

Notice of KIAA Annual Meeting

Kentucky Insurance Arbitration Association

Notice of Annual Meeting

Pursuant to Article 2, of the Plan of Operations the Annual Meeting of the Kentucky Insurance Arbitration Association will be held at approximately 10:40 A.M. on Thursday, May 13, 2021 following the Kentucky Assigned Claims Plan Meetings held via teleconference.

The Agenda follows:

1. Call to Order
2. Roll Call
3. Anti-Trust Preamble
4. Approval of Minutes
5. Election of Board Members
6. Any Other Business
7. Adjournment

Sincerely,



Mark Hillis
Panel Secretary

Cc: Board Members
Shawn Boggs, Kentucky Department of Insurance

2

**KIAA BOARD AND APPROVED
ALTERNATES**

Kentucky Insurance Arbitration Association

Arbitrator and Board Member	Alternates
<p>Karen Perdue, (2022) CHAIR Kentucky Farm Bureau Mutual Ins. Co. P O Box 20700 Louisville, Kentucky 40250-0700 502-495-5000 FAX 502-495-7711</p>	<p>Todd Whittle, 888-673-8423 Chris Douglas, 800-538-8654 Richard Smith, 800-538-8650 Lona Giles, 877-496-8286 Brad Handley, 800-538-8656 Denise Crecelius, 800-782-3810 Anthony Patrick, 800-538- Russ Carter, 800- 583-8657 Amy S. Hall, 606-784-7536 Brandon Tucker, 270- 886-8123 Mark Hildebrandt, 270-684-2165 Wendy L. Bray, 502-493-7650 James S. Zeller, 502-266-6100 Joshua P. Abbott, 270-765-4400 Reese W. Smoot, 800.782.3810 Michele E Reed, 859-525-6170 Michael P. Hansel, 800 538-8650 Kevin R. King ,606-666-2476 Angela J. Benningfield, 502-266-6100 Anthony T. Strode, 606-207-2158 Daniel W. Rogers, 270-782-1300 Ericka Gocke, 502-495-5000 Jeff Smith, 606-864-9303 Art Longnaker, 502-266-6100 Dave Rose, 502-495-5000 Adam Blake, 859-412-7352 Jason Woods, 606-679-4327 Christal Beard, 270-765-4400 Howard Rice, 502-718-2161</p>

Kentucky Insurance Arbitration Association

<p>Taylor Martin(2023) Nationwide Insurance Company 3300 SW Williston Road Gainesville, FL 32608 352-384-5935</p>	<p>Beth A. Freeman, 352-384-4820 Natalie M. Lewis, 352-384-4659 Dianne Spalding, 502-693-1819 Kathleen Kwasnik, 352-384-5127 Sandra L. Stephens, 304-525-6144 Julie Brown, 859-273-0673 Cheryl Gardner, 315-453-3547 Jenifur Godfrey, 614-634-2086 Shannon Tuggle , 614-4354242 Kevin Zuzik, 614-435-4229 Angela Anderson, 614-435-4307 Lana Patterson, 614-435-4247 Jeff Stokes, 352-384-4532 Martha Vazquez, 352-384-5430 Ruth Osborne, 352-384-4073 Jennifer Kennington, 352-384-5387 Sarah Ascher, 614-435-4304</p>
--	---

Kentucky Insurance Arbitration Association

<p>Christa Hobe (2022) Vice Chair Liberty Mutual Insurance Company 9450 Seward Road Fairfield, OH 45069 513-576-4857</p>	<p>Kara Turner, 513-603-7556 Tiffany Tinsley, 513-603-7558 Matthew Jacobs, 513-576-4799 Kimberly Berlin, 630-393-4530 Marissa Casella, 630-791-6261 Caitlin Cline, 317-805-2835 Patricia Kenny, 630-393-7998</p>
<p>Owen K. Caster (2021) Progressive Insurance Company 9520 Ormsby Station Road, Suite 200 Louisville, Kentucky 40223 502-909-3584 502-420-0862</p>	<p>Kristi Parker, 502-909-3584</p>
<p>Scot McFarland (2022) Allstate Insurance Company 555 Marriott Drive Suite 850 Nashville, TN 37214 615-884-6514 Fax 866-220-5414</p>	<p>Elizabeth Jones, 713-277-3910 Clara Rodriguez, 713-277-9383 Andrea Wharton, 713-277-9349 Shauna K. Vaughan, 713-277-9379 Sara L. Hajiebrahmimi, 713-277-9372 William T. Hodges, 713-277-9392 Elsa M. Sanchez, 713-277-9360 Jesus H. Alvarado, 713-277-9382 Steven W. Bobjak, 713-277-9399 Mark McPhail, 877-224-2641 Hanan Afrad, 713-277-9504 Jennifer Burch, 713-277-9550 Keren Soto Gonzalez, 713-277-9509 Jennifer Burch, 713-277-9550 Keren Soto Gonzalez, 713-277-9509 Alexandra Vera, 713-277-9395 Jenny Bolt, 713-277-9280 Timothy Westergard, 615-874-6972</p>

