

# Today's Schedule

- ▶ Kentucky Assigned Claims Plan Governing Committee Meeting
- ▶ Kentucky Insurance Arbitration Association Board Meeting

# Kentucky Assigned Claims Plan

Governing Committee Meeting

October 1, 2020

# KACP Meeting Etiquette & Expectations

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## Keys to a successful meeting

- Please keep your phone on mute to keep background noise to a minimum.
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## Participation

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- Motions: We ask those whom motion and second to identify themselves by name.

# KACP Governing Committee Meeting

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## Agenda:

- Call to Order
- Roll Call
- Anti Trust Preamble
- Approval of Minutes
- Secretary Treasurer's Report
- Other Business
- Adjournment

# Approval of Minutes

4a. Annual Meeting Minutes

4b. Governing Committee Meeting Minutes

# Secretary Treasurer's Report

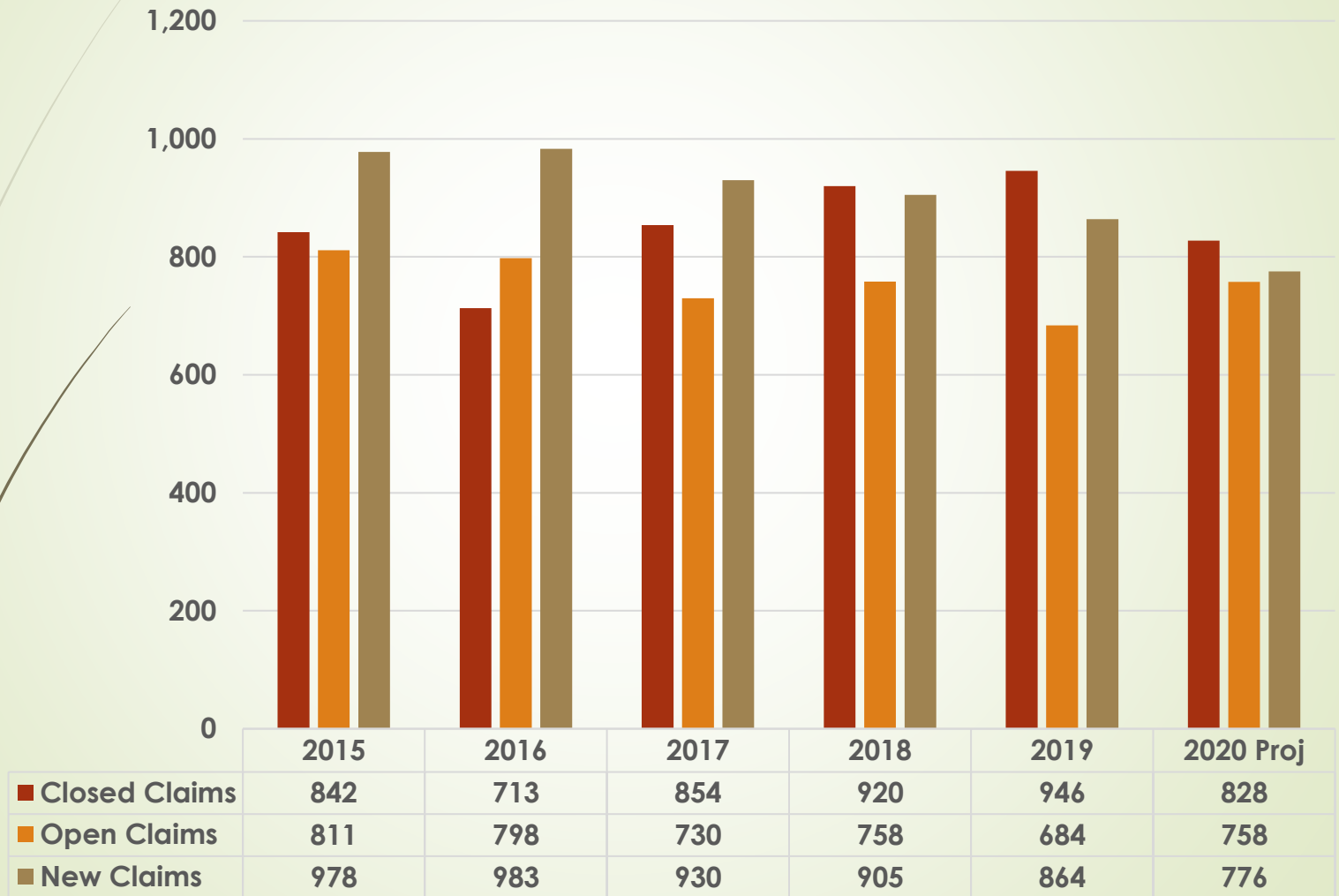
- Claims Summary – Erin Lux
- Budget and Financial Report – Mark Hillis
- 2021 Assessment – Mark Hillis
- Systems Update – Melissa Chlon

