119.26
Outstanding	\$30,000.00	\$11,880.74	\$3,750.00	\$45,630.74

**Accident Description/Nature of Injury:**

Claimant was participating in dodge ball game for required workout and rolled his left ankle, fracturing his fibula.

**Investigation/Compensability**

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

**Medical Management**

He had surgery that same day which involved ORIF and is to be non-weight bearing for 8 weeks. Surgery was performed by Dr. Ashfaq.

**Periods of Disability**

4/12/19 to 5/1/19

**Permanent Partial Impairment/Permanent Disability**

Reserves reflect 6% PPD to lower leg.

**Subrogation/Other Issues**

There are no sources for contribution or subrogation.

**Plan of Action:**

Early return to work was achieved 5/2/19 and we are monitoring his recovery by checking with him after every doctor's visit. When he is released MMI a disability rating will be obtained, settlement negotiated, Division approval obtained and file closed.

## CLAIM SUMMARY-RESERVES

**Employer:** City of Russell  
**Claim No.:** 19767843  
**Employee Age:** 42  
**AWW:** \$1,074.67  
**Attorneys:** Employee -NA  
**Adjuster:** Gene Miller

**Date of Injury:** 4/18/2019  
**Job Description:** Police Officer  
**Updated:** 5/17/2019  
**TTD Rate:** \$645.00  
**Employer:** -NA

	Medical	Indemnity	Expense	Total
Reserves	\$25,000.00	\$9,775.00	\$3,250.00	\$38,025.00
Amount Paid	\$302.18	\$1,013.57	\$19.50	\$1,325.25
Outstanding	\$24,697.82	\$8,761.43	\$3,230.50	\$36,689.75

**Accident Description/Nature of Injury:**

Claimant called to complete a wellness check on suicide person. Person they were checking on shot thru the wall and bullet when thru his right thigh and grazed his left thigh.

**Investigation/Compensability**

There were several other officers on the scene and the injury not questioned and accepted as compensable.

**Medical Management**

He was taken to the Russell Hospital Emergency room and then to the Hays Hospital, where he was discharged home.

**Periods of Disability**

4/19/19 to 5/6/19.

**Permanent Partial Impairment/Permanent Disability**

Reserves reflect 3% body.

**Subrogation/Other Issues**

We are investigating our potential for subrogation recovery. There are no sources for contribution.

**Plan of Action:**

Early return to work was achieved with the city's modified duty work program and he is now back to full duty. We are checking to see if there is any disability as a result of the injury and will handle accordingly. As mentioned above, we are also looking to see if we can subrogate from the tortfeasor.

## CLAIM SUMMARY-RESERVES

**Employer:** City of Parsons  
**Claim No.:** 19770864  
**Employee Age:** 47  
**AWW:** \$790.29  
**Attorneys:** Employee -NA  
**Adjuster:** Gene Miller

**Date of Injury:** 5/14/2019  
**Job Description:** Waste Water Plant Operator  
**Updated:** 6/3/2019  
**TTD Rate:** \$526.86  
**Employer:** -NA

	Medical	Indemnity	Expense	Total
Reserves	\$75,000.00	\$18,000.00	\$8,250.00	\$101,250.00
Amount Paid	\$0.00	\$1580.58	\$0.00	\$1,580.58
Outstanding	\$75,000.00	\$16,418.42	\$8,250.00	\$99,669.42

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

Claimant had climbed out of a hole where he had repaired a valve, slipped on a dirt clod and fell to his knees, jamming his right knee into his hip resulting in damage to his prosthetic hip.

### **Investigation/Compensability**

The accident was witnessed by three coworkers who called immediately for medical assistance. He admitted to two prior hip replacements, the last being in June 2018. Medical records confirm mechanical damage to the prosthetic so the prevailing factor issue is met and the claim accepted as compensable.

### **Medical Management**

He was transported to Menorah Medical and Dr. Ledford performed surgery to his hip on 5/16/19. Claimant advised his last revision took four months for him to recovery and return to work.

### **Periods of Disability**

He has been off work since the injury.

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

Reserves reflect 5% BAW.

### **Subrogation/Other Issues**

There is no source for subrogation but we can expect an offset for his prior hip replacements.

### **Plan of Action:**

We are striving for early return to work as the city has advised they will try to accommodate him.

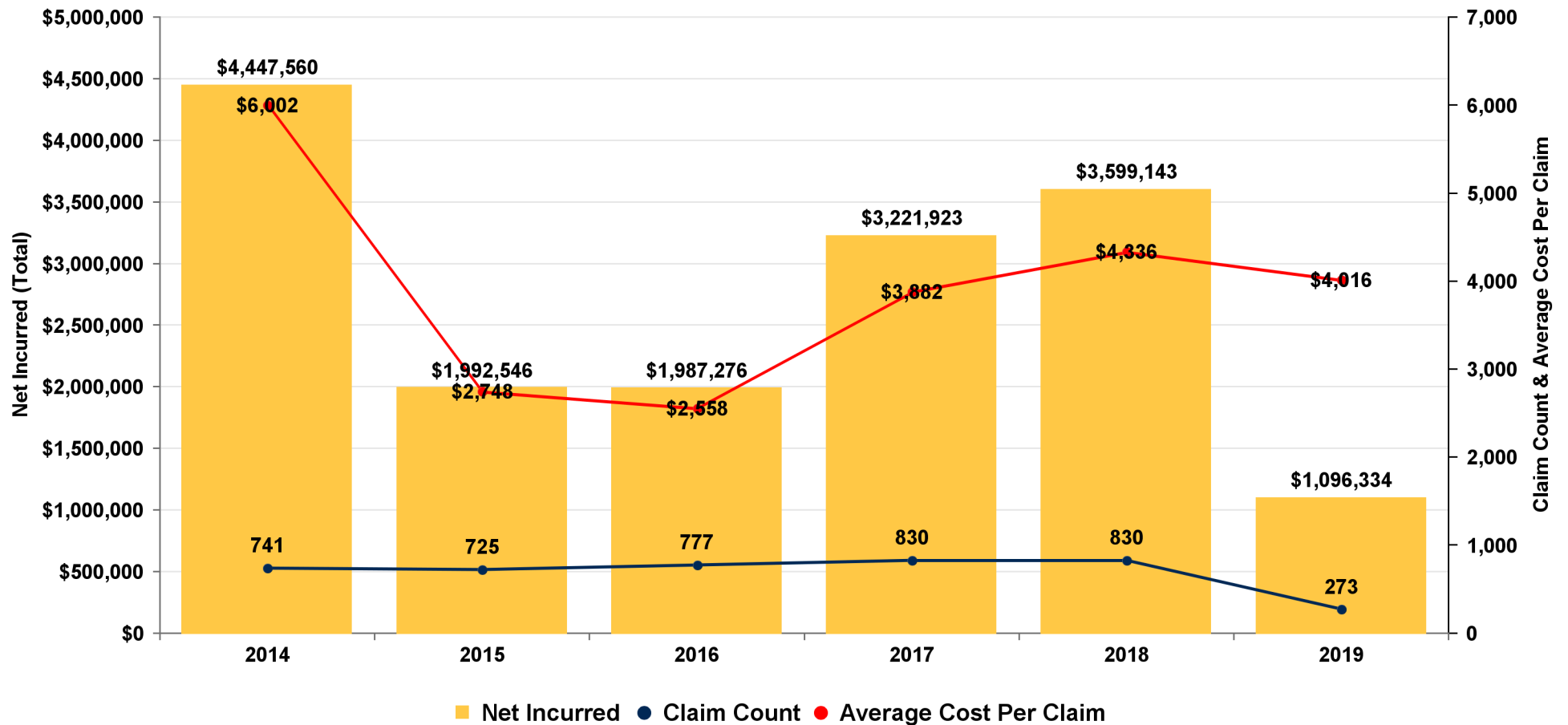
I will then follow his recovery till the doctor releases him from care, then obtain a disability rating, negotiate a full/final settlement, obtain Division approval and close file.



KMIT Loss Control: Claim Trend Analysis By Year  
Policy Years: 2014 through 2019  
Valued as of 5/31/2019



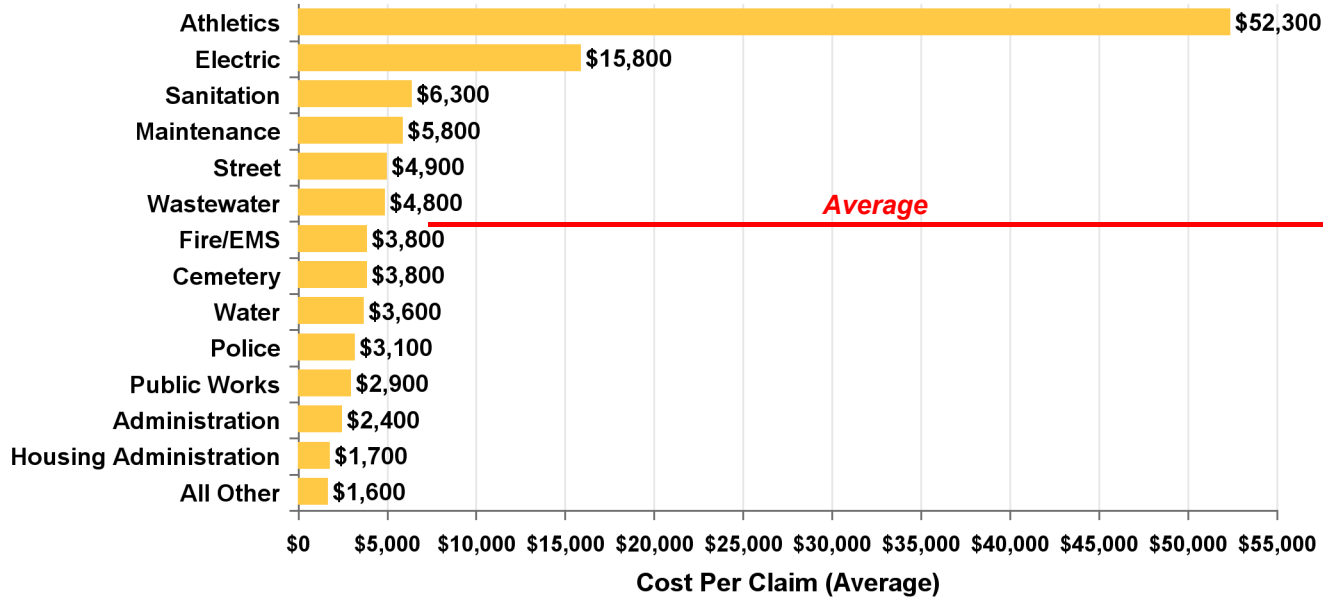
Severity & Frequency By Year



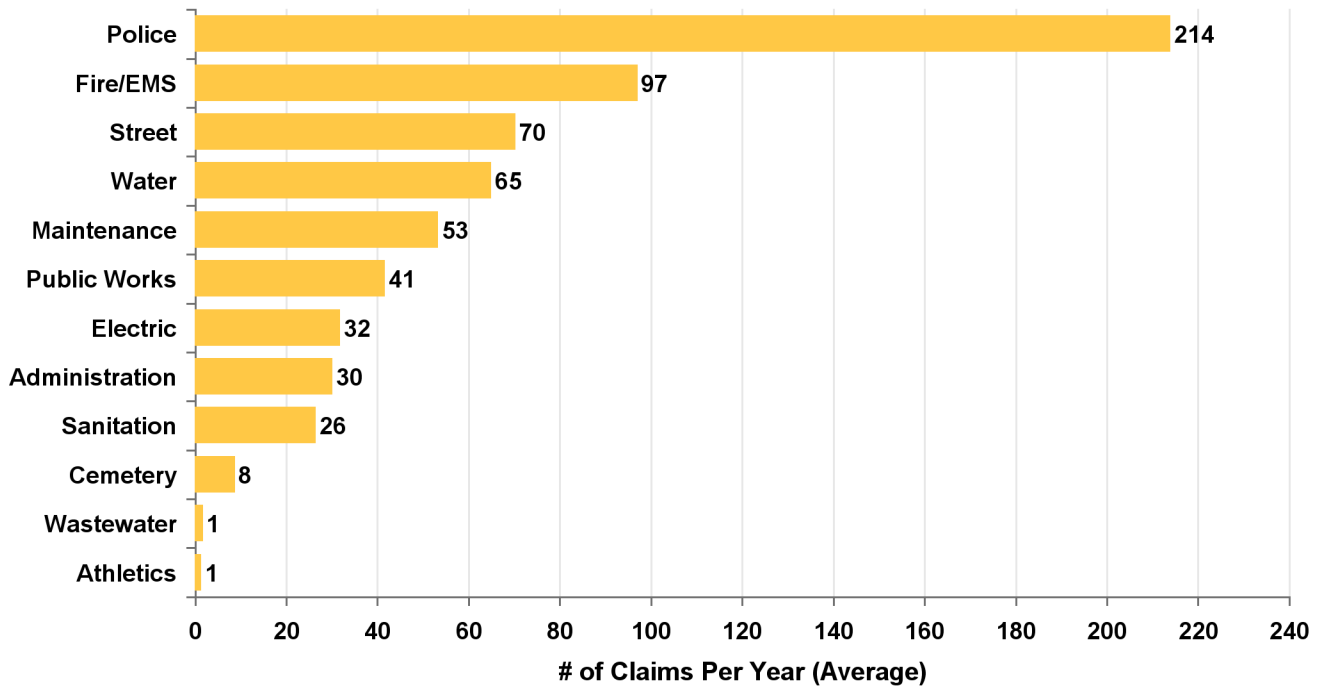
# KMIT Loss Control: Claim Trend Analysis By Department

Accident Date Range: 1/1/2014 to 5/31/2019  
Valued As Of 5/31/2019

## Average Severity Per Claim By Department



## Average Frequency Per Year By Department

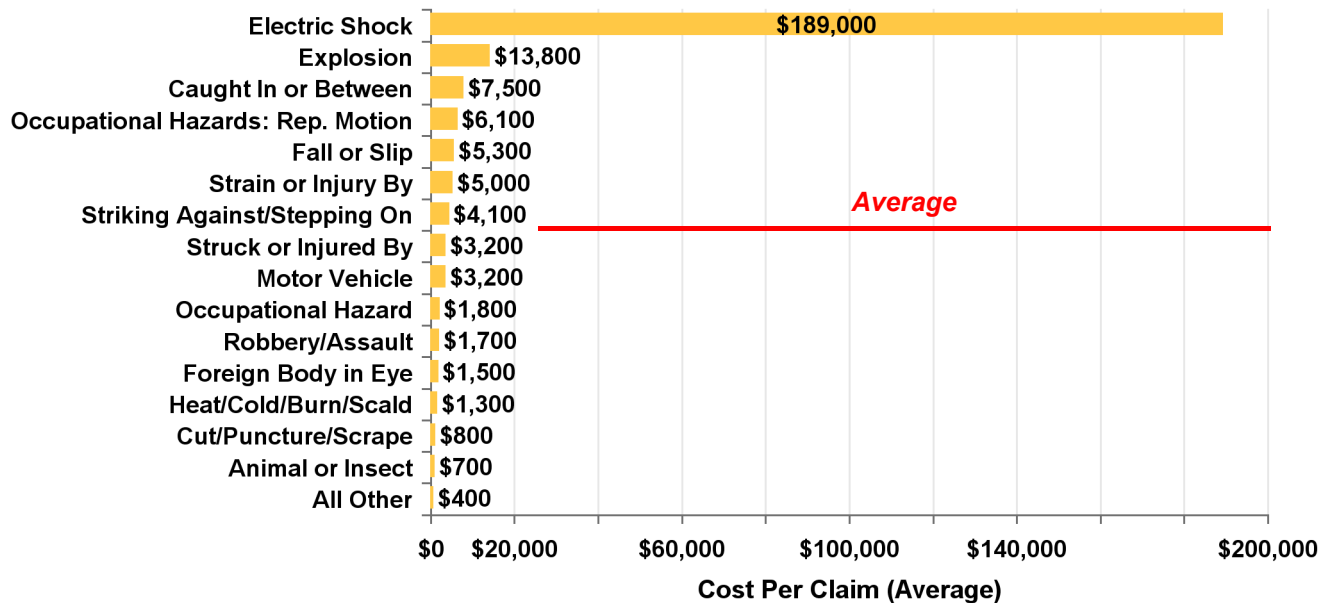


# KMIT Loss Control: Claim Trend Analysis By Accident Type

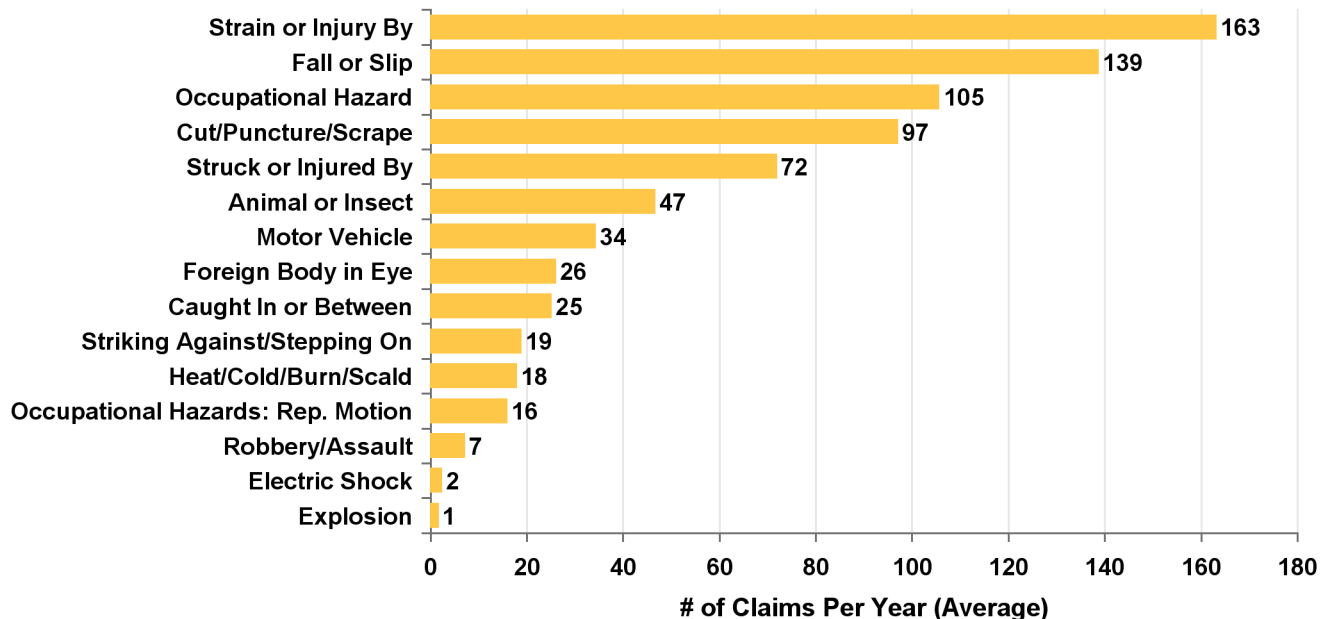
## Accident Date Range: 1/1/2014 to 5/31/2019

