

Welcome

Kentucky Insurance Arbitration
Association Board Meeting

Kentucky Assigned Claims Plan
Governing Committee
Meeting

KENTUCKY INSURANCE ARBITRATION ASSOCIATION

Board Meeting
September 29, 2022



KENTUCKY INSURANCE ARBITRATION ASSOCIATION

Keys to a successful meeting

Please keep your phone muted to reduce background noise.

Please do not place call on hold.

Participation

During roll call please unmute your phone. We will call you by name and company. We ask that you verbally confirm you are in attendance.

During voting we ask that you unmute your phone. We will ask for verbal affirmation as we do in our in-person meetings.

You may ask questions throughout the presentation by unmuting your phone or by typing in the chat box.

We ask those who make a motion and/or a second to identify themselves by name.

KIAA BOARD MEETING AGENDA

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

4a. Annual
Meeting
Minutes

4b. Board
Meeting
Minutes

Approval of Minutes

Arbitration

Status Report

– Becky Darst

Budget and

Financial Report

– Mark Hillis

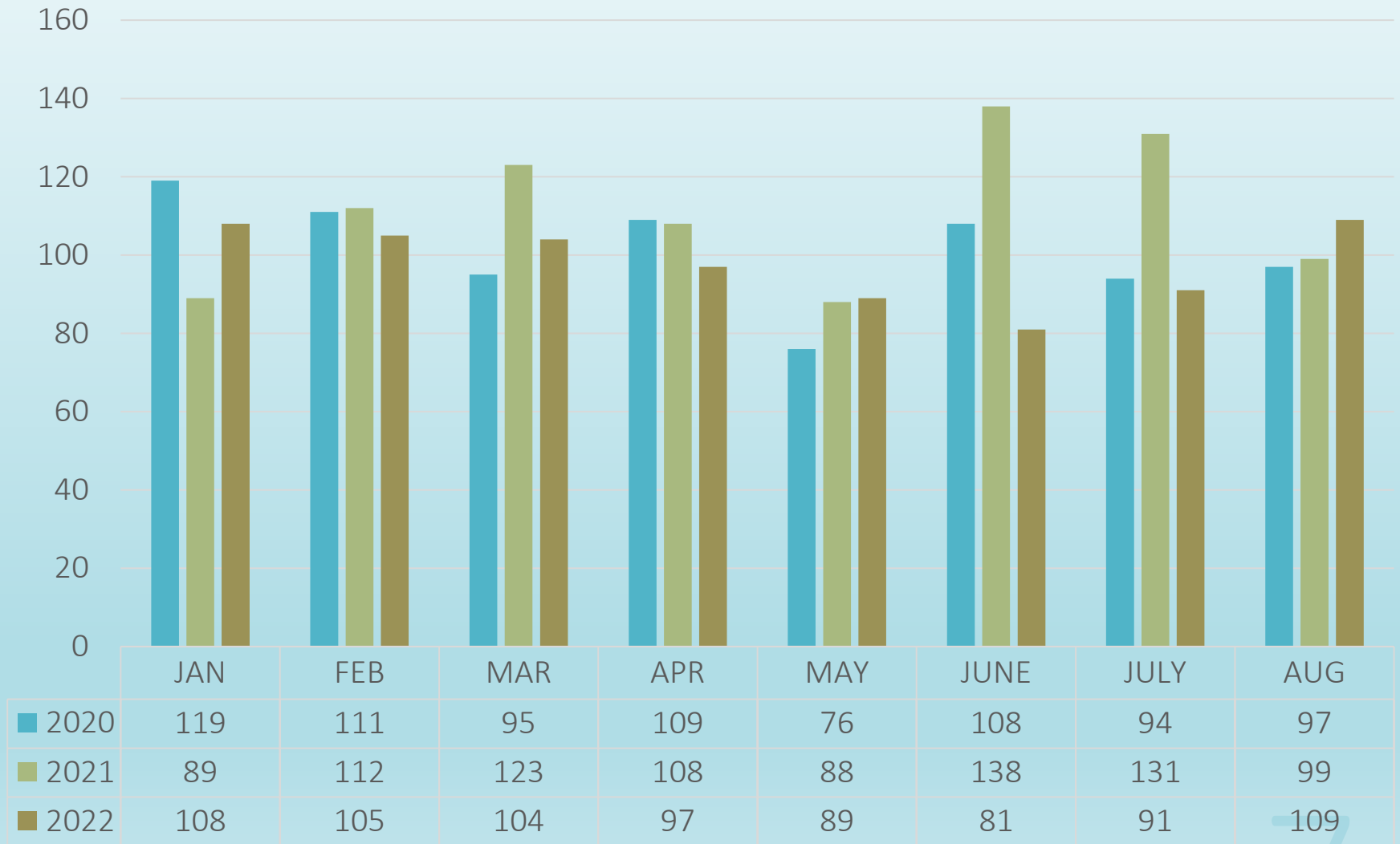
KIAA New

System

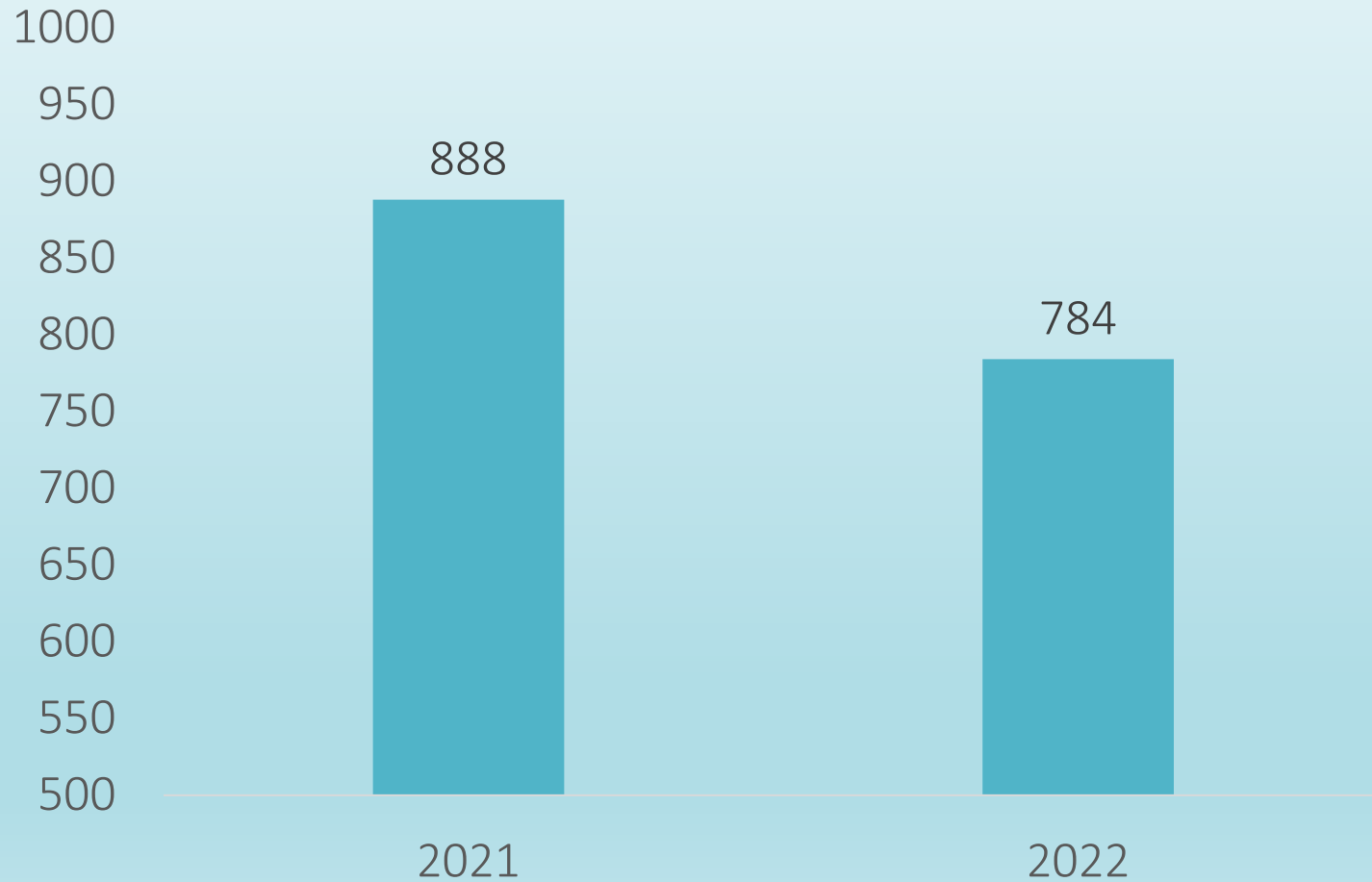
