

Approved Arthur Douville 3.30.88  
Date

MINUTES OF THE House COMMITTEE ON Labor and Industry

The meeting was called to order by Representative Arthur Douville at  
Chairperson

9:05 a.m./~~p.m.~~ on March 24, 1988 in room 526-S of the Capitol.

All members were present except:

Committee staff present:

- Jerry Ann Donaldson, Kansas Department of Legislative Research
- Jim Wilson, Revisor of Statutes' Office
- Juel Bennewitz, Secretary to the Committee

Conferees appearing before the committee:

- Ron Todd, Assistant Commissioner, Kansas Department of Insurance
- Chris Cowger, Attorney, Kansas Department of Insurance

Discussion and final action on H.B. 2563 which had been scheduled was deferred until Tuesday, March 29, 1988. Concern has been expressed regarding changing the number of employees from four to twenty - the same as the federal law.

Ron Todd was present to give a current status report on the Workers Compensation Fund. Attachment #1 gives background information of the fund and information regarding the financing of the fund. Attachment #2 gives a case load analysis for fiscal years (FY) 1983-1987 and a receipts analysis for the same FYs.

Attachment #3 is an expenditure analysis for FY 1983-1987. Notice was taken of the escalation of expenditures, particularly attorney's fees. The chairman asked for verification of the estimated 1988 expenditure of \$18 million. That figure was affirmed by Chris Cowger, refer to attachment #4 for expenses year (FY 1988) to date. Administrative expenses are approximately 20% of total expenditures. Legislative post-audit is reviewing whether it would be less costly to have in-house attorneys. If duties did not change, it would mean hiring 31 attorneys around the state. The estimated savings would be approximately \$200,000.00. A study has been made by the department and it is felt that there is "more for the money" by using outside expertise. The chairman asked if it had ever been considered to let the administrative law judge (ALJ) review the evidence, making it a noncontested situation and determine what relief would be given the employer or insurance carrier - an administrative decision without litigation. The \$2 million currently spent on attorney's fees could be put into employee benefits. Mr. Cowger related defense attorneys with whom he had spoken on the same subject felt no cases against the fund would be lost.

Attachment #5 gives the workers compensation fund statistical information for FYs 1984 - 1988.

Attachment #6 lists the reasons for increased expenditures from the fund.

Attachment #7 gives a monthly listing of the warrants issued by the fund on a monthly basis for FY 1988 and a yearly total FY 1985-1988 (July through February).

Attachment #8 is a report of the Insurance Commissioner's Ad Hoc Committee, previously mentioned in the minutes of the February 18, 1988, meeting of the committee.

Attachment #9 gives a brief explanation of the workers compensation fund assigned risk plan and relevant statistics for FYs 1983-1987.

Attachment #10 is a listing of workers compensation insurance experience for calendar years 1985-1986.

The meeting adjourned at 9:35 a.m. Next meeting of the committee will be March 29, 1988, 9:00 a.m. in Room 526-S.

Unless specifically noted, the individual remarks recorded herein have not been transcribed verbatim. Individual remarks as reported herein have not been submitted to the individuals appearing before the committee for editing or corrections.

GUEST LIST

COMMITTEE: House Labor and Industry

DATE: March 24, 1988

NAME	ADDRESS	COMPANY/ORGANIZATION
Chris Cowger		KID
Ron Todd		
Mark works		
Nadine Burch	1195 Buchanan	KCOA
Burr L. Slyn	851 - S Landon St. Topeka	KCCR
Mark Intermill	Topeka	KCOA
LEE VELASQUEZ	Topeka	Rep. Hensley
Wayne Maubel	"	Ks. AFL-CIO
Bob Hodges	"	KCCI
Jim Althoff	Topeka	Ks AFL-CIO

## WORKERS' COMPENSATION FUND

### Background

The Workers' Compensation Fund, previously known as the Second Injury Fund, was established in 1945. The Kansas Supreme Court in Stanley v. A & A Iron Works, 211 Kan. 510, (1973), defined the legislative purpose of the Second Injury Fund as encouraging the employment of handicapped persons by relieving the employer, in whole or in part, of the burden of paying workmen's compensation benefits to employees injured in later industrial accidents.

