



# Board of Trustees

**Board Meeting**  
**February 22, 2019**  
**Lindsborg, Kansas**

City Hall  
101 S. Main  
9:00 AM

# **BOARD OF TRUSTEES MEETING**

## **KANSAS MUNICIPAL INSURANCE TRUST**

**9:00 AM, Friday, February 22, 2019**

**City Hall\*, Lindsborg, KS**

1. Call-To-Order (President David Dillner)
2. Local Welcome (if any)
3. Trustee Absence/Quorum Declaration (Dillner)
4. Minutes Approval: Wichita (IMA) Meeting of December 7, 2018 (Dillner)
5. Risk Management: Financial Reports (Kifer)
  - a. November 30, 2018 Financials
  - b. December 31, 2018 Financials(pre-audit)
  - c. January 31, 2019 Financials
  - d. Fourth Quarter 2018 KID Report (pre-audit)
  - e. January 31, 2019 Cash and Investment Summary (Osenbaugh)
6. Claims Management: Settlement Authority & Reserve Advisory (Miller)
7. General Administration: Annual Marketing Review (Osenbaugh)
8. Operating Policy #6: Agent Commission--Increase (Osenbaugh)
9. Special Committee Report/Recommendation (Dillner/Osenbaugh)
10. Loss Control Management: Activity Update (Retter)
11. [approx. 11:30] KMU Presentation (Brian Meek, KMU Director of Training and Safety)
12. Administrator Report
13. Other Business
14. Adjourn (approximately 12 noon)

**LUNCH**

\*101 S. Main

# KANSAS MUNICIPAL INSURANCE TRUST

## Board of Trustees Minutes from December 7, 2018

*Unapproved*

**Meeting Convened:** Friday, December 7, 2018, at the offices of IMA, in Wichita, KS. The meeting was called to order by KMIT President David Dillner at 9:00 A.M.

**Absences/Quorum Declaration:** Dillner noted that no Trustees were absent, and declared a quorum.

### Self-Introductions.

**Members Present:** *Board Members Present:* President David Dillner (Eldorado), Vice President Ty Lasher (Bel Aire), Immediate Past President Randy Frazer (Moundridge), Treasurer Greg DuMars (Lindsborg), Michael Reagle (Garden City), Janie Cox (Haysville), 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), Renee Rhodes (IMA), Joy Read (IMA), Gene Miller (TRISTAR), Andrea Neff (TRISTAR), and Don Osenbaugh (KMIT Pool Administrator).

**Minutes Approval:** The minutes from the Topeka (LKM Conf.) meeting of October 7, 2018 were unanimously approved, as corrected, following a motion by Mitchell and a second by Lasher.

### Financial Reports:

1. September 30, 2018 Financials
2. October 31, 2018 Financials
3. Third Quarter (9/30) 2018 KID Financial Report
4. October 31, 2018 Cash/Investments Summary

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

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

1. Claim #18742579 (Cherryvale)--Reserve Advisory only.
2. Claim #18741581 (Coffeyville Community College)--Reserve Advisory only.
3. Claim #18739096 (Eldorado)--Reserve Advisory only.
4. Claim #18735839 (Fredonia)--Reserve Advisory only.
5. Claim #18729526 (Hays)--Reserve Advisory only.
6. Claim #18736522 (Osage City)--Reserve Advisory only.
7. Claim #18722308 (Osawatomie)--Reserve Advisory only.

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

**Renewal of Trustee E&O Policy:** Cornejo presented a chart of options. The Board unanimously approved a motion by Lasher, second by Reagle, to renew at the same coverage levels, for an annual premium of \$16,603.84.

**Renewal of KMIT Excess Coverage Policy for 2019:** Cornejo presented the information for the renewal with Safety National (SNCC), for the same coverage levels as 2018. The estimated (deposit) premium is \$528,259. Motion to approve by Frazer; second by Cox. Unanimous.

**Osawatomie ‘Reinstatement’ Request:** Osenbaugh recommended approval. Motion to approve made by Mitchell; second by Howard. Unanimous. Osenbaugh stated that he will seek a private meeting with Osawatomie City Manager Don Cawby, and will request time on a Council agenda.

**2019 KMIT Operating Budget:** Following a discussion led by Osenbaugh, the Board unanimously approved the Budget as presented. Motion was by Frazer; seconded by Reagle.

**Historical Review of KMIT:** Osenbaugh presented, and answered questions.

**Administrator's Report:** None (due to time constraints), except to note that materials in the background section of board packets should be reviewed by each Trustee.

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

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

# KMIT Balance Sheet

November 30, 2018

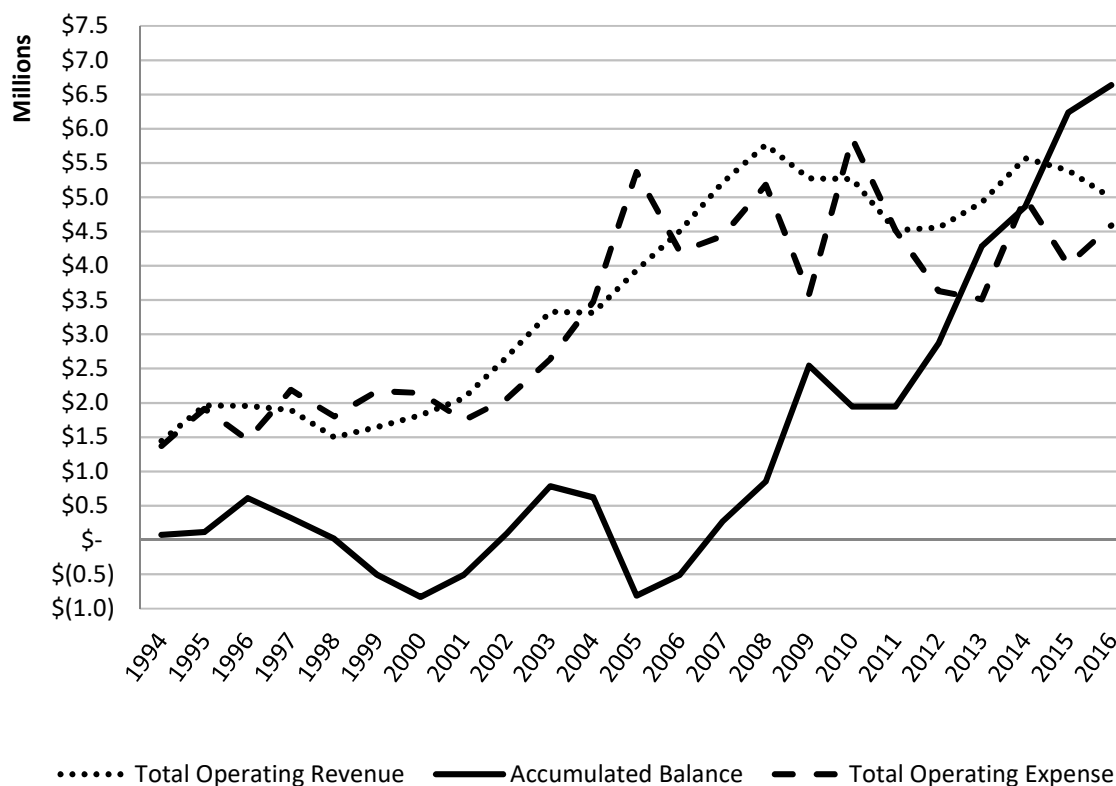
## ASSETS

|                           |                      |
|---------------------------|----------------------|
| Checking Accounts         | \$ 418,612           |
| Investments               | \$ 15,672,587        |
| Accrued Interest          | \$ 86,785            |
| Accounts Receivable       | \$ 4,602,176         |
| Excess Premium Receivable | \$ -                 |
| Specific Recoverable      | \$ 1,321,576         |
| Aggregate Recoverable     | \$ 7,011             |
| Prepaid Expenses          | \$ 56,273            |
| <b>Total Assets</b>       | <b>\$ 22,165,019</b> |

## LIABILITIES & EQUITY

|                                     |                      |
|-------------------------------------|----------------------|
| Accounts Payable                    | \$ 10,039            |
| Excess Premium Payable              | \$ -                 |
| Reserve for Losses                  | \$ 6,163,148         |
| IBNR Reserve                        | \$ 4,889,536         |
| Deposits on Premium                 | \$ 5,054,510         |
| Accrued Taxes and Assessments       | \$ 389,771           |
| <b>Total Liabilities</b>            | <b>\$ 16,507,003</b> |
| <b>Total Equity</b>                 | <b>\$ 5,658,016</b>  |
| <b>Total Liabilities and Equity</b> | <b>\$ 22,165,019</b> |

## KMIT Financial Overview



# KMIT Profit and Loss

November 30, 2018

|                                    | 1994                | 1995                | 1996                | 1997                | 1998                | 1999                | 2000                | 2001                | 2002                | 2003                | 2004                | 2005                  | 2006                | 2007                | 2008                |
|------------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|-----------------------|---------------------|---------------------|---------------------|
|                                    | Closed              | Closed              | Closed              | Accrued<br>To Date  | Accrued<br>To Date  | Accrued<br>To Date  | Accrued<br>To Date  | Accrued<br>To Date  | Accrued<br>To Date  | Accrued<br>To Date  | Accrued<br>To Date  | Accrued<br>To Date    | Accrued<br>To Date  | Accrued<br>To Date  | Accrued<br>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        |
| 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          |
| 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> |
|                                    | \$ 390,462          |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |                       |                     |                     |                     |
| <b>ADMINISTRATION FUND EXPENSE</b> | <b>\$ 477,137</b>   | <b>\$ 601,545</b>   | <b>\$ 492,681</b>   | <b>\$ 527,664</b>   | <b>\$ 492,235</b>   | <b>\$ 456,730</b>   | <b>\$ 450,023</b>   | <b>\$ 437,027</b>   | <b>\$ 533,041</b>   | <b>\$ 649,336</b>   | <b>\$ 738,933</b>   | <b>\$ 818,603</b>     | <b>\$ 906,677</b>   | <b>\$ 916,565</b>   | <b>\$ 957,103</b>   |
| <b>CLAIMS FUND EXPENSE</b>         |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |                       |                     |                     |                     |
| Claims Paid Expense                | \$ 716,700          | \$ 1,049,152        | \$ 790,461          | \$ 2,073,604        | \$ 2,026,071        | \$ 1,747,342        | \$ 1,451,413        | \$ 1,097,496        | \$ 1,211,714        | \$ 1,874,209        | \$ 2,292,696        | \$ 3,935,146          | \$ 2,612,727        | \$ 2,787,684        | \$ 3,342,126        |
| Claims Paid Adjusting Expense      | \$ 25,541           | \$ 54,345           | \$ 46,583           | \$ 90,802           | \$ 86,641           | \$ 144,175          | \$ 124,174          | \$ 83,220           | \$ 129,112          | \$ 149,296          | \$ 150,419          | \$ 246,894            | \$ 182,464          | \$ 193,890          | \$ 239,041          |
| Claims Reserve Expense             | \$ -                | \$ -                | \$ -                | \$ -                | \$ 40,483           | \$ 47,728           | \$ 28,180           | \$ -                | \$ -                | \$ -                | \$ 37,317           | \$ 121,176            | \$ 48,077           | \$ 91,648           | \$ 67,091           |
| Claims Reserves Adjusting Expense  | \$ -                | \$ -                | \$ -                | \$ -                | \$ 3,762            | \$ 3,755            | \$ 1,651            | \$ -                | \$ -                | \$ -                | \$ 425              | \$ 15,610             | \$ 16,655           | \$ 15,354           | \$ 12,813           |
| IBNR Reserve Expense               | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ 38,690           | \$ 43,290             | \$ 54,791           | \$ 61,438           | \$ 259,377          |
| 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          |
| Specific Recoverable Expense       | \$ -                | \$ -                | \$ -                | \$ -                | \$ (155,284)        | \$ 48,322           | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                  | \$ -                | \$ -                | \$ -                |
| Specific Recovery Expense          | \$ -                | \$ -                | \$ -                | \$ (268,748)        | \$ (771,516)        | \$ (232,568)        | \$ -                | \$ -                | \$ -                | \$ (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>\$ 1,309,613</b> | <b>\$ 1,719,169</b> | <b>\$ 1,692,238</b> | <b>\$ 1,307,883</b> | <b>\$ 1,530,284</b> | <b>\$ 1,990,358</b> | <b>\$ 2,740,981</b> | <b>\$ 4,548,462</b>   | <b>\$ 3,299,139</b> | <b>\$ 3,516,744</b> | <b>\$ 4,226,689</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>\$ 1,801,848</b> | <b>\$ 2,175,900</b> | <b>\$ 2,142,261</b> | <b>\$ 1,744,911</b> | <b>\$ 2,063,325</b> | <b>\$ 2,639,694</b> | <b>\$ 3,479,914</b> | <b>\$ 5,367,064</b>   | <b>\$ 4,205,815</b> | <b>\$ 4,433,310</b> | <b>\$ 5,183,792</b> |
| <b>BALANCES</b>                    |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |                       |                     |                     |                     |
| <b>KMIT Statutory Fund Balance</b> | <b>\$ 74,486</b>    | <b>\$ 43,543</b>    | <b>\$ 494,858</b>   | <b>\$ (290,597)</b> | <b>\$ (303,490)</b> | <b>\$ (526,833)</b> | <b>\$ (322,874)</b> | <b>\$ 322,439</b>   | <b>\$ 606,319</b>   | <b>\$ 687,287</b>   | <b>\$ (164,198)</b> | <b>\$ (1,432,997)</b> | <b>\$ 301,311</b>   | <b>\$ 782,290</b>   | <b>\$ 581,179</b>   |
| <b>Accumulated Balance</b>         | <b>\$ 74,486</b>    | <b>\$ 118,029</b>   | <b>\$ 612,887</b>   | <b>\$ 322,290</b>   | <b>\$ 18,800</b>    | <b>\$ (508,033)</b> | <b>\$ (830,907)</b> | <b>\$ (508,468)</b> | <b>\$ 97,851</b>    | <b>\$ 785,138</b>   | <b>\$ 620,940</b>   | <b>\$ (812,057)</b>   | <b>\$ (510,747)</b> | <b>\$ 271,544</b>   | <b>\$ 852,723</b>   |

# KMIT Profit and Loss

November 30, 2018

|                                    | 2009                | 2010                | 2011                | 2012                | 2013                | 2014                | 2015                | 2016                | 2017                | 2018                | 2018                | Total                |
|------------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|----------------------|
|                                    | Accrued<br>To Date  | Accrued<br>To Date  | Accrued<br>To Date  | Accrued<br>To Date  | Accrued<br>To Date  | Accrued<br>To Date  | Accrued<br>To Date  | Accrued<br>To Date  | Accrued<br>To Date  | Accrued<br>To Date  | Budget              | Accrued<br>To Date   |
| <b>REVENUE FUND</b>                |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |                      |
| Direct Premium Earned              | \$ 5,193,427        | \$ 5,213,859        | \$ 4,442,326        | \$ 4,484,533        | \$ 4,853,835        | \$ 5,460,344        | \$ 5,261,044        | \$ 4,829,526        | \$ 5,007,888        | \$ 4,532,260        | \$ 4,900,000        | \$ 90,496,999        |
| Interest Income                    | \$ 81,601           | \$ 52,768           | \$ 72,925           | \$ 70,104           | \$ 71,861           | \$ 107,601          | \$ 128,600          | \$ 160,374          | \$ 220,606          | \$ 269,558          | \$ 165,000          | \$ 3,036,158         |
| Miscellaneous Income               | \$ -                | \$ -                | \$ 1,441            | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ 10,701            |
| <b>Total Operating Revenue</b>     | <b>\$ 5,275,028</b> | <b>\$ 5,266,578</b> | <b>\$ 4,516,692</b> | <b>\$ 4,554,637</b> | <b>\$ 4,925,696</b> | <b>\$ 5,567,945</b> | <b>\$ 5,389,644</b> | <b>\$ 4,989,900</b> | <b>\$ 5,228,494</b> | <b>\$ 4,801,818</b> | <b>\$ 5,065,000</b> | <b>\$ 93,543,859</b> |
|                                    |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |                      |
| <b>ADMINISTRATION FUND EXPENSE</b> | <b>\$ 951,793</b>   | <b>\$ 1,034,402</b> | <b>\$ 967,136</b>   | <b>\$ 933,723</b>   | <b>\$ 996,295</b>   | <b>\$ 1,066,556</b> | <b>\$ 1,049,448</b> | <b>\$ 1,121,995</b> | <b>\$ 1,202,909</b> | <b>\$ 1,042,973</b> | <b>\$ 1,230,000</b> | <b>\$ 19,822,531</b> |
|                                    |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |                      |
| <b>CLAIMS FUND EXPENSE</b>         |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |                      |
| Claims Paid Expense                | \$ 2,036,022        | \$ 3,879,440        | \$ 2,749,066        | \$ 1,920,451        | \$ 1,706,257        | \$ 3,257,369        | \$ 1,669,253        | \$ 1,540,452        | \$ 1,800,985        | \$ 872,049          | \$ -                | \$ 50,439,883        |
| Claims Paid Adjusting Expense      | \$ 133,967          | \$ 188,644          | \$ 148,571          | \$ 171,765          | \$ 129,206          | \$ 154,978          | \$ 144,241          | \$ 107,497          | \$ 123,255          | \$ 62,095           | \$ -                | \$ 3,310,816         |
| Claims Reserve Expense             | \$ 55,253           | \$ 218,465          | \$ 113,668          | \$ 55,685           | \$ 27,244           | \$ 1,291,353        | \$ 119,784          | \$ 256,917          | \$ 945,916          | \$ 1,811,913        | \$ -                | \$ 5,377,899         |
| Claims Reserves Adjusting Expense  | \$ 20,147           | \$ 26,440           | \$ 9,040            | \$ 4,221            | \$ 5,481            | \$ 53,697           | \$ 21,807           | \$ 69,535           | \$ 162,026          | \$ 342,830          | \$ -                | \$ 785,250           |
| IBNR Reserve Expense               | \$ 46,557           | \$ 162,686          | \$ 193,523          | \$ 217,170          | \$ 250,187          | \$ 263,025          | \$ 553,748          | \$ 1,040,278        | \$ 1,226,428        | \$ 478,348          | \$ -                | \$ 4,889,536         |
| Excess Work Comp Insurance         | \$ 341,935          | \$ 351,375          | \$ 336,966          | \$ 337,595          | \$ 395,128          | \$ 432,750          | \$ 456,352          | \$ 451,042          | \$ 476,604          | \$ 461,660          | \$ 504,000          | \$ 7,357,305         |
| Specific Recoverable Expense       | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ (1,214,614)      | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ (1,321,576)       |
| Specific Recovery Expense          | \$ -                | \$ (43)             | \$ -                | \$ (9,965)          | \$ -                | \$ (311,814)        | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ (2,303,464)       |
| Aggregate Recoverable Expense      | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ (7,011)           |
| Aggregate Recovery Expense         | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ (465,326)         |
| <b>Claims Fund Expense</b>         | <b>\$ 2,633,881</b> | <b>\$ 4,827,007</b> | <b>\$ 3,550,834</b> | <b>\$ 2,696,922</b> | <b>\$ 2,513,503</b> | <b>\$ 3,926,745</b> | <b>\$ 2,965,184</b> | <b>\$ 3,465,722</b> | <b>\$ 4,735,214</b> | <b>\$ 4,028,895</b> | <b>\$ 504,000</b>   | <b>\$ 68,063,312</b> |
|                                    |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |                      |
| <b>Total Operating Expense</b>     | <b>\$ 3,585,674</b> | <b>\$ 5,861,409</b> | <b>\$ 4,517,970</b> | <b>\$ 3,630,645</b> | <b>\$ 3,509,798</b> | <b>\$ 4,993,301</b> | <b>\$ 4,014,633</b> | <b>\$ 4,587,717</b> | <b>\$ 5,938,123</b> | <b>\$ 5,071,868</b> | <b>\$ 1,734,000</b> | <b>\$ 87,885,843</b> |
|                                    |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |                      |
| <b>BALANCES</b>                    |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |                      |
| <b>KMIT Statutory Fund Balance</b> | <b>\$ 1,689,354</b> | <b>\$ (594,831)</b> | <b>\$ (1,278)</b>   | <b>\$ 923,992</b>   | <b>\$ 1,415,897</b> | <b>\$ 574,643</b>   | <b>\$ 1,375,011</b> | <b>\$ 402,183</b>   | <b>\$ (709,629)</b> | <b>\$ (270,050)</b> | <b>\$ 3,331,000</b> | <b>\$ 5,658,016</b>  |
|                                    |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |                      |
| <b>Accumulated Balance</b>         | <b>\$ 2,542,077</b> | <b>\$ 1,947,246</b> | <b>\$ 1,945,968</b> | <b>\$ 2,869,960</b> | <b>\$ 4,285,857</b> | <b>\$ 4,860,501</b> | <b>\$ 6,235,512</b> | <b>\$ 6,637,695</b> | <b>\$ 5,928,066</b> | <b>\$ 5,658,016</b> |                     |                      |

# KMIT Admin Expenses

November 30, 2018

|   | 1994              | 1995              | 1996              | 1997              | 1998              | 1999              | 2000              | 2001              | 2002              | 2003              | 2004              | 2005              | 2006              | 2007              | 2008              |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
|   | 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   |
| <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         |
| Directors and Officers Insurance        | \$ -              | \$ 489            | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              | \$ 20,367         | \$ 18,542         |
| 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         |
| Bank Fees                               | \$ 1,249          | \$ 4,735          | \$ 579            | \$ 658            | \$ 263            | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              | \$ 2,638          |
| 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>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         |
| 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          |
| 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         |
| KID State Audit                         | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              |
| KDOL Annual Assessment Fee              | \$ 9,073          | \$ 15,053         | \$ 12,422         | \$ 42,620         | \$ 40,785         | \$ 46,419         | \$ 39,310         | \$ 30,885         | \$ 34,311         | \$ 39,671         | \$ 57,365         | \$ 74,971         | \$ 79,724         | \$ 80,977         | \$ 91,422         |
| <b>Sub Total</b>                        | <b>\$ 95,360</b>  | <b>\$ 77,466</b>  | <b>\$ 56,293</b>  | <b>\$ 105,257</b> | <b>\$ 89,718</b>  | <b>\$ 81,083</b>  | <b>\$ 71,942</b>  | <b>\$ 55,599</b>  | <b>\$ 69,799</b>  | <b>\$ 94,418</b>  | <b>\$ 137,514</b> | <b>\$ 204,680</b> | <b>\$ 167,129</b> | <b>\$ 164,367</b> | <b>\$ 181,739</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         |
| 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         |
| Risk Management                         | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              | \$ 40,000         | \$ 40,000         | \$ 50,000         | \$ 50,000         | \$ 60,000         | \$ 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        |
| 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        |
| 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        |
| Payroll Audits                          | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              | \$ 10,088         | \$ 9,840          | \$ 12,042         | \$ -              | \$ 14,562         | \$ 15,684         | \$ 18,370         |
| 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>Administration Fund Expense</b>      | <b>\$ 477,137</b> | <b>\$ 601,545</b> | <b>\$ 492,681</b> | <b>\$ 527,664</b> | <b>\$ 492,235</b> | <b>\$ 456,730</b> | <b>\$ 450,023</b> | <b>\$ 437,027</b> | <b>\$ 533,041</b> | <b>\$ 649,336</b> | <b>\$ 738,933</b> | <b>\$ 818,603</b> | <b>\$ 906,677</b> | <b>\$ 916,565</b> | <b>\$ 957,103</b> |

# KMIT Admin Expenses

November 30, 2018

|   | 2009               | 2010                | 2011               | 2012               | 2013               | 2014                | 2015                | 2016                | 2017                | 2018                | 2018                | Total                |
|---|--------------------|---------------------|--------------------|--------------------|--------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|----------------------|
|   | Accrued<br>To Date | Accrued<br>To Date  | Accrued<br>To Date | Accrued<br>To Date | Accrued<br>To Date | Accrued<br>To Date  | Accrued<br>To Date  | Accrued<br>To Date  | Accrued<br>To Date  | Accrued<br>To Date  | Budget              | Accrued<br>To Date   |
| <b>GENERAL EXPENSES</b>                 |                    |                     |                    |                    |                    |                     |                     |                     |                     |                     |                     |                      |
| Agent Commissions                       | \$ 94,214          | \$ 93,637           | \$ 82,860          | \$ 96,481          | \$ 102,636         | \$ 97,189           | \$ 97,505           | \$ 90,158           | \$ 104,978          | \$ 93,650           | \$ 102,000          | \$ 1,401,827         |
| Directors and Officers Insurance        | \$ 15,857          | \$ 15,942           | \$ 16,038          | \$ 16,488          | \$ 17,224          | \$ 15,956           | \$ 15,667           | \$ 15,970           | \$ 15,939           | \$ 14,611           | \$ 16,000           | \$ 199,090           |
| Meetings/Travel                         | \$ -               | \$ -                | \$ 829             | \$ 4,881           | \$ 19,334          | \$ 29,749           | \$ 19,897           | \$ 22,638           | \$ 20,165           | \$ 21,117           | \$ 23,000           | \$ 153,230           |
| Contingencies/Miscellaneous             | \$ 34,318          | \$ 2,657            | \$ 1,708           | \$ 3,175           | \$ 3,623           | \$ 4,385            | \$ 3,884            | \$ 2,594            | \$ (2,597)          | \$ 7,234            | \$ 6,000            | \$ 364,046           |
| Bank Fees                               | \$ 2,758           | \$ 9,239            | \$ 5,776           | \$ 4,159           | \$ 7,528           | \$ 4,460            | \$ 5,998            | \$ 6,333            | \$ 7,391            | \$ 6,393            | \$ 6,000            | \$ 70,157            |
| 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            | \$ 9,000            | \$ 30,711            |
| <b>Sub Total</b>                        | <b>\$ 147,147</b>  | <b>\$ 121,475</b>   | <b>\$ 107,167</b>  | <b>\$ 126,735</b>  | <b>\$ 152,627</b>  | <b>\$ 155,632</b>   | <b>\$ 147,469</b>   | <b>\$ 144,835</b>   | <b>\$ 155,276</b>   | <b>\$ 146,983</b>   | <b>\$ 163,000</b>   | <b>\$ 2,221,070</b>  |
| <b>REGULATORY</b>                       |                    |                     |                    |                    |                    |                     |                     |                     |                     |                     |                     |                      |
| Kansas Insurance Dept (KID) Premium Tax | \$ 48,525          | \$ 49,030           | \$ 40,919          | \$ 43,445          | \$ 44,349          | \$ 51,057           | \$ 47,827           | \$ 46,830           | \$ 48,793           | \$ 33,173           | \$ 50,000           | \$ 837,547           |
| KID Pool Assessment                     | \$ 3,476           | \$ 3,500            | \$ 3,000           | \$ -               | \$ -               | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ 64,701            |
| KID Workers Compensation Assessment     | \$ 28,363          | \$ 57,704           | \$ 65,962          | \$ -               | \$ -               | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ 671,063           |
| KID State Audit                         | \$ -               | \$ -                | \$ 12,652          | \$ -               | \$ -               | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ 12,652            |
| KDOL Annual Assessment Fee              | \$ 59,307          | \$ 102,956          | \$ 38,609          | \$ 83,410          | \$ 85,200          | \$ 128,026          | \$ 81,691           | \$ 96,558           | \$ 159,712          | \$ 70,563           | \$ 200,000          | \$ 1,601,038         |
| <b>Sub Total</b>                        | <b>\$ 139,671</b>  | <b>\$ 213,190</b>   | <b>\$ 161,142</b>  | <b>\$ 126,855</b>  | <b>\$ 129,549</b>  | <b>\$ 179,083</b>   | <b>\$ 129,518</b>   | <b>\$ 143,388</b>   | <b>\$ 208,506</b>   | <b>\$ 103,736</b>   | <b>\$ 250,000</b>   | <b>\$ 3,187,001</b>  |
| <b>CONTRACTURAL</b>                     |                    |                     |                    |                    |                    |                     |                     |                     |                     |                     |                     |                      |
| Financial Audit                         | \$ 18,608          | \$ 31,565           | \$ 12,023          | \$ 11,738          | \$ 11,904          | \$ 15,803           | \$ 13,803           | \$ 12,000           | \$ 13,165           | \$ 13,124           | \$ 27,000           | \$ 330,363           |
| Actuarial                               | \$ 13,750          | \$ 14,000           | \$ 14,000          | \$ 14,250          | \$ 14,250          | \$ 15,000           | \$ 14,500           | \$ 15,000           | \$ 15,000           | \$ -                | \$ 15,000           | \$ 246,395           |
| Risk Management                         | \$ 70,000          | \$ 70,000           | \$ 70,000          | \$ 70,000          | \$ 170,000         | \$ 170,000          | \$ 170,000          | \$ 190,000          | \$ 205,000          | \$ 210,700          | \$ 210,700          | \$ 1,705,700         |
| Risk Control                            | \$ 145,000         | \$ 145,000          | \$ 145,000         | \$ 145,000         | \$ 150,000         | \$ 150,000          | \$ 155,000          | \$ 155,000          | \$ 155,000          | \$ 159,300          | \$ 159,300          | \$ 2,858,373         |
| Claims Adjusting                        | \$ 175,000         | \$ 195,000          | \$ 185,000         | \$ 185,000         | \$ 185,000         | \$ 185,000          | \$ 205,000          | \$ 205,000          | \$ 210,000          | \$ 216,300          | \$ 216,500          | \$ 4,302,559         |
| Risk Analysis                           | \$ -               | \$ -                | \$ -               | \$ -               | \$ -               | \$ 9,671            | \$ 14,651           | \$ 27,647           | \$ 12,113           | \$ 25,720           | \$ 15,000           | \$ 89,802            |
| POET                                    | \$ -               | \$ -                | \$ -               | \$ -               | \$ -               | \$ -                | \$ 7,425            | \$ 10,513           | \$ 20,138           | \$ 22,575           | \$ 15,000           | \$ 60,650            |
| Pool Admin Services                     | \$ 225,000         | \$ 225,000          | \$ 230,000         | \$ 230,004         | \$ 75,600          | \$ 81,900           | \$ 98,560           | \$ 99,360           | \$ 102,240          | \$ 96,360           | \$ 105,000          | \$ 4,057,040         |
| Payroll Audits                          | \$ 17,617          | \$ 19,173           | \$ 19,000          | \$ 16,318          | \$ 16,000          | \$ 20,143           | \$ 19,923           | \$ 19,954           | \$ 20,772           | \$ -                | \$ 21,000           | \$ 249,485           |
| Rating Services                         | \$ -               | \$ -                | \$ 22,650          | \$ 6,636           | \$ 18,702          | \$ 10,887           | \$ 754              | \$ 27,105           | \$ 11,595           | \$ 12,072           | \$ -                | \$ 110,401           |
| Crime                                   | \$ -               | \$ -                | \$ -               | \$ -               | \$ -               | \$ -                | \$ -                | \$ -                | \$ 348              | \$ 1,277            | \$ -                | \$ 1,625             |
| Web Hosting                             | \$ -               | \$ -                | \$ 1,155           | \$ 1,187           | \$ 2,663           | \$ 3,439            | \$ 2,846            | \$ 2,193            | \$ 3,758            | \$ 2,327            | \$ -                | \$ 19,567            |
| Endorsement Fee                         | \$ -               | \$ -                | \$ -               | \$ -               | \$ 70,000          | \$ 70,000           | \$ 70,000           | \$ 70,000           | \$ 70,000           | \$ 32,500           | \$ 32,500           | \$ 382,500           |
| <b>Sub Total</b>                        | <b>\$ 664,975</b>  | <b>\$ 699,738</b>   | <b>\$ 698,827</b>  | <b>\$ 680,133</b>  | <b>\$ 714,119</b>  | <b>\$ 731,842</b>   | <b>\$ 772,461</b>   | <b>\$ 833,772</b>   | <b>\$ 839,128</b>   | <b>\$ 792,255</b>   | <b>\$ 817,000</b>   | <b>\$ 14,414,460</b> |
| <b>Administration Fund Expense</b>      | <b>\$ 951,793</b>  | <b>\$ 1,034,402</b> | <b>\$ 967,136</b>  | <b>\$ 933,723</b>  | <b>\$ 996,295</b>  | <b>\$ 1,066,556</b> | <b>\$ 1,049,448</b> | <b>\$ 1,121,995</b> | <b>\$ 1,202,909</b> | <b>\$ 1,042,973</b> | <b>\$ 1,230,000</b> | <b>\$ 19,822,531</b> |