– Erin Lux

Panel Secretary Report

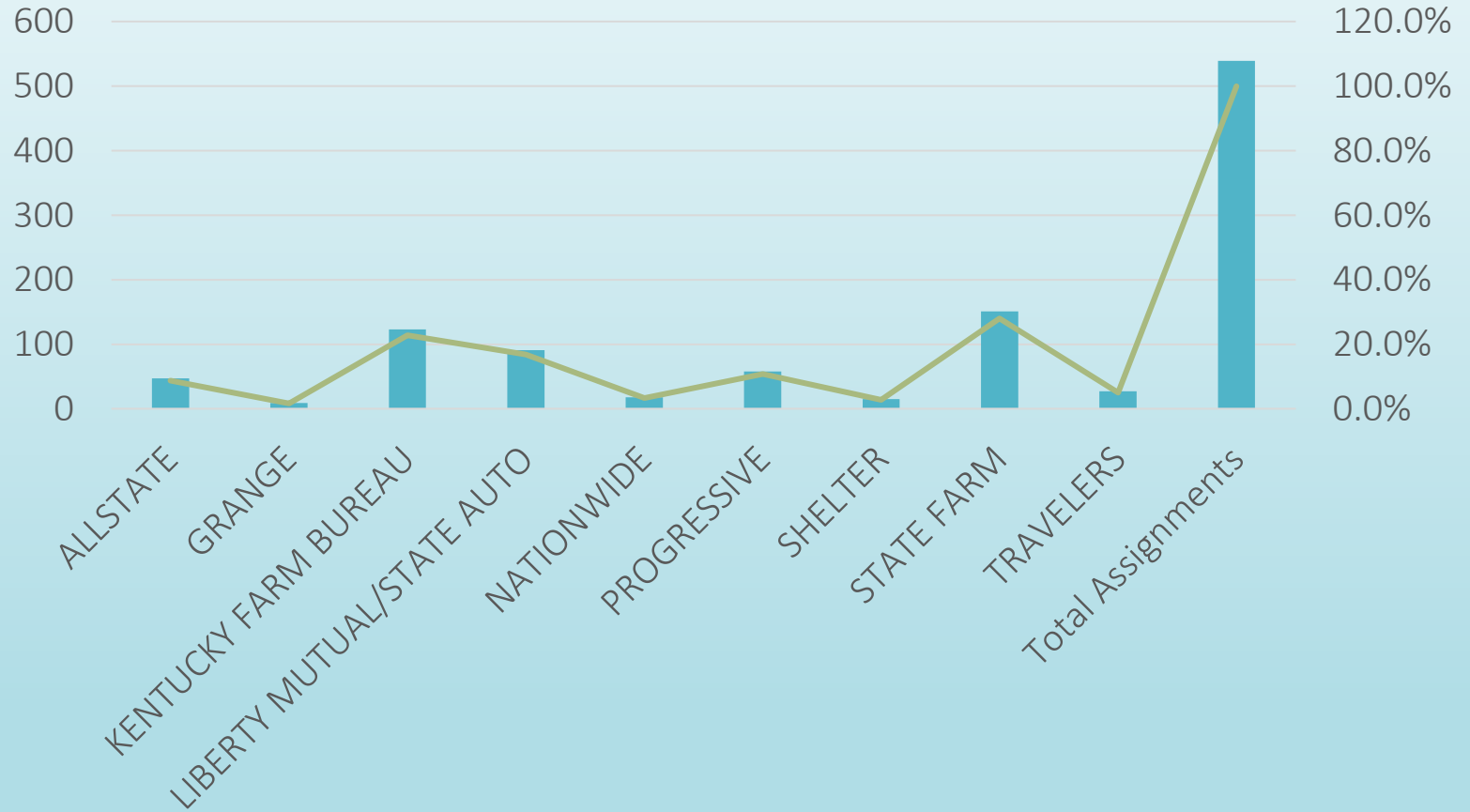
New Arbitration Filings by Month



New Arbitration Filings 2021 v. 2022



KIAA ASSIGNMENTS THROUGH 8/31/22



Budget and Financial Report

Bank Balance: (as of 8/31/22)

Republic Bank: \$433,451.97

2022 Budget:

65% of budget as of 8/31

Projected to come in under budget

2023 Budget: (5a. copy in handout)

\$435,994

Health and Employee Benefits

Employee Allocation

Motion to approve 2023 budget

NEW KIAA
SYSTEM

finys

Other Business

Insurance Department Comments

Next meetings:

May 11, 2023 (Remote)