# Claims Summary

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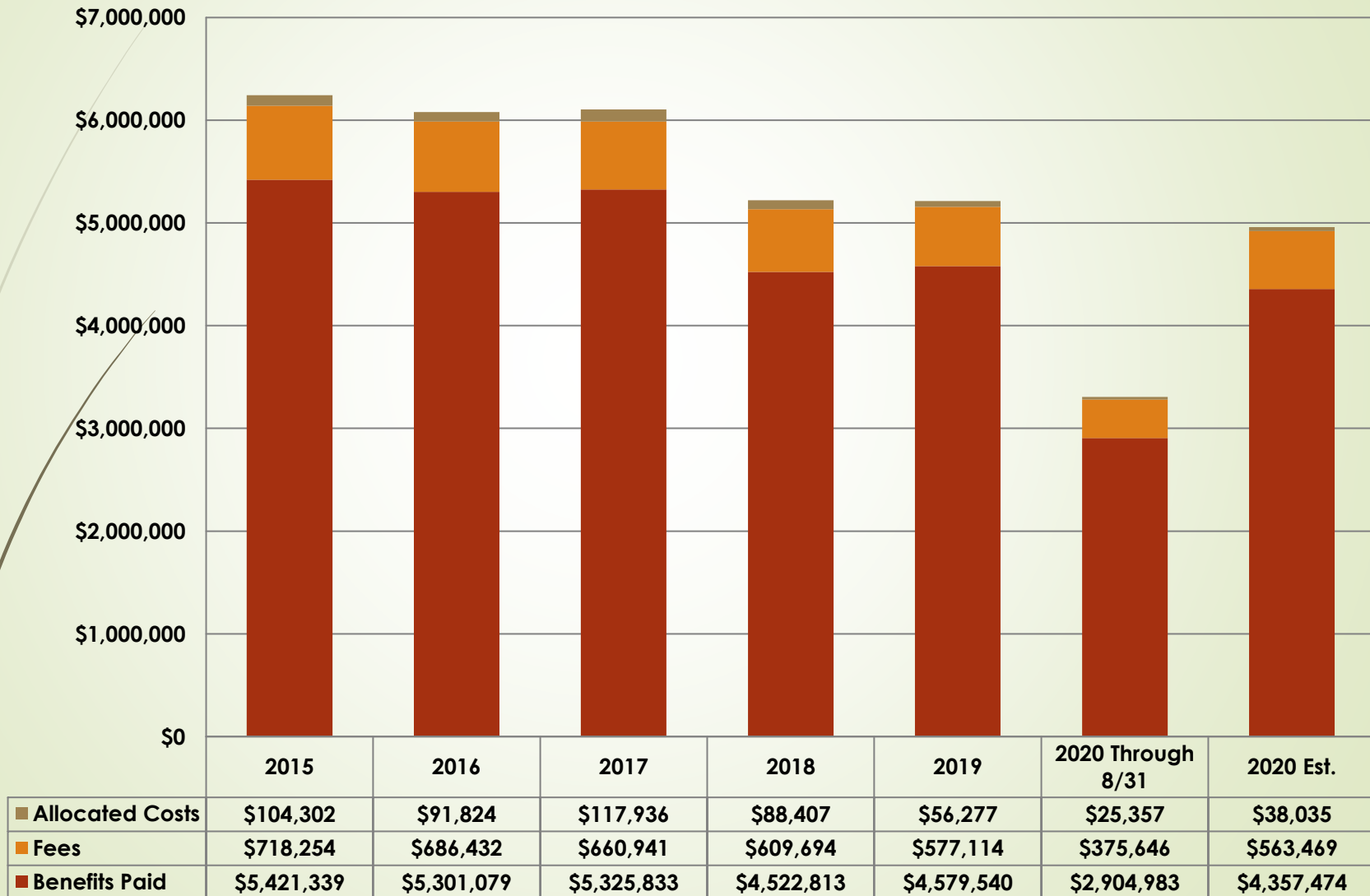
Erin Lux