# KMIT Balance Sheet

December 31, 2018

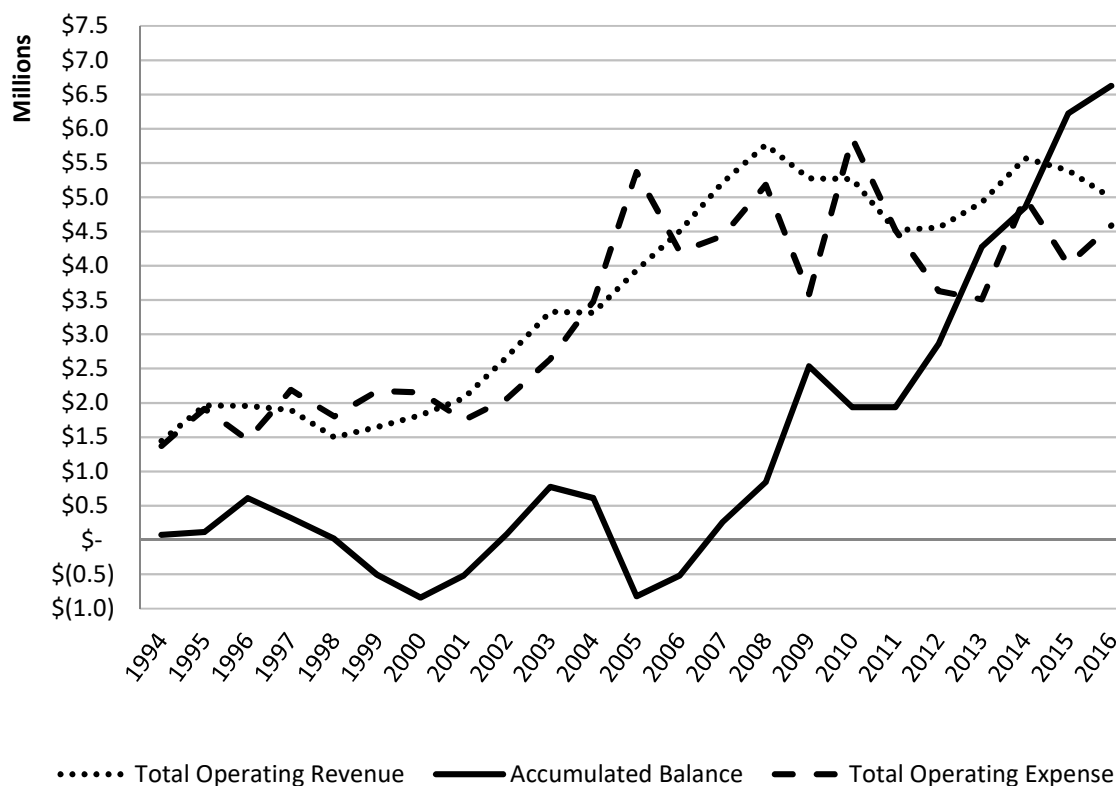
## ASSETS

|                           |           |                   |
|---------------------------|-----------|-------------------|
| Checking Accounts         | \$        | 405,146           |
| Investments               | \$        | 16,362,826        |
| Accrued Interest          | \$        | 123,512           |
| Accounts Receivable       | \$        | (37)              |
| Excess Premium Receivable | \$        | -                 |
| Specific Recoverable      | \$        | 1,311,462         |
| Aggregate Recoverable     | \$        | 7,011             |
| Prepaid Expenses          | \$        | 3,486             |
| <b>Total Assets</b>       | <b>\$</b> | <b>18,213,406</b> |

## LIABILITIES & EQUITY

|                                     |           |                   |
|-------------------------------------|-----------|-------------------|
| Accounts Payable                    | \$        | 59,039            |
| Excess Premium Payable              | \$        | -                 |
| Reserve for Losses                  | \$        | 6,283,941         |
| IBNR Reserve                        | \$        | 4,872,840         |
| Deposits on Premium                 | \$        | 982,386           |
| Accrued Taxes and Assessments       | \$        | 417,102           |
| <b>Total Liabilities</b>            | <b>\$</b> | <b>12,615,308</b> |
| <b>Total Equity</b>                 | <b>\$</b> | <b>5,598,098</b>  |
| <b>Total Liabilities and Equity</b> | <b>\$</b> | <b>18,213,406</b> |

## KMIT Financial Overview



# KMIT Profit and Loss

December 31, 2018

|                                    | 1994                | 1995                | 1996                | 1997                | 1998                | 1999                | 2000                | 2001                | 2002                | 2003                | 2004                | 2005                  | 2006                | 2007                | 2008                |
|------------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|-----------------------|---------------------|---------------------|---------------------|
|                                    | Closed              | Closed              | Closed              | Accrued<br>To Date  | Accrued<br>To Date  | Accrued<br>To Date  | Accrued<br>To Date  | Accrued<br>To Date  | Accrued<br>To Date  | Accrued<br>To Date  | Accrued<br>To Date  | Accrued<br>To Date    | Accrued<br>To Date  | Accrued<br>To Date  | Accrued<br>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        |
| 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          |
| 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> |
|                                    | \$ 390,462          |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |                       |                     |                     |                     |
| <b>ADMINISTRATION FUND EXPENSE</b> | <b>\$ 477,137</b>   | <b>\$ 601,545</b>   | <b>\$ 492,669</b>   | <b>\$ 527,664</b>   | <b>\$ 492,649</b>   | <b>\$ 456,640</b>   | <b>\$ 450,879</b>   | <b>\$ 437,027</b>   | <b>\$ 533,041</b>   | <b>\$ 649,336</b>   | <b>\$ 738,924</b>   | <b>\$ 818,481</b>     | <b>\$ 906,603</b>   | <b>\$ 916,374</b>   | <b>\$ 956,904</b>   |
| <b>CLAIMS FUND EXPENSE</b>         |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |                       |                     |                     |                     |
| Claims Paid Expense                | \$ 716,700          | \$ 1,049,152        | \$ 790,461          | \$ 2,073,604        | \$ 2,027,862        | \$ 1,747,896        | \$ 1,452,064        | \$ 1,097,496        | \$ 1,211,714        | \$ 1,874,209        | \$ 2,292,696        | \$ 3,937,043          | \$ 2,613,905        | \$ 2,789,275        | \$ 3,344,590        |
| Claims Paid Adjusting Expense      | \$ 25,541           | \$ 54,345           | \$ 46,583           | \$ 90,802           | \$ 86,689           | \$ 144,187          | \$ 124,465          | \$ 83,220           | \$ 129,112          | \$ 149,296          | \$ 150,419          | \$ 246,954            | \$ 182,510          | \$ 193,931          | \$ 239,174          |
| Claims Reserve Expense             | \$ -                | \$ -                | \$ -                | \$ -                | \$ 38,692           | \$ 47,174           | \$ 27,529           | \$ -                | \$ -                | \$ -                | \$ 37,317           | \$ 119,279            | \$ 46,899           | \$ 90,058           | \$ 64,627           |
| Claims Reserves Adjusting Expense  | \$ -                | \$ -                | \$ -                | \$ -                | \$ 3,680            | \$ 3,744            | \$ 9,257            | \$ -                | \$ -                | \$ -                | \$ 420              | \$ 15,459             | \$ 16,590           | \$ 15,280           | \$ 12,594           |
| IBNR Reserve Expense               | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ 38,690           | \$ 43,290             | \$ 54,791           | \$ 61,438           | \$ 259,377          |
| 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          |
| Specific Recoverable Expense       | \$ -                | \$ -                | \$ -                | \$ -                | \$ (145,170)        | \$ 48,322           | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                  | \$ -                | \$ -                | \$ -                |
| Specific Recovery Expense          | \$ -                | \$ -                | \$ -                | \$ (268,748)        | \$ (781,630)        | \$ (232,568)        | \$ -                | \$ -                | \$ -                | \$ (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>\$ 1,309,579</b> | <b>\$ 1,719,169</b> | <b>\$ 1,700,135</b> | <b>\$ 1,307,883</b> | <b>\$ 1,530,284</b> | <b>\$ 1,990,358</b> | <b>\$ 2,740,976</b> | <b>\$ 4,548,371</b>   | <b>\$ 3,299,120</b> | <b>\$ 3,516,711</b> | <b>\$ 4,226,603</b> |
| <b>Total Operating Expense</b>     | <b>\$ 1,370,771</b> | <b>\$ 1,915,183</b> | <b>\$ 1,463,089</b> | <b>\$ 2,187,817</b> | <b>\$ 1,802,228</b> | <b>\$ 2,175,810</b> | <b>\$ 2,151,014</b> | <b>\$ 1,744,911</b> | <b>\$ 2,063,325</b> | <b>\$ 2,639,694</b> | <b>\$ 3,479,900</b> | <b>\$ 5,366,852</b>   | <b>\$ 4,205,723</b> | <b>\$ 4,433,084</b> | <b>\$ 5,183,507</b> |
| <b>BALANCES</b>                    |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |                       |                     |                     |                     |
| <b>KMIT Statutory Fund Balance</b> | <b>\$ 74,486</b>    | <b>\$ 43,543</b>    | <b>\$ 494,870</b>   | <b>\$ (290,597)</b> | <b>\$ (303,871)</b> | <b>\$ (526,742)</b> | <b>\$ (331,628)</b> | <b>\$ 322,439</b>   | <b>\$ 606,319</b>   | <b>\$ 687,287</b>   | <b>\$ (164,184)</b> | <b>\$ (1,432,785)</b> | <b>\$ 301,403</b>   | <b>\$ 782,516</b>   | <b>\$ 581,464</b>   |
| <b>Accumulated Balance</b>         | <b>\$ 74,486</b>    | <b>\$ 118,029</b>   | <b>\$ 612,899</b>   | <b>\$ 322,302</b>   | <b>\$ 18,431</b>    | <b>\$ (508,311)</b> | <b>\$ (839,940)</b> | <b>\$ (517,500)</b> | <b>\$ 88,818</b>    | <b>\$ 776,105</b>   | <b>\$ 611,921</b>   | <b>\$ (820,863)</b>   | <b>\$ (519,460)</b> | <b>\$ 263,055</b>   | <b>\$ 844,519</b>   |

# KMIT Profit and Loss

December 31, 2018

|                                    | 2009                | 2010                | 2011                | 2012                | 2013                | 2014                | 2015                | 2016                | 2017                | 2018                | 2018                | Total                |
|------------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|----------------------|
|                                    | Accrued<br>To Date  | Accrued<br>To Date  | Accrued<br>To Date  | Accrued<br>To Date  | Accrued<br>To Date  | Accrued<br>To Date  | Accrued<br>To Date  | Accrued<br>To Date  | Accrued<br>To Date  | Accrued<br>To Date  | Budget              | Accrued<br>To Date   |
| <b>REVENUE FUND</b>                |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |                      |
| Direct Premium Earned              | \$ 5,193,427        | \$ 5,213,859        | \$ 4,442,326        | \$ 4,484,533        | \$ 4,853,835        | \$ 5,460,344        | \$ 5,261,044        | \$ 4,829,526        | \$ 4,984,618        | \$ 4,951,122        | \$ 4,900,000        | \$ 90,892,591        |
| Interest Income                    | \$ 81,601           | \$ 52,768           | \$ 72,925           | \$ 70,104           | \$ 71,861           | \$ 107,601          | \$ 128,600          | \$ 160,374          | \$ 220,606          | \$ 296,228          | \$ 165,000          | \$ 3,062,828         |
| Miscellaneous Income               | \$ -                | \$ -                | \$ 1,441            | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ 10,701            |
| <b>Total Operating Revenue</b>     | <b>\$ 5,275,028</b> | <b>\$ 5,266,578</b> | <b>\$ 4,516,692</b> | <b>\$ 4,554,637</b> | <b>\$ 4,925,696</b> | <b>\$ 5,567,945</b> | <b>\$ 5,389,644</b> | <b>\$ 4,989,900</b> | <b>\$ 5,205,224</b> | <b>\$ 5,247,350</b> | <b>\$ 5,065,000</b> | <b>\$ 93,966,120</b> |
|                                    |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |                      |
| <b>ADMINISTRATION FUND EXPENSE</b> | <b>\$ 951,628</b>   | <b>\$ 1,034,076</b> | <b>\$ 966,453</b>   | <b>\$ 933,702</b>   | <b>\$ 996,314</b>   | <b>\$ 1,066,042</b> | <b>\$ 1,049,000</b> | <b>\$ 1,121,532</b> | <b>\$ 1,195,944</b> | <b>\$ 1,152,501</b> | <b>\$ 1,230,000</b> | <b>\$ 19,923,068</b> |
|                                    |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |                      |
| <b>CLAIMS FUND EXPENSE</b>         |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |                      |
| Claims Paid Expense                | \$ 2,036,022        | \$ 3,882,914        | \$ 2,754,906        | \$ 1,920,451        | \$ 1,706,257        | \$ 3,266,987        | \$ 1,681,976        | \$ 1,543,946        | \$ 1,823,087        | \$ 1,025,148        | \$ -                | \$ 50,660,360        |
| Claims Paid Adjusting Expense      | \$ 133,967          | \$ 188,724          | \$ 148,643          | \$ 171,765          | \$ 129,206          | \$ 156,254          | \$ 145,196          | \$ 107,579          | \$ 124,179          | \$ 73,175           | \$ -                | \$ 3,325,915         |
| Claims Reserve Expense             | \$ 55,253           | \$ 214,991          | \$ 107,827          | \$ 55,685           | \$ 27,244           | \$ 1,281,735        | \$ 106,470          | \$ 269,197          | \$ 895,394          | \$ 1,999,506        | \$ -                | \$ 5,484,877         |
| Claims Reserves Adjusting Expense  | \$ 20,133           | \$ 26,254           | \$ 8,835            | \$ 4,221            | \$ 5,481            | \$ 54,901           | \$ 25,912           | \$ 69,205           | \$ 152,911          | \$ 354,189          | \$ -                | \$ 799,065           |
| IBNR Reserve Expense               | \$ 46,557           | \$ 162,686          | \$ 193,523          | \$ 218,063          | \$ 250,187          | \$ 263,025          | \$ 553,679          | \$ 1,024,708        | \$ 1,261,094        | \$ 441,732          | \$ -                | \$ 4,872,840         |
| Excess Work Comp Insurance         | \$ 341,935          | \$ 351,375          | \$ 336,966          | \$ 337,595          | \$ 395,128          | \$ 432,750          | \$ 456,352          | \$ 451,042          | \$ 476,604          | \$ 503,629          | \$ 504,000          | \$ 7,399,275         |
| Specific Recoverable Expense       | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ (1,214,614)      | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ (1,311,462)       |
| Specific Recovery Expense          | \$ -                | \$ (43)             | \$ -                | \$ (9,965)          | \$ -                | \$ (311,814)        | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ (2,313,578)       |
| Aggregate Recoverable Expense      | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ (7,011)           |
| Aggregate Recovery Expense         | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ (465,326)         |
| <b>Claims Fund Expense</b>         | <b>\$ 2,633,867</b> | <b>\$ 4,826,900</b> | <b>\$ 3,550,701</b> | <b>\$ 2,697,816</b> | <b>\$ 2,513,503</b> | <b>\$ 3,929,224</b> | <b>\$ 2,969,587</b> | <b>\$ 3,465,676</b> | <b>\$ 4,733,269</b> | <b>\$ 4,397,379</b> | <b>\$ 504,000</b>   | <b>\$ 68,444,955</b> |
|                                    |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |                      |
| <b>Total Operating Expense</b>     | <b>\$ 3,585,495</b> | <b>\$ 5,860,976</b> | <b>\$ 4,517,154</b> | <b>\$ 3,631,518</b> | <b>\$ 3,509,817</b> | <b>\$ 4,995,266</b> | <b>\$ 4,018,587</b> | <b>\$ 4,587,208</b> | <b>\$ 5,929,213</b> | <b>\$ 5,549,880</b> | <b>\$ 1,734,000</b> | <b>\$ 88,368,023</b> |
|                                    |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |                      |
| <b>BALANCES</b>                    |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |                      |
| KMIT Statutory Fund Balance        | \$ 1,689,533        | \$ (594,398)        | \$ (462)            | \$ 923,119          | \$ 1,415,878        | \$ 572,679          | \$ 1,371,056        | \$ 402,693          | \$ (723,988)        | \$ (302,530)        | \$ 3,331,000        | \$ 5,598,098         |
|                                    |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |                      |
| <b>Accumulated Balance</b>         | <b>\$ 2,534,052</b> | <b>\$ 1,939,654</b> | <b>\$ 1,939,192</b> | <b>\$ 2,862,310</b> | <b>\$ 4,278,189</b> | <b>\$ 4,850,867</b> | <b>\$ 6,221,924</b> | <b>\$ 6,624,616</b> | <b>\$ 5,900,628</b> | <b>\$ 5,598,098</b> |                     |                      |

# KMIT Admin Expenses

December 31, 2018

|   | 1994              | 1995              | 1996              | 1997              | 1998              | 1999              | 2000              | 2001              | 2002              | 2003              | 2004              | 2005              | 2006              | 2007              | 2008              |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
|   | 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   |
| <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         |
| Directors and Officers Insurance        | \$ -              | \$ 489            | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              | \$ 20,367         | \$ 18,542         |
| 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         |
| Bank Fees                               | \$ 1,249          | \$ 4,735          | \$ 579            | \$ 658            | \$ 263            | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              | \$ 2,638          |
| 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>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         |
| 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          |
| 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         |
| KID State Audit                         | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              |
| KDOL Annual Assessment Fee              | \$ 9,073          | \$ 15,053         | \$ 12,410         | \$ 42,620         | \$ 41,200         | \$ 46,329         | \$ 40,167         | \$ 30,885         | \$ 34,311         | \$ 39,671         | \$ 57,355         | \$ 74,849         | \$ 79,650         | \$ 80,786         | \$ 91,223         |
| <b>Sub Total</b>                        | <b>\$ 95,360</b>  | <b>\$ 77,466</b>  | <b>\$ 56,281</b>  | <b>\$ 105,257</b> | <b>\$ 90,133</b>  | <b>\$ 80,993</b>  | <b>\$ 72,799</b>  | <b>\$ 55,599</b>  | <b>\$ 69,799</b>  | <b>\$ 94,418</b>  | <b>\$ 137,505</b> | <b>\$ 204,558</b> | <b>\$ 167,055</b> | <b>\$ 164,175</b> | <b>\$ 181,540</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         |
| 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         |
| Risk Management                         | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              | \$ 40,000         | \$ 40,000         | \$ 50,000         | \$ 50,000         | \$ 60,000         | \$ 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        |
| 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        |
| 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        |
| Payroll Audits                          | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              | \$ 10,088         | \$ 9,840          | \$ 12,042         | \$ -              | \$ 14,562         | \$ 15,684         | \$ 18,370         |
| 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>Administration Fund Expense</b>      | <b>\$ 477,137</b> | <b>\$ 601,545</b> | <b>\$ 492,669</b> | <b>\$ 527,664</b> | <b>\$ 492,649</b> | <b>\$ 456,640</b> | <b>\$ 450,879</b> | <b>\$ 437,027</b> | <b>\$ 533,041</b> | <b>\$ 649,336</b> | <b>\$ 738,924</b> | <b>\$ 818,481</b> | <b>\$ 906,603</b> | <b>\$ 916,374</b> | <b>\$ 956,904</b> |

## KMIT Admin Expenses

December 31, 2018

|   | 2009               | 2010                | 2011               | 2012               | 2013               | 2014                | 2015                | 2016                | 2017                | 2018                | 2018                | Total                |
|---|--------------------|---------------------|--------------------|--------------------|--------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|----------------------|
|   | Accrued<br>To Date | Accrued<br>To Date  | Accrued<br>To Date | Accrued<br>To Date | Accrued<br>To Date | Accrued<br>To Date  | Accrued<br>To Date  | Accrued<br>To Date  | Accrued<br>To Date  | Accrued<br>To Date  | Budget              | Accrued<br>To Date   |
| <b>GENERAL EXPENSES</b>                 |                    |                     |                    |                    |                    |                     |                     |                     |                     |                     |                     |                      |
| Agent Commissions                       | \$ 94,214          | \$ 93,637           | \$ 82,860          | \$ 96,481          | \$ 102,636         | \$ 97,189           | \$ 97,505           | \$ 90,158           | \$ 104,978          | \$ 103,024          | \$ 102,000          | \$ 1,411,201         |
| Directors and Officers Insurance        | \$ 15,857          | \$ 15,942           | \$ 16,038          | \$ 16,488          | \$ 17,224          | \$ 15,956           | \$ 15,667           | \$ 15,970           | \$ 15,939           | \$ 15,939           | \$ 16,000           | \$ 200,418           |
| Meetings/Travel                         | \$ -               | \$ -                | \$ 829             | \$ 4,881           | \$ 19,334          | \$ 29,749           | \$ 19,897           | \$ 22,638           | \$ 20,165           | \$ 21,449           | \$ 23,000           | \$ 153,561           |
| Contingencies/Miscellaneous             | \$ 34,318          | \$ 2,657            | \$ 1,708           | \$ 3,175           | \$ 3,623           | \$ 4,385            | \$ 3,884            | \$ 2,594            | \$ (2,597)          | \$ 8,234            | \$ 6,000            | \$ 365,046           |
| Bank Fees                               | \$ 2,758           | \$ 9,239            | \$ 5,776           | \$ 4,159           | \$ 7,528           | \$ 4,460            | \$ 5,998            | \$ 6,333            | \$ 7,391            | \$ 6,764            | \$ 6,000            | \$ 70,528            |
| 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            | \$ 9,000            | \$ 30,711            |
| <b>Sub Total</b>                        | <b>\$ 147,147</b>  | <b>\$ 121,475</b>   | <b>\$ 107,167</b>  | <b>\$ 126,735</b>  | <b>\$ 152,627</b>  | <b>\$ 155,632</b>   | <b>\$ 147,469</b>   | <b>\$ 144,835</b>   | <b>\$ 155,276</b>   | <b>\$ 159,387</b>   | <b>\$ 163,000</b>   | <b>\$ 2,233,474</b>  |
| <b>REGULATORY</b>                       |                    |                     |                    |                    |                    |                     |                     |                     |                     |                     |                     |                      |
| Kansas Insurance Dept (KID) Premium Tax | \$ 48,525          | \$ 49,030           | \$ 40,919          | \$ 43,445          | \$ 44,349          | \$ 51,057           | \$ 47,827           | \$ 46,830           | \$ 48,793           | \$ 44,475           | \$ 50,000           | \$ 848,849           |
| KID Pool Assessment                     | \$ 3,476           | \$ 3,500            | \$ 3,000           | \$ -               | \$ -               | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ 64,701            |
| KID Workers Compensation Assessment     | \$ 28,363          | \$ 57,704           | \$ 65,962          | \$ -               | \$ -               | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ 671,063           |
| KID State Audit                         | \$ -               | \$ -                | \$ 12,652          | \$ -               | \$ -               | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ 12,652            |
| KDOL Annual Assessment Fee              | \$ 59,142          | \$ 102,630          | \$ 37,926          | \$ 83,390          | \$ 85,219          | \$ 127,512          | \$ 81,243           | \$ 96,095           | \$ 152,746          | \$ 95,584           | \$ 200,000          | \$ 1,617,068         |
| <b>Sub Total</b>                        | <b>\$ 139,506</b>  | <b>\$ 212,864</b>   | <b>\$ 160,459</b>  | <b>\$ 126,835</b>  | <b>\$ 129,568</b>  | <b>\$ 178,569</b>   | <b>\$ 129,070</b>   | <b>\$ 142,925</b>   | <b>\$ 201,540</b>   | <b>\$ 140,059</b>   | <b>\$ 250,000</b>   | <b>\$ 3,214,333</b>  |
| <b>CONTRACTURAL</b>                     |                    |                     |                    |                    |                    |                     |                     |                     |                     |                     |                     |                      |
| Financial Audit                         | \$ 18,608          | \$ 31,565           | \$ 12,023          | \$ 11,738          | \$ 11,904          | \$ 15,803           | \$ 13,803           | \$ 12,000           | \$ 13,165           | \$ 26,124           | \$ 27,000           | \$ 343,363           |
| Actuarial                               | \$ 13,750          | \$ 14,000           | \$ 14,000          | \$ 14,250          | \$ 14,250          | \$ 15,000           | \$ 14,500           | \$ 15,000           | \$ 15,000           | \$ 15,000           | \$ 15,000           | \$ 261,395           |
| Risk Management                         | \$ 70,000          | \$ 70,000           | \$ 70,000          | \$ 70,000          | \$ 170,000         | \$ 170,000          | \$ 170,000          | \$ 190,000          | \$ 205,000          | \$ 210,700          | \$ 210,700          | \$ 1,705,700         |
| Risk Control                            | \$ 145,000         | \$ 145,000          | \$ 145,000         | \$ 145,000         | \$ 150,000         | \$ 150,000          | \$ 155,000          | \$ 155,000          | \$ 155,000          | \$ 160,800          | \$ 159,300          | \$ 2,859,873         |
| Claims Adjusting                        | \$ 175,000         | \$ 195,000          | \$ 185,000         | \$ 185,000         | \$ 185,000         | \$ 185,000          | \$ 205,000          | \$ 205,000          | \$ 210,000          | \$ 216,300          | \$ 216,500          | \$ 4,302,559         |
| Risk Analysis                           | \$ -               | \$ -                | \$ -               | \$ -               | \$ -               | \$ 9,671            | \$ 14,651           | \$ 27,647           | \$ 12,113           | \$ 25,720           | \$ 15,000           | \$ 89,802            |
| POET                                    | \$ -               | \$ -                | \$ -               | \$ -               | \$ -               | \$ -                | \$ 7,425            | \$ 10,513           | \$ 20,138           | \$ 24,000           | \$ 15,000           | \$ 62,075            |
| Pool Admin Services                     | \$ 225,000         | \$ 225,000          | \$ 230,000         | \$ 230,004         | \$ 75,600          | \$ 81,900           | \$ 98,560           | \$ 99,360           | \$ 102,240          | \$ 105,120          | \$ 105,000          | \$ 4,065,800         |
| Payroll Audits                          | \$ 17,617          | \$ 19,173           | \$ 19,000          | \$ 16,318          | \$ 16,000          | \$ 20,143           | \$ 19,923           | \$ 19,954           | \$ 20,772           | \$ 21,000           | \$ 21,000           | \$ 270,485           |
| Rating Services                         | \$ -               | \$ -                | \$ 22,650          | \$ 6,636           | \$ 18,702          | \$ 10,887           | \$ 754              | \$ 27,105           | \$ 11,595           | \$ 12,072           | \$ -                | \$ 110,401           |
| Crime                                   | \$ -               | \$ -                | \$ -               | \$ -               | \$ -               | \$ -                | \$ -                | \$ -                | \$ 348              | \$ 1,393            | \$ -                | \$ 1,741             |
| Web Hosting                             | \$ -               | \$ -                | \$ 1,155           | \$ 1,187           | \$ 2,663           | \$ 3,439            | \$ 2,846            | \$ 2,193            | \$ 3,758            | \$ 2,327            | \$ -                | \$ 19,567            |
| Endorsement Fee                         | \$ -               | \$ -                | \$ -               | \$ -               | \$ 70,000          | \$ 70,000           | \$ 70,000           | \$ 70,000           | \$ 70,000           | \$ 32,500           | \$ 32,500           | \$ 382,500           |
| <b>Sub Total</b>                        | <b>\$ 664,975</b>  | <b>\$ 699,738</b>   | <b>\$ 698,827</b>  | <b>\$ 680,133</b>  | <b>\$ 714,119</b>  | <b>\$ 731,842</b>   | <b>\$ 772,461</b>   | <b>\$ 833,772</b>   | <b>\$ 839,128</b>   | <b>\$ 853,056</b>   | <b>\$ 817,000</b>   | <b>\$ 14,475,261</b> |
| <b>Administration Fund Expense</b>      | <b>\$ 951,628</b>  | <b>\$ 1,034,076</b> | <b>\$ 966,453</b>  | <b>\$ 933,702</b>  | <b>\$ 996,314</b>  | <b>\$ 1,066,042</b> | <b>\$ 1,049,000</b> | <b>\$ 1,121,532</b> | <b>\$ 1,195,944</b> | <b>\$ 1,152,501</b> | <b>\$ 1,230,000</b> | <b>\$ 19,923,068</b> |

# KMIT Balance Sheet

January 31, 2019

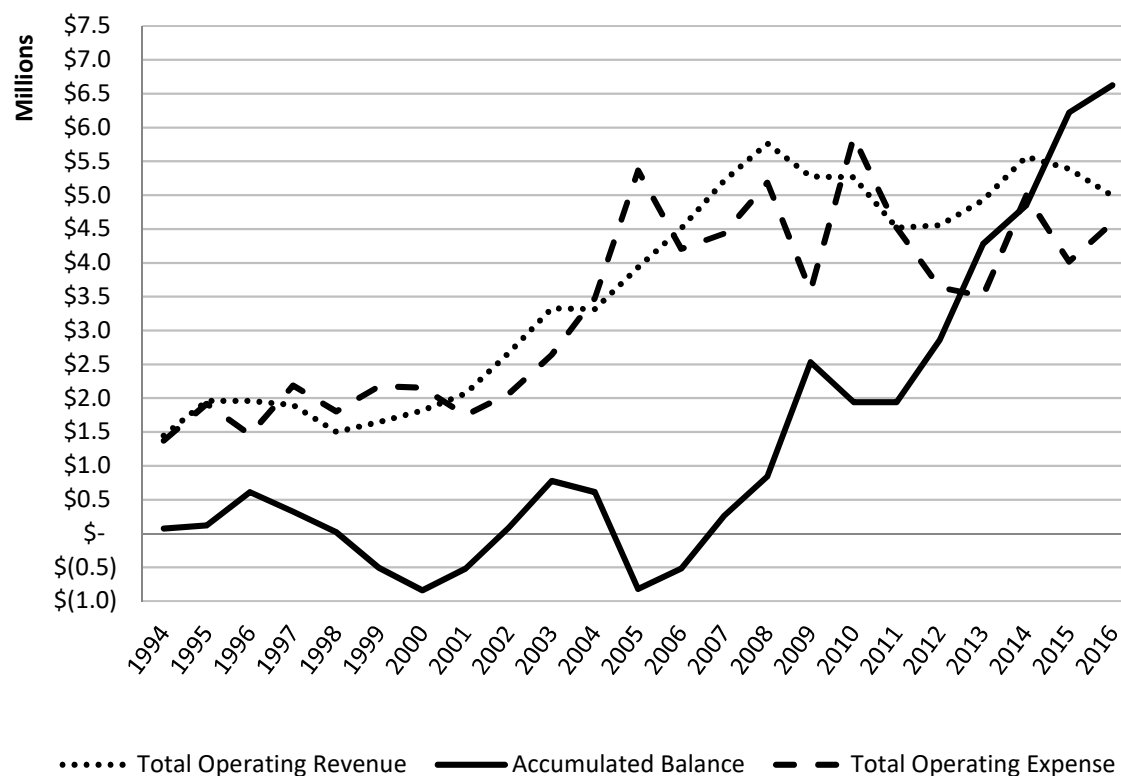
## ASSETS

|                           |           |                   |
|---------------------------|-----------|-------------------|
| Checking Accounts         | \$        | 157,288           |
| Investments               | \$        | 18,961,949        |
| Accrued Interest          | \$        | 134,538           |
| Accounts Receivable       | \$        | 1,147,014         |
| Excess Premium Receivable | \$        | -                 |
| Specific Recoverable      | \$        | 1,308,632         |
| Aggregate Recoverable     | \$        | 7,011             |
| Prepaid Expenses          | \$        | 22,663            |
| <b>Total Assets</b>       | <b>\$</b> | <b>21,739,095</b> |

## LIABILITIES & EQUITY

|                                     |           |                   |
|-------------------------------------|-----------|-------------------|
| Accounts Payable                    | \$        | 56,814            |
| Excess Premium Payable              | \$        | -                 |
| Reserve for Losses                  | \$        | 6,660,068         |
| IBNR Reserve                        | \$        | 4,554,477         |
| Deposits on Premium                 | \$        | 4,463,424         |
| Accrued Taxes and Assessments       | \$        | 417,102           |
| <b>Total Liabilities</b>            | <b>\$</b> | <b>16,151,886</b> |
| <b>Total Equity</b>                 | <b>\$</b> | <b>5,587,208</b>  |
| <b>Total Liabilities and Equity</b> | <b>\$</b> | <b>21,739,095</b> |