Kentucky Insurance Arbitration Association

<p>Kim McCollom (2022) State Farm Mutual Insurance Co. 2500 Memorial Blvd. Murfreesboro, TN 37131 615-692-3319 FAX 888-898-6532</p>	<p>David Johnson, 615-692-3462 Phillip R. Vandiver, 615-692-7190 Gregory T. Alverides, 615-692-7273 James J. Duncan, 615-692-1765 David Kingrey, 205-944-4902 Brandi Osborne, 205-944-4761 Ken Kuester, 615-692-7297 Al Rahal, 615-692-7221 Sis Thavongsa, 615-692-6598 Portia Richardson, 205-944-4894 Richard Spruell, 205-944-4972 Sandy Williamson, 615-692-7198 Tracy Baylor, 205-944-4811 Bonnie Winslow, 615-692-7130 Frenchelle Thompson, 205-944-4804 Robert Kluttz, 205-944-4911 Douglas Evans, 205-944-4934 Kelle Taylor, 205-944-4928 John Brewer, 615-692-7269 Sibyl Lapinski, 205-944-4961</p>
<p>Samuel McKenzie Carter (2022) Shelter Mutual Insurance Co. 1121 Monarch Street Lexington, KY 40513 859-260-3490</p>	<p>Michelle M. Miller, 573-214-4145 Heather Schmidt, 572-214-4312 Catherine Bail, 573-214-4801 Elizabeth Pfeiffer, 573-214-4130 Melinda Hughes, 573-214-4120 Janelle Wieland, 573-214-4216</p>
<p>Brooke McNeil (2021) Grange Insurance Company PO Box 183243 Columbus, OH 43218 859-455-6483 (Fax) 859-278-5481</p>	<p>Cathryn Tomlinson, 800-837-0801 ext. 263 Erin Wethington, 800-837-0801 x267 Tracy L. Senovitz, 800-605-4490 x229</p>

Kentucky Insurance Arbitration Association

<p>Tyler Pilkington (interim) State Auto Ins. Companies 518 East Broad Street Columbus, Ohio 43215 614-917-5275</p>	<p>Mary B. Souders, 614-917-5669 Kathryn K. Potter, 614-917-5955 Judd Leonard, 614-917-5255 Erin Nespor, 614-917-5700x4027 Jodi Whisenant, 614-917-5678 Debbie Russell, 614-917-4559 Kimberly Schwinnen, 614-917-4226 Ellie Patrick, 614-917-5836 Jamie Gustafson, 616-212-3671 Nathan Erhardt, 614-917-5569 Danyelle Cramer, 515-267-7570 Tom Corbet, 614-917-4891 Ben Van de Grift, 614-917-5545</p>
---	--

Kentucky Insurance Arbitration Association

<p>Aubrey Chewning (2021) Travelers Insurance Company PO Box 430 Buffalo, NY 14240 216-643-2228</p>	<p>Karen M. Niemiec, 212-643-2191 Gwen K. Lawrence, 216-643-2206 Mark E. Urbanowicz, 216-643-2188 Andrew P. Riggins, 216-643-2224 Anne M. Connolly, 216-643-2116 Elizabeth Graf, 216-643-2195 Matthew Jones, 317-818-5308 Vivian Judy, 317-818-5205 Krystle Compton, 317-818-5127 Nikki Brunello, 317-818-5389 Kelly Capes, 317-818-5106</p>
<p>Kentucky Department of Insurance Representative</p>	<p>Shawn Boggs Kentucky Department of Insurance P.O. Box 517 Frankfort, Kentucky 40602-0517</p>
<p>KIAA Staff</p>	<p>Stephen "Mark" Hillis, Panel Secretary Rebecca Darst</p>

3

ANTI-TRUST PREAMBLE

Anti-Trust Preamble

We are here to discuss and act on matters relating to the business of the **Kentucky Insurance Arbitration Association** and not to discuss or pursue the business interest of our individual companies. We should proceed with caution and alertness towards the requirements and prohibitions of federal and state anti-trust laws. We should not engage in discussions – either at this meeting or in private conversations – of our individuals companies plans or contemplated activities. We should concern ourselves only with the business of the **Kentucky Insurance Arbitration Association** as set forth in the agenda for this meeting. Only shared market matters may be discussed at shared market meetings and each company’s voluntary market plans cannot be discussed.

4A

**MAY 14 2020 KIAA ANNUAL
MEETING MINUTES**

**Kentucky Insurance Arbitration Association
Annual Meeting May 14, 2020
Minutes**

The Annual Meeting of the Kentucky Insurance Arbitration Association was held at 11:00 AM on May 14, 2020 following the Kentucky Assigned Claims Plan Meetings via teleconference.

