

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 11, 2023

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 who 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 – Kentucky National
- Adjournment

Governing Committee Selection



ROSTER OF GOVERNING COMMITTEE
MEMBERS IN HANDOUT



NEED MOTION TO APPROVE 2023
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

- Report of Nominating Committee:

Ericka Gocke – Kentucky Farm Bureau

- Nominations from floor?
- Election of Officers

Election of Officers

Report of Annual Financial Audit

Deming Malone Livesay & Ostroff - *Certified Public Accountants*

Sarah Antle, CPA

Financial Highlights



KENTUCKY ASSIGNED CLAIMS PLAN Year Ended December 31, 2021

<u>Financial Highlights</u>	<u>12/31/2021</u>	<u>12/31/2020</u>
Cash	\$ 5,894,198	\$ 5,819,024
Assessments received	\$ 3,076,923	\$ 3,285,584
Subrogation recovery	\$ 1,846,245	\$ 2,371,000
Interest income	\$ 1,899	\$ 3,742
Membership fees	\$ 400	\$ 810
Total cash receipts	\$ 4,925,467	\$ 5,661,136
Change in cash receipts	-13.00%	
Claims paid	\$ 4,021,950	\$ 5,537,039
Assessments remitted	\$ 377,157	\$ 400,816
Salaries and benefits	\$ 251,317	\$ 247,543
Computer	\$ 162,229	\$ 145,846
Rent	\$ 11,279	\$ 12,039
Other	\$ 26,361	\$ 32,555
Total cash disbursements	\$ 4,850,293	\$ 6,375,838
Change in cash disbursements	-23.93%	
Excess cash receipts (disbursements)	\$ 75,174	\$ (714,702)

Comments

- Financial statements are prepared on the cash basis of accounting
- No new accounting policies adopted or changed during the year
- No internal control related findings to report

Secretary Treasurer's Report

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Year End Reconciled Bank Balance:

- Year End Reconciled Bank Balance:
 - (Inclusive of Assessments for 2023 received in 2022)
 - On Deposit with Republic Bank: \$5,727,987
 - Operating Account \$2,429,397
 - Insured Cash Account \$3,298,590

8 Servicing Carriers beginning March 2022

8 Servicing Carriers Remain for 2023

- All assessments have been collected.
- Bank Balance- Republic Bank (as of 3/31/23): \$3,970,059
\$3,303,265– Cash Sweep Account
\$666,794– Operating Account
- 2023 Budget Status through March

Kentucky Assigned Claims Plan

Report of Activity

Year	2019	2020	Δ 2020 from 2019	2021	Δ 2021 from 2020	2022	Δ 2022 from 2021
New Claims:							
Received	864	794	-8.1%	736	-7.3%	745	1.2%
Rejected	90	70	-22.2%	157	124.3%	173	10.2%
Assigned	850	718	-15.5%	579	-19.4%	569	-1.7%
Closed	946	965	2.0%	1185	22.8%	751	-36.6%
Claims Open:							
Open/Active	684	659	-3.7%	698	5.9%	574	-17.8%
Pending Subro	1557	1363	-12.5%	731	-46.4%	563	-23.0%
Benefits Paid	\$4,579,539.8	4,463,435.42	-\$116,104	\$3,204,102.42	-\$1,259,333	\$2,529,877.99	\$ (674,224.43)

