

Welcome

- **Kentucky Assigned Claims Plan**
 - Annual Meeting
 - Governing Committee Meeting

- **Kentucky Insurance Arbitration Association**
 - Annual Meeting
 - Board Meeting

Kentucky Assigned Claims Plan

Annual & Governing Committee Meetings

May 13, 2021

KACP Meeting Etiquette & Expectations

Keys to a successful meeting

- Please keep your phone on mute to keep background noise to a minimum.
- If you need to step away from the phone, please do not place us on hold, as your hold music would disrupt the presenter.

Participation

- Role Call: During role call please unmute your phone. We will call you by name and company. We ask that you verbally confirm you are in attendance.
- Voting: During voting we ask that you unmute your phone. We will ask for verbal affirmation as we do in our in-person meetings.
- Questions: You may ask your question(s) throughout the presentation by unmuting your phone or by typing in the chat box. You may also raise your hand, using the hand icon next to your name in the chat room.
- Motions: We ask those whom motion and second to identify themselves by name.

KACP Annual Meeting

Agenda:

- Call to Order
- Roll Call
- Anti Trust Preamble
- Approval of Minutes
- Selection of Governing Committee
- Other Business
- Adjournment

Governing Committee Selection

- Roster of Governing Committee Members in handout
- Kentucky Department of Insurance approved:
 - Taylor Martin— Nationwide Insurance
- Need motion to approve 2021 Governing Committee

- Other Business?
- Adjournment of Annual Meeting

KACP Governing Committee Meeting

Agenda:

- Call to Order
- Roll Call
- Anti-Trust Preamble
- Approval of Minutes
- Nominating Committee and Election of Officers
- Auditor's Report and Financial Statement
- Secretary-Treasurer's Report
- Other Business
- Adjournment

Election of Officers

- Report of Nominating Committee:
 - Karen Perdue – Kentucky Farm Bureau
- Nominations from floor?
- Election of Officers

Report of Annual Financial Audit

Deming Malone Livesay & Ostroff -
Certified Public Accountants

Sarah Antle, CPA

Secretary Treasurer's Report

Mark Hillis

2021 Manager's Report

- 2020 Year End Reconciled Bank Balance:
(Inclusive of Assessments for 2021 received in 2020)
 - On Deposit with Republic Bank: \$ 5,819,024
 - Operating Account: \$2,029,577
 - Cash Sweep Account: \$3,789,447
- 9 Servicing Carriers - No change

Financial Report

- 99% of all assessments have been collected.
- Bank Balance- Republic Bank (as of 3/31/21)
 - \$5,470,020
 - \$4,290,049– ICS account
 - \$ 1,179,971– operating account
- 2021 Budget Status through March – 18% under budget

Manager's Report

Kentucky Assigned Claims Plan							
Report of Activity							
Year	2017	2018	Δ 2018 from 2017	2019	Δ 2019 from 2018	2020	Δ 2020 from 2019
New Claims:							
Received	930	905	-2.7%	864	-4.5%	794	-8.1%
Rejected	118	102	-13.6%	90	-11.8%	70	-22.2%
Assigned	786	785	-0.1%	850	8.3%	718	-15.5%
Closed	854	920	7.7%	946	2.8%	965	2.0%
Claims Open:							
Open/Active	730	758	3.8%	684	-9.8%	659	-3.7%
Pending Subro	426	411	-3.5%	348	-15.3%	312	-10.3%
Uninsured	679	568	-16.3%	539	-5.1%	396	-26.5%
Judgments	607	633	4.3%	670	5.8%	655	-2.2%
Benefits Paid	\$5,325,833	\$4,522,813	-\$803,020	\$4,579,539.8	\$56,727	4,463,435.42	-\$116,104