The original act specifically limited coverage to handicapped persons who had lost a member of the body (eye, arm, hand, leg or foot) while in the Armed Forces or while employed by industry. In addition, the act covered only those second injuries or disabilities that resulted in total permanent disability. Under this relatively narrow statute, only ten claims were made against the Fund between 1952 and 1960.

In 1961, the Legislature greatly broadened the coverage of the Second Injury Fund. Under the 1961 amendments, a claimant no longer had to be totally disabled, and the restriction that the handicap must be due to the loss of a body member was deleted. In place of that restriction, the coverage was broadened to

include a list of 16 handicaps a person might have as preexisting conditions and still be eligible for coverage under the Fund. Included in this list of handicaps were such conditions as epilepsy, cardiac disease, arthritis, loss or partial loss of the use of any member, and a category entitled "physical deformity."

During the early and mid 1960's, employers became more aware of the Fund and its expanded coverage, and claims against the Fund began to increase gradually. In 1969, there were 14 claims against the Fund and annual expenditures amounted to \$106,834.

As part of a broad legislative package of workmen's compensation amendments, the 1974 Legislature abolished the Second Injury Fund and established the Workers' Compensation Fund. The change in nomenclature was necessary because payments from the Fund were authorized for purposes beyond second injuries, such as workmen's compensation payments owed by insolvent employers. The amendments increased the benefits claimants were eligible to receive; made the Fund liable for compensation and benefits for a job-related injury, liability, or death that "probably or most likely would not have occurred but for the preexisting physical or mental impairment of the handicapped employee;" broadened the definition of a handicap further by adding a 17th category called "any other impairment;" and lifted the requirement that the employer give notice by filing a Form 88 identifying the handicap with the Worker's Compensation Director. In addition, the administration of the Fund was transferred from the Worker's Compensation Director to the Commissioner of Insurance.

The 1977 Legislature reinstated the Form 88 requirement that the employer must give notice to the Worker's Compensation Director and provided that attorney's fees could also be assessed against the employer who brought suit against the Fund where the Fund was found to have no liability. The 1979 Legislature once again deleted the requirement that an employer file a Form 88 notice with the Workers' Compensation Director when hiring a handicapped worker. Language was again added, however, which requires that an employer must "knowingly" hire or retain a handicapped worker in order to shift liability to the Workers' Compensation Fund in the event of a second injury.

#### Financing of the Worker's Compensation Fund

Moneys for the Workers' Compensation Fund come from three main sources: (1) State General Fund, (2) assessments against insurance carriers and self-insurers, and (3) non-dependent death receipts.

State General Fund support of the Workmen's Compensation Fund is based on an entitlement authorized by K.S.A. 44-566a as amended. The entitlement is equal to the Fund's total costs two years before, less no dependent death receipts. For example, the General Fund entitlement for FY 1988 was based on costs of the Workers' Compensation Fund in FY 1986 minus non-dependent death receipts.

The assessment against insurers equals the total estimated costs for the next fiscal year less the general fund entitlement and estimated non-dependent death receipts. The assessment against a self-insurer or an individual carrier who writes workmen's compensation insurance is based

proportionately on the total amount of benefits paid by the carrier or self-insurer for the previous year.

Non-Dependent death receipts occur when a worker is fatally injured while covered under the Workmen's Compensation Act and leaves no dependents. In such cases, the employer is required to pay \$18,500 into the Workers' Compensation Fund. Receipts from this source were \$153,000 in FY 1987.