Manager's Report

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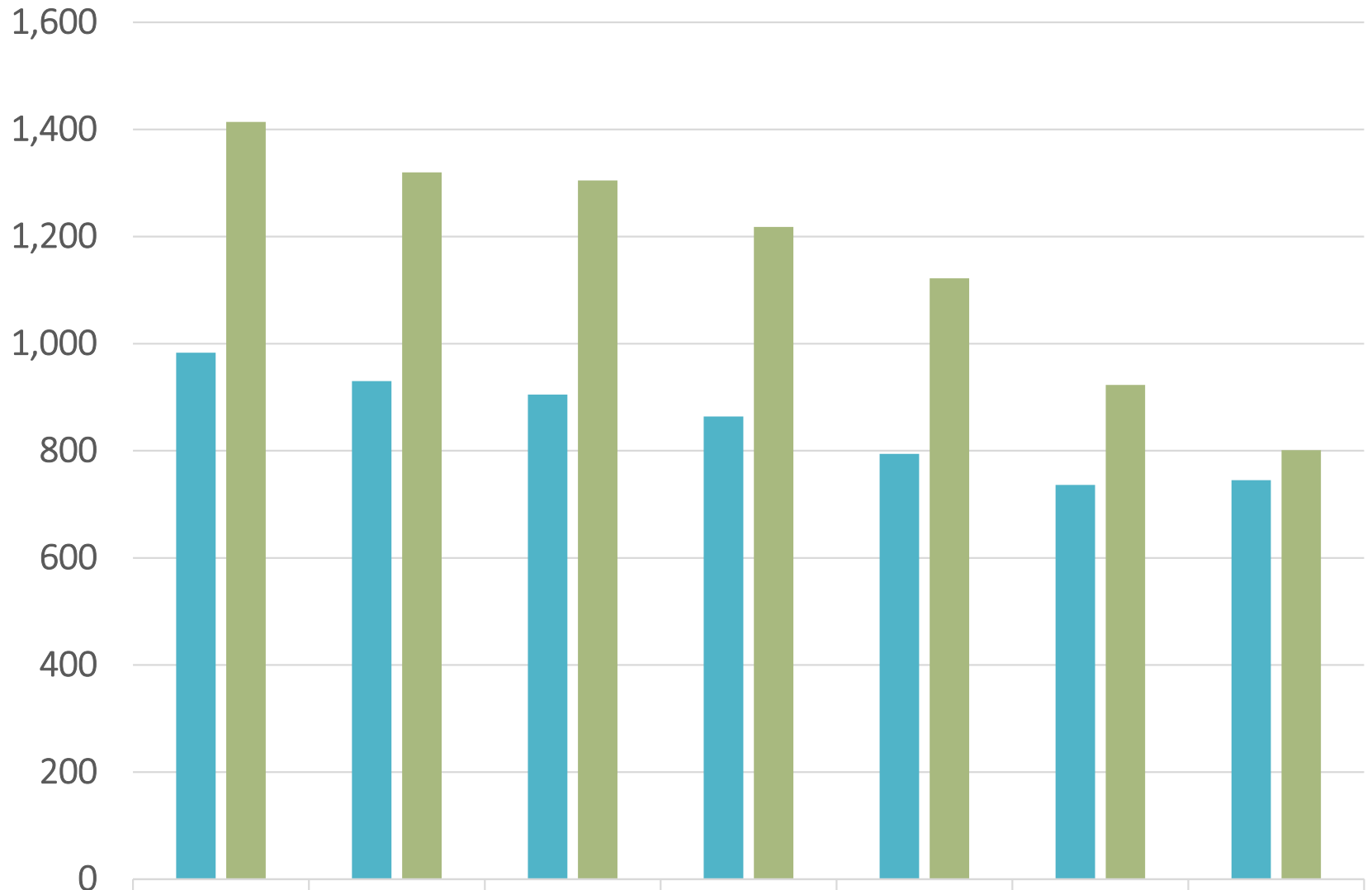
2022 Budget Results

Kentucky Assigned Claims Plan			
Budget Status			
	2021 Budget	2022 Budget	2022 Final
Wages (W-2)	\$ 168,148	\$ 173,203	\$ 171,578
Payroll Taxes	\$ 16,815	\$ 17,320	\$ 12,835
401K Match and Defined Contribution Benefits	\$ 27,240	\$ 28,059	\$ 28,010
Office Supplies and Equip.	\$ 4,200	\$ 4,000	\$ 3,156
Professional Services	\$ 7,860	\$ 7,740	\$ 6,083
Human Resources	\$ 1,500	\$ 1,500	\$ 2,082
Rent	\$ 11,200	\$ 11,200	\$ 11,200
Telephone and Tel.Equip.	\$ 2,576	\$ 3,657	\$ 4,220
Travel	\$ 2,500	\$ 3,200	\$ 2,717
Meals and Entertainment	\$ 1,200	\$ 1,200	\$ 95
Insurance - P & C	\$ 11,450	\$ 11,300	\$ 10,148
Health and Employee Benefits	\$ 34,226	\$ 32,884	\$ 47,277
Postage	\$ 900	\$ 1,100	\$ 1,056
Computer and Systems	\$ 62,390	\$ 55,210	\$ 28,205
Dues & Subscriptions	\$ 400	\$ 400	\$ 913
Board Meetings	\$ 350	\$ 350	\$ 128
Education	\$ 300	\$ 300	\$ 0
Miscellaneous	\$ 1,300	\$ 1,300	\$ 1,226
Total	\$ 354,554	\$ 353,923	\$ 330,929