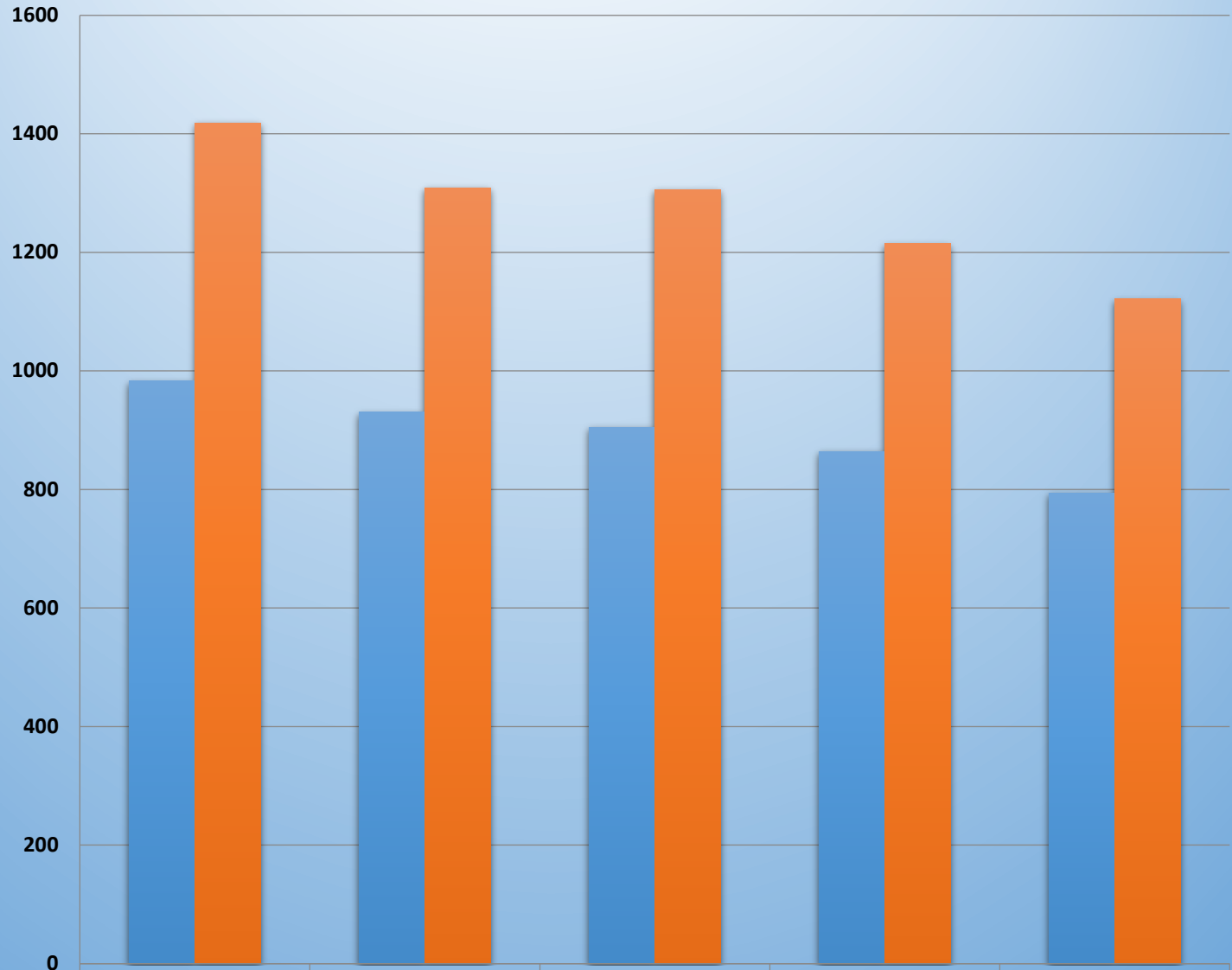
2020 Budget Results

Kentucky Assigned Claims Plan			
Budget Status			
	2019 Budget	2020 Budget	2020 Final
Wages (W-2)	\$ 174,133	\$ 174,046	\$ 161,143
Payroll Taxes	\$ 17,413	\$ 17,405	\$ 11,643
Pension Benefits	\$ 22,986	\$ 22,974	\$ 22,143
401K Match	\$ 5,224	\$ 5,221	\$ 4,641
Office Supplies and Equip.	\$ 4,900	\$ 4,600	\$ 2,801
Professional Services	\$ 8,068	\$ 8,260	\$ 6,956
Human Resources	\$ 1,800	\$ 1,500	\$ 1,599
Rent	\$ 12,273	\$ 12,144	\$ 12,039
Telephone and Tel.Equip.	\$ 2,100	\$ 2,100	\$ 3,095
Travel	\$ 2,800	\$ 3,200	\$ 1,564
Meals and Entertainment	\$ 1,000	\$ 1,200	\$ 192
Insurance - P & C	\$ 11,488	\$ 11,833	\$ 7,285
Health and Employee Benefits	\$ 33,234	\$ 37,517	\$ 43,022
Postage	\$ 2,300	\$ 2,100	\$ 768
Computer and Systems	\$ 93,403	\$ 75,850	\$ 35,642
Dues & Subscriptions	\$ 500	\$ 500	\$ 562
Board Meetings	\$ 400	\$ 350	\$ 81
Education	\$ 350	\$ 300	\$ 102
Miscellaneous	\$ 1,300	\$ 1,300	\$ 1,057
Totals	\$ 395,672	\$ 382,400	\$ 316,335