## KMIT Financial Overview



# KMIT Profit and Loss

January 31, 2019

|                                    | 1994                | 1995                | 1996                | 1997                | 1998                | 1999                | 2000                | 2001                | 2002                | 2003                | 2004                | 2005                | 2006                | 2007                | 2008                | 2009                |
|------------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
|                                    | Closed              | Closed              | Closed              | Accrued<br>To Date  | Accrued<br>To Date  | Accrued<br>To Date  | Accrued<br>To Date  | Accrued<br>To Date  | Accrued<br>To Date  | Accrued<br>To Date  | Accrued<br>To Date  | Accrued<br>To Date  | Accrued<br>To Date  | Accrued<br>To Date  | Accrued<br>To Date  | Accrued<br>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>\$ 492,669</b>   | <b>\$ 527,664</b>   | <b>\$ 492,649</b>   | <b>\$ 456,640</b>   | <b>\$ 450,879</b>   | <b>\$ 437,027</b>   | <b>\$ 533,041</b>   | <b>\$ 649,336</b>   | <b>\$ 738,924</b>   | <b>\$ 818,481</b>   | <b>\$ 906,603</b>   | <b>\$ 916,374</b>   | <b>\$ 956,904</b>   | <b>\$ 951,628</b>   |
| <b>CLAIMS FUND EXPENSE</b>         |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| Claims Paid Expense                | \$ 716,700          | \$ 1,049,152        | \$ 790,461          | \$ 2,073,604        | \$ 2,031,576        | \$ 1,748,695        | \$ 1,452,578        | \$ 1,097,496        | \$ 1,211,714        | \$ 1,874,209        | \$ 2,292,696        | \$ 3,939,925        | \$ 2,614,945        | \$ 2,790,999        | \$ 3,345,069        | \$ 2,036,022        |
| Claims Paid Adjusting Expense      | \$ 25,541           | \$ 54,345           | \$ 46,583           | \$ 90,802           | \$ 86,808           | \$ 144,189          | \$ 124,490          | \$ 83,220           | \$ 129,112          | \$ 149,296          | \$ 150,419          | \$ 247,019          | \$ 182,561          | \$ 193,971          | \$ 239,215          | \$ 133,972          |
| Claims Reserve Expense             | \$ -                | \$ -                | \$ -                | \$ -                | \$ 34,978           | \$ 46,375           | \$ 27,016           | \$ -                | \$ -                | \$ -                | \$ 37,317           | \$ 116,398          | \$ 45,859           | \$ 88,334           | \$ 64,148           | \$ 55,253           |
| Claims Reserves Adjusting Expense  | \$ -                | \$ -                | \$ -                | \$ -                | \$ 3,561            | \$ 3,742            | \$ 9,232            | \$ -                | \$ -                | \$ -                | \$ 420              | \$ 15,394           | \$ 16,540           | \$ 15,239           | \$ 12,553           | \$ 20,129           |
| IBNR Reserve Expense               | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ 38,690           | \$ 43,290           | \$ 54,791           | \$ 61,438           | \$ 259,377          | \$ 46,557           |
| 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       | \$ -                | \$ -                | \$ -                | \$ -                | \$ (145,170)        | \$ 51,153           | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                |
| Specific Recovery Expense          | \$ -                | \$ -                | \$ -                | \$ (268,748)        | \$ (781,630)        | \$ (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>\$ 1,309,579</b> | <b>\$ 1,719,169</b> | <b>\$ 1,700,135</b> | <b>\$ 1,307,883</b> | <b>\$ 1,530,284</b> | <b>\$ 1,990,358</b> | <b>\$ 2,740,976</b> | <b>\$ 4,548,371</b> | <b>\$ 3,299,120</b> | <b>\$ 3,516,711</b> | <b>\$ 4,226,603</b> | <b>\$ 2,633,867</b> |
| <b>Total Operating Expense</b>     | <b>\$ 1,370,771</b> | <b>\$ 1,915,183</b> | <b>\$ 1,463,089</b> | <b>\$ 2,187,817</b> | <b>\$ 1,802,228</b> | <b>\$ 2,175,810</b> | <b>\$ 2,151,014</b> | <b>\$ 1,744,911</b> | <b>\$ 2,063,325</b> | <b>\$ 2,639,694</b> | <b>\$ 3,479,900</b> | <b>\$ 5,366,852</b> | <b>\$ 4,205,723</b> | <b>\$ 4,433,084</b> | <b>\$ 5,183,507</b> | <b>\$ 3,585,495</b> |
| <b>BALANCES</b>                    |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| KMIT Statutory Fund Balance        | \$ 74,486           | \$ 43,543           | \$ 494,870          | \$ (290,597)        | \$ (303,871)        | \$ (526,742)        | \$ (331,628)        | \$ 322,439          | \$ 606,319          | \$ 687,287          | \$ (164,184)        | \$ (1,432,785)      | \$ 301,403          | \$ 782,516          | \$ 581,464          | \$ 1,689,533        |
| <b>Accumulated Balance</b>         | <b>\$ 74,486</b>    | <b>\$ 118,029</b>   | <b>\$ 612,899</b>   | <b>\$ 322,302</b>   | <b>\$ 18,431</b>    | <b>\$ (508,312)</b> | <b>\$ (839,940)</b> | <b>\$ (517,500)</b> | <b>\$ 88,818</b>    | <b>\$ 776,105</b>   | <b>\$ 611,921</b>   | <b>\$ (820,863)</b> | <b>\$ (519,461)</b> | <b>\$ 263,055</b>   | <b>\$ 844,519</b>   | <b>\$ 2,534,052</b> |

# KMIT Profit and Loss

January 31, 2019

|                                    | 2010                | 2011                | 2012                | 2013                | 2014                | 2015                | 2016                | 2017                | 2018                | 2019                | 2019                | Total                |
|------------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|----------------------|
|                                    | Accrued<br>To Date  | Accrued<br>To Date  | Accrued<br>To Date  | Accrued<br>To Date  | Accrued<br>To Date  | Accrued<br>To Date  | Accrued<br>To Date  | Accrued<br>To Date  | Accrued<br>To Date  | Accrued<br>To Date  | Budget              | Accrued<br>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        | \$ 4,951,122        | \$ 410,205          | \$ 5,080,000        | \$ 91,302,796        |
| Interest Income                    | \$ 52,768           | \$ 72,925           | \$ 70,104           | \$ 71,861           | \$ 107,601          | \$ 128,600          | \$ 160,374          | \$ 220,606          | \$ 322,788          | \$ 1,536            | \$ 230,000          | \$ 3,090,924         |
| 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>\$ 5,273,910</b> | <b>\$ 411,741</b>   | <b>\$ 5,310,000</b> | <b>\$ 94,404,421</b> |
| <b>ADMINISTRATION FUND EXPENSE</b> | <b>\$ 1,034,076</b> | <b>\$ 966,453</b>   | <b>\$ 933,702</b>   | <b>\$ 996,314</b>   | <b>\$ 1,066,042</b> | <b>\$ 1,049,000</b> | <b>\$ 1,121,532</b> | <b>\$ 1,195,944</b> | <b>\$ 1,152,501</b> | <b>\$ 84,200</b>    | <b>\$ 1,301,000</b> | <b>\$ 20,007,268</b> |
| <b>CLAIMS FUND EXPENSE</b>         |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |                      |
| Claims Paid Expense                | \$ 3,884,949        | \$ 2,760,450        | \$ 1,920,451        | \$ 1,706,257        | \$ 3,269,963        | \$ 1,682,725        | \$ 1,548,756        | \$ 1,832,831        | \$ 1,232,788        | \$ 542              | \$ -                | \$ 50,905,550        |
| Claims Paid Adjusting Expense      | \$ 188,774          | \$ 148,683          | \$ 171,765          | \$ 129,206          | \$ 156,272          | \$ 145,310          | \$ 108,213          | \$ 125,380          | \$ 90,007           | \$ 13               | \$ -                | \$ 3,345,165         |
| Claims Reserve Expense             | \$ 212,957          | \$ 102,283          | \$ 39,217           | \$ 27,944           | \$ 1,278,759        | \$ 106,422          | \$ 280,864          | \$ 1,176,562        | \$ 1,987,555        | \$ 96,008           | \$ -                | \$ 5,824,247         |
| Claims Reserves Adjusting Expense  | \$ 26,204           | \$ 8,795            | \$ 3,874            | \$ 5,481            | \$ 54,882           | \$ 25,798           | \$ 69,325           | \$ 175,896          | \$ 353,579          | \$ 15,177           | \$ -                | \$ 835,821           |
| IBNR Reserve Expense               | \$ 162,686          | \$ 193,523          | \$ 234,878          | \$ 249,487          | \$ 263,025          | \$ 552,979          | \$ 1,007,476        | \$ 945,996          | \$ 225,117          | \$ 215,167          | \$ -                | \$ 4,554,477         |
| Excess Work Comp Insurance         | \$ 351,375          | \$ 336,966          | \$ 337,595          | \$ 395,128          | \$ 432,750          | \$ 456,352          | \$ 451,042          | \$ 476,604          | \$ 503,629          | \$ 42,786           | \$ 510,000          | \$ 7,442,061         |
| Specific Recoverable Expense       | \$ -                | \$ -                | \$ -                | \$ -                | \$ (1,214,614)      | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ (1,308,632)       |
| Specific Recovery Expense          | \$ (43)             | \$ -                | \$ (9,965)          | \$ -                | \$ (311,814)        | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ (2,316,408)       |
| Aggregate Recoverable Expense      | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ (7,011)           |
| Aggregate Recovery Expense         | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ (465,326)         |
| <b>Claims Fund Expense</b>         | <b>\$ 4,826,900</b> | <b>\$ 3,550,701</b> | <b>\$ 2,697,816</b> | <b>\$ 2,513,503</b> | <b>\$ 3,929,224</b> | <b>\$ 2,969,587</b> | <b>\$ 3,465,676</b> | <b>\$ 4,733,269</b> | <b>\$ 4,392,675</b> | <b>\$ 369,693</b>   | <b>\$ 510,000</b>   | <b>\$ 68,809,945</b> |
| <b>Total Operating Expense</b>     | <b>\$ 5,860,977</b> | <b>\$ 4,517,154</b> | <b>\$ 3,631,518</b> | <b>\$ 3,509,817</b> | <b>\$ 4,995,266</b> | <b>\$ 4,018,587</b> | <b>\$ 4,587,208</b> | <b>\$ 5,929,213</b> | <b>\$ 5,545,176</b> | <b>\$ 453,893</b>   | <b>\$ 1,811,000</b> | <b>\$ 88,817,213</b> |
| <b>BALANCES</b>                    |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |                      |
| KMIT Statutory Fund Balance        | \$ (594,399)        | \$ (462)            | \$ 923,119          | \$ 1,415,878        | \$ 572,679          | \$ 1,371,056        | \$ 402,693          | \$ (723,988)        | \$ (271,267)        | \$ (42,152)         | \$ 3,499,000        | \$ 5,587,208         |
| <b>Accumulated Balance</b>         | <b>\$ 1,939,653</b> | <b>\$ 1,939,191</b> | <b>\$ 2,862,310</b> | <b>\$ 4,278,188</b> | <b>\$ 4,850,867</b> | <b>\$ 6,221,923</b> | <b>\$ 6,624,616</b> | <b>\$ 5,900,627</b> | <b>\$ 5,629,361</b> | <b>\$ 5,587,208</b> |                     |                      |

# KMIT Admin Expenses

January 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>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         | \$ 12,410         | \$ 42,620         | \$ 41,200         | \$ 46,329         | \$ 40,167         | \$ 30,885         | \$ 34,311         | \$ 39,671         | \$ 57,355         | \$ 74,849         | \$ 79,650         | \$ 80,786         | \$ 91,223         | \$ 59,142         |
| <b>Sub Total</b>                        | <b>\$ 95,360</b>  | <b>\$ 77,466</b>  | <b>\$ 56,281</b>  | <b>\$ 105,257</b> | <b>\$ 90,133</b>  | <b>\$ 80,993</b>  | <b>\$ 72,799</b>  | <b>\$ 55,599</b>  | <b>\$ 69,799</b>  | <b>\$ 94,418</b>  | <b>\$ 137,505</b> | <b>\$ 204,558</b> | <b>\$ 167,055</b> | <b>\$ 164,175</b> | <b>\$ 181,540</b> | <b>\$ 139,506</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>\$ 492,669</b> | <b>\$ 527,664</b> | <b>\$ 492,649</b> | <b>\$ 456,640</b> | <b>\$ 450,879</b> | <b>\$ 437,027</b> | <b>\$ 533,041</b> | <b>\$ 649,336</b> | <b>\$ 738,924</b> | <b>\$ 818,481</b> | <b>\$ 906,603</b> | <b>\$ 916,374</b> | <b>\$ 956,904</b> | <b>\$ 951,628</b> |

# KMIT Admin Expenses

January 31, 2019

|   | 2010                | 2011               | 2012               | 2013               | 2014                | 2015                | 2016                | 2017                | 2018                | 2019               | 2019                | Total                |
|---|---------------------|--------------------|--------------------|--------------------|---------------------|---------------------|---------------------|---------------------|---------------------|--------------------|---------------------|----------------------|
|   | Accrued<br>To Date  | Accrued<br>To Date | Accrued<br>To Date | Accrued<br>To Date | Accrued<br>To Date  | Accrued<br>To Date  | Accrued<br>To Date  | Accrued<br>To Date  | Accrued<br>To Date  | Accrued<br>To Date | Budget              | Accrued<br>To Date   |
| <b>GENERAL EXPENSES</b>                 |                     |                    |                    |                    |                     |                     |                     |                     |                     |                    |                     |                      |
| Agent Commissions                       | \$ 93,637           | \$ 82,860          | \$ 96,481          | \$ 102,636         | \$ 97,189           | \$ 97,505           | \$ 90,158           | \$ 104,978          | \$ 103,024          | \$ 4,482           | \$ 110,000          | \$ 1,415,683         |
| Directors and Officers Insurance        | \$ 15,942           | \$ 16,038          | \$ 16,488          | \$ 17,224          | \$ 15,956           | \$ 15,667           | \$ 15,970           | \$ 15,939           | \$ 15,939           | \$ 1,384           | \$ 16,000           | \$ 201,802           |
| Meetings/Travel                         | \$ -                | \$ 829             | \$ 4,881           | \$ 19,334          | \$ 29,749           | \$ 19,897           | \$ 22,638           | \$ 20,165           | \$ 21,449           | \$ 295             | \$ 24,000           | \$ 153,856           |
| Contingencies/Miscellaneous             | \$ 2,657            | \$ 1,708           | \$ 3,175           | \$ 3,623           | \$ 4,385            | \$ 3,884            | \$ 2,594            | \$ (2,597)          | \$ 8,234            | \$ 1,495           | \$ 12,000           | \$ 366,541           |
| Bank Fees                               | \$ 9,239            | \$ 5,776           | \$ 4,159           | \$ 7,528           | \$ 4,460            | \$ 5,998            | \$ 6,333            | \$ 7,391            | \$ 6,764            | \$ 598             | \$ 8,000            | \$ 71,126            |
| 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            | \$ 4,057           | \$ 14,000           | \$ 34,768            |
| <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>\$ 159,387</b>   | <b>\$ 12,309</b>   | <b>\$ 185,000</b>   | <b>\$ 2,245,783</b>  |
| <b>REGULATORY</b>                       |                     |                    |                    |                    |                     |                     |                     |                     |                     |                    |                     |                      |
| Kansas Insurance Dept (KID) Premium Tax | \$ 49,030           | \$ 40,919          | \$ 43,445          | \$ 44,349          | \$ 51,057           | \$ 47,827           | \$ 46,830           | \$ 48,793           | \$ 44,475           | \$ -               | \$ 50,000           | \$ 848,849           |
| 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              | \$ 102,630          | \$ 37,926          | \$ 83,390          | \$ 85,219          | \$ 127,512          | \$ 81,243           | \$ 96,095           | \$ 152,746          | \$ 95,584           | \$ -               | \$ 230,000          | \$ 1,617,068         |
| <b>Sub Total</b>                        | <b>\$ 212,864</b>   | <b>\$ 160,459</b>  | <b>\$ 126,835</b>  | <b>\$ 129,568</b>  | <b>\$ 178,569</b>   | <b>\$ 129,070</b>   | <b>\$ 142,925</b>   | <b>\$ 201,540</b>   | <b>\$ 140,059</b>   | <b>\$ -</b>        | <b>\$ 280,000</b>   | <b>\$ 3,214,333</b>  |
| <b>CONTRACTURAL</b>                     |                     |                    |                    |                    |                     |                     |                     |                     |                     |                    |                     |                      |
| Financial Audit                         | \$ 31,565           | \$ 12,023          | \$ 11,738          | \$ 11,904          | \$ 15,803           | \$ 13,803           | \$ 12,000           | \$ 13,165           | \$ 26,124           | \$ -               | \$ 26,000           | \$ 343,363           |
| 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          | \$ 21,690          | \$ 216,900          | \$ 1,727,390         |
| Risk Control                            | \$ 145,000          | \$ 145,000         | \$ 145,000         | \$ 150,000         | \$ 150,000          | \$ 155,000          | \$ 155,000          | \$ 155,000          | \$ 160,800          | \$ 16,410          | \$ 164,100          | \$ 2,876,283         |
| Claims Adjusting                        | \$ 195,000          | \$ 185,000         | \$ 185,000         | \$ 185,000         | \$ 185,000          | \$ 205,000          | \$ 205,000          | \$ 210,000          | \$ 216,300          | \$ 22,279          | \$ 216,500          | \$ 4,324,838         |
| Risk Analysis                           | \$ -                | \$ -               | \$ -               | \$ -               | \$ 9,671            | \$ 14,651           | \$ 27,647           | \$ 12,113           | \$ 25,720           | \$ 1,050           | \$ 11,000           | \$ 90,852            |
| POET                                    | \$ -                | \$ -               | \$ -               | \$ -               | \$ -                | \$ 7,425            | \$ 10,513           | \$ 20,138           | \$ 24,000           | \$ 563             | \$ 23,000           | \$ 62,638            |
| Pool Admin Services                     | \$ 225,000          | \$ 230,000         | \$ 230,004         | \$ 75,600          | \$ 81,900           | \$ 98,560           | \$ 99,360           | \$ 102,240          | \$ 105,120          | \$ 9,000           | \$ 108,000          | \$ 4,074,800         |
| Payroll Audits                          | \$ 19,173           | \$ 19,000          | \$ 16,318          | \$ 16,000          | \$ 20,143           | \$ 19,923           | \$ 19,954           | \$ 20,772           | \$ 21,000           | \$ -               | \$ 22,000           | \$ 270,485           |
| Rating Services                         | \$ -                | \$ 22,650          | \$ 6,636           | \$ 18,702          | \$ 10,887           | \$ 754              | \$ 27,105           | \$ 11,595           | \$ 12,072           | \$ -               | \$ -                | \$ 110,401           |
| Crime                                   | \$ -                | \$ -               | \$ -               | \$ -               | \$ -                | \$ -                | \$ -                | \$ 348              | \$ 1,393            | \$ 116             | \$ -                | \$ 1,857             |
| Web Hosting                             | \$ -                | \$ 1,155           | \$ 1,187           | \$ 2,663           | \$ 3,439            | \$ 2,846            | \$ 2,193            | \$ 3,758            | \$ 2,327            | \$ 783             | \$ -                | \$ 20,350            |
| Endorsement Fee                         | \$ -                | \$ -               | \$ -               | \$ 70,000          | \$ 70,000           | \$ 70,000           | \$ 70,000           | \$ 70,000           | \$ 32,500           | \$ -               | \$ 32,500           | \$ 382,500           |
| <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>\$ 839,128</b>   | <b>\$ 853,056</b>   | <b>\$ 71,891</b>   | <b>\$ 836,000</b>   | <b>\$ 14,547,151</b> |
| <b>Administration Fund Expense</b>      | <b>\$ 1,034,076</b> | <b>\$ 966,453</b>  | <b>\$ 933,702</b>  | <b>\$ 996,314</b>  | <b>\$ 1,066,042</b> | <b>\$ 1,049,000</b> | <b>\$ 1,121,532</b> | <b>\$ 1,195,944</b> | <b>\$ 1,152,501</b> | <b>\$ 84,200</b>   | <b>\$ 1,301,000</b> | <b>\$ 20,007,268</b> |

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

Kansas Municipal Insurance Trust

(Name of Company)

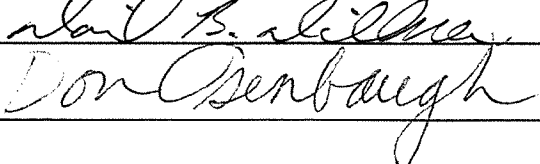
As of 12/31/2018  
1st 2nd 3rd 4th Quarter (CIRCLE ONE)

| ASSETS  | <b>CURRENT FISCAL</b>      |            | <b>PREVIOUS FISCAL</b>    |            |
|---|----------------------------|------------|---------------------------|------------|
|   | <b><u>YEAR TO DATE</u></b> |            | <b><u>YEAR END</u></b>    |            |
|   | <b>12/31/2018</b>          |            | <b>12/31/2017 Audited</b> |            |
| Administrative fund:                            |                            |            |                           |            |
| Cash  | \$                         | 84,704     | \$                        | 130,378    |
| Investments                                     |                            | 0          |                           | 0          |
| Claims fund:                                    |                            |            |                           |            |
| Cash  |                            | 320,441    |                           | 427,130    |
| Investments                                     |                            | 16,362,826 |                           | 15,213,125 |
| Premium contributions receivable                |                            | (37)       |                           | 149,956    |
| Excess insurance recoverable on claims payments |                            | 516,272    |                           | 32,351     |
| Interest income due and accrued                 |                            | 123,512    |                           | 125,822    |
| Receivable from affiliates                      |                            |            |                           |            |
| Other assets:                                   |                            |            |                           |            |
| Agent Commissions Receivable                    |                            | 0          |                           | 4,602      |
| Prepaid Excess Insurance                        |                            | 0          |                           | 0          |
| Prepaid Expenses                                |                            | 3,486      |                           | 1,045      |
| Excess Insurance Premium Receivable             |                            | 0          |                           | 18,907     |
| Less: Non Admitted Assets                       |                            | (3,486)    |                           | (1,045)    |
| Total Assets                                    | \$                         | 17,407,719 | \$                        | 16,102,271 |

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<br/>YEAR TO DATE</u></b><br>12/31/2018 | <b><u>PREVIOUS FISCAL<br/>YEAR END</u></b><br>12/31/2017 - Audited |
|--|---|--|
| Reserve for unpaid workers' compensation claims      | \$ 4,686,567  | \$ 3,342,258   |
| Reserve for unpaid claim adjustment expenses         | 795,173   | 383,386  |
| Reserve for claims incurred but not reported         | 4,872,840   | 4,813,095  |
| Unearned premium contribution                        | 933,558   | 688,875  |
| Other expenses due or accrued                        | 1,045   |  |
| Taxes, licenses and fees due or accrued              | 417,102   | 403,764  |
| Borrowed money \$_____ and interest thereon \$_____  |   |  |
| Dividends payable to members                         |   |  |
| Deposits on premium contributions                    | 48,828  | 491,947  |
| Excess insurance premium payable                     |   |  |
| Payable to affiliates                                |   |  |
| Accounts payable                                     | 59,039  | 47,500   |
| Miscellaneous liabilities:                           |   |  |
| Return Premium Payable                               |   |  |
|  |   |  |
|  |   |  |
| Total Liabilities:                                   | \$ 11,814,152   | \$ 10,170,825  |
| Special reserve funds:                               |   |  |
|  |   |  |
|  |   |  |
|  |   |  |
| Total Special Reserve Funds                          |   |  |
| <b><u>FUND BALANCE</u></b>                           |   |  |
| Total Reserves and Fund Balance (Assets-Liabilities) | 5,593,566   | 5,931,446  |
| Total Liabilities, Reserves and Fund Balance         | \$ 17,407,719   | \$ 16,102,271  |

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

| <b><u>SUMMARY OF OPERATIONS</u></b>                 | <b><u>CURRENT FISCAL<br/>YEAR TO DATE</u></b><br>12/31/2018 | <b><u>PREVIOUS FISCAL<br/>YEAR END</u></b><br>12/31/2017 - Audited |
|---|---|--|
| Underwriting Income                                 |   |  |
| Direct Premium Contributions Earned                 | \$ 4,951,122  | \$ 4,984,618   |
| Deductions:   |   |  |
| Excess insurance premium incurred                   | 503,629   | 476,604  |
| Workers' compensation claims incurred               | 3,272,382   | 3,308,274  |
| Claims adjustment expenses incurred                 | 655,892   | 297,888  |
| Other administrative expenses incurred              | 1,149,840   | 1,164,966  |
| Total underwriting deductions                       | 5,581,744   | 5,247,732  |
| Net underwriting Gain or (Loss)                     | \$ (630,622)  | \$ (263,114)   |
| Investment income                                   |   |  |
| Interest income earned (Net of investment expenses) | 296,228   | 220,606  |
| Other income  |   |  |
| Other income  | 0   | 0  |
| Net income before dividends to members              | (334,394)   | (42,508)   |
| Dividends to members                                |   |  |
| Net income after dividends to members               | (334,394)   | (42,508)   |
| <b>Net Income(Loss)</b>                             | <b>\$ (334,394)</b>   | <b>\$ (42,508)</b>   |

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

| <b><u>ANALYSIS OF FUND BALANCE</u></b> | <b><u>CURRENT FISCAL<br/>YEAR TO DATE</u></b> | <b><u>PREVIOUS FISCAL<br/>YEAR END</u></b> |
|--|---|--|
|  | 12/31/2018                                    | 12/31/2017 - Audited                       |
| Fund balance, previous period          | \$ <u>5,931,446</u> \$                        | <u>5,974,999</u>                           |
| Net income (Loss)                      | <u>(334,394)</u>                              | <u>(42,508)</u>                            |
| Change in non-admitted assets          | <u>(3,486)</u>                                | <u>(1,045)</u>                             |
| Rounding                               |   |  |
| <u>Change in Non Admitted Assets</u>   |   |  |
| Change in fund balance for the period  | <u>(337,880)</u>                              | <u>(43,553)</u>                            |
| Fund balance, current period           | \$ <u>5,593,566</u> \$                        | <u>5,931,446</u>                           |

Contract Year January 1, 2018 to December 31, 2018  
 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 12/31/2018

| 1                | 2              | 3               | 4                     | 5                                 | 6                   | 7                      | 8                       | 9                        | 10                          | 11                        | 12                              | 13   | 14                                 | 15                                 | 16                       |
|------------------|----------------|-----------------|-----------------------|-----------------------------------|---------------------|------------------------|-------------------------|--------------------------|-----------------------------|---------------------------|---------------------------------|--|------------------------------------|------------------------------------|--------------------------|
| Current Injuries | Total Injuries | Contract Period | Direct Premium Earned | Excess Insurance Premium Incurred | Net Premiums Earned | Direct Losses Incurred | Loss Adj. Exp. Incurred | Loss & Loss Exp Incurred | Service Agent Fees Incurred | General Expenses Incurred | Taxes, Licenses & Fees Incurred | Total Expenses Incurred Col 10 + Col 11 + Col 12 | Claims Ratios as a % Col 9 / Col 6 | Admin. Ratios as a % Col 9 / Col 6 | Investment Income Earned |
| 0                | 310            | PCY 24          | 1,422,582             | 151,393                           | 1,271,189           | 716,700                | 38,528                  | 755,228                  | 288,447                     | 83,330                    | 95,360                          | 477,137  | 59.4%                              | 37.5%                              | 22,875                   |
| 0                | 243            | PCY 23          | 1,885,501             | 210,142                           | 1,675,359           | 1,049,152              | 17,010                  | 1,066,161                | 312,500                     | 211,579                   | 77,466                          | 601,545  | 63.6%                              | 35.9%                              | 73,225                   |
| 0                | 424            | PCY 22          | 1,843,047             | 133,376                           | 1,709,671           | 790,461                | 57,328                  | 847,789                  | 277,342                     | 159,046                   | 56,281                          | 492,689  | 49.6%                              | 28.8%                              | 114,912                  |
| 1                | 524            | PCY 21          | 1,754,515             | 117,122                           | 1,637,393           | 1,804,856              | 313,104                 | 2,117,960                | 204,543                     | 217,864                   | 102,541                         | 524,948  | 129.3%                             | 32.1%                              | 142,705                  |
| 2                | 572            | PCY 20          | 1,377,722             | 79,456                            | 1,298,266           | 1,284,924              | 790,386                 | 2,075,310                | 187,000                     | 211,071                   | 82,901                          | 480,972  | 159.9%                             | 37.0%                              | 116,190                  |
| 4                | 551            | PCY 19          | 1,552,110             | 80,124                            | 1,471,986           | 1,563,775              | 251,502                 | 1,815,277                | 185,000                     | 190,573                   | 77,653                          | 453,226  | 123.3%                             | 30.8%                              | 96,882                   |
| 1                | 552            | PCY 18          | 1,689,773             | 86,819                            | 1,602,954           | 1,479,594              | 1,020                   | 1,480,614                | 190,000                     | 188,080                   | 73,593                          | 451,673  | 92.4%                              | 28.2%                              | 129,613                  |
| 0                | 605            | PCY 17          | 1,965,656             | 127,168                           | 1,838,488           | 1,097,496              | 24,976                  | 1,122,471                | 195,000                     | 186,428                   | 55,589                          | 437,017  | 61.1%                              | 23.8%                              | 101,694                  |
| 1                | 612            | PCY 16          | 2,616,641             | 189,458                           | 2,427,183           | 1,211,714              | 23,310                  | 1,235,023                | 217,500                     | 243,407                   | 69,799                          | 530,706  | 50.9%                              | 21.9%                              | 50,668                   |
| 2                | 645            | PCY 15          | 3,274,489             | 366,991                           | 2,907,498           | 1,474,072              | 431,096                 | 1,905,168                | 280,000                     | 274,918                   | 96,684                          | 651,602  | 65.5%                              | 22.4%                              | 52,492                   |
| 10               | 770            | PCY 14          | 3,266,648             | 221,435                           | 3,035,213           | 2,330,012              | 23,077                  | 2,353,089                | 293,000                     | 308,419                   | 134,300                         | 735,719  | 77.5%                              | 24.2%                              | 59,068                   |
| 15               | 765            | PCY 13          | 3,837,793             | 374,472                           | 3,463,321           | 3,872,006              | 210,001                 | 4,082,007                | 310,000                     | 303,923                   | 195,148                         | 809,071  | 117.9%                             | 23.4%                              | 96,274                   |
| 7                | 906            | PCY 12          | 4,272,140             | 384,425                           | 3,887,715           | 2,660,804              | 7,373                   | 2,668,177                | 330,000                     | 409,548                   | 164,537                         | 904,085  | 68.6%                              | 23.3%                              | 234,986                  |
| 12               | 768            | PCY 11          | 4,950,171             | 420,728                           | 4,529,443           | 2,825,334              | 87,718                  | 2,913,053                | 365,000                     | 384,794                   | 157,905                         | 907,699  | 64.3%                              | 20.0%                              | 263,024                  |
| 9                | 654            | PCY 10          | 5,519,169             | 372,790                           | 5,146,379           | 3,342,668              | 70,829                  | 3,413,497                | 375,000                     | 400,364                   | 180,033                         | 955,397  | 66.3%                              | 18.6%                              | 245,802                  |
| 6                | 654            | PCY 9           | 5,193,427             | 341,935                           | 4,851,492           | 2,091,275              | 8,412                   | 2,099,687                | 390,000                     | 422,122                   | 158,861                         | 970,983  | 43.3%                              | 20.0%                              | 81,601                   |
| 15               | 666            | PCY 8           | 5,213,859             | 351,375                           | 4,862,484           | 4,097,024              | 133,681                 | 4,230,705                | 410,000                     | 411,213                   | 218,444                         | 1,039,657  | 87.0%                              | 21.4%                              | 52,768                   |
| 7                | 635            | PCY 7           | 4,442,326             | 336,966                           | 4,105,361           | 2,862,734              | 32,534                  | 2,895,268                | 400,000                     | 374,349                   | 211,548                         | 985,897  | 70.5%                              | 24.0%                              | 72,925                   |
| 3                | 598            | PCY 6           | 4,484,533             | 337,595                           | 4,146,938           | 1,966,072              | 21,839                  | 1,987,910                | 400,000                     | 407,086                   | 174,669                         | 981,755  | 47.9%                              | 23.7%                              | 70,104                   |
| 3                | 696            | PCY 5           | 4,853,835             | 395,128                           | 4,458,707           | 1,733,501              | 16,885                  | 1,750,186                | 400,000                     | 286,205                   | 112,977                         | 979,782  | 39.3%                              | 22.0%                              | 71,861                   |
| 4                | 742            | PCY 4           | 5,460,344             | 432,750                           | 5,027,594           | 4,236,908              | 341,195                 | 4,578,104                | 596,571                     | 291,845                   | 383,143                         | 1,271,559  | 91.1%                              | 25.3%                              | 107,601                  |
| 4                | 725            | PCY 3           | 5,261,044             | 456,352                           | 4,804,692           | 1,788,447              | 27,725                  | 1,816,172                | 628,560                     | 291,393                   | 190,117                         | 1,110,070  | 37.8%                              | 23.1%                              | 128,600                  |
| 11               | 778            | PCY 2           | 4,829,526             | 474,781                           | 4,354,745           | 1,813,143              | 25,755                  | 1,838,898                | 649,360                     | 329,247                   | 24,920                          | 1,003,526  | 42.2%                              | 23.0%                              | 160,374                  |
| 64               | 830            | PCY 1           | 1,641,119             | 503,629                           | 1,137,490           | 2,718,481              | 2,262                   | 2,720,743                | 671,847                     | 206,797                   | 124,882                         | 1,003,526  | 239.2%                             | 88.2%                              | 296,228                  |
| 423              | 814            | CCY             | 4,951,122             | 503,629                           | 4,447,493           | 3,024,654              | 228                     | 3,024,882                | 691,420                     | 339,931                   | 118,489                         | 1,149,840  | 68.0%                              | 25.9%                              | 296,228                  |

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)

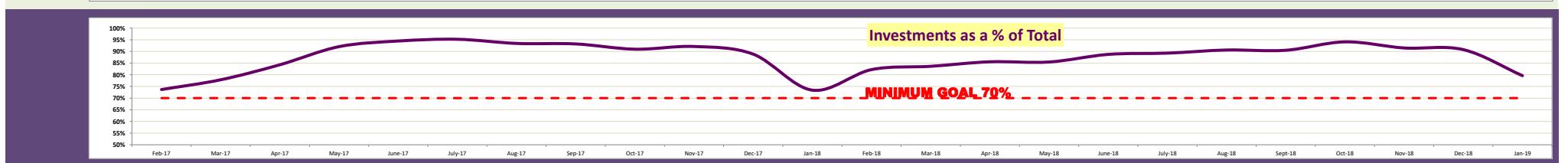
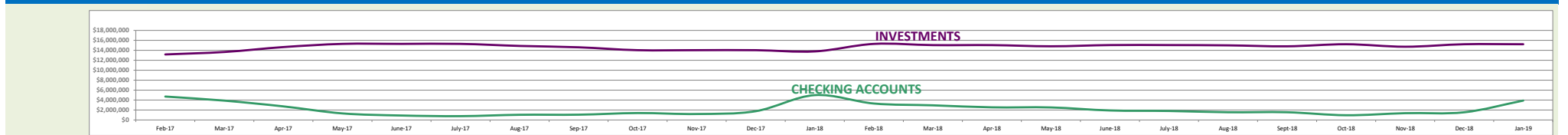
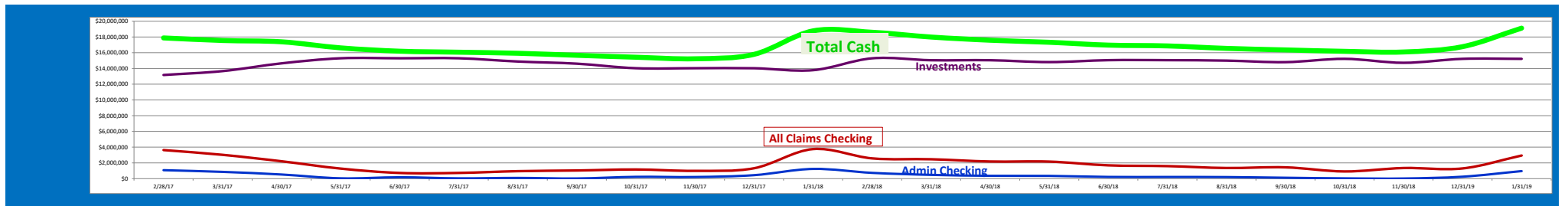
Column 16 should reflect the Investment Income Earned during the contract year as reflected on the income statement.

