

KING

Value • Care • Trust

Dear LeadingAge Kansas Member;

Thank you for your interest in KING. KING is a group-funded workers' compensation pool that became operational on April 1, 1990. KING is a separate, non-profit corporation governed by member organization representatives. Only LeadingAge Kansas members can participate in the KING program.

KING has engaged Thomas McGee Group in Kansas City to provide claims management and loss control services for the pool.

To make application to join the pool, complete the enclosed application and email or mail it directly to LeadingAge Kansas. Also, please review and complete the enclosed trust agreement and send it to the LeadingAge office.

If you have any questions, please contact me at the LeadingAge Kansas.

Your KING Service Team looks forward to the opportunity to work with you and your team.

Sincerely yours,



Kevin D. McFarland

President

kevin@leadingagekansas.org

217 SE 8th Avenue
Topeka, Kansas 66603-3906
785.233.7443
kingonline.org



LeadingAge Kansas ADMINISTRATORS

We have prepared the following fact sheet to assist you in presenting the KING Group to your Board.

AUTHORITY

The State of Kansas grants authority for members of the same association to form a self-funded pool to cover the cost of Workers Compensation under KSA 44-581.

REGULATION

The Kansas Insurance Department monitors and regulates the stability and procedures of self-funded pools. This is similar to the review they perform for commercial insurance carriers. State Statutes strictly dictate such items as rates, benefits, funding, compensability, pool formation and certification, etc. Your pool will comply completely with all laws regarding Workers Compensation. Annually, pools must resubmit updated information to keep certification.

MEMBERSHIP BENEFITS

SAVINGS: Pools are authorized by the Kansas Insurance Department to offer larger premium discounts than commercial carriers. This is due to the non-profit nature of pools and that pools are purchasing services at wholesale rather than retail prices. Your Board will determine the amount of discount provided to members. Savings will be both short-term and long-term.

CONTROL: Your Board of Directors will control most aspects of the operation of your pool. Your Board will be comprised of your members. The only area where complete control is not possible is in complying with the State Statutes regulating the operation of Workers Compensation.

INVESTMENTS: Your premium dollars will be controlled by your Board. Investment earnings benefit all members of the pool.

DIVIDENDS: Pools may provide dividends to members when income exceeds expenses. The decision of declaring dividends and the amount of dividends rests with your Board.

SOLVENCY

To help protect the financial integrity of the pool, excess coverage is purchased. Excess insurance may be purchased in two forms, specific and aggregate. The Specific form, limits the amount of pool funds spent on any one claim and Aggregate coverage pays the expenses of claims if pool funds are exhausted. Additionally, a fidelity bond is purchased to cover individuals handling pool funds. Specific excess insurance is required by the State for all pools and limits the amount of risk associated with self-funding.

MEMBERSHIP SERVICES

A major benefit of self-funded pools is the superior quality of services provided to the membership. After careful study, KAHSA selected Thomas McGee, L.C., one of the outstanding service providers in our area. Thomas McGee, L.C. provides claims management, statistics, and general consulting to our pool. The quality of their services is controlled and monitored by your Board.

CLAIMS: All claims are reported directly to Thomas McGee, L.C. (they have a toll free number). Investigation, reserve setting, cost-containment, settlement and other related services will be provided directly by Thomas McGee, L.C. and LeadingAge Kansas personnel. There will be a specific claims adjuster assigned to your organization.

LEGAL

REPRESENTATION: Your Board of Directors will provide Thomas McGee, L.C. personnel a list of pool-approved attorneys. Only pool-approved attorneys will be utilized.

REPORTS: Monthly reports will be provided to each pool member. These reports will detail what has been paid and what reserves are outstanding. You will be able to track the progress of each and every claim from beginning to end. Additionally, information on the causes and frequency of claims are provided to assist loss control in designing a program individually tailored to your needs.

LOSS

CONTROL: Loss control is the heart of any self-funded pool. We will design our loss control program and its intensity with the advice of our Loss Control Representative.