### Valued As Of 5/31/2019

#### Average Severity Per Claim By Accident Type



#### Average Frequency Per Year By Accident Type



**KMIT Loss Control: Large Loss Analysis**  
**Accident Date Range: 1/1/2014 to 5/31/2019**  
**Valued As Of 5/31/2019**

**Claims \$100,000 or Greater**

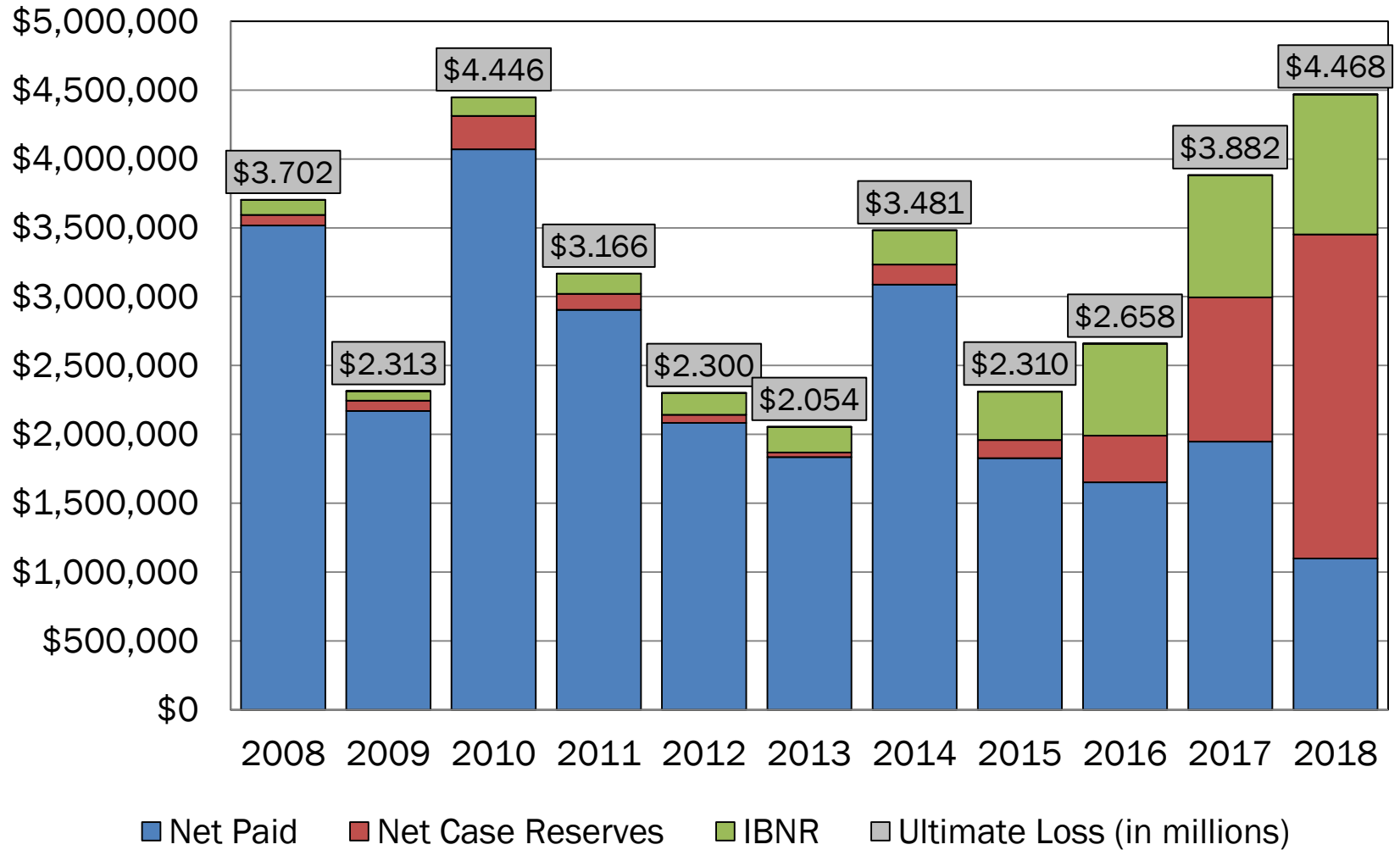
Rank	Policy Year	Claim Number	Accident Date	Claim Status	City/College	Department	Accident Type	Claim Cost
1	2014	2014048019	4/14/14	Open	Russell	Electric	Electric Shock	\$1,964,614
2	2015	2015071784	8/17/15	Open	Augusta	Sanitation	Caught In or Between	\$390,000
3	2017	17701681	12/21/17	Open	Arkansas City	Street	Caught In or Between	\$345,000
4	2018	18750143	12/11/18	Open	Parsons	Fire	Struck or Injured By	\$327,500
5	2018	18702074	1/1/18	Closed	Wamego	Fire	Fall or Slip	\$285,881
6	2017	2017076725	5/26/17	Open	Osawatomie	Street	Striking Against/Stepping On	\$273,500
7	2017	2017076443	5/2/17	Open	Fort Scott	Police	Occupational Hazard	\$270,000
8	2014	2014048312	6/11/14	Closed	Lucas	Maintenance	Electric Shock	\$247,481
9	2017	17700057	12/6/17	Open	Wellsville	Police	Fall or Slip	\$195,000
10	2016	2016074973	10/11/16	Open	Eudora	Water	Fall or Slip	\$176,073
11	2018	18714294	3/27/18	Open	Halstead	Maintenance	Fall or Slip	\$175,400
12	2014	2014069536	10/9/14	Open	Atchison	Maintenance	Strain or Injury By	\$172,500
13	2014	2014069578	10/7/14	Open	Minneapolis	Water	Foreign Body in Eye	\$137,201
14	2014	2014069973	12/5/14	Closed	Fredonia	Police	Motor Vehicle	\$134,795
15	2017	2017076629	5/24/17	Open	Bonner Springs	Police	Occupational Hazard	\$128,368
16	2014	2014048087	4/9/14	Closed	Arkansas City	Street	Strain or Injury By	\$124,830
17	2014	2014048340	6/16/14	Closed	Valley Center	Maintenance	Fall or Slip	\$122,460
18	2015	2015070934	4/17/15	Re-Open	Columbus	Street	Occupational Hazards: Rep. Motion	\$118,592
19	2016	2016073786	4/29/16	Re-Open	Atchison	Public Works	Strain or Injury By	\$111,731
20	2016	2016072899	1/7/16	Closed	La Cygne	Street	Strain or Injury By	\$105,289
21	2019	19770864	5/14/19	Open	Parsons	Sanitation	Fall or Slip	\$101,250
22	2017	17681918	8/1/17	Open	Bel Aire	Police	Motor Vehicle	\$100,500
<b>Totals - Claims \$100,000 or Greater</b>							<b>(22 Claims)</b>	<b>\$6,007,966</b>
							<b>Average:</b>	<b>\$273,089</b>

12/31/2018  
**Actuarial Analysis**  
Prepared By: Milliman, Inc.

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## Breakdown of Ultimate Loss by Year



**KMIT Net Ultimate Loss & ALAE  
Limited to Aggregate Retentions**

<b>Accident Year</b>	<b>Selected @ 12/31/18</b>	<b>Selected @ 12/31/17</b>	<b>Difference</b>
1994	\$742,241	\$742,241	\$0
1995	1,103,496	1,103,496	0
1996	837,044	836,631	413
1997	1,543,031	1,543,031	0
1998	1,328,630	1,328,630	0
1999	1,540,262	1,540,262	0
2000	1,604,039	1,580,308	23,731
2001	1,180,715	1,180,574	141
2002	1,340,826	1,340,826	0
2003	1,623,367	1,623,367	0
2004	2,510,899	2,519,541	(8,642)
2005	4,162,076	4,173,858	(11,782)
2006	2,911,448	2,914,845	(3,397)
2007	3,091,302	3,096,009	(4,707)
2008	3,701,954	3,853,904	(151,950)
2009	2,313,275	2,291,932	21,343
2010	4,445,555	4,474,712	(29,157)
2011	3,165,835	3,213,735	(47,900)
2012	2,299,693	2,360,121	(60,428)
2013	2,053,602	2,118,375	(64,773)
2014	3,507,993	3,496,474	11,519
2015	2,310,347	2,513,235	(202,888)
2016	2,658,144	3,014,634	(356,490)
2017	3,881,752	4,256,665	(374,913)
2018	4,468,390	3,731,314	737,076
<b>Total</b>	<b>\$60,325,916</b>	<b>\$60,848,720</b>	<b>\$(522,804)</b>

LOOKING FORWARD...

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## KANSAS MUNICIPAL WORKERS' COMPENSATION INSURANCE TRUST

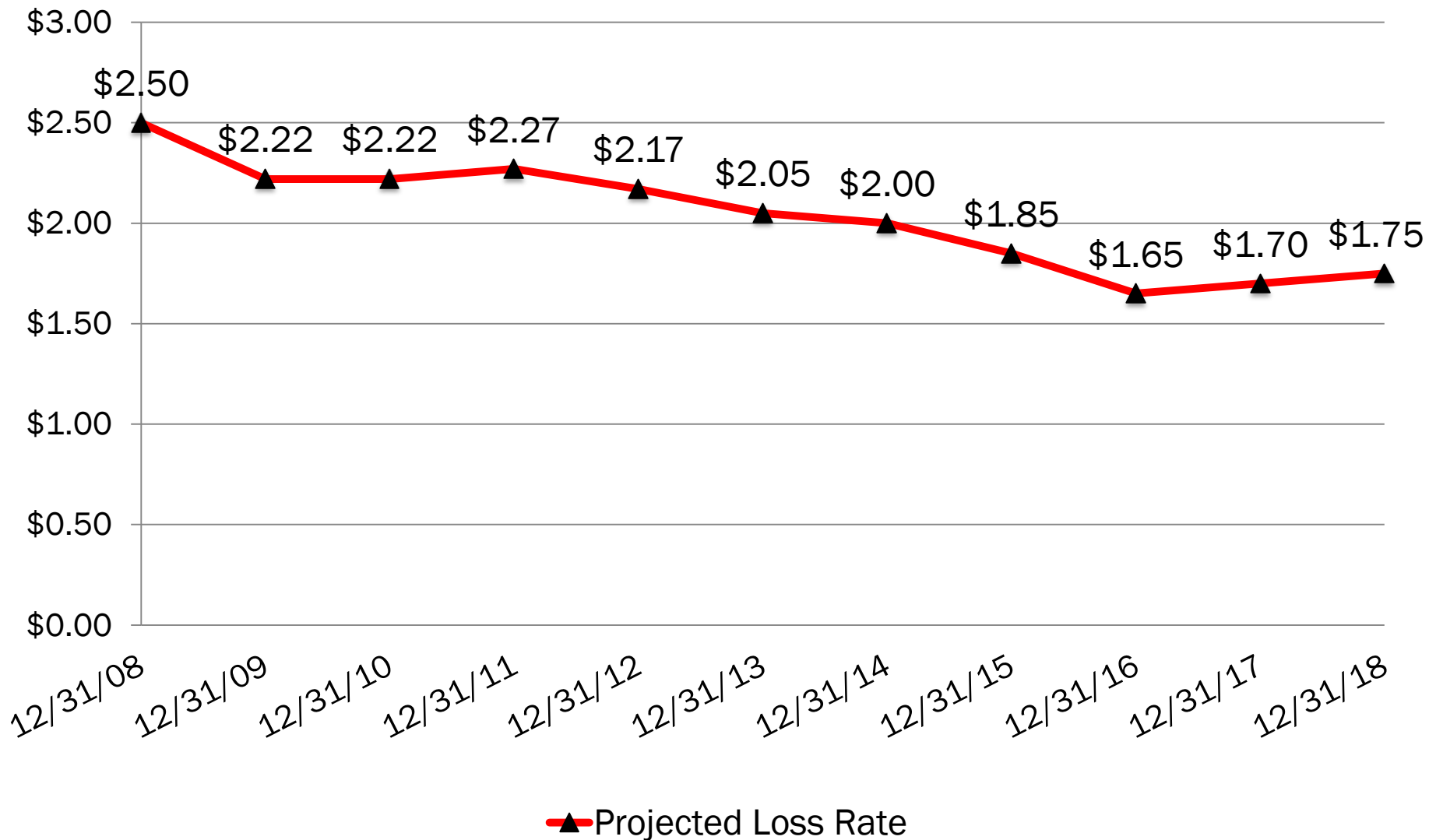
Workers' Compensation  
Projected 2019 Ultimate Loss & ALAE

	(1)	(2)	(3)	(4)	(5)	(6)	(7)
	Ultimate Loss & ALAE Gross of Aggregate	Payroll (\$00's)	Pure Premium	Increased Limits Factor to \$750,000*	Benefit Level Adjustment Factor	Trend Factor**	(3)x(4)x(5)x(6) Trended Pure Premium at \$750,000 Retention
Accident Year							
2006	\$2,911,448	\$1,399,227	2.08	1.000	1.064	1.00	2.21
2007	3,091,302	1,485,167	2.08	1.000	1.055	1.00	2.19
2008	3,701,954	1,588,854	2.33	1.000	1.031	1.00	2.40
2009	2,313,275	1,593,899	1.45	1.000	1.026	1.00	1.49
2010	4,445,555	1,606,836	2.77	1.000	1.035	1.00	2.87
2011	3,165,835	1,534,033	2.06	1.000	1.029	1.00	2.12
2012	2,299,693	1,596,327	1.44	1.000	1.024	1.00	1.47
2013	2,053,602	1,717,948	1.20	1.000	1.021	1.00	1.23
2014	3,507,993	1,867,135	1.88	1.000	1.007	1.00	1.89
2015	2,310,347	1,894,466	1.22	1.000	1.009	1.00	1.23
2016	2,658,144	1,939,128	1.37	1.000	1.005	1.00	1.38
2017	3,881,752	2,079,536	1.87	1.000	1.000	1.00	1.87
2018	4,468,390	2,303,657	1.94	1.000	1.000	1.00	1.94
Total	\$40,809,290	\$22,606,214	1.81			Weighted Average	1.85
						Avg L3	1.73
						Avg L2	1.91
						NCCI Kansas	1.23
(8)	2019 Selected Net Pure Premium						1.75
(9)	2019 Projected Payroll (\$00's)						\$2,307,581
(10)=(8)x(9)	Estimated KMIT 2019 Ultimate Losses and ALAE (Prior to Aggregate Excess Insurance)						\$4,038,267
(11)	Aggregate Retention for 2019						\$8,122,685
(12)=Min[(10),(11)]	Estimated KMIT 2019 Ultimate Losses and ALAE (Limited to Aggregate Retention)						\$4,038,267
(13)	Discount Factor at 2.0%						0.949
(14)=(12)x(13)	Present Value of Estimated KMIT 2019 Ultimate Losses and ALAE (Limited to Aggregate Retention)						\$3,832,315

\* Based on Kansas NCCI Filing.

\*\* Trended at 0.0% per year.

## Projected Loss Rate by Report Valuation Date



# KMIT Trustee Terms, 2001 - Present

pos	Name	City	Title	Appointed	Elect 1	Elect 2	Elect 3	Elect 4	term limit date	End Date
1	Gary Meagher	Lindsborg	City Administrator	Jun-98						Aug-98
1	Ron Pickman	Goodland	City Manager	N/A	Oct-98	Oct-00	Oct-02			Oct-04
1	Cheryl Beatty [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 <sup>1</sup>	Oct-10	Oct-12			Oct-14
1	<b>David Dillner</b>	<b>El Dorado<sup>5</sup></b>	<b>City Manager</b>	<b>N/A</b>	<b>Oct-14</b>	<b>Oct-16</b>	<b>Oct-18</b>		Oct-20	
2	Nancy Calkins	Ft. Scott	City Clerk	N/A	Oct-00					May-01
2	Keith DeHaven	Sedgwick	Mayor	Jun-01	Oct-01	Oct-03	Oct-05			Jun-07
2	Sasha Stiles	Andover	City Administrator	N/A	Oct-07	Oct-09	Oct-11			Oct-13
2	Kathy Axelson	Rose Hill	City Administrator	N/A	Oct-13					Mar-14
2	<b>Randy Frazer</b>	<b>Moundridge</b>	<b>City Adm/City Clerk</b>	<b>May-14</b>	<b>Oct-14<sup>1</sup></b>	<b>Oct-15</b>	<b>Oct-17</b>	<b>Oct-19</b>	Oct-21	
3	Cherise Tieben	Dodge City	HR Director	Jun-99	Oct-00					Oct-01
3	Larry Kenton	Dodge City	Risk Mgr	Oct-01 <sup>2</sup>	Oct-01 <sup>2</sup>					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					Dec-08
3	Daron Hall	Ulysses	City Administrator	Jun-09	Oct-09 <sup>1</sup>	Oct-10				Mar-12
3	Tim Hardy	Elkhart	City Administrator	Jun-11	Oct-12	Oct-14	Oct-16			Oct-18
3	<b>Andrew Finzen</b>	<b>Goodland</b>	<b>City Manager</b>	<b>N/A</b>	<b>Oct-18</b>	<b>Oct-20</b>	<b>Oct-22</b>		Oct-24	
4	Mark Arbuthnot	Abilene	City Manager	?	?					Oct-01
4	Carol Eddington	Oswego	Deputy City Clerk	N/A	Oct-01	Oct-03	Oct-05			Oct-07
4	Bobby Busch	Neodesha	City Clerk	N/A	Oct-07	Oct-09	Oct-11			Oct-13
4	Tim Vandall	Ellsworth	City Administrator	N/A	Oct-13					May-15
4	<b>Janie Cox</b>	<b>Haysville</b>	<b>City Clerk</b>	<b>N/A</b>	<b>Oct-15</b>	<b>Oct-17</b>	<b>Oct-19</b>		Oct-21	
5	Paul Sasse	Independence	City Manager	?	?					Oct-01
5	Cheryl Lanoue	Concordia	City Clerk	N/A	Oct-01	Oct-03	Oct-05			Aug-06
5	Sharon Brown	Clay Center	Mayor	N/A	Oct-06 <sup>1</sup>	Oct-07	Oct-09			Apr-11
5	Debbie Price	Marysville	City Clerk	Apr-10	Oct-11	Oct-13	Oct-15			Oct-17
5	<b>Greg DuMars</b>	<b>Lindsborg</b>	<b>City Administrator</b>	<b>N/A</b>	<b>Oct-17</b>	<b>Oct-19</b>	<b>Oct-21</b>		Oct-23	
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 Mooltz	Roeland Park	City Clerk/DOF	Dec-10	Oct-11 <sup>1</sup>	Oct-12				Aug-14
6	Nathan McCommon	Tonganoxie	City Manager	N/A	Oct-14					Oct-16
6	Mike Webb	Edwardsville	City Manager	N/A	Oct-16					May-18
6	<b>Jonathan Mitchell</b>	<b>Hoisington</b>	<b>City Manager</b>	<b>N/A</b>	<b>Oct-18</b>	<b>Oct-20</b>	<b>Oct-22</b>		Oct-24	
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 <sup>1</sup>	Oct-02	Oct-04	Oct-06		Oct-07
7	Larry Paine	Hillsboro	City Administrator	N/A	Oct-07 <sup>1</sup>	Oct-08	Oct-10	Oct-12		Oct-14
7	Kerry Rozman	Clay Center	City Clerk	N/A	Oct-14	Oct-16				June-18
7	<b>Hardy Howard</b>	<b>Wakeeney</b>	<b>City Administrator</b>	<b>N/A</b>	<b>Oct-18</b>	<b>Oct-20</b>	<b>Oct-22</b>		Oct-24	
8	Ted Stolfus	Bonner Spgs	Mayor	May-97	Oct-99					Apr-01
8	Nancy Calkins	Mission	City Clerk	Jun-01	Oct-01 <sup>4</sup>	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 <sup>1</sup>	Oct-08	Oct-10			Oct-11
8	Keith Schlaegel	Stockton	City Manager	N/A	Oct-11 <sup>1</sup>	Oct-12	Oct-14	Oct-16		Oct-18
8	<b>Kelly McElroy</b>	<b>Newton</b>	<b>Assist. City Mgr.</b>	<b>N/A</b>	<b>Oct-18</b>	<b>Oct-20</b>	<b>Oct-22</b>		Oct-24	
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 <sup>1</sup>	Oct-05	Oct-07	Oct-09		Oct-11
9	Clausie Smith	Bonner Spgs	Mayor	N/A	Oct-11					Apr-13
9	Fred Gress	Parsons	City Manager	Apr-13	Oct-13					Aug-14
9	<b>Ty Lasher</b>	<b>Bel Aire</b>	<b>City Manager</b>	<b>N/A</b>	<b>Oct-14<sup>1</sup></b>	<b>Oct-15</b>	<b>Oct-17</b>	<b>Oct-19</b>	Oct-21	
10	Tim Richards	Newton	Commissioner	Jul-97	Oct-97					Apr-99
10	Willis Heck	Newton	Mayor	May-99	Oct-99	Oct-01				Oct-03
10	Linda Jones	Osage City	City Clerk	N/A	Oct-03	Oct-05	Oct-07			Oct-09
10	Doug Gerber	Goodland	City Manager	Oct-09	Oct-11	Oct-13				Apr-14
10	Megan Fry	Pittsburg	HR Director	Mar-14	Oct-14 <sup>1</sup>					Jan-15
10	Jay Byers	Pittsburg	Assist. City Mgr.	Mar-15	Oct-15					Mar-16
10	Carey Simons	Pittsburg	Rec Dept	Mar-16	Oct-17	Oct-17				Sep-18
10	<b>Deb Needleman</b>	<b>Fort Scott</b>	<b>HRD</b>	<b>N/A</b>	<b>Oct-18</b>	<b>Oct-20</b>	<b>Oct-22</b>		Oct-24	
11	Jim Beadle	De Soto	Mayor	Jan-94	?					Jan-97
11	Kelly DeMeritt	Atchison	Assist. City Mgr	May-97	Oct-97	Oct-99	Oct-01			Oct-03
11	Bill Powers	Ulysses	City Administrator	N/A	Oct-03					Jan-04
11	Bud Newberry [2]	Derby	City Planner	Jan-04	Oct-04	Oct-05	Oct-07			Oct-09
11	Mac Manning	Peabody	City Adm/Clerk	Oct-09	Oct-11					Dec-12
11	Michelle Stegman	Garden City	HR Director	Jan-13	Oct-13					Apr-15
11	<b>Michael Reagel</b>	<b>Garden City</b>	<b>Police Captain</b>	<b>May-15</b>	<b>Oct-15</b>	<b>Oct-17</b>			Oct-19	