KANSAS WORKMEN'S COMPENSATION FUND  
Prepared by the Kansas Insurance Department

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CASE LOAD SCHEDULE

Description

	<u>FY 1987</u>	<u>FY 1986</u>	<u>FY 1985</u>	<u>FY 1984</u>	<u>FY 1983</u>
Total Number of Impleadings	1603	1405	1260	1194	1018
Total Number of Closed Cases	1170	929	959	1127	1054

RECEIPTS ANALYSIS

	<u>FY 1987</u>	<u>% of Total</u>	<u>FY 1986=</u>	<u>% of Total</u>	<u>FY 1985</u>	<u>% of Total</u>
Assessment Receipts	\$ 6,542,599.05	(55.75%)	\$ 1,644,419.98	(16.27%)	\$ 7,850,887.88	(64.45%)
General Fund Entitlement	4,000,000.00	(34.07%)	4,000,000.00	(39.59%)	4,000,000.00	(32.84%)
Non-Dependent Death Receipts	153,000.00	( 1.30%)	122,250.00	( 1.21%)	148,000.00	( 1.21%)
Miscellaneous Reimbursements	127,846.50	( 1.08%)	63,530.40	( .63%)	18,232.95	( .15%)
TOTAL RECEIPTS	\$10,823,445.55		\$ 5,830,200.38		\$12,017,120.83	
Previous Year Carryover Balance	908,156.20	( 7.73%)	4,273,895.29	(42.30%)	164,206.60	( 1.35%)
TOTAL FUNDS AVAILABLE	11,741,087.75	( 100%)	10,104,095.67	( 100%)	12,181,327.43	( 100%)

RECEIPTS ANALYSIS (cont'd)

	<u>FY 1984</u>	<u>% of Total</u>		<u>FY 1983</u>	<u>% of Total</u>
Assessment Receipts	\$ 7,311,025.79	(62.83%)		\$ 3,298,784.56	(54.37%)
General Fund Entitlement	4,000,000.00	(34.38%)		2,642,346.00	(43.55%)
Non-Dependent Death Receipts	262,050.00	( 2.25%)		72,000.00	( 1.19%)
Miscellaneous Reimbursements	<u>51,718.30</u>	<u>( .44%)</u>		<u>51,127.26***</u>	<u>( .84%)</u>
TOTAL RECEIPTS	\$11,624,794.09			\$ 6,064,257.82	
Previous Year Carryover	<u>10,558.52</u>	( .09%)		<u>2,803.24</u>	( .05%)
TOTAL FUNDS AVAILABLE	\$11,635,352.61	( 100%)		\$ 6,067,061.06	( 100%)



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EXPENDITURE ANALYSIS

	<u>FY 1987</u>	% of Total	<u>FY 1986</u>	% of Total	<u>FY 1985</u>	% of Total
Disability Compensation	\$ 8,167,171.06	(69.66%)	\$ 6,328,251.19	(68.82%)	\$ 5,493,930.11	(69.35%)
Medical						
Doctor	97,993.13	( .84%)	73,522.55	( .80%)	48,162.40	( .61%)
Hospital	163,295.83	( 1.39%)	108,855.68	( 1.18%)	65,186.21	( .82%)
Drugs	6,509.09	( .06%)	5,250.77	( .06%)	3,884.55	( .05%)
Misc. (braces, etc.)	11,957.03	( .10%)	5,835.03	( .06%)	1,348.34	( .02%)
Other Services (mileage, etc.)	7,762.79	( .07%)	5,121.72	( .06%)	1,372.91	( .02%)
Reimbursement to Ins. Co. (K.S.A. 44-569(a) and 44-569)	1,054,830.62	( 9.00%)	907,162.86	( 9.86%)	873,947.32	( 11.03%)
Attorneys Fees	1,953,605.41	(16.66%)	1,497,818.13	(16.29%)	1,211,693.67	(15.30%)
Court Costs, Depositions Medical Reports, Etc.	125,989.31	( 1.07%)	124,216.84	( 1.35%)	102,817.46	( 1.30%)
Refunds (Non-Dependent Death)	7,492.80	( .06%)	18,500.00	( .20%)	-0-	
Other Operating Expenses	<u>127,988.12</u>	<u>( 1.09%)</u>	<u>121,404.70</u>	<u>( 1.32%)</u>	<u>119,518.93</u>	<u>( 1.50%)</u>
TOTAL EXPENDITURES	\$11,724,535.19	( 100%)	\$ 9,195,939.47	( 100%)	\$ 7,921,861.90	( 100%)