Claims Report

Erin Lux

Claim Activity



Claims Received
Claimants Assigned

2016

983

2017

930

2018

905

2019

864

2020

794

1418

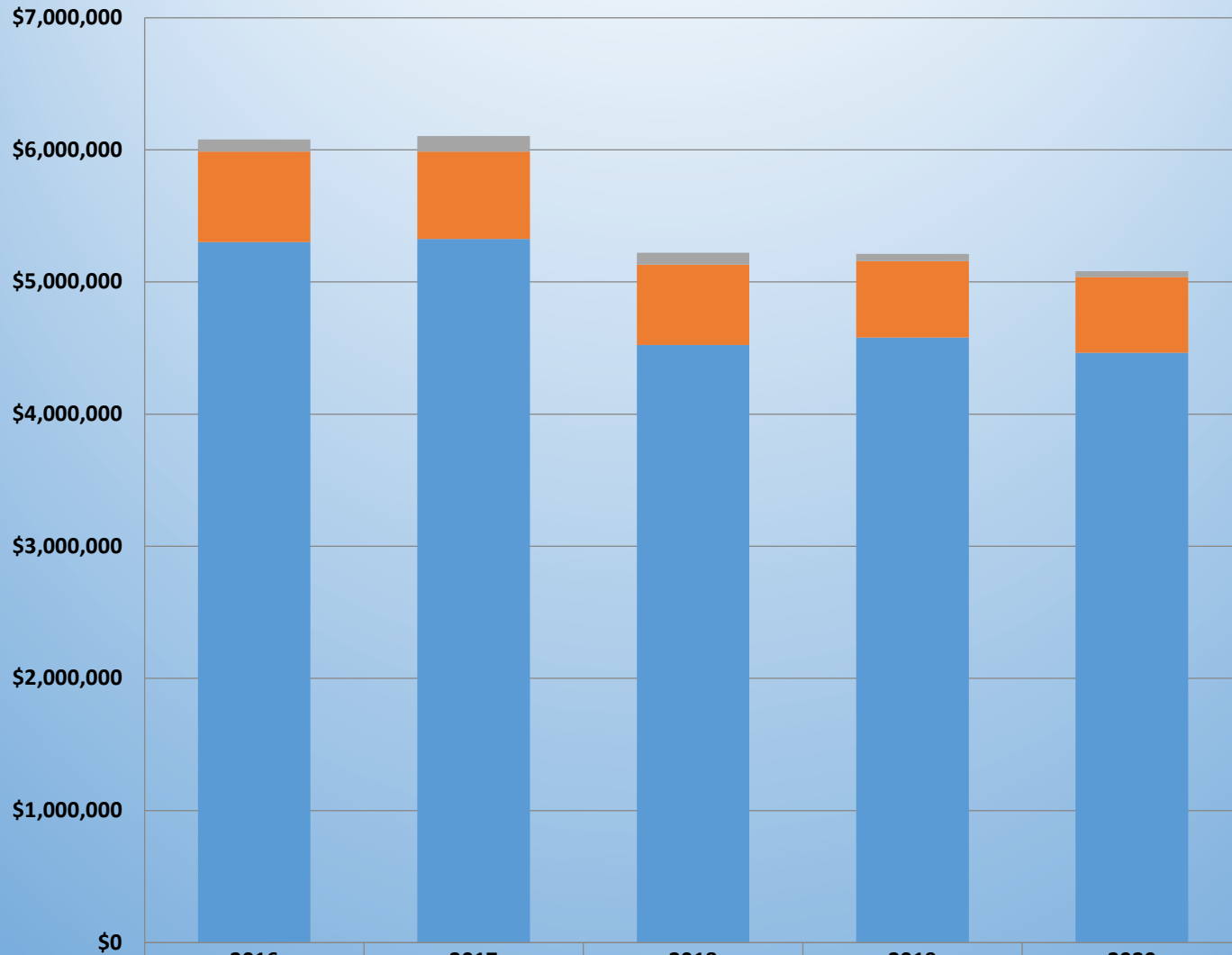