# New, Open and Closed Claims

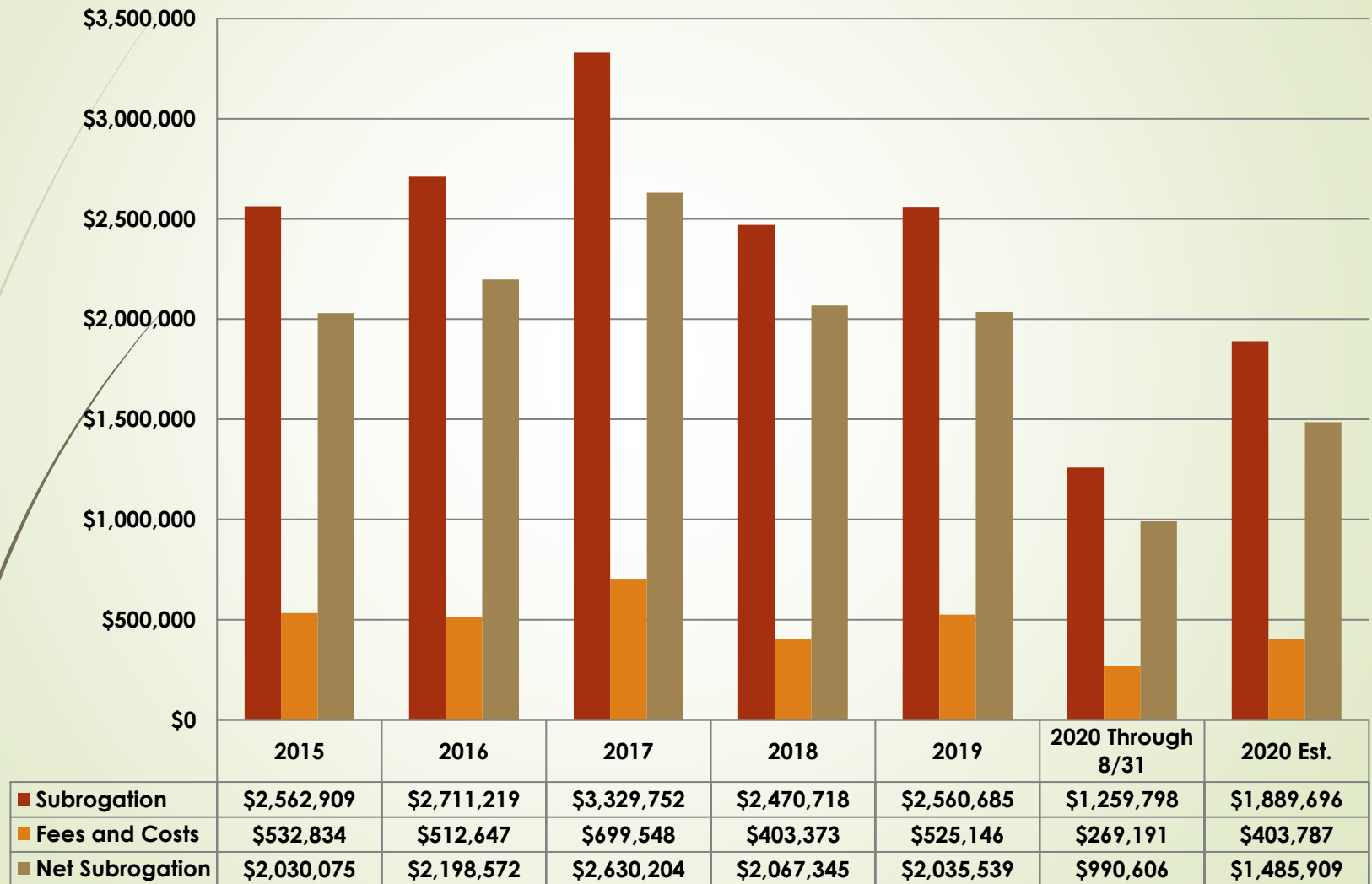




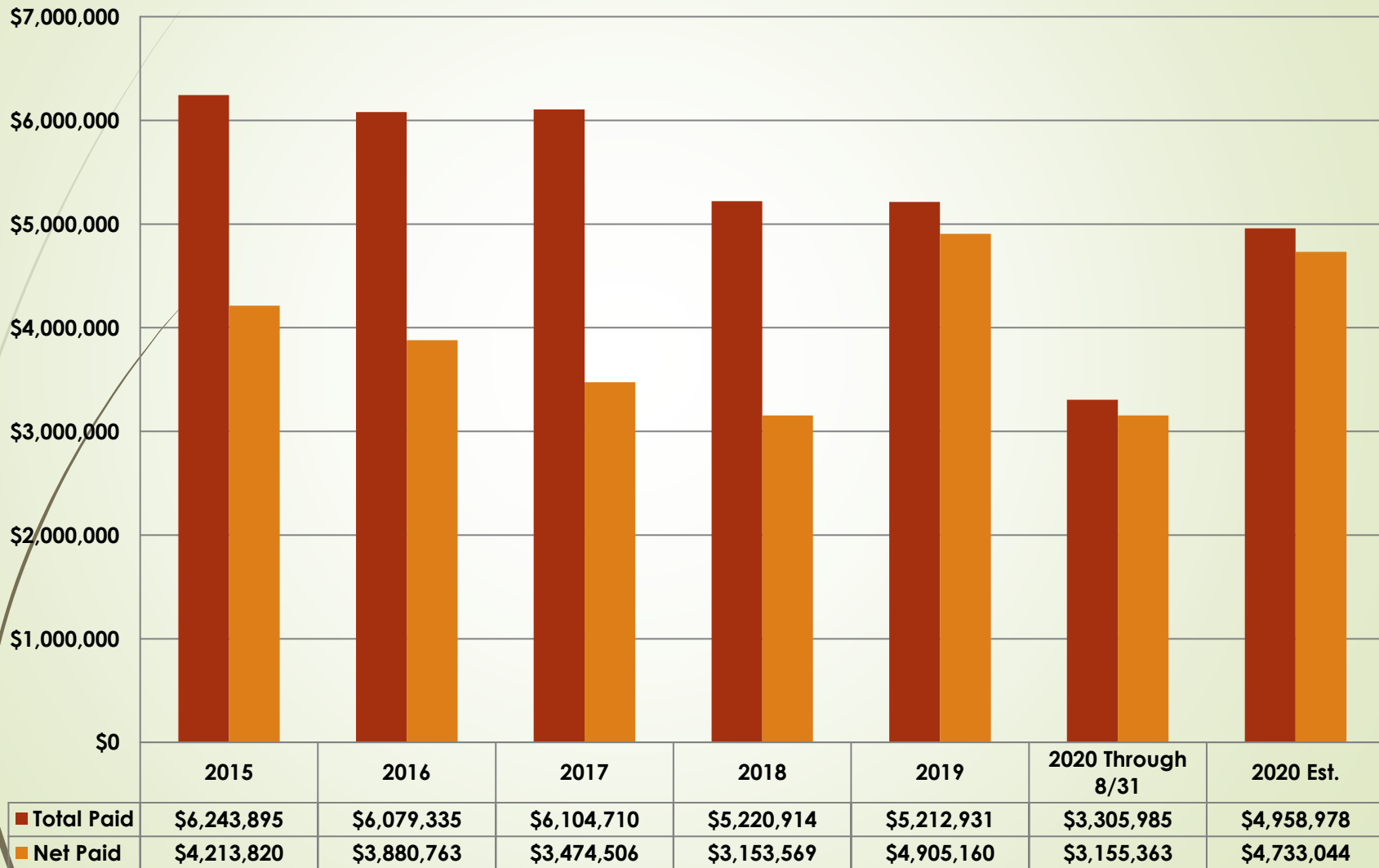
# Paid Claims and Expenses



# Subrogation



# Net Paid Claims



# Financial Report & 2020 Budget

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Mark Hillis

# Financial Report

## **Bank Balance:** (as of 8/31/20)

- Republic Bank: \$4,674,699
  - Checking Acct: \$885,885
  - (ICS) Insured Cash Sweep: \$3,788,814
    - FDIC protection

# Budget

- 2020 Budget:
  - 82% of budget as of 8/31
  - Projected at year-end: -5.5%
  
- 2021 Budget: (5a.copy in handout)
  - \$354,555
    - Health and Employee Benefits
    - Systems – Maintenance of current system and new system build
    - Employee Allocation

# 2021 Assessment

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Mark Hillis

# 2021 Assessment

2021 Assessment: **\$3,280,483**

(5b. copy in handout)