Those in attendance were:

Board of Directors:

Karen Perdue (Chair)	Kentucky Farm Bureau Insurance Co.
Christa Hobe (Vice Chair)	Liberty Mutual Ins. Co
Scott McFarland	Allstate Insurance Co.
Samuel McKenzie Carter	Shelter Insurance Co.
Owen K. Caster	Progressive Insurance Co.
Brooke McNeil	Grange Insurance Co.
Kimberly McCollom	State Farm Insurance Co.
Aaron Johnson (by Proxy)	State Automobile Ins. Co.
Jason Mahoney	Nationwide Mutual Ins. Co.
Aubrey Chewning	Travelers Insurance Co.

Staff:

Mark Hillis	Secretary Treasurer
Melissa Chlon	Assistant Director
Erin Lux	Assistant Plans Manager
Rebecca Darst	Claims Manager

Guests:

Sarah Antle, CPA	Deming, Malone, Livesay & Ostroff Kentucky
Michael D. Thompson	Liberty Mutual, Safeco Ins. Co.
Shawn Boggs	KY Department of Insurance

1. Call to Order

Ms. Perdue called the meeting to order.

2. Roll Call

Ms. Perdue asked members to identify themselves and noted a quorum was present. Aaron Johnson appointed Ms. Perdue as his proxy. Ms. Perdue was present.

3. Anti-Trust Preamble

Ms. Perdue reminded everyone that we are bound by the Anti-Trust Preamble that was provided in the meeting documents.

4. Approval of Minutes

The minutes of the May 17, 2019 Annual Meeting were distributed and included with the agenda. Ms. Hobe moved, and Mr. Carter seconded to accept the minutes and the motion was approved.

5. Election of Board members

Mr. Hillis advised that all new Board Members/Arbitrators are submitted to the Kentucky Department of Insurance for approval. Aaron Johnson replaced Tyler Pilkington representing State Auto and Jason Mahoney replaced Mark Ramsey representing Nationwide. Mr. Hillis also reminded the Board that each member serves under a 3- year term. He further noted that the 3-year terms for Karen Perdue, Scot McFarland, Kim McCollom and Christa Hobe will be extended. Ms. McCollom motioned to seat the Board and Mr. Caster seconded. Both motions passed unanimously.

6. Other Business

There was none.

7. Adjournment

There being no further business, Mr. Carter motioned, and Ms. Hobe seconded, and the motion was approved to adjourn the meeting.

Respectfully submitted,



Mark Hillis
Panel Secretary

5A

**KDOI APPROVAL OF
TAYLOR MARTIN -
NATIONWIDE**



PUBLIC PROTECTION CABINET

Department of Insurance

P.O. Box 517
Frankfort, Kentucky 40602-0517
1-800-595-6053
<http://insurance.ky.gov>

Andy Beshear

Governor

Kerry B. Harvey

Secretary

Sharon P. Clark

Commissioner

September 29, 2020

Mr. Stephen Mark Hillis
Kentucky Insurance Arbitration Association
PO Box 437249
Louisville, KY 40243

Re: Taylor H. Martin, Nationwide Insurance Company
Appointment to Kentucky Insurance Arbitration Association

Dear Mr. Hillis,

Pursuant to your communication of September 25, 2020, and KRS 304.39-290, Taylor H. Martin is hereby appointed as Arbitrator and Board Member for the Kentucky Insurance Arbitration Association.

Sincerely,

Sharon P. Clark, Commissioner

Shawn Boggs
Director, Division of Consumer Protection

Kentucky Department of Insurance
(502) 564 3630
Shawn.Boggs@ky.gov

**NOTICE OF KIAA BOARD OF
DIRECTORS MEETING**

Kentucky Insurance Arbitration Association

A Board of Directors Meeting will be held immediately following the Annual Membership meeting on May 13, 2021 held remotely via teleconference.

The Agenda is as follows:

1. Call to Order
2. Roll Call
3. Anti-Trust Preamble
4. Approval of minutes
5. Election of Officers
6. Auditor's Report and Financial Statement
7. Panel Secretary's Report
8. Other Business
9. Next Meeting
10. Adjournment