Claims Report

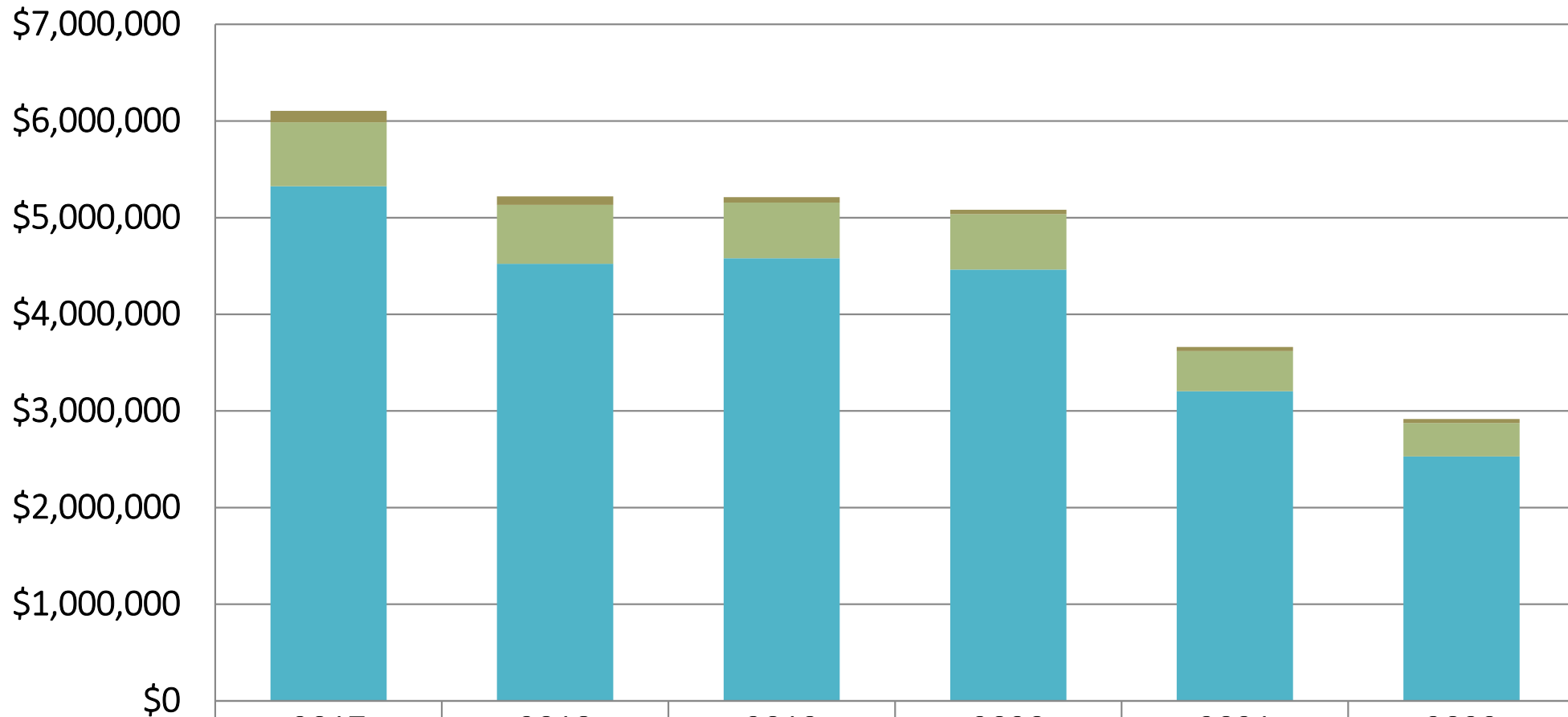


Claims Activity



■ Claims Received	2016	2017	2018	2019	2020	2021	2022
■ Claimaints Assigned	983	930	905	864	794	736	745
	1,414	1320	1305	1218	1122	923	801