EXPENDITURE ANALYSIS (cont'd)

	<u>FY 1984</u>	<u>% of Total</u>		<u>FY 1983</u>	<u>% of Total</u>
Disability Compansation	\$8,736,880.77	(76.16%)		\$ 4,820,590.34	(79.60%)
Medical					
Doctor	58,744.35	( .51%)		15,252.55	( .25%)
Hospital	153,187.44	( 1.34%)		49,116.74	( .81%)
Drugs	4,962.20	( .04%)		3,792.08	( .06%)
Misc. (braces, etc.)	1,015.45	( .00%)		2,139.02	( .04%)
Other Services (mileage, etc.)	2,548.10	( .02%)		3,750.78	( .06%)
Reimbursement to Ins. Co. (K.S.A. 44-569(a) and 44-569)	1,223,334.91	(10.66%)		345,295.88	( 5.70%)
Attorneys Fees	1,181,851.28	(10.30%)		773,043.30	(12.76%)
Court Costs, Depositions Medical Reports, etc.	93,621.51	( .82%)		43,521.85	( .72%)
Refunds (Non-Dependent Death)	15,000.00	( .13%)		-0-	( .00%)
Other Operating Expenses	<u>-0-</u>			<u>-0-</u>	
 TOTAL EXPENDITURES	 \$11,471,146.01	 ( 100%)		 \$ 6,056,502.54	 ( 100%)

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WORKERS' COMPENSATION REPORT FOR DECEMBER, 1987

TO: CHRIS COWGER, ATTORNEY  
FROM: VERLENE EVANS, ACCOUNTANT

Work Comp Fund Balance	\$12,903,736.16
Deposits	72,687.97
Compensation	1,487,716.40
Medical	302,445.95
Court Reporting	19,323.96
Attorney Fees	213,703.61
Other Operating	10,645.19
Refund	-0-
FY 87 Cancelled Checks	-0-
Balance on December 31, 1987	10,942,589.02
Total W.C. December Expense	2,023,189.92
Other Operating Expense Limits	164,514.00
Expenses to Date	53,845.12
Balance	110,668.88
88 YTD Comp Expense	8,105,281.25
88 YTD Medical Expense	1,718,454.51
88 YTD Court Reporter Expense	116,138.84
88 YTD Attorney Fee Expense	1,126,119.71
88 YTD Other Operating Expense	53,845.12
88 Refund	50.00
88 YTD All Expense	11,119,889.43
88 Beginning Balance	16,552.56
88 Appropriation	4,000,000.00
88 YTD Deposits	18,043,369.09
88 YTD Expenses	11,119,889.43
88 YTD Cancelled Checks	2,556.80
December 31, 1987 Fund Balance	10,942,589.02

New Cases for December

Non-Dependent Death	0
Insolvent Employer	5
Reimbursement	1
Second Injury	148
	<u>154</u>

New Cases YTD

Non-Dependent Death	2
Insolvent Employer	23
Reimbursement	3
Second Injury	815
	<u>843</u>

Closed Cases for December

Non-Dependent Death	2
Insolvent Employer	7
Reimbursement	0
Second Injury	168
	<u>177</u>

Closed Cases YTD

Non-Dependent Death	6
Insolvent Employer	20
Reimbursement	3
Second-Injury	724
	<u>753</u>

July through December 6,882 warrants have been issued

Workers' Compensation Fund Statistical Information

Number of Impleadings Involving  
the Workers' Compensation Fund

<u>Fiscal Year</u>	<u>Number</u>
1984	1,194
1985	1,260
1986	1,405
1987	1,603
1988 (Estimated)	1,693

Active Cases Against the  
Workers' Compensation Fund

<u>At the End of Fiscal Year</u>	<u>Number</u>
1984	1,711
1985	2,027
1986	2,515
1987	2,955
1988 (Through Nov. 1987)	3,068