Sincerely,



Mark Hillis
Panel Secretary

Cc: Board Members
Shawn Boggs, Kentucky Department of Insurance

2

**KIAA BOARD AND APPROVED
ALTERNATES**

Kentucky Insurance Arbitration Association

Arbitrator and Board Member	Alternates
<p>Karen Perdue, (2022) CHAIR Kentucky Farm Bureau Mutual Ins. Co. P O Box 20700 Louisville, Kentucky 40250-0700 502-495-5000 FAX 502-495-7711</p>	<p>Todd Whittle, 888-673-8423 Chris Douglas, 800-538-8654 Richard Smith, 800-538-8650 Lona Giles, 877-496-8286 Brad Handley, 800-538-8656 Denise Crecelius, 800-782-3810 Anthony Patrick, 800-538- Russ Carter, 800- 583-8657 Amy S. Hall, 606-784-7536 Brandon Tucker, 270- 886-8123 Mark Hildebrandt, 270-684-2165 Wendy L. Bray, 502-493-7650 James S. Zeller, 502-266-6100 Joshua P. Abbott, 270-765-4400 Reese W. Smoot, 800.782.3810 Michele E Reed, 859-525-6170 Michael P. Hansel, 800 538-8650 Kevin R. King ,606-666-2476 Angela J. Benningfield, 502-266-6100 Anthony T. Strode, 606-207-2158 Daniel W. Rogers, 270-782-1300 Ericka Gocke, 502-495-5000 Jeff Smith, 606-864-9303 Art Longnaker, 502-266-6100 Dave Rose, 502-495-5000 Adam Blake, 859-412-7352 Jason Woods, 606-679-4327 Christal Beard, 270-765-4400 Howard Rice, 502-718-2161</p>

Kentucky Insurance Arbitration Association

<p>Taylor Martin(2023) Nationwide Insurance Company 3300 SW Williston Road Gainesville, FL 32608 352-384-5935</p>	<p>Beth A. Freeman, 352-384-4820 Natalie M. Lewis, 352-384-4659 Dianne Spalding, 502-693-1819 Kathleen Kwasnik, 352-384-5127 Sandra L. Stephens, 304-525-6144 Julie Brown, 859-273-0673 Cheryl Gardner, 315-453-3547 Jenifur Godfrey, 614-634-2086 Shannon Tuggle , 614-4354242 Kevin Zuzik, 614-435-4229 Angela Anderson, 614-435-4307 Lana Patterson, 614-435-4247 Jeff Stokes, 352-384-4532 Martha Vazquez, 352-384-5430 Ruth Osborne, 352-384-4073 Jennifer Kennington, 352-384-5387 Sarah Ascher, 614-435-4304</p>
--	---

Kentucky Insurance Arbitration Association

<p>Christa Hobe (2022) Vice Chair Liberty Mutual Insurance Company 9450 Seward Road Fairfield, OH 45069 513-576-4857</p>	<p>Kara Turner, 513-603-7556 Tiffany Tinsley, 513-603-7558 Matthew Jacobs, 513-576-4799 Kimberly Berlin, 630-393-4530 Marissa Casella, 630-791-6261 Caitlin Cline, 317-805-2835 Patricia Kenny, 630-393-7998</p>
<p>Owen K. Caster (2021) Progressive Insurance Company 9520 Ormsby Station Road, Suite 200 Louisville, Kentucky 40223 502-909-3584 502-420-0862</p>	<p>Kristi Parker, 502-909-3584</p>
<p>Scot McFarland (2022) Allstate Insurance Company 555 Marriott Drive Suite 850 Nashville, TN 37214 615-884-6514 Fax 866-220-5414</p>	<p>Elizabeth Jones, 713-277-3910 Clara Rodriguez, 713-277-9383 Andrea Wharton, 713-277-9349 Shauna K. Vaughan, 713-277-9379 Sara L. Hajiebrahmimi, 713-277-9372 William T. Hodges, 713-277-9392 Elsa M. Sanchez, 713-277-9360 Jesus H. Alvarado, 713-277-9382 Steven W. Bobjak, 713-277-9399 Mark McPhail, 877-224-2641 Hanan Afrad, 713-277-9504 Jennifer Burch, 713-277-9550 Keren Soto Gonzalez, 713-277-9509 Jennifer Burch, 713-277-9550 Keren Soto Gonzalez, 713-277-9509 Ross Phillips, 615-884-6557 Alexandra Vera, 713-277-9395 Jenny Bolt, 713-277-9280 Timothy Westergard, 615-874-6972</p>