September 28, 2023

Adjournment

Kentucky Assigned Claims Plan

Governing Committee Meeting
September 29, 2022

KENTUCKY ASSIGNED CLAIMS PLAN

Keys to a successful meeting

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

KACP BOARD MEETING AGENDA

4a. Annual
Meeting
Minutes

4b. Governing
Committee
Meeting
Minutes

Approval of Minutes

Claims Summary-
Carrie Manor

Budget and
Financial Report –
Mark Hillis

2023 Assessment-
Mark Hillis

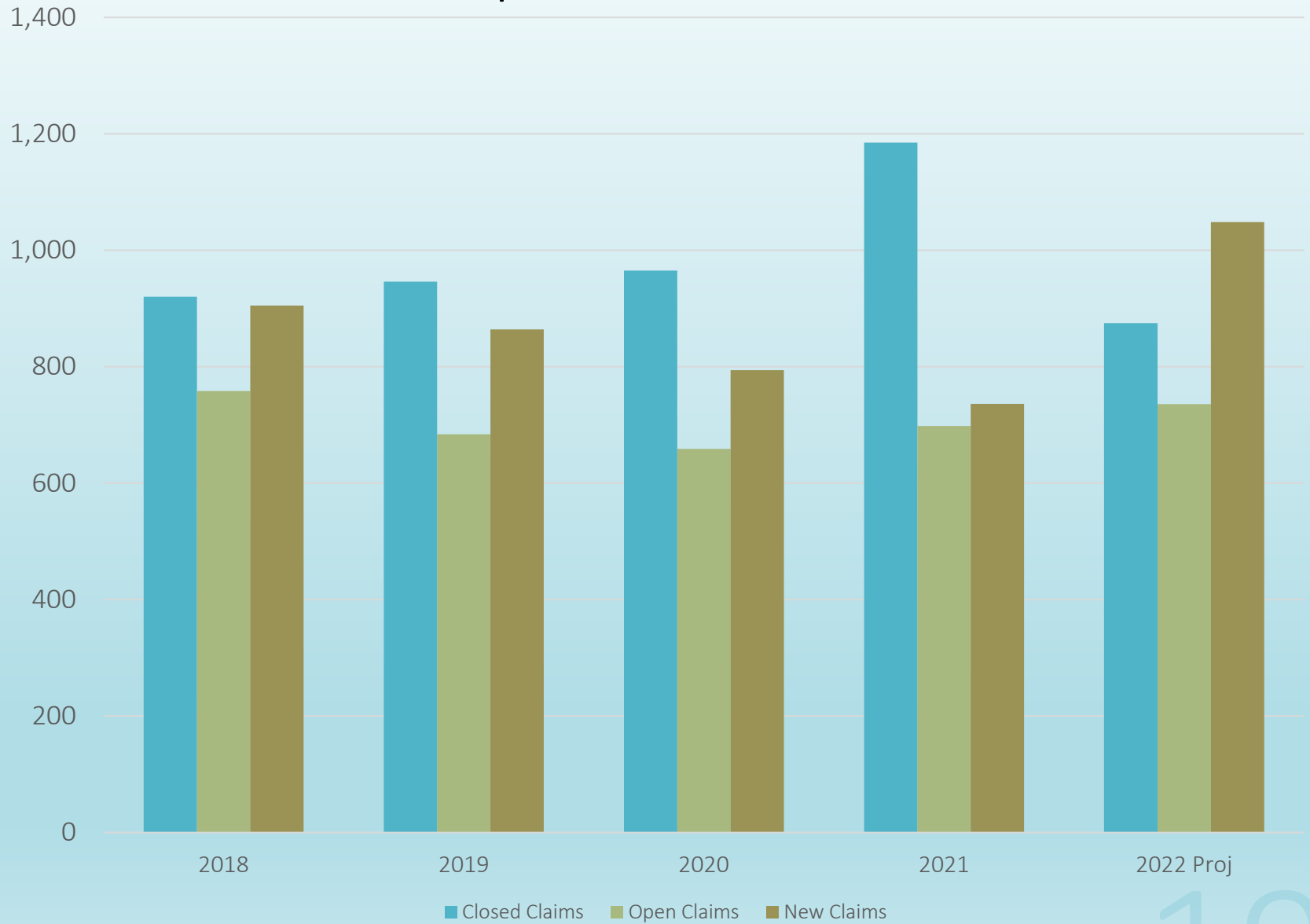
Systems Update –
Melissa Chlon

Secretary Treasurer's Report

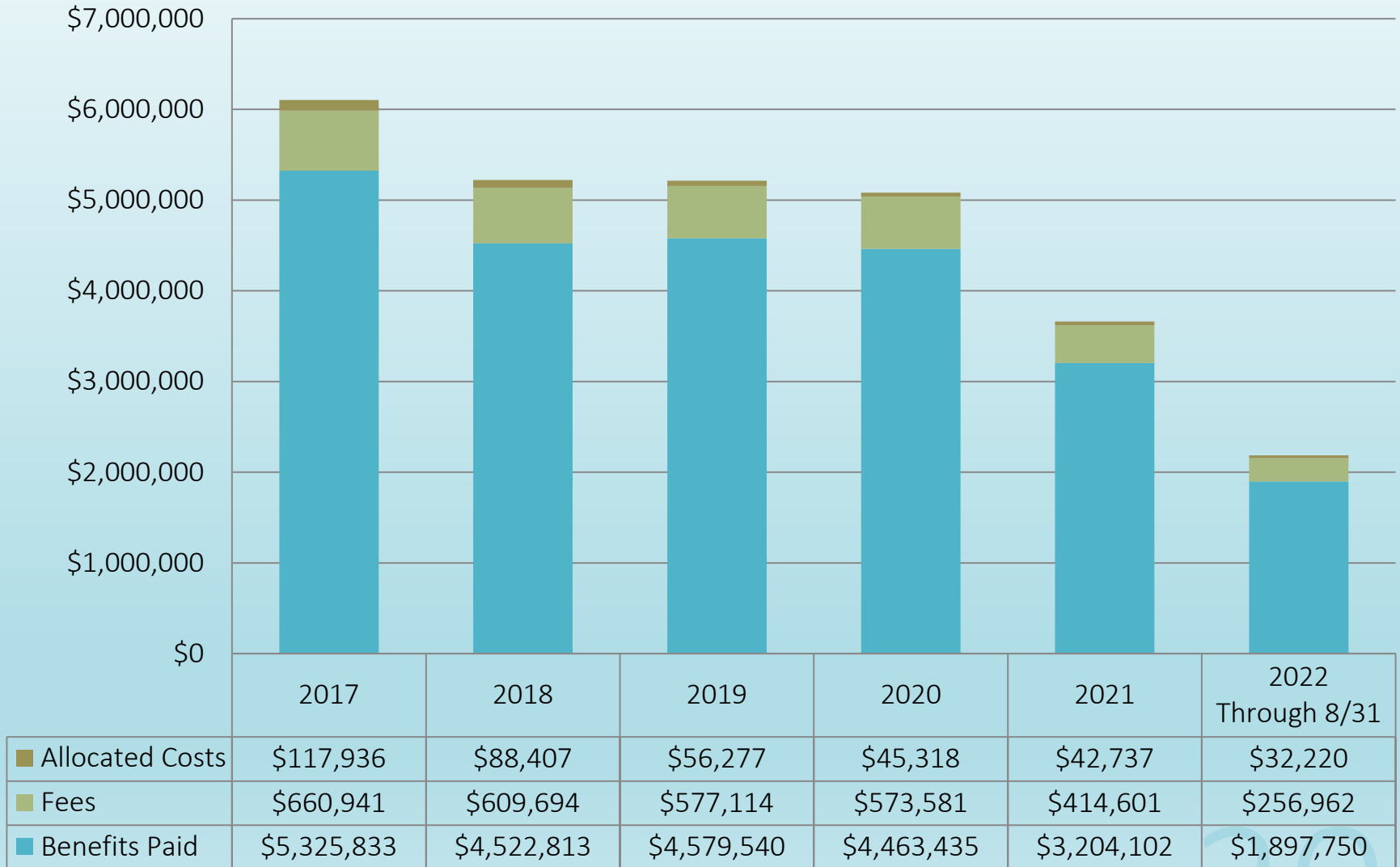
Carrie Manor

Claims Summary

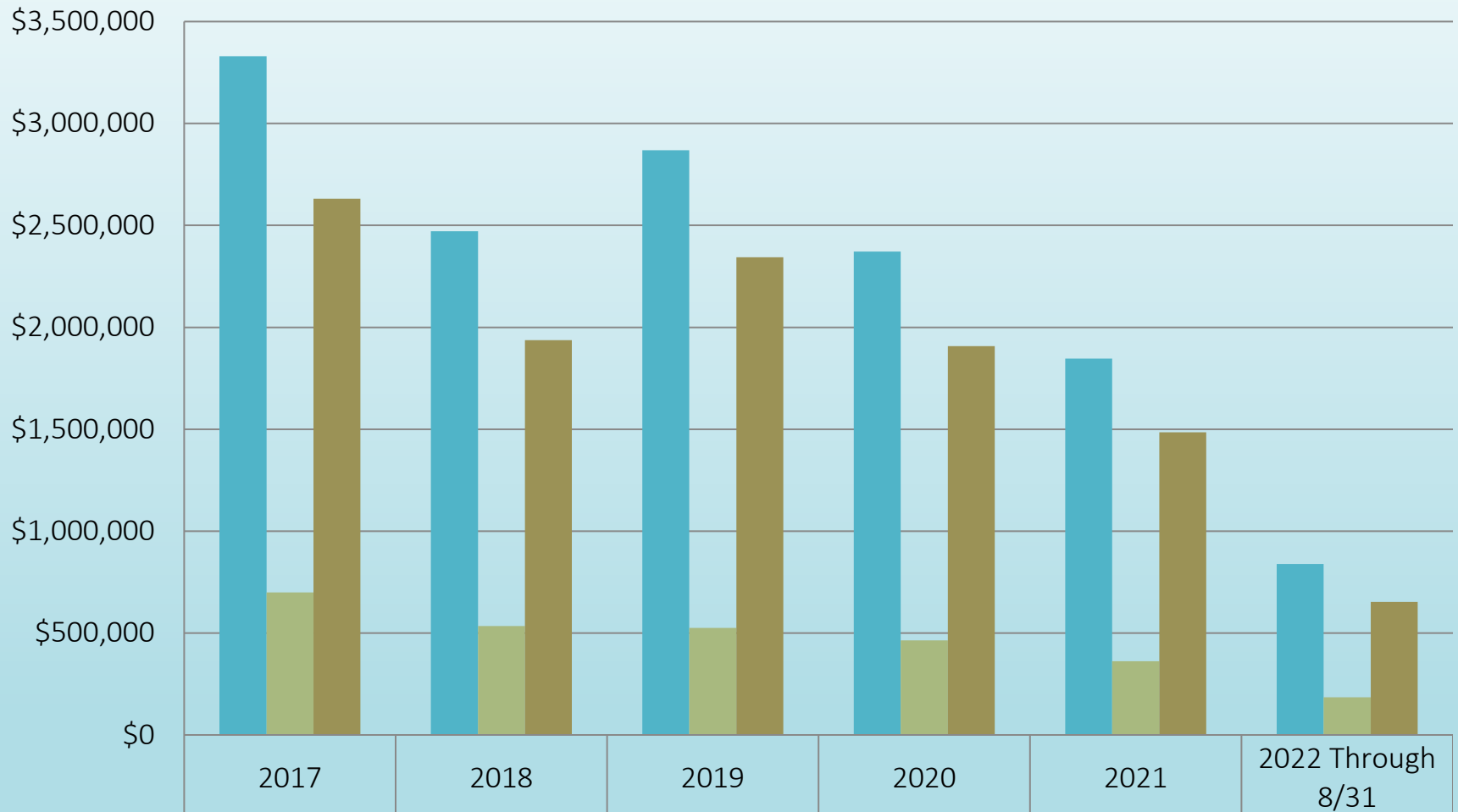
New, Open and Closed Claims



Paid Claims and Expenses

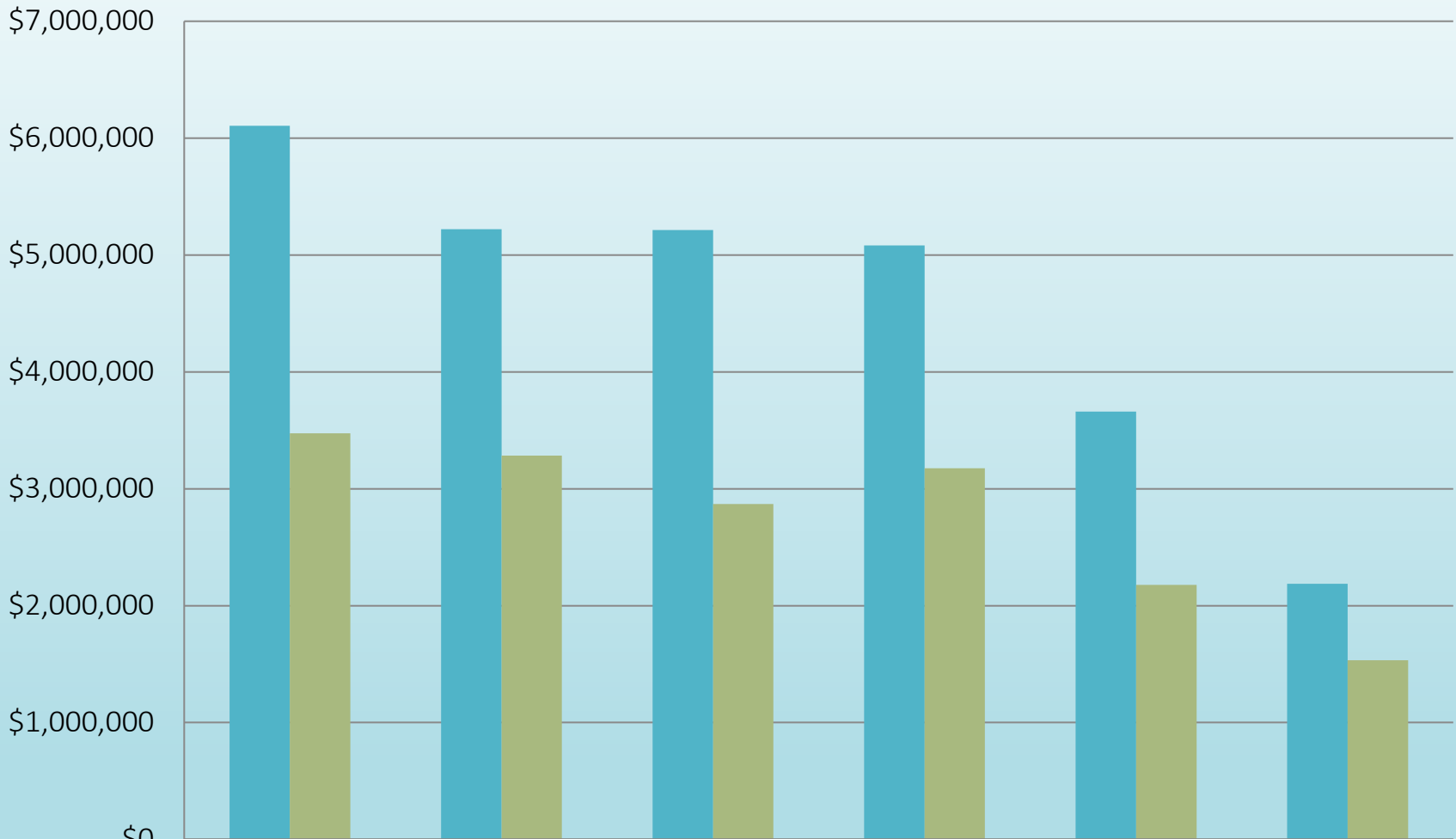


Subrogation



■ Subrogation	\$3,329,752	\$2,470,718	\$2,868,456	\$2,371,000	\$1,846,245	\$838,489
■ Fees and Costs	\$699,548	\$534,232	\$525,146	\$463,705	\$361,447	\$185,097