<sup>1</sup> One-year term

<sup>2</sup> Appointed to Board while at Elkhart; moved on to Ulysses in June '04; moved on to Derby in Dec '07

<sup>3</sup> First elected to the Board while in Kingman; moved on to Eudora in July '05

<sup>4</sup> First elected to the Board while in Ft. Scott; moved on to Mission in ?

<sup>5</sup> First elected to the Board while in Abilene; moved on to El Dorado in early 2017

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

# KANSAS MUNICIPAL INSURANCE TRUST

## Board of Trustees Minutes from February 22, 2019

*Approved in Coffeyville, April 26, 2019*

**Meeting Convened:** Friday, February 22, 2019, in City Hall, Lindsborg, KS. The meeting was called to order by KMIT Vice President Ty Lasher at 9:00 A.M.

**Absences/Quorum Declaration:** Lasher declared a quorum, while noting that President David Dillner (El Dorado) and Trustee Janie Cox (Haysville) were absent.

**Members Present:** *Board Members Present:* Vice President Ty Lasher (Bel Aire), Immediate Past President Randy Frazer (Moundridge), Treasurer Greg DuMars (Lindsborg), Michael Reagle (Garden City), Andrew Finzen (Goodland), Deb Needleman (Fort Scott), Jonathan Mitchell (Hoisington), Hardy Howard (WaKeeney), Kelly McElroy (Newton), and Jeff Morris (*Ex-Officio*, Coffeyville Community College). *Staff:* Barbie Kifer (CORnerstone), Kyle Johnston (CORnerstone), Jess Cornejo (CORnerstone), Chris Retter (IMA), Gene Miller (TRISTAR), and Don Osenbaugh (KMIT Pool Administrator). *Guest:* Brian Meek (KMU).

**Minutes Approval:** The minutes from the Wichita (IMA) meeting of December 7, 2018 were unanimously approved, following a motion by Mitchell and a second by Frazer.

### **Financial Reports (Kifer):**

1. November 30, 2018 Financials
2. December 31, 2018 Financials (pre-audit)
3. January 31, 2019 Financials
4. Fourth Quarter (12/31) 2018 KID Financial Report (pre-audit)
5. January 31, 2019 Cash/Investments Summary (Osenbaugh)

The motion to approve the above reports was made by Frazer; seconded by Howard. Approved unanimously.

**Reserve Advisory and Settlement Authority:** Miller presented the following claims--

1. Claim #2015070934 (Columbus). Settlement authority of \$65,000 F/F approved following motion by Frazer and second by Needleman. Unanimous.
2. Claim #2017076006 (Belleville). Settlement authority of \$45,000 F/F approved following motion by Frazer and second by Finzen. Unanimous.
3. Claim #18716644 (Hillsboro). Reserve Increase Advisory only.
4. Claim #18737516 (Dodge City). Reserve Increase Advisory only.
5. Claim #18745106 (Bonner Springs). Reserve Increase Advisory only.
6. Claim #18750143 (Parsons). Reserve Increase Advisory only.
7. Claim #18451304 (Arkansas City). Reserve Increase Advisory only.
8. Claim #18752018 (Oakley). Reserve Increase Advisory only.
9. Claim #19753282 (Eudora). Reserve Increase Advisory only.

Miller also shared news of a subrogation check, and also reported on the status of a claim complaint received by the KID.

**Annual Marketing Review:** Osenbaugh gave an overview of the 'primary' city market of KMIT—those cities between population of 1,000 and approximately 28,000, with Garden City at



the top end of the range, and briefly discussed KMIT's relative position within its identified market.

**Operating Policy #6—Agent Commission Increase:** Osenbaugh recommended this policy to increase the agent commission from 5% to 7%. Following discussion, Policy #6 was unanimously approved upon a motion by DuMars and a second by Needleman.

**Report of the Special Committee:** In President Dillner's absence, Osenbaugh and the Trustee members of the Committee (Lasher, DuMars, Frazer, Needleman and Morris) reported on the Special Committee meeting held on January 31/February 1, the sole purpose of which was to discuss the possibility of developing an 'RFP' for 'TPA' claims services. The Committee recommended hiring Jerry Smades (DBA, JaDe Consulting) to write the proposal and oversee the entire process of selecting a TPA provider for KMIT, for a period beginning on 1/1/20. [The current TPA contract with TRISTAR expires 12/31/19]. Following a motion by Mitchell and a second by Howard, the Board voted unanimously to contract with JaDe Consulting in the full proposed contract amount of \$4,250.

**Loss Control Activities:** Retter reviewed, and offered observations/analysis, concerning the data/information contained within the several risk control graphs and charts in the packets.

**KMU Presentation:** KMU Director of Safety and Training Brian Meek gave an overview of the safety programs offered by KMU, and touched on the mutual goals and strategies of KMU and KMIT, and how those synergies are being advantaged through cooperation between the two groups, and the benefits to our common clients.

**Administrator's Report:** Osenbaugh's brief report consisted of a quick comment or two on most of the various documents contained within the Off-Agenda portion of the meeting packet.

**Adjournment:** Motion to adjourn by Mitchell; second by DuMars. Unanimous. Adjourned at 12:08 P.M.

  
Don Osenbaugh, Pool Administrator (acting as Board-Designated Secretary)

# 2020 KMIT Trustee Meetings<sup>1</sup>

*Proposed*

February 28 (Friday)—**Newton**

April 24 (Friday)—**Goodland**<sup>2</sup>

June 26 (Friday)—**WaKeeney**<sup>2</sup>

August 28 (Friday)—**Bel Aire**<sup>3</sup>

October 11 (Sunday)—**Overland Park**<sup>4</sup> (at LKM Conf)

December xx (Friday)—**Wichita** (at IMA)

<sup>1</sup> All meetings (except OP), start at 9AM, with rolls/coffee at 8:30. There is a dinner the evening before each meeting.

<sup>2</sup> There will be a 'Supervisor Seminar' the afternoon before (Thursday) in the same city.

<sup>3</sup> There will be a 'Supervisor Seminar' the afternoon before (Thursday) in Newton.

<sup>4</sup> The Overland Park meeting will be very short, and will immediately follow the KMIT Annual Meeting.

# 2020 Supervisor Seminar Schedule

*Proposed*

April 23 (Thursday, 1-4)—**Goodland**<sup>1</sup>

June 25 (Thursday, 1-4)—**WaKeeney**<sup>1</sup>

August 27 (Thursday, 1-4)—**Newton**<sup>2</sup>

September ? (day/time? )—**Eudora**

September ? (day/time? )—**Pittsburg**

<sup>1</sup> Trustee Meeting in the same city the next day.

<sup>2</sup> Trustee Meeting in Bel Aire the next day.



## MILLIMAN CLIENT REPORT

### Kansas Municipal Insurance Trust

Actuarial Analysis of Funding and Unpaid Claim Liabilities

As of December 31, 2018

Prepared for: Mr. Don Osenbaugh  
Pool Administrator

March 25, 2019

Mindy M. Steichen, FCAS, MAAA  
Principal and Consulting Actuary



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## Introduction

Milliman, Inc. (Milliman) has been retained by the Kansas Municipal Insurance Trust (“KMIT” or the “Trust”) to conduct an actuarial analysis to:

- Estimate the unpaid claim liabilities as of December 31, 2018;
- Provide funding estimates for 2019; and
- Provide the above funding estimates on a discounted basis and at various probability levels.

The purpose of our analysis is to assist the Trust in preparing its financial statements. Our analysis is based on data evaluated as of December 31, 2018 and information provided through the date of this report.

The Trust is an interlocal governmental agency formed for the purpose of establishing and administering a group funded workers’ compensation pool pursuant to the provisions of Kansas state law governing labor and industries. The Trust began operations on January 1, 1994 and provides a comprehensive workers’ compensation insurance program for participating members of the League of Kansas Municipalities. In addition to insurance coverage, the program provides risk management services with an emphasis on loss control, claims administration and management information services.

KMIT limits its exposure to loss by purchasing both per occurrence and aggregate excess insurance. A summary of KMIT’s excess insurance program is provided on Exhibit 1.

Our estimates are provided on an undiscounted and discounted basis with respect to the time value of money. Our estimates are net of insurance recoverables and include defense and cost containment expenses (ALAE), but do not include other claims administration expenses.

It is our understanding KMIT changed TPA administrators and claims systems in 2017. This may cause a change in reserving philosophies and length of time claims remain open. At this time, we do not believe these changes have materially affected our analysis, but will continue to monitor these potential changes in the future. There have been no other material changes in procedures, methodology or significant assumptions used in deriving our estimates since our last analysis performed as of December 31, 2017.

In this report, we are using the terms “loss” or “unpaid claim liability” to represent the sum of the medical loss, indemnity loss and allocated loss adjustment expense (ALAE) components on each claim, unless otherwise noted. Certain items are not considered, specifically administrative costs and the overhead costs of claims handling (commonly referred to as unallocated loss adjustment expenses or ULAE).

Mindy M. Steichen is a Principal and Consulting Actuary for Milliman. Mindy is a Fellow of the Casualty Actuarial Society and a Member of the American Academy of Actuaries (AAA) and meets the Qualification Standards of the AAA to render the actuarial opinion contained herein.

## Limited Distribution of Results

Milliman's work has been prepared solely for the internal use of KMIT. No portion of Milliman's work may be provided to any other party without Milliman's prior written consent. Milliman does not intend to benefit or create a legal duty to any third party recipient of its work. Milliman's work may not be filed with the SEC or other securities regulatory bodies. In addition, references to Milliman or its estimates in communication with third parties are not authorized.

Milliman's consent to release its work product to any third party may be conditioned on the third party signing a third party release agreement, subject to the following exceptions:

- (a) KMIT may provide a copy of Milliman's work to its auditor to be used solely for audit purposes. In the event the audit reveals any error or inaccuracy in the data underlying Milliman's work, Milliman requests the auditor or KMIT notify Milliman as soon as possible.
- (b) KMIT may provide a copy of Milliman's work to governmental entities, as required by law.

In the event Milliman consents to release its work product, it must be provided in its entirety. We recommend that any such party have its own actuary or other qualified professional review the work product to ensure that the party understands the assumptions and uncertainties inherent in our estimates. No third party recipient of Milliman's work product should rely upon Milliman's work product.

Any reader of this report agrees that they shall not use Milliman's name, trademarks or service marks, or refer to Milliman directly or indirectly in any third party communication without Milliman's prior written consent for each such use or release, which consent shall be given in Milliman's sole discretion.

## Summary of Results

Our estimates of KMIT's ultimate loss and ALAE are shown by accident year in the table below, along with estimates from our last analysis. In total, our estimates have decreased by approximately \$523,000 since our last analysis. Favorable experience in most of the accident years through 2017, was partially offset by adverse development primarily in the 2018 accident year. Accident year 2018 experienced three claims greater than \$175,000 which contributed to the adverse development. It is our understanding that two of these claims in the 2018 accident year are settled or close to settling, thereby mitigating some of the potential future adverse development.

### KMIT Net Ultimate Loss & ALAE Limited to Aggregate Retentions

Accident Year	Selected @ 12/31/18	Selected @ 12/31/17	Difference
1994	\$742,241	\$742,241	\$0
1995	1,103,496	1,103,496	0
1996	837,044	836,631	413
1997	1,543,031	1,543,031	0
1998	1,328,630	1,328,630	0
1999	1,540,262	1,540,262	0
2000	1,604,039	1,580,308	23,731
2001	1,180,715	1,180,574	141
2002	1,340,826	1,340,826	0
2003	1,623,367	1,623,367	0
2004	2,510,899	2,519,541	(8,642)
2005	4,162,076	4,173,858	(11,782)
2006	2,911,448	2,914,845	(3,397)
2007	3,091,302	3,096,009	(4,707)
2008	3,701,954	3,853,904	(151,950)
2009	2,313,275	2,291,932	21,343
2010	4,445,555	4,474,712	(29,157)
2011	3,165,835	3,213,735	(47,900)
2012	2,299,693	2,360,121	(60,428)
2013	2,053,602	2,118,375	(64,773)
2014	3,507,993	3,496,474	11,519
2015	2,310,347	2,513,235	(202,888)
2016	2,658,144	3,014,634	(356,490)
2017	3,881,752	4,256,665	(374,913)
2018	4,468,390	3,731,314	737,076
<b>Total</b>	<b>\$60,325,916</b>	<b>\$60,848,720</b>	<b>\$(522,804)</b>

Unpaid claim liabilities are derived by subtracting loss and ALAE paid to date from the estimated ultimate loss and ALAE.

The following table displays our estimates of KMIT's net unpaid claim liabilities as of December 31, 2018:

**KMIT Net Unpaid Claim Liabilities  
As of December 31, 2018**

<b>Accident Year</b>	<b>Case Reserves</b>	<b>IBNR*</b>	<b>Total Unpaid</b>
1994	\$0	\$0	\$0
1995	0	0	0
1996	0	0	0
1997	0	0	0
1998	0	0	0
1999	7,229	(7,010)	219
2000	27,510	0	27,510
2001	0	0	0
2002	0	0	0
2003	0	0	0
2004	37,737	30,048	67,785
2005	134,697	31,508	166,205
2006	63,639	51,394	115,033
2007	105,363	56,731	162,094
2008	77,312	107,427	184,739
2009	75,386	67,900	143,286
2010	241,269	133,529	374,798
2011	116,663	145,623	262,286
2012	59,907	157,635	217,542
2013	32,725	185,414	218,139
2014	145,780	274,544	420,324
2015	132,384	350,791	483,175
2016	338,402	668,218	1,006,620
2017	1,048,304	886,181	1,934,485
2018	2,353,695	1,016,372	3,370,067
<b>Total</b>	<b>\$4,998,002</b>	<b>\$4,156,305</b>	<b>\$9,154,307</b>

\* The 1999 year incurred and paid losses exceed the aggregate retention. Ultimately KMIT should recover losses excess of the aggregate retention from Safety National.

The total unpaid claim liability includes a provision for case reserves, expected development of case reserves, incurred but not reported (IBNR) reserves, allocated loss adjustment expense reserves and excess insurance recoveries. We have not estimated a provision for claims administration expenses. The estimates in the above table are net of KMIT's excess insurance protection, and are shown on an undiscounted (full value) basis. We have not included a provision for KMIT's exposure above its aggregate excess insurance.

The estimates presented above can be characterized as actuarial central estimates and represent an expected value over a range of reasonably possible outcomes. They do not reflect all conceivable extreme events where the contribution of such events to an expected value is not reliably estimable. The estimates are not defined by a precise statistical measure (i.e., mean, median, mode, etc.), but are selected from multiple indications produced by a variety of generally accepted actuarial methods.

Our actuarial central estimate of KMIT's ultimate loss for the January 1, 2019 to December 31, 2019 fund year is \$4.0 million on an undiscounted basis and \$3.8 million discounted at a yield rate of 2.0%. The following table displays our estimated funding amounts at various probability levels:

**KMIT 2019 Fund Year  
Limited to \$750,000 Per Occurrence and  
\$8,122,685 Aggregate Retention**

<b>Probability Level</b>	<b>Undiscounted</b>	<b>Discounted @ 2.0%</b>
95%	\$8,122,685	\$7,708,428
85%	6,340,079	6,016,735
75%	5,088,216	4,828,717
65%	4,280,563	4,062,254
<b>Actuarial Central Estimate</b>	<b>4,038,267</b>	<b>3,832,315</b>

## General Approach

We used four projection techniques to develop estimates of the ultimate losses. The unpaid claim liability was then derived by subtracting losses paid as of December 31, 2018 from the estimated ultimate losses. The following methods were used to project ultimate losses:

- Incurred loss development projection;
- Paid loss development projection;
- Incurred Bornhuetter-Ferguson projection; and
- Paid Bornhuetter-Ferguson projection.

### ***Loss Development Methods***

Incurred losses are defined as paid losses plus reported reserves on open claims (case reserves). The incurred loss development method derives an estimate of ultimate losses by multiplying the incurred losses by an incurred loss development factor. The loss development factor reflects expected development from late reported claims (IBNR) and reopened claims, as well as from changes in the aggregate value of case reserves as accident years mature. When necessary, we have supplemented KMIT's historical experience with external data sources in selecting development factors (Exhibit 2). Specifically, we referenced insurance industry experience for workers' compensation business in Kansas and countrywide.

The paid loss development method derives an estimate of ultimate losses by multiplying paid losses by a paid loss development factor. Again, we considered Kansas and countrywide workers' compensation experience in our selection of paid loss development factors (Exhibit 4). The paid loss development factors reflect the expected relationship between ultimate losses and paid losses through December 31, 2018.