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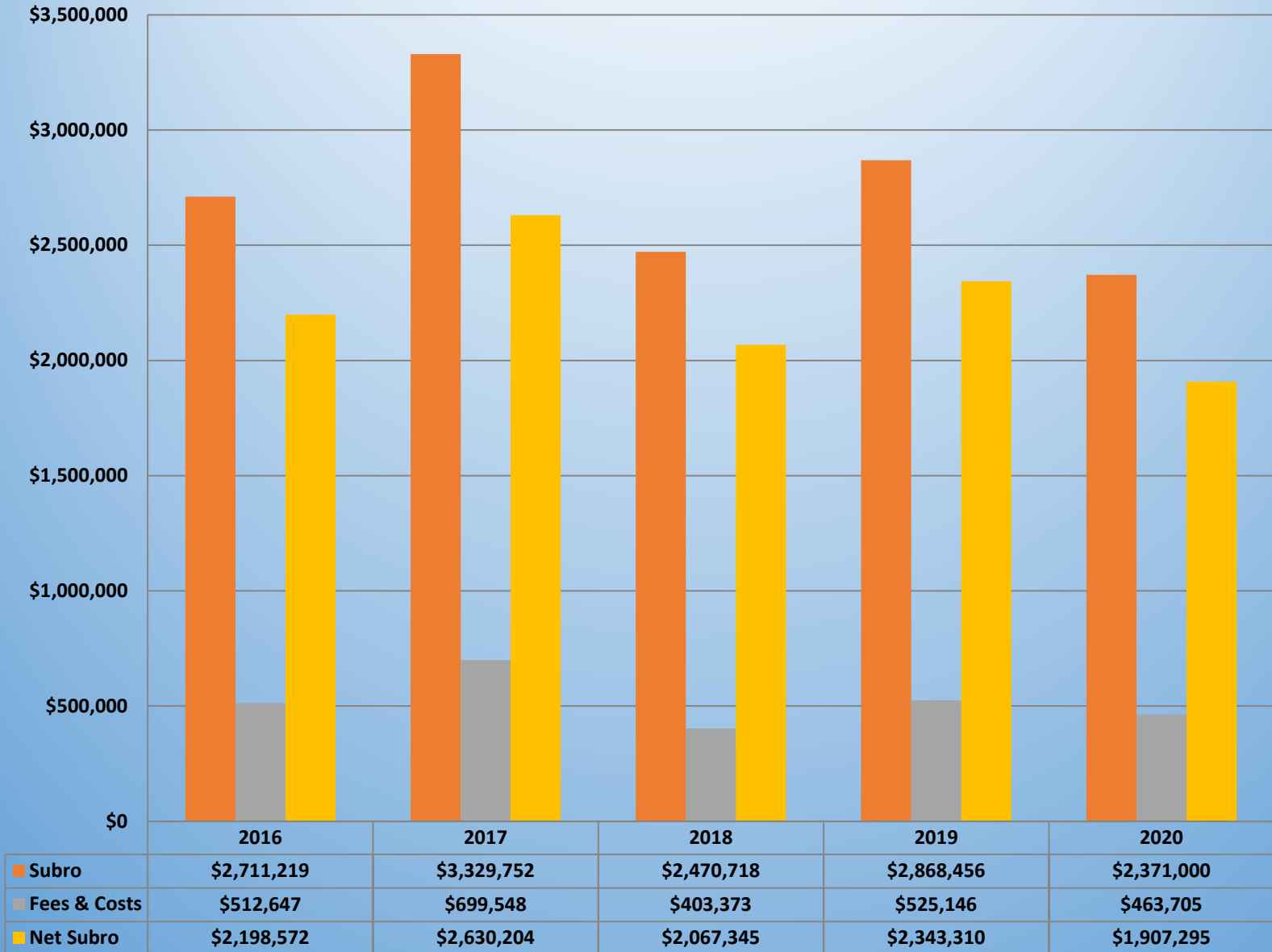
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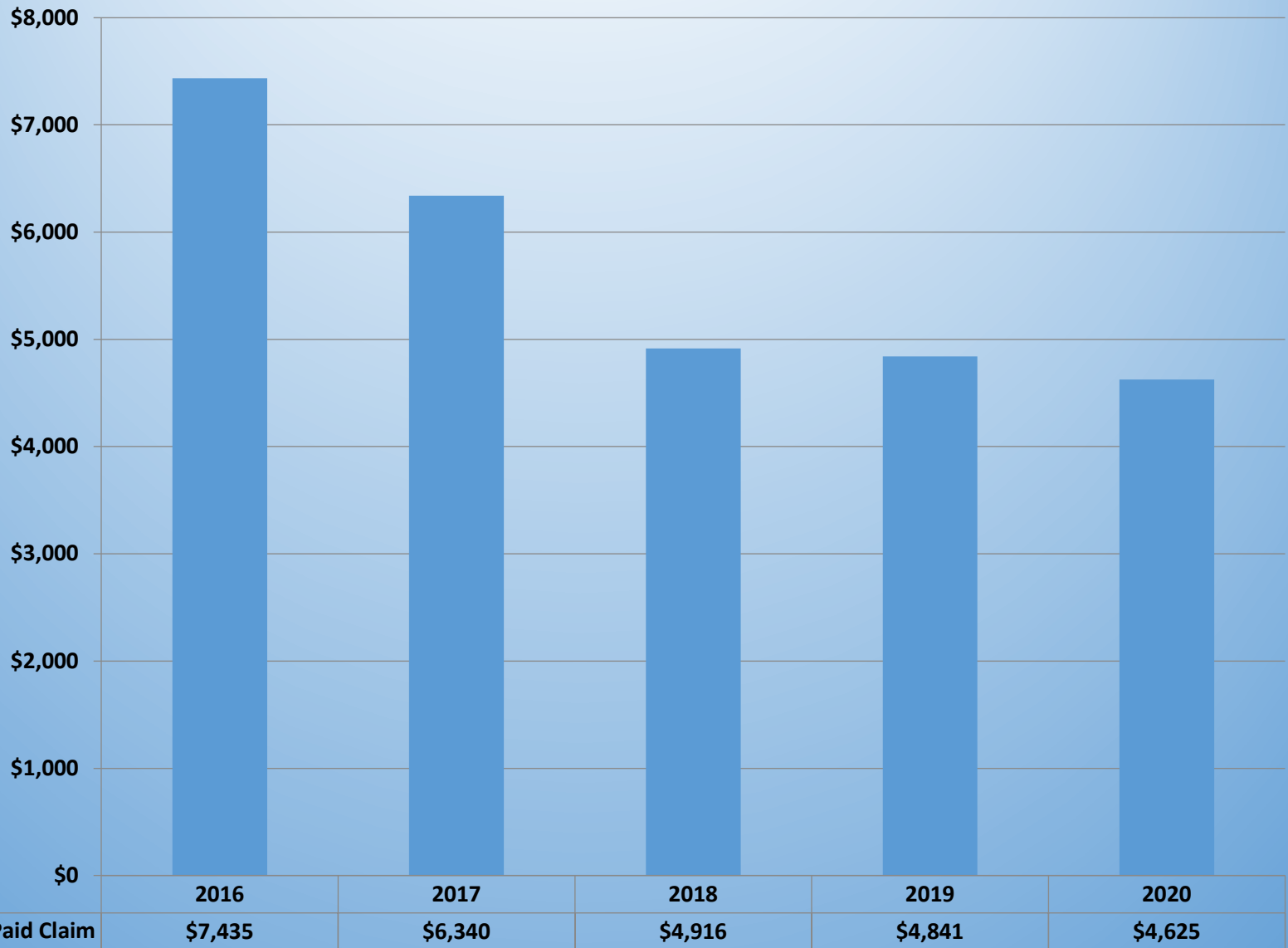
Benefits Paid and Costs