Includes 2021 Administrative Budgets of  
KACP and KIAA

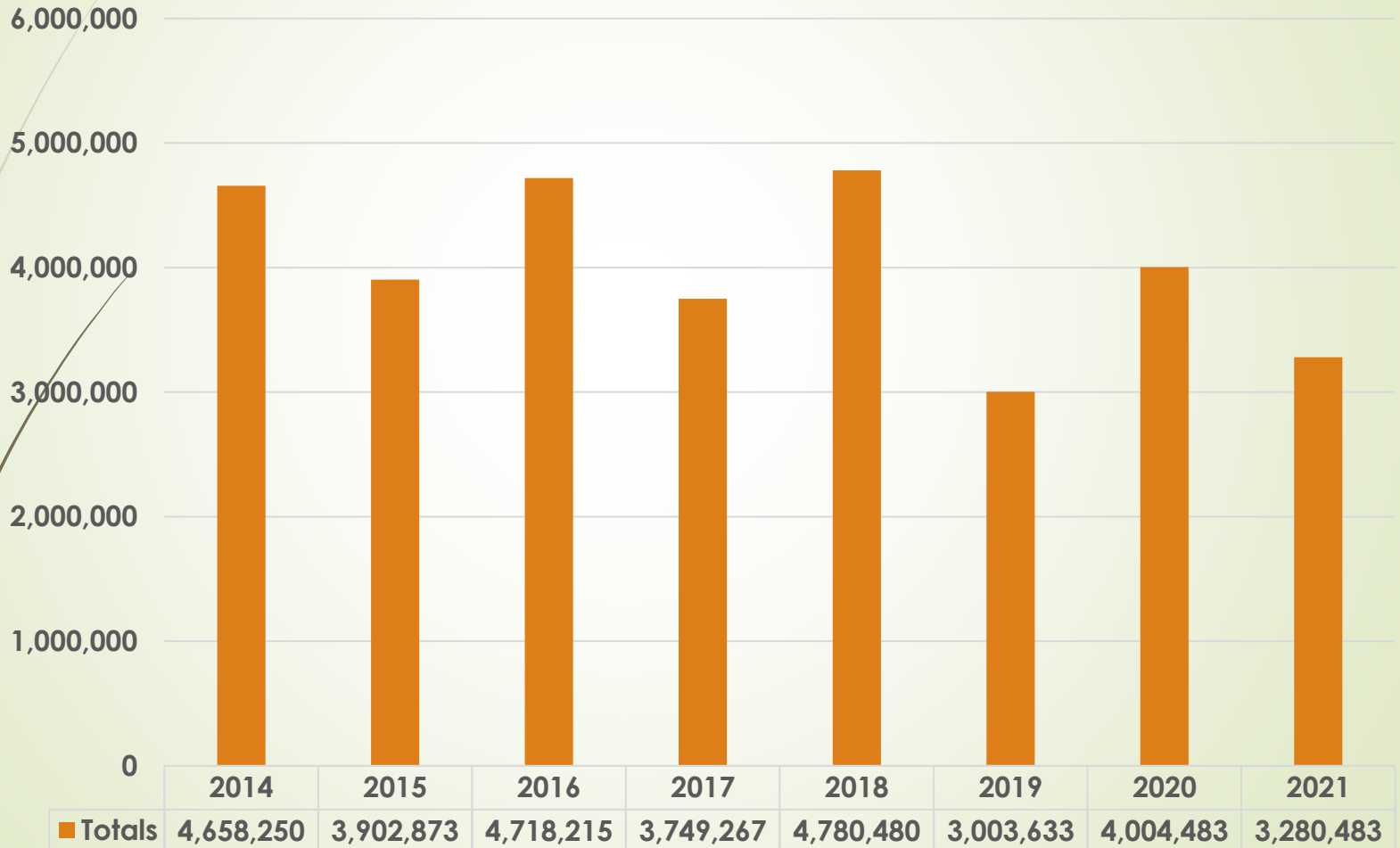


# 2021 Assessment

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Summary Report and Recommended Assessment for Claims and Expenses (KACP and KIAA)										
Line #		2014	2015	2016	2017	2018	2019	2020 Through 8/31	2020 Est.	2021 Est.
a	Benefits Paid	\$4,203,752	\$5,421,339	\$5,301,079	\$5,325,833	\$4,522,813	\$4,579,540	\$2,904,983	\$4,357,475	\$5,664,717
b	Fees	\$558,602	\$718,254	\$686,432	\$660,941	\$609,694	\$577,114	\$375,646	\$563,469	\$732,509
c	Allocated Costs	\$82,828	\$104,302	\$91,824	\$117,936	\$88,407	\$56,277	\$25,357	\$38,035	\$53,249
d	<b>Total Paid</b>	<b>\$4,845,182</b>	<b>\$6,243,895</b>	<b>\$6,079,335</b>	<b>\$6,104,710</b>	<b>\$5,220,914</b>	<b>\$5,212,931</b>	<b>\$3,305,985</b>	<b>\$4,958,978</b>	<b>\$6,450,475</b>
e	Subrogation	\$3,260,329	\$2,562,909	\$2,711,219	\$3,329,752	\$2,470,718	\$2,560,685	\$1,259,798	\$1,889,696	\$1,889,696
f	Fees and Costs	\$602,950	\$532,834	\$512,647	\$699,548	\$403,373	\$525,146	\$269,191	\$403,787	\$484,544
g	Net	\$2,657,379	\$2,030,075	\$2,198,572	\$2,630,204	\$2,067,345	\$307,771	\$990,606	\$1,485,909	\$1,405,152
h	<b>Net Paid</b>	<b>\$2,187,803</b>	<b>\$4,213,820</b>	<b>\$3,880,763</b>	<b>\$3,474,506</b>	<b>\$3,153,569</b>	<b>\$4,905,160</b>	<b>\$2,315,379</b>	<b>\$3,473,069</b>	<b>\$5,045,323</b>
Reserve and Claims Status										
Line #	Item	2014	2015	2016	2017	2018	2019	2020 Through 8/31	2020 Est.	2021 Est.
i	Claims Received	950	978	983	930	905	864	517	776	791
j	Claimants Assigned	1,449	1,415	1,414	1320	1305	850	688	1032	1053
k	Closed Claims	878	842	713	854	920	946	641	828	821
l	Average Paid Claim	\$4,788	\$6,439	\$7,435	\$6,236	\$4,916	\$4,841	\$4,532	\$5,264	\$6,904
m	Open Claims	864	811	798	730	758	684	659	758	743
n	Reserve Fund Basis *								\$4,526,119.75	\$4,261,049.20
Bank Balance and Year end Estimate										
o	Reconciled Bank balance as of 8/31/20									\$5,345,150
p	Estimated claims payments less recovery for remainder of year									\$1,485,909
q	Estimated operating expenses remainder of year (KIAA and KACP)									\$231,159
q	Estimated cash on hand balance at end of year									\$3,628,082
Recommended Assessment for 2020 (For Year 2021)										
		KACP			KIAA					Totals
r	Administrative Budget:	\$354,555			\$377,157					\$731,712
s	Budget for new claims less subrogation									\$5,045,323
t	Reserve fund (25% of Reserve for open claims)									\$1,131,530
u	2021 Estimate for Claims, Reserve and Administrative Budget									\$6,908,565
v	Less Cash Balance Estimate as of 12/31/20									\$3,628,082
w	<b>Recommended Assessment for 2021(line u - v)</b>									<b>\$3,280,483</b>