Exhibits 3 and 5 display the results of the incurred and paid loss development projections.

### ***Bornhuetter-Ferguson Methods***

The Incurred Bornhuetter-Ferguson method derives ultimate losses by adding an estimated IBNR amount to the losses reported to date. The estimated IBNR was based on an initial estimate of the ultimate losses (a priori estimate) and an estimated reporting pattern for incurred losses. The a priori loss estimates for fund years 1994 through 2018 were based on our December 31, 2017 analysis of ultimate losses.

We relied on the development pattern underlying the incurred loss development projection method to select a reporting pattern. Specifically, the estimated percentage unreported is equal to one minus the reciprocal of the cumulative incurred loss development factor. Estimated ultimate losses were then derived by adding the estimated IBNR to the incurred losses as of December 31, 2018.

The Paid B-F method derives ultimate losses by adding an estimated unpaid amount to the paid losses to date. The estimated unpaid loss was calculated by taking one minus the reciprocal of the cumulative paid loss development factor multiplied by the a priori loss estimate.

Exhibits 6 and 7 display the results of the incurred and paid B-F projections.

Based on the projection methods outlined above, we selected the net ultimate loss estimates by accident year, as displayed on Exhibit 8.



***Unpaid Claim Liabilities***

The unpaid claim liability was derived by subtracting the cumulative paid loss and ALAE through December 31, 2018 from the estimated ultimate loss and ALAE. Exhibit 9 displays the calculation of the net unpaid claim liabilities, as well as the net IBNR, which is equal to the total net unpaid claim liabilities less the net case reserves as of December 31, 2018.

The negative IBNR amount in the 1999 fund year is due to the fact that incurred losses exceed the aggregate retention for that year. KMIT expects to fully recover the losses excess of the aggregate retention from its excess insurer. KMIT has made payments and has case reserves in excess of the aggregate retention. IBNR for 1999 reflects aggregate recoveries already received of \$114,248. Additional recoveries are expected.

## Funding Analysis

Exhibit 10 derives our projection of KMIT's ultimate losses for accident year 2019. Our projections were based on KMIT's historical loss experience as well as aggregate Kansas workers' compensation loss experience (adjusted to reflect KMIT's risk profile). Our selected ultimate losses were used to calculate pure premiums (ultimate loss per \$100 payroll) for accident years 2006 through 2018. These pure premiums were adjusted for:

- Changes in the self-insured retention (if applicable);
- Changes in benefit levels (Exhibit 11); and
- Trends in average claim costs (0.0% per year).

The selected 2019 pure premium (row 8) was multiplied by the projected 2019 payroll to estimate the ultimate loss, prior to aggregate excess insurance (row 10).

We have provided funding estimates on both an undiscounted and a discounted basis. Undiscounted values are the nominal estimates of claims to be paid in the future and do not reflect the time value of money. The discounted value reflects the amount of assets which, when combined with investment earnings on these assets assumed to accumulate at a specified yield rate, are estimated to be sufficient to pay all claims. We used a 2.0% yield assumption, as provided by KMIT. The selected payout pattern is shown on Exhibit 12, and the resulting present value factor is displayed on Exhibit 13.

It is not uncommon for self-insured entities to fund at levels which include a margin for adverse loss experience. One way to accomplish this is to fund at a probability level greater than the actuarial central estimate. For purposes of developing estimates at various probability levels, the actuarial central estimates presented in this report (both undiscounted and discounted) represent expected value estimates. As such, when the ultimate cost of the claims is known, there is approximately an equal probability that the actual value will be higher or lower than the estimated value. To estimate liabilities at various probability levels, we relied on an insurance industry based distribution of aggregate workers' compensation losses, adjusted to reflect characteristics of KMIT's loss experience. The resulting unpaid claim liabilities at various probability levels are displayed on Exhibit 14.

We know of no specific requirement that a public entity fund at a given probability level. The funding level is a reflection of the entity's risk tolerance, as well as the availability of funds from other sources in the event the self-insurance fund falls short of the paid amounts. There is always a chance that the balance in the fund will not be sufficient to meet the claims that will be charged against it. While we believe a self-insured entity should recognize the potential risk of assuming its own claim liabilities, there is no simple formula that we know of to decide how much self-insured exposure is prudent. Of course, budget and risk considerations may play a role in the decision.

The range of values displayed in the exhibits (in particular the 95<sup>th</sup> percentile) does not represent the highest or lowest possible values of the discounted loss and ALAE claim liabilities. Potential variation around these values exists, both due to uncertainty with respect to the amount, as well as timing of future payments along with the investment yield.

## Qualifications and Limitations

The actuarial methodology used in this report assumes that case reserves on reported claims are consistently estimated based on current facts known about the claims as of the date of valuation. No independent review of any specific claim files has been performed by Milliman.

In estimating KMIT's unpaid claim liabilities, it is necessary to project future loss and ALAE payments. It is certain that actual future losses and ALAE will not develop exactly as projected and may vary significantly from our projections. Further, our projections make no provision for future emergence of new classes of losses or types of losses (such as cumulative trauma claims), which are not sufficiently represented in KMIT's historical database or which are not yet quantifiable.

In performing this analysis, we have relied on data and other information provided to us by KMIT. We have not audited or verified this data and other information. If the underlying data or information 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 performed a limited review of the data used directly in our analysis for reasonableness and consistency and have not found material defects in the data. 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 was beyond the scope of our assignment.

The sensitivity of key variables in this analysis was considered. Key variables include the selected loss development tails, trend factors, and pure premiums. The overall results are potentially sensitive to these key variables, and reasonable alternative selections could change the results in either direction.

KMIT's data was supplemented with insurance industry data where deemed necessary, such as loss development factors where credible data was not available. The use of external data is another source of uncertainty in our estimates.

The emergence of individual large losses (or changes in case reserves on existing open claims) could materially change our results. We cannot predict the timing of large losses, but their possibility increases the uncertainty inherent in our estimates.

Milliman is not expressing an opinion as to the appropriateness of discounting KMIT's unpaid claims liabilities for financial reporting. We have not examined KMIT's current investment portfolio nor its current investment philosophy. In estimating KMIT's discounted loss reserves, we used an annual effective interest rate of 2.0%. The interest rate was provided to us by KMIT and is based on its assessment of its investment returns. KMIT selected the interest rate because KMIT has greater familiarity with the potential investment returns on its assets. The selected interest rate does not conflict significantly with what, in our opinion, would be reasonable for the purpose of this assignment.

Future rates of return are not guaranteed and may exceed or fall below the assumed rate. Also, the actual timing of loss payments is subject to variability. Differences between actual and expected rates of return and timing of payments from those underlying our estimates may have a material effect on the amount of the discount. Further, our projections assume the existence of valid assets underlying the unpaid claim liabilities and that these assets are appropriate to meet the cash flow needs of KMIT. We have not reviewed the held assets.

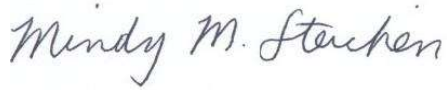
Finally, KMIT insures part of its exposure to limit its liability for losses. Our estimates are presented on a net basis with respect to excess and aggregate insurance recoverables. We have not made any provisions for uncollectible excess or aggregate insurance.

We did not review the actual excess and aggregate insurance contracts of KMIT but relied on summaries of the terms of the contracts provided by KMIT. Our results, net of excess insurance, assume that all excess insurance is valid and collectible. We are not able to assess the potential for uncollectible excess insurance without performing a substantial amount of additional work beyond the scope of our assignment. We have not anticipated any contingent liabilities that could arise if the excess insurers do not meet their obligations to KMIT as reflected in the data and other information provided to us.

## Closing

We appreciate the opportunity to again be of service to the Kansas Municipal Insurance Trust. If you have any questions on our report, please do not hesitate to contact us.

Sincerely,

A handwritten signature in dark ink that reads "Mindy M. Steichen". The signature is written in a cursive, flowing style.

Mindy M. Steichen, FCAS, MAAA  
Principal and Consulting Actuary

MMS/bas

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**KANSAS MUNICIPAL WORKERS' COMPENSATION INSURANCE TRUST**  
**Workers' Compensation**  
**Summary of Excess Insurance Program**

Insurance Period	Per Claim Retention	Aggregate Retention	Excess Insurance Policy Limit
1/1/94-12/31/95 *	\$250,000	\$2,376,391	\$5,000,000
1/1/96-12/31/96	250,000	1,796,589	5,000,000
1/1/97-12/31/97	250,000	1,543,031	5,000,000
1/1/98-12/31/98	250,000	1,472,773	3,000,000
1/1/99-12/31/99	250,000	1,540,262	3,000,000
1/1/00-12/31/00	250,000	1,702,335	3,000,000
1/1/01-12/31/01	250,000	2,045,088	3,000,000
1/1/02-12/31/02	300,000 **	2,720,504	3,000,000
1/1/03-12/31/03	300,000 ***	3,218,926	3,000,000
1/1/04-12/31/04	500,000	4,544,300	3,000,000
1/1/05-12/31/05	500,000	5,602,842	3,000,000
1/1/06-12/31/06	750,000	4,978,483	3,000,000
1/1/07-12/31/07	750,000	4,920,798	3,000,000
1/1/08-12/31/08	750,000	5,448,469	3,000,000
1/1/09-12/31/09	750,000	5,503,943	3,000,000
1/1/10-12/31/10	750,000	5,517,871	3,000,000
1/1/11-12/31/11	750,000	5,397,530	3,000,000
1/1/12-12/31/12	750,000	5,619,072	3,000,000
1/1/13-12/31/13	750,000	6,047,177	3,000,000
1/1/14-12/31/14	750,000	6,550,307	3,000,000
1/1/15-12/31/15	750,000	6,994,827	3,000,000
1/1/16-12/31/16	750,000	6,825,730	3,000,000
1/1/17-12/31/17	750,000	7,319,968	3,000,000
1/1/18-12/31/18	750,000	8,119,423	3,000,000
1/1/19-12/31/19	\$750,000	\$8,122,685	\$3,000,000

\* For the 1994 & 1995 years, the aggregate retention of \$2.4M is applicable on a combined basis.

\*\* The Retention for Class Code 7539 is \$350,000 and \$300,000 for all other Class Codes.

\*\*\* The Retention for Class Code 7539 is \$400,000 and \$300,000 for all other Class Codes.

KANSAS MUNICIPAL WORKERS' COMPENSATION INSURANCE TRUST  
Workers' Compensation  
Incurred Medical & Indemnity Loss & ALAE Limited to Per Claim Retentions

Accident Year	12	24	36	48	60	72	84	96	108	120	132	144	156	168	180	192	204	216	228	240	252	264	276	288	300
1994	549,504	752,689	775,594	743,060	742,241	742,241	742,241	742,241	742,241	742,241	742,241	742,241	742,241	742,241	742,241	742,241	742,241	742,241	742,241	742,241	742,241	742,241	742,241	742,241	742,241
1995	544,387	1,083,821	1,098,272	1,108,380	1,102,723	1,103,118	1,103,118	1,103,118	1,103,118	1,103,118	1,103,118	1,103,118	1,103,118	1,103,118	1,103,118	1,103,118	1,103,118	1,103,118	1,103,496	1,103,496	1,103,496	1,103,496	1,103,496	1,103,496	1,103,496
1996	546,209	680,655	739,696	656,552	656,495	836,460	836,493	836,493	836,493	836,631	836,631	836,631	836,631	836,631	836,631	836,631	836,631	836,631	836,631	836,631	836,631	836,631	836,631	836,631	836,631
1997	1,315,384	1,548,834	1,787,838	1,749,009	1,747,333	1,775,940	1,807,342	1,807,365	1,808,816	1,808,816	1,808,816	1,808,816	1,808,816	1,808,816	1,808,816	1,808,816	1,808,816	1,808,816	1,808,816	1,808,816	1,808,816	1,808,816	1,808,816	1,808,816	1,808,816
1998	715,614	999,500	1,091,244	1,084,938	1,120,177	1,183,709	1,218,855	1,310,767	1,328,630	1,328,630	1,328,630	1,328,630	1,328,630	1,328,630	1,328,630	1,328,630	1,328,630	1,328,630	1,328,630	1,328,630	1,328,630	1,328,630	1,328,630	1,328,630	1,328,630
1999	725,540	1,112,731	1,302,534	1,460,666	1,512,637	1,504,443	1,552,010	1,573,510	1,642,112	1,646,612	1,646,612	1,646,612	1,646,612	1,646,612	1,646,612	1,646,612	1,646,612	1,646,612	1,646,612	1,646,612	1,646,612	1,646,612	1,646,612	1,646,612	1,646,612
2000	698,850	1,036,064	1,205,669	1,239,967	1,296,491	1,317,123	1,355,755	1,411,001	1,418,001	1,418,001	1,523,001	1,574,576	1,574,576	1,574,576	1,574,576	1,574,576	1,574,576	1,574,576	1,574,576	1,574,576	1,574,576	1,574,576	1,574,576	1,574,576	1,574,576
2001	815,645	1,128,688	1,199,118	1,191,746	1,192,490	1,191,746	1,192,490	1,192,490	1,192,490	1,192,490	1,192,490	1,192,490	1,192,490	1,192,490	1,192,490	1,192,490	1,192,490	1,192,490	1,192,490	1,192,490	1,192,490	1,192,490	1,192,490	1,192,490	1,192,490
2002	1,054,829	1,477,212	1,365,075	1,343,505	1,343,505	1,343,505	1,343,505	1,343,505	1,343,505	1,343,505	1,343,505	1,343,505	1,343,505	1,343,505	1,343,505	1,343,505	1,343,505	1,343,505	1,343,505	1,343,505	1,343,505	1,343,505	1,343,505	1,343,505	1,343,505
2003	1,282,114	1,607,815	1,593,726	1,591,103	1,598,258	1,598,258	1,598,258	1,598,258	1,598,258	1,598,258	1,598,258	1,598,258	1,598,258	1,598,258	1,598,258	1,598,258	1,598,258	1,598,258	1,598,258	1,598,258	1,598,258	1,598,258	1,598,258	1,598,258	1,598,258
2004	1,293,267	2,063,658	2,133,976	2,318,109	2,344,150	2,360,188	2,365,072	2,365,072	2,365,072	2,365,072	2,365,072	2,365,072	2,365,072	2,365,072	2,365,072	2,365,072	2,365,072	2,365,072	2,365,072	2,365,072	2,365,072	2,365,072	2,365,072	2,365,072	2,365,072
2005	2,233,412	3,244,786	3,358,164	3,440,441	3,599,488	3,603,227	3,761,251	3,841,672	3,893,333	3,896,316	3,946,643	3,946,643	3,946,643	3,946,643	3,946,643	3,946,643	3,946,643	3,946,643	3,946,643	3,946,643	3,946,643	3,946,643	3,946,643	3,946,643	3,946,643
2006	1,652,427	2,506,421	2,521,407	2,622,453	2,621,186	2,702,302	2,761,620	2,829,620	2,829,037	2,829,037	2,829,037	2,829,037	2,829,037	2,829,037	2,829,037	2,829,037	2,829,037	2,829,037	2,829,037	2,829,037	2,829,037	2,829,037	2,829,037	2,829,037	2,829,037
2007	1,674,625	2,331,829	2,439,995	2,589,099	2,764,193	2,795,735	2,870,662	2,960,162	3,028,959	3,039,146	3,028,571	3,034,571	3,034,571	3,034,571	3,034,571	3,034,571	3,034,571	3,034,571	3,034,571	3,034,571	3,034,571	3,034,571	3,034,571	3,034,571	3,034,571
2008	2,436,655	3,008,881	3,206,923	3,312,358	3,392,219	3,475,316	3,480,497	3,612,992	3,691,355	3,764,360	3,594,527	3,594,527	3,594,527	3,594,527	3,594,527	3,594,527	3,594,527	3,594,527	3,594,527	3,594,527	3,594,527	3,594,527	3,594,527	3,594,527	3,594,527
2009	1,394,062	2,103,767	2,053,555	2,131,483	2,223,547	2,190,325	2,175,452	2,176,243	2,191,683	2,245,375	2,245,375	2,245,375	2,245,375	2,245,375	2,245,375	2,245,375	2,245,375	2,245,375	2,245,375	2,245,375	2,245,375	2,245,375	2,245,375	2,245,375	2,245,375
2010	2,362,300	3,183,354	3,678,422	3,624,648	3,813,725	3,960,305	4,123,502	4,294,526	4,312,026	4,312,026	4,312,026	4,312,026	4,312,026	4,312,026	4,312,026	4,312,026	4,312,026	4,312,026	4,312,026	4,312,026	4,312,026	4,312,026	4,312,026	4,312,026	4,312,026
2011	2,198,429	2,404,188	2,475,634	2,812,895	2,853,648	3,013,056	3,014,712	3,020,212	3,020,212	3,020,212	3,020,212	3,020,212	3,020,212	3,020,212	3,020,212	3,020,212	3,020,212	3,020,212	3,020,212	3,020,212	3,020,212	3,020,212	3,020,212	3,020,212	3,020,212
2012	1,359,817	1,686,437	1,766,421	2,045,879	2,162,823	2,153,458	2,142,068	2,142,068	2,142,068	2,142,068	2,142,068	2,142,068	2,142,068	2,142,068	2,142,068	2,142,068	2,142,068	2,142,068	2,142,068	2,142,068	2,142,068	2,142,068	2,142,068	2,142,068	2,142,068
2013	1,503,391	1,723,903	1,826,896	1,830,317	1,870,606	1,868,188	1,868,188	1,868,188	1,868,188	1,868,188	1,868,188	1,868,188	1,868,188	1,868,188	1,868,188	1,868,188	1,868,188	1,868,188	1,868,188	1,868,188	1,868,188	1,868,188	1,868,188	1,868,188	1,868,188
2014	2,563,324	2,844,279	3,010,480	3,105,740	3,233,449	3,233,449	3,233,449	3,233,449	3,233,449	3,233,449	3,233,449	3,233,449	3,233,449	3,233,449	3,233,449	3,233,449	3,233,449	3,233,449	3,233,449	3,233,449	3,233,449	3,233,449	3,233,449	3,233,449	3,233,449
2015	1,729,978	1,909,992	1,965,528	1,959,556	1,959,556	1,959,556	1,959,556	1,959,556	1,959,556	1,959,556	1,959,556	1,959,556	1,959,556	1,959,556	1,959,556	1,959,556	1,959,556	1,959,556	1,959,556	1,959,556	1,959,556	1,959,556	1,959,556	1,959,556	1,959,556
2016	1,785,662	1,857,381	1,989,926	1,989,926	1,989,926	1,989,926	1,989,926	1,989,926	1,989,926	1,989,926	1,989,926	1,989,926	1,989,926	1,989,926	1,989,926	1,989,926	1,989,926	1,989,926	1,989,926	1,989,926	1,989,926	1,989,926	1,989,926	1,989,926	1,989,926
2017	2,768,026	2,995,571	2,995,571	2,995,571	2,995,571	2,995,571	2,995,571	2,995,571	2,995,571	2,995,571	2,995,571	2,995,571	2,995,571	2,995,571	2,995,571	2,995,571	2,995,571	2,995,571	2,995,571	2,995,571	2,995,571	2,995,571	2,995,571	2,995,571	2,995,571
2018	3,452,016	3,452,016	3,452,016	3,452,016	3,452,016	3,452,016	3,452,016	3,452,016	3,452,016	3,452,016	3,452,016	3,452,016	3,452,016	3,452,016	3,452,016	3,452,016	3,452,016	3,452,016	3,452,016	3,452,016	3,452,016	3,452,016	3,452,016	3,452,016	3,452,016