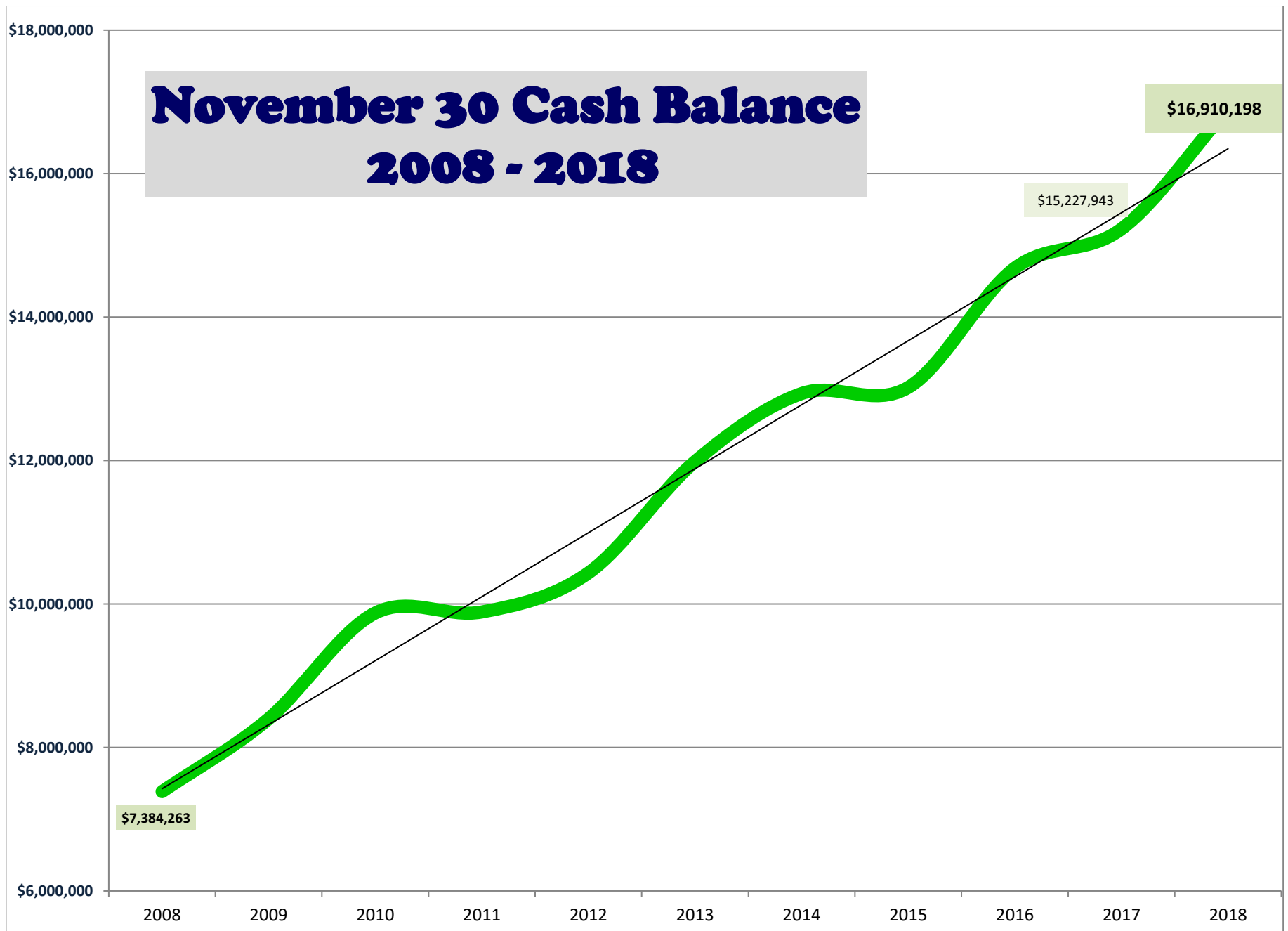
# KMIT Cash/Investment Summary

February 28, 2017--January 31, 2019

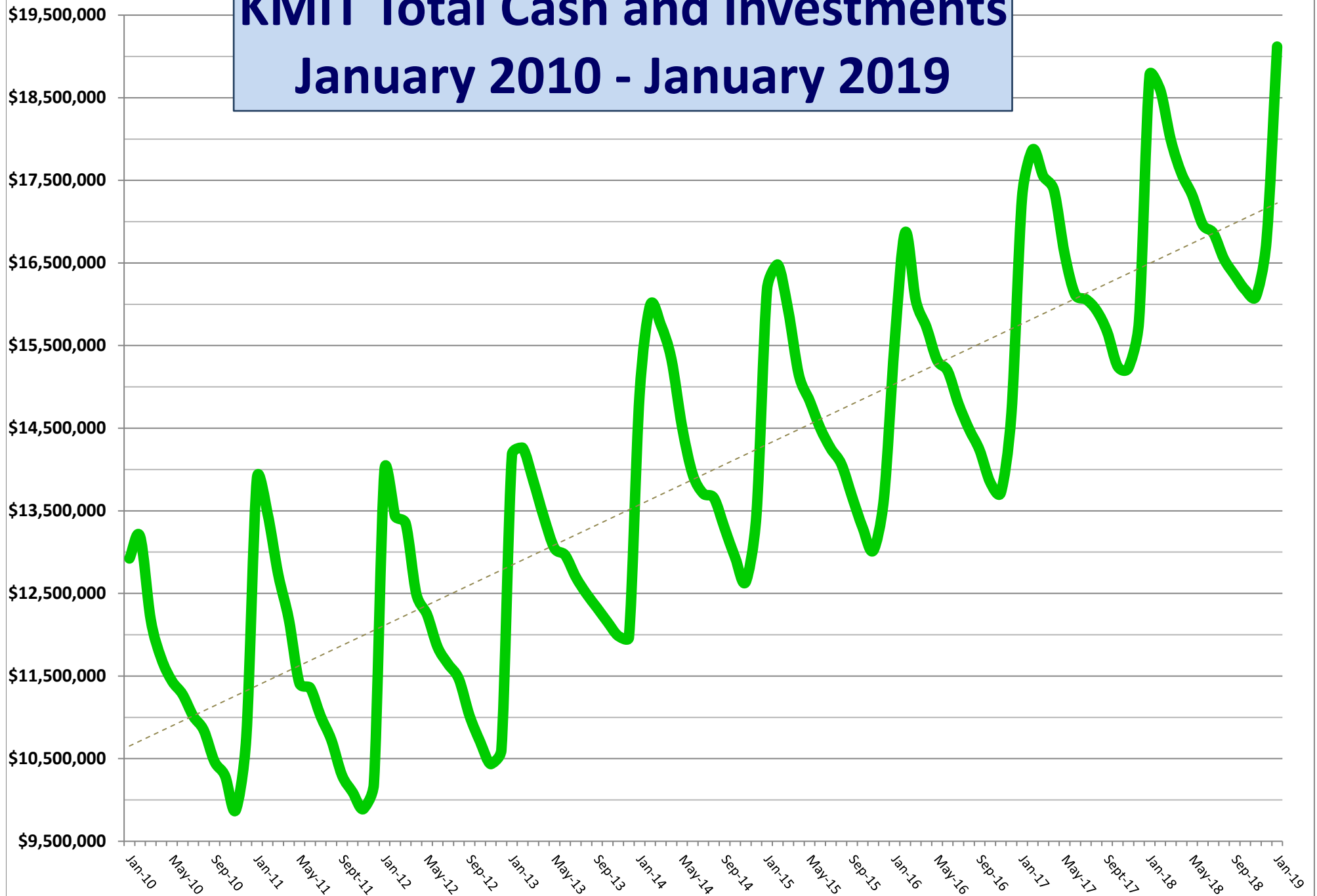
|                                 | 2/28/17   | 3/31/17   | 4/30/17   | 5/31/17   | 6/30/17 | 7/31/17 | 8/31/17 | 9/30/17   | 10/31/17  | 11/30/17 | 12/31/17  | 1/31/18   | 2/28/18   | 3/31/18   | 4/30/18   | 5/31/18   | 6/30/18   | 7/31/18   | 8/31/18   | 9/30/18   | 10/31/18 | 11/30/18  | 12/31/19  | 1/31/19   |
|---------------------------------|-----------|-----------|-----------|-----------|---------|---------|---------|-----------|-----------|----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|----------|-----------|-----------|-----------|
| KMIT Admin Fund                 |           |           |           |           |         |         |         |           |           |          |           |           |           |           |           |           |           |           |           |           |          |           |           |           |
| Admin Account (CORnerstone)     | 1,076,226 | 859,998   | 525,561   | 43,165    | 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   |
| Admin Checking                  | 1,076,226 | 859,998   | 525,561   | 43,165    | 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   |
| KMIT Claims Fund                |           |           |           |           |         |         |         |           |           |          |           |           |           |           |           |           |           |           |           |           |          |           |           |           |
| Claims Account (CORnerstone)    | 3,356,821 | 2,765,303 | 1,909,755 | 884,370   | 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 |
| Claims Checking Acc't (TRISTAR) | 274,153   | 262,147   | 296,457   | 393,557   | 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   |
| Claims Checking                 | 3,630,973 | 3,027,450 | 2,206,212 | 1,277,928 | 722,362 | 728,173 | 952,513 | 1,038,007 | 1,164,955 | 991,215  | 1,320,765 | 3,757,939 | 2,574,655 | 2,464,778 | 2,178,241 | 2,165,561 | 1,692,105 | 1,592,813 | 1,352,776 | 1,437,883 | 916,209  | 1,350,417 | 1,299,403 | 2,938,542 |

| INVESTMENTS     |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |
|-----------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| All Investments | 13,168,000 | 13,662,000 | 14,650,000 | 15,292,000 | 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 |
| TOTAL CASH      | 17,875,199 | 17,549,448 | 17,381,774 | 16,613,093 | 16,189,841 | 16,061,929 | 15,926,893 | 15,668,978 | 15,424,345 | 15,227,943 | 15,790,604 | 18,773,979 | 18,595,792 | 17,987,710 | 17,582,978 | 17,323,050 | 16,963,358 | 16,860,862 | 16,547,880 | 16,353,920 | 16,174,441 | 16,091,198 | 16,767,971 | 19,119,237 |
|                 | 2/28/17    | 3/31/17    | 4/30/17    | 5/31/17    | 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    |





# KMIT Total Cash and Investments January 2010 - January 2019



## CLAIM SUMMARY-SETTLEMENT REQUEST

**Employer:** City of Columbus  
**Claim No.:** 2015070934  
**Employee Age:** 52  
**AWW:** \$597.41  
**Attorneys:** Employee Y-Bill Phalen  
**Adjuster:** Gene Miller

**Date of Injury:** 4/17/15  
**Job Description:** Animal Control  
**Updated:** 2/14/2019  
**TTD Rate:** \$398.47  
**Employer:** Y-Ron Laskowski

|             | Medical     | Indemnity   | Expense     | Total        |
|-------------|-------------|-------------|-------------|--------------|
| Reserves    | \$25,000.00 | \$66,091.64 | \$20,000.00 | \$111,091.64 |
| Amount Paid | \$13,632.24 | \$6,091.64  | \$5,191.20  | \$24,915.08  |
| Outstanding | \$11,367.76 | \$60,000.00 | \$14,808.80 | \$86,176.56  |

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

Claimant alleged bilateral hand numbness from his duties associated as an animal control officer.

### **Investigation/Compensability**

Claim was initially denied based on prevailing factor opinion from Dr. Grantham. Claimant retained an attorney who obtained a differing opinion. The judge ordered an IME opinion who indicated the prevailing factor for his condition was his animal control duties.

### **Medical Management**

Dr. Grantham performed bilateral CTS releases on each wrist. He was released MMI on 5/27/19

### **Periods of Disability**

6/20/15 to 4/13/17

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

Claimant's Dr. Hopkins assigned 10% BAW. Noteworthy as there must be 10% BAW to make a work disability claim. Claimant's Vocational Evaluation noted an 87.5% work disability.

Our doctors failed to provide disability ratings, even though requested and we have resubmitted our request for their rating opinion.

### **Subrogation/Other Issues**

No source for subrogation. Other issues are the claimant's diabetic condition as Dr. Hall has opined that it is the prevailing factor for his CTS symptoms and his diagnosed psychomotor retardation.

### **Plan of Action:**

Work disability of 87.5% is \$123,908.36 but we are obtaining a defense Vocational Evaluation which has preliminarily indicated the claimant retains the capacity to earn at least a minimum wage.

Assuming our doctor would give 6%BAW, then a split of the functional ratings would be 8%BAW with a value of \$13,098.48

Giving the claimant every benefit of the doubt, 25% impairment to the body as a whole would have a value of approximately \$41,000.00. We must keep in mind that our Administrative Law Judge in this case is very liberal. Consequently, a permanent total and/or substantial work disability award cannot be ruled out. Unfortunately, the judge is going to be presented with evidence that could cause him to adopt either one argument or the other and not necessarily split the difference. Taking all factors into consideration including the outside exposure for permanent total disability and/or substantial work disability, the current settlement value of this case is

**somewhere between \$25,000.00 and \$60,000.00. Additionally, to settle future medical an additional \$5,000 is requested, thus making my settlement request \$65,000.**

## CLAIM SUMMARY-SETTLEMENT

**Employer:** City of Belleville  
**Claim No.:** 2017076006  
**Employee Age:** 53  
**AWW:** \$ NA  
**Attorneys:** Employee -NA  
**Adjuster:** Gene Miller

**Date of Injury:** 2017076006  
**Job Description:** Volunteer Fireman  
**Updated:** 1/19/2019  
**TTD Rate:** \$627.00  
**Employer:** -NA

|             | Medical     | Indemnity   | Expense    | Total       |
|-------------|-------------|-------------|------------|-------------|
| Reserves    | \$55,000.00 | \$41,000.00 | \$3,650.00 | \$98,650.00 |
| Amount Paid | \$9,878.02  | \$4,568.14  | \$65.73    | \$14,511.89 |
| Outstanding | \$45,121.98 | \$36,431.86 | \$2584.27  | \$84,138.11 |

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

Claimant is a 53 year old fireman who missed a step getting out of the firetruck, fell and injured his right knee.

### **Investigation/Compensability**

The accident was reported promptly and there were no witnesses. Injury has been accepted as compensable.

### **Medical Management**

Conservative care failed to relieve his symptoms and a MRI was done which revealed tear of his meniscus. He was referred to ortho, Dr. Daily who recommended surgery, which was done 3/17/17. Dr Daily has indicated in his rating that

### **Periods of Disability**

TTD from 3/6/17 to 4/26/17

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

Reserves reflect 30% to knee (AMA 4<sup>th</sup> Edition).

### **Subrogation/Other Issues**

No source for subrogation or contribution.

### **Plan of Action:**

I'm requesting authority for disability rating given by Dr. Daily (knee 200 - 7 wks tt pd = 193 wks available for pp x 30% = 57.9 wks ppd x \$627 = \$36,303.30 ) and a buyout of future medical up to \$45k for total knee replacement.

Rating given by the ortho we authorized for treatment/surgery and his opinion on total knee replacement being due to the work injury. Initial offer would be less than requested authority but may need entire amount to resolve this case.

## CLAIM SUMMARY-RESERVES

**Employer:** City of Hillsboro  
**Claim No.:** 18716644  
**Employee Age:** 50  
**AWW:** \$1077.72  
**Attorneys:** Employee -NA  
**Adjuster:** Gene Miller

**Date of Injury:** 4/10/2018  
**Job Description:** Water Plant Supr  
**Updated:** 1/20/2019  
**TTD Rate:** \$645.00  
**Employer:** -NA

|             | Medical     | Indemnity   | Expense    | Total       |
|-------------|-------------|-------------|------------|-------------|
| Reserves    | \$35,000.00 | \$14,000.00 | \$5,000.00 | \$54,000.00 |
| Amount Paid | \$12,717.51 | \$3,421.00  | \$802.12   | \$16,939.63 |
| Outstanding | \$22,282.49 | \$10,580.00 | \$4,197.88 | \$37,060.37 |

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

Claimant is a 50 year old water department supervisor who was assisting with an emergency water line repair. She was using a long T-topped wrench to open an underground valve when she felt pain in her left shoulder.

### **Investigation/Compensability**

There were coworkers in the area but no actual witness. She reported the injury the next morning and the injury has been accepted as compensable.

### **Medical Management**

Extended conservative treatment failed to relieve her symptoms and so she was referred to ortho Dr. Do. Her shoulder was scoped 12/3/18 and rotator cuff repair performed.

### **Periods of Disability**

She has returned to modified work but is not working 40 hour weeks due as she cannot drive when she is taking narcotic medication.

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

Reserves reflect 8% shoulder

### **Subrogation/Other Issues**

No source for subrogation or contribution.

### **Plan of Action:**

Early return to work already achieved so will continue to monitor her medical recovery till she is released MMI. A disability rating will then be requested, settlement of all outstanding issues negotiated, Division approval obtained and file closed.

## CLAIM SUMMARY-RESERVES

**Employer:** City of Dodge City  
**Claim No.:** 18737516  
**Employee Age:** 62  
**AWW:** \$652.20  
**Attorneys:** Employee -NA  
**Adjuster:** Gene Miller

**Date of Injury:** 8/27/2018  
**Job Description:** Maintenance  
**Updated:** 1/20/2019  
**TTD Rate:** \$434.80  
**Employer:** -NA

|             | Medical     | Indemnity  | Expense    | Total       |
|-------------|-------------|------------|------------|-------------|
| Reserves    | \$20,000.00 | \$7,000.00 | \$2,750.00 | \$29,750.00 |
| Amount Paid | \$584.66    | \$0.00     | \$42.38    | \$627.04    |
| Outstanding | \$19,415.34 | \$7,000.00 | \$2,757.62 | \$29,122.96 |

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

Claimant is a 62 year old maintenance worker who was pulling a 250# pump on a 2-wheeler. He was trying to pull up an 8" step, tire blew and his left foot slipped causing his left knee to hyperextend.

### **Investigation/Compensability**

The injury was promptly reported but no witnesses. The injury has been accepted as compensable.

### **Medical Management**

He has treated with the city's authorized doctor but his complaints remain and a MRI was ordered. The MRI revealed a near full-thickness meniscus tear and he was referred to ortho Dr. Do who has recommended surgery. Surgery is scheduled 1/28/19.

### **Periods of Disability**

The city has provided modified duty and thus no lost time.

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

Reserves reflect 7% knee.

### **Subrogation/Other Issues**

No source for subrogation. He had prior left knee surgeries and we will make sure the disability from those surgeries is not included in our rating.

### **Plan of Action:**

Following his surgery we will strive for early return to work and then monitor his medical recovery until released MMI. A disability rating will then be obtained, making sure his prior disability not included. Settlement of all outstanding issues will be negotiated, Division approval obtained and file closed.

## CLAIM SUMMARY-RESERVES

**Employer:** City of Bonner Springs  
**Claim No.:** 18745106  
**Employee Age:** 37  
**AWW:** \$835.97  
**Attorneys:** Employee -NA  
**Adjuster:** Gene Miller

**Date of Injury:** 10/3/2018  
**Job Description:** Policeman  
**Updated:** 1/21/2019  
**TTD Rate:** \$557.31  
**Employer:** -NA

|                    | Medical            | Indemnity         | Expense           | Total              |
|--------------------|--------------------|-------------------|-------------------|--------------------|
| <b>Reserves</b>    | <b>\$30,000.00</b> | <b>\$8,500.00</b> | <b>\$5,500.00</b> | <b>\$44,000.00</b> |
| <b>Amount Paid</b> | <b>\$474.29</b>    | <b>\$0.00</b>     | <b>\$42.85</b>    | <b>\$517.14</b>    |
| <b>Outstanding</b> | <b>\$29,525.71</b> | <b>\$8,500.00</b> | <b>\$5,457.15</b> | <b>\$43,482.86</b> |

**Accident Description/Nature of Injury:**

Claimant is a 37 year old police officer who was participating in defensive tactics training when he injured his left shoulder.

**Investigation/Compensability**

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

**Medical Management**

Conservative treatment failed and a MRI was ordered which revealed a bone spur contusion in his AC joint. Referral to ortho Dr Stechschute made and surgery recommended. Surgery has been authorized.

**Periods of Disability**

No lost time to date as the city has accommodated his work restrictions.

**Permanent Partial Impairment/Permanent Disability**

Reserves reflect 5% shoulder.

**Subrogation/Other Issues**

No source for subrogation or contribution.

**Plan of Action:**

Strive for early return to work following surgery. Then monitor his medical recovery till released and request a disability rating. Negotiate a full/final settlement of all remaining issues, obtain Division approval and close file.

## CLAIM SUMMARY-RESERVES

**Employer:** City of Parsons  
**Claim No.:** 18750143  
**Employee Age:** 39  
**AWW:** \$914.56  
**Attorneys:** Employee -NA  
**Adjuster:** Gene Miller

**Date of Injury:** 12/11/2018  
**Job Description:** Fireman  
**Updated:** 1/19/2019  
**TTD Rate:** \$609.71  
**Employer:** -NA

|             | Medical      | Indemnity   | Expense     | Total        |
|-------------|--------------|-------------|-------------|--------------|
| Reserves    | \$250,000.00 | \$50,000.00 | \$27,500.00 | \$327,500.00 |
| Amount Paid | \$203.42     | \$3,658.26  | \$33.92     | \$3,895.60   |
| Outstanding | \$249,796.58 | \$46,341.74 | \$27,466.08 | \$323,604.40 |

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

Claimant is a 39 year old fireman who was participating in required daily exercise by playing 'walleyball' at the city's recreation center. He was back pedaling to play a ball, lost his balance and fell hitting his head on the floor. He suffered a brain injury.

### **Investigation/Compensability**

I confirmed the required daily physical activity with the city and he was the office in charge of the group that day. There were 4 witnesses to the accident and the injury has been accepted as compensable.

### **Medical Management**

He was life-flighted from the city to Freeman Hospital and was in ICU in an induced coma till 12/18/18. He was then moved to Madonna Rehabilitation Hospital in Lincoln, Ne. and made a remarkable recovery and discharged 1/4/19. He remains under the care of Dr. Curtis with Freeman. He continues to have severe headaches, vision issues, cognitive issues and is not cleared to drive.

### **Periods of Disability**

He remains off work. The city has advised they will accommodate him when the doctor releases him to work modified duty.

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

Reserves reflect 15% PPD to body.

### **Subrogation/Other Issues**

No source for subrogation or contribution.

### **Plan of Action:**

I am monitoring his recovery and worked with the city about returning to modified duty when the doctor will release to same. When he is released from care, I will obtain a disability rating, negotiate full/final settlement of all issues, obtain Division approval and close file.

## CLAIM SUMMARY-RESERVES

**Employer:** City of Arkansas City  
**Claim No.:** 18751304  
**Employee Age:** 51  
**AWW:** \$645.00  
**Attorneys:** Employee -NA  
**Adjuster:** Gene Miller

**Date of Injury:** 12/11/2019  
**Job Description:** Policeman  
**Updated:** 1/20/2019  
**TTD Rate:** \$1,133.60  
**Employer:** -NA

|             | Medical     | Indemnity   | Expense    | Total       |
|-------------|-------------|-------------|------------|-------------|
| Reserves    | \$20,000.00 | \$17,500.00 | \$5,000.00 | \$42,500.00 |
| Amount Paid | \$442.86    | \$737.14    | \$61.29    | \$1,241.29  |
| Outstanding | \$19,557.14 | \$16,762.86 | \$4,938.71 | \$41,258.71 |

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

Claimant is a 51 year old policeman who was driving a police car when struck in the left front of his patrol car by another vehicle. He injured his neck, shoulder, low back and hip.

### **Investigation/Compensability**

He was taken from the scene by ambulance and there were witnesses. The claim is accepted as compensable.

### **Medical Management**

He continues to treat with the city's designated physician with conservative treatment but his complaints continue and he is being referred to ortho Dr. Estivo. MRI of his neck was negative and lumbar MRI is being scheduled prior to the ortho referral.

### **Periods of Disability**

He returned to modified work 12/27/18.

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

Reserve reflects 5% BAW.

### **Subrogation/Other Issues**

The other driver was clearly at fault for failure to yield as she had a stop sign and the claimant was on a thru street. She is insured by Shelter Insurance and our lien notice has been acknowledged.

He also has a prior back/neck claim from 7/16/2011 and a hearing loss claim 9/2/2010 both were settled on an Open Running Award.

### **Plan of Action:**

Early return to work has already been achieved. I will continue to monitor his medical recovery till released MMI. A disability rating will then be requested. Depending on the liability limits and Shelter Insurance responds to our reimbursement request, we will attempt to negotiate a settlement which resolves not only this claim but also the two prior settlements which were left open. Division approval will be needed to consummate the agreement and then all three files will be closed.

## CLAIM SUMMARY-RESERVES

**Employer:** City of Oakley  
**Claim No.:** 18752018  
**Employee Age:** 52  
**AWW:** \$846.66  
**Attorneys:** Employee -NA  
**Adjuster:** Gene Miller

**Date of Injury:** 12/27/2018  
**Job Description:** Public Works  
**Updated:** 1/19/2019  
**TTD Rate:** \$564.44  
**Employer:** -NA

|             | Medical     | Indemnity   | Expense    | Total       |
|-------------|-------------|-------------|------------|-------------|
| Reserves    | \$30,000.00 | \$20,000.00 | \$4,500.00 | \$54,500.00 |
| Amount Paid | \$0.00      | \$0.00      | \$15.00    | \$15.00     |
| Outstanding | \$30,000.00 | \$20,000.00 | \$4,485.00 | \$54,485.00 |

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

Claimant is a 52 year old supervisor of public works who had been pushing snow. He stopped to ask a homeowner to move their car off the street and slipped/fell on ice covered road and fractured his right wrist.

### **Investigation/Compensability**

He sought medical attention the same day and reported the claim promptly. The accident has been accepted as compensable.

### **Medical Management**

He was referred to ortho Dr Greeson who is recommending ORIF surgery to set the fracture and remove bony fragments.

### **Periods of Disability**

The city provided accommodated duty and he did not meet the 7-day waiting period for TTD benefits.

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

Reserves reflect 20% to wrist.

### **Subrogation/Other Issues**

No source for subrogation or contribution.

### **Plan of Action:**

Following surgery I will strive for early return to work with the city's modified duty work program. Then follow his medical care till released MMI, obtain a disability rating, negotiate full/final settlement of all issues, obtain Division approval and close file.

## CLAIM SUMMARY-RESERVES

**Employer:** City of Eudora  
**Claim No.:** 19752382  
**Employee Age:** 57  
**AWW:** \$1,346.15  
**Attorneys:** Employee -NA  
**Adjuster:** Gene Miller

**Date of Injury:** 12/18/18  
**Job Description:** Fire Chief  
**Updated:** 1/19/2019  
**TTD Rate:** \$645.00  
**Employer:** -NA

|             | Medical     | Indemnity   | Expense    | Total       |
|-------------|-------------|-------------|------------|-------------|
| Reserves    | \$25,000.00 | \$10,000.00 | \$3,250.00 | \$38,250.00 |
| Amount Paid | \$0.00      | \$0.00      | \$0.00     | \$0.00      |
| Outstanding | \$25,000.00 | \$10,000.00 | \$3,250.00 | \$38,250.00 |

**Accident Description/Nature of Injury:**

Claimant is a 57 year old Fire chief who was assisting carrying a large patient from house to ambulance when he felt a pull/pain in his right elbow.

**Investigation/Compensability**

The injury was witnessed by county EMS employees and reported the next day. The claim has been accepted as compensable.

**Medical Management**

Conservative care did not relieve his symptoms and a MRI was ordered which revealed a near complete tear of his biceps tendon. He was referred to ortho Dr. Lingenfelder who is recommending surgery and same has been authorized.

**Periods of Disability**

No lost time with the city's modified duty work program.

**Permanent Partial Impairment/Permanent Disability**

Reserves reflect 6% PPD to arm.

**Subrogation/Other Issues**

No source for subrogation or contribution.

**Plan of Action:**

Once surgery has been completed, I will strive for early return to work before the 7-day waiting period passes. Then follow his recovery till he is released MMI and then request a disability rating, negotiate full/final settlement, obtain Division approval and close file.