Monthly Payments Made From the  
Workers' Compensation Fund

<u>At the End of Fiscal Year</u>	<u>Number</u>	<u>Total Amount of Monthly Payments</u>	<u>Average Monthly Payment Per Case</u>
1984	137	\$ 37,682	\$275
1985	151	44,367	294
1986	227	79,610	351
1987	248	102,717	414
1988 - (Through Dec. 1987)	275	124,242	452

Awards Against the Workers'  
Compensation Fund by Fiscal Year

<u>Fiscal Year in which Awards were Made</u>	<u>Number of Awards</u>	<u>Average Amount of Award</u>
1984	542	\$12,837
1985	486	12,616
1986	540	16,072
1987	788	14,967
1988 (Through Nov. 1987)	306	15,039

Percentage of Impleadings that Resulted  
in Awards Being Made Against  
the Workers' Compensation Fund  
(Extracted from Closed Claim Reports)

<u>Cases Closed in Fiscal Year</u>	<u>Number of Impleadings</u>	<u>Number of Awards</u>	<u>Percentage of Impleadings Resulting in Awards</u>
1984	1,114	719	65%
1985	951	490	52%
1986	924	468	51%
1987	1,127	639	57%
1988	459	299	65%

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Reasons For Increased Expenditures from the Workers' Compensation Fund

1. The Number of impleadings involving the Fund each year is increasing.
2. The percentage of impleadings in which awards are made against the Fund is increasing.
3. Individual amounts awarded against the Fund are increasing.
4. Since larger awards against the Fund are being made more frequently, more money is needed to settle cases.
5. Due to the increase experienced annually in the number of impleadings against the Fund, expenditures for medical payments and attorney fees have increased. It should be noted that although the hourly rate paid to attorneys has increased 33% from FY 1984 to FY 1987, the average attorney fee paid in cases involving the Fund has only increased 7.5% during the same period of time.
6. The total number and amount of monthly payments made from the Fund have increased 75% and 154%, respectively, from FY 1984 to FY 1987. In FY 1984, 137 monthly payments totaling \$37,682 were being made. Presently, 240 monthly payments at a total cost of \$95,927 were being made from the Fund.
7. Since FY 1985, administrative costs of the Workers' Compensation Fund have been paid from the Fund. Prior to this time, these expenses were paid from the general fund. In FY 1987, administrative costs are expected to total \$138,607.

WORKERS' COMPENSATION FUND WARRANTS ISSUED

July	832
August	991
September	1027
October	933
Novmeber	938
December	1022
January	1139
February	<u>1135</u>
Total	8237

WORKERS' COMPENSATION FUND WARRANTS ISSUED

FY 1985	7478
FY 1986	7575
FY 1987	9902
FY 1988 (July through February)	8237

Report of the Ad Hoc Committee on the Workers' Compensation Fund

January 22, 1988

The Ad Hoc Committee on the Workers' Compensation Fund was formed at the recommendation of Representative Mike O'Neal and Commissioner Fletcher Bell, to study problems with the Kansas Workers' Compensation Fund. The committee met during the fall months; on August 3, 1987, October 12, 1987 and November 23, 1987. The last meeting on November 23, 1987 finalized proposals contained in this report. A list of members appears at the conclusion of this report.

The committee supports various proposals contained in this report, notably the requirement of filing a Form 88 to presumptively establish reservation in the mind of the employer before hiring or retaining a handicapped worker. The committee also supports several procedural changes that allow the Fund to bring solvent employers into actions where the Fund would otherwise be forced to pay compensation, because of the Fund's lack of a statutory right to implead solvent parties not involved in an original insolvency action. The committee also supports procedural changes which require the Fund be given more advance notice of an impleading of the Fund. The procedural changes, for the most part, attempt to either allow the Fund more advance notice of a case or to assess liability against solvent employers not involved in original actions, instead of forcing the Fund to pay for insolvent claims when there is private Workers' Compensation Insurance available, but no statutory provisions to allow the Fund to implead solvent general contractors.