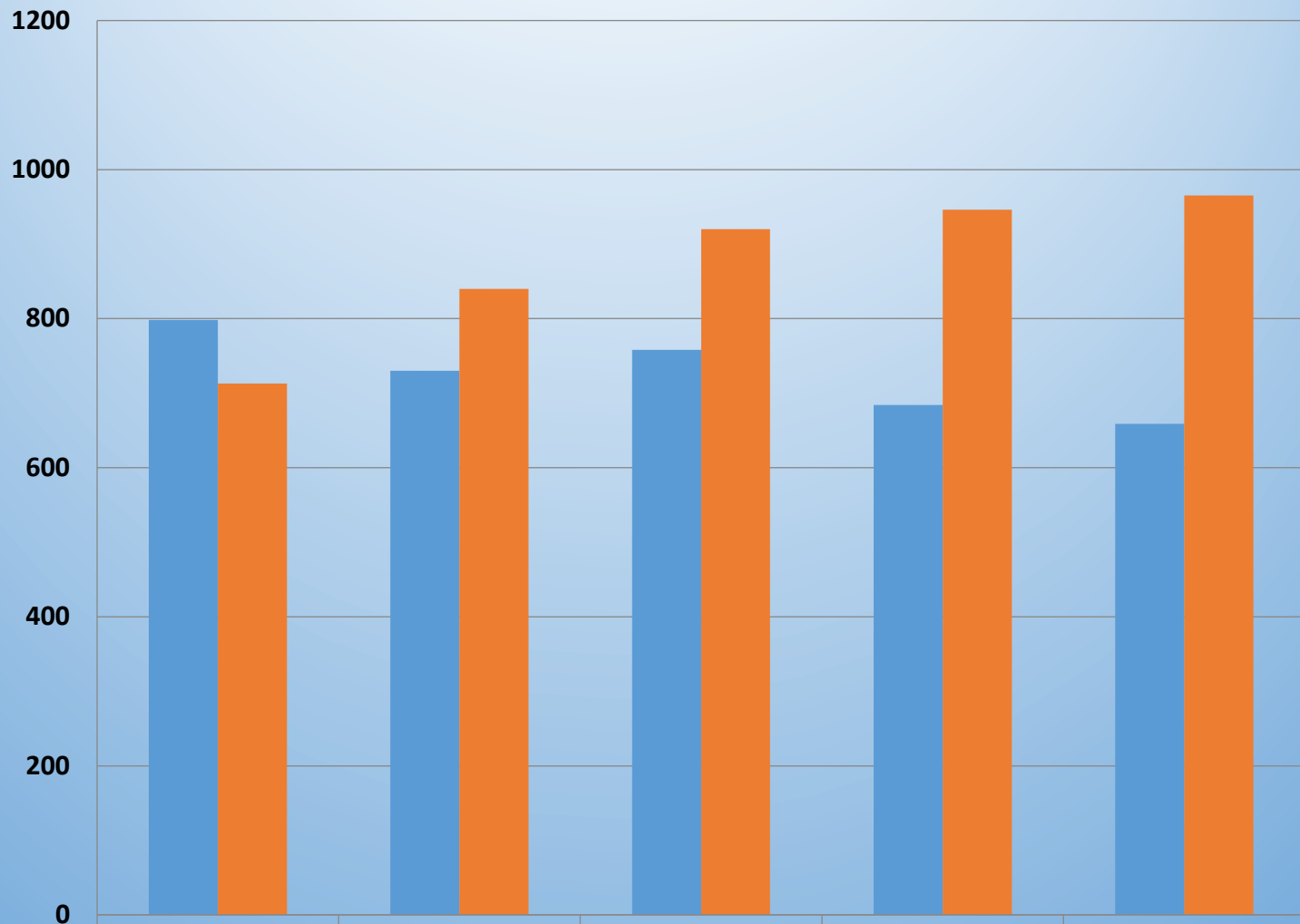
Subrogation



Average Paid



Open and Closed Claims



Open Claims	798	730	758	684	659
Closed Claims	713	840	920	946	965

As of March 31st

- **New Claims:**
 - 2020: 301
 - 2021: 227
- **Paid (benefits + fees/costs):**
 - 2020: \$1,475,769
 - 2021: \$1,342,057
- **Subrogation:**
 - 2020: \$437,076
 - 2021: \$430,842

Claims System

New System Updates – Melissa Chlon

- The new system rolled out March 1, 2021.

Cost Breakdown:

- Overall cost of the new system: \$345,000
- Annual maintenance agreement: \$0

- Kentucky Dept. of Insurance Comments
- Other Business
 - Roth K Addition to 401K Plan
- Next Meeting Dates
 - September 30, 2021, In-Person
 - May 12, 2022, Remote

Adjournment

(Break)

Kentucky Insurance Arbitration Association

Annual & Board Meetings

May 13, 2021

KIAA Meeting Etiquette & Expectations

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

KIAA Annual Meeting

Agenda:

- Call to Order
- Roll Call
- Anti-Trust Preamble
- Approval of Minutes
- Election of Board Members
- Other Business
- Adjournment

Board Selection

- Roster of Board Members included in handout
- Kentucky Department of Insurance approved:
 - Taylor Martin— Nationwide Insurance
- Need motion to seat the Board for 2021
 - Extend 3-year terms for:
 - Brooke McNeil - Grange Insurance
 - Aubrey Chewning – Travelers Insurance
 - Owen Caster – Progressive Insurance
 - Tyler Pilkington – State Auto Insurance

- Other Business?
- Adjournment of Annual Meeting

KIAA Board Meeting

Agenda:

- Call to Order
- Roll Call
- Anti-Trust Preamble
- Approval of Minutes
- Election of Officers
- Auditor's Report and Financial Statement
- Panel Secretary's Report
- Other Business
- Adjournment

Election of Officers

- Nominating Committee
 - Owen – Progressive Insurance
- Other Nominations from Floor?
- Election of Officers

Report of Annual Financial Audit

Deming Malone Livesay & Ostroff -
Certified Public Accountants

Sarah Antle, CPA

Panel Secretary's Report

Mark Hillis

MANAGERS REPORT

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%

2020 Budget Results

Kentucky Insurance Arbitration Association			
Budget Status			
	2019 Budget	2020 Budget	2020 Final
Wages (W-2)	\$ 193,214	\$ 192,704	\$ 190,843
Payroll Taxes	\$ 19,321	\$ 19,270	\$ 13,801
Pension Benefits	\$ 25,504	\$ 25,437	\$ 26,138
401K Match	\$ 5,796	\$ 5,781	\$ 5,601
Office Supplies and Equip.	\$ 4,850	\$ 4,350	\$ 3,344
Professional Services	\$ 9,125	\$ 9,125	\$ 3,439
Human Resources	\$ 1,500	\$ 1,500	\$ 2,590
Rent	\$ 12,766	\$ 12,588	\$ 12,039
Telephone	\$ 2,400	\$ 2,400	\$ 3,793
Travel	\$ 2,400	\$ 2,600	\$ 1,737
Meals and Entertainment	\$ 1,000	\$ 1,200	\$ 145
Insurance - P & C	\$ 11,096	\$ 11,429	\$ 9,062
Health and Employee Benefits	\$ 52,432	\$ 45,211	\$ 54,036
Postage	\$ 6,440	\$ 6,440	\$ 3,098
Computer and Systems	\$ 60,063	\$ 58,680	\$ 42,944
Dues & Subscriptions	\$ 500	\$ 500	\$ 546
Board Meetings	\$ 400	\$ 300	\$ 46
Education	\$ 300	\$ 300	\$ 129
Miscellaneous	\$ 1,000	\$ 1,000	\$ 55
Total	\$ 410,108	\$ 400,816	\$ 373,386