# 2019 Market Review/Action Plan

| KMIT | St Pop | 2014 est'd            |            |      |       |       | Notes  |
|------|--------|-----------------------|------------|------|-------|-------|--|
| Mkt  | Rank   | City                  | Population | KMIT | KERIT | Other |  |
| 1    | 15     | <b>Dodge City</b>     | 28,117     | 1    |       |       | re-joined 1/1/17                                       |
| 2    | 16     | <b>Garden City</b>    | 27,004     | 1    |       |       |  |
| 3    | 17     | Junction City         | 24,665     |      | 1     |       |  |
| 4    | 18     | Emporia               | 24,560     |      |       | 1     | self-insured   |
| 5    | 19     | Derby                 | 23,234     | X    | 1     |       |  |
| 6    | 20     | Prairie Village       | 21,877     |      | 1     |       |  |
| 7    | 21     | <b>Hays</b>           | 21,044     | 1    |       |       |  |
| 8    | 22     | Liberal               | 21,012     |      |       | 1     | last quoted in 2016 (fourth time quoted...every 3 yrs) |
| 9    | 23     | Gardner               | 20,667     |      | 1     |       |  |
| 10   | 24     | <b>Pittsburg</b>      | 20,394     | 1    |       |       |  |
| 11   | 25     | <b>Newton</b>         | 19,120     | 1    |       |       |  |
| 12   | 26     | <b>Great Bend</b>     | 15,840     | 1    |       |       |  |
| 13   | 27     | McPherson             | 13,189     |      | 1     |       | electric city  |
| 14   | 28     | <b>El Dorado</b>      | 12,879     | 1    |       |       |  |
| 15   | 29     | Andover               | 12,509     | X    |       | 1     | left KMIT In Dec 2018                                  |
| 16   | 30     | Ottawa                | 12,403     |      | 1     |       |  |
| 17   | 31     | Winfield              | 12,258     |      | 1     |       | electric city  |
| 18   | 32     | <b>Arkansas City</b>  | 12,205     | 1    |       |       |  |
| 19   | 33     | Lansing               | 11,713     |      | 1     |       |  |
| 20   | 34     | Merriam               | 11,290     |      | 1     |       |  |
| 21   | 35     | <b>Haysville</b>      | 11,112     | 1    |       |       |  |
| 22   | 36     | <b>Atchison</b>       | 10,771     | 1    |       |       |  |
| 23   | 37     | <b>Parsons</b>        | 10,174     | 1    |       |       |  |
| 24   | 38     | Coffeyville           | 9,876      | X    | 1     |       | electric city (has left KMIT twice)                    |
| 25   | 39     | Mission               | 9,501      | X    | 1     |       |  |
| 26   | 40     | Chanute               | 9,295      |      | 1     |       | electric city  |
| 27   | 41     | <b>Augusta</b>        | 9,242      | 1    |       |       |  |
| 28   | 42     | <b>Independence</b>   | 9,162      | 1    |       |       |  |
| 29   | 43     | <b>Wellington</b>     | 7,942      | 1    |       |       |  |
| 30   | 44     | <b>Fort Scott</b>     | 7,874      | 1    |       |       |  |
| 31   | 45     | Park City             | 7,556      | X    |       | 1     |  |
| 32   | 46     | <b>Bonner Springs</b> | 7,314      | 1    |       |       |  |
| 33   | 47     | <b>Bel Aire</b>       | 7,284      | 1    |       |       |  |
| 34   | 48     | <b>Valley Center</b>  | 7,057      | 1    |       |       |  |
| 35   | 49     | Pratt                 | 6,963      |      |       | 1     | electric city  |
| 36   | 50     | <b>Roeland Park</b>   | 6,840      | 1    |       |       |  |
| 37   | 51     | <b>Abilene</b>        | 6,590      | 1    |       |       |  |
| 38   | 52     | <b>Eudora</b>         | 6,303      | 1    |       |       |  |
| 39   | 53     | Mulvane               | 6,289      |      |       | 1     | electric city. Quoted in the past                      |
| 40   | 54     | <b>Ulysses</b>        | 6,160      | 1    |       |       |  |
| 41   | 55     | <b>De Soto</b>        | 6,038      | 1    |       |       |  |
| 42   | 56     | <b>Spring Hill</b>    | 5,896      | X    |       | 1     | left KMIT in 2018                                      |
| 43   | 57     | <b>Paola</b>          | 5,593      | 1    |       |       |  |
| 44   | 58     | Iola                  | 5,553      |      |       | 1     | electric city. Quoted in the past                      |
| 45   | 59     | Colby                 | 5,388      |      |       | 1     | electric city  |
| 46   | 60     | <b>Concordia</b>      | 5,311      | 1    |       |       |  |

# 2019 Market Review/Action Plan

|    |     |                     |       |          |   |  |
|----|-----|---------------------|-------|----------|---|--|
| 47 | 61  | <b>Tonganoxie</b>   | 5,190 | <b>1</b> |   |  |
| 48 | 62  | <b>Basehor</b>      | 5,119 | <b>1</b> |   |  |
| 49 | 63  | <b>Baldwin City</b> | 4,585 | <b>1</b> |   |  |
| 50 | 64  | Goddard             | 4,692 |          | 1 | quoted in the past                                   |
| 51 | 65  | <b>Wamego</b>       | 4,578 | <b>1</b> |   |  |
| 52 | 66  | <b>Goodland</b>     | 4,554 | <b>1</b> |   |  |
| 53 | 67  | <b>Russell</b>      | 4,484 | <b>1</b> |   |  |
| 54 | 68  | <b>Edwardsville</b> | 4,380 | <b>1</b> |   |  |
| 55 | 69  | <b>Osawatomie</b>   | 4,357 | <b>1</b> |   |  |
| 56 | 70  | Louisburg           | 4,322 |          | 1 |  |
| 57 | 71  | <b>Clay Center</b>  | 4,177 | <b>1</b> |   |  |
| 58 | 72  | Baxter Springs      | 4,073 | <b>X</b> | 1 |  |
| 59 | 73  | <b>Maize</b>        | 4,073 | <b>1</b> |   |  |
| 60 | 74  | <b>Larned</b>       | 4,023 | <b>1</b> |   |  |
| 61 | 75  | Fairway             | 3,969 |          | 1 |  |
| 62 | 76  | Hugoton             | 3,966 |          | 1 | electric city  |
| 63 | 77  | <b>Rose Hill</b>    | 3,960 | <b>1</b> |   |  |
| 64 | 78  | Scott City          | 3,927 |          | 1 |  |
| 65 | 79  | Beloit              | 3,792 | <b>X</b> | 1 | electric city  |
| 66 | 80  | Lyons               | 3,737 |          | 1 |  |
| 67 | 81  | Hesston             | 3,734 | <b>X</b> | 1 |  |
| 68 | 82  | Mission Hills       | 3,597 |          | 1 |  |
| 69 | 83  | Frontenac           | 3,444 |          | 1 |  |
| 70 | 84  | <b>Lindsborg</b>    | 3,438 | <b>1</b> |   |  |
| 71 | 85  | Holton              | 3,316 |          | 1 | electric city  |
| 72 | 86  | Garnett             | 3,295 |          | 1 | electric city  |
| 73 | 87  | <b>Marysville</b>   | 3,295 | <b>1</b> |   |  |
| 74 | 88  | <b>Columbus</b>     | 3,186 | <b>1</b> |   |  |
| 75 | 89  | <b>Hiawatha</b>     | 3,108 | <b>1</b> |   |  |
| 76 | 90  | <b>Kingman</b>      | 3,094 | <b>1</b> |   |  |
| 77 | 91  | <b>Ellsworth</b>    | 3,076 | <b>1</b> |   |  |
| 78 | 92  | <b>Galena</b>       | 2,966 | <b>1</b> |   |  |
| 79 | 93  | <b>Hillsboro</b>    | 2,893 | <b>1</b> |   |  |
| 80 | 94  | <b>Osage City</b>   | 2,862 | <b>1</b> |   |  |
| 81 | 95  | Norton              | 2,846 |          | 1 | electric city. Quoting again in 2019                 |
| 82 | 96  | <b>Girard</b>       | 2,773 | <b>1</b> |   |  |
| 83 | 97  | <b>Hoisington</b>   | 2,664 | <b>1</b> |   |  |
| 84 | 98  | St. Marys           | 2,664 |          | 1 | electric city--not a League member                   |
| 85 | 99  | Burlington          | 2,635 |          | 1 | quoted   |
| 86 | 100 | Sabetha             | 2,564 |          | 1 | electric city  |
| 87 | 101 | Phillipsburg        | 2,556 |          | 1 | Quoted in 2009, 2013 and 2018. Quoting again in 2019 |
| 88 | 102 | South Hutchinson    | 2,544 |          | 1 |  |
| 89 | 103 | <b>Clearwater</b>   | 2,531 | <b>1</b> |   |  |
| 90 | 104 | Eureka              | 2,485 | <b>X</b> | 1 |  |
| 91 | 105 | <b>Herington</b>    | 2,413 | <b>1</b> |   |  |
| 92 | 106 | <b>Neodesha</b>     | 2,400 | <b>1</b> |   |  |
| 93 | 107 | <b>Fredonia</b>     | 2,372 | <b>1</b> |   |  |
| 94 | 108 | <b>Sterling</b>     | 2,303 | <b>1</b> |   |  |

# 2019 Market Review/Action Plan

|     |     |                        |       |          |   |                                |
|-----|-----|------------------------|-------|----------|---|--------------------------------|
| 95  | 109 | <b>Cherryvale</b>      | 2,283 | <b>1</b> |   |                                |
| 96  | 110 | Cimarron               | 2,240 |          | 1 | quoted                         |
| 97  | 111 | Anthony                | 2,234 |          | 1 | electric city--quoted in 2017  |
| 98  | 112 | Lakin                  | 2,180 |          | 1 |                                |
| 99  | 113 | <b>Cheney</b>          | 2,153 | <b>1</b> |   |                                |
| 100 | 114 | <b>Ogden</b>           | 2,138 | <b>1</b> |   |                                |
| 101 | 115 | Caney                  | 2,125 |          | 1 | not currently a prospect       |
| 102 | 116 | Holcomb                | 2,120 | <b>X</b> | 1 |                                |
| 103 | 117 | <b>Elkhart</b>         | 2,113 | <b>1</b> |   |                                |
| 104 | 118 | <b>Council Grove</b>   | 2,105 | <b>1</b> |   |                                |
| 105 | 119 | Ellinwood              | 2,098 |          | 1 | electric city                  |
| 106 | 120 | <b>Halstead</b>        | 2,084 | <b>1</b> |   |                                |
| 107 | 121 | <b>Oakley</b>          | 2,075 | <b>1</b> |   |                                |
| 108 | 122 | Ellis                  | 2,074 |          | 1 |                                |
| 109 | 123 | <b>Minneapolis</b>     | 2,029 | <b>1</b> |   |                                |
| 110 | 124 | <b>Medicine Lodge</b>  | 2,021 | <b>1</b> |   |                                |
| 111 | 125 | Seneca                 | 2,006 |          | 1 | electric city                  |
| 112 | 126 | <b>Belleville</b>      | 1,917 | <b>1</b> |   |                                |
| 113 | 127 | Kechi                  | 1,982 |          | 1 | quoted twice                   |
| 114 | 128 | Humboldt               | 1,886 |          | 1 |                                |
| 115 | 129 | <b>Marion</b>          | 1,861 | <b>1</b> |   |                                |
| 116 | 130 | <b>Wellsville</b>      | 1,822 | <b>1</b> |   |                                |
| 117 | 131 | <b>WaKeeney</b>        | 1,797 | <b>1</b> |   |                                |
| 118 | 132 | <b>North Newton</b>    | 1,788 | <b>1</b> |   |                                |
| 119 | 133 | <b>Oswego</b>          | 1,781 | <b>1</b> |   |                                |
| 120 | 134 | Syracuse               | 1,750 |          | 1 |                                |
| 121 | 135 | <b>Oberlin</b>         | 1,749 | <b>1</b> |   |                                |
| 122 | 136 | <b>Horton</b>          | 1,732 | <b>1</b> |   |                                |
| 123 | 137 | <b>Moundridge</b>      | 1,726 | <b>1</b> |   |                                |
| 124 | 138 | <b>Edgerton</b>        | 1,703 | <b>1</b> |   |                                |
| 125 | 139 | <b>Sedgwick</b>        | 1,701 | <b>1</b> |   |                                |
| 126 | 140 | <b>Douglass</b>        | 1,692 | <b>1</b> |   |                                |
| 127 | 141 | <b>Grandview Plaza</b> | 1,670 | <b>1</b> |   |                                |
| 128 | 142 | <b>Smith Center</b>    | 1,641 | <b>1</b> |   |                                |
| 129 | 143 | Meade                  | 1,637 | <b>X</b> | 1 | electric city--quoting in 2019 |
| 130 | 144 | <b>Belle Plaine</b>    | 1,627 | <b>1</b> |   |                                |
| 131 | 145 | <b>Westwood</b>        | 1,534 | <b>1</b> |   |                                |
| 132 | 146 | <b>Leoti</b>           | 1,496 | <b>1</b> |   |                                |
| 133 | 147 | <b>Arma</b>            | 1,464 | <b>1</b> |   | JOINED IN 2017                 |
| 134 | 148 | <b>Hill City</b>       | 1,454 | <b>1</b> |   |                                |
| 135 | 149 | Ness City              | 1,454 |          | 1 | Quoted in 2018                 |
| 136 | 150 | <b>Kinsley</b>         | 1,451 | <b>1</b> |   |                                |
| 137 | 151 | Towanda                | 1,427 |          | 1 |                                |
| 138 | 152 | Silver Lake            | 1,426 |          | 1 |                                |
| 139 | 153 | <b>Johnson City</b>    | 1,413 | <b>1</b> |   |                                |
| 140 | 154 | Carbondale             | 1,405 |          | 1 |                                |
| 141 | 155 | Sublette               | 1,399 |          | 1 |                                |
| 142 | 156 | <b>Harper</b>          | 1,398 | <b>1</b> |   | JOINED IN 2017                 |

# 2019 Market Review/Action Plan

|     |      |                       |       |        |   |  |
|-----|------|-----------------------|-------|--------|---|--|
| 143 | 157  | Osborne               | 1,396 |        | 1 |  |
| 144 | 158  | <b>Chapman</b>        | 1,379 | 1      |   |  |
| 145 | 159  | Inman                 | 1,374 |        | 1 | Quoted three times, most recently in 2018. Quoting in 2019 |
| 146 | 160  | Colwich               | 1,362 |        | 1 |  |
| 147 | 161  | Wathena               | 1,352 |        | 1 |  |
| 148 | 162  | Yates Center          | 1,350 |        | 1 |  |
| 149 | 163  | Buhler                | 1,335 |        | 1 |  |
| 150 | 164  | <b>Stockton</b>       | 1,315 | 1      |   |  |
| 151 | 165  | <b>St. Francis</b>    | 1,312 | 1      |   |  |
| 152 | 166  | La Crosse             | 1,290 |        | 1 | electric city  |
| 153 | 167  | <b>Lincoln Center</b> | 1,266 | 1      |   |  |
| 154 | 168  | <b>St. John</b>       | 1,244 | 1      |   |  |
| 155 | 169  | <b>Conway Springs</b> | 1,239 | 1      |   |  |
| 156 | 170  | <b>Haven</b>          | 1,225 | 1      |   | JOINED IN 2017   |
| 157 | 171  | Victoria              | 1,225 |        | 1 |  |
| 158 | 172  | Atwood                | 1,222 |        | 1 |  |
| 159 | 173  | Auburn                | 1,217 |        | 1 |  |
| 160 | 174  | Elwood                | 1,204 |        | 1 | Quoted in 2018   |
| 161 | 175  | Plainville            | 1,189 |        | 1 |  |
| 162 | 176  | Hoxie                 | 1,189 | X      | 1 |  |
| 163 | 177  | Pleasanton            | 1,180 |        | 1 | quoted in the past   |
| 164 | 178  | Valley Falls          | 1,158 | X      | 1 |  |
| 165 | 179  | <b>Peabody</b>        | 1,156 | 1      |   |  |
| 166 | 180  | Rossville             | 1,156 |        | 1 |  |
| 167 | 181  | <b>Satanta</b>        | 1,117 | 1      |   |  |
| 168 | 182  | <b>La Cygne</b>       | 1,116 | 1      |   |  |
| 169 | 183  | Erie                  | 1,108 |        | 1 |  |
| 170 | 184  | Plains                | 1,093 |        | 1 |  |
| 171 | 185  | Chetopa               | 1,091 |        | 1 | KMIT declined to quote 3 times                             |
| 172 | 186  | Washington            | 1,087 |        | 1 | electric city  |
| 173 | 187  | <b>Oskaloosa</b>      | 1,086 | 1      |   |  |
| 174 | 188  | <b>Sedan</b>          | 1,065 | 1      |   |  |
| 175 | 189  | Solomon               | 1,061 |        | 1 |  |
| 176 | 190  | <b>Altamont</b>       | 1,049 | 1      |   |  |
| 177 | 191  | Nickerson             | 1,041 |        | 1 |  |
| 178 | 192  | Caldwell              | 1,034 | X      | 1 |  |
| 179 | 193  | Lyndon                | 1,030 |        | 1 |  |
| 180 | 194  | Overbrook             | 1,029 |        | 1 | quoted in the past   |
| 181 | 195  | Kiowa                 | 1,028 |        | 1 |  |
| 182 | 196  | Oxford                | 1,022 |        | 1 |  |
| 183 | 197  | Highland              | 1,015 |        | 1 |  |
| 184 | 198  | <b>Stafford</b>       | 1,002 | 1      |   |  |
| 185 | 199  | Dighton               | 1,000 | [990?] | 1 | Quoted in 2018   |
| Mkt | RANK |                       |       |        |   |  |

# 2019 Market Review/Action Plan

|                                     | KMIT  | KERIT | Other |
|-------------------------------------|-------|-------|-------|
| ALL Cities between 1,000 and 28,117 | 98    | 14    | 73    |
| Total in Market 185                 | 53.0% | 7.6%  | 39.5% |
| 1,000-2,000                         | 36    | 0     | 38    |
| Total in this Sub-Set 74            | 48.6% | 0%    | 51.4% |
| 2,000-5,000                         | 35    | 2     | 32    |
| Total in this Sub-Set 68            | 51.5% | 2.9%  | 47.1% |
| 5,000-10,000                        | 15    | 3     | 7     |
| Total in this Sub-Set 25            | 60.0% | 12.0% | 28.0% |
| 10,000-20,000                       | 7     | 5     | 1     |
| Total in this Sub-Set 13            | 53.8% | 38.5% | 0.0%  |
| 20,000-28,117                       | 4     | 4     | 2     |
| Total in this Sub-Set 10            | 40.0% | 40.0% | 20.0% |

# OPERATING POLICY #6

**General Subject: Agent Commission**

**Title of Policy: *Agent Commission—Increase in Amount***

**Adoption Date: February 22, 2019**

This policy increases the amount of annual commission KMIT pays on premiums (when there is a relationship with an insurance agent), from 5% to 7%.

Background:

KMIT did not pay any agent commission when it began doing business in 1994.

Over time, the non-commission approach was seen to be hindering KMIT's growth, as local agents were essentially 'shut out' of the KMIT process, and, thus, out of any incentive to be a part of the acceptance and promotion of the KMIT concept. Thus, local agents, understandably, were not supportive of KMIT, and were often adversaries.

By late 2000, KMIT's growth, and, thus, stability, had stagnated to the point that the KMIT Board approved a change to start paying premium commissions of 5% to agents. While below 'market rates' for commission, this change did appear to make an immediate impact on KMIT's acceptance with local agents, and KMIT's subsequent growth to maturity.

Commission paid to local agents has contributed greatly to the growth and stability of the KMIT pool, as KMIT maintains an excellent relationship with many agents across the entire state. Especially since KMIT has largely exhausted its 'city market', most of its new business now is a direct or indirect result of agent involvement. And, the retention of business (i.e., stability of the pool) with cities, and now community colleges (and perhaps other entities in the future), will, no doubt, continue to hinge, at least to a large degree, on the payment of commission.

KMIT needs the *support and promotion* by agents to remain stable, and to move into new markets.

Action: However, in the 18+ years since KMIT started paying commissions, the 5% level now has become somewhat less of an incentive to promote and retain, and to enhance access to new markets, such as rural water districts and USDs

(K-12), both of which are *primarily local-agent driven*. KMIT simply does not have much access to these ‘new’ entities without the assistance of the agents.

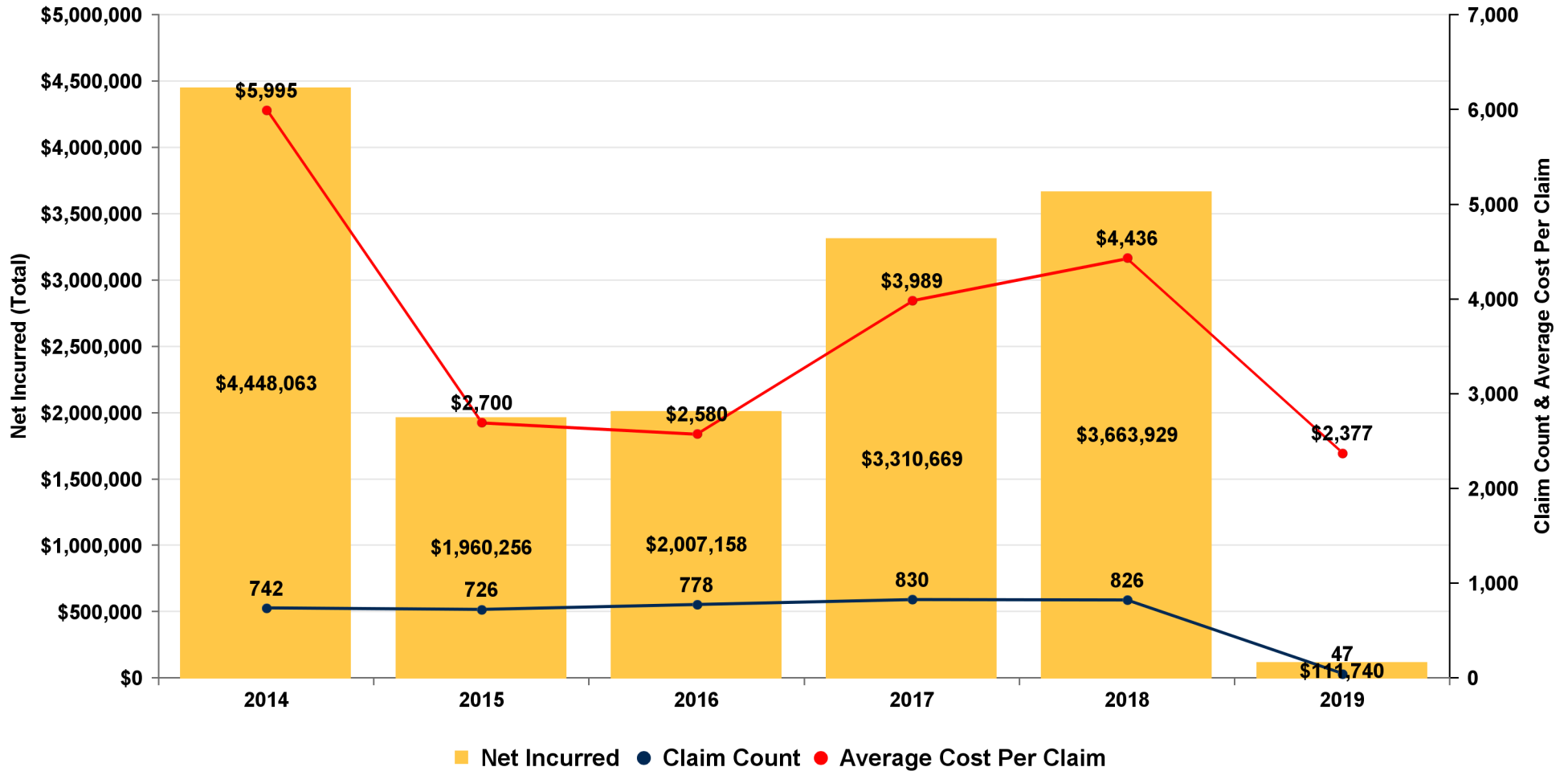
Summary:

This action to move to a slightly higher commission percentage should be expected to provide an additional profit incentive to local agents, and allow KMIT to compete somewhat better with the private carriers, and to also add incentive to agents to help KMIT find possible candidates in the new markets (above).

This new commission rate of 7% would be effective as of the date of this policy, and would be applied to all ‘new business’ (2019 and later) after this date and all renewals starting with the 2020 renewals.

**KMIT Loss Control: Claim Trend Analysis By Year**  
**Accident Date Range: 1/1/2014 to 1/31/2019**  
**Valued As Of 1/31/2019**

**Severity & Frequency By Year**

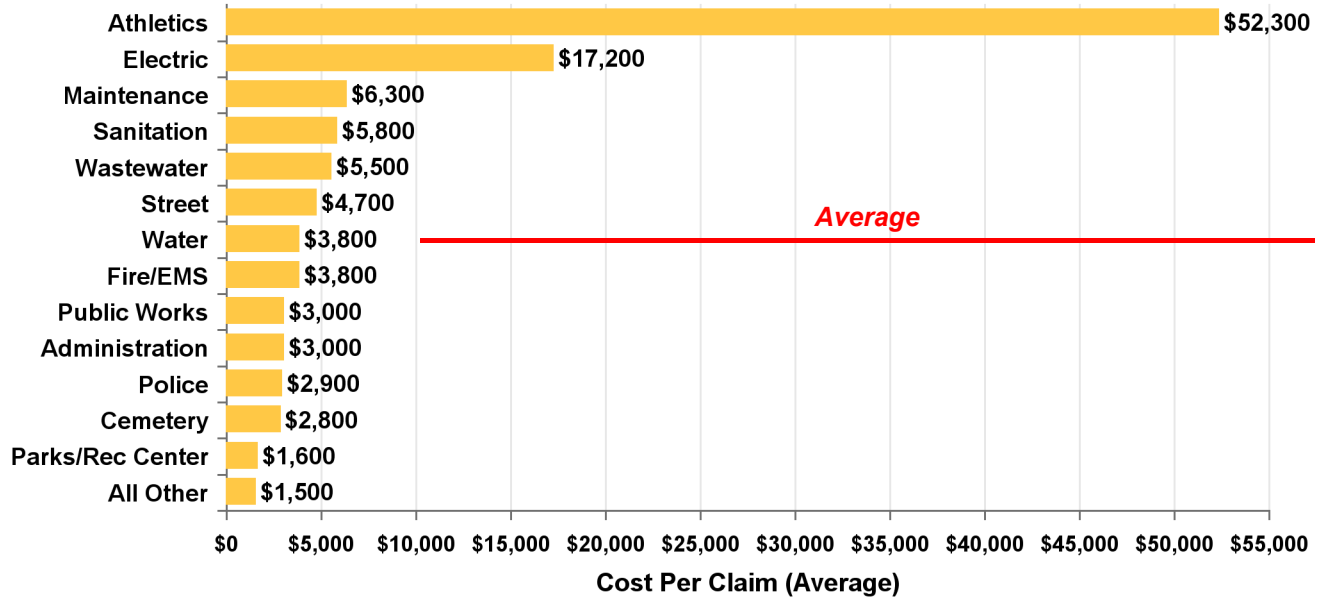


# KMIT Loss Control: Claim Trend Analysis By Department

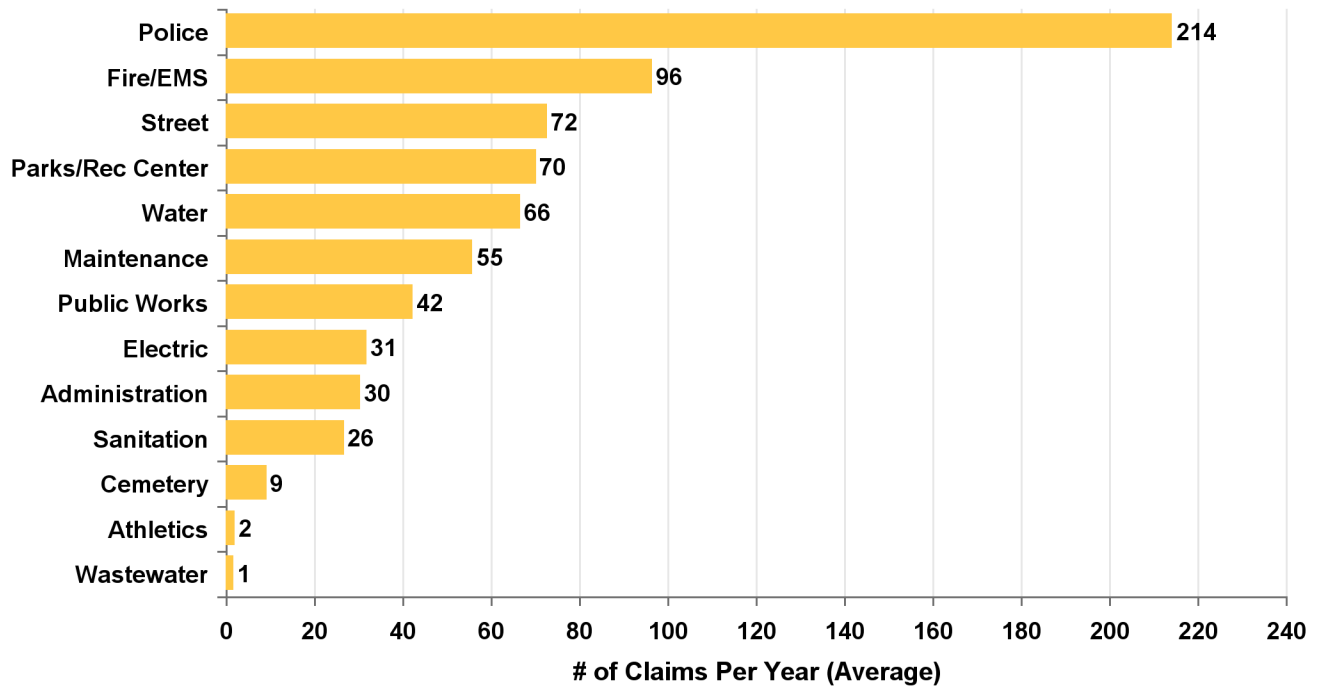
## Accident Date Range: 1/1/2014 to 1/31/2019

### Valued As Of 1/31/2019

#### Average Severity Per Claim By Department



#### Average Frequency Per Year By Department

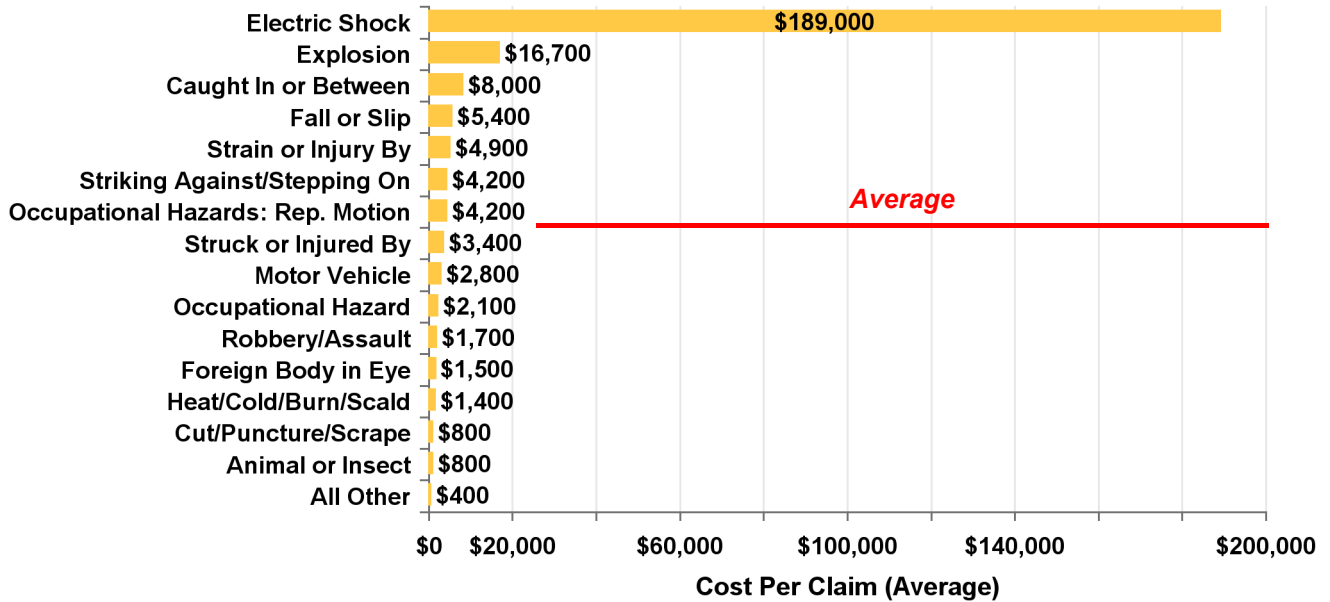


# KMIT Loss Control: Claim Trend Analysis By Accident Type

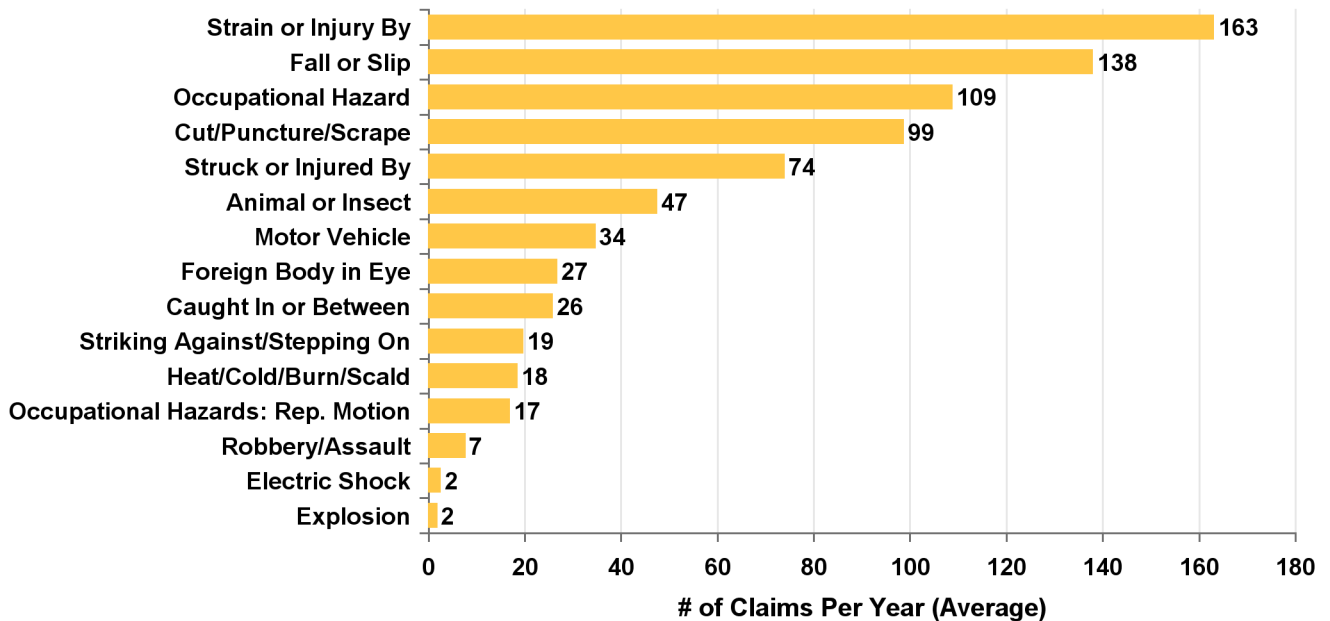
## Accident Date Range: 1/1/2014 to 1/31/2019