■ Net Subrogation	\$2,630,204	\$1,936,486	\$2,343,310	\$1,907,295	\$1,484,798	\$653,393

Net Paid Claims



	2017	2018	2019	2020	2021	2022 Through 8/31
Total Paid	\$6,104,710	\$5,220,914	\$5,212,931	\$5,082,334	\$3,661,441	\$2,186,932
Net Paid	\$3,474,506	\$3,284,428	\$2,869,621	\$3,175,039	\$2,176,643	\$1,533,539

Mark Hillis

Financial Report & 2022 Budget

Financial Report

Republic Bank Balance: \$4,422,416.05

Checking Account: \$628,445.02

Collateralized Sweep Account: \$3,793,971.03

Budget

2022 Budget:

61.4% of budget as of 8/31

Projected to come in under budget

2023 Budget: (5a.copy in handout)

\$391,076.00 2023 BUDGET

- Health and Employee Benefits
- Employee Allocation

Mark
Hillis

2023 Assessment

2023 Assessment

2023 Assessment: \$1,736,387

(5b. copy in handout)

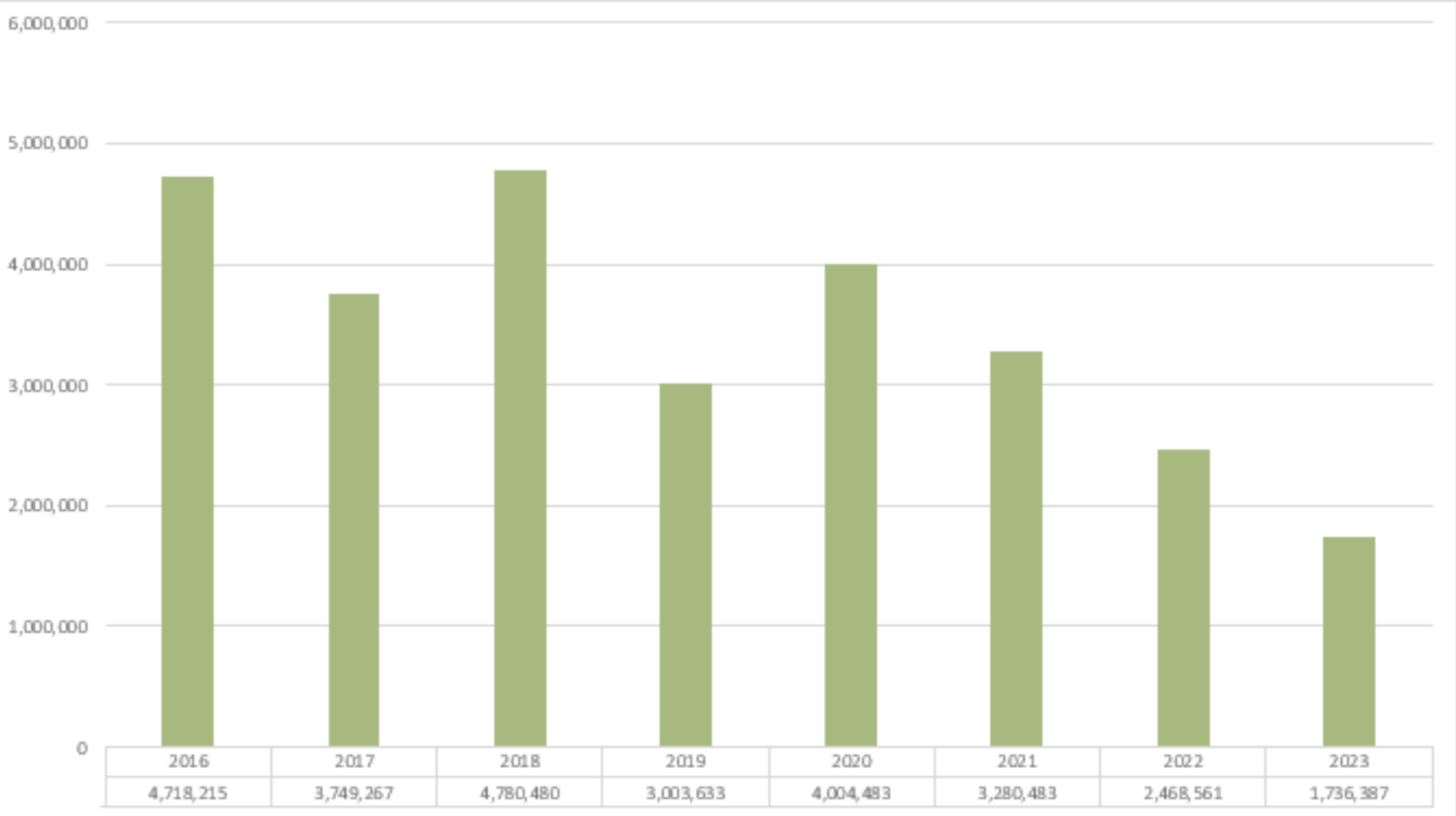
Includes 2023 Administrative Budget
for KACP and KIAA