Accident Year	12 - 24	24 - 36	36 - 48	48 - 60	60 - 72	72 - 84	84 - 96	96 - 108	108 - 120	120 - 132	132 - 144	144 - 156	156 - 168	168 - 180	180 - 192	192 - 204	204 - 216	216 - 228	228 - 240	240 - 252	252 - 264	264 - 276	276 - 288	288 - 300	300 - Unlimited
1994	1.370	1.030	0.958	0.999	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
1995	1.984	1.013	1.009	0.995	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
1996	1.251	1.087	1.158	1.000	0.977	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
1997	1.177	1.154	0.978	0.999	1.016	1.018	1.000	1.001	1.000	1.000	0.996	1.014	1.000	1.000	1.004	1.034	1.000	0.999	1.000	1.000	1.000	1.000	1.000	1.000	1.000
1998	1.397	1.092	0.994	1.032	1.057	1.030	1.075	1.014	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
1999	1.534	1.171	1.121	1.036	0.995	1.032	1.014	1.044	1.000	1.003	1.000	1.000	1.003	1.000	1.006	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
2000	1.487	1.164	1.028	1.046	1.016	1.029	1.041	1.005	1.000	1.074	1.034	1.002	1.002	1.000	1.000	1.000	1.000	1.015	1.000	1.000	1.000	1.000	1.000	1.000	1.000
2001	1.384	1.062	0.994	1.001	1.000	1.004	0.985	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
2002	1.400	0.924	0.984	1.000	0.998	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
2003	1.254	0.991	0.998	1.004	1.000	1.016	1.003	1.004	1.000	1.000	0.993	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
2004	1.596	1.034	1.086	1.011	0.998	0.985	0.999	1.010	1.045	1.003	1.001	1.021	0.997	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
2005	1.453	1.035	1.025	1.046	1.001	1.044	1.021	1.013	1.001	1.013	1.013	1.035	0.999	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
2006	1.517	1.046	1.040	1.000	1.031	1.015	1.032	1.000	1.000	1.000	1.008	1.002	1.000	1.000	1.008	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
2007	1.392	1.046	1.061	1.068	1.011	1.027	1.031	1.023	1.003	0.997	1.002	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
2008	1.235	1.066	1.033	1.024	1.024	1.001	1.038	1.022	1.020	0.955	1.002	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
2009	1.509	0.976	1.038	1.043	0.985	0.993	1.000	1.007	1.024	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
2010	1.348	1.156	0.985	1.052	1.038	1.043	1.040	1.004	1.004	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
2011	1.094	1.030	1.136	1.014	1.056	1.001	1.002	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
2012	1.240	1.047	1.158	1.057	0.996	0.995	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
2013	1.147	1.060	1.002	1.022	0.999	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
2014	1.110	1.058	1.032	1.041	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
2015	1.104	1.029	0.997	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
2016	1.040	1.071	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
2017	1.082	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000

# KANSAS MUNICIPAL WORKERS' COMPENSATION INSURANCE TRUST

## Workers' Compensation

### Net Ultimate Medical & Indemnity Loss & ALAE Indications

#### Incurred Loss Development Projection

Evaluation as of 12/31/18

Accident Year	Months of Development	(1) Incurred Loss & ALAE @12/31/18	(2) Incurred Large Loss & ALAE Adjustment	(3) Cumulative Incurred LDF*	(4) = [(1)-(2)]x(3)+(2) Indicated Ultimate Loss & ALAE**
1994	300	\$742,241	\$0	1.000	\$742,241
1995	288	1,103,496	0	1.000	1,103,496
1996	276	837,044	0	1.000	837,044
1997	264	1,895,658	0	1.000	1,895,658
1998	252	1,328,630	0	1.000	1,328,630
1999	240	1,661,520	0	1.000	1,661,520
2000	228	1,604,039	0	1.000	1,604,039
2001	216	1,180,715	0	1.000	1,180,715
2002	204	1,340,826	0	1.000	1,340,826
2003	192	1,623,367	0	1.001	1,624,990
2004	180	2,480,851	0	1.010	2,505,660
2005	168	4,130,568	499,925	1.014	4,181,397
2006	156	2,860,054	0	1.018	2,911,535
2007	144	3,034,571	0	1.023	3,104,366
2008	132	3,594,527	0	1.028	3,695,174
2009	120	2,245,375	0	1.033	2,319,472
2010	108	4,312,026	0	1.041	4,488,819
2011	96	3,020,212	0	1.051	3,174,243
2012	84	2,142,058	0	1.071	2,294,144
2013	72	1,868,188	0	1.087	2,030,720
2014	60	3,233,449	750,000	1.109	3,504,145
2015	48	1,959,556	0	1.151	2,255,449
2016	36	1,989,926	0	1.194	2,375,972
2017	24	2,995,571	0	1.258	3,768,428
2018	12	3,452,018	615,000 ***	1.484	4,825,135
Total		\$56,636,486	\$1,864,925		\$60,753,818

\* Based on KMIT loss history supplemented with NCCI Statistical Bulletin information.

\*\* The large claims in the 2005 & 2014 accident years were not developed.

\*\*\* Two claims in the 2018 accident year are not developed further as they are settled or close to settling.



KANSAS MUNICIPAL WORKERS' COMPENSATION INSURANCE TRUST  
Workers' Compensation  
Paid Medical & Indemnity Loss & ALAE Limited to Per Claim Retentions

Accident Year	12	24	36	48	60	72	84	96	108	120	132	144	156	168	180	192	204	216	228	240	252	264	276	288	300
1994	337,680	572,772	672,657	722,555	742,241	742,241	742,241	742,241	742,241	742,241	742,241	742,241	742,241	742,241	742,241	742,241	742,241	742,241	742,241	742,241	742,241	742,241	742,241	742,241	742,241
1995	311,299	770,471	1,000,258	1,025,956	1,102,723	1,103,118	1,103,118	1,103,118	1,103,118	1,103,118	1,103,118	1,103,118	1,103,118	1,103,118	1,103,118	1,103,118	1,103,118	1,103,118	1,103,496	1,103,496	1,103,496	1,103,496	1,103,496	1,103,496	1,103,496
1996	233,827	597,835	701,367	831,383	886,495	836,460	836,460	836,460	836,460	836,460	836,460	836,460	836,460	836,460	836,460	836,460	836,460	836,460	836,460	836,460	836,460	836,460	836,460	836,460	836,460
1997	698,376	1,236,709	1,600,714	1,889,902	1,749,729	1,761,798	1,774,588	1,787,037	1,785,022	1,790,744	1,795,115	1,799,457	1,812,180	1,817,500	1,822,970	1,830,014	1,835,872	1,843,278	1,849,658	1,855,658	1,861,658	1,867,658	1,873,658	1,879,658	1,885,658
1998	382,887	762,388	946,649	1,033,877	1,068,430	1,123,046	1,188,439	1,286,689	1,311,945	1,328,630	1,328,631	1,328,631	1,328,631	1,328,631	1,328,631	1,328,631	1,328,631	1,328,631	1,328,630	1,328,630	1,328,630	1,328,630	1,328,630	1,328,630	1,328,630
1999	497,057	945,543	1,231,294	1,387,701	1,433,141	1,470,482	1,488,630	1,501,435	1,569,579	1,633,846	1,636,617	1,637,470	1,638,895	1,640,575	1,645,221	1,652,182	1,652,961	1,652,961	1,652,961	1,652,961	1,652,961	1,652,961	1,652,961	1,652,961	1,652,961
2000	405,729	832,626	1,120,010	1,196,918	1,296,491	1,310,449	1,327,913	1,363,971	1,378,649	1,395,111	1,462,558	1,547,462	1,550,510	1,553,759	1,561,239	1,564,092	1,566,962	1,566,962	1,566,962	1,566,962	1,566,962	1,566,962	1,566,962	1,566,962	1,566,962
2001	460,784	967,977	1,064,877	1,191,746	1,192,444	1,193,220	1,194,038	1,180,293	1,180,293	1,180,293	1,180,293	1,180,293	1,180,293	1,180,293	1,180,293	1,180,293	1,180,293	1,180,293	1,180,293	1,180,293	1,180,293	1,180,293	1,180,293	1,180,293	1,180,293
2002	659,679	1,130,950	1,324,566	1,340,467	1,340,825	1,340,825	1,340,825	1,340,825	1,340,825	1,340,825	1,340,825	1,340,825	1,340,825	1,340,825	1,340,825	1,340,825	1,340,825	1,340,825	1,340,825	1,340,825	1,340,825	1,340,825	1,340,825	1,340,825	1,340,825
2003	964,665	1,462,892	1,532,404	1,542,377	1,598,258	1,598,258	1,602,481	1,616,517	1,623,367	1,623,367	1,623,367	1,623,367	1,623,367	1,623,367	1,623,367	1,623,367	1,623,367	1,623,367	1,623,367	1,623,367	1,623,367	1,623,367	1,623,367	1,623,367	1,623,367
2004	786,944	1,361,934	1,953,110	2,101,031	2,248,698	2,279,692	2,294,399	2,297,324	2,307,329	2,360,745	2,393,750	2,410,324	2,428,740	2,439,238	2,443,114										
2005	1,229,826	2,570,887	2,944,207	3,387,881	3,469,495	3,469,495	3,621,588	3,735,826	3,762,129	3,839,629	3,860,932	3,883,845	3,979,884	3,995,871											
2006	874,076	1,920,917	2,270,653	2,387,480	2,526,291	2,625,597	2,641,385	2,739,343	2,749,626	2,758,766	2,767,351	2,778,353	2,796,415												
2007	787,012	1,984,011	2,279,729	2,351,320	2,526,347	2,619,834	2,663,981	2,768,556	2,809,381	2,878,825	2,906,933	2,929,208													
2008	1,191,790	2,489,314	2,865,128	3,060,081	3,201,123	3,242,919	3,294,839	3,473,330	3,546,509	3,562,505	3,517,215														
2009	730,841	1,592,734	1,831,733	1,946,136	2,099,939	2,143,984	2,154,269	2,159,428	2,163,189	2,169,989															
2010	1,125,821	2,295,412	3,059,724	3,408,765	3,596,993	3,707,200	3,891,381	4,035,844	4,070,757																
2011	923,653	1,662,070	1,908,433	2,363,873	2,509,948	2,779,600	2,841,992	2,903,549																	
2012	794,945	1,405,620	1,633,737	1,846,961	2,003,121	2,078,480	2,082,151																		
2013	678,447	1,493,185	1,658,532	1,756,658	1,836,000	1,835,463																			
2014	1,390,345	2,546,230	2,802,648	2,950,960	3,087,669																				
2015	1,003,505	1,659,872	1,764,038	1,827,172																					
2016	955,161	1,527,776	1,651,524																						
2017	906,309	1,947,267																							
2018	1,098,323																								

Accident Year	12 - 24	24 - 36	36 - 48	48 - 60	60 - 72	72 - 84	84 - 96	96 - 108	108 - 120	120 - 132	132 - 144	144 - 156	156 - 168	168 - 180	180 - 192	192 - 204	204 - 216	216 - 228	228 - 240	240 - 252	252 - 264	264 - 276	276 - 288	288 - 300	300 - 300 - Ult
1994	1,696	1,174	1,074	1,027	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
1995	2,475	1,298	1,026	1,075	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
1996	2,386	1,257	1,185	1,030	0,977	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
1997	1,771	1,294	1,056	1,035	1,007	1,007	1,007	0,999	1,003	1,002	1,002	1,007	1,003	1,003	1,004	1,003	1,004	1,028	1,000	1,000	1,000	1,000	1,000	1,000	1,000
1998	1,991	1,242	1,092	1,033	1,051	1,058	1,083	1,020	1,013	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
1999	1,902	1,302	1,127	1,033	1,026	1,012	1,009	1,045	1,041	1,002	1,001	1,001	1,001	1,003	1,004	1,002	1,001	1,005	1,000	1,000	1,000	1,000	1,000	1,000	1,001
2000	2,052	1,345	1,070	1,081	1,011	1,013	1,027	1,011	1,012	1,048	1,058	1,002	1,002	1,005	1,000	1,002	1,001	1,005	1,000	1,000	1,000	1,000	1,000	1,000	1,000
2001	2,101	1,100	1,119	1,001	1,001	1,001	0,988	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
2002	1,715	1,171	1,012	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
2003	1,516	1,048	1,007	1,036	1,000	1,003	1,009	1,004	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
2004	1,985	1,250	1,076	1,070	1,014	1,006	1,001	1,004	1,032	1,005	1,007	1,008	1,004	1,002	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
2005	2,090	1,145	1,071	1,068	1,030	1,044	1,032	1,007	1,021	1,006	1,006	1,025	1,004												
2006	2,196	1,156	1,075	1,058	1,039	1,006	1,037	1,004	1,003	1,003	1,003	1,004	1,007												
2007	2,521	1,149	1,031	1,074	1,037	1,017	1,039	1,051	0,989	1,010	1,008														
2008	2,089	1,151	1,062	1,046	1,013	1,016	1,054	1,021	1,004	0,987															
2009	2,166	1,157	1,068	1,079	1,021	1,005	1,002	1,002	1,003																
2010	2,039	1,333	1,114	1,055	1,031	1,077	1,011	1,009																	
2011	1,799	1,148	1,249	1,053	1,107	1,022	1,022																		
2012	1,768	1,162	1,131	1,085	1,038	1,002																			
2013	2,201	1,111	1,059	1,045	1,000																				
2014	1,831	1,101	1,053	1,046																					
2015	1,654	1,063	1,036																						
2016	1,599	1,081																							
2017	2,149																								

NCCI Kansas	2,075	1,212	1,097	1,048	1,030	1,016	1,012	1,011	1,009	1,009	1,006	1,006	1,004	1,005	1,003	1,004	1,003	1,002	1,034	1,034	1,034	1,034	1,034	1,034	1,034
NCCI Countrywide	2,119	1,253	1,118	1,067	1,042	1,028	1,021	1,017	1,013	1,011	1,008	1,008	1,007	1,006	1,005	1,005	1,004	1,005	1,004	1,070	1,070	1,070	1,070	1,070	1,070
Average	1,987	1,184	1,082	1,049	1,020	1,015	1,018	1,010	1,008	1,004	1,006	1,004	1,001	1,001	1,001	1,001	1,001	1,005	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Average x H/L	1,984	1,183	1,077	1,050	1,018	1,013	1,016	1,008	1,007	1,002	1,002	1,002	1,001	1,001	1,001	1,001	1,001	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Wtd Average	1,968	1,172	1,079	1,053	1,025	1,020	1,021	1,012	1,008	1,004	1,007	1,007	1,002	1,001	1,001	1,001	1,001	1,007	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Wtd Average L5	1,859	1,102	1,102	1,056	1,041	1,030	1,026	1,015	1,005	1,002	1,005	1,011	1,003	1,001	1,001	1,001	1,001	1,008	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Select for 94-03*	1,958	1,150	1,102	1,056	1,041	1,030	1,021	1,012	1,008	1,008	1,007	1,005	1,004	1,003	1,002	1,002	1,001	1,001	1,001	1,001	1,001	1,001	1,001	1,001	1,001
94-03 Cumulative	3,060	1,563	1,359	1,233	1,163	1,122	1,089	1,067	1,054	1,046	1,038	1,031	1,026	1,022	1,019	1,017	1,015	1,014	1,013	1,012	1,011	1,010	1,010	1,010	1,010
Select for 94-18**	1,958	1,150	1,102	1,056	1,041	1,030	1,021	1,012	1,008	1,008	1,007	1,005	1,004	1,003	1,003	1,003	1,001	1,001	1,001	1,001	1,001	1,001	1,001	1,001	1,001
04-18 Cumulative	3,105	1,596	1,379	1,251	1,185	1,138	1,105	1,082	1,069	1,061	1,053	1,046	1,041	1,036	1,032	1,029	1,026	1,024	1,023	1,022	1,021	1,020	1,020	1,020	1,020

## KANSAS MUNICIPAL WORKERS' COMPENSATION INSURANCE TRUST

**Workers' Compensation**  
**Net Ultimate Medical & Indemnity Loss & ALAE Indications**  
**Paid Loss Development Projection**  
**Evaluation as of 12/31/18**

Accident Year	Months of Development	(1) Paid Loss & ALAE @12/31/18	(2) Paid Large Loss & ALAE Adjustment	(3) Incurred Large Loss & ALAE Adjustment	(4) Cumulative Paid LDF*	(5) = [(1)-(2)]x(4)+(3) Indicated Ultimate Loss & ALAE**
1994	300	\$742,241	\$0	\$0	1.010	\$749,663
1995	288	1,103,496	0	0	1.010	1,114,531
1996	276	837,044	0	0	1.010	845,414
1997	264	1,895,658	0	0	1.010	1,914,615
1998	252	1,328,630	0	0	1.011	1,343,245
1999	240	1,654,291	0	0	1.012	1,674,142
2000	228	1,576,529	0	0	1.013	1,597,024
2001	216	1,180,715	0	0	1.014	1,197,245
2002	204	1,340,826	0	0	1.015	1,360,938
2003	192	1,623,367	0	0	1.017	1,650,964
2004	180	2,443,114	0	0	1.032	2,521,294
2005	168	3,995,871	499,925	499,925	1.036	4,121,725
2006	156	2,796,415	0	0	1.041	2,911,068
2007	144	2,929,208	0	0	1.046	3,063,952
2008	132	3,517,215	0	0	1.053	3,703,627
2009	120	2,169,989	0	0	1.061	2,302,358
2010	108	4,070,757	0	0	1.069	4,351,639
2011	96	2,903,549	0	0	1.082	3,141,640
2012	84	2,082,151	0	0	1.105	2,300,777
2013	72	1,835,463	0	0	1.138	2,088,757
2014	60	3,087,669	750,000	750,000	1.185	3,520,138
2015	48	1,827,172	0	0	1.251	2,285,792
2016	36	1,651,524	0	0	1.379	2,277,452
2017	24	1,947,267	0	0	1.586	3,088,365
2018	12	1,098,323	285,000 **	615,000	3.105	3,140,368
Total		\$51,638,484	\$1,534,925	\$1,864,925		\$58,266,733

\* Based on KMIT loss history supplemented with NCCI Statistical Bulletin information.

\*\* The large claims in the 2005 & 2014 accident years were not developed.

\*\*\* Two claims in the 2018 accident year are not developed further as they are settled or close to settling.