COMMUNICATION: Perhaps the most obvious problem with commercial carriers is their inability to communicate with insured's. Thomas McGee, L.C. is known for their diligence in keeping pool members knowledgeable about their claims and all aspects of the program.

SUMMARY

The KING Board is confident that this self-funded approach is the best long-term solution to stabilize the cost of Workers Compensation. We believe it to be the most cost-effective method for our members.



LOSS CONTROL

KING knows that loss control and safety programs are a critical component for a successful program. A well-defined and visible program supported by all member participants will positively impact the frequency of losses and ultimately the severity of losses. Our personnel have extensive experience in developing and implementing cost effectiveness and realistic programs for the health care industry.

We know from experience, 85% of all accidents result from human factors. Although we perform the traditional facilities check, our programs are focused on human factors and behavior modification. Our philosophy is to take a three tiered approach beginning with specialized programs designed to address the common (and most frequent) accidents; slips and falls, back injuries and needle sticks. Our second tier is to develop individualized programs for each member based upon their experience records and their input. This phase recognizes that all operations are not the same and packaged programs cannot address all needs. The final tier develops as the program develops. Each month our loss control personnel will review your program's actual experience and develop

specialized programs to address actual claims that are occurring. This insures a continually viable proactive program rather than the all too common reactive program. Our services will include:

- Conduct pre-engineering assessment of all potential members
- Develop loss control programs on a three tier basis to reduce frequency and severity of claims
- Provide on-site safety inspections
- Work on an individual basis with each member regarding risk management and safety programs designed for their needs
- Analyze monthly loss reports for trends and develop specialized programs to address trends
- Utilize existing safety resources and develop new ones as needed
- Practice proactive preventive loss control

Instructions

PLEASE RETURN THIS MATERIAL TO:

KING
217 SE 8th Avenue
Topeka, KS 66603-3906

1) INDIVIDUAL APPLICATION

Questions 1 - 15: Please type and complete

Questions 16 & 18: Do not complete; TMG/KING will complete

Questions 17 & 19 - 22: Please type and complete

AFFIDAVIT: Please type and complete; must be notarized
GWC-3, Page 5: Please read, sign, date and return with application

FINANCIAL INFORMATION: Please attach your organization's current certified financial statement.

2) DECLARATION PAGE OF CURRENT WORKERS COMPENSATION POLICY:

Please make a copy of the page in your present policy which shows:

1. *Estimated payroll by classification code*
2. *Experience modification factor*
3. *Total estimated premium*
4. *Policy expiration date*

KING prepare a quote for your organization. If after reviewing the quote and other documents supplied with this memo, you wish to join the pool you will be sent a trust agreement that must be signed and on file at the LeadingAge Kansas office prior to the date coverage begins. You will then be sent a certificate of coverage.

KANSAS INSURANCE DEPARTMENT

INDIVIDUAL APPLICATION FOR MEMBERSHIP IN A GROUP FUNDED WORKERS' COMPENSATION POOL

GENERAL INFORMATION

1. Member's Name _____
2. Name of Business _____
3. Address _____
4. City, State, Zip Code _____
5. Phone Number _____
6. FEIN _____
7. E-mail Address for Monthly Reporting Forms _____
8. Entity Type: Individual, Limited Partnership, Co-Partnership, Corporation
9. Nature of Business _____

List of Principals

10. NAME	ADDRESS (City, State, Zip Code)	Title

11. Chartered under the laws of the State of _____ Date _____
12. Date of commencement of business in Kansas _____
13. Date of registration in the office of Secretary of State, in a foreign corporation _____
14. List affiliates or subsidiaries and divisions to be included in the group funded workers' compensation pool.
(Show below or attach list)