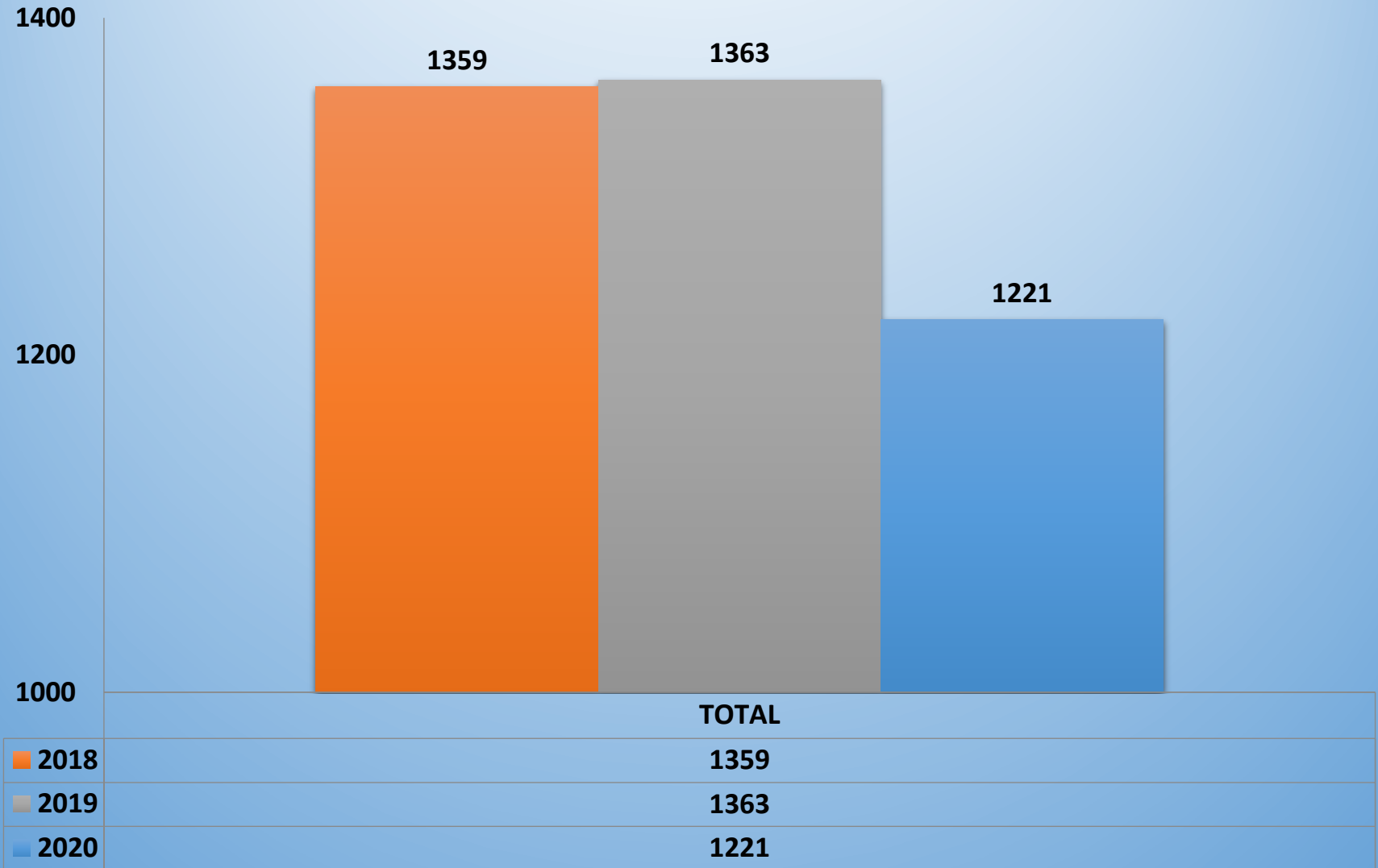
Financial Report

- Bank Balance (as of 3/31/21):
 - \$866,016 – Republic Bank
- 2021 Budget Status through March – 13% under budget