### Valued As Of 1/31/2019

#### 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 1/31/2019**  
**Valued As Of 1/31/2019**

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

| Rank  | Policy Year | Claim Number | Accident Date | Claim Status | City                   | Department   | Accident Type                | Claim Cost         |
|---|-------------|--------------|---------------|--------------|------------------------|--------------|------------------------------|--------------------|
| 1   | 2014        | 2014048019   | 4/14/14       | Open         | City Of Russell        | Electric     | Electric Shock               | \$1,964,614        |
| 2   | 2015        | 2015071784   | 8/17/15       | Open         | City Of Augusta        | Sanitation   | Caught In or Between         | \$390,000          |
| 3   | 2017        | 17701681     | 12/21/17      | Open         | City Of Arkansas City  | Street       | Caught In or Between         | \$345,000          |
| 4   | 2018        | 18750143     | 12/11/18      | Open         | City Of Parsons        | Fire         | Struck or Injured By         | \$327,500          |
| 5   | 2018        | 18702074     | 1/1/18        | Closed       | City Of Wamego         | Fire         | Fall or Slip                 | \$285,881          |
| 6   | 2017        | 2017076725   | 5/26/17       | Open         | City Of Osawatomie     | Street       | Striking Against/Stepping On | \$273,500          |
| 7   | 2017        | 2017076443   | 5/2/17        | Open         | City Of Fort Scott     | Police       | Occupational Hazard          | \$270,000          |
| 8   | 2014        | 2014048312   | 6/11/14       | Closed       | City Of Lucas          | Maintenance  | Electric Shock               | \$247,481          |
| 9   | 2017        | 17700057     | 12/6/17       | Open         | City Of Wellsville     | Police       | Fall or Slip                 | \$195,000          |
| 10  | 2016        | 2016074973   | 10/11/16      | Open         | City Of Eudora         | Water        | Fall or Slip                 | \$176,073          |
| 11  | 2018        | 18714294     | 3/27/18       | Open         | City Of Halstead       | Maintenance  | Fall or Slip                 | \$175,400          |
| 12  | 2014        | 2014069536   | 10/9/14       | Open         | City Of Atchison       | Maintenance  | Strain or Injury By          | \$172,500          |
| 13  | 2017        | 2017076410   | 4/30/17       | Open         | City Of Garden City    | Electric     | Occupational Hazard          | \$163,281          |
| 14  | 2014        | 2014069578   | 10/7/14       | Open         | City Of Minneapolis    | Water        | Foreign Body in Eye          | \$137,201          |
| 15  | 2014        | 2014069973   | 12/5/14       | Closed       | City Of Fredonia       | Police       | Motor Vehicle                | \$134,795          |
| 16  | 2017        | 2017076629   | 5/24/17       | Open         | City Of Bonner Springs | Police       | Occupational Hazard          | \$128,368          |
| 17  | 2014        | 2014048087   | 4/9/14        | Closed       | City Of Arkansas City  | Street       | Strain or Injury By          | \$124,830          |
| 18  | 2014        | 2014048340   | 6/16/14       | Closed       | City Of Valley Center  | Maintenance  | Fall or Slip                 | \$122,460          |
| 19  | 2016        | 2016073786   | 4/29/16       | Re-Open      | City Of Atchison       | Public Works | Strain or Injury By          | \$111,731          |
| 20  | 2016        | 2016072899   | 1/7/16        | Closed       | City Of La Cygne       | Street       | Strain or Injury By          | \$105,289          |
| 21  | 2017        | 17681918     | 8/1/17        | Open         | City Of Bel Aire       | Police       | Motor Vehicle                | \$100,500          |
| <b>Totals - Claims \$100,000 or Greater</b> |             |              |               |              |                        |              | <b>(21 Claims)</b>           | <b>\$5,951,405</b> |
|   |             |              |               |              |                        |              | <b>Average:</b>              | <b>\$283,400</b>   |

## 2019 KMIT TRAINING CLASSES

For reservations, please call: Joy Read, Risk Control at (316) 266-6381 or [joy.read@imacorp.com](mailto:joy.read@imacorp.com)

For Safety Questions please contact: Renee Rhodes, KMIT Risk Control at (316) 250-2121 or [renee.rhodes@imacorp.com](mailto:renee.rhodes@imacorp.com)

| DATE    | TIME       | CLASS  | CITY               | CLASS LOCATION  |
|---------|------------|--|--------------------|---|
| 2-7-19  | 9-11:30 AM | Competent Person Trenching & Excavation                      | Great Bend, KS     | "Front Door", 1615 10 <sup>th</sup> St., Great Bend, KS 67350                 |
| 2-21-19 | 9-11:00 am | Distracted Driving/Safe Backing                              | Bonner Springs, KS | Library, 201 N. Nettleton, Bonner Springs, KS 66012                           |
| 3-14-19 | 9-11:30 am | Reasonable Suspicion Drug & Alcohol Training for Supervisors | Dodge City, KS     | Mariah Hills Golf Course, 180 Matt Down Lane, Dodge City, KS 67801            |
| 3-26-19 | 9-11:30 am | Active Shooter/Workplace Violence                            | Paola, KS          | Fire Station, 202 E. Wea St., Paola, KS 66701                                 |
| 3-28-19 | 9-11:30 am | Active Shooter/Workplace Violence                            | Lindsborg, KS      | 102 S. Main, Lindsborg, KS 67456  |
| 4-11-19 | 9-11:30 AM | Competent Person Trenching & Excavation                      | Kingman, KS        | National Guard Armory, 111 S. Main, Kingman, KS 67608                         |
| 4-23-19 | 9-11:30 am | Confined Space Basics/Equipment Class                        | Hays, KS           | Thirsty's Brew Pub & Grill, 785-628-8284, 2704 Vine Street #B, Hays, KS 67601 |
| 5-16-19 | 9-11:00 am | Distracted Driving/Safe Backing                              | Augusta, KS        | Augusta Frisco Train Depot, 618 State Ave., Augusta, KS 67010                 |
| 5-23-19 | 9-11:30 am | Competent Person Trenching & Excavation                      | De Soto, KS        | Council Room, 32905 W. 84 <sup>th</sup> Street, Desoto, KS 66018              |
| 7-10-19 | 9-11:30 am | Reasonable Suspicion Drug & Alcohol Training for Supervisors | Independence, KS   | Memorial Hall/Civic Center, 410 N. Pennsylvania Ave., Independence, KS 67301  |
| 8-14-19 | 9-11:30 am | Confined Space Basics/Equipment Class                        | Pittsburg, KS      | Pittsburg Fire Department, 911 West 4 <sup>th</sup> , Pittsburg, KS 66762     |
| 8-29-19 | 9-11:00 am | Silica   | Abilene, KS        | Community Center, 1020 NW 8 <sup>th</sup> St., Abilene, KS 67410              |

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

# KANSAS MUNICIPAL INSURANCE TRUST

## Board of Trustees Minutes from October 7, 2018

*Approved in Wichita (IMA) on December 7, 2018*

**Meeting Convened:** Sunday, October 7, 2018, at the Maner Conference Center, in Topeka, KS. The meeting was called to order by KMIT President Randy Frazer at 4:53 P. M.

**Members Present:** *2017-2018 Board Members Present:* President Randy Frazer (Moundridge), Vice President David Dillner (El Dorado), Past President Tim Hardy (Elkhart), Keith Schlaegel (Stockton), Ty Lasher (Bel Aire), Michael Reagle (Garden City), Greg DuMars (Lindsborg), and Janie Cox (Haysville). [Three positions currently vacant.] *Incoming Trustees:* Hardy Howard (WaKeeney), Jonathan Mitchell (Hoisington), Andrew Finzen (Goodland), Deb Needleman (Fort Scott), and Jeff Morris, *Ex-Officio* (Coffeyville Community College). *Staff:* Barbie Kifer (CORnerstone), Kyle Johnston (CORnerstone), Jess Cornejo (CORnerstone), Gene Miller (TRISTAR), Andrea Neff (TRISTAR), and Don Osenbaugh (KMIT Pool Administrator).

**Trustee Absences/Quorum Declaration:** No 2017-2018 Trustees were absent. Incoming Trustee Kelly McElroy (Newton) was absent.

### **OLD BUSINESS (2017-2018 Board)**

**Minutes Approval:** The minutes from the Overland Park meeting of August 24, 2018 were unanimously approved as written, following a motion by Dillner and a second by Hardy.

#### **Financial Reports:**

- a. August 31, 2018 Financials
- b. August 31, 2018 Cash/Investments Summary

The motion to approve the above reports was made by Dillner; seconded by Cox. Approved unanimously.

**Reserve Advisory and Settlement Authority:** None.

### **NEW BUSINESS (2018-2019 Board)**

#### **Introduction of Newly-Elected (Incoming) Trustees:**

Howard, Mitchell, Finzen, and Needleman (McElroy absent).

**Recognition of Outgoing Trustees:**

Hardy and Schlaegel.

**Election of 2018/2019 Officers:**

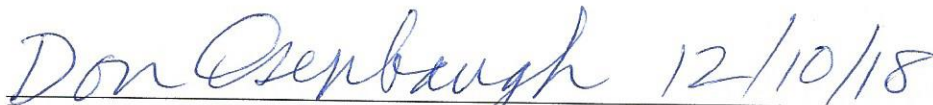
Treasurer: Lasher nominated DuMars; second by Cox. Unanimously approved.

Vice President: Dillner nominated Lasher; second by Howard. Unanimously approved.

President: Reagle nominated Dillner; second by Lasher. Unanimously approved.

President Dillner immediately assumed his new position.

**Adjournment:** Motion to adjourn by Mitchell; second by DuMars. Unanimous.  
Adjourned at 5:05 P.M.

 12/10/18

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

# 2019 KMIT Trustee Meeting Schedule

Friday, February 22--Lindsborg

Friday, April 26—Coffeyville Community College<sup>1</sup>

Friday, June 28--McPherson<sup>2</sup>

Friday, August 23--El Dorado<sup>2</sup>

Sunday, October 13--Overland Park (immediately after annual meeting)

Friday, December 6--Moundridge

<sup>1</sup>Supervisor Seminar in Independence on Thursday, April 25

<sup>2</sup>Supervisor Seminar in same city the day before

# 2019 KMIT Operating Budget\*

|   | 2016<br>Actual <sup>[5]</sup>         | 2017<br>Budget         | 2017<br>Actual <sup>[2]</sup>    | 2018<br>Budget         | 2018<br>YE Est         | 2019<br>ADOPTED         |
|---|---------------------------------------|------------------------|----------------------------------|------------------------|------------------------|-------------------------|
| <b>REVENUES</b>   |                                       |                        |                                  |                        |                        |                         |
| Premium Payments <sup>[1][3][4]</sup>                             | 4,829,526                             | 5,052,000              | 4,984,618                        | 4,900,000              | 4,700,000              | 5,080,000               |
| Investment Income   | 160,374                               | 130,000                | 220,606                          | 165,000                | 225,000                | 230,000                 |
| Other   | -                                     | -                      | -                                | -                      | -                      | -                       |
| <b>Total Revenues</b>   | <b>4,989,900</b>                      | <b>5,182,000</b>       | <b>5,205,224</b>                 | <b>5,065,000</b>       | <b>4,925,000</b>       | <b>5,310,000</b>        |
| <b>ADMINISTRATIVE EXPENSES</b>                                    |                                       |                        |                                  |                        |                        |                         |
| <b>Operational</b>  |                                       |                        |                                  |                        |                        |                         |
| Meetings and Travel   | 22,598                                | 20,000                 | 20,165                           | 23,000                 | 22,000                 | 24,000                  |
| Commissions to Independent Agents                                 | 90,158                                | 95,000                 | 104,978                          | 100,000                | 105,000                | 110,000                 |
| Directors and Officers (E&O) Insurance/Theft Insurance (PA)       | 15,970                                | 17,000                 | 16,287                           | 16,000                 | 16,000                 | 16,000                  |
| Other Marketing, Contingency, Outside Legal Expense, etc.         | 966                                   | 2,000                  | 1,000                            | 1,000                  | 1,000                  | 1,000                   |
| Bank Fees   | 5,433                                 | 8,000                  | 7,375                            | 6,000                  | 8,000                  | 8,000                   |
| Office Supplies, Web Services, Misc.                              | 8,372                                 | 9,000                  | 13,157                           | 9,000                  | 13,000                 | 14,000                  |
| Miscellaneous Expense and Cancellation Expense (rounding)         | 3,530                                 | 6,000                  | (2,144)                          | 28,000                 | 10,000                 | 12,000                  |
| <b>Operational Sub Total</b>                                      | <b>147,027</b>                        | <b>157,000</b>         | <b>160,818</b>                   | <b>183,000</b>         | <b>175,000</b>         | <b>185,000</b>          |
| <b>Contractual</b>  |                                       |                        |                                  |                        |                        |                         |
| Pool Administrator Contract (Osenbaugh)                           | 99,360                                | 102,000                | 102,240                          | 105,000                | 105,120                | 108,000                 |
| Endorsement/Services Contract (LKM)                               | 70,000                                | 70,000                 | 70,000                           | 32,500                 | 32,500                 | 32,500                  |
| Risk Mgt, Administrative, and Claims Mgt Serv's (IMA/CORnerstone) | 550,000                               | 570,000                | 570,000                          | -                      | -                      | -                       |
| Insurance Management Services Contract (CORnerstone/IMA)          | -                                     | -                      | -                                | 370,000                | 370,000                | 370,000                 |
| TPA Services Contract (TRISTAR)                                   | -                                     | -                      | -                                | 216,500                | 216,500                | 216,500                 |
| Administrative Services Contract (KMU)                            | -                                     | -                      | -                                | 25,000                 | -                      | -                       |
| Payroll Audits (Legacy)   | 19,954                                | 21,000                 | 20,000                           | 21,000                 | 21,000                 | 22,000                  |
| NCCI Membership/Rating Fee and Financial Audit (SS&C)             | 39,105                                | 27,000                 | 24,095                           | 40,000                 | 25,000                 | 26,000                  |
| Actuarial Study (Milliman)  | 15,000                                | 15,000                 | 15,000                           | 15,000                 | 15,000                 | 16,000                  |
| POET Testing (Bardavon)   | 10,513                                | 12,000                 | 20,138                           | 15,000                 | 22,000                 | 23,000                  |
| Bardavon Network  | 27,647                                | 15,000                 | 12,113                           | 15,000                 | 12,000                 | 11,000                  |
| <b>Contractual Sub Total</b>                                      | <b>831,579</b>                        | <b>832,000</b>         | <b>833,586</b>                   | <b>855,000</b>         | <b>819,120</b>         | <b>825,000</b>          |
| <b>Regulatory</b>   |                                       |                        |                                  |                        |                        |                         |
| State Fees and Assessments (KID and KDOL)                         | 24,920                                | 250,000                | 170,562                          | 230,000                | 230,000                | 230,000                 |
| <b>Regulatory Sub Total</b>                                       | <b>24,920</b>                         | <b>250,000</b>         | <b>170,562</b>                   | <b>230,000</b>         | <b>230,000</b>         | <b>230,000</b>          |
| <b>Total Administrative Expenses</b>                              | <b>1,003,526</b>                      | <b>1,239,000</b>       | <b>1,164,966</b>                 | <b>1,268,000</b>       | <b>1,224,120</b>       | <b>1,240,000</b>        |
| <b>Excess Insurance Expense</b>                                   | <b>451,042</b>                        | <b>480,000</b>         | <b>476,604</b>                   | <b>504,000</b>         | <b>504,000</b>         | <b>510,000</b>          |
| <b>ESTIMATED AVAILABLE FOR CLAIMS</b>                             | <b>3,535,332</b>                      | <b>3,463,000</b>       | <b>3,563,654</b>                 | <b>3,293,000</b>       | <b>3,196,880</b>       | <b>3,560,000</b>        |
|   | <b>2016<br/>Actual <sup>[5]</sup></b> | <b>2017<br/>Budget</b> | <b>2017<br/>Actual</b>           | <b>2018<br/>Budget</b> | <b>2019<br/>YE Est</b> | <b>2019<br/>ADOPTED</b> |
| Year-End Cash/Investments   | 14,766,484                            |                        | 15,941,989                       |                        | 16,000,000             |                         |
| Year-End Net Worth  | 5,975,000                             |                        | 5,931,447                        |                        | 5,600,000              |                         |
|   | <b>2016 Actual<sup>[5]</sup></b>      | <b>2017 Budget</b>     | <b>2017 Actual<sup>[5]</sup></b> | <b>2018 Budget</b>     | <b>2018 YE Est</b>     | <b>2019 Adopted</b>     |
| Administrative Expenses / Revenue <sup>[2]</sup>                  | 20.1%                                 | 23.9%                  | 22.4%                            | 25.0%                  | 24.9%                  | 23.4%                   |
| Available for Claims / Revenue                                    | 70.8%                                 | 66.8%                  | 68.5%                            | 65.0%                  | 64.9%                  | 67.0%                   |
| Administrative + Excess Insurance / Revenue                       | 29.2%                                 | 33.2%                  | 31.5%                            | 35.0%                  | 35.1%                  | 33.0%                   |

<sup>[1]</sup> Final premium is determined via the annual financial audit. FY 2018 will be audited in early 2019, therefore 2018 Est YE is pre-audit.

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

<sup>[3]</sup> Projected audit difference for 2018 premium is estimated at **(\$200,000)**.

<sup>[4]</sup> 2019 premium is estimated, as billed in early December, 2018.

<sup>[5]</sup> Actuals are audited figures (2016 and 2017)

\*Adopted 7Dec18

January 19, 2019

Board of Directors and Management  
Kansas Municipal Insurance Trust  
2250 N. Rock Rd., Ste 118- PMB 302  
Wichita, KS 67226

We are pleased to confirm our understanding of the services we are to provide for Kansas Municipal Insurance Trust for the year ended December 31, 2018.

We will audit the financial statements of Kansas Municipal Insurance Trust, which comprise the statutory basis balance sheet as of December 31, 2018 and the related statements of revenue, expenses, and changes in fund balance, and cash flow for the years then ended, and the related notes to the financial statement. Also, the following supplementary information accompanying the financial statements will be subjected to the auditing procedures applied in our audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, in accordance with auditing standards generally accepted in the United States of America, and we will provide an opinion on it in relation to the financial statements as a whole.

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

#### **Audit Objective**

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

## **Audit Procedures**

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

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the Company or to acts by management or employees acting on behalf of the Company.

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

Our audit will include obtaining an understanding of the Company and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. An audit is not designed to provide assurance on internal control or to identify deficiencies in internal control. Accordingly, we will express no such opinion. However, during the audit, we will communicate to you and those charged with governance internal control related matters that are required to be communicated under professional standards.

## **Other Services**

We will prepare the financial statements of Kansas Municipal Insurance Trust in accordance with 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.

We will perform this service in accordance with applicable professional standards. This other service is limited to the financial statement previously defined. We, in our sole professional judgement, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities.

## **Management Responsibilities**

You are responsible for designing, implementing, and maintaining internal controls, relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, including monitoring ongoing activities; for the selection and application of accounting principles; and for the preparation and fair presentation of the financial statements in conformity with the financial reporting provisions prescribed or permitted by the Kansas Insurance Department. You are also

responsible for making all financial records and related information available to us and for the accuracy and completeness of that information. You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, (2) additional information that we may request for the purpose of the audit, and (3) unrestricted access to persons within the company from whom we determine it necessary to obtain audit evidence.

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

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

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

#### **Engagement Administration, Fees, and Other**

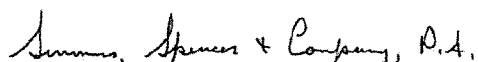
We understand that your employees will prepare all cash, accounts receivable, and other confirmations we request and will locate any documents selected by us for testing.

Stuart A. Bach, CPA is the engagement partner and is responsible for supervising the engagement and signing the report or authorizing another individual to sign it. We expect to begin our audit on approximately April 1, 2019.

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

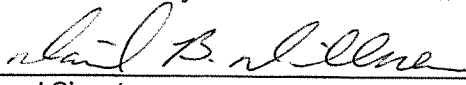
We appreciate the opportunity to be of service to you and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return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

Very truly yours,

  
Summers, Spencer & Company P.A.

RESPONSE:

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

  
Board Signature

1-20-19  
Date

  
Management Signature

1/20/19  
Date

## Don Osenbaugh

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**From:** Don Osenbaugh <dosenbaugh@cox.net>  
**Sent:** Wednesday, December 19, 2018 2:35 PM  
**To:** 'Jennifer McCausland'  
**Cc:** Kyle Johnston (CORnerstone); Barbie Kifer (CORnerstone); Jess Cornejo (CORnerstone); Renee Rhodes (IMA); 'Gene Miller'; Andrea Neff (KMIT Adjuster) (andrea.neff@tristargroup.net); 'Dorothy Riviere'; Taylor Ediger; 'bstewart@arcpt.com'  
**Subject:** Termination of KMIT Membership

Jennifer,

As per the direction of the City of Andover, the City's membership in the KMIT pool is hereby officially terminated as of 11:59PM, 12/31/18.

This will also cancel your POET relationship with ARC+. Also, please know that the all the individual POETs developed for Andover by Bardavon are owned by KMIT, and, thus, cannot be used by the City of Andover or ARC+, nor anyone else, from this point on.

Thanks for being a member of KMIT all these years. Good luck going forward.

*Don Osenbaugh*

KMIT Pool Administrator  
316-259-3847

# KMIT Investments, 2017-2024

|              | Jan                  | Feb                    | Mar                                 | Apr                    | May                    | Jun                   | Jul                 | Aug                   | Sep                     | Oct                       | Nov                   | Dec                  | Total Invested | #       |
|--------------|----------------------|------------------------|-------------------------------------|------------------------|------------------------|-----------------------|---------------------|-----------------------|-------------------------|---------------------------|-----------------------|----------------------|----------------|---------|
| 2017         |                      |                        |                                     |                        |                        |                       |                     |                       | \$ 750<br>re-invested   | \$ 576<br>cashed out      | \$ 400<br>re-invested | \$ 248<br>cashed out | \$ -           | 0       |
| 2018         | \$ 248<br>cashed out | \$ 1,000<br>cashed out | \$ 248<br>cashed out                | \$ -                   | \$ 494<br>re-invested  | \$ 900<br>re-invested | \$ 493<br>7/9+7/16  | \$ 247<br>8/27        | \$ 260<br>9/1           | \$ 327<br>10/1+10/15      | \$ 747<br>11/12+11/27 | \$ 250<br>12/3       | \$ -           | 0       |
| 2019         | \$ -                 | \$ -                   | \$ 743<br>3/11+3/21+3/26            | \$ 248<br>4/15         | \$ 250<br>5/24         | \$ 400<br>6/19        | \$ 250<br>7/16      | \$ 248<br>8/2         | \$ 760<br>9/12 + 9/27   | \$ 327<br>10/1+10/2+10/28 | \$ 100<br>11/15       | \$ 250<br>12/2       | \$ 3,576,000   | 15      |
| 2020         | \$ 248<br>1/22       | \$ 498<br>2/10+2/19    | \$ 248<br>3/26                      | \$ 315<br>4/1+4/6      | \$ 747<br>5/12+5/31    | \$ -<br>OK            | \$ 249<br>7/13      | \$ 313<br>8/12        | \$ 740<br>9/1+9/11+9/29 | \$ -<br>OK                | \$ 500<br>11/13       | \$ 130<br>12/1       | \$ 3,988,000   | 15      |
| 2021         | \$ 247<br>1/20       | \$ -                   | \$ 249<br>3/24                      | \$ 498<br>4/6+4/8      | \$ 300<br>5/17         | \$ 400<br>6/11        | \$ 494<br>7/19+7/20 | \$ 495<br>8/23 + 8/24 | \$ 100<br>9/1           | \$ 499<br>10/7+10/25      | \$ 250<br>11/4        |                      | \$ 3,532,000   | 14      |
| 2022         | \$ 249<br>1/13       | \$ 496<br>2/17+2/28    | \$ 247<br>3/1                       | \$ 741<br>4/1+4/5+4/14 | \$ 644<br>5/3+5/5+5/23 | \$ 230<br>6/10        | \$ -                | \$ 500<br>8/9         | \$ 270<br>9/7           | \$ 249<br>10/17           | \$ -                  |                      | \$ 3,626,000   | 14      |
| 2023         |                      |                        | \$ -                                | \$ -                   | \$ -                   | \$ -                  | \$ -                | \$ -                  | \$ -                    | \$ 249<br>10/17           | \$ -                  |                      | \$ 249,000     | 1       |
| 2024         |                      |                        |                                     |                        |                        |                       |                     |                       |                         |                           |                       |                      | \$ -           |         |
| 9/15/17 orig | NONE                 | NONE                   | monthly amounts are shown in 1,000s |                        |                        |                       |                     |                       |                         |                           |                       | NONE                 | \$ 14,971,000  | 59<br># |

12/11/18 update

# KMIT Member History

## January 1, 2019

|    | City                          | Date Joined | Date Left | FEIN #     | Policy # | Risk ID # |
|----|-------------------------------|-------------|-----------|------------|----------|-----------|
| 1  | Abilene                       | 4/1/96      |           | 48-6017973 | 112ABI   | 150122619 |
| 2  | Admire                        | 4/1/06      |           | 48-0913740 | 112ADM   | 150513707 |
| 3  | Allen                         | 4/11/00     |           | 48-6163606 | 112ALL   | 150570093 |
| 4  | Altamont                      | 4/1/94      |           | 48-6039159 | 112ALT   | 150192048 |
| 5  | Andale                        | 5/1/94      |           | 48-6084036 | 112AND   | 150238951 |
| X  | Andover                       | 4/1/95      | 12/31/18  | 48-0768791 | 112ANO   | 150210879 |
| 6  | Arkansas City                 | 4/1/05      |           | 48-6005477 | 112ARK   | 150112389 |
| 7  | Arma                          | 4/1/17      |           | 48-6041523 | 112ARM   | 150168287 |
| 8  | Atchison                      | 4/1/94      |           | 48-6025033 | 112ATC   | 150191076 |
| 9  | Atlanta                       | 4/1/04      |           | 48-0860014 | 112ATL   | 150570603 |
| 10 | Augusta                       | 1/1/02      |           | 48-6035719 | 112AUG   | 150135257 |
| 11 | Baldwin City                  | 4/1/94      |           | 48-6033049 | 112BAL   | 150110513 |
| 12 | Basehor                       | 4/1/96      |           | 48-0732879 | 112BAS   | 150451523 |
| X  | Baxter Springs                | 1/1/94      | 12/31/13  | 48-6041584 | 112BAX   | 150104211 |
| x  | Bel Aire                      | 4/1/96      | 3/31/06   | 48-0681283 | 112BAR   | 150416388 |
| 13 | Bel Aire                      | 4/1/09      |           | 48-0681283 | 112BELA  | 150416388 |
| 14 | Belleville                    | 4/1/04      |           | 48-6020982 | 112BEL   | 150135648 |
| 15 | Belle Plaine                  | 4/1/12      |           | 48-9005794 | 112BPL   | 150138906 |
| X  | Beloit                        | 1/1/95      | 1/1/97    | x          | x        | x         |
| 16 | Bennington                    | 4/1/06      |           | 48-6018238 | 112BEN   | 150450071 |
| 17 | Benton                        | 4/1/12      |           | 48-6092183 | 112BNT   | 150511437 |
| 18 | Beverly                       | 8/9/98      |           | 48-0693266 | 112BEV   | 150570107 |
| 19 | Bird City                     | 1/15/94     |           | 48-6013474 | 112BIR   | 150209919 |
| X  | Bison                         | 1/1/94      | 5/20/02   | 48-6011701 | 112BIS   | N/A       |
| 20 | Blue Mound                    | 1/1/09      |           | 48-0722470 | 112BLM   | 150540429 |
| 21 | Blue Rapids                   | 4/1/05      |           | 48-6022978 | 112BLU   | 150175658 |
| 22 | Bonner Springs                | 1/1/94      |           | 48-6033148 | 112BON   | 150104378 |
| 23 | Brewster                      | 4/1/94      |           | 48-6013534 | 112BRE   | 150450063 |
| X  | Caldwell                      | 2/1/02      | 5/1/09    | 48-6005893 | 112CAL   | 150184045 |
| 24 | Centralia                     | 4/1/94      |           | 48-6025420 | 112CEN   | 150210682 |
| 25 | Chapman                       | 4/1/12      |           | 48-6018403 | 112CHP   | 150163447 |
| 26 | Chautauqua                    | 4/1/96      |           | 48-0971231 | 112CHA   | 150570662 |
| 27 | Cheney                        | 1/1/94      |           | 48-6002530 | 112CHE   | 150145678 |
| 28 | Cherryvale                    | 2/1/94      |           | 48-6043146 | 112CHR   | 150113652 |
| 29 | Clay Center                   | 7/1/04      |           | 48-6023059 | 112CLA   | 150193192 |
| 30 | Clearwater                    | 4/1/10      |           | 48-6003458 | 112CLE   | 150147891 |
| X  | Coffeyville                   | 4/1/95      | 12/31/96  | x          | x        | x         |
| X  | Coffeyville                   | 5/1/05      | 12/31/12  | x          | x        | x         |
| 31 | COFFEYVILLE COMMUNITY COLLEGE | 7/1/18      |           | 48-0698570 | 112CCC   | 150118115 |
| 32 | Columbus                      | 4/1/02      |           | 48-6041810 | 112COL   | 150115787 |

# KMIT Member History

## January 1, 2019

|    | City             | Date Joined | Date Left | FEIN #     | Policy # | Risk ID # |
|----|------------------|-------------|-----------|------------|----------|-----------|
| 33 | Concordia        | 1/1/96      |           | 48-6020606 | 112CONC  | 150128153 |
| 34 | Conway Springs   | 4/1/94      |           | 48-6086704 | 112CON   | 150183278 |
| X  | Cottonwood Falls | 4/1/10      | 12/31/12  | x          | x        | x         |
| 35 | Council Grove    | 4/1/94      |           | 48-6027477 | 112COU   | 150104874 |
| 36 | Cullison         | 4/1/01      |           | 48-0900828 | 112CUL   | 150570069 |
| 37 | Damar            | 3/1/05      |           | 48-1050260 | 112DAM   | 150570212 |
| X  | Derby            | 1/1/94      | 12/31/10  | 48-6086439 | 112DER   | 150105021 |
| 38 | De Soto          | 4/1/94      |           | 48-6033211 | 112DES   | 150130158 |
| x  | Dodge City       | 1/1/94      | 12/31/08  | 48-6008416 | 112DOD   | 150120810 |
| 39 | Dodge City       | 1/1/17      |           | 48-6008416 | 112DOD   | 150120810 |
| 40 | Douglass         | 4/1/03      |           | 48-6035901 | 112DOU   | 150233526 |
| 41 | Eastborough      | 11/15/04    |           | 48-6044356 | 112EAS   | 150199174 |
| 42 | Edgerton         | 12/11/00    |           | 48-0734242 | 112EDG   | 150209617 |
| 43 | Edwardsville     | 4/1/07      |           | 48-0800885 | 112EDW   | 150212375 |
| 44 | El Dorado        | 4/1/09      |           | 48-6035394 | 112ELD   | 150105250 |
| 45 | Elkhart          | 1/1/94      |           | 48-6008998 | 112ELK   | 150135451 |
| 46 | Ellsworth        | 4/1/06      |           | 48-6018554 | 112ELL   | 150193281 |
| 47 | Esbon            | 4/1/94      |           | 48-0683209 | 112ESB   | 150456029 |
| 48 | Eudora           | 4/1/03      |           | 48-6033319 | 112EUD   | 150115035 |
| X  | Eureka           | 4/1/05      | 12/31/14  | 48-6035982 | 112EUR   | 150129389 |
| 49 | Florence         | 4/1/06      |           | 48-6036169 | 112FLO   | 150198291 |
| 50 | Ford             | 4/1/01      |           | 48-0898163 | 112FOR   | 150570581 |
| 51 | Fort Scott       | 1/1/94      |           | 48-6036934 | 112FTS   | 150149886 |
| 52 | Fowler           | 6/8/95      |           | 48-6009078 | 112FOW   | 150454514 |
| 53 | Frankfort        | 4/1/96      |           | 48-6023348 | 112FRA   | 150195055 |
| 54 | Fredonia         | 4/1/03      |           | 48-6039525 | 112FRE   | 150105722 |
| 55 | Galena           | 1/1/94      |           | 48-6042035 | 112GAL   | 150118077 |
| 56 | Garden City      | 1/1/13      |           | 48-6009982 | 112GAR   | 110104677 |
| 57 | Garden Plain     | 5/1/18      |           | 48-0807924 | 112GPL   | 150450152 |
| 58 | Girard           | 4/1/04      |           | 48-6042126 | 112GIR   | 150129230 |
| 59 | Glasco           | 4/1/94      |           | 48-6021680 | 112GLA   | 150210771 |
| 60 | Glen Elder       | 4/1/95      |           | 48-6021729 | 112GLE   | 150203007 |
| 61 | Goodland         | 1/1/94      |           | 48-6013884 | 112GOO   | 150130603 |
| 62 | Goessel          | 4/1/16      |           | 48-0725321 | 112GOE   | 150556759 |
| X  | Grainfield       | 7/9/01      | 7/31/18   | 48-6075794 | 112GRA   | 150520983 |
| 63 | Grandview Plaza  | 4/1/04      |           | 48-0686913 | 112GRAN  | 150304261 |
| 64 | Great Bend       | 1/1/02      |           | 48-6012082 | 112GTB   | 150126231 |
| 65 | Greeley          | 3/9/98      |           | 48-6101278 | 112GREE  | 150570557 |
| 66 | Grenola          | 4/1/94      |           | 48-0720550 | 112GRE   | 150450160 |
| 67 | Grinnell         | 8/14/06     |           | 48-0786477 | 112GRI   | 150513723 |