NAME	BUSINESS ADDRESS (City, State, Zip Code)	TYPE OF BUSINESS

15. If applicant is a subsidiary, name parent company

NAME	ADDRESS (City, State, Zip Code)	TITLE

16. Loss history for last three completed years

	Year Ending:	Year Ending:	Year Ending:
A. Number of accidents requiring medical attention only	_____	_____	_____
B. Number of accidents requiring lost time of more than 7 days	_____	_____	_____
C. Total paid claims	\$ _____	\$ _____	\$ _____
D. Outstanding reserves	\$ _____	\$ _____	\$ _____
E. Total incurred losses (Paid and Reserves)	\$ _____	\$ _____	\$ _____
F. Fatalities in that last 3 years	No _____	Yes _____	Number _____

If yes, explain:

17. Self-Insured Locations (Show below or attach list)

List of Names and Locations of Each Operation to be Covered Under Self-Insurance Program in Kansas	Nature of Operations According to Industry Pursued or Products Manufactured	Average Number of Employees	
		Production	Office/Sales

21.. What medical facilities are available to your employees?

A. First Aid_____ Local Clinic_____ In Plant Staff_____ Hospital_____

B. Do you employ a full-time doctor/nurse? Yes_____ No_____

C. Explain:

22. Financial Status

IMPORTANT: Your most current certified financial statement must be attached.

AFFIDAVIT

COUNTY_____

STATE_____

I, _____, the undersigned, being

The _____ of
(Title)

(Name of Business)

Swear (or affirm) that to the best of my knowledge and belief, the statements contained in the application,
Including any

accompanying documents, are true and complete.

BY: _____
Signature of above

Sworn before me this _____ day of _____, 20_____

(Notary Public)

My commission expires_____

IMPORTANT:

ALL MEMBERS AND POTENTIAL MEMBERS
PLEASE READ CAREFULLY.

The Applicant or Member Hereby Acknowledges That:

1. The "Pool" is a self-insured Workers' Compensation pool established pursuant to K.S.A. 44-581.
2. The pool is not an insurance company and is not governed by the same regulations and is not subject to the same supervision by the Kansas Insurance Department as an insurance company would be.
3. The pool is not a member of, and its member are not eligible for any benefits from the Kansas Insurance Guaranty Association.
4. The member will be JOINTLY AND SEVERALLY LIABLE with every other employer who is a member of the pool for any unpaid claims and liabilities of the pool if the pool becomes insolvent.
5. The pool covers only Kansas Operations, including incidental coverage in other states.
6. The member will comply with all provisions of K.S.A. 44-581, et. seq., the Kansas Workers' compensation law, all rules and regulations of the pool, and all lawful orders of the Commissioner of Insurance.
7. That the member will promptly pay all premiums, taxes and assessments due as a member of the pool.
8. That the member will give to the pool notice prior to withdrawal from the pool, as required by the pool bylaws.
9. That the member will neither ask for nor receive credit from the trustees for payment of premium.

This is to certify that the above conditions have been explained to me, and I understand and acknowledge them.

APPLICANT:

Name of Business

BY: _____

TITLE: _____
(Corporate Officer, Partner, Owner)

DATE: _____

KANSAS ASSOCIATION OF HOMES FOR THE AGING
INSURANCE GROUP, INC. (DBA KING)

TRUST AGREEMENT

This Trust Agreement is made and entered into, effective _____, by and between the Trustees of the Kansas Association of Homes for the Aging Insurance Group, Inc. (“Trustees”) and _____ (“Member” or Participant”), who desire to establish a Trust for the benefit of qualified nursing homes in the State of Kansas, who wish to pool their resources to qualify as group self-insurers permitted by Kansas Statute Annotated 44-581, et seq.

SECTION I

DEFINITIONS

1.1 Department. The term “Department” as used herein shall mean the Department of Insurance, State of Kansas, or its successor charged with regulatory review of group self-insurance workers’ compensation program funds.

1.2 Fund. The term “Fund” as used herein shall mean and include all money and other property held hereunder, which shall consist of all monies received by the Trust as member contributions or otherwise, and all policies purchased or held by or assigned to the Trust, together with all dividends, refunds, or other sums of money payable or refundable to the Trust, investments made by the Trustees and income thereon, and all other monies or other property received and held by the Trust for the uses, purposes, and trusts set forth in this agreement.