## KANSAS MUNICIPAL WORKERS' COMPENSATION INSURANCE TRUST

**Workers' Compensation**  
**Net Ultimate Medical & Indemnity Loss & ALAE Indications**  
**Incurred Bornhuetter - Ferguson Projection Method**  
**Evaluation as of 12/31/18**

Accident Year	Months of Development	(1) A' Priori Ultimate Losses & ALAE*	(2) Large Loss & ALAE Adjustment	(3) Incurred Cumulative LDF	(4) =[(1)-(2)]x[1-1/(3)] IBNR**	(5) Incurred Loss & ALAE @12/31/18	(6) = (4) + (5) Indicated Ultimate Loss & ALAE
1994	300	\$742,241	\$0	1.000	\$0	\$742,241	\$742,241
1995	288	1,103,496	0	1.000	0	1,103,496	1,103,496
1996	276	836,631	0	1.000	0	837,044	837,044
1997	264	1,895,658	0	1.000	0	1,895,658	1,895,658
1998	252	1,328,630	0	1.000	0	1,328,630	1,328,630
1999	240	1,661,520	0	1.000	0	1,661,520	1,661,520
2000	228	1,580,308	0	1.000	0	1,604,039	1,604,039
2001	216	1,180,574	0	1.000	0	1,180,715	1,180,715
2002	204	1,340,826	0	1.000	0	1,340,826	1,340,826
2003	192	1,623,367	0	1.001	1,622	1,623,367	1,624,989
2004	180	2,519,541	0	1.010	24,946	2,480,851	2,505,797
2005	168	4,173,858	499,925	1.014	50,725	4,130,568	4,181,293
2006	156	2,914,845	0	1.018	51,539	2,860,054	2,911,593
2007	144	3,096,009	0	1.023	69,607	3,034,571	3,104,178
2008	132	3,853,904	0	1.028	104,970	3,594,527	3,699,497
2009	120	2,291,932	0	1.033	73,218	2,245,375	2,318,593
2010	108	4,474,712	0	1.041	176,237	4,312,026	4,488,263
2011	96	3,213,735	0	1.051	155,947	3,020,212	3,176,159
2012	84	2,360,121	0	1.071	156,460	2,142,058	2,298,518
2013	72	2,118,375	0	1.087	169,548	1,868,188	2,037,736
2014	60	3,496,474	750,000	1.109	269,942	3,233,449	3,503,391
2015	48	2,513,235	0	1.151	329,712	1,959,556	2,289,268
2016	36	3,014,634	0	1.194	489,815	1,989,926	2,479,741
2017	24	4,256,665	0	1.258	872,989	2,995,571	3,868,560
2018	12	3,731,314	615,000	1.484	1,016,372	3,452,018	4,468,390
Total		\$61,322,605	\$1,864,925		\$4,013,649	\$56,636,486	\$60,650,135

\* The A'Priori Ultimate Losses & ALAE are based on Milliman's 12/31/17 analysis.

\*\* No additional IBNR has been included for the large claims in 2005, 2014 & 2018.

Milliman

**KANSAS MUNICIPAL WORKERS' COMPENSATION INSURANCE TRUST**

**Workers' Compensation  
Net Ultimate Medical & Indemnity Loss & ALAE Indications  
Paid Bornhuetter - Ferguson Projection Method  
Evaluation as of 12/31/18**

Accident Year	Months of Development	(1) A' Priori Ultimate Losses & ALAE*	(2) Large Loss & ALAE Adjustment	(3) Paid Cumulative LDF	(4) Unpaid** =[(1)-(2)]x[1-1/(3)]	(5) Paid Loss & ALAE @12/31/18	(6) Indicated Ultimate Loss & ALAE = (4) + (5)
1994	300	\$742,241	\$0	1.010	\$7,349	\$742,241	\$749,590
1995	288	1,103,496	0	1.010	10,926	1,103,496	1,114,422
1996	276	836,631	0	1.010	8,283	837,044	845,327
1997	264	1,895,658	0	1.010	18,769	1,895,658	1,914,427
1998	252	1,328,630	0	1.011	14,456	1,328,630	1,343,086
1999	240	1,661,520	0	1.012	19,702	1,654,291	1,673,993
2000	228	1,580,308	0	1.013	20,280	1,576,529	1,596,809
2001	216	1,180,574	0	1.014	16,300	1,180,715	1,197,015
2002	204	1,340,826	0	1.015	19,815	1,340,826	1,360,641
2003	192	1,623,367	0	1.017	27,136	1,623,367	1,650,503
2004	180	2,519,541	0	1.032	78,125	2,443,114	2,521,239
2005	168	4,173,858	499,925	1.036	127,666	3,995,871	4,123,537
2006	156	2,914,845	0	1.041	114,802	2,796,415	2,911,217
2007	144	3,096,009	0	1.046	136,153	2,929,208	3,065,361
2008	132	3,853,904	0	1.053	193,976	3,517,215	3,711,191
2009	120	2,291,932	0	1.061	131,770	2,169,989	2,301,759
2010	108	4,474,712	0	1.069	288,826	4,070,757	4,359,583
2011	96	3,213,735	0	1.082	243,555	2,903,549	3,147,104
2012	84	2,360,121	0	1.105	224,265	2,082,151	2,306,416
2013	72	2,118,375	0	1.138	256,886	1,835,463	2,092,349
2014	60	3,496,474	750,000	1.185	428,774	3,087,669	3,516,443
2015	48	2,513,235	0	1.251	504,254	1,827,172	2,331,426
2016	36	3,014,634	0	1.379	828,532	1,651,524	2,480,056
2017	24	4,256,665	0	1.586	1,572,765	1,947,267	3,520,032
2018	12	3,731,314	285,000	3.105	2,336,390	1,098,323	3,434,713
Total		\$61,322,605	\$1,534,925		\$7,629,755	\$51,638,484	\$59,268,239

\* The A'Priori Ultimate Losses & ALAE are based on Milliman's 12/31/17 analysis.

\*\* No additional unpaid has been included for the large claims in 2005, 2014 & 2018. The incurred amount for these claims has been in

Milliman

**KANSAS MUNICIPAL WORKERS' COMPENSATION INSURANCE TRUST**

**Workers' Compensation**

**Selection of Medical & Indemnity Net Ultimate Loss & ALAE**

**Evaluation as of 12/31/18**

Accident Year	(1)  Incurred Loss & ALAE @12/31/18	(2) Ultimate Loss and ALAE Based on:						(6)  Selected Ultimate Loss & ALAE*	(7)  Aggregate Retention**	(8)  =Min [(6), (7)]
		(3)		(4)		(5)				
		Incurred Development Method	Paid Development Method	Incurred Born-Ferg Method	Paid Born-Ferg Method	Born-Ferg Method	Paid Method			
1994	\$742,241	\$742,241	\$749,663	\$742,241	\$749,590		\$742,241	N/A		\$742,241
1995	1,103,496	1,103,496	1,114,531	1,103,496	1,114,422		1,103,496	N/A		1,103,496
1996	837,044	837,044	845,414	837,044	845,327		837,044	\$1,796,589		837,044
1997	1,895,658	1,895,658	1,914,615	1,895,658	1,914,427		1,895,658	1,543,031		1,543,031
1998	1,328,630	1,328,630	1,343,245	1,328,630	1,343,086		1,328,630	1,472,773		1,328,630
1999	1,661,520	1,661,520	1,674,142	1,661,520	1,673,993		1,661,520	1,540,262		1,540,262
2000	1,604,039	1,604,039	1,597,024	1,604,039	1,596,809		1,604,039	1,702,335		1,604,039
2001	1,180,715	1,180,715	1,197,245	1,180,715	1,197,015		1,180,715	2,045,088		1,180,715
2002	1,340,826	1,340,826	1,360,938	1,340,826	1,360,641		1,340,826	2,720,504		1,340,826
2003	1,623,367	1,624,990	1,650,964	1,624,989	1,650,503		1,623,367	3,218,926		1,623,367
2004	2,480,851	2,505,660	2,521,294	2,505,797	2,521,239		2,510,899	4,544,300		2,510,899
2005	4,130,568	4,181,397	4,121,725	4,181,293	4,123,537		4,162,076	5,602,842		4,162,076
2006	2,860,054	2,911,535	2,911,068	2,911,593	2,911,217		2,911,448	4,978,483		2,911,448
2007	3,034,571	3,104,366	3,063,952	3,104,178	3,065,361		3,091,302	4,920,798		3,091,302
2008	3,594,527	3,695,174	3,703,627	3,699,497	3,711,191		3,701,954	5,448,469		3,701,954
2009	2,245,375	2,319,472	2,302,358	2,318,593	2,301,759		2,313,275	5,503,943		2,313,275
2010	4,312,026	4,488,819	4,351,639	4,488,263	4,359,583		4,445,555	5,517,871		4,445,555
2011	3,020,212	3,174,243	3,141,640	3,176,159	3,147,104		3,165,835	5,397,530		3,165,835
2012	2,142,058	2,294,144	2,300,777	2,298,518	2,306,416		2,299,693	5,619,072		2,299,693
2013	1,868,188	2,030,720	2,088,757	2,037,736	2,092,349		2,053,602	6,047,177		2,053,602
2014	3,233,449	3,504,145	3,520,138	3,503,391	3,516,443		3,507,993	6,550,307		3,507,993
2015	1,959,556	2,255,449	2,285,792	2,289,268	2,331,426		2,310,347	6,994,827		2,310,347
2016	1,989,926	2,375,972	2,277,452	2,479,741	2,480,056		2,658,144	6,825,730		2,658,144
2017	2,995,571	3,768,428	3,088,365	3,868,560	3,520,032		3,881,752	7,319,968		3,881,752
2018	3,452,018	4,825,135	3,140,368	4,468,390	3,434,713		4,468,390	8,119,423		4,468,390
Total	\$56,636,486	\$60,753,818	\$58,266,733	\$60,650,135	\$59,268,239		\$60,799,801			\$60,325,916

\* Gross of Aggregate Excess Coverage; Net of Specific Excess Coverage.

\*\* The Aggregate Retention for 1994 and 1995 is \$2,376,391 on a combined basis.

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## KANSAS MUNICIPAL WORKERS' COMPENSATION INSURANCE TRUST

## Workers' Compensation

Calculation of Medical & Indemnity Net Unpaid Loss & ALAE  
Evaluation as of 12/31/18

Accident Year	(1) Net Ultimate Loss & ALAE*	(2) Net Incurred Loss & ALAE*	(3) Net Paid Loss & ALAE*	(4) Net Case Reserves = (2) - (3)	(5) Net IBNR** = (1) - (2)	(6) Total Net Unpaid Loss & ALAE = (4) + (5)
1994	\$742,241	\$742,241	\$742,241	\$0	\$0	\$0
1995	1,103,496	1,103,496	1,103,496	0	0	0
1996	837,044	837,044	837,044	0	0	0
1997	1,543,031	1,543,031	1,543,031	0	0	0
1998	1,328,630	1,328,630	1,328,630	0	0	0
1999	1,540,262	1,547,272	1,540,043	7,229	(7,010)	219
2000	1,604,039	1,604,039	1,576,529	27,510	0	27,510
2001	1,180,715	1,180,715	1,180,715	0	0	0
2002	1,340,826	1,340,826	1,340,826	0	0	0
2003	1,623,367	1,623,367	1,623,367	0	0	0
2004	2,510,899	2,480,851	2,443,114	37,737	30,048	67,785
2005	4,162,076	4,130,568	3,995,871	134,697	31,508	166,205
2006	2,911,448	2,860,054	2,796,415	63,639	51,394	115,033
2007	3,091,302	3,034,571	2,929,208	105,363	56,731	162,094
2008	3,701,954	3,594,527	3,517,215	77,312	107,427	184,739
2009	2,313,275	2,245,375	2,169,989	75,386	67,900	143,286
2010	4,445,555	4,312,026	4,070,757	241,269	133,529	374,798
2011	3,165,835	3,020,212	2,903,549	116,663	145,623	262,286
2012	2,299,693	2,142,058	2,082,151	59,907	157,635	217,542
2013	2,053,602	1,868,188	1,835,463	32,725	185,414	218,139
2014	3,507,993	3,233,449	3,087,669	145,780	274,544	420,324
2015	2,310,347	1,959,556	1,827,172	132,384	350,791	483,175
2016	2,658,144	1,989,926	1,651,524	338,402	668,218	1,006,620
2017	3,881,752	2,995,571	1,947,267	1,048,304	886,181	1,934,485
2018	4,468,390	3,452,018	1,098,323	2,353,695	1,016,372	3,370,067
Total	\$60,325,916	\$56,169,611	\$51,171,609	\$4,998,002	\$4,156,305	\$9,154,307

\* Net of Aggregate Excess Coverage; Net of Specific Excess Coverage.

\*\* For the 1999 accident year, the incurred and paid losses exceed the aggregate retention.

Ultimately KMIT should recover losses excess of the aggregate retention from Safety National.

**KANSAS MUNICIPAL WORKERS' COMPENSATION INSURANCE TRUST**  
**Workers' Compensation**  
**Projected 2019 Ultimate Loss & ALAE**

Accident Year	(1) Ultimate Loss & ALAE Gross of Aggregate	(2) Payroll (\$00's)	(3) Pure Premium	(4) Increased Limits Factor to \$750,000*	(5) Benefit Level Adjustment Factor	(6) Trend Factor**	(7) (3)x(4)x(5)x(6) Trended Pure Premium at \$750,000 Retention
2006	\$2,911,448	\$1,399,227	2.08	1.000	1.064	1.00	2.21
2007	3,091,302	1,485,167	2.08	1.000	1.055	1.00	2.19
2008	3,701,954	1,588,854	2.33	1.000	1.031	1.00	2.40
2009	2,313,275	1,593,899	1.45	1.000	1.026	1.00	1.49
2010	4,445,555	1,606,836	2.77	1.000	1.035	1.00	2.87
2011	3,165,835	1,534,033	2.06	1.000	1.029	1.00	2.12
2012	2,299,693	1,596,327	1.44	1.000	1.024	1.00	1.47
2013	2,053,602	1,717,948	1.20	1.000	1.021	1.00	1.23
2014	3,507,993	1,867,135	1.88	1.000	1.007	1.00	1.89
2015	2,310,347	1,894,466	1.22	1.000	1.009	1.00	1.23
2016	2,658,144	1,939,128	1.37	1.000	1.005	1.00	1.38
2017	3,881,752	2,079,536	1.87	1.000	1.000	1.00	1.87
2018	4,468,390	2,303,657	1.94	1.000	1.000	1.00	1.94
Total	\$40,809,290	\$22,606,214	1.81			Weighted Average	1.85
						Avg L3	1.73
						Avg L2	1.91
						NCCI Kansas	1.23
(8) 2019 Selected Net Pure Premium							1.75
(9) 2019 Projected Payroll (\$00's)							\$2,307,581
(10)=(8)x(9) Estimated KMIT 2019 Ultimate Losses and ALAE (Prior to Aggregate Excess Insurance)							\$4,038,267
(11) Aggregate Retention for 2019							\$8,122,685
(12)=Min[(10),(11)] Estimated KMIT 2019 Ultimate Losses and ALAE (Limited to Aggregate Retention)							\$4,038,267
(13) Discount Factor at 2.0%							0.949
(14)=(12)x(13) Present Value of Estimated KMIT 2019 Ultimate Losses and ALAE (Limited to Aggregate Retention)							\$3,832,315

\* Based on Kansas NCCI Filing.

\*\* Trended at 0.0% per year.

**KANSAS MUNICIPAL WORKERS' COMPENSATION INSURANCE TRUST**  
**Workers' Compensation**  
**Calculation of the On-Level Benefit Level Factors**  
**For the Pure Premium Method**

Date	Incremental Benefit Level Change*	Cumulative Benefit Level Change	Accident Year	Average Benefit Level	Anticipated Benefit Level Factor to 2019
07/01/93	0.889	0.889	2006	1.005	1.064
07/01/93	1.009	0.897	2007	1.013	1.055
11/01/93	0.981	0.880	2008	1.036	1.031
07/01/94	1.004	0.883	2009	1.042	1.026
07/01/95	1.004	0.887	2010	1.033	1.035
05/01/96	1.024	0.908	2011	1.039	1.029
07/01/96	1.007	0.915	2012	1.043	1.024
07/01/97	1.007	0.921	2013	1.047	1.021
09/01/97	0.985	0.907	2014	1.061	1.007
07/01/98	1.008	0.915	2015	1.059	1.009
07/01/99	1.008	0.922	2016	1.063	1.005
10/01/99	1.012	0.933	Estimated 2017	1.068	1.000
07/01/00	1.010	0.942	Estimated 2018	1.069	1.000
07/01/00	1.008	0.950	Estimated 2019	1.069	1.000
07/01/01	1.007	0.956			
12/01/01	1.023	0.978			
07/01/02	1.006	0.984			
07/01/03	1.004	0.988			
12/01/03	0.993	0.981			
07/01/04	1.004	0.985			
07/01/05	1.005	0.990			
12/01/05	1.012	1.002			
07/01/06	1.005	1.007			
07/01/07	1.009	1.016			
12/01/07	1.018	1.034			
07/01/08	1.004	1.039			
07/01/09	1.006	1.045			
01/01/10	0.985	1.029			
07/01/10	1.007	1.036			
01/01/11	1.006	1.042			
05/15/11	0.994	1.036			
01/01/12	1.007	1.043			
07/01/13	1.006	1.050			
01/01/14	1.010	1.060			
07/01/14	1.002	1.062			
01/01/15	0.995	1.057			
07/01/15	1.004	1.061			
07/01/16	1.004	1.066			
01/01/17	1.002	1.068			
07/01/17	1.001	1.069			

\* Source: 2018 NCCI Annual Statistical Bulletin.

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**KANSAS MUNICIPAL WORKERS' COMPENSATION INSURANCE TRUST**  
**Workers' Compensation**  
**Selection of Payment Pattern Based on Selected Paid LDFs**

(1)	(2)	(3)	(4)	(5)	(6)
Month of Development	1994-2003 Selected Cumulative Paid LDF*	2004-2018 Selected Cumulative Paid LDF*	1994-2003 Indicated Payment Pattern = 1 / (2)	2004-2018 Indicated Payment Pattern = 1 / (3)	Selected Payment Pattern
300	1.010	1.020	99.0%	98.0%	100.0%
288	1.010	1.020	99.0%	98.0%	100.0%
276	1.010	1.020	99.0%	98.0%	100.0%
264	1.010	1.020	99.0%	98.0%	100.0%
252	1.011	1.021	98.9%	97.9%	100.0%
240	1.012	1.022	98.8%	97.8%	99.9%
228	1.013	1.023	98.7%	97.8%	99.8%
216	1.014	1.024	98.6%	97.7%	99.7%
204	1.015	1.026	98.5%	97.5%	99.6%
192	1.017	1.029	98.3%	97.2%	99.5%
180	1.019	1.032	98.1%	96.9%	99.0%
168	1.022	1.036	97.8%	96.5%	98.0%
156	1.026	1.041	97.5%	96.1%	97.0%
144	1.031	1.046	97.0%	95.6%	96.0%
132	1.038	1.053	96.3%	95.0%	95.0%
120	1.046	1.061	95.6%	94.3%	94.0%
108	1.054	1.069	94.9%	93.5%	93.0%
96	1.067	1.082	93.7%	92.4%	92.0%
84	1.089	1.105	91.8%	90.5%	91.0%
72	1.122	1.138	89.1%	87.9%	90.0%
60	1.168	1.185	85.6%	84.4%	85.0%
48	1.233	1.251	81.1%	79.9%	80.0%
36	1.359	1.379	73.6%	72.5%	75.0%
24	1.563	1.586	64.0%	63.1%	60.0%
12	3.060	3.105	32.7%	32.2%	30.0%

\* Loss Development Factors are selected on Exhibit 4.