Kentucky Insurance Arbitration Association

<p>Kim McCollom (2022) State Farm Mutual Insurance Co. 2500 Memorial Blvd. Murfreesboro, TN 37131 615-692-3319 FAX 888-898-6532</p>	<p>David Johnson, 615-692-3462 Phillip R. Vandiver, 615-692-7190 Gregory T. Alverides, 615-692-7273 James J. Duncan, 615-692-1765 David Kingrey, 205-944-4902 Brandi Osborne, 205-944-4761 Ken Kuester, 615-692-7297 Al Rahal, 615-692-7221 Sis Thavongsa, 615-692-6598 Portia Richardson, 205-944-4894 Richard Spruell, 205-944-4972 Sandy Williamson, 615-692-7198 Tracy Baylor, 205-944-4811 Bonnie Winslow, 615-692-7130 Frenchelle Thompson, 205-944-4804 Robert Kluttz, 205-944-4911 Douglas Evans, 205-944-4934 Kelle Taylor, 205-944-4928 John Brewer, 615-692-7269 Sibyl Lapinski, 205-944-4961</p>
<p>Samuel McKenzie Carter (2022) Shelter Mutual Insurance Co. 1121 Monarch Street Lexington, KY 40513 859-260-3490</p>	<p>Michelle M. Miller, 573-214-4145 Heather Schmidt, 572-214-4312 Catherine Bail, 573-214-4801 Elizabeth Pfeiffer, 573-214-4130 Melinda Hughes, 573-214-4120 Janelle Wieland, 573-214-4216</p>
<p>Brooke McNeil (2021) Grange Insurance Company PO Box 183243 Columbus, OH 43218 859-455-6483 (Fax) 859-278-5481</p>	<p>Cathryn Tomlinson, 800-837-0801 ext. 263 Erin Wethington, 800-837-0801 x267 Tracy L. Senovitz, 800-605-4490 x229</p>

Kentucky Insurance Arbitration Association

<p>Tyler Pilkington (interim) State Auto Ins. Companies 518 East Broad Street Columbus, Ohio 43215 614-917-5275</p>	<p>Mary B. Souders, 614-917-5669 Kathryn K. Potter, 614-917-5955 Judd Leonard, 614-917-5255 Erin Nespor, 614-917-5700x4027 Jodi Whisenant, 614-917-5678 Debbie Russell, 614-917-4559 Kimberly Schwinnen, 614-917-4226 Ellie Patrick, 614-917-5836 Jamie Gustafson, 616-212-3671 Nathan Erhardt, 614-917-5569 Danyelle Cramer, 515-267-7570 Tom Corbet, 614-917-4891 Ben Van de Grift, 614-917-5545</p>
---	--

Kentucky Insurance Arbitration Association

<p>Aubrey Chewning (2021) Travelers Insurance Company PO Box 430 Buffalo, NY 14240 216-643-2228</p>	<p>Karen M. Niemiec, 212-643-2191 Gwen K. Lawrence, 216-643-2206 Mark E. Urbanowicz, 216-643-2188 Andrew P. Riggins, 216-643-2224 Anne M. Connolly, 216-643-2116 Elizabeth Graf, 216-643-2195 Matthew Jones, 317-818-5308 Vivian Judy, 317-818-5205 Krystle Compton, 317-818-5127 Nikki Brunello, 317-818-5389 Kelly Capes, 317-818-5106</p>
<p>Kentucky Department of Insurance Representative</p>	<p>Shawn Boggs Kentucky Department of Insurance P.O. Box 517 Frankfort, Kentucky 40602-0517</p>
<p>KIAA Staff</p>	<p>Stephen "Mark" Hillis, Panel Secretary Rebecca Darst</p>

3

ANTI-TRUST PREAMBLE

Anti-Trust Preamble

We are here to discuss and act on matters relating to the business of the **Kentucky Insurance Arbitration Association** and not to discuss or pursue the business interest of our individual companies. We should proceed with caution and alertness towards the requirements and prohibitions of federal and state anti-trust laws. We should not engage in discussions – either at this meeting or in private conversations – of our individuals companies plans or contemplated activities. We should concern ourselves only with the business of the **Kentucky Insurance Arbitration Association** as set forth in the agenda for this meeting. Only shared market matters may be discussed at shared market meetings and each company’s voluntary market plans cannot be discussed.

4B

**OCTOBER 1, 2020 KIAA BOARD OF
DIRECTORS
MEETING MINUTES**

Kentucky Insurance Arbitration Association Board Meeting Minutes

A Board Meeting of the Kentucky Insurance Arbitration Association was held remotely following the KACP Governing Committee meeting on October 1, 2020.

Those in attendance were:

Board of Directors:

Karen Perdue, CPCU, AIC, AIM, AU (Chair)
Christa Hobe (Vice Chair)
Jason Mahoney
Owen K. Caster
Brooke McNeil
Samuel McKenzie Carter
Aaron Johnson
Kimberly McCollom (Proxy)
Scot McFarland
Aubrey Chewning

Kentucky Farm Bureau Ins. Co.
Liberty / Safeco Mutual Ins. Co.
Nationwide Mutual Ins. Co.
Progressive Ins. Co.
Grange Ins. Co.
Shelter Mutual Ins. Co.
State Auto Ins. Co.
State Farm Mutual Ins. Co.
Allstate Ins. Co.
Travelers Ins. Co.