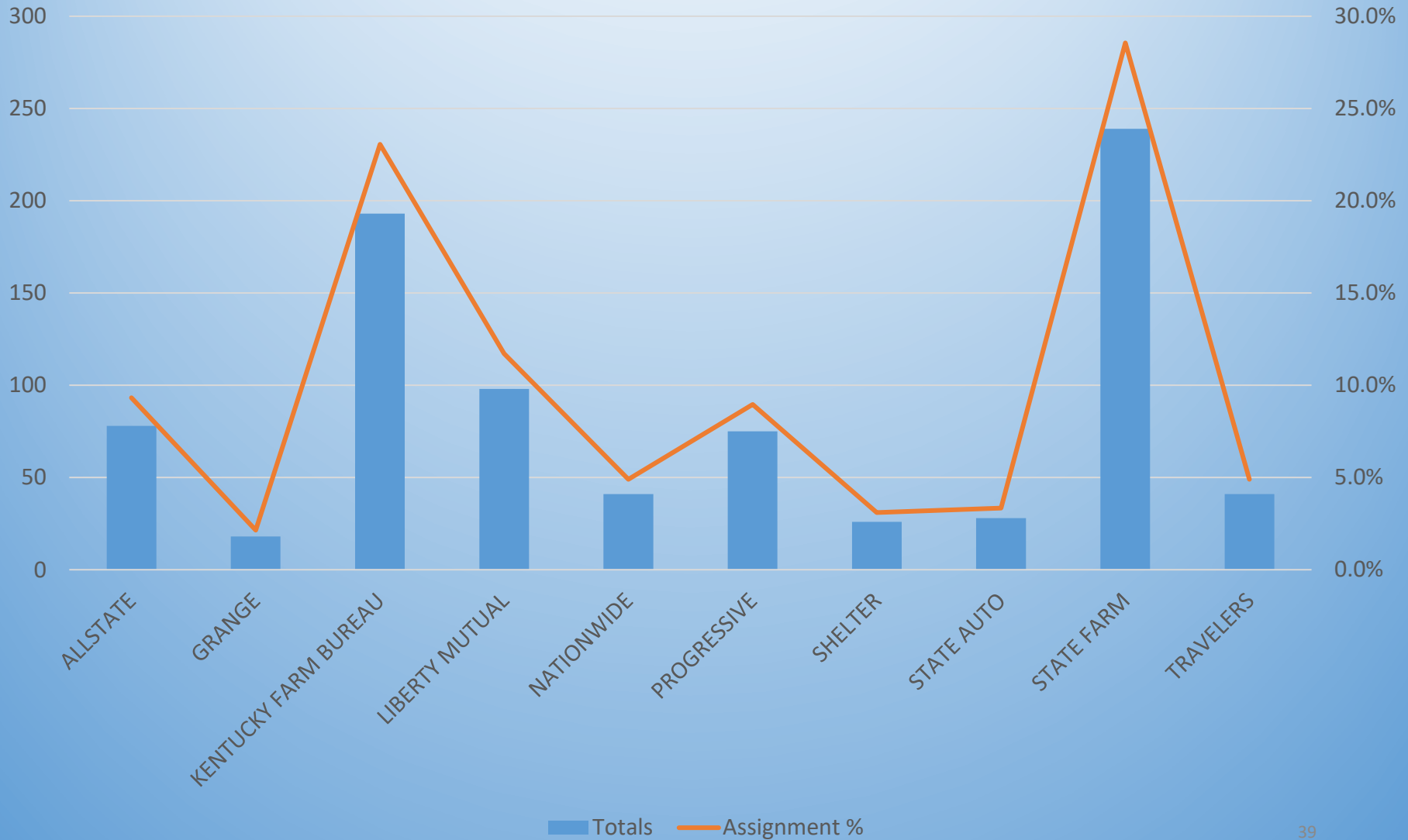
Arbitration Report

Becky Darst

KIAA FILINGS REPORT



KIAA 2020 ASSIGNMENTS

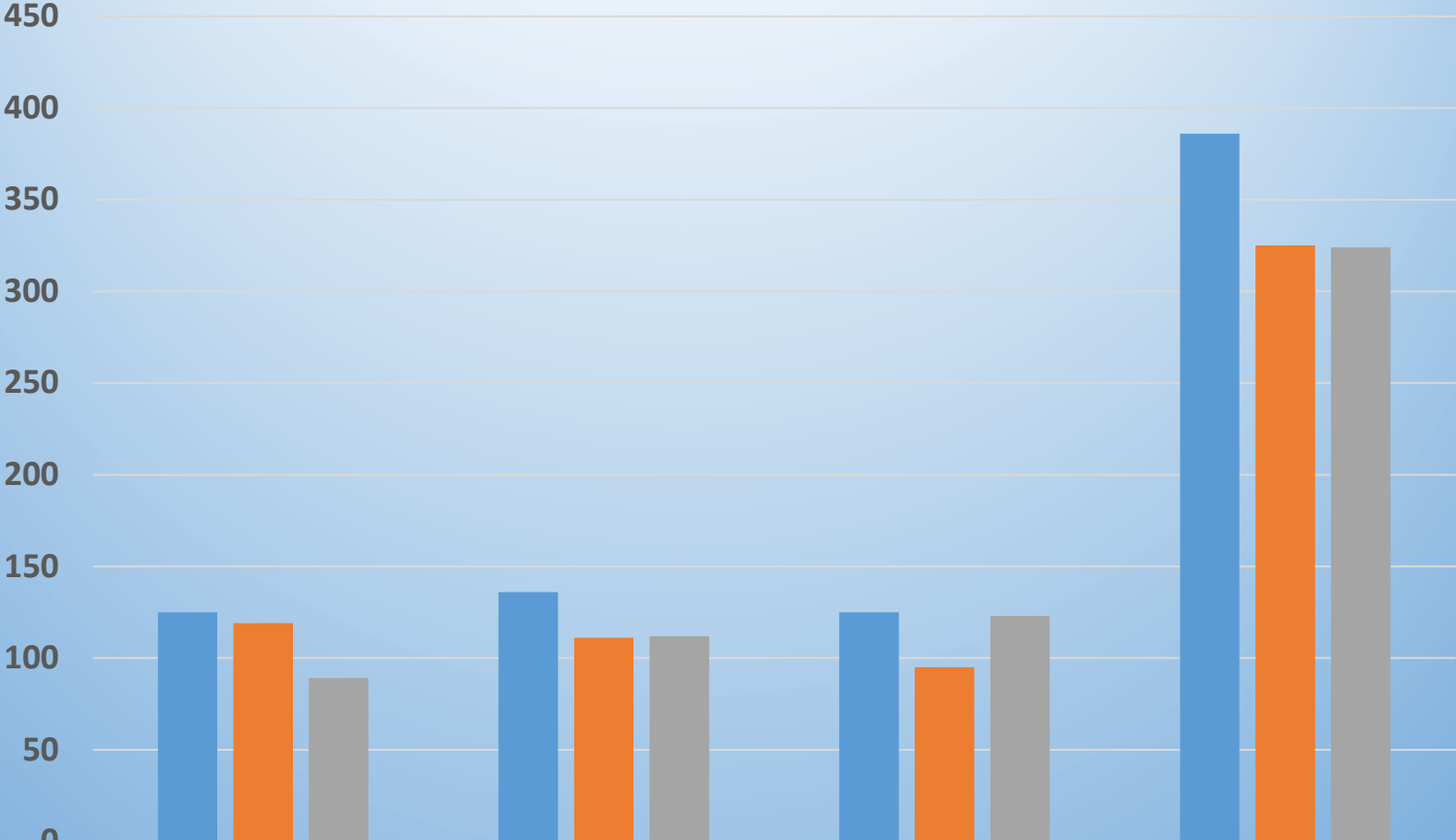


KIAA Filings Report

Kentucky Insurance Arbitration Association			
Quarterly Report of Activity to Board of Directors			
Category	1st Qtr. 2020	1st Qtr. 2021	YTD % Chg
Files Received	325	324	-0.3%
Decisions Rendered	163	128	-21.5%
Files Withdrawn	171	147	-14.0%
Files Rejected	9	20	122.2%
Duplicate Filings	3	5	66.7%
Files Deferred	98	123	25.5%
Files Opened	313	264	-15.7%
Files Set for Hearing	225	156	-30.7%
Files Pending Addt'l Docs	4	—	—
