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Notice of KIAA Board Meeting

Kentucky Insurance Arbitration Association

A meeting of the Kentucky Insurance Arbitration Association Board of Directors will be held at 327 Townepark Circle, Louisville, KY 40243 on Thursday, September 29th, 2022 at 10:30 AM.

1. Call To Order
2. Roll Call
3. Anti-Trust Preamble
4. Approval of Minutes
5. Panel Secretary's Report
 - a. Status Report
 - b. Financial Report
 - c. 2023 Budget and Administrative Assessment
 - d. KIAA New System
6. Other Business
7. Adjournment

If you unable to attend, please consider giving your proxy to another Board Member.

Sincerely,



Mark Hillis
Panel Secretary

Cc: Board of Directors
Shawn Boggs, Kentucky Department of Insurance

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KIAA Board & 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>Chris Douglas, 800-538-8654 Lona Giles, 877-496-8286 Brad Handley, 800-538-8656 Denise Crecelius, 800-782-3810 Anthony Patrick, 800-538- Amy S. Hall, 606-784-7536 Brandon Tucker, 270- 886-8123 Mark Hildebrandt, 270-684-2165 Wendy L. Bray, 502-493-7650 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 Adam Blake, 859-412-7352 Jason Woods, 606-679-4327 Christal Beard, 270-765-4400 Howard Rice, 502-718-2161 Tiffany Ross, 502-409-2898 Scott Collins, 606-784-7536 Lee Holt, 270-465-9771</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>
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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 Crystal Finch, 630-791-6422 Chris Cary, 317-805-2745 Stephanie Dolsen 513-576-4698</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 Alexandra Vera, 713-277-9395 Jenny Bolt, 713-277-9280 Timothy Westergard, 615-874-6972 Ross Phillips, 615-884-6557 Heather Hinson 615-884-6537</p>

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<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 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>

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<p>Aubrey Chewning (2021) (Vivian Judy) 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</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>

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KIAA 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

Minutes KIAA 2022

Annual Meeting

Kentucky Insurance Arbitration Association
Annual Meeting May 12, 2022
Minutes

The Annual Meeting of the Kentucky Insurance Arbitration Association was held at 11:00 AM on May 12, 2022, following the Kentucky Assigned Claims Plan Meetings via virtual platform.

Those in attendance were:

Board of Directors:

Karen Perdue (Chair)	Kentucky Farm Bureau Insurance Co.
Christa Hobe (Vice-Chair)	Liberty Mutual Ins. Co
Scot McFarland - Proxy	Allstate Insurance Co.
McKenzie Carter	Shelter Insurance Co.
Owen Caster	Progressive Insurance Co.
Kimberly McCollom	State Farm Insurance Co.
Taylor Martin	Nationwide Mutual Ins. Co.
Aubrey Chewning	Travelers Insurance Co.
Brooke McNeil	Grange Ins. Co.

Staff:

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

Guests:

Sarah Antle, CPA	Deming, Malone, Livesay & Ostroff
Shawn Boggs	Kentucky Department of Insurance

1. Call to Order

Ms. Perdue called the meeting to order.

2. Roll Call

Ms. Perdue conducted a roll call to confirm attendees and noted a quorum was present. Mr. Caster held proxy for Mr. McFarland.

3. Anti-Trust Preamble

Ms. Perdue reminded the Board that everyone is bound by the Anti-Trust Preamble, noting that all attendees had been provided a copy of same in the meeting documents.

4. Approval of Minutes

The minutes of the May 13, 2021, Annual Meeting were included with the meeting documents. Mr. Caster moved, and Ms. Hobe seconded to accept the minutes and the motion carried.

5. Election of Board members

Mr. Hillis confirmed no new Board members to approve during this Annual Meeting but did note that State Auto is no longer a member following their acquisition by Liberty Mutual this year.

Mr. Caster motioned to seat the Board members and to extend terms as outlined. Ms. McNeil seconded and the motion carried.

6. Other Business

There was none.

7. Adjournment

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

Respectfully submitted,



Mark Hillis
Panel Secretary

4b

Minutes KIAA 2022

Board Meeting

**Kentucky Insurance Arbitration
Association Board of Directors
Meeting May 12, 2022 Minutes**

A Board Meeting of the Kentucky Insurance Arbitration Association was held immediately following the Plans Annual Meeting on May 12, 2022, via virtual platform.

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 - Proxy	Allstate Insurance Co.
McKenzie Carter	Shelter Insurance Co.
Owen Caster	Progressive Insurance Co.
Kimberly McCollom	State Farm Insurance Co.
Taylor Martin	Nationwide Mutual Ins. Co.
Aubrey Chewning	Travelers Insurance Co.
Brooke McNeil	Grange Ins. Co.

Staff:

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

Guests:

Sarah Antle, CPA	Deming, Malone, Livesay & Ostroff
Shawn Boggs	Kentucky Department of Insurance

1. Call to Order

Ms. Perdue called the meeting to order.

2. Roll Call

The Chair advised that a quorum was established in the annual meeting held prior to this meeting. Mr. Caster held proxy for Mr. McFarland.

3. Anti-Trust Preamble

Ms. Perdue reminded the Committee that it was bound by the Anti-Trust Preamble provided in the meeting documents.

4. Approval of Minutes

The minutes of the September 20, 2021, Board meeting were included with the meeting documents. Ms. McNeil motioned, and Mr. Carter seconded, that the minutes be approved. The motion carried.

5. Election of Officers

Mr. Caster, Chairman of the Nominating Committee, moved to nominate Ms. Perdue as Chair, Ms. Hobe as Vice Chair and Mr. Hillis as Panel Secretary. Mr. Caster asked for other nominations from the floor to which there were none. Mr. Carter motioned to accept the nominations as outlined by Mr. Caster. Ms. McCollom seconded. Ms. Hobe abstained. The motion carried.