Kentucky Department of Insurance:

Shawn Boggs

Kentucky Department of Insurance

Guest:

Mike Thompson

Liberty / Safeco Mutual Ins. Company

Staff:

Mark Hillis
Melissa Chlon
Erin Lux
Becky Darst

Panel Secretary and Manager
Assistant Director
Assistant Plans Manager
Claims Manager

1. Call to Order:

Ms. Perdue called the meeting to order.

2. Roll Call:

Roll Call was conducted to confirm attendees. Kim McCollom represented by proxy to Karen Perdue. The Chair noted a quorum was present either in person or by proxy.

3. Anti-Trust Preamble:

Ms. Perdue reminded the Board that everyone is bound by the Anti-Trust Preamble that was provided in the meeting documents.

4. Approval of Minutes:

Ms. Hobe moved, and Ms. McNeil seconded to approve the minutes of the May 14, 2020 meetings and the motion carried unanimously.

5. Panel Secretary's Report:

A. Arbitration Status Report:

Ms. Darst presented PowerPoint slides showing new arbitration filings by month and assignments set for hearing. She indicated that new filings are down 12.4% when compared to the prior year. Hearing assignments through August are up slightly compared to last year.

Mr. Hillis confirmed with the board members that they have not experienced any issues with timeliness relative to responses or decisions. He thanked Ms. Darst for her hard work and dedication to the Association. Ms. Hobe also expressed her appreciation for the detailed arbitrator and alternate arbitrator training.

B. Financial Report:

Mr. Hillis reported that the bank balance on deposit at Republic Bank as of August 31, 2020 was \$670,451.

C. Budget and Assessment:

The 2020 budget was projected to be (-.65%) under budget at year-end.

A 2021 proposed administrative budget of \$377,157 was discussed with focus on:

- Health and Employee benefits – Like previous years, the 2021 benefits costs have not returned from the market. The benefits budget is set after reviewing market trends.
- Employee Allocation – As the Plans become more efficient, shifts in staff time allocation is reviewed and set accordingly.

Mr. Hillis noted the decrease in health and employee benefits is due to staff retirements and increased efficiencies. He further noted that the Plan does not have a pension program, instead a defined contribution plan is offered to staff members.

Mr. Carter moved, and Ms. Hobe seconded to approve the budget of \$377,157 tied into the Assessment for Kentucky Assigned Claims Plan, and the motion carried unanimously.

6. Other Business:

Mr. Hillis recognized Mr. Mahoney for his service to the Plans, ahead of his departure from the Board.

Ms. Perdue noted the next meeting would be held May 13, 2021. The Fall meeting will be held September 30, 2021.

7. Adjournment:

There being no further business, Mr. Caster moved, and Ms. McNeil seconded, and the motion was unanimously approved to adjourn the meeting.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Mark Hillis". The signature is fluid and cursive, with a large initial "M" and "H".

Mark Hillis
Panel Secretary

6A

**KIAA STATEMENTS OF CASH
RECEIPTS AND
DISBURSEMENTS 2020**

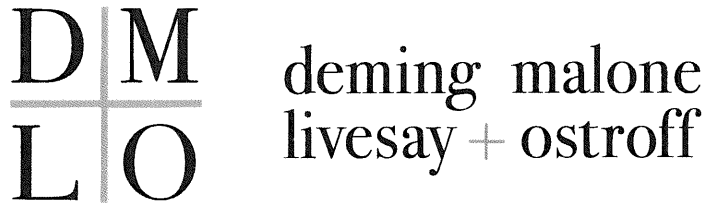
**KENTUCKY INSURANCE ARBITRATION
ASSOCIATION**

**STATEMENTS OF CASH RECEIPTS AND
DISBURSEMENTS**

Years Ended December 31, 2020 and 2019

Table of Contents

	Page
Independent Auditors' Report	1 and 2
Financial Statements	
Statements of cash receipts and disbursements	3
Notes to statements of cash receipts and disbursements	4 - 6



Independent Auditors' Report

To the Board of Directors
Kentucky Insurance Arbitration Association

We have audited the accompanying statements of cash receipts and disbursements of Kentucky Insurance Arbitration Association (a not-for-profit organization) for the years ended December 31, 2020 and 2019, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the cash basis of accounting described in Note 1; this includes determining that the cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the statements of cash receipts and disbursements of Kentucky Insurance Arbitration Association as of December 31, 2020 and 2019, in accordance with the cash basis of accounting as described in Note 1.

Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to that matter.

