

# KWORDS *from* KWORCC

## Workers Compensation Law Changes!

As of May 15, 2011, there is a new set of laws governing workers compensation in Kansas. We have provided the new Notice Poster (K-WC 40) and Information for Injured Employees (K-WC 27) to our members. These are required to be used by you as an employer in Kansas. If you have not done so, please replace your poster immediately and dispose of any old K-WC 27 forms. These new forms are available on KWORCC's website: [www.kworcc.com](http://www.kworcc.com) under Files, then forms. The balance of this article includes additional information concerning the new law of which employers should be aware.

**Designate Person to Whom Accidents Must be Reported.** Under the law, the person the employer designates "in writing" to the employees must be notified within 30 days of any alleged injury and "notice to any other individual or department shall be insufficient." The law further provides that "if the employer has not designated an individual or department to whom notice must be given, notice must be provided to a supervisor or manager."

**Reckless Violation of Safety Rules or Regulations.** Under the new law, injuries that result from reckless violation of safety rules or regulations are not compensable. If an employee is not following a safety rule or regulation, the employer should document that the employee was reminded of the rule or regulation and instructed to follow the same henceforth. This documentation will be helpful in defending a claim if the employee is subsequently injured for failing to follow the rule or regulation. There is an Employee Counseling form on the KWORCC website under Files, then Forms that can be used for this purpose.

**Fighting and Horseplay.** Injuries that result from fighting or horseplay, regardless of the circumstances, are defendable under the new law. Please be sure to tell KWORCC if the injury resulted from these activities.

**Drug Testing Policy.** If a post-accident drug screen is positive, the new law assumes the drug/alcohol was a contributed factor and workers compensation benefits can be denied. In addition, if the employer currently has a drug policy that requires an injured worker to submit to a drug test – i.e. the "policy clearly authorized post-injury testing" – refusal by the injured worker to submit to the testing is a forfeiture of benefits under the new law. If you would like a sample drug policy, give Dortha a call at 877-357-1069 and she will furnish you one immediately. The Drug Testing Consent form can be found on the KWORCC website under Files, then forms.

**Modified Duty, Terminated for Cause, Receives Unemployment.** The injured worker is not entitled to temporary total disability benefits if you offer modified duty within medical restrictions and the injured worker turns down the position. Temporary total disability benefits are also not available if the injured worker is terminated for cause or receives unemployment benefits. Help us manage the claim by keeping track of the injured worker and letting us know immediately if there are facts that establish that disability benefits are not payable.

**Aggravations, Accelerations and Exacerbations.** The new law specifically provides that the on-the-job accident must be the prevailing factor for the worker's injury in order for the employer to be responsible. The employer is not responsible for aggravations, accelerations and exacerbations of pre-existing conditions. If you require all employees to complete a **post-hire** medical questionnaire, please provide a copy of that with accident reports.

**Benefits Caps Changed.** Death Benefit is \$300,000; permanent total is \$155,000; permanent partial is \$130,000; functional impairment is \$75,000.



700 SW Jackson • Suite 200  
Topeka, Kansas 66603  
Toll Free 1-877-357-1069  
[www.kworcc.com](http://www.kworcc.com)

**CLAIMS REPORTING**

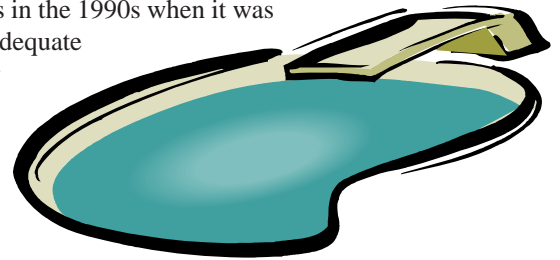
For assistance with on-the-job injuries, contact IMA at 1-800-333-8913. Questions on claims should be directed to Susan May. All correspondence, bills or other documentation for your claims can be mailed to Susan's attention at: PO Box 2992, Wichita, Kansas 67226.