1.3 Member/Participant. The term(s) “Member” or “Participant” as used herein shall mean and include such nursing homes or related groups who shall: a) qualify for participation under the Kansas group self-insurance statute and regulations; b) be a nursing home in the State of Kansas or the office staff of the LeadingAge Kansas; c) qualify for participation under the requirements for eligibility adopted from time to time by the Trustees pursuant to Section 2.5; d) submit a request for participation in the Trust in a form approved by the Trustees; e) make an initial contribution to the Fund determined on the basis of the coverage to be provided; f) agree to be bound by the terms of this agreement, the Articles of Incorporation, Bylaws, and Operating Procedures, and all the rules and regulations promulgated by the Trustees; g) at the required times make the additional installment contributions to the Fund; and h) receive approval by the Department. If the member satisfied these requirements, it may be accepted for participation under the provisions of the Trust and Fund coverages and policies obtained pursuant thereto, all subject to and in accordance with Section 5 hereof.

If an applicant is not accepted for participation, any payment made in escrow shall be returned. Anything in the Agreement to the contrary notwithstanding, no applicant may participate as a Member herein where such participation would be in violation of applicable law.

1.4 Member Contribution. The term “Member Contribution” as used herein shall mean and include payments made by a member to the Trust and also the amount paid from any member to the Trust by reason of any assessment levied by the Trustees pursuant to authority given them in this Agreement.

1.5 Policies. The term(s) “Policy” or “Policies” as used herein shall mean and include any policies of insurance purchased by or assigned to the Trust pursuant to this Agreement, and shall be deemed to include any and all amendments or riders attached to each such policy or policies.

1.6 Regulations. The term “Regulations” as used herein shall mean all regulations, as they are currently in force or hereafter amended, affecting the Trust which is promulgated by the State of Kansas, Department of Insurance or Division of Workers’ Compensation.

1.7 Trust. The terms “Trust” and “Agreement” as used herein shall mean and include this instrument, the Trust and Fund created under this instrument, and any amendments hereto and modifications hereof.

1.8 Trustees. The term “Trustees” as used herein shall mean the Trustee or Trustees designated in this Agreement, together with their successors designated in the manner provided by Section 3.2 of this Agreement.

SECTION II

PURPOSE OF TRUST AND APPLICATION OF FUND

2.1 This Trust and Fund are created for the purposes of providing and maintaining through the Fund Workers’ Compensation insurance on a group basis substantially at cost.

2.2 The Trustees may apply for and accept as part of the Fund insurance policies issued to the Trust or assigned to it for the purposes above specified.

2.3 The Trustees shall not be responsible in any way for the contributions or other obligations of any member.

2.4 All parties hereto, all members and their employees, and any person claiming by or through any members’ employee, hereby understand and agree that workers’ compensation benefits under this Trust are limited to those which can be provided under the Kansas statute by the Fund or under insurance Policies financed from the proceeds of the Fund.

2.5 The Trustees shall establish, fix, and determine eligibility requirements for members and requirements for the continuance of their participation, and such other terms as the Trustees may deem appropriate that are not inconsistent with the provisions of this Agreement.