6. Auditors Report and Financial Statement

Mr. Hillis recognized Ms. Antle for her vast knowledge and understanding of the Plans and their operations. Ms. Antle discussed the 2021 Independent Auditor's Report and Financial Statement as described in the Financial Highlights, prepared by Deming, Malone, Livesay & Ostroff, CPA, which was distributed to Board Members prior to the meeting and included with meeting materials. Ms. Antle noted they utilize Cash Basis Accounting.

Ms. Antle stated that adequate controls are in place and the audit firm was reporting a clean audit with no irregularities noted. Ms. Antle reminded those in attendance that there is a cost sharing agreement in effect with The Kentucky FAIR Plan. Ms. Antle noted there was an increase in filing fees and decrease in assessment. There were no questions for Ms. Antle.

7. Panel Secretary's Report

Mr. Hillis led through the KIAA 4th Quarter Report to Board previously sent. Mr. Hillis stated KIAA starts with a zero-based budget. Mr. Hillis informed the Board that the Plan is 1.6% over budget through March 2022 and 2021 came in 11.56% under budget. Mr. Hillis noted we will likely come in under budget again this year. Mr. Hillis noted we have stopped putting money in our current KIAA system. Mr. Hillis noted that the Plan still expected to get the RFP sent to try to find a vendor to build the new KIAA system by the end of Q3 in 2022. He noted, however, that he has heard that current vendors are not taking new business until the end of 2023 at this point. Mr. Hillis reminded the Board that while he hoped the vendor which built the KACP system would be interested, he remained surprised that the KACP contract didn't require any annual maintenance costs and noted to the Board that he would expect that annual maintenance be required as part of a contract with any vendor to build a new KIAA system. He noted that while he did expect that computer expenses would increase in the future with the new system build, he did not expect this to result in any additional assessment. Mr. Hillis reminded the Board that they did not assess for KIAA operational costs for 2022 as the KIAA had adequate funds to operate for the year.

Ms. Darst discussed KIAA filing increased in 2021 with a total filings of 1347 compared to 2020 with total filings of 1221. KIAA Hearing Assignments totaled 726 for year ending 2021. Ms.

Darst noted that assignments are based on market share and shared data reflecting same. Ms.

Darst discussed the 1st Quarter Report of Activity for 2021 and 2022 which had been sent previously and reported to the Department of Insurance:

- New filings decreased 2.2%
- Decision rendered dockets withdrawn, open and set for hearing have all increased.

Ms. Darst shared data for Q1 2022. Total filings through March 2022 are 104 compared to 123 last year at this same time. Files set for hearing in 2022 increased from 2021 from 57 to 68. Ms. Darst discussed the development opportunity for new Alternate Arbitrators. She also thanked members for their quality submissions and alternate arbitrator referrals. Ms. Darst noted 4 new alternate arbitrators have been trained this year.

8. Other Business

KIAA System

Mr. Hillis discussed plans for a new KIAA System. KACP Vendor selected by end of Q3 System needs to be web based. Mr. Hillis noted we want a vendor with zero maintenance fees but noted that it may be difficult in this market. Mr. Hillis advised that an additional assessment is not anticipated at this time to fund the system build.

KIAA Plan of Operation Change

Mr. Hillis noted that a review of the KIAA Plan of Operation Article 2 revealed that it did not mirror KRS 304.39-290 and proposed a change so that Article 2 would mirror KRS.

Currently, Article 2 reads as follows:

Article 2. Board of Directors A. There shall be a Board of Directors consisting of ten members who are fulltime employees of writers of automobile insurance in Kentucky.

Proposed, Article 2 would read and mirror KRS 304.39-290 as follows:

Article 2. Board of Directors. A. The Board of Directors of the Association shall consist of not less than five (5) nor more than ten (10) persons.

Ms. Hobe made a motion to approve the proposed Amendment. Mr. Carter seconded and the motion carried.

Ms. Perdue thanked Deputy Commissioner Boggs for attending the meetings and solicited any feedback. Mr. Boggs had nothing further to add and thanked Mr. Hillis and Ms. Perdue for the opportunity to participate and for their proactive communication with the Department.

Ms. Perdue solicited any other business. There was no other business.

Ms. Perdue noted the next meeting will be held in-person (and virtual for those unable to travel) on September 29, 2022, at the Plans new office building and the Spring meeting will be held virtual on May 11, 2023.

9. Adjournment

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

Respectfully submitted,

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

Mark Hillis Panel Secretary

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2023 KIAA Administrative
Budget- Final

Kentucky Insurance Arbitration Association

Budget

	2022 Budget	2023 Budget
Wages (W-2)	\$ 194,958	\$ 222,276
Payroll Taxes	\$ 19,496	\$ 22,228
401K Match and Defined Contribution Benefits	\$ 31,583	\$ 36,009
Office Supplies and Equip.	\$ 3,200	\$ 3,000
Professional Services	\$ 7,740	\$ 7,700
Human Resources	\$ 1,500	\$ 1,500
Rent	\$ 11,200	\$ 11,200
Telephone	\$ 3,657	\$ 3,128
Travel	\$ 2,800	\$ 4,200
Meals and Entertainment	\$ 1,200	\$ 1,200
Insurance - P & C	\$ 9,120	\$ 9,400
Health and Employee Benefits	\$ 42,949	\$ 68,433
Postage	\$ 4,800	\$ 4,900
Computer and Systems	\$ 40,390	\$ 38,720
Dues & Subscriptions	\$ 500	\$ 500
Board Meetings	\$ 300	\$ 300
Education	\$ 300	\$ 300
Miscellaneous	\$ 1,000	\$ 1,000
Total	\$ 376,693	\$ 435,994