**TRUSTEES**

- **Doyle "Hooley" Alcorn**, President  
Jewell County Commissioner  
307 N Commercial  
Mankato, Kansas 66956  
(785) 378-3055
- **Linda Buttron**, Vice-President  
Jefferson County Clerk  
300 Jefferson, PO Box 321  
Oskaloosa, Kansas 66066  
(785) 863-2272
- **Bonnie Swartz**, Secretary  
Gray County Clerk  
PO Box 487  
Cimarron, Kansas 67835  
(620) 855-3618
- **Michelle Garrett**, Controller  
Morris County Clerk  
501 W Main  
Council Grove, Kansas 66846  
(620) 767-5518
- **Dr. Steve Garten**  
Barber County Commissioner  
120 E Washington  
Medicine Lodge, Kansas 67104  
(620) 886-3961
- **Ralph D. Unger**  
Decatur County Commissioner  
PO Box 28  
Oberlin, Kansas 67749  
(785) 475-8101
- **Jim Wise**  
Miami County Commissioner  
201 S Pearl Street  
Paola, Kansas 66071  
(913) 294-3976

# About Pools and KWORCC

Sometimes controlling ones destiny means choosing an alternative path or direction. Such was the case for Kansas counties in the 1990s when it was becoming increasingly more difficult to secure adequate insurance coverages even at dramatically higher prices. With visionary thinking and unwavering fortitude, many of these same counties banded together to pool and self-insure their workers compensation risk exposures. Since 1992, this concept has served Kansas counties well and saved local taxpayers millions of dollars.



Within this article we explain what KWORCC is, how it works, who owns and operates it and what it means to its members and local taxpayers. KWORCC is dedicated exclusively to providing workers compensation insurance to county governments and helping them identify and reduce risk and ultimately control their costs.

## KWORCC Values and Beliefs

KWORCC is dedicated to:

- Understanding and responding to the changing coverage and service needs of its members;
- Engaging members to actively reduce risk exposures and enhance health and safety;
- Adhering to fiscally sound and prudent business practices to ensure continued financial strength and stable, competitive rates over the long term;
- Maintaining a focused, assertive, timely approach to claims management and resolution;
- Recognizing and realizing the value of cooperative financial and administrative action.

## What Is KWORCC

KWORCC, is a not-for-profit, member-owned and operated risk management and self-insurance pool created expressly by and for Kansas counties in 1992 under Kansas Municipal Group-Funded Workers Compensation Pool Act, K.S.A. 12-2616, et seq., as amended, the Interlocal Cooperation Act, K.S.A. 12-2901, et seq., as amended, and the Kansas Tort Claims Act, K.S.A. 75-6101, et seq., as amended. It is subject to all applicable rules and regulations of the Kansas Department of Insurance.

KWORCC was created out of necessity, at a time when the hard commercial insurance market conditions of the 1990s prompted many carriers to pass along to government consumers dramatic rate increases in conjunction with more restrictive coverages to the point that some counties could not afford to buy coverage. For a few counties, coverage was not available at any price. On December 31, 1991, the Kansas Department of Insurance issued a Certificate of Authority to KWORCC.

## How Does Pooling Work?

Pooling is a concept and practice that has been in place for many years. Like-minded groups join together for the common advantage of the participants. Nationally, intergovernmental pooling began in the early 1970s to meet a need for risk financing in the public sector.

Pooling is rather simple. Instead of transferring risks by purchasing commercial insurance coverages only, counties pool their risks and self-insure. KWORCC retains a portion of that collective risk, becoming responsible for claims up to an established dollar amount. Reinsurance is then purchased to cover claims exceeding that amount to protect the pool and its members from catastrophic losses.

Members pay an annual contribution (premium) to the pool and in return receive insurance coverage and risk management, loss prevention and safety services. While commercial insurance companies are in the business to make money for their stockholders, pools like KWORCC return to members those contribution and investment income dollars not used to pay claims and administer the program.

*(continued on page 3)*

Here are key advantages of being a member of KWORCC:

- Stable rates and contribution levels;
- Shared investment income;
- Being involved in how claims are handled and resolved;
- Advanced services to reduce your risks and exposures; and,
- Being part of a program whose focus is on counties and related public entities.

The long-term success of every pool requires a strong membership commitment to the benefits of sharing risks and self-funding the program. KWORCC members firmly subscribe to that commitment.

## Who Owns and Manages KWORCC?

Each member is a part owner of KWORCC and, thus, has a role in the program's management.

As an interlocal pool, a 7-member Board of Directors is elected by the general membership to govern the program and provide management oversight. Every current elected official in a member county is eligible to serve as a director. The length of a director's term is two years, and there is no restriction on the number of terms an individual may serve.

From within the Board of Directors, a president, vice president, controller and secretary are elected annually.