Files Pending Fees	46	69	—
Total: Currently Set for Hearing	112	82	—
Total: Currently Open	138	128	—
Total: Currently Deferred	632	626	—
Filing Fees	\$12,680	\$11,042	-12.9%

As of March 31, 2021

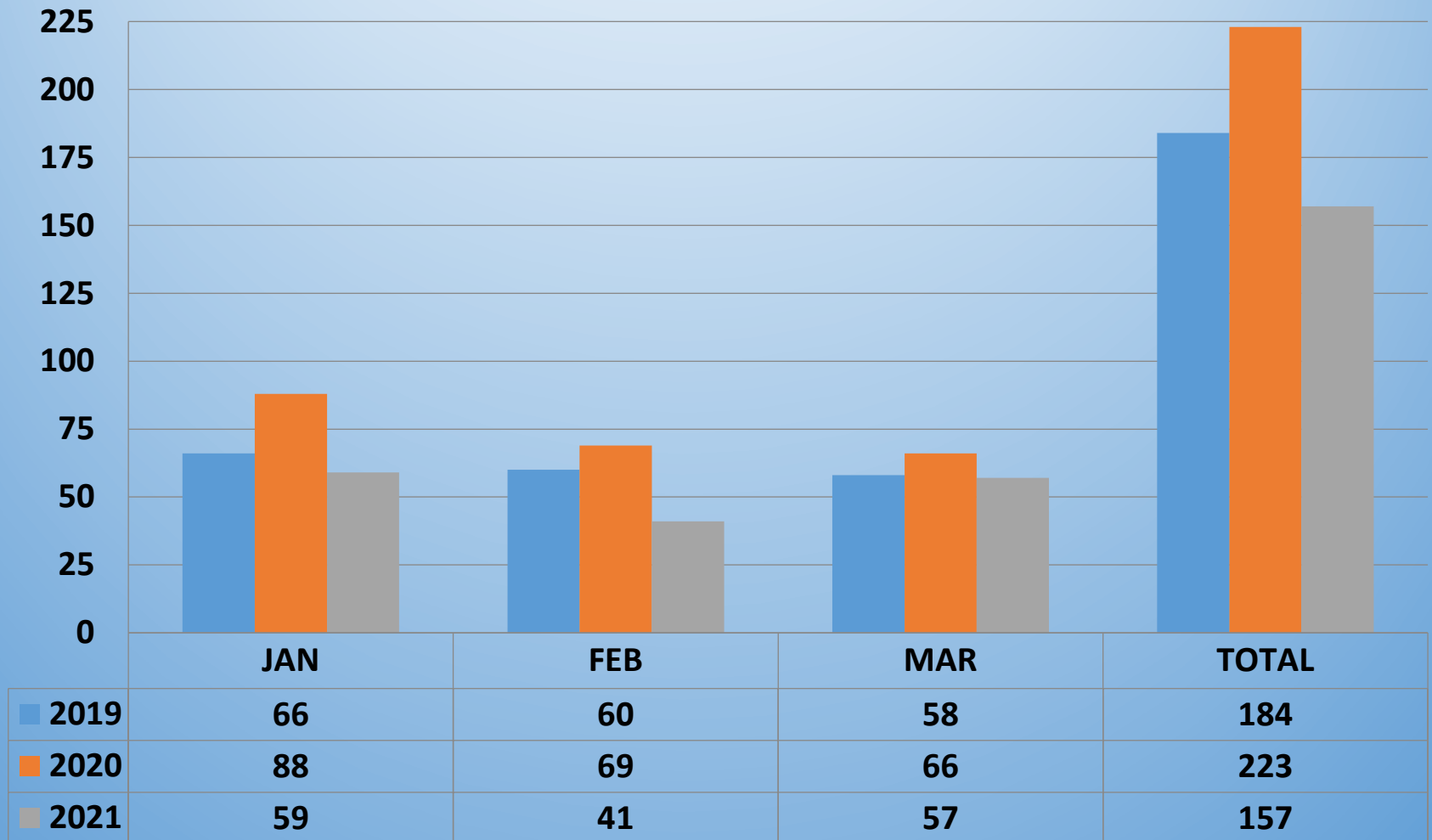
KIAA FILINGS



	JAN	FEB	MAR	TOTAL
2019	125	136	125	386
2020	119	111	95	325
Total 2021	89	112	123	324

As of March 31, 2021

Files Set for Hearing



KIAA New System Planning

- Kentucky Dept. of Insurance Comments

- Other Business
 - Roth K Addition to 401K

- Next Meeting Dates
 - September 30, 2021, In-Person
 - May 12, 2022, Remote

- Adjournment