2.6 The Trustees shall use and apply the Fund:

- A. To make payments of benefits as provided under the Kansas Workers' Compensation Act and to make payments for legal fees and costs in contested cases, and to make any other payments required by applicable law.
- B. To establish and accumulate as part of the Fund a reserve or reserves in amounts which the Trustees may deem advisable or may be required by law to carry out the purposes of the Trust.
- C. To pay or provide for the payment of premiums on any insurance Policy or Policies from the proceeds of the Fund when such premiums shall become due.
- D. To pay or provide for the payment of all reasonable and necessary expenses of collecting member contributions and administering the affairs of the Trust and Fund, including, but without limitation, all expenses which may be incurred in connection with the establishment and extension of the Trust and Fund, the employment of such administrative, legal, expert, and clerical assistance, the purchase of bonds, the leasing of such premises, and the purchase or lease of such materials, printed matter, supplies, and equipment as the Trustees, in their discretion, find necessary or appropriate in the performance of their duties.
- E. To make refunds by cash payments, dividends, or otherwise, from the Fund, as the Trustees may determine, to members who are such on an eligibility date or dates as may be established by the Trustees, and may make refunds of varying amounts to each such category of members, and may make refunds to one or more category of members without making refunds to other categories of members.

2.7 Any Trustee or any such person who is authorized by the Trustees to sign checks or may be engaged in handling monies or securities held by the Trust shall be bonded at the expense of the Trust by a duly authorized fidelity company in such amount or amounts as may from time to time be required by the Trustees or by an applicable law.

SECTION III

THE TRUSTEES

3.1 The initial Trustees for the Fund shall be chosen by the incorporator of the KING, and shall also be known as the Board of Directors of the corporation.

3.2 At an organizational meeting held each year, the Trustees shall elect a Chairperson and Secretary/Treasurer from their number by a majority vote, who shall serve for a period of one year, or until their successors shall have been duly elected and qualified. The Chairperson shall be the chief executive officer of the Trust, and may be elected to succeed himself or herself as Chairperson. The Secretary/Treasurer may also be elected to succeed himself or herself in office. The Trustees shall have the power to appoint by majority vote other officers pursuant to the Bylaws who shall have such authority and perform such functions as may be prescribed from time to time by said Trustees.

3.3 The trust shall be administered by no more than eleven (11) Trustees. All of the Trustees shall at all times be representatives of members. Each Trustee shall have no more than one vote. All subsequent Boards shall be elected by the members of the Trust at the annual meeting in accordance with the Bylaws of the corporation. In the event of a vacancy due to resignation, death, incapacity, unwillingness to serve or the member has left the Trust, which would reduce the Trustees, a successor Trustee shall be appointed in the manner provided in this Agreement, but until such time as a successor Trustee has been appointed, the remaining Trustees shall have the power to act in the manner specified in this Agreement. An interim successor Trustee shall be appointed by the then current Board of Trustees, by a two-thirds (2/3) vote to serve until the next annual meeting of the participants. Each Trustee shall be selected for a term of one year or until the end of the term if appointed pursuant to the vacancy method.

- 3.4
- A. Any Trustee may resign by indicating such in writing and mailing or delivering such notice to the President of the Trustees.
 - B. Any Trustee leaving office for whatever reasons shall forthwith turn over to the remaining Trustees, at the principal office of the Trust, any and all records, books, documents, monies and other property in his possession owned by the Trust or by the Trustees incident to the fulfillment of this Agreement and the administration of the Trust.
 - C. The powers of the Trustees to act, as above provided, shall not be impaired or limited in any way pending the designation of a successor Trustee to fill any vacancy, as is more fully provided by Section 3.2 hereof provided, however, that there shall at all times be at least three (3) Trustees included in the necessary quorum.
 - D. The Trustees shall use ordinary care and reasonable diligence in the administration of the Trust. Nothing contained in this Agreement, either expressly or by implication, shall be deemed to impose any duties or responsibilities on the Trustees other than those expressly set forth in this Agreement. Neither the Trustees nor the members shall be liable on account of the failure of any insurer to make payment under any contract or any annuity held in the Trust.

SECTION IV

MEMBER CONTRIBUTIONS TO THE TRUST

4.1 Each member shall pay to the Trust on such days as shall be decided upon by the Trustees an appropriate initial member contribution determined by the Trustees in accordance with the coverage to be provided, the requirement of the Regulations, and the initial amount of reserves to be held in the Trust. In addition to the initial member contribution, each member shall pay to the Trust on such days as shall be decided upon by the Trustees, such periodic member contributions of installment as the Trustees shall deem necessary.