# KANSAS MUNICIPAL WORKERS' COMPENSATION INSURANCE TRUST

## Workers' Compensation Calculation of Discount Factor for 2019

(1) Month of Development	(2) Selected Cumulative Payment Pattern*	(3) Incremental Payment Pattern*	(4) Discounted Incremental Payment Pattern**
12	30.0%	30.0%	29.7%
24	60.0%	30.0%	29.1%
36	75.0%	15.0%	14.3%
48	80.0%	5.0%	4.7%
60	85.0%	5.0%	4.6%
72	90.0%	5.0%	4.5%
84	91.0%	1.0%	0.9%
96	92.0%	1.0%	0.9%
108	93.0%	1.0%	0.9%
120	94.0%	1.0%	0.8%
132	95.0%	1.0%	0.8%
144	96.0%	1.0%	0.8%
156	97.0%	1.0%	0.8%
168	98.0%	1.0%	0.8%
180	99.0%	1.0%	0.8%
192	99.5%	0.5%	0.4%
204	99.6%	0.1%	0.1%
216	99.7%	0.1%	0.1%
228	99.8%	0.1%	0.1%
240	99.9%	0.1%	0.1%
252	100.0%	0.1%	0.1%
264	100.0%	0.0%	0.0%
276	100.0%	0.0%	0.0%
288	100.0%	0.0%	0.0%
300	100.0%	0.0%	0.0%
Total		100.0%	94.9%

\* Columns (2) and (3) represent the projected payment pattern for a fund year at its inception.

\*\* Based on a 2.0% assumed yield as provided by KMIT.

**KANSAS MUNICIPAL WORKERS' COMPENSATION INSURANCE TRUST**  
**Workers' Compensation**  
**Projected 2019 Ultimate Loss & ALAE at Various Probability Levels**  
**Discounted at 2.0%**

Probability Level	Gross of Aggregate Retention		Limited to Aggregate Retention*	
	Undiscounted	Discounted at 2.0%	Undiscounted	Discounted at 2.0%
95%	9,368,779	8,890,971	8,122,685	7,708,428
85%	6,340,079	6,016,735	6,340,079	6,016,735
75%	5,088,216	4,828,717	5,088,216	4,828,717
65%	4,280,563	4,062,254	4,280,563	4,062,254
Actuarial Central Estimate	4,038,267	3,832,315	4,038,267	3,832,315

\* Limited to an aggregate retention of \$8,122,685.

**KANSAS MUNICIPAL INSURANCE TRUST**

FINANCIAL STATEMENTS-STATUTORY BASIS  
WITH  
SUPPLEMENTAL INFORMATION  
DECEMBER 31, 2018 AND 2017  
TOGETHER WITH REPORT OF INDEPENDENT AUDITORS

# **KANSAS MUNICIPAL INSURANCE TRUST**

## **FINANCIAL STATEMENTS DECEMBER 31, 2018 AND 2017**

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## Independent Auditor's Report

To the Board of Trustees  
Kansas Municipal Insurance Trust

We have audited the accompanying statutory financial statements of Kansas Municipal Insurance Trust, which comprise the statutory-basis balance sheets as of December 31, 2018 and 2017 and the related statutory-basis statements of revenue, expenses, and changes in fund balance, and cash flows for the years then ended, and the related notes to the financial statements.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial reporting provisions prescribed or permitted by the Kansas Insurance Department. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### **Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles**

As described in Note 2, these financial statements were prepared by Kansas Municipal Insurance Trust on the basis of the financial reporting provisions prescribed or permitted by the Kansas Insurance Department, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of the Kansas Insurance Department. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 2 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

### **Adverse Opinion on U.S. Generally Accepted Accounting Principles**

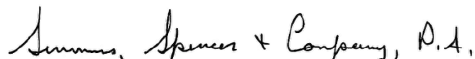
In our opinion, because of the significance of the matter discussed in the Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles paragraph, the financial statements referred to in the first paragraph do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of Kansas Municipal Insurance Trust as of December 31, 2018 and 2017, or the results of its operations or its cash flows for the years then ended.

### **Opinion on Regulatory Basis of Accounting**

In our opinion, the financial statements referred in the first paragraph present fairly, in all material respects, the admitted assets, liabilities, and fund balance of Kansas Municipal Insurance Trust as of December 31, 2018 and 2017 and the results of its operations and its cash flows for the years then ended, in accordance with the financial reporting provisions prescribed or permitted by the Kansas Insurance Department as described in Note 2.

### **Other Matter**

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of administrative expenses, statements of revenues, expenses and changes in fund balance and statements of revenue, expenses and changes in fund balance cumulative activity by contract period are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the 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, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

  
Summers, Spencer & Company, P.A.  
Topeka, Kansas

June 11, 2019

# KANSAS MUNICIPAL INSURANCE TRUST

## BALANCE SHEETS – STATUTORY BASIS

December 31,	2018	2017
ASSETS		
Cash and cash equivalents	\$ 1,544,583	\$ 1,739,634
Investments	15,275,803	14,102,355
Interest income accrued	62,590	54,467
Premiums receivable	145,985	149,956
Agent commissions receivable	1,696	4,602
Prepaid insurance	3,486	1,045
Excess insurance premium receivable	-	18,907
Specific receivable	33,272	32,351
<i>Total assets</i>	17,067,415	16,103,317
Less: non - admitted assets	(3,486)	(1,045)
<i>Total admitted assets</i>	<u>\$ 17,063,929</u>	<u>\$ 16,102,272</u>
LIABILITIES AND FUND BALANCE		
Liabilities		
Reserve for unpaid workers' compensation claims	\$ 9,163,580	\$ 8,538,739
Other expenses due or accrued	50,658	47,500
Taxes, licenses and fees due or accrued	419,220	403,764
Return premiums payable	238,979	491,947
Deposits on premium	982,386	688,875
<i>Total liabilities</i>	10,854,823	10,170,825
Fund balance		
Fund balance	6,209,106	5,931,447
<i>Total liabilities and fund balance</i>	<u>\$ 17,063,929</u>	<u>\$ 16,102,272</u>



# KANSAS MUNICIPAL INSURANCE TRUST

## STATEMENTS OF REVENUE, EXPENSES, AND CHANGES IN FUND BALANCE – STATUTORY BASIS

For the years ended December 31,	2018	2017
Underwriting income		
Direct premiums earned	\$ 4,860,795	\$ 4,984,618
Less: excess insurance premium	<u>505,287</u>	<u>476,604</u>
Net underwriting income	<u>4,355,508</u>	<u>4,508,014</u>
Deductions		
Workers' compensation claims incurred	2,567,940	3,308,274
Claims adjustment expenses incurred	652,334	297,888
Other administrative expenses incurred	<u>1,140,255</u>	<u>1,164,966</u>
Total underwriting deductions	<u>4,360,529</u>	<u>4,771,128</u>
Net underwriting gain (loss)	(5,021)	(263,114)
Investment income / Other income		
Interest earned	<u>285,121</u>	<u>220,606</u>
Net income (loss)	280,100	(42,508)
Fund balance, beginning of year	5,931,447	5,975,000
Change in non - admitted assets	<u>(2,441)</u>	<u>(1,045)</u>
Fund balance, end of year	<u>\$ 6,209,106</u>	<u>\$ 5,931,447</u>

**KANSAS MUNICIPAL INSURANCE TRUST**  
**STATEMENTS OF CASH FLOWS – STATUTORY BASIS**

For the years ended December 31,	2018	2017
Cash flows from operating activities		
Net income (loss)	\$ 280,100	\$ (42,508)
Adjustments to reconcile net income to net cash used in operating activities:		
Amortization of premiums on investments	25,356	33,217
(Increase) decrease in assets:		
Interest income accrued	(8,123)	(1,064)
Premium receivable	3,971	(79,167)
Agent commission receivable	2,906	(3,190)
Prepaid insurance	(2,441)	(1,045)
Excess insurance premium receivable	18,907	5,013
Specific receivable	(921)	(16,774)
Increase (decrease) in liabilities:		
Reserve for unpaid workers' compensation claims	624,841	1,446,801
Other expenses due or accrued	3,158	1,000
Taxes, licenses and fees due or accrued	15,456	22,031
Return premium payable	(252,968)	92,756
Deposits on premiums	293,511	(348,348)
<i>Net cash provided by operating activities</i>	1,003,753	1,108,722
Cash flows from investing activities		
Purchase and maturities of investments:		
Purchase of investments	(5,182,024)	(6,140,703)
Sale and maturity of investments	3,983,220	3,656,336
<i>Net cash used in investing activities</i>	(1,198,804)	(2,484,367)
<i>Net decrease in cash and cash equivalents</i>	(195,051)	(1,375,645)
Cash and cash equivalents, beginning of year	1,739,634	3,115,279
Cash and cash equivalents, end of year	\$ 1,544,583	\$ 1,739,634
Supplemental disclosure		
Cash paid during the year for:		
Income tax	\$ 0	\$ 0
Interest	\$ 0	\$ 0

The accompanying notes are an integral part of the financial statements.

# KANSAS MUNICIPAL INSURANCE TRUST

## NOTES TO FINANCIAL STATEMENTS

### Note 1 – Description of business and ownership

#### Organization and nature of operations

Kansas Municipal Insurance Trust (“Trust”) is an interlocal governmental agency formed for the purpose of establishing and administering a group funded workers compensation pool (“Pool”) pursuant to the provisions of Kansas state law governing labor and industries. The Trust began operations on January 1, 1994 and provides a comprehensive workers’ compensation insurance program for members of the League of Kansas Municipalities. In addition to insurance coverage, the program provides risk management services with emphasis on loss control, claims administration, and management information services.

Each member of the Pool has jointly and severally agreed to assume, pay, and discharge all applicable liabilities under the Kansas Workers’ Compensation Act, 581, et. seq., and all lawful orders of the Commissioner of Insurance; and each member has agreed to pay any premiums, taxes, and assessments as may be required by the Board of Trustees.

### Note 2 – Summary of accounting policies

#### Basis of accounting

The accompanying financial statements have been prepared in conformity with accounting practices prescribed or permitted by the Kansas Insurance Department and are not in conformity with generally accepted accounting principles followed by other business enterprises. The reporting requirements of regulatory authorities are designed primarily to demonstrate ability to meet claims of policyholders. Pursuant to such statutory practices:

- (1) Investments are comprised of U.S. Government securities, corporate bonds, stocks and deposits with banks and are carried in accordance with the accounting practices as prescribed by Kansas Statutes.
- (2) Premium income is recognized as earnings on a pro-rata basis over the periods covered by the policies. The related acquisition costs, such as commissions, premium taxes and other items, are charged to current operations as incurred.
- (3) Computer software, office furniture and fixtures, and accounts receivable over ninety (90) days past due, or otherwise not considered collectible, if any, are charged-off against the fund balance.
- (4) Subrogation recoverable is not recognized.
- (5) Non-admitted assets such as prepaid expenses and other assets not specifically identified as an Admitted asset within the NAIC’s Accounting Practices and Procedures Manual are excluded from The accompanying balance sheets and are charged directly to members’ equity for statutory purposes.

No determination has been made of the effect of such differences on the accompanying financial statements.

#### Reserves for unpaid workers compensation claims

The reserve for workers’ compensation claims is determined using case basis evaluations and statistical analyses, and represents estimates of the ultimate net cost of all losses and claims incurred through the end of the contract year.

## KANSAS MUNICIPAL INSURANCE TRUST

### NOTES TO FINANCIAL STATEMENTS

#### Excess insurance

The Trust obtained insurance coverage for workers' compensation claims in excess of \$750,000 per occurrence for the period from January 1, 2018 to January 1, 2019 and \$750,000 per occurrence for the period from January 1, 2017 to January 1, 2018. The actual amount recoverable from the excess insurer depends on the ultimate claims settlements.

#### Concentration Risk

The Trust's direct premiums earned consist solely of amounts from members of the Pool. These members are all located within the State of Kansas. The Trust does not require collateral.

Excess insurance losses for applicable years are contractually transferred to an excess carrier. The Trust does not require collateral from its excess carrier.

#### Cash and cash equivalents

The Trust considers all highly liquid investments to be cash equivalents, including deposit accounts and all certificates of deposit.

The Trust has cash in excess of the \$250,000 FDIC insured limit at Commerce Bank. Cash accounts at Commerce Bank exceeded the Federal limit by \$1,142,826 at December 31, 2018. The Trust had a repurchase agreement in place to cover \$1,142,826 of these excess funds.

#### Use of estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates. Significant estimates that are subject to change in the near term relate to the estimates for reserves for unpaid workers' compensation claims.

#### Note 3 – Cash allocation

Cash is allocated between administrative and claims funds as follows:

	<u>2018</u>	<u>2017</u>
Cash-administrative	\$ 287,495	\$ 442,608
Cash-claims	<u>1,257,088</u>	<u>1,297,026</u>
Total cash and cash equivalents	<u>\$ 1,544,583</u>	<u>\$ 1,739,634</u>

# KANSAS MUNICIPAL INSURANCE TRUST

## NOTES TO FINANCIAL STATEMENTS

### Note 4 – Investments

Investments consist of debt securities. It is the intent of the Trust to hold investments to maturity. Debt securities are carried at amortized cost which approximates fair value. The Trust follows a policy of amortizing to an early call date, if any, rather than to the maturity date.

At December 31, 2018 and 2017, fair value, gross unrealized losses and amortized cost of investments were as follows:

2018					
	Original Cost	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
Investments					
Money Market Securities	\$ 8,952,000	\$ 8,952,000	\$ -	\$ (164,555)	\$ 8,787,445
US Agency	4,608,341	4,612,189	1,231	(24,224)	4,589,196
Corporate bonds	1,441,080	1,398,928	-	(49,321)	1,349,607
Municipals	317,348	312,686	-	(2,506)	310,180
Total	<u>\$ 15,318,769</u>	<u>\$ 15,275,803</u>	<u>\$ 1,231</u>	<u>\$ (240,606)</u>	<u>\$ 15,036,428</u>
2017					
	Original Cost	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
Investments					
Money Market Securities	\$ 8,808,000	\$ 8,808,000	\$ 1,613	\$ (61,949)	\$ 8,747,664
US Agency	2,407,317	2,404,524	-	(12,063)	2,392,461
Corporate bonds	1,950,525	1,918,071	-	(25,366)	1,892,705
Municipals	987,383	971,760	63	(4,521)	967,302
Total	<u>\$ 14,153,225</u>	<u>\$ 14,102,355</u>	<u>\$ 1,676</u>	<u>\$ (103,899)</u>	<u>\$ 14,000,132</u>

The following is a summary of maturities of these securities as of December 31, 2018.

<u>Amounts maturing in:</u>	Amortized Cost	Fair Value
Due within one year	\$ 3,572,961	\$ 3,557,099
Due from one to five years	11,702,842	11,479,329
	<u>\$ 15,275,803</u>	<u>\$ 15,036,428</u>

### Note 5 – Fair value measurements

FASB ASC 820 establishes a framework for measuring fair value, that framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value, it consists of three levels:

Level 1 – Valuation is based upon quoted prices for identical instruments traded in active markets.

Level 2 – Valuation is based upon quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, and model-based valuation techniques for which all significant assumptions are observable in the market.

Level 3 – Valuation is generated from model-based techniques that used significant assumptions not observable in the market.

# KANSAS MUNICIPAL INSURANCE TRUST

## NOTES TO FINANCIAL STATEMENTS

The following tables set forth, within the fair value hierarchy, the Trust assets measured at fair value on a recurring basis as of December 31, 2018 and 2017:

<b>2018</b>			
Fair value Measurements at Reporting Date Using:			
Description	Quoted Price in Active Markets for Identical Assets ( Level 1 )	Significant Other Observable Inputs ( Level 2 )	Significant Other Unobservable Inputs ( Level 3 )
Money Market Securities	\$ -	\$ 8,787,445	\$ -
US Agency	4,589,196	-	-
Corporate bonds	-	1,349,607	-
Municipals	-	310,180	-
Total	<u>\$ 4,589,196</u>	<u>\$ 10,447,232</u>	<u>\$ -</u>

<b>2017</b>			
Fair value Measurements at Reporting Date Using:			
Description	Quoted Price in Active Markets for Identical Assets ( Level 1 )	Significant Other Observable Inputs ( Level 2 )	Significant Other Unobservable Inputs ( Level 3 )
Money Market Securities	\$ -	\$ 8,747,664	\$ -
US Agency	2,392,461	-	-
Corporate bonds	-	1,892,705	-
Municipals	-	967,302	-
Total	<u>\$ 2,392,461</u>	<u>\$ 11,607,671</u>	<u>\$ -</u>

### Note 6 – Reserve for unpaid workers’ compensation claims

The reserve for unpaid workers’ compensation claims represents an estimate of the ultimate settlement of losses incurred through December 31. Management engaged an outside actuary to determine the sufficiency of the reserve for losses estimate at December 31, 2018 and 2017. The reserve is estimated based on management’s evaluation of the actuarial study and its own evaluation of reported claims and an estimate for claims incurred but not reported. The accuracy of these estimates cannot be determined prior to the ultimate settlement of each claim. Accordingly, the ultimate cost of settling these claims may vary significantly from the liabilities recorded.

The components of the loss reserve at December 31, 2018 and 2017 are as follows:

	<u>2018</u>	<u>2017</u>
Reported claims	\$ 4,204,760	\$ 3,342,258
Claim adjustment expenses	795,506	383,386
Reserve for incurred but not reported claims	<u>4,163,314</u>	<u>4,813,095</u>
	<u>\$ 9,163,580</u>	<u>\$ 8,538,739</u>

# KANSAS MUNICIPAL INSURANCE TRUST

## NOTES TO FINANCIAL STATEMENTS

Activity in the liability for unpaid claims and claim adjustment expenses is summarized as follows.

	<u>2018</u>	<u>2017</u>
Balance at January 1, gross reserves	\$ 8,839,078	\$ 7,421,750
Less reinsurance recoverables	<u>300,339</u>	<u>329,812</u>
Net balance at beginning of period	<u>8,538,739</u>	<u>7,091,938</u>
Incurred related to:		
Current year	4,468,390	4,256,665
Prior years	<u>(1,248,116)</u>	<u>(650,503)</u>
Total incurred	<u>3,220,274</u>	<u>3,606,162</u>
Paid related to:		
Current year	1,098,323	906,309
Prior years	<u>1,497,110</u>	<u>1,253,052</u>
Total paid	<u>2,595,433</u>	<u>2,159,361</u>
Net balance at December 31	9,163,580	8,538,739
Plus reinsurance recoverables	<u>1,285,201</u>	<u>300,339</u>
Balance at December 31, gross reserves	<u>\$ 10,448,781</u>	<u>\$ 8,839,078</u>

### Note 7 – Taxes, licenses and fees, due and accrued

The Division of Workers' Compensation fee and the Second Injury Fund assessment are based on certain percentages of losses. The percentages are established by the Director of Workers' Compensation and the Kansas Insurance Department, respectively. The percentages applicable to the year ended December 31, 2018 have not been released, so the fees and assessments included in the financial statements have been estimated using the prior year percentages. Since fees and assessments are based on losses, the ultimate amounts payable will depend on the ultimate claim settlements, as well as on the final percentages established. Accordingly, the actual amounts payable may vary significantly from the estimated amounts included in the financial statements.

### Note 8 – Deposits on premiums

Deposits on premium of \$982,386 and \$688,875 represent premiums for the 2019 and 2018 contract years collected prior to December 31, 2018 and 2017, respectively.

## **KANSAS MUNICIPAL INSURANCE TRUST**

### **NOTES TO FINANCIAL STATEMENTS**

#### **Note 9 – Related party transactions**

The Trust is sponsored by the League of Kansas Municipalities and employed the League of Kansas Municipalities for endorsement purposes during 2018 and 2017. During the years ended December 31, 2018 and 2017, the Trust incurred expenses of \$32,500 and \$70,000, respectively for these services.