Background

The Fund was created and exists pursuant to K.S.A. 44-566a. The Kansas Workers' Compensation Fund is similar to such Funds in virtually all fifty (50) states. The Fund's principal uses are to provide payment of Workers' Compensation benefits to handicapped employees who suffer compensable injuries, and to provide incentives for employers to hire and retain handicapped workers without being penalized with higher workers' compensation premiums for hiring the handicapped. The Fund will become involved in a case if the employer can demonstrate that the injured worker was originally hired or retained by the employer with knowledge of the pre-existing handicap or injury, and that the pre-existing condition contributed to the disability resulting from the subsequent injury. If the subsequent injury or disability would not have occurred "but for" the pre-existing condition, the Fund would assume all of the worker's compensation obligation. If the injury would have been sustained without regard to the pre-existing condition, but the pre-existing condition contributed to the resulting disability, the Fund will contribute the portion of the costs attributable to the pre-existing impairment. Two requirements must be met to establish Fund liability. First, the employee must be handicapped as defined in K.S.A. 44-566(b):

"Handicapped employee" means one afflicted with or subject to any physical or mental impairment, of both, whether congenital or due to an injury or disease of such character the impairment constitutes a handicap in obtaining employment or would constitute a handicap in obtaining reemployment if the employee should become unemployed . . ."



Secondly, the employer must "knowingly employ or retain a handicapped employee." The employer can establish knowledge of the worker's pre-existing handicap by any evidence sufficient to maintain their burden of proof. However, the employer can create a presumption of knowledge by filing a Notice of Handicapped Employee (Form 88) with the Division of Workers' Compensation. From July 1, 1977, through June 30, 1979, the Form 88 was the only means of establishing the required knowledge. On January 15, 1988 Ronald Denton v. Sunflower Electric Cooperative, Inc. Case No. 59,925 overruled the Funds defense of mental reservation when hiring or retaining a handicapped employee.

### Concerns

The Kansas Workers' Compensation Fund was created in 1974 for the purpose of encouraging the employment of handicapped or disabled persons. The Fund has come under recent attack from employers, laborers and administrators. The concerns of these groups appear below; the number of impleadings involving the Fund are increasing each year. The medical payments, and attorney fees paid out have increased. The attorney fees paid in each case have increased 7.5% from FY 1984 to FY 1987. The number of monthly payments from the Fund has increased from 137 to 248 from FY 1984 to 1987, an 81% increase. In FY 1987 the Fund was implead in 1603 new cases. It is estimated that the Fund is involved in over one third of all the litigated workers' compensation cases in the state. The Ad Hoc Committee felt these problems were a major concern of the Workers' Compensation Fund.

The committee also discussed changing K.S.A. 44-566 definition of a handicapped worker, as well as utilizing a medical panel to establish liability in Fund cases, but both proposals were seen by the committee as being too cumbersome. The committee also rejected threshold requirements for impleading the Fund, i.e. at least a 25% disability. The committee reviewed and discussed the idea that an unsuccessful party that failed to properly implead the Workers' Compensation Fund would be required to pay the Fund's attorney fees. The penalty of attorney fees was also rejected. Placing caps on Fund liability such as a maximum of 75% Fund liability in any case was reviewed by the committee, but the committee felt this did not properly serve the function of the Fund to help employ the handicapped. The committee also discussed the problems that the Fund is seen as a reinsurance Fund instead of attempting to employ the handicapped.

### Recommendations of The Committee

- (1). Amend K.S.A. 44-567(2) to provide that contributions for liability from the Workers' Compensation Fund, shall be based upon "competent medical evidence;" instead of the present standard of basing contribution liability on "equitable and reasonable" standards established by the Director of Workers' Compensation.
- (2). Amend K.S.A. 44-567 so that the filing of a Form 88 with the Director of Workers' Compensation shall be necessary before the Fund is liable. This would make Fund liability very certain.
- (3). Amend K.S.A. 44-504(g) to allow the Workers' Compensation Fund the statutory right to implead a subcontractor, contractor, or principal should they appear to be liable to pay compensation. This amendment

would allow the Fund to implead solvent and viable employers, contractors or general contractors, when previously the Fund was forced to pay awards for insolvent subcontractors.