Deming, Malone, Linsay & Ostroff

Louisville, Kentucky
February 17, 2021

KENTUCKY INSURANCE ARBITRATION ASSOCIATION

STATEMENTS OF CASH RECEIPTS AND DISBURSEMENTS

Years Ended December 31, 2020 and 2019

	2020	2019
Cash Receipts		
Assessments received from related organization	\$ 400,816	\$ 410,108
Filing fees	48,220	53,542
Interest income	621	5,302
Membership fees	80	900
Total cash receipts	449,737	469,852
Cash Disbursements		
Salaries	198,406	194,602
Health insurance	54,036	47,347
Computer	42,944	65,319
Retirement	31,739	28,867
Payroll taxes	13,801	12,687
Rent	12,039	10,743
Insurance	9,062	9,917
Miscellaneous	4,043	3,690
Professional services	3,439	7,738
Telephone	3,793	2,305
Office supplies	3,345	2,369
Postage	3,098	5,019
Travel and meetings	1,783	1,715
Repairs and maintenance	1,396	1,396
Total cash disbursements	381,528	393,714
Excess cash receipts	68,209	76,138
Cash at beginning of year	491,894	415,756
Cash at end of year	\$ 560,103	\$ 491,894

See Notes to Statements of Cash Receipts and Disbursements.

KENTUCKY INSURANCE ARBITRATION ASSOCIATION
NOTES TO STATEMENTS OF CASH RECEIPTS AND DISBURSEMENTS

Note 1. Nature of Organization and Summary of Significant Accounting Policies

Nature of organization:

Kentucky Insurance Arbitration Association (Association) was formed as a not-for-profit unincorporated legal entity to provide a mechanism for the arbitration of controversies involving reparation obligors and persons having the rights and obligations of a reparation obligor.

Summary of significant accounting policies:

This summary of significant accounting policies of Kentucky Insurance Arbitration Association is presented to assist in understanding the Association's financial statements. The financial statements and notes are representations of the Association's management who is responsible for the integrity and objectivity of the financial statements. These accounting policies conform to accounting principles on the cash basis of accounting and have been consistently applied in the preparation of the financial statements.

Basis of accounting:

The Association prepares its financial statements on the cash basis, which presents a summary of the cash activity of the Association and does not present certain transactions (accrued revenues and expenses) that would be included in financial statements of the Association presented on the accrual basis of accounting. Cash basis statements are not in conformity with accounting principles generally accepted in the United States of America.

Subsequent events:

Subsequent events have been evaluated through February 17, 2021, which is the date the financial statements were available to be issued.

Note 2. Tax Status

The Association is exempt from federal, state and local income taxes as a not-for-profit entity as described under Internal Revenue Code Section 501(c)(6). The Association files an information return in the U.S. federal jurisdiction.

As of December 31, 2020 and 2019, the Association did not have any accrued interest or penalties related to income tax liabilities, and no interest or penalties have been charged to operations for the years then ended.

NOTES TO STATEMENTS OF CASH RECEIPTS AND DISBURSEMENTS

Note 3. Related Party Transactions

Kentucky Automobile Insurance Plan (KAIP), Kentucky Insurance Guaranty Association, Kentucky Assigned Claims Plan (KACP), and Kentucky FAIR Plan Reinsurance Association (KFP) are related organizations under a cost sharing agreement. KAIP and KFP furnish personnel and administrative support for the Association and the above entities and allocate the charges to each. The cost sharing agreement is managed and administered by KFP. Cash disbursements during 2020 and 2019 for these administrative services are included in the statements of cash receipts and disbursements.

Following is a summary of transactions and balances under the cost sharing agreements for the years ended December 31:

	<u>2020</u>	<u>2019</u>
Payable at beginning of year	\$ 54,919	\$ 55,620
Expenses allocated during the year	366,061	393,013
Payments made during the year	<u>(381,596)</u>	<u>(393,714)</u>
Payable at end of year	<u>\$ 39,384</u>	<u>\$ 54,919</u>

KACP collects assessments and holds cash in its account on behalf of the Association. Cash receipts of assessments from KACP during 2020 and 2019 are included in the statements of cash receipts and disbursements. An analysis of cash activity in 2020 and 2019 by KACP on behalf of the Association follows:

	<u>2020</u>	<u>2019</u>
Receivable from KACP, beginning of year	\$ 400,816	\$ 410,108
Assessments collected by KACP	377,157	400,816
Payments received from KACP	<u>(400,816)</u>	<u>(410,108)</u>
Receivable from KACP, end of year	<u>\$ 377,157</u>	<u>\$ 400,816</u>

Note 4. Retirement Plans

The Association has a money-purchase pension plan that covers substantially all employees. Contributions are determined annually at the discretion of the Board of Directors. Cash disbursements for pension expense allocated to the Association were \$26,138 and \$23,725 for the years ended December 31, 2020 and 2019, respectively.

NOTES TO STATEMENTS OF CASH RECEIPTS AND DISBURSEMENTS

The Association also has a 401(k) defined contribution plan that covers substantially all employees. Annual expense provisions are based upon the Association matching a portion of the employees' contributions. Cash disbursements for the matching contribution allocated to the Association were \$5,601 and \$5,142 for the years ending December 31, 2020 and 2019, respectively.