4.2 The Trustees, and any of their agents, servants, employees, or attorneys shall be permitted at all reasonable times to inspect work places, equipment, premises, machinery, and appliances used by employees covered by this Agreement, and shall be permitted at all reasonable times while a member and within three years after the termination of status as a member to examine member's books, vouchers, contracts, documents, and records of any and every kind which show or tend to show or verify the member's contribution which is payable under the terms hereof.

SECTION V

PARTICIPATION AND MINIMUM TERM MEMBERSHIP

5.1 Eligibility. An applicant who satisfies the requirements of Section 1.4 of this Agreement and submits request for membership in the Trust may be admitted provided it satisfies the eligibility requirements or rules for membership established by the Trustees pursuant to Section 2.5. Membership in this Trust shall commence on the date determined by the Trustees provided the Department has approved such application. Any member who participates in this Trust shall be deemed to have subscribed to and adopted this Agreement, as it exists on the date such member commenced participation and as it may thereafter be amended, and to have adopted the Trustees acting as such from time to time hereunder.

5.2 Minimum and Continuance of Membership in the Trust. Any applicant who becomes a member in accordance with the provisions of this Section 5 shall do so with the intent to continue participation for three (3) years. The member may, however, withdraw at the end of any given fiscal year, under notice to the Trustees, unless or until terminated as provided in Sections 5.3 or 5.4, or as provided by law.

5.3 Termination of Membership in the Trust.

- A. A member shall cease to qualify for participation in the Trust when it fails to make the requisite member contribution on the date when due or within the period of time allowed by the Trustees for the payment thereof.

- B. A member shall cease to qualify for participation in the Trust when it no longer satisfies requirements set forth in Section 1.4 or established under Section 2.5 of this Agreement, other than the requirement specified in Section 5.3 A.
- C. Failure to meet other requirements for continued membership may be determined by the Trustees to preserve the stability and strength of the Trust and which are consistent with the provisions of the Trust Agreement, including participation in programs or efforts designed to reduce losses or adjust claims in order to carry out the purposes for which the Trust was established.

5.4 Termination of Membership and Coverage of Employees of the Member. When, in accordance with the provisions of this Section, a member ceases to qualify for membership in the Trust, coverage of the employees of such member may terminate (i) as of the sixtieth day after a contribution due date if the required contribution is not paid when due and remains unpaid on such sixtieth day, if the cessation occurs under Section 5.3 A, or if (ii) as of the last day of the month following the month in which notification that a decision to terminate membership occurs, if the cessation occurs under Section 5.3 B and if the Trustees determine that the cause of cessation has not been cured prior to this date. The Department must be given notification of the termination or cancellation pursuant to the law then in force, and such action will toll the effect until satisfied. The membership of the member in the Trust shall terminate at such time as the coverage for the benefit of his employees terminates. After a member's membership terminates, the member shall have no further rights or interests in the Trust or Fund for future coverage periods.

SECTION VI

POWER OF TRUSTEES

6.1 The Trustees shall determine all questions of coverage and eligibility methods of providing or arranging for benefits, and all other related matters. They shall have full power to construe the provisions of this Agreement and the terms used herein. Any such determination and any such construction adopted by the Trustees in good faith shall be binding upon all parties hereto and the beneficiaries hereof, provided it is consistent with the laws of Kansas and the rules and regulations of the Department.

6.2 The Trustees shall have full power to enforce the indemnity agreement requiring the joint and several covenant to assume and discharge any lawful award through the levy and collection of any assessment special or otherwise, and to buy such award or to establish a cash reserve out of which lawful and proper claims or awards are to be paid.

6.3 The Trustees shall cause to be established and maintained Bylaws and Operating Procedures and any other documents required under the Kansas Statute or the regulations of the Department.

6.4 The Trustees shall have the right to enforce the performance of all obligations herein and to institute proceedings of any nature whatsoever to enforce the same.