Day-to-day management of KWORCC is provided by an Administrator and an experienced, professional staff headquartered in Topeka. Each staff member possesses specific skills and expertise that contribute to the overall objectives, goals and on-going success of the program.

The Board of Directors and staff meet monthly throughout the year to, among various other responsibilities, review claims, adopt policies monitor financial holdings and establish premiums.

In addition, each director serves on one or more standing committees: Personnel; Investment; Audit; and Joint KWORCC/KCAMP Committee on Cooperation. The committees meet periodically during the year, working with KWORCC management and staff to make recommendations for the consideration of the Board of Directors.

## Financial Strength and Stability

A formal policy adopted by the Board of Directors guides KWORCC's investment practices, as does Kansas law. Investment earnings not only provide for flexible cash management, but pool members also benefit because these earnings can be used to offset general operating expenses.

The Board of Directors has adopted a clearly-defined investment policy which ensures the pool's principal remains safe, provides sufficient liquidity to meet cash flow needs and pay claims in a timely manner. This is accomplished through on-going careful scrutiny of current investment options and conditions and by maintaining a diversified balance of short, intermediate and long-term investments in KWORCC's portfolio. This portfolio is continuously monitored by the KWORCC staff and professional investment advisers, and reviewed regularly by the Board of Directors.

## Enhanced Services Available to Members

An important benefit KWORCC provides is offering a variety of enhanced services tailored for our members and typically not available

through the commercial insurance market. KWORCC is constantly looking at ways to expand on the services it provides, to meet the ever-changing needs of those we serve.

**Risk management** is an integral part of KWORCC's program. Risk managers are employed to identify and evaluate the pool's exposure to loss and find a means to protect the pool and our members from those exposures. This includes the review of facilities to work with members on an individual basis for their specific risk management needs. By reviewing members' demographics, job requirements, nature of operations and loss history, customized training and recommendations are developed and presented.

Risk management activities are supplemented with an aggressive loss prevention program designed to assist members in proactively identifying potential health and safety risks. Our loss prevention staff makes regular visits to our members, conducts safety audits and makes recommendations on ways to reduce risks and liabilities. The loss prevention staff also provides a variety of training.

**Education** - Among the value-added services of KWORCC are formal educational opportunities where members can learn timely and relevant methods for improving risk management techniques, averting potential liability areas, and generally enhancing their day-to-day operations. These educational programs are scheduled at convenient 'times and locations across the state to optimize participation, and at no additional cost to members. Additionally, a variety of online continuing education courses are also offered to members 24/7/365 through our Web-based KWORCC University, which permits officials, supervisory personnel and employees to participate without leaving their workplace.

KWORCC routinely prepares and issues a variety of helpful publications, including a comprehensive loss prevention manual, to assist our members. These range from model policy and procedure manuals to a model safety manual to a detailed instructional handbook for safety committee members.

Members also receive KWORCC's quarterly newsletter, KWORCC, which provides current information and features on risk management, loss prevention and claims management.

**Claims Services** - IMA Risk Management Services - Your IMA Staff includes: Susan May, KWORCC Claims Adjuster; Gene Miller, KWORCC Claims Adjuster; Marla Dipman, Claims Manager and Paul Davis, Brokerage and Consulting. Services include:

- Claims adjusters dedicated to KWORCC are available to provide the help and answers you need;
- Toll free claim reporting;
- 24 hour emergency claim assistance;
- Assistance with selection of medical clinics and doctors to control cost;
- Access to a discounted preferred provider network;
- Quarterly claim summaries;
- Assistance with litigation and subrogation issues;
- Accident investigation coordinated with Loss Prevention.



Be sure to visit  
KWORCC's vendor booth  
at the KAC Annual Conference!

## REMEMBER!



The KWORCC  
Annual Meeting of  
Voting Delegates starts  
at 5 PM on Monday  
November 14th  
at the KAC Conference  
in Topeka.

## 2011 Board Meeting Dates

- ✓ January 20<sup>th</sup>
- ✓ February 17<sup>th</sup>
- ✓ March 17<sup>th</sup>
- ✓ April 28<sup>th</sup>
- ✓ May 19<sup>th</sup>
- ✓ June 16<sup>th</sup>
- ✓ July 21<sup>st</sup>
- ✓ August 18<sup>th</sup>
- ✓ September 22<sup>nd</sup>
- October 27<sup>th</sup>
- November 14<sup>th</sup> – Annual Meeting
- December 15<sup>th</sup>