# KMIT Member History

## January 1, 2019

|     | City                           | Date Joined | Date Left | FEIN #     | Policy # | Risk ID # |
|-----|--------------------------------|-------------|-----------|------------|----------|-----------|
| 68  | Halstead                       | 1/1/94      |           | 48-6004032 | 112HAL   | 150162629 |
| 69  | Hamilton                       | 4/1/06      |           | 48-6036216 | 112HAM   | 150457688 |
| 70  | Harper                         | 4/4/17      |           | 48-6006119 | 112HRP   | 150154111 |
| 71  | Hartford                       | 4/1/06      |           | 48-6027764 | 112HAR   | 150081319 |
| 72  | Haven                          | 4/1/17      |           | 48-6016535 | 112HAV   | 150189314 |
| x   | Hays**                         | 7/1/01      | 3/31/12   | 48-6011465 | 112HAY   | 150114233 |
| 73  | Hays                           | 4/1/13      |           | 48-6011465 | 112HAY   | 150114233 |
| 74  | Haysville                      | 4/1/01      |           | 48-6085168 | 112HYV   | 150106168 |
| X   | Herington                      | 4/1/14      | 12/31/18  | 48-6018847 | 112HER   | 150193435 |
| X   | Hesston                        | 4/1/03      | 6/30/08   | 48-6004090 | 112HES   | 150140129 |
| 75  | Hiawatha                       | 6/4/95      |           | 48-6025665 | 112HIA   | 150130166 |
| 76  | Hill City                      | 4/1/95      |           | 48-6014092 | 112HLC   | 150117631 |
| 77  | Hillsboro                      | 4/1/95      |           | 48-6036239 | 112HIL   | 150139260 |
| 78  | Hoisington                     | 1/1/94      |           | 48-6012386 | 112HOI   | 150125189 |
| X   | Holcomb                        | 4/1/94      | 3/31/09   | 48-0765376 | 112HOL   | 150261767 |
| 79  | Horton                         | 4/1/02      |           | 48-6025865 | 112HOR   | 150123038 |
| X   | Hoxie                          | 4/1/94      | 4/1/07    | 48-6014174 | 112HOX   | 150162033 |
| 80  | Independence                   | 3/1/94      |           | 48-6042582 | 112IND   | 150100615 |
| 81  | INDEPENDENCE COMMUNITY COLLEGE | 7/1/18      |           | 48-0720287 | 112ICC   | 150133262 |
| 82  | Jetmore                        | 4/1/94      |           | 48-6009224 | 112JET   | 150163099 |
| 83  | Johnson City                   | 4/1/94      |           | 48-6009285 | 112JOH   | 150190142 |
| 84  | Kingman                        | 4/1/95      |           | 48-6004147 | 112KIG   | 150128722 |
| 85  | Kinsley                        | 1/1/94      |           | 48-6007346 | 112KIN   | 150113253 |
| 86  | Lake Quivira                   | 12/1/14     |           | 48-0799017 | 112LAK   | 150327873 |
| 87  | Larned                         | 4/1/08      |           | 48-6007537 | 112LAR   | 150107008 |
| 88  | La Cygne                       | 4/1/09      |           | 48-6037640 | 112LAC   | 150177375 |
| 89  | League                         | 4/1/94      |           | 48-6029280 | 112LEA   | 150455243 |
| 90  | Lecompton                      | 4/1/07      |           | 48-6077082 | 112LEC   | 150081300 |
| 91  | Lenora                         | 4/1/97      |           | 48-6014313 | 112LEN   | 150511410 |
| 92  | Leoti                          | 4/1/02      |           | 48-6010592 | 112LEO   | 150109590 |
| 93  | Lincoln Center                 | 9/3/02      |           | 48-6019533 | 112LIN   | 150139902 |
| x   | Lindsborg                      | 1/1/96      | 1/1/99    | x          | x        | x         |
| 94  | Lindsborg                      | 4/1/12      |           | 48-6019638 | 112LBG   | 150182727 |
| 95  | Logan                          | 4/1/13      |           | 48-6014365 | 112LOG   | 150167698 |
| 96  | Lucas                          | 6/1/94      |           | 48-6012593 | 112LUC   | 150203198 |
| 97  | Madison                        | 4/1/17      |           | 13         | 112MAD   | 150154723 |
| 98  | Maize                          | 6/25/94     |           | 48-6100751 | 112MAI   | 150252296 |
| x   | Marion                         | 1/1/94      | 12/31/97  | x          | x        | x         |
| 99  | Marion                         | 4/1/15      |           | 48-6036493 | 112MAR   | 150124581 |
| 100 | Marysville                     | 10/1/94     |           | 48-6022693 | 112MYV   | 150130654 |
| 101 | McFarland                      | 4/1/94      |           | 48-0821585 | 112MCF   | 150450128 |

# KMIT Member History

## January 1, 2019

|     | City           | Date Joined | Date Left | FEIN #     | Policy # | Risk ID # |
|-----|----------------|-------------|-----------|------------|----------|-----------|
| X   | Meade          | 4/1/05      | 3/31/07   | 48-6009560 | 112MEA   | 150112834 |
| 102 | Medicine Lodge | 4/11/95     |           | 48-6007792 | 112MED   | 150111633 |
| 103 | Melvern        | 4/1/96      |           | 48-0674502 | 112MEL   | 150570220 |
| 104 | Minneapolis    | 1/1/94      |           | 48-6020121 | 112MIN   | 150135672 |
| X   | Mission        | 12/31/95    | 12/31/08  | 48-6077068 | 112MIS   | 150143012 |
| 105 | Moline         | 4/1/94      |           | 48-6044011 | 112MOL   | 150274079 |
| 106 | Montezuma      | 4/1/94      |           | 48-6009662 | 112MON   | 150195063 |
| 107 | Mound City     | 4/1/96      |           | 48-6037776 | 112MOU   | 150228336 |
| 108 | Moundridge     | 4/1/12      |           | 48-6020221 | 112MDR   | 150132339 |
| 109 | Neodesha       | 4/1/98      |           | 48-6040117 | 112NEO   | 150107911 |
| 110 | Neosho Rapids  | 4/1/06      |           | 48-0688169 | 112NEOS  | 150513731 |
| 111 | Newton         | 1/1/94      |           | 48-6004391 | 112NEW   | 150107962 |
| 112 | North Newton   | 4/1/13      |           | 48-0697939 | 112NNE   | 150290406 |
| 113 | Oakley         | 4/1/13      |           | 48-6010757 | 112OAK   | 150119278 |
| 114 | Oberlin        | 1/15/94     |           | 48-6014612 | 112OBE   | 150143578 |
| 115 | Ogden          | 4/1/01      |           | 48-6087307 | 112OGD   | 150164583 |
| 116 | Olpe           | 4/1/94      |           | 48-0721174 | 112OLP   | 150450039 |
| 117 | Osage City     | 4/1/94      |           | 48-6030647 | 112OSG   | 150139600 |
| 118 | Osawatomie     | 4/1/08      |           | 48-6037846 | 112OAS   | 150108152 |
| 119 | Oskaloosa      | 4/1/94      |           | 48-6034904 | 112OSK   | 150201276 |
| 120 | Oswego         | 4/1/95      |           | 48-6040259 | 112OSW   | 150108179 |
| X   | Ozawkie        | 12/19/95    | 12/31/10  | 48-0775977 | 112OZA   | 150570654 |
| 121 | Palco          | 4/1/04      |           | 48-6038302 | 112PAL   | 150499348 |
| 122 | Paola          | 4/1/94      |           | 48-6038302 | 112PAO   | 150108225 |
| X   | Park City      | 4/1/94      | 12/31/14  | 48-0926950 | 112PKC   | 150227615 |
| 123 | Parsons        | 4/1/05      |           | 48-6040414 | 112PAR   | 150108276 |
| 124 | Peabody        | 4/1/01      |           | 48-6036613 | 112PEA   | 150193966 |
| 125 | Pittsburg      | 1/1/14      |           | 48-6041003 | 112PIT   | 150100887 |
| 126 | Princeton      | 4/1/94      |           | 48-0694673 | 112PRI   | 150455251 |
| 127 | Ramona         | 4/1/06      |           | 48-0900816 | 112RAM   | 150513758 |
| 128 | Ransom         | 1/1/95      |           | 48-0684523 | 112RAN   | 150465214 |
| 129 | Reading        | 4/1/06      |           | 48-6028036 | 112REA   | 150513693 |
| 130 | Roeland Park   | 1/1/01      |           | 48-6077029 | 112ROE   | 150103606 |
| 131 | Rose Hill      | 4/1/94      |           | 48-0782378 | 112ROS   | 150270774 |
| 132 | Rozel          | 2/1/18      |           | 48-0769088 | 112ROZ   | 150573165 |
| 133 | Russell        | 1/1/94      |           | 48-6012826 | 112RUS   | 150108837 |
| 134 | Satanta        | 4/1/02      |           | 48-6009763 | 112SAT   | 150219299 |
| 135 | Scranton       | 4/1/12      |           | 48-6030833 | 112SCR   | 150246814 |
| 136 | Sedan          | 7/1/94      |           | 48-6044099 | 112SDN   | 150139791 |
| 137 | Sedgwick       | 4/1/94      |           | 48-6004733 | 112SED   | 150157072 |

# KMIT Member History

## January 1, 2019

|     | City           | Date Joined | Date Left | FEIN #     | Policy # | Risk ID # |
|-----|----------------|-------------|-----------|------------|----------|-----------|
| 138 | Sharon Springs | 4/1/06      |           | 48-6011085 | 112SHA   | 150122007 |
| 139 | Smith Center   | 4/1/13      |           | 48-6022532 | 112SMC   | 150137233 |
| 140 | Spearville     | 5/8/00      |           | 48-6009800 | 112SPE   | 150308534 |
| X   | Spring Hill    | 4/1/01      | 3/31/18   | 48-6035103 | 112SPR   | 150186250 |
| 141 | Stafford       | 3/31/03     |           | 48-6008209 | 112STA   | 150126045 |
| 142 | St. Francis    | 4/1/05      |           | 48-6015044 | 112STF   | 150137217 |
| 143 | St. John       | 4/16/16     |           | 48-6008055 | 112STJ   | N/A       |
| X   | St. Marys      | 1/1/94      | 12/31/96  | x          | x        | x         |
| 144 | Sterling       | 4/1/15      |           | 48-6016934 | 112STE   | 150123658 |
| 145 | Stockton       | 4/1/02      |           | 48-6015193 | 112STO   | 150180228 |
| 146 | Sylvan Grove   | 4/1/12      |           | 48-0620368 | 112SYL   | N/A       |
| 147 | Tampa          | 4/1/06      |           | 48-0963951 | 112TAM   | 150513715 |
| 148 | Tescott        | 4/1/95      |           | 48-0691795 | 112TES   | 150478828 |
| 149 | Tipton         | 7/27/01     |           | 48-6022632 | 112TIP   | 150570077 |
| 150 | Tonganoxie     | 4/1/97      |           | 48-6035159 | 112TON   | 150173922 |
| X   | Treece*        | 7/13/98     | 8/1/11    | 48-6042419 | 112TRE   | 150570085 |
| 151 | Turon          | 9/10/95     |           | 48-6017057 | 112TUR   | 150458250 |
| 152 | Ulysses        | 3/31/95     |           | 48-6009871 | 112ULY   | 150124018 |
| 153 | Valley Center  | 4/15/94     |           | 48-6004786 | 112VAL   | 150143896 |
| X   | Valley Falls   | 5/1/13      | 4/1/15    | 48-6035234 | 112VAF   | 150184207 |
| 154 | WaKeeney       | 4/1/03      |           | 48-6011299 | 112WKE   | 150182646 |
| 155 | Wakefield      | 1/1/95      |           | 48-6024605 | 112WAK   | 150314984 |
| 156 | Walton         | 4/1/94      |           | 48-0722471 | 112WAL   | 150457610 |
| 157 | Wamego         | 1/1/94      |           | 48-6024658 | 112WAM   | 150120470 |
| 158 | Wellington     | 4/1/95      |           | 48-6006451 | 112WEL   | 150124220 |
| 159 | Wellsville     | 3/31/01     |           | 48-6038732 | 112WLV   | 150215462 |
| 160 | Westwood       | 7/1/12      |           | 48-6084600 | 112WES   | 150145880 |

X=no longer a member

\* no longer a city (un-incorporated in 2011)

\*\*not in LKM for 15 months

rejoined KMIT

# KMIT Member List

## January 1, 2019

|    | <b>MEMBER ENTITY</b>                 | <b>Date Joined</b> |
|----|--------------------------------------|--------------------|
| 1  | Abilene                              | 4/1/96             |
| 2  | Admire                               | 4/1/06             |
| 3  | Allen                                | 4/11/00            |
| 4  | Altamont                             | 4/1/94             |
| 5  | Andale                               | 5/1/94             |
| 7  | Arkansas City                        | 4/1/05             |
| 8  | Arma                                 | 4/1/17             |
| 9  | Atchison                             | 4/1/94             |
| 10 | Atlanta                              | 4/1/04             |
| 11 | Augusta                              | 1/1/02             |
| 12 | Baldwin City                         | 4/1/94             |
| 13 | Basehor                              | 4/1/96             |
| 14 | Bel Aire                             | 4/1/09             |
| 15 | Belle Plaine                         | 4/1/12             |
| 16 | Belleville                           | 4/1/04             |
| 17 | Bennington                           | 4/1/06             |
| 18 | Benton                               | 4/1/12             |
| 19 | Beverly                              | 8/9/98             |
| 20 | Bird City                            | 1/15/94            |
| 21 | Blue Mound                           | 1/1/09             |
| 22 | Blue Rapids                          | 4/1/05             |
| 23 | Bonner Springs                       | 1/1/94             |
| 24 | Brewster                             | 4/1/94             |
| 25 | Centralia                            | 4/1/94             |
| 26 | Chapman                              | 4/1/12             |
| 27 | Chautauqua                           | 4/1/96             |
| 28 | Cheney                               | 1/1/94             |
| 29 | Cherryvale                           | 2/1/94             |
| 30 | Clay Center                          | 7/1/04             |
| 31 | Clearwater                           | 4/1/10             |
| 32 | <b>COFFEYVILLE COMMUNITY COLLEGE</b> | 7/1/18             |
| 33 | Columbus                             | 4/1/02             |
| 34 | Concordia                            | 1/1/96             |
| 35 | Conway Springs                       | 4/1/94             |

# KMIT Member List

## January 1, 2019

|    |                 |          |
|----|-----------------|----------|
| 36 | Council Grove   | 4/1/94   |
| 37 | Cullison        | 4/1/01   |
| 38 | Damar           | 3/1/05   |
| 39 | De Soto         | 4/1/94   |
| 40 | Dodge City      | 1/1/17   |
| 41 | Douglass        | 4/1/03   |
| 42 | Eastborough     | 11/15/04 |
| 43 | Edgerton        | 12/11/00 |
| 44 | Edwardsville    | 4/1/07   |
| 45 | El Dorado       | 4/1/09   |
| 46 | Elkhart         | 1/1/94   |
| 47 | Ellsworth       | 4/1/06   |
| 48 | Esbon           | 4/1/94   |
| 49 | Eudora          | 4/1/03   |
| 50 | Florence        | 4/1/06   |
| 51 | Ford            | 4/1/01   |
| 52 | Fort Scott      | 1/1/94   |
| 53 | Fowler          | 6/8/95   |
| 54 | Frankfort       | 4/1/96   |
| 55 | Fredonia        | 4/1/03   |
| 56 | Galena          | 1/1/94   |
| 57 | Garden City     | 1/1/13   |
| 58 | Garden Plain    | 5/1/18   |
| 59 | Girard          | 1/1/04   |
| 60 | Glasco          | 4/1/94   |
| 61 | Glen Elder      | 4/1/95   |
| 62 | Goodland        | 1/1/94   |
| 63 | Goessel         | 4/1/16   |
| 64 | Grandview Plaza | 4/1/04   |
| 65 | Great Bend      | 1/1/02   |
| 66 | Greeley         | 3/9/98   |
| 67 | Grenola         | 4/1/94   |
| 68 | Grinnell        | 8/14/06  |
| 69 | Halstead        | 1/1/94   |
| 70 | Hamilton        | 4/1/06   |
| 71 | Harper          | 4/1/17   |

# KMIT Member List

## January 1, 2019

|     |                                       |         |
|-----|---------------------------------------|---------|
| 72  | Hartford                              | 4/1/06  |
| 73  | Haven                                 | 4/1/17  |
| 74  | Hays                                  | 4/1/13  |
| 75  | Haysville                             | 4/1/01  |
| 76  | Hiawatha                              | 6/4/95  |
| 77  | Hill City                             | 4/1/95  |
| 78  | Hillsboro                             | 4/1/95  |
| 79  | Hoisington                            | 1/1/94  |
| 80  | Horton                                | 4/1/02  |
| 81  | Independence                          | 3/1/94  |
| 82  | <b>INDEPENDENCE COMMUNITY COLLEGE</b> | 7/1/18  |
| 83  | Jetmore                               | 4/1/94  |
| 84  | Johnson City                          | 4/1/94  |
| 85  | Kingman                               | 4/1/95  |
| 86  | Kinsley                               | 1/1/94  |
| 87  | La Cygne                              | 4/1/09  |
| 88  | Lake Quivira                          | 12/1/14 |
| 89  | Larned                                | 4/1/08  |
| 90  | LKM                                   | 4/1/94  |
| 91  | Lecompton                             | 4/1/07  |
| 92  | Lenora                                | 4/1/97  |
| 93  | Leoti                                 | 4/1/02  |
| 94  | Lincoln Center                        | 9/3/02  |
| 95  | Lindsborg                             | 4/1/12  |
| 96  | Logan                                 | 4/1/13  |
| 97  | Lucas                                 | 6/1/94  |
| 98  | Madison                               | 4/1/17  |
| 99  | Maize                                 | 6/25/94 |
| 100 | Marion                                | 4/1/15  |
| 101 | Marysville                            | 10/1/94 |
| 102 | McFarland                             | 4/1/94  |
| 103 | Medicine Lodge                        | 4/11/95 |
| 104 | Melvern                               | 4/1/96  |
| 105 | Minneapolis                           | 1/1/94  |
| 106 | Moline                                | 4/1/94  |
| 107 | Montezuma                             | 4/1/94  |

# KMIT Member List

## January 1, 2019

|     |                |          |
|-----|----------------|----------|
| 108 | Mound City     | 4/1/96   |
| 109 | Moundridge     | 4/1/12   |
| 110 | Neodesha       | 4/1/98   |
| 111 | Neosho Rapids  | 4/1/06   |
| 112 | Newton         | 1/1/94   |
| 113 | North Newton   | 4/1/13   |
| 114 | Oakley         | 4/1/13   |
| 115 | Oberlin        | 1/15/94  |
| 116 | Ogden          | 4/1/01   |
| 117 | Olpe           | 4/1/94   |
| 118 | Osage City     | 4/1/94   |
| 119 | Osawatomie     | 4/1/08   |
| 120 | Oskaloosa      | 4/1/94   |
| 121 | Oswego         | 4/1/95   |
| 122 | Palco          | 4/1/04   |
| 123 | Paola          | 4/1/94   |
| 124 | Parsons        | 4/1/05   |
| 125 | Peabody        | 4/1/01   |
| 126 | Pittsburg      | 1/1/14   |
| 127 | Princeton      | 4/1/94   |
| 128 | Ramona         | 4/1/06   |
| 129 | Ransom         | 1/1/95   |
| 130 | Reading        | 4/1/06   |
| 131 | Roeland Park   | 12/31/00 |
| 132 | Rose Hill      | 4/1/94   |
| 133 | Rozel          | 2/1/18   |
| 134 | Russell        | 1/1/94   |
| 135 | Satanta        | 4/1/02   |
| 136 | Scranton       | 4/1/12   |
| 137 | Sedan          | 7/1/94   |
| 138 | Sedgwick       | 4/1/94   |
| 139 | Sharon Springs | 4/1/06   |
| 140 | Smith Center   | 4/1/13   |
| 141 | Spearville     | 5/8/00   |
| 142 | St. Francis    | 4/1/05   |
| 143 | St. John       | 4/1/16   |

# KMIT Member List

## January 1, 2019

|     |               |         |
|-----|---------------|---------|
| 144 | Stafford      | 4/1/03  |
| 145 | Sterling      | 4/1/15  |
| 146 | Stockton      | 4/1/02  |
| 147 | Sylvan Grove  | 4/1/12  |
| 148 | Tampa         | 4/1/06  |
| 149 | Tescott       | 4/1/95  |
| 150 | Tipton        | 7/27/01 |
| 151 | Tonganoxie    | 4/1/97  |
| 152 | Turon         | 9/10/95 |
| 153 | Ulysses       | 3/31/95 |
| 154 | Valley Center | 4/15/94 |
| 155 | WaKeeney      | 4/1/03  |
| 156 | Wakefield     | 1/1/95  |
| 157 | Walton        | 4/1/94  |
| 158 | Wamego        | 1/1/94  |
| 159 | Wellington    | 4/1/95  |
| 160 | Wellsville    | 3/31/01 |

### City Members by Population Size

|    |                    |        |
|----|--------------------|--------|
| 1  | Dodge City         | 28,117 |
| 2  | <b>Garden City</b> | 27,004 |
| 3  | Hays               | 21,044 |
| 4  | Pittsburg          | 20,394 |
| 5  | <b>Newton</b>      | 19,120 |
| 6  | Great Bend         | 15,840 |
| 7  | <b>El Dorado</b>   | 12,879 |
| 8  | Arkansas City      | 12,205 |
| 9  | <b>Haysville</b>   | 11,112 |
| 10 | Atchison           | 10,771 |
| 11 | Parsons            | 10,174 |
| 12 | Augusta            | 9,242  |
| 13 | Independence       | 9,162  |
| 14 | Wellington         | 7,942  |
| 15 | <b>Fort Scott</b>  | 7,874  |
| 16 | Bonner Springs     | 7,553  |
| 17 | <b>Bel Aire</b>    | 7,284  |
| 18 | Valley Center      | 7,057  |

# KMIT Member List

## January 1, 2019

|    |                   |       |
|----|-------------------|-------|
| 19 | Roeland Park      | 6,840 |
| 20 | Abilene           | 6,590 |
| 21 | Eudora            | 6,303 |
| 22 | Ulysses           | 6,160 |
| 23 | De Soto           | 6,038 |
| 24 | Paola             | 5,593 |
| 25 | Concordia         | 5,311 |
| 26 | Tonganoxie        | 5,192 |
| 27 | Basehor           | 5,119 |
| 28 | Baldwin City      | 4,585 |
| 29 | Wamego            | 4,578 |
| 30 | <b>Goodland</b>   | 4,554 |
| 31 | Russell           | 4,484 |
| 32 | Edwardsville      | 4,380 |
| 33 | Osawatomie        | 4,357 |
| 34 | Clay Center       | 4,177 |
| 35 | Maize             | 4,073 |
| 36 | Larned            | 4,023 |
| 37 | Rose Hill         | 3,960 |
| 38 | <b>Lindsborg</b>  | 3,438 |
| 39 | Marysville        | 3,295 |
| 40 | Columbus          | 3,186 |
| 41 | Hiawatha          | 3,108 |
| 42 | Kingman           | 3,094 |
| 43 | Ellsworth         | 3,076 |
| 44 | Galena            | 2,966 |
| 45 | Hillsboro         | 2,893 |
| 46 | Osage City        | 2,862 |
| 47 | Girard            | 2,773 |
| 48 | <b>Hoisington</b> | 2,664 |
| 49 | Clearwater        | 2,531 |
| 50 | Neodesha          | 2,400 |
| 51 | Fredonia          | 2,372 |
| 52 | Sterling          | 2,303 |
| 53 | Cherryvale        | 2,283 |
| 54 | Cheney            | 2,153 |
| 55 | Ogden             | 2,138 |
| 56 | Elkhart           | 2,113 |
| 57 | Council Grove     | 2,106 |
| 58 | Halstead          | 2,084 |
| 59 | Oakley            | 2,075 |
| 60 | Minneapolis       | 2,029 |

# KMIT Member List

## January 1, 2019

|     |                   |       |
|-----|-------------------|-------|
| 61  | Medicine Lodge    | 2,021 |
| 62  | Belleville        | 1,917 |
| 63  | Marion            | 1,861 |
| 64  | Wellsville        | 1,822 |
| 65  | <b>WaKeeney</b>   | 1,797 |
| 66  | North Newton      | 1,788 |
| 67  | Oswego            | 1,781 |
| 68  | Oberlin           | 1,749 |
| 69  | Horton            | 1,732 |
| 70  | <b>Moundridge</b> | 1,726 |
| 71  | Edgerton          | 1,703 |
| 72  | Sedgwick          | 1,701 |
| 73  | Douglass          | 1,692 |
| 74  | Grandview Plaza   | 1,670 |
| 75  | Smith Center      | 1,641 |
| 76  | Belle Plaine      | 1,627 |
| 77  | Westwood          | 1,534 |
| 78  | Leoti             | 1,496 |
| 79  | Arma              | 1,464 |
| 80  | Hill City         | 1,454 |
| 81  | Kinsley           | 1,451 |
| 82  | Chapman           | 1,417 |
| 83  | Johnson City      | 1,413 |
| 84  | Harper            | 1,398 |
| 85  | Stockton          | 1,315 |
| 86  | St. Francis       | 1,312 |
| 87  | Lincoln Center    | 1,266 |
| 88  | St. John          | 1,244 |
| 89  | Conway Springs    | 1,239 |
| 90  | Haven             | 1,212 |
| 91  | Peabody           | 1,156 |
| 92  | Satanta           | 1,117 |
| 93  | La Cygne          | 1,116 |
| 94  | Oskaloosa         | 1,086 |
| 95  | Sedan             | 1,065 |
| 96  | Altamont          | 1,049 |
| 97  | Stafford          | 1,002 |
| 98  | Blue Rapids       | 997   |
| 99  | Andale            | 981   |
| 100 | Montezuma         | 979   |
| 101 | Wakefield         | 967   |
| 102 | Lake Quivira      | 934   |

# KMIT Member List

## January 1, 2019

|     |                |     |
|-----|----------------|-----|
| 103 | Garden Plain   | 894 |
| 104 | Benton         | 872 |
| 105 | Jetmore        | 864 |
| 106 | Spearville     | 806 |
| 107 | Eastborough    | 769 |
| 108 | Sharon Springs | 756 |
| 109 | Frankfort      | 711 |
| 110 | Scranton       | 693 |
| 111 | Mound City     | 682 |
| 112 | Bennington     | 665 |
| 113 | Madison        | 661 |
| 114 | Lecompton      | 637 |
| 115 | Logan          | 569 |
| 116 | Fowler         | 560 |
| 117 | Olpe           | 537 |
| 118 | Goessel        | 514 |
| 119 | Centralia      | 508 |
| 120 | Glasco         | 487 |
| 121 | Florence       | 444 |
| 122 | Bird City      | 439 |
| 123 | Glen Elder     | 435 |
| 124 | Lucas          | 393 |
| 125 | Turon          | 378 |
| 126 | Melvern        | 369 |
| 127 | Hartford       | 367 |
| 128 | Moline         | 344 |
| 129 | Tescott        | 318 |
| 130 | Brewster       | 304 |
| 131 | Greeley        | 296 |
| 132 | Ransom         | 289 |
| 133 | Palco          | 282 |
| 134 | Blue Mound     | 275 |
| 135 | Sylvan Grove   | 268 |
| 136 | Princeton      | 267 |
| 137 | Neosho Rapids  | 262 |
| 138 | Grinnell       | 258 |
| 139 | McFarland      | 257 |
| 140 | Hamilton       | 255 |
| 141 | Lenora         | 240 |
| 142 | Walton         | 239 |
| 143 | Reading        | 228 |
| 144 | Ford           | 220 |

# KMIT Member List

## January 1, 2019

|     |  |     |
|-----|--|-----|
| 145 | Tipton                                 | 207 |
| 146 | Grenola                                | 203 |
| 147 | Atlanta                                | 194 |
| 148 | Ramona                                 | 181 |
| 149 | Allen                                  | 175 |
| 150 | Beverly                                | 159 |
| 151 | Admire                                 | 154 |
| 152 | Rozel                                  | 152 |
| 153 | Damar                                  | 132 |
| 154 | Tampa                                  | 108 |
| 155 | Chautauqua                             | 106 |
| 156 | Cullison                               | 104 |
| 157 | Esbon                                  | 98  |
|     | LKM                                    | NA  |
|     | COFFEYVILLE COMM COLLEGE               | NA  |
|     | INDEPENDENCE COMM COLLEGE              | NA  |
|     | <b>Current Board Member</b>            |     |
|     | Past Board Member                      |     |
|     | Current <i>Ex-Officio</i> Board Member |     |



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

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

milliman.com

January 24, 2019

Mr. Don Osenbaugh  
Kansas Municipal Insurance Trust  
2250 N. Rock Road, Suite 118 - PMB 302  
Wichita, KS 67226

**Re: Engagement Letter for 2019 Actuarial Services**

Dear Don:

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

**Consulting Objective**

Our objective will be to conduct an actuarial analysis which will provide an estimate of the unpaid claim liabilities for KMIT. This analysis will be based on data evaluated as of December 31, 2018.

We will also derive an estimate of KMIT's ultimate losses for the January 1, 2019 to December 31, 2019 fund year on both a discounted and an undiscounted basis and at various probability levels.

**Data Requirements**

The following is a list of the data that we will need to complete our analysis. Last year, items 1 through 5 and 8 were sent to us in a file named "KMIT Actuarial Data 20171231REV1.xlsx":

- 1) Payroll and earned premium by contract year including 2019;
- 2) Distribution of Premium by Class Code and Payroll by Contract Year;
- 3) History of the per claim and aggregate retentions by contract year including 2019;
- 4) History of the excess insurance policy limit by contract year including 2019;
- 5) Aggregate excess recoveries by contract year;
- 6) The average investment yield rate for 2019;
- 7) Preliminary Financial Statement showing booked reserves for unpaid claim liabilities as of December 31, 2018;
- 8) Summary of each closed or open claim paid or reserved in excess of \$100,000 as of December 31, 2018;

- 9) Report titled "Open/Closed Summary by Policy Year" which includes paid and incurred loss and ALAE, claim counts and recoveries for each contract year, both gross and net of excess insurance as of December 31, 2018. Last year, these files were named "KMIT Claim Summary By Policy Year (as of 12-31-17).pdf" and "KMIT policy year-all years (as of 12-31-17).pdf"; and
- 10) Any additional information we should be aware of during our analysis (e.g., change in reserving procedures, unusual losses, etc.).

### **Communication of Results**

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

### **Schedules and Cost**

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

### **General Limitations**

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

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

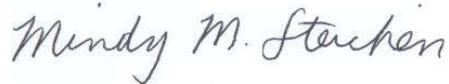
The services identified in this engagement letter are subject to the terms and conditions in the Consulting Services Agreement signed on March 7, 2007. A copy is available upon request.

◆ ◆ ◆ ◆ ◆

Mr. Don Osenbaugh  
January 24, 2019  
Page 3

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

Sincerely,

A handwritten signature in cursive script that reads "Mindy M. Steichen".

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

MMS/bas

Encl.

cc: Debbie James

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# PROJECT ACCEPTANCE FORM

MILLIMAN, INC.

**Proposed Services:** Actuarial Analysis of Unpaid Claim Liabilities as of 12/31/18

**Proposal Dated:** January 24, 2019

**Cost Quoted:** \$15,000

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

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

**On Behalf of:** \_\_\_\_\_

**Accepted by:** \_\_\_\_\_

(Signature)

\_\_\_\_\_  
(Print name and title)

**Date:** \_\_\_\_\_

Michael R. O’Neal, #8830  
Attorney at Law  
800 S.W. Jackson St., Suite 818  
Topeka, KS. 66612  
(620) 727-0003  
(785) 424-7646  
mike.oneal@onealconsulting.org

**IN THE DISTRICT COURT OF SHAWNEE COUNTY, KANSAS**  
**Div. 3**

|   |   |                    |
|---|---|--------------------|
| KANSAS BUILDERS INSURANCE GROUP; <i>et al</i> | ) |                    |
|   | ) |                    |
| Petitioners,                                  | ) |                    |
|   | ) |                    |
| v.  | ) | Case # 2018-cv-395 |
|   | ) |                    |
| KANSAS INSURANCE DEPARTMENT,                  | ) |                    |
| KEN SELTZER, COMMISSIONER                     | ) |                    |
|   | ) |                    |
| Agency/Respondent.                            | ) |                    |

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**PETITIONERS’ BRIEF IN RESPONSE TO RESPONDENT’S SUPPLEMENTAL BRIEF**

COME NOW Petitioners, by their attorney, and submit the following Brief in Response to Respondent’s Supplemental Brief:

**I. Introduction**

This matter came on for oral argument, December 17, 2018. Having heard arguments from counsel for Petitioners and Respondent, the Court ordered a supplemental briefing schedule limited to new matters brought up at oral argument. Having reviewed Respondent’s Supplemental Brief, it is clear that Respondent misinterpreted the Court’s instructions and engaged in a re-briefing of all issues. Nevertheless, petitioners will respond to the arguments set forth by Respondent.

## **II. Petitioners' Petition for Review does not seek "damages" or "compensation".**

Respondent has erroneously characterized Petitioners' Petition for Review of Agency Decision as a request for an award of damages or compensation. This Petition for Review is no more an action for damages than was the original action by Petitioners against the State of Kansas for refund of the funds swept from the Kansas Insurance Department's Workers' Compensation Fee Fund. The parties have previously stipulated that the subject of the Respondent Agency's action under consideration was (1) the amount Petitioners are entitled to from the litigation proceeds of \$2.355M and (2) refunds of the assessments paid under protest by these Petitioners only in FY 2010, FY 2011, and FY 2012. Indeed, the Agency decision for which Judicial Review is sought dealt with a refund of assessments. Review of that decision does not seek an assessment of "damages" or "compensation", but rather a return of funds previously paid under protest, and as acknowledged by the Respondent Agency.