6.5 Title of all of the monies paid into the Trust and all of the property of the Trust shall be vested in and remain exclusively in the Trustees, and members shall not have any right, title, or interest in or to any of the Trust or any part thereof. It is the intention of the parties hereto that the Trust shall constitute an irrevocable trust, until terminated as provided herein, for the sole and exclusive benefit of members and their employees entitled to benefits of the Trust, and no benefits or monies or property of this Trust shall at any time be subject in any manner to anticipation, alienation, claims for alimony or marital or child support, sale transfer, assignment, pledge, encumbrance, or charge, and any attempts to do so shall be void.

6.6 The Trustees shall have the power to make rules and regulations for the government, management, and administration of this Trust and to carry out the provisions of this Agreement.

6.7 Any action by the Trustees pursuant to this Agreement may be taken either at a meeting in person or by telephone conference call or by a combination of the foregoing by a majority vote to the provision of Section 3.3 C hereof. In the event all of the members of the Board shall severally or collectively consent in writing to any action taken or to be taken by the Trust, such action is valid as though it had been authorized at a meeting of the Board.

6.8 The Trustees shall have unlimited powers to invest and reinvest any monies coming into their hands which, in their sole and absolute discretion, they consider not required for current Trust expenditures. The Trustees shall not, however, invest or reinvest any monies coming into their hands in any way that would violate any of the provisions of any federal or state law applicable to this Trust, and provided further that such investments are what would be reasonable and proper at the time that the Trustees made the investment. It will be conclusively presumed that reliance upon any investment trustee, investment committee, or firm or investment advisors shall be reasonable and that government securities and deposits with insured banks and trust companies shall also be reasonable.

6.9 Any instrument or document in writing may be signed, executed, verified, and delivered by such officers, agents, or members of the Board of Trustees as the Trustees may from time to time determine.

6.10 The Trustees may hire one or more administrators to perform such duties and functions as shall be specified in writing and to be executed by the Administrator and by the Trustees as permitted or required by applicable law. In the absence of an Administrator, the Chairperson shall assume those responsibilities.

SECTION VII

AUDITS AND REPORTS

7.1 The Trustees shall keep true and accurate books of account and records of all their transactions as Trustees, which shall be audited no less often than annually. A statement of the results of said annual audit shall be made available to Members and others as required by law. The Trustees, within their discretion, shall, at reasonable intervals, furnish reports representing the status of the Fund, the application of the contributions received, and such other pertinent information regarding the operation of the Fund and the benefits obtained under the Policies as may seem desirable or advisable, but shall not be required to furnish such reports more often than annually. The Trustees shall cause to be made and filed all required documents and reports to governmental entities as required by applicable law regulation..

SECTION VIII

AMENDMENT

8.1 This Agreement may be amended to any extent at any time, and from time to time, with the two-thirds (2/3) concurrence of all the Membership at that time; provided, however, that no amendment may be submitted or acted upon which shall divert the Fund, or any part thereof, to a purpose other than that set forth in Section 2.1. The Trustees shall notify all Members as to any amendment to this Agreement as soon as practicable after the date of such amendment.

SECTION IX

TERMINATION OF TRUST

9.1 The Trust may be terminated at any time with Department approval by an instrument or instruments in writing executed by the Board of Trustees and delivered to all Members and the Department.

9.2 In the event of termination of the Trust, the Trustees may take any action with regard to any Policy or Policies which may be appropriate or required by the insurance carriers of such Policy or Policies and shall apply the Fund to pay any and all obligations of the Trust and distribute any remaining surplus among Members in such manner as will, in their opinion, best effectuate the purposes of the Trust; provided, that all such actions shall be in accordance with the terms of the applicable law.

SECTION X

OBLIGATION OF MEMBERS

10.1 As required by the Department, the Fund and its Members jointly and severally agree to assume and discharge, by payment, any lawful awards entered by the Department

against any member of the group, which awards shall have been sustained by the courts where an appeal by either party is taken.