All fees are based on contract provisions or agreement of the Board of Trustees.

#### **Note 10 – Commitments and Contingencies**

The Trust, in common with other group funded workers compensation pools, is continually engaged in defending insurance claim proceedings as a normal part of the Trust's business.

#### **Note 11 – Subsequent events**

Management has evaluated subsequent events through June 11, 2019, the date on which the financial statements were available to be issued, and determined that there have been no subsequent events that would require recognition in, or disclosure in the notes to, the financial statements.



## SUPPLEMENTAL INFORMATION

**KANSAS MUNICIPAL INSURANCE TRUST**  
**SCHEDULE OF ADMINISTRATIVE EXPENSES**

For the years ended December 31,	2018	2017
Insurance Department fees and taxes	\$ 139,516	\$ 170,562
Risk and claim management fees	587,800	570,000
League of Kansas Municipalities fees	32,500	70,000
Administrator fees	105,120	102,240
Independent agent commissions	101,328	104,978
Risk Analysis	49,720	32,250
NCCI fees	12,072	11,595
Professional services	54,051	42,987
Other expenses	58,148	60,354
	<u>\$ 1,140,255</u>	<u>\$ 1,164,966</u>

**KANSAS MUNICIPAL INSURANCE TRUST**  
**STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCE**  
**STATUTORY BASIS-YEAR ENDED DECEMBER 31, 2018**  
**ACTIVITY BY CONTRACT PERIOD**

For the years ended December 31,	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Underwriting income:													
Direct premiums earned	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Less: excess insurance premium	-	-	-	-	-	-	-	-	-	-	-	-	-
Net underwriting income	-	-	-	-	-	-	-	-	-	-	-	-	-
Deductions:													
Workers' compensation claims incurred	-	-	336	-	-	1,549	24,999	129	-	-	(8,642)	(7,974)	(10,127)
Claims adjustment expenses incurred	-	-	78	-	-	-	8,009	12	-	-	-	(3,808)	6,730
Other administrative expenses incurred	-	-	12	-	1,432	39	884	5	-	-	(294)	(298)	(343)
Total underwriting deductions	-	-	425	-	1,432	1,588	33,893	146	-	-	(8,936)	(12,080)	(3,740)
Net underwriting gain (loss)	-	-	(425)	-	(1,432)	(1,588)	(33,893)	(146)	-	-	8,936	12,080	3,740
Investment income / Other income													
Interest earned (net)	-	-	-	-	-	-	-	-	-	-	-	-	-
Net income (loss)	-	-	(425)	-	(1,432)	(1,588)	(33,893)	(146)	-	-	8,936	12,080	3,740
Fund balance, beginning of period	74,487	46,579	495,282	(290,557)	(401,608)	(428,034)	(302,212)	322,580	606,319	687,285	(161,349)	(1,433,638)	300,564
Fund balance, end of period	\$ 74,487	\$ 46,579	\$ 494,857	\$ (290,557)	\$ (403,040)	\$ (429,622)	\$ (336,104)	\$ 322,434	\$ 606,319	\$ 687,285	\$ (152,412)	\$ (1,421,558)	\$ 304,305
Non admitted assets													
Current fund balance after non admitted assets													

**KANSAS MUNICIPAL INSURANCE TRUST**  
**STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCE**  
**STATUTORY BASIS-YEAR ENDED DECEMBER 31, 2018**  
**ACTIVITY BY CONTRACT PERIOD**

For the years ended December 31,	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	Total
Underwriting income:													
Direct premiums earned	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,860,795	\$ 4,860,795
Less: excess insurance premium	-	-	-	-	-	-	-	-	-	-	-	505,287	505,287
Net underwriting income	-	-	-	-	-	-	-	-	-	-	-	4,355,508	4,355,508
Deductions:													
Workers' compensation claims incurred	(10,707)	(153,200)	8,901	(45,819)	(53,400)	(53,643)	(64,584)	(35,926)	(210,736)	(398,376)	(455,865)	4,041,026	2,567,940
Claims adjustment expenses incurred	6,000	1,250	12,442	17,500	5,500	(6,685)	(189)	47,445	7,848	41,886	80,952	427,364	652,334
Other administrative expenses incurred	(369)	(3,102)	373	(1,583)	(1,814)	(1,839)	(2,198)	(471)	(7,142)	(13,344)	(12,238)	1,182,545	1,140,255
Total underwriting deductions	(5,077)	(155,052)	21,716	(29,901)	(49,714)	(62,167)	(66,971)	11,048	(210,030)	(369,834)	(387,151)	5,650,935	4,360,529
Net underwriting gain (loss)	5,077	155,052	(21,716)	29,901	49,714	62,167	66,971	(11,048)	210,030	369,834	387,151	(1,295,427)	(5,021)
Investment income / Other income													
Interest earned (net)	-	-	-	-	-	-	-	-	-	-	-	285,121	285,121
Net income (loss)	5,077	155,052	(21,716)	29,901	49,714	62,167	66,971	(11,048)	210,030	369,834	387,151	(1,010,306)	280,100
Fund balance, beginning of period	781,703	545,692	1,687,250	(591,587)	26,614	927,526	1,415,876	564,292	1,373,732	396,608	(710,912)	-	5,932,492
Fund balance, end of period	\$ 786,780	\$ 700,744	\$ 1,665,534	\$ (561,686)	\$ 76,328	\$ 989,694	\$ 1,482,847	\$ 553,244	\$ 1,583,762	\$ 766,442	\$ (323,761)	\$ (1,010,306)	6,212,592
Non admitted assets													(3,486)
Current fund balance after non admitted assets													\$ 6,209,106

**KANSAS MUNICIPAL INSURANCE TRUST**  
**STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCE**  
**STATUTORY BASIS-CUMULATIVE ACTIVITY BY CONTRACT PERIOD**

For the years ended December 31,	Year Ended 12/31/1994	Year Ended 12/31/1995	Year Ended 12/31/1996	Year Ended 12/31/1997	Year Ended 12/31/1998	Year Ended 12/31/1999	Year Ended 12/31/2000	Year Ended 12/31/2001	Year Ended 12/31/2002	Year Ended 12/31/2003	Year Ended 12/31/2004	Year Ended 12/31/2005	Year Ended 12/31/2006
Underwriting income:													
Direct premiums earned	\$ 1,457,582	\$ 1,850,501	\$ 1,843,047	\$ 1,754,515	\$ 1,377,722	\$ 1,552,113	\$ 1,689,773	\$ 1,965,656	\$ 2,616,642	\$ 3,274,488	\$ 3,256,648	\$ 3,837,793	\$ 4,272,140
Excess insurance premium	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
Net underwriting income	1,306,189	1,640,359	1,709,671	1,637,393	1,298,266	1,471,989	1,602,954	1,838,488	2,427,184	2,907,497	3,035,213	3,463,321	3,887,715
Deductions:													
Workers' compensation claims incurred	716,699	1,049,151	790,462	1,451,597	1,244,536	1,395,108	1,483,891	1,097,495	1,211,717	1,474,073	2,355,763	3,903,514	2,712,198
Claims adjustment expenses incurred	25,541	54,345	46,583	91,393	84,096	146,703	133,723	83,221	129,109	149,296	152,184	258,562	199,250
Other administrative expenses incurred	477,137	598,509	492,682	527,664	488,864	456,682	451,057	437,032	533,042	649,335	738,746	818,477	906,948
Total underwriting deductions	1,219,377	1,702,005	1,329,726	2,070,654	1,817,496	1,998,493	2,068,671	1,617,748	1,873,868	2,272,704	3,246,693	4,980,553	3,818,396
Net underwriting gain (loss)	86,812	(61,646)	379,945	(433,261)	(519,230)	(526,504)	(465,717)	220,740	553,316	634,793	(211,480)	(1,517,232)	69,319
Investment income / Other income													
Interest earned (net)	22,675	73,225	114,912	142,705	116,190	96,882	129,613	101,694	50,668	52,492	59,068	95,674	234,986
Other income	-	-	-	-	-	-	-	-	2,335	-	-	-	-
Net income (loss)	109,487	11,579	494,857	(290,557)	(403,040)	(429,622)	(336,104)	322,434	606,319	687,285	(152,412)	(1,421,558)	304,305
Fund balance, beginning of period	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer of fund balance	(35,000)	35,000	-	-	-	-	-	-	-	-	-	-	-
Fund balance end of period	\$ 74,487	\$ 46,579	\$ 494,857	\$ (290,557)	\$ (403,040)	\$ (429,622)	\$ (336,104)	\$ 322,434	\$ 606,319	\$ 687,285	\$ (152,412)	\$ (1,421,558)	\$ 304,305
Non admitted assets													
Current fund balance after non admitted assets													

**KANSAS MUNICIPAL INSURANCE TRUST**  
**STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCE**  
**STATUTORY BASIS-CUMULATIVE ACTIVITY BY CONTRACT PERIOD**

For the years ended December 31,	Year Ended 12/31/2007	Year Ended 12/31/2008	Year Ended 12/31/2009	Year Ended 12/31/2010	Year Ended 12/31/2011	Year Ended 12/31/2012	Year Ended 12/31/2013	Year Ended 12/31/2014	Year Ended 12/31/2015	Year Ended 12/31/2016	Year Ended 12/31/2017	Year Ended 12/31/2018	Total
Underwriting income:													
Direct premiums earned	\$ 4,950,174	\$ 5,519,169	\$ 5,193,412	\$ 5,213,781	\$ 4,442,326	\$ 4,484,533	\$ 4,853,835	\$ 5,460,345	\$ 5,261,044	\$ 4,829,526	\$ 4,984,618	\$ 4,860,795	\$ 90,802,178
Excess insurance premium	420,728	372,790	341,935	351,375	336,966	337,595	395,128	432,750	456,352	451,042	476,604	505,287	7,400,933
Net underwriting income	4,529,446	5,146,379	4,851,477	4,862,406	4,105,360	4,146,938	4,458,707	5,027,595	4,804,692	4,378,484	4,508,014	4,355,508	83,401,245
Deductions:													
Workers' compensation claims incurred	2,882,065	3,450,095	2,159,173	4,231,433	3,008,353	2,123,807	1,918,916	3,296,839	2,139,238	2,481,360	3,604,662	4,041,026	56,223,171
Claims adjustment expenses incurred	209,236	251,858	154,101	215,004	157,481	175,986	134,686	209,809	171,109	176,783	277,090	427,364	4,114,511
Other administrative expenses incurred	914,389	989,485	954,270	1,030,427	936,123	927,555	994,118	1,075,304	1,039,183	1,114,273	1,170,629	1,182,545	19,904,477
Total underwriting deductions	4,005,690	4,691,438	3,267,544	5,476,863	4,101,957	3,227,348	3,047,720	4,581,952	3,349,530	3,772,416	5,052,381	5,650,935	80,242,160
Net underwriting gain (loss)	523,756	454,941	1,583,933	(614,457)	3,403	919,590	1,410,987	445,643	1,455,162	606,068	(544,367)	(1,295,427)	3,159,085
Investment income / Other income													
Interest earned (net)	263,024	245,802	81,601	52,768	72,925	70,104	71,861	107,601	128,600	160,374	220,606	285,121	3,051,171
Other income	-	-	-	-	-	-	-	-	-	-	-	-	2,335
Net income (loss)	786,780	700,744	1,665,534	(561,686)	76,328	989,694	1,482,847	553,244	1,583,762	766,442	(323,761)	(1,010,306)	6,212,592
Fund balance, beginning of period	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer of fund balance	-	-	-	-	-	-	-	-	-	-	-	-	-
Fund balance end of period	\$ 786,780	\$ 700,744	\$ 1,665,534	\$ (561,686)	\$ 76,328	\$ 989,694	\$ 1,482,847	\$ 553,244	\$ 1,583,762	\$ 766,442	\$ (323,761)	\$ (1,010,306)	6,212,592
Non admitted assets													(3,486)
Current fund balance after non admitted assets													\$ 6,209,106

NOTICE OF ASSESSMENT  
KANSAS INSURANCE DEPARTMENT  
ATTENTION: Comptroller  
420 SW 9th Street  
Topeka, Kansas 66612

ANNUAL ASSESSMENT DUE: July 1, 2018

KANSAS MUNICIPAL INSURANCE TRUST  
KYLE JOHNSTON  
2250 N. ROCK RD, STE 118-PMB302  
WICHITA KS 67226

INV # 477781

DESCRIPTION

FY 2019 WORKERS' COMPENSATION ASSESSMENT 16,048.37

Basis for Computation: 2,139,783.21  
Computed at 0.0075 factor.

Increasing Certifications, authorized under K.S.A. 44-534a, that continue to negatively impact available cash balances in the Workers Compensation Fee Fund ("Fund"), as well as a steady stream of K.S.A. 44-532a impleaded claims require we again assess workers compensation insurers. Authority for this assessment is granted by K.S.A. 44-566a(b)(1). This levy affects insurance carriers, self-insurers and group funded workers compensation pools covering Workers Compensation risks in the State of Kansas.

The purpose of this assessment is to pay all amounts which, in the opinion of the Commissioner, may be required to be paid from the Fund during the current fiscal year, less the amount of the unencumbered balance for the preceding fiscal year. While the Commissioner strives to keep assessments as low as possible, the actions and uncertainties set out above necessitate this assessment to ensure financial stability of the Fund.

Please return a copy of this invoice along with a check payable to the Kansas Insurance Department. Mail to:

KANSAS INSURANCE DEPARTMENT  
ATTN: COMPTROLLER DIVISION  
420 SW 9th St  
TOPEKA, KS 66612

If you have any questions in regard to this invoice, please contact the Comptroller's Office at 785-291-3800 or email [Becci.Brown@ks.gov](mailto:Becci.Brown@ks.gov).

FOR INSURANCE DEPARTMENT USE ONLY

AR# 2119 SOURCE 5110 FUND 7354 CHECK AMT INVOICE# 477781 AMOUNT DUE 16,048.37

	By	Date	
Rc'd			
Apv'd	<i>DWB</i>	<i>5/24/18</i>	
Post			
Paid			

RLTR030

# KMIT Investments, 2017-2024

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total Invested	#
<b>2017</b>									\$ 750 re-invested	\$ 576 cashed out	\$ 400 re-invested	\$ 248 cashed out	NA	NA
<b>2018</b>	\$ 248 cashed out	\$ 1,000 cashed out	\$ 248 cashed out	\$ -	\$ 494 re-invested	\$ 900 re-invested	\$ 493 7/9+7/16	\$ 247 8/27	\$ 260 9/1	\$ 327 10/1+10/15	\$ 747 11/12+11/27	\$ 250 12/3	\$ 5,214,000	18
<b>2019</b>	\$ -	\$ -	\$ 743 3/11+3/21+3/26	\$ 248 4/15	\$ 250 5/24	\$ 400 6/19	\$ 250 7/16	\$ 248 8/2	\$ 760 9/12 + 9/27	\$ 327 10/1+10/2+10/28	\$ 100 11/15	\$ 250 12/2	\$ 2,585,000	11
<b>2020</b>	\$ 248 1/22	\$ 498 2/10+2/19	\$ 248 3/26	\$ 315 4/1+4/6	\$ 747 5/12+5/31	\$ - OK	\$ 249 7/13	\$ 313 8/12	\$ 740 9/1+9/11+9/29	\$ - OK	\$ 500 11/13	\$ 130 12/1	\$ 3,988,000	15
<b>2021</b>	\$ 247 1/20	\$ -	\$ 249 3/24	\$ 498 4/6+4/8	\$ 300 5/17	\$ 400 6/11	\$ 494 7/19+7/20	\$ 495 8/23 + 8/24	\$ 100 9/1	\$ 499 10/7+10/25	\$ 250 11/4		\$ 3,532,000	14
<b>2022</b>	\$ 249 1/13	\$ 496 2/17+2/28	\$ 247 3/1	\$ 741 4/1+4/5+4/14	\$ 644 5/3+5/5+5/23	\$ 480 6/10 + 6/10	\$ - ok	\$ 500 8/9	\$ 270 9/9	\$ 249 10/17	\$ 249 11/7		\$ 4,125,000	16
<b>2023</b>		\$ -	\$ 246 3/8	\$ 249 4/10	\$ -	\$ 250 6/9	\$ -	\$ 249 8/15	\$ 249 9/22	\$ 249 10/17	\$ -		\$ 1,492,000	6
<b>2024</b>		\$ 741 2/27+2/28+2/28											\$ 741,000	3
9/15/17 orig	NONE											NONE	\$ 16,463,000 CURRENT	65 #

monthly amounts are shown in 1,000s

4/20/19 update



## Don Osenbaugh

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**From:** Mike O'Neal <mike.oneal@onealconsulting.org>  
**Sent:** Friday, May 17, 2019 1:00 PM  
**To:** Mike O'Neal  
**Cc:** Cindy Luxem; Don Osenbaugh; Don McNeely; Doug Hamilton; Reasoner, Ed; Administrator Kworcc; Kevin McFarland; lance.cowell@yahoo.com; tcox@krha.org; Kayron Ronni Anderson; Paul Davis; Jeff Siler; Lance Cowell; John Crowley; Adam Mills; Joanne Bussinger  
**Subject:** Re: Fee Sweep case decision

### Fee Sweep case participants

There is no news to report yet on KID's review post District Court decision. However, in view of the fact that FY 2020 assessments will be coming out next month, I wanted to discuss a couple of matters and make a suggestion.

The past two KID administrations have been collecting excessive amounts of assessments given the applicable statute. I have been tracking their WC Fund Annual Reports since FY '08. The latest report is for FY '18 and shows an ending balance of \$10,625,152,89. This does include the \$2.355M we recovered for the Department but even after refunding the entire amount the balance is still over \$8M. Ending balances have been over \$10M since FY 2015. Expenditures, on the other hand, have averaged less than \$5M.

The statute allows the Commissioner to assess but effectively limits the assessment to the amount of carryover balance plus the amount of anticipated expenses for the FY, if necessary. Total funds available to the Department have been averaging around \$13M.

Presumably, this practice of keeping a high balance has been due, in part, to a legislative history of fee sweeps. However, due to our litigation success and passage of legislation in 2017 that should put an end to this practice, the Department should return to assessing based on the statutory guidelines. I'm not sure what this administration plans to do with regard to its first annual assessment but I suspect they will continue the practice of over-assessing.

In that event there are a couple of options. Those assessments may, of course, be challenged as either unnecessary or excessive. I know you may not have an appetite for more conflict with the Department. I understand that. However, if our pending assessment refund claim is not resolved by the time the FY 2020 assessments are due, and in the event they are excessive, I'd recommend paying under protest again if only to give us another bargaining chip to get this case resolved. Depending on the Department's position after remand from the District Court, we could offer to forego a challenge of the FY 2020 assessments if they refund the three year's of assessments we have been litigating. The other option, of course, is to challenge the assessments without regard to our pending matter, in the hopes it will result in some behavior modification by this new administration with regard to their assessment practices.

As you know, I assisted with getting the Legislature to reverse a sweep of the Department's Service Regulation Fee Fund. However, Gov. Colyer vetoed the reversal. KID sued and the State recently settled that case as well, so there should not be any future sweeps of that fund either. Keep an eye out for the assessment letter on that Fund as well. I have not been tracking that fund's balances over time but the annual sweeps have been around \$8M so the sweep reversal and settlement should call for no or lower assessments for that Fund.

Let me know your thoughts. In any event, I'd like to be informed as soon as you receive your next assessment letter. Let me know if you have questions. Thx.

Mike O'Neal