- (4). Amend K.S.A. 44-504 to give the Fund the statutory right to sustain an action against negligent third parties by subrogation, when the Fund has been assessed liability. Employers currently have this right.
- (5). Amend K.S.A. 44-532 a(b) so that the Workers' Compensation Fund shall have a right of action against the uninsured principal or statutory employer. Presently, only the uninsured statutory employer can be liable to the Fund.
- (6). Amend K.S.A. 44-549 so that the Workers' Compensation Fund may request a subpoena from the Director of Workers' Compensation to subpoena claimants that have received their compensation checks and refuse to cooperate with the Fund in a later apportionment between the employer and the Workers' Compensation Fund. Enforcement of the subpoenas would be in District Court.
- (7). Amend K.S.A. 44-566 a(C)(1) to require the Fund be implead 90 days after the employer has a written claim filed upon them by the claimant or at least 10 days prior to a regular hearing.
- (8). Amend K.S.A. 44-569a so that the Workers' Compensation Fund would have the right to depose a claimant or have the claimant medically examined, even after the employer and claimant have reached a settlement. The claimant would then be required to cooperate with the Fund after a settlement, so that the Fund could seek a more informed and equitable settlement.

Workers' Compensation Fund Ad Hoc Committee Members

Julie Straeter General Motors Corp.	Self-Insurer
J. Patrick Kapsch Liberty Mutual Insurance Co.	Commercial Insurer
H. Wayne Powers Attorney at Law	Defense Attorney
Bill Curtis Kansas Assoc. of School Boards	Municipal Pool
John Lawson Kelly Lyn Figure Spa	Small Insured
Robert L. Kennedy Attorney at Law	Fund Attorney
Michael J. Unrein Attorney at Law	Fund Attorney
Jim DeHoff and Wayne Maichel Kansas State AFL-CIO	Labor
Rob Hodges Kansas Chamber of Commerce and Industry	Business
The Honorable Dennis Taylor, Sec. Kansas Dept. of Human Resources	State Agency
Charles "Red" Baxter Kansas Farm Bureau and Affiliated Co's.	Agriculture
Ken Robinson Nat'l Council on Compensation Ins.	Rating Organization
Robert Ream Boeing Aircraft	Large Insured
Tom Slattery Assn. General Contractors of Kansas	Business
John Rathmel, Director Workers' Compensation	State Agency
Jerry Donaldson	Legislative Research

Dick Brock  
Kansas Insurance Department

Staff

Chris Cowger  
Kansas Insurance Department

Staff

Mark Works  
Kansas Insurance Department

Staff

WORKERS' COMPENSATION ASSIGNED RISK PLAN

The Workers' Compensation Assigned Risk Plan operates under authority of K.S.A 40-2108. The Plan provides Workers' Compensation and Employers' Liability Insurance for qualified applicants unable to procure this kind of insurance in the normal market. The Kansas Council on Compensation Insurance administers the Workers' Compensation Assigned Risk Plan.

<u>Calendar</u> <u>Year</u>	<u>Number of Risk</u> <u>Involved in Plan</u>	<u>Earned</u> <u>Premiums</u> (000's)	<u>Incurred</u> <u>Losses</u> (000's)	<u>Loss</u> <u>Ratios</u>
1983	3,734	9,785	9,920	1.014
1984	4,501	11,260	11,759	1.044
1985	6,971	18,004	29,403	1.050
1986	7,764	35,636	39,279	1.102
1987	9,700	-----	-----	-----

WORKERS' COMPENSATION INSURANCE EXPERIENCE

<u>CALANDER YEAR</u>	<u>LOSSES PAID (Self-Insured)</u>	<u>LOSSES PAID (Ins. Carriers)</u>	<u>TOTAL LOSSES</u>	<u>MONTHLY LOSSES</u>
1985	\$ 20,834,864	\$ 120,621,179	\$ 141,456,043	\$ 11,788,003
1986	23,365,781	134,294,477	157,660,258	13,138,354

  

	<u>FUND MONTHLY COMP. PAYMENT</u>	<u>RATIO OF OVERALL BENEFITS TO FUND BENEFITS</u>
1985	\$ 619,499	.053
1986	792,455	.0603