The term "damage" is defined in *Black's Law Dictionary*, 9<sup>th</sup> Ed. as "loss or injury to person or property; of or relating to monetary compensation for loss or injury to a person or property." The term "damages" is defined in *Black's*, *supra*, as "money claimed by, or ordered to be paid to, a person as compensation for loss or injury."

Respondent's reference to *Corder v. Kansas Bd. of Healing Arts*, 256 Kan. 638, 889 P. 2d 1127, is helpful in illustrating the difference between a damage claim and one where an administrative remedy of refund of amounts collected by the agency is claimed. Dr. Corder was clearly pursuing a classic tort damage claim against the licensing board.

A remedy which involves return of funds paid does not, *ipso facto*, turn the action into one for damages, as that term is defined in law. In addition, where Respondent admits that every option given the Commissioner involved a refund of amounts paid, and one option

included refund of all amounts sought by Petitioners, Respondent has, by its actions, waived any such defense even in the event such a defense was ever viable.

### **III. Under Post-2009 KJRA Standards, The Agency Action Was Unreasonable, Arbitrary or Capricious.**

The applicable scope and standard of review herein are contained in K.S.A. 2018 Supp. 77-621. The amendments to KJRA in 2009 govern, as does the applicable case law. The difference between pre-2009 and post-2009 law was pointed out in *Redd v. Kansas Truck Center*, 291 Kan. 176, 239 P.3d 66 (2010). There the Court found the amendments to KJRA were not to be given retroactive application. Accordingly, an agency action was upheld where there was substantial evidence to support the decision in the record even where there was evidence in the record supporting a contrary finding.

This KJRA review is governed by current law post-2009 amendments. As noted in *Redd, supra*, the law now alters a court's analysis in three ways: "(1) It requires review of the evidence both supporting and contradicting the Board's findings; (2) it requires an examination of the presiding officer's credibility determination, if any; and (3) it requires review of the agency's explanation as to why the evidence supports its findings." 291 Kan. at 182. (Emphasis added.)

Although the parties have stipulated that there were two separate issues, the Agency Record contains no reference to a consideration of Petitioners' separate claim for refund of assessments paid under protest for FY 2010, FY 2011 and FY 2012. There is no reference in the Letter Decision providing any explanation for the Commissioner's decision on either the settlement distribution decision or Petitioners' claim for refund of assessments paid under protest. (R. 56) With due respect to Respondent's counsel, her attempt to convince the Court, in retrospect, that there was indeed thoughtful consideration of all issues whether reflected in the

decision or not, falls short of the legal requirement for a record sufficient to support the Agency's action. While it is true that Petitioners have the burden of proving the invalidity of agency action (K.S.A. 2018 Supp. 77-261 (a)(1)), the burden is clearly on the Agency to produce an agency record of the agency's action (K.S.A. 77-620). A process is provided for adding to the agency record upon proper application and subject to the Court's discretion. Respondent has made no effort to seek additions to the agency record.

At oral argument, the Court commented on the lack of substance in the record with regard to an explanation of the rationale for the agency action. The possibility of remand was suggested. As a practical matter, such an approach would be essentially moot. Petitioners have now had the third Commissioner of Insurance sworn in since their efforts to obtain relief began in 2010.

The Court's holding and handling of the review in *Hudson v. Bd. of Directors of the Kansas Public Employees Retirement System*, 53 Kan. App. 2d 309, 388 P3d 597 (2016) is relevant. In *Hudson*, decided under the post-2009 amendments to KJRA, the Court found that it is unreasonable and arbitrary when uncontroverted evidence is not considered by a Board. At issue was whether Hudson, a KCK police officer, was permanently disabled and entitled to disability benefits. His claim was supported by 3 treating physicians. KPERS sent his records to a 4<sup>th</sup> doctor for a paper review, which resulted in an opinion that Hudson was not disabled. Having the option of following the opinion of any one of the three treating physicians or the opinion of a paper reviewer selected by agency, KPERS selected the option that denied the claim. Hudson sought judicial review.

The District Court reversed the KPERS decision and the Kansas Court of Appeals affirmed, finding that KPERS had accepted, without explanation, the opinion of the record reviewing physician over the opinion of Hudson's three treating physicians. The Court noted that

KPERS had failed to specify any facts supporting its finding. The Court found that where an agency's action is based on a determination of fact that is not supported by substantial evidence when viewed in light of the record as a whole, the administrative decision must be reversed. The Court also held that it was unreasonable, arbitrary and capricious where the agency action was not supported by substantial evidence when viewed in light of the record as a whole. Citing *Redd, supra*, the Court noted its responsibility under the post-2009 amendments to KJRA, to, in addition to other statutory factors, "review the [Board's] explanation as to why the evidence supports its findings." 53 Kan. App. 2d at 316.

We now know that Respondent Commissioner was given 4 options by staff, all limited to a disbursement of the \$2.355M in litigation proceeds secured for the Department by Petitioners in their litigation against the State. The Commissioner, without comment or explanation, selected the option that provided Petitioners with the least amount of requested relief, and in so doing failed to then address Petitioners' separate claims for refunds of assessments paid under protest in the subject fiscal years. While there is no evidence in the Record of the Commissioner's rationale, let alone evidence to support a rationale, there is an abundance of evidence in the Record to support Petitioners' claim for refund. Post-2009 KJRA amendment analysis now includes the requirement that the agency record as a whole be analyzed by review of evidence both supporting and contradicting the agency's decision. (K.S.A. 2018 Supp. 77-621(d); *Redd, supra*.) Like the factual scenario in *Hudson, supra*, Respondent herein selected the option least beneficial to Petitioners without any explanation or rationale as to why that option was selected over any of the other options.

With regard to the options presented to the Commissioner, there is nothing in the record to explain why those options, and no others, were offered. For example, one of the options available would have been to refund Petitioners their assessments and then use the

remaining settlement proceeds to reduce future assessments on entities. Another option would have included refunding the settlement proceeds to entities, including Petitioners, who paid assessments in FY 2010 on a pro rata basis and then refunding Petitioners the balance of their FY 2010 assessments along with their FY 2011 and FY 2012 assessments out of current Fund balances. There is no explanation in the record as to why every option included payment of funds to non-parties who had no standing in the administrative case under consideration. To be clear, Petitioners have no objection to having some of the settlement proceeds returned to entities that paid in FY 2010 but there has never been a legal obligation on the part of the Insurance Department to do so and those entities have never had standing in this administrative action.

Inexplicably, the Letter Decision does not address the agreement between counsel for Petitioners and former General Counsel Anshutz. This is likely due to the erroneous conclusion of staff that the only issue for determination was how to disburse the settlement proceeds of \$2.355M. However, the agreement does appear in the Record. Having acknowledged and stipulated to the Anshutz letter, Respondent has tried in vain to distance Respondent from the letter's import. Petitioners never characterized the agreement between the Kansas Insurance Department Counsel and Petitioners' counsel as a "contract". Petitioners clearly alleged the existence of the agreement in their Petition for Judicial Review (Para. 16 & 17). The existence of Anshutz' communication has been admitted by Respondent.

The first mention of a contractual claim was by Respondent in its Answer. Respondent at first claimed that this Court lacked jurisdiction to hear Petitioners' "contractual" claim. In Petitioners' Brief in Support of Petition for Judicial Review, counsel pointed out that Respondent was in error in claiming the Court has no jurisdiction over contractual claims, citing the

applicable Kansas case law that clearly states that KJRA is the exclusive remedy for such claims and such claims would be waived if not brought in the KJRA action.

Petitioners addressed the agreement and the legal ramifications of the agreement in their opening brief, including the application of promissory estoppel, given the Court's discretion to grant equitable relief in a KJRA action. Petitioners cited *Bouton v. Byers*, 50 Kan. App. 2d 34, 321 P3d 780 (2014), where the Court noted that promissory estoppel and contract law are closely related and serve the same fundamental purposes by providing a means to enforce one party's legitimate expectations based on the representations of another. Petitioners agree that this Court's analysis of the principal in this case is *de novo*.

Respondent points to the three-prong test for application of promissory estoppel in *Bouton*: "Promissory estoppel may be applicable when: (1) a promisor reasonably expects a promisee to act in reliance on the promise; (2) the promisee, in turn, reasonably so acts; and (3) a court's refusal to enforce the promise would countenance a substantial injustice." 50 Kan. App. 2d at 34 Syl. 2. The Respondent's only argument appears to be the naked statement that "... the Department has serious doubts that the Petitioners acted solely in reliance on the Mr. Anshutz statement..." and the empty assertion that Petitioners can't show substantial injustice would result by not applying the estoppel doctrine. No citations to the Record. No legal analysis or citations.

In fact, Petitioners specifically laid out in their Petition the chronology of events whereby they took the necessary steps to preserve their rights to pursue refunds each of the fiscal years where the Department assessed based on the legislative fee sweeps, culminating in the agreement between Petitioners and the Department. As previously stated, the assessment notices for FY 2012 again referred to the legislative sweep but also added the potential for CMS claims. Accordingly, Petitioners acknowledged this potential and the possible need to sort out

later what part of the assessment that year was needed for actual CMS claims. That matter became moot when, in fact, no CMS claim payments were ever made.

The understanding and agreement between Petitioners, through their counsel, and Respondent, through its General Counsel Anshutz, was that in lieu of challenging each FY assessment as each came due for FY 2010, FY2011 and FY 2012, the Respondent (Department) would consider the assessments paid “under protest”, given the fact that Petitioners were challenging in court the underlying Legislative sweep that formed the basis for the Department assessing entities in those fiscal years. Anshutz acknowledged that as the “agreement” in his June 29, 2011 letter (R. 15). Importantly, there was a second part to the agreement. Anshutz went on to acknowledge the Department’s agreement that if the swept funds were restored the Department would support a refund of those assessments, assuming that the Fund balance would not be jeopardized. (R. 15)

Had the Petitioners failed in their efforts to have the swept funds restored, they had, nevertheless, protected their right to contest any or all of the FY 2010, FY 2011, and FY 2012 assessments. The Anshutz letter was in effect a tolling agreement, i.e., an agreement between parties to toll any applicable time limitations during the pendency of litigation relevant to the issue between the parties. The agreement was for the mutual benefit of Petitioners and the Department.

Accordingly, the “substantial injustice” referred to as the third prong of the promissory estoppel test would, if the doctrine were not applied, at a minimum, involve Petitioners loss of a valuable legal right, one that amounted to, collectively, \$1,205.224.30 in assessments paid and for which refund is requested. It is hard to understand how Respondent can claim that this is not substantial. In addition, as referenced in Petitioners’ earlier briefing on this issue, Petitioners agreed to pursue litigation that the Respondent itself could have pursued. They agreed to

pursue that litigation with the understanding and agreement by Respondent that during the pendency of that litigation, their rights to challenge the assessments occasioned by the legislative fee sweep would be preserved. They pursued that litigation at their own expense. While their fees were ultimately reimbursed, there was never a guarantee of reimbursement and collectively, Petitioners have been without the use or time value of the \$1.205M in assessed funds for the past 9 years. Respondent has gladly accepted the fruit of Petitioners' successful efforts and in return has proposed to give the Petitioners' the minimum amount of relief, all without a substantial basis in the Record.

#### **IV. Respondent Did Not Decide An Issue Requiring Resolution.**

Petitioners respectfully suggest that this issue has been thoroughly briefed previously (see pp 13-15 of Petitioners' Brief in Support of Petition for Review and pp. 2-5 of Petitioners Reply Brief.) It appears, however, that Respondent is still confused. Petitioners are at a loss to understand why Respondent believes that Petitioners are somehow seeking a pro-rata share of the settlement proceeds plus refund of all assessments paid in FY 2010, FY 2011, and FY 2012. That has never been the case. Petitioners have consistently pointed out two methods whereby their claims for reimbursement can be handled. (R. 64-65; Petitioners' Brief in Support of Petition for Judicial Review, p. 24; Petitioners' Reply Brief p. 14-15) Their assessments for the three subject years can be fully reimbursed out of the settlement proceeds. There are sufficient funds to accomplish that and the Respondent clearly intends for all the settlement funds to be distributed. In the alternative, the settlement proceeds can be refunded pro rata to all entities who paid in FY 2010, including Petitioners. Then the balance of Petitioners' assessments for FY 2010 and all of their assessments for FY 2011 and 2012 can be refunded out of Fund balances, which the Record shows is clearly more than sufficient to accomplish that.

Respondent has now tried to conveniently re-characterize the Letter Decision (R. 56) as a decision on Petitioners' claims for reimbursement of assessments paid in the subject Fiscal years. However, the Record does not support this assertion. It is clear from the Record that the Letter Decision was limited to consideration of how the settlement proceeds of \$2.355M would be distributed. The Letter Decision is captioned **"Final Agency Decision – 2009 Sweep Reimbursement."** (R. 56)

While it is true that we now know the Commissioner was given 4 options for how to distribute the settlement proceeds, 3 of which either reimbursed Petitioners for all or some of their assessments, the fact remains that the Commissioner limited or was limited in his decision to only considering the settlement proceeds. There is no mention of the fact that Petitioners' claims for refund of assessments had nothing to do with assessments paid in FY 2010 by non-parties to the administrative procedure process. There is nothing in the Record explaining how or on what basis the Commissioner determined that non-party entities were entitled to any recovery or how entities who paid assessments in FY 2010 but who did not contest or preserve their rights to protest assessments in that FY year or subsequent FY's could impact Petitioners' claim for assessments paid in FY 2011 or Y 2012.

While there is nothing in the Record to explain the Commissioner's reasoning in selecting the option he did, Respondent's counsel has attempted to reconcile this failure by claiming: "With nothing to provide the Petitioners with a superior legal claim, the most reasonable and equitable solution to the disbursement of settlement funds was to divide the money on an equitable basis." (Respondent's Brief in Opposition to Judicial Review, p. 7) (Emphasis added) First, the quote serves as additional support for Petitioners' argument that the only issue that was presented to the Commissioner was how to distribute settlement proceeds. Second, the difference between Petitioners' and the non-party entities who would

receive a pro rata share pursuant to the Letter Decision is that Petitioners preserved their right to refunds by agreement with Respondent. The non-party entities who paid assessments in FY 2010 have no legal standing to request refunds or challenge assessments as their claims are time barred. Petitioners' claims are not time barred per their agreement with Respondent through its General Counsel. Further, with regard to claims for assessments paid in FY 2011 or FY 2012, Petitioners are the only entities that preserved their rights to claim refunds in those years and the Letter Decision did not separately address those claims.

As has been discussed in briefing and at oral argument, Petitioners were never afforded a hearing. Respondent has denied that a hearing is authorized. All this Court has is the Agency Record. Given the fact that we now have a new Commissioner and, presumably, some new staff, a remand for a formal hearing would not be in the interests of judicial economy, particularly given that a fair resolution of the matter that provides Petitioners with the relief requested without the Respondent having to pay out any funds over and above the settlement proceeds is within easy reach.

**V. Respondent's Action Was Based On A Determination Of Fact Not Supported By The Evidence.**

**A. K.S.A. 2018 Supp. 77-621(c)(7) analysis applies.**

If Petitioners understand Respondent counsel's Supplemental Brief correctly, the argument is that the provisions of K.S.A. 77-621 (c)(7) don't apply herein because the statute requires the Court to "examine the presiding officer's credibility determinations" and since there wasn't a quasi-judicial proceeding where there were witnesses, the statute doesn't apply. This is nonsensical. The statute applies whether or not there were witnesses. Prong 2 of the

analysis requires: “an examination of the presiding officer’s credibility determinations, *if any*.” *Redd, supra.* at 182. (Emphasis added)

Respondent’s next assertion is equally flawed. Respondent claims that the statutory analysis of K.S.A. 77-621 (c)(7) is inapplicable because Respondent did not make a factual determination, but, rather, a discretionary one, i.e. “as to how it was going to disperse the settlement funds.” (Respondent’s Supplementary Brief, p. 9) Again, the quoted language serves to support Petitioners claim that the Commissioners’ decision dealt only with how to disburse settlement proceeds and failed to address the separate issue of Petitioners’ exclusive claims for refunds of assessments paid in FY 2010, FY 2011 and FY 2012. Respondent’s argument, however, appears to concede that there indeed no factual basis for the decision. Stated another way, the argument concedes that the Commissioner exercised discretion in the absence of consideration of relevant facts. The Decision was, therefor, arbitrary.

The Record, while lacking in many respects, is not lacking in facts. For example, the Anshutz letter is a fact. The difference in the legal standing of Petitioners and non-party entities is a fact. That the Letter Decision states that the pro rata share decision is based on amounts “collected” but the sample calculation was erroneously based on amounts “assessed” is a fact.

An administrative decision that ignores uncontroverted facts and is not substantially supported by evidence in the record is tantamount to arbitrary, oppressive or capricious conduct. *Neely v. Bd. of Trustees*, 212 Kan. 137, 510 P.2d 160 (1973); *Hudson, supra*.

#### **B. Respondent’s Findings Were Not Supported By Credible Evidence.**

This issue in Respondent’s Supplementary Brief deals with the ongoing dispute over “collected” vs. “assessed” amounts as a measure of how Respondent decided to distribute the settlement proceeds. Respondent admits that the Letter Decision (R. 56) states that the “pro

rata share is based on FY 2010 collected assessments only and does not include assessments paid in FY 2011 or FY 2012.” The Court has granted Petitioners’ request to add to the Record the public document *Kansas Workers Compensation Fund Year End Report FY 2017*. That document shows that assessments collected in FY 2010 amounted to \$2,913,157.56.

In the Letter Decision Respondent gave a single illustration as a basis for computing the reimbursement of entities who paid assessments in FY 2010: “To illustrate, the Kansas Automobile Dealers Workers Compensation Fund paid an assessment in FY 2010 equal to .3% of the total amount collected from all assessed entities. Therefore, Kansas Automobile Dealers Workers Compensation Fund will receive .3% of the \$2,355,000.” (R 56). Again, Respondent repeated that the calculation was based on amounts “collected”. However, in fact, Petitioners have shown this calculation to be in error. The Kansas Automobile Dealers Workers Compensation Fund actually paid .45% of the amount collected in FY 2010. The error represents a difference of some 50% and is clearly significant. The error is the same for all entities who paid assessments in FY 2010.

Contrary to the clear language of the Decision, Respondent now claims that this was a mistake and that reference should have been made to amounts “assessed”, a number that is larger (\$4,289,231.12 vs. \$2,913,157.56). This has been previously addressed in prior briefing. The new wrinkle suggested by Respondent is that: “the \$2,913,157.56 was only the amount collected during FY 2010, it does not include the assessments for FY 2010 which were collected in subsequent years. Unfortunately, it is impossible for the Department to determine what percentage of the assessments collected in FY 2010 were actually for the FY 2010 assessment because the State of Kansas has since changed its accounting system and this information was not retained.” (Respondent’s Supplementary Brief, pp 9-10)

However, the Letter Decision language could not be clearer.. The “pro rata share is based on FY 2010 collected assessments only and does not include assessments paid in FY 2011 and FY 2012.” (R. 56; emphasis added). In addition, there is nothing in the record to support Respondent’s claim about the status of the State’s accounting system or how that even relates to the issue before the Court. If Respondent can’t determine what percentage of the assessments collected in FY 2011 was actually for the FY 2010 assessment, it can’t determine who paid in FY 2011 for FY 2010 assessments. Respondent does have records of FY 2010 assessment receipts. They are reflected in the *Year End Report FY 2017*.

Be that as it may, it matters not to Petitioners how Respondent determines to distribute the balance of settlement funds if Petitioners are repaid their assessments for FY 2010, FY 2011 and FY 2012 out of the settlement proceeds. The fact remains, though, that if a pro rata calculation is found to be appropriate for FY 2010 assessed entities, the Letter Decision’s calculation formula is in error and, accordingly, the Decision was based on erroneous evidence.

## **VI. Respondent Erroneously Interpreted or Applied the Law.**

### **A. Petitioners Met Their Pleading Requirements**

Respondent erroneously claims in its Supplementary Brief that Petitioners never challenged the assessments themselves. Incidentally, this is a new argument that was not raised previously or at oral argument but is easily addressed. The Court’s attention is directed to Paragraphs 20, 21, 29 and 30 of Petitioners’ Petition For Review of Final Agency Action. Petitioners clearly pled facts supporting a finding that in the fiscal years in question Respondent assessed far more than was reasonably necessary and that refund of the assessments requested by Petitioners would not in any remote way jeopardize Fund balances. The applicable statute, as briefed by Petitioners in their Brief in Support of Petition For Judicial Review, is K.S.A. 2017

Supp. 44-566a(b)(1). That statute provides the Commissioner the authority to assess but provides for a calculation of the amount of the assessment based on adding the carry-over balance from the prior fiscal year to the amount the Commissioner estimates will be needed to pay expenditures during the fiscal year. Petitioners have shown through the Record and stipulations that assessments in those years in particular far exceeded expenditures plus carry-over balances.

In addition, the Court's attention is directed to Petitioners' counsel's letter to Respondent Kansas Insurance Department dated June 22, 2009, shortly after the FY 2010 assessments were mailed. (R. 5-6). General Counsel Campbell was copied and it was Campbell who Petitioners' counsel communicated with in regard to the agreement to consider assessments paid "under protest" pending the outcome of the litigation Petitioners filed in January of 2010 against the State. The June 22, 2009 letter spells out Petitioners position with regard to the necessity of the assessment and it was that position and Petitioners' position regarding the subsequent assessments in FY 2011 and FY 2012 that were preserved by agreement with the Department, pending the outcome of the sweeps suit.

To be clear, because the swept funds have been restored thanks to the settlement obtained by Petitioners, the issue is raised to show additional support for a full refund of assessments given the fact that more than sufficient funds are available to reimburse Petitioners. Once again it is worth noting that none of the settlement proceeds appear in the *Report*. Respondent can repay Petitioners in full out of the settlement proceeds with significant funds left over to reimburse non-party entities that paid assessments in FY 2010, making this a potential non-issue.

**B. The Statute of Limitations Has Not Run**

Respondent is also apparently claiming that Petitioners failed to raise the issue of the “agreement” in their Petition for Review since it now claims that that “complaints with the assessment decisions should have been made within 30 days of the delivery of the assessment invoice.” (Respondent’s Supplementary Brief, p. 11) Respondent claims that it “cannot waive an argument in their Answer when the issue was not originally raised in the Petition.” (Respondent’s Supplementary Brief, p. 12) However, Petitioners did plead the assessments paid under protest agreement as well as the agreement to repay assessments if swept funds were restored in their Petition for Judicial Review. (See Petition For Review of Final Agency Action, para. 16, 17). Respondent’s Answer admitted both factual contentions. (Respondent’s Answer, para. 16, 17)

The Record contains some of the e-mail communications between Petitioners’ counsel and counsel for the Respondent regarding their ongoing agreement with regard to handling the annual assessments for FY 2010, FY 2011 and FY 2012. The e-mails between Petitioners’ counsel and General Counsel John Campbell (R. 9-10) confirm the agreement for FY 2010 and FY 2011. Assessments paid by Petitioners in those years were considered by Respondent to be paid under protest pending the outcome of Petitioners’ litigation against the State. The Anshutz letter confirms the agreement for FY 2012 assessments paid under protest “as has been the past agreement with the Department” (R. 15) The ongoing agreement with Respondent is a toiling agreement and meant to preserve the parties’ rights under KAPA pending resolution of the related state court litigation.

Petitioners stand by their previous briefing on the application of equitable/promissory estoppel to the facts herein. There is little question but that the only reason Petitioners are having to allege estoppel is that counsel with the Kansas Insurance Department who Petitioners’ counsel dealt with back in 2009-2012 are no longer there. There has been considerable

turnover, leading Respondent to attempt to distance itself from the agreements made under a prior administration. However, this is precisely why the application of promissory/equitable estoppel is both available and appropriate.

Here the very essence of the agreement between Petitioners and Respondent Department dealt with the applicable time requirements under KAPA. In order to avoid having as many as three successive Kansas Administrative Procedures Act matters pursued and adjudicated while the Petitioners pursued their litigation against the State, the Respondent Department agreed to consider each of the three fiscal year assessment payments by Petitioners to be paid “under protest” pending the outcome of litigation when it would be known whether or to what extent the Petitioners had been successful in getting the Departments’ fee sweep restored. Both sides benefitted from the agreement. Respondent benefitted by having Petitioners carry the burden of litigating the Workers Compensation Fund fee sweep, something the Department could have done. Petitioners benefitted by having their right to contest the assessments preserved and, if successful in litigation, having their assessments refunded. Petitioners now seek their promised benefit and request that the Court apply the doctrine of estoppel to prevent the current members of Respondents’ staff from disavowing the prior agreement.

Respondent alleges that Petitioners must demonstrate “an element of deception” on the part of Respondent and cite *Dunn v. Dunn*, 47 Kan. App. 2d 619, 281 P. 3d 540 (2012). Specifically, the *Dunn* court stated:

“These cases teach us that fraud, bad faith, or the intent to deceive is not essential to create an estoppel. *Rex v. Warner*, 183, Kan. 763, 770-72, 332 P. 2d 572 (1959). But using equitable estoppel to bar application of the statute of limitations requires an element of deception. *Klepper*, 193 Kan. at 222, 392 P.2d 957. **A common factual thread running through the cases is conduct by a party that lulls an adverse party into a false sense of security, forestalling the filing of suit until the statute has run.** *Coffey*, 3

Kan. App. 2d at 598, 599 P. 2d 310. On the other hand, equitable estoppel can arise from a party's silence when that party had a duty to speak. *United American State Bank*, 221 Kan. at 527, 561 P. 2d 792 [additional citations omitted]. But in order to be estopped by silence, the defendant must have the intent to deceive, or at least a willingness that others would be deceived, and reason to believe that others would rely on such silence. *Turon State Bank*, 235 Kan. at 790, 684 P. 2d 419" 47 Kan. App. 2d at 639 (emphasis added)

Here, any deception does not involve the two former General Counsel with Respondent Department. If anything, it involves an attempt by current Department counsel to disavow its own prior General Counsel's agreement. There is no question but that Petitioners were given every assurance that their administrative rights had been preserved. It was only after Petitioners were successful in their litigation against the State and the swept funds restored to Respondents' coffers that Respondent took the position that it was somehow not bound by the prior agreement.

Question: If Respondent had a sincere belief in its position on this issue, why did three of the four options given the Commissioner specifically reference "paid under protest" payments? (R. 54) It is clear that at the time the matter was submitted for decision, staff considered the payments to have been paid under protest. Why? Because their Department records confirmed this was the case. The current position disavowing the prior agreement arose only after a decision was made that did not include any of these options and Petitioners filed for judicial review.

## **VII. Conclusion**

As of the filing of this Brief, yet another Commissioner of Insurance has taken office. While personnel may have changed, the facts and the law have not. The law exists to protect parties such as Petitioners in circumstances like these. The Record is closed. It may be lacking in

areas where the Court would wish for more clarity or substance but it is the Record the Respondent produced. The advantage of the amendments to the KJRA is that the Court is now allowed to look at that record in a light that analyzes both evidence in support of an administrative decision and evidence in opposition to that decision.

The KJRA gives the Court broad discretion. K.S.A 77-622(b) provides that the Court has remedial powers that include mandatory or declaratory relief, equitable or legal. The Court “may order agency action required by law, order agency exercise of discretion required by law, set aside or modify agency action, enjoin or stay the effectiveness of agency action, remand the matter for further proceedings, render a declaratory judgment or take any other action that is authorized and appropriate.” (See *Manzano v. Kansas Department of Revenue*, 324 P. 3d 321 (Kan. App. 2014). (Emphasis added).

Petitioners specifically request that the Respondent’s Decision be modified to give effect to the prior agreement among the parties. That modification is embodied in Option 3 that was presented to the Commissioner as a Decision option. (R. 54). Modifying the Decision in this way does not put Respondent in any different position than it would be otherwise, since this solution merely distributes the settlement proceeds in a manner that reimburses Petitioners without causing the Respondent to expend any funds in addition thereto.

Respectfully submitted,

**Michael R. O’Neal**

*s/ Michael R. O’Neal*

SC # 8830

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*Attorney for Petitioners*

### **CERTIFICATE OF SERVICE**

I hereby certify that on the 14th day of January, 2019, I electronically filed the foregoing document with the Clerk of the District Court. Further, I served a true and correct copy of the above and foregoing document, either by electronic mail or by depositing the same in the U.S. Mail, postage prepaid and properly addressed to:

Grace Lancaster  
Staff Attorney  
Kansas Insurance Department  
420 SW 9<sup>th</sup> St.  
Topeka, KS. 66612

*s/Michael R. O'Neal*  
Michael R. O'Neal  
Attorney for Petitioners

## Don Osenbaugh

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**From:** Mike O'Neal <mike.oneal@onealconsulting.org>  
**Sent:** Monday, December 17, 2018 1:50 PM  
**To:** Mike O'Neal  
**Cc:** Cindy Luxem; Don Osenbaugh; Don McNeely; Dorothy Pope; 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  
**Subject:** Re: Fee Sweep case

### Fee sweep case participants

This is to advise that I appeared in Shawnee Co. Dist. Ct. this morning for oral argument in our case. We are before Judge Watson. She indicated that she had read the briefs and "most" of the record. She was actually pretty hard on KID counsel for the lack of much information in the record to explain the rationale for the Department's decision and also criticized her for not briefing several points that counsel attempted to argue at the hearing. KID claims that no statute required them to have an actual administrative hearing on the issue and so this was why there is a short letter decision with virtually no substance or effort to describe the rationale for the decision.

The Judge disagreed, saying that there is a general Insurance Department statute giving the Commissioner authority to hold hearings. I argued that I had complained of the same deficiencies and got nothing but rejection and so I had no other alternative but to file for Judicial Review. The Judge agrees that we are entitled to Judicial Review but wondered aloud whether she should remand the case back to KID for a more substantive hearing. I argued that this would be a waste of time and resources given the Department's arguments presented in the briefs and the hearing. I cited case law that holds that the Judge has the power to rule on the record, however limited it may be, and may reverse an agency decision where there is a failure to consider certain facts rather than remanding for further fact consideration. The burden to provide an adequate record is on the State, not the Petitioners.

It is clear that the Judge was dubious of KID's arguments and challenged and even disagreed with counsel at several junctures. Nevertheless, she was reluctant to pull the trigger on a decision without more briefing. Accordingly, and unfortunately, she has ordered KID to brief a limited number of issues by Jan. 2 and I have until Jan. 16 to respond. KID has until Jan. 23 to reply and then the Judge will decide. She says she should have a decision out within two weeks after that, so maybe we'll have something by mid-Feb.

I emphasized again that the problem with a remand would be further delay and undoubtedly another trip back to District Court. Also, by mid-January we will have yet another Commissioner in office who has zero background knowledge of the case. My briefing will emphasize this further and remind the Judge of her authority if not duty to decide based on the record before her. I'll let you know. In the meantime, if you have questions, let me know. Merry Christmas to all!

Mike O'Neal  
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Fee Sweep Case participants

The KID attorney asked for additional time to respond to our brief and filed her response on Oct. 1. I am attaching the Reply brief I filed today. According to what the Judge has told us, the case will be deemed submitted for decision upon the filing of this brief. I do not know the Judge's timeframe for decision but I hope she releases her decision by year end. I'll keep you posted. Let me know if you have questions in the meantime.

For those of you who read my initial brief, you will see a disturbing trend in the Kansas Workers Comp. Fund balances. For FY '17, for example, it appears the Department assessed so that they could maintain about \$10M in balances when their anticipated expenditure are less than \$4M. You've paid your FY '19 assessments already but we might want to discuss a couple of options going forward. One would be to protest assessments for FY '20. The other would be to ask the Legislature to pass a moratorium on collections similar to what we did a few years ago with the Unemployment Security Trust Fund.

There is also the matter of the Kansas Insurance Department Services Regulation Fee Fund. The State has been sweeping about \$8M from that fund annually, meaning the KID has been collecting at least \$8M more than it needs to. There is litigation pending to reverse the sweep for FY '18 and '19. (Seltzer v. Colyer) We need to watch that to be sure the KID does not assess in excess for that fund either.

These, of course, are separate issues from our current litigation but I'd be happy to visit with any in our group about these 2 additional issues. With a new administration in January this is a good time to review business and professional assessments systemically. There is a growing trend in Kansas and the country that has been labeled "Policing for Profit". This is the practice of imposing strict liability fines and assessments on regulated persons and entities in an amount exceeding the cost of regulation. What you're experiencing with the Kansas Insurance Department is but one of many many examples statewide. We may succeed in ending State sweeps of agency funds but the next battle will be over the propriety of the agency assessments themselves.

<K-BIG Reply brief 1.pdf>

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On Aug 6, 2018, at 2:46 PM, Mike O'Neal <[mike.oneal@onealconsulting.org](mailto:mike.oneal@onealconsulting.org)> wrote:

Fee Sweep case participants

I have filed our brief with the court and have attached a copy for your files. The Department's brief is due Sept. 10. I can file a reply by Sept. 24, after which time the case is submitted for decision. I'll keep you posted. Let me know if you have questions in the meantime.

Mike O'Neal  
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<KBIG v. KID brief.pdf>