Costs are allocated in accordance with the cost sharing agreement as described in Note 3.

Note 5. Operating Lease

The Association leases office space from the Kentucky FAIR Plan Reinsurance Association under an operating lease through December 31, 2021. The lease has an automatic renewal provision which allows for the lease to automatically renew and extend an additional year unless either party gives written notice of intent not to renew at least 30 days prior to expiration of the term of the lease. Future minimum rental commitments under the lease are \$11,200 for the year ending December 31, 2021. Cash disbursements for rent expense allocated to the Association were \$12,039 and \$10,743 for the years ended December 31, 2020 and 2019, respectively.

Costs are allocated in accordance with the cost sharing agreement as described in Note 3.

Note 6. Concentration of Credit Risk

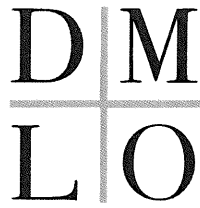
The Association maintains its cash at various financial institutions. The total balance at each institution is insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. At December 31, 2020, the Association's uninsured cash balance totaled approximately \$310,000.

Note 7. Contingency

On March 11, 2020, the World Health Organization classified the COVID-19 outbreak as a pandemic, triggering volatility in financial markets and significant negative impact on the global economy. As of December 31, 2020, economic and public health uncertainties exist which may have a negative effect on the Association's future cash receipts and disbursements.

6B

**KIAA REPORT TO MANAGEMENT
2020**



deming malone
livesay + ostroff

To the Board of Directors
Kentucky Insurance Arbitration Association

We have audited the statements of cash receipts and disbursements of Kentucky Insurance Arbitration Association (Association) for the year ended December 31, 2020, and have issued our report thereon dated February 17, 2021. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated November 19, 2020. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Kentucky Insurance Arbitration Association are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2020. We noted no transactions entered into by the Association during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period. The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. We detected no such misstatements as a result of our audit procedures.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated February 17, 2021.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a “second opinion” on certain situations. If a consultation involves application of an accounting principle to the Association’s financial statements or a determination of the type of auditor’s opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Association’s auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

This information is intended solely for the use of the Board of Directors and management of Kentucky Insurance Arbitration Association and is not intended to be, and should not be, used by anyone other than these specified parties.

Deming, Malone, Linsay & Ostroff

Louisville, Kentucky
February 17, 2021

7A

**2020 4th QUARTER
REPORT TO KIAA BOARD**

Kentucky Insurance Arbitration Association

Quarterly Report of Activity to Board of Directors

<u>Category</u>	<u>4th Qtr. 2019</u>	<u>2019 YTD</u>	<u>4th Qtr. 2020</u>	<u>2020 YTD</u>	<u>YTD % Chg</u>
Files Received	331	1363	297	1221	-10.4%
Decisions Rendered	154	609	157	596	-2.1%
Files Withdrawn	148	645	160	653	1.2%
Files Rejected	11	46	36	64	39.1%
Duplicate Filings	0	1	0	4	0.0%
Files Deferred	120	462	98	395	-14.5%
Files Opened	352	1355	321	1177	-13.1%
Files Set for Hearing	207	817	185	827	1.2%
Total: Returned & Currently Pending Addt'l Docs	5	---	1	---	---
Total: Currently Pending Fees	35	---	62	---	---
Total: Currently Set for Hearing	108	---	106	---	---
Total: Currently Open	145	---	108	---	---
Total: Currently Deferred	659	---	615	---	---
Filing Fees	\$13,348	\$52,582	\$11,800	\$48,220	-8.3%

7B

KIAA 2020 BUDGET RESULTS

Kentucky Insurance Arbitration Association

Budget Status

	2020 Budget	2020 Final
Wages (W-2)	\$ 192,704	\$ 190,843
Payroll Taxes	\$ 19,270	\$ 13,801
Pension Benefits	\$ 25,437	\$ 26,138
401K Match	\$ 5,781	\$ 5,601
Office Supplies and Equip.	\$ 4,350	\$ 3,344
Professional Services	\$ 9,125	\$ 3,439
Human Resources	\$ 1,500	\$ 2,590
Rent	\$ 12,588	\$ 12,039
Telephone	\$ 2,400	\$ 3,793
Travel	\$ 2,600	\$ 1,737
Meals and Entertainment	\$ 1,200	\$ 145
Insurance - P & C	\$ 11,429	\$ 9,062
Health and Employee Benefits	\$ 45,211	\$ 54,036
Postage	\$ 6,440	\$ 3,098
Computer and Systems	\$ 58,680	\$ 42,944
Dues & Subscriptions	\$ 500	\$ 546
Board Meetings	\$ 300	\$ 46
Education	\$ 300	\$ 129
Miscellaneous	\$ 1,000	\$ 55
Total	\$ 400,816	\$ 373,386