# Assessment History



# Systems Update

- System build is progressing well.
  - Server space is set up.
  - Integrations are being tested.
  - Document upload and retrieval is being fine tuned.
  - Simplifying carrier billing and payments.
- We will offer a demo to all Servicing Carriers in Q4 2020.
- Go live state is estimated as end of Q1 2021.

# 2020 Budget and Assessment

- Pure assessment - \$3,280,483

# Other Business

- ▶ Insurance Department Comments
- ▶ Next Meetings – May 13, 2021 (Remote)

September 30, 2021

- ▶ Adjournment
- ▶ Break

# Kentucky Insurance Arbitration Association

Board Meeting

October 1, 2020

# KIAA Meeting Etiquette & Expectations

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# KIAA Board Meeting

## Agenda:

- Call to Order
- Roll Call
- Anti-Trust Preamble
- Approval of Minutes
- Panel Secretary Report
- Other Business
- Adjournment



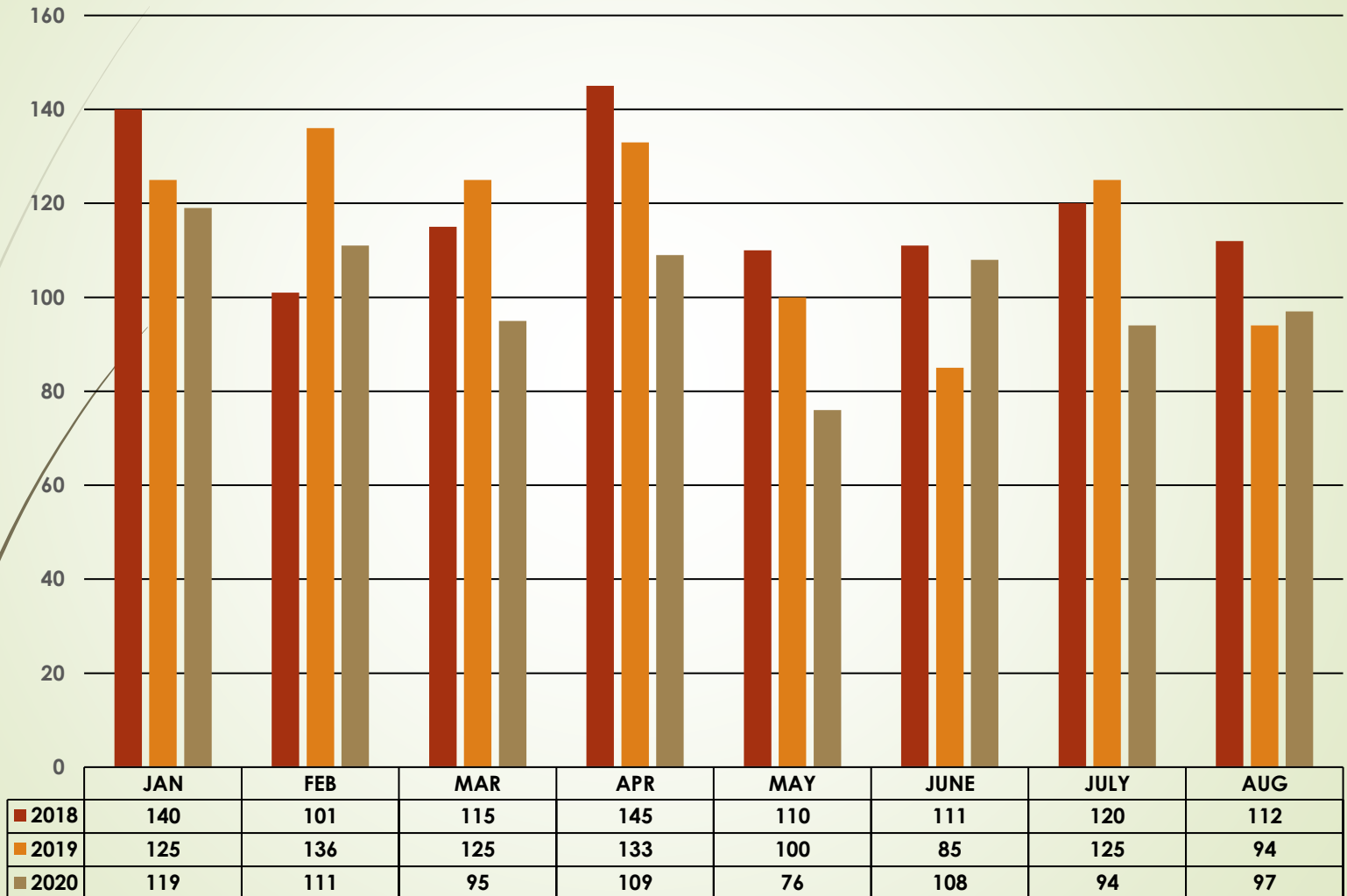
# Approval of Minutes

- 4a. Annual Meeting Minutes
- 4b. Board Meeting Minutes

# Panel Secretary's Report

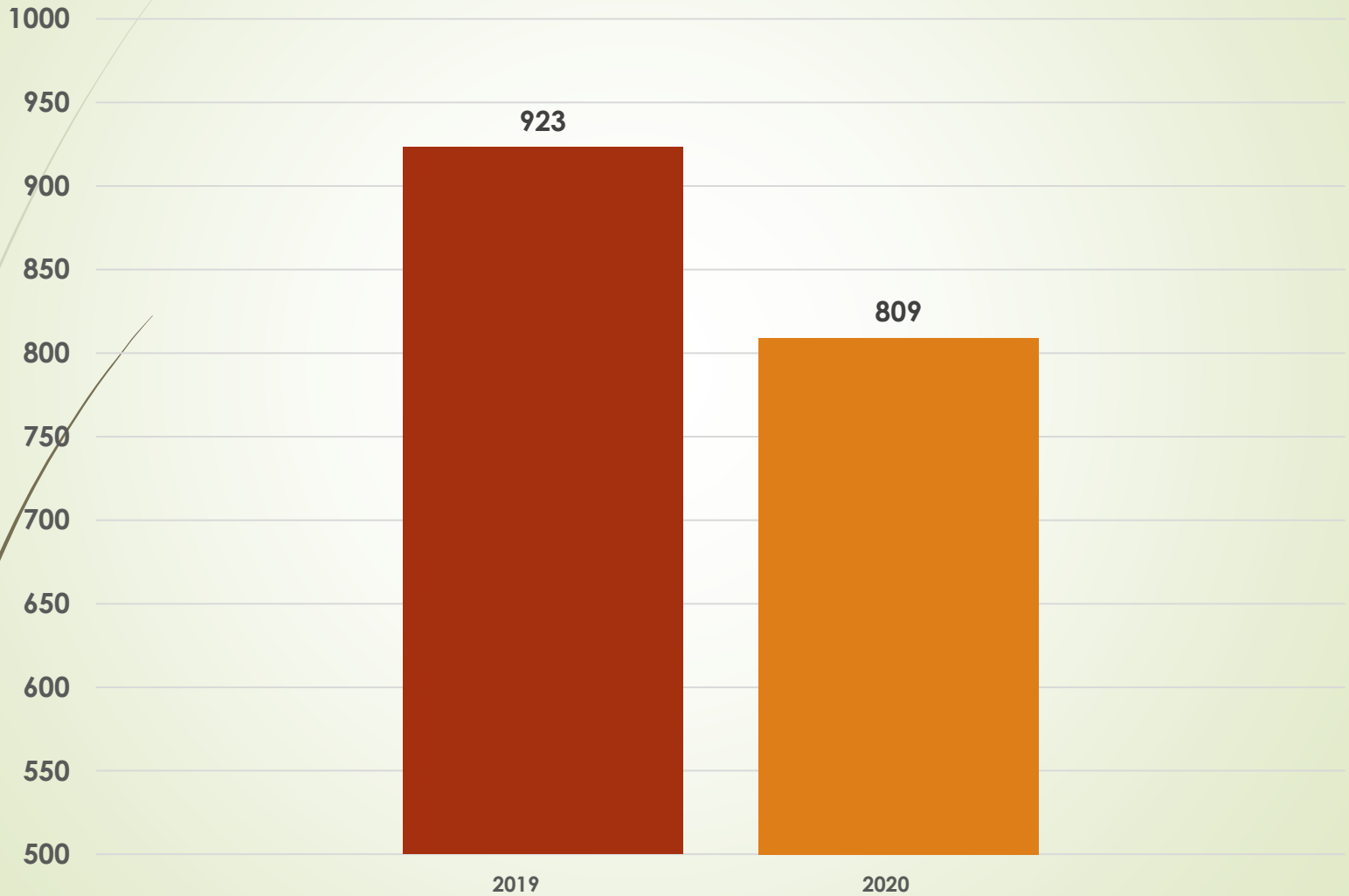
- Arbitration Status Report – Becky Darst
- Budget and Financial Report – Mark Hillis