Each Member agrees to be bound by all of the terms of the Trust Agreement as amended from time to time and to abide by the Bylaws, Operating Procedures, and rules and regulations promulgated by the Trustees for the administration of the Trust which shall include, but not be limited to, the following:

- A. Each Member agrees to initiate and maintain a safety program to give its employees safe and sanitary working conditions and agrees to follow the general recommendations of the Trust, its Administrator, and agents to promote the general welfare of its employees.
- B. When a work-related injury of a Member's employee occurs, the Member shall immediately complete and file the original and one copy of an accident report with the claim service designated by the Trustees.
- C. If claim is made or suit or other proceeding is brought against the Member, the Member shall immediately forward to the Trust every demand, notice, summons or other process received.
- D. The Member shall cooperate with the Trust and, upon the Trust's request, shall attend hearings and trials and shall assist in effecting settlements, securing and giving evidence, obtaining the attendance of witnesses, and otherwise cooperate in the conduct of suits, hearings, or proceedings. The Member shall not, except at its own cost, which shall not be reimbursed by the Trust, voluntarily make any payment, assume any obligations, or incur any expense other than for such immediate medical and other services at the time of injury as are required by the Kansas Worker's Compensation Law.
- E. Each Member shall make prompt payment of all premium contributions and assessments required under this Agreement.
- F. Each Member does hereby appoint the Service Agent as agent to act in the Member's behalf to file reports and to make or arrange for payment of claims, medical expenses, and all other things required or necessary insofar as they affect the Member's liability under the rules, regulations, and orders of the Kansas Division of Workers' Compensation.
- G. Each Member agrees that, in the event of the payment of any loss by the Trust under this Agreement, the Trust shall be subrogated to the extent of such payment to all the rights of the Member against any person or other entity legally responsible for damages for said loss,

and in such event, the Member hereby agrees to render all reasonable assistance, other than pecuniary assistance, to affect recovery.

- H. The Trustees, the Service Agent, and any of their agents, servants, employees, or attorneys shall be permitted at all reasonable times to inspect the Member's work places, equipment, premises, machinery, and appliances covered by this Agreement, and shall be permitted at all reasonable times and within three years following termination of membership to examine Member's books, vouchers, contracts, documents, and records of any and every kind which show or tend to show or verify premium contributions which are payable or were paid to the Trust.

SECTION XI

MISCELLANEOUS

11.1 The Members shall furnish to the Trustees such records and any and all other information that the Trustees or the excess insurance carriers of the Policies may require in connection with the issuance of a Policy or Policies.

11.2 No person, firm, or corporation dealing with the Trustees shall be obligated to insure the application of any Fund or property of the Trust, or to insure that the terms of the Trust have been complied with, or be obligated to inquire into the necessity or expediency of any act of the Trustees. Every instrument executed by the Trustees shall be conclusive in favor of any person, firm, or corporation relying thereon that:

- A. at the time of the delivery of said instrument the Trust was in full force and effect
- B. said instrument was effected in accordance with the terms and conditions of this Agreement; and
- C. The Trustees, as such case may be, were duly authorized and empowered to execute such instrument.

11.3 All questions pertaining to the validity, construction, and administration of this Trust shall be determined in accordance with the laws of the State of Kansas.

11.4 Words used in the masculine gender shall be construed as though they were also used in the feminine or neuter form, and words used in the singular form shall also be construed as though this was also used in the plural form and vice versa, all as the context requires.

11.5 This Agreement may be signed in one or more counterparts, all of which taken together shall constitute one instrument. The signatures of parties appearing on one or more counterparts shall bind them as fully as though all such parties had signed the same counterpart.

IN WITNESS WHEREOF, the Members of the Trust have caused this Agreement, which may be executed in one or more counterparts, to be executed by the duly authorized President of the Board of Trustees and the Member has caused the Agreement to be executed by its duly authorized representative.

DATE: _____
Chairperson of the KING Trustees

DATE: _____
Representative of Member

Name of Member