2023 Assessment

Summary Report and Recommended Assessment for Claims and Expenses (KACP and KIAA)

	2014	2015	2016	2017	2018	2019	2020	2021	2022 Through 8/31	2022 Est.	2023 Est.
Benefits Paid	\$4,203,752	\$5,421,339	\$5,301,079	\$5,325,833	\$4,522,813	\$4,579,540	\$4,463,435	\$3,204,102	\$1,897,750	\$2,846,625	\$3,985,275
Fees	\$558,602	\$718,254	\$686,432	\$660,941	\$609,694	\$577,114	\$573,581	\$414,601	\$256,962	\$385,443	\$539,620
Allocated Costs	\$82,828	\$104,302	\$91,824	\$117,936	\$88,407	\$56,277	\$45,318.0	\$42,736.9	\$32,220	\$48,330	\$67,662
Total Paid	\$4,845,182	\$6,243,895	\$6,079,335	\$6,104,710	\$5,220,914	\$5,212,931	\$5,082,334	\$3,661,441	\$2,186,932	\$3,280,398	\$4,592,557
Subrogation	\$3,260,329	\$2,562,909	\$2,711,219	\$3,329,752	\$2,470,718	\$2,868,456	\$2,371,000	\$1,846,245	\$838,489	\$1,257,734	\$1,257,734
Fees and Costs	\$602,950	\$532,834	\$512,647	\$699,548	\$534,232	\$525,146	\$463,705	\$361,447	\$185,097	\$277,645	\$360,938
Net	\$2,657,379	\$2,030,075	\$2,198,572	\$2,630,204	\$1,936,486	\$2,343,310	\$1,907,295	\$1,484,798	\$653,393	\$980,089	\$896,795
Net Paid	\$2,187,803	\$4,213,820	\$3,880,763	\$3,474,506	\$3,284,428	\$2,869,621	\$3,175,039	\$2,176,643	\$1,533,539	\$2,300,309	\$3,695,761
Reserve and Claims Status											
Item	2014	2015	2016	2017	2018	2019	2020	2021	2022 Through 8/31	2022 Est.	2023 Est.
Claims Received	950	978	983	930	905	864	794	736	699	1049	882
Claimants Assigned	1,449	1,415	1,414	1320	1305	1218	1122	923	552	828	1122
Closed Claims	878	842	713	854	920	946	965	1185	569	875	874
Average Paid Claim	\$4,788	\$6,439	\$7,435	\$6,236	\$4,916	\$4,841	\$4,625	\$2,704	\$3,335	\$3,255	\$4,558
Open Claims	864	811	798	730	758	684	659	698	619	736	721
Reserve Fund Basis *										\$3,431,531.33	\$2,934,798.39
Bank Balance and Year end Estimate											
Reconciled Bank balance as of 8/31/22											\$4,855,868
Estimated claims payments less recovery for remainder of year											\$980,089
Estimated operating expenses remainder of year (KIAA and KACP)											\$231,452
Estimated cash on hand balance at end of year											\$3,644,327
Recommended Assessment for 2022 (For Year 2023)											
	KACP			KIAA							Totals
Administrative	\$391,076			\$435,994							\$827,070
Budget for new claims less subrogation											\$3,695,761
Reserve fund (25% of Reserve for open claims)											\$857,883
2022 Estimate for Claims, Reserve and Administrative Budget											\$5,380,714
Less Cash Balance Estimate as of 12/31/22											\$3,644,327
Recommended Assessment for 2021(line u - v)											\$1,736,387

Assessment History



2023 Budget & Assessment

Pure assessment -
\$1,736,387

**Needs Governing
Committee
Approval**

System Update

KACP system went live March 1, 2021.

All new claims in new system

Finys, same as Kentucky FAIR Plan

Positive feedback from users

Ongoing internal improvements

Reporting

Other Business

Insurance Department Comments

Next Meetings:

May 11, 2023 (Remote)

September 28, 2023

Adjournment

Break