# New Arbitration Filings by Month



# New Arbitration Filings 2019 v. 2020

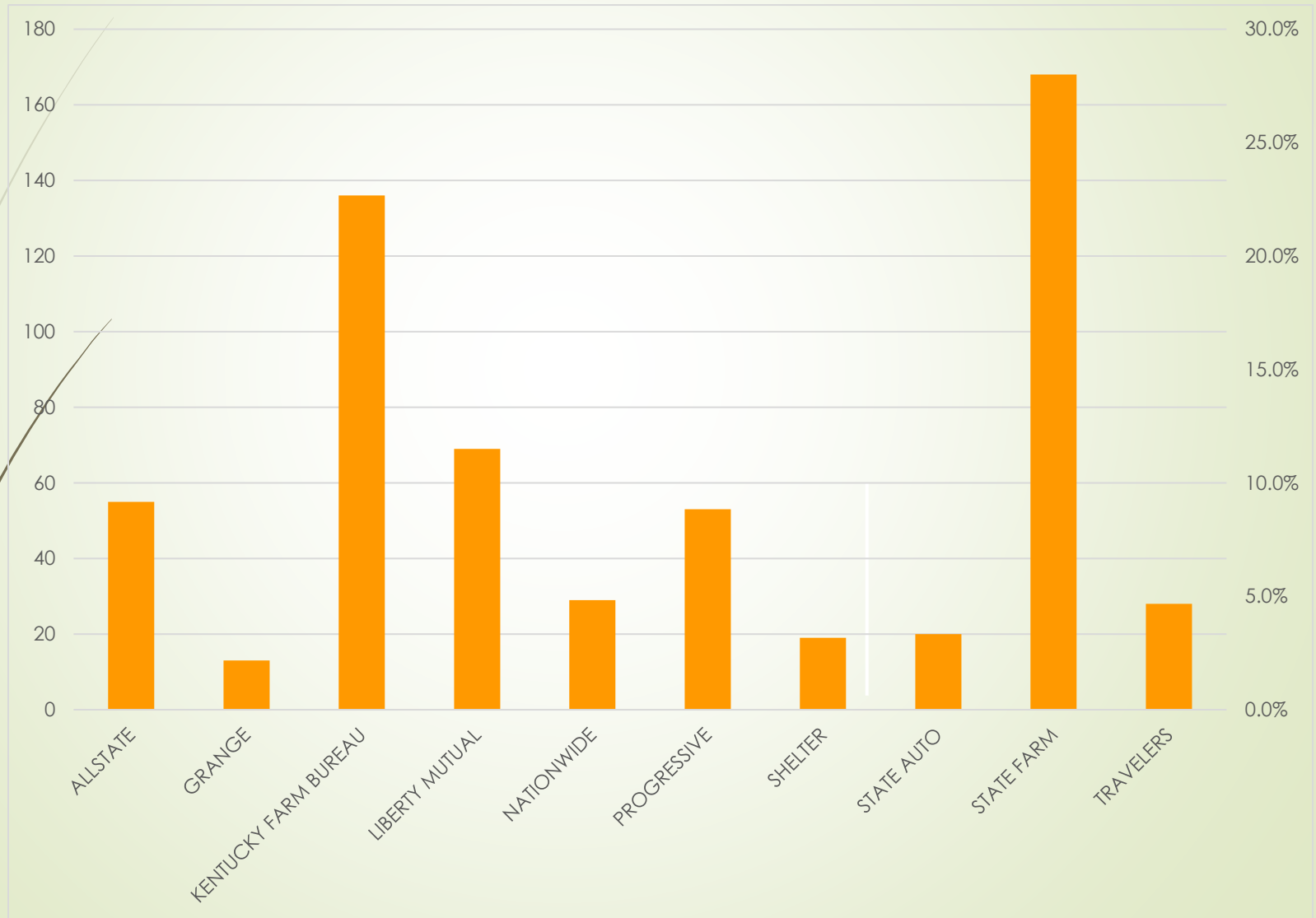
(as of August 31, 2020)



# KIAA ASSIGNMENTS 2020

(as of 8/31/2020)

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# Budget and Financial Report

Bank Balance: (as of 8/31/20)

- ▶ Republic Bank: \$670,451

2020 Budget:

- ▶ 95% of budget as of 8/31
- ▶ Projected at year-end: -.65%

2021 Budget: (5a. copy in handout)

- ▶ \$377,157
  - ▶ Health and Employee Benefits
  - ▶ Employee Allocation

# Other Business

- Insurance Department Comments
- Next meetings - May 13, 2021 (Remote)  
September 30, 2021
- Adjournment