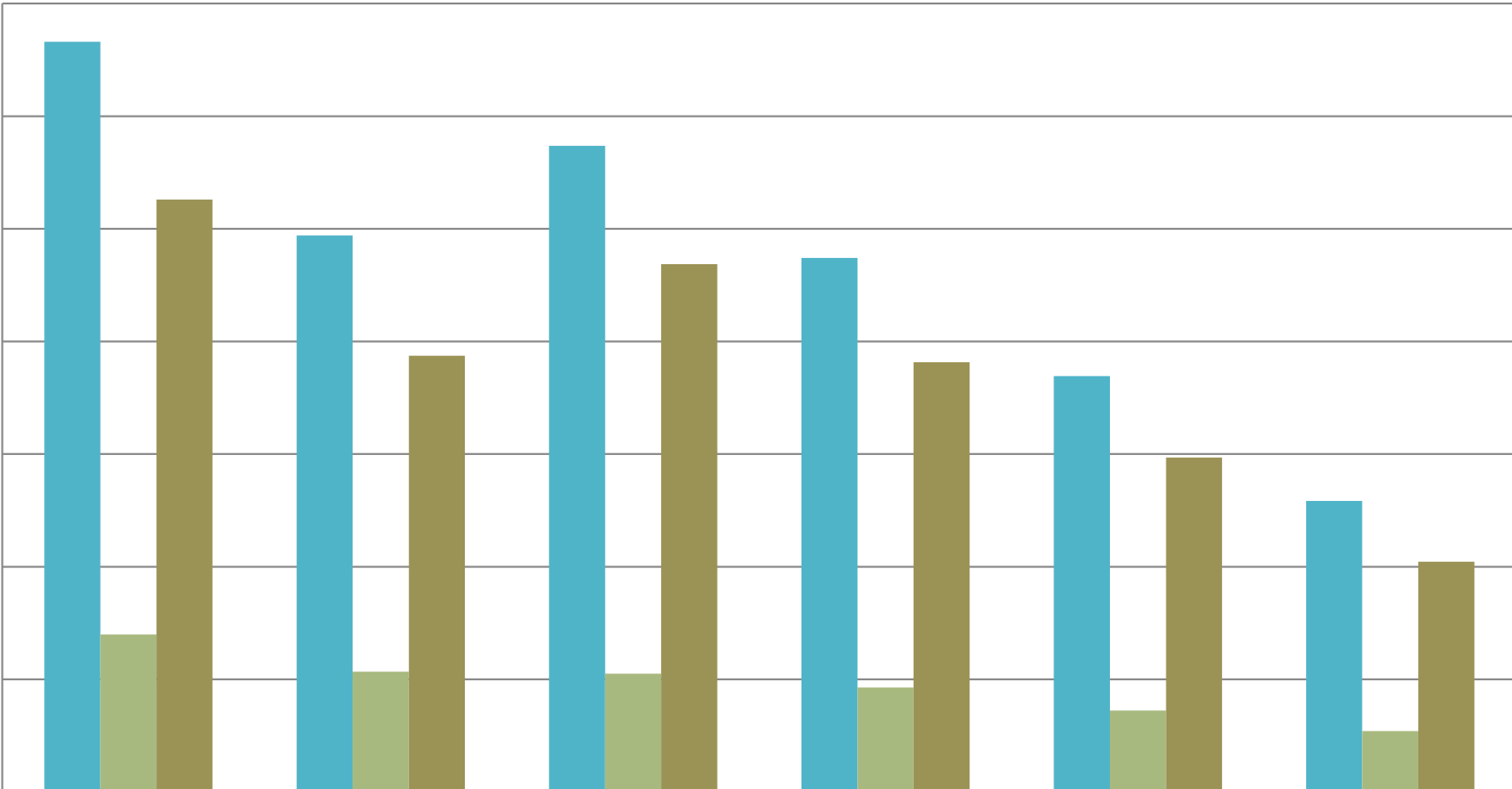
Benefits Paid and Costs



Allocated Costs	\$117,936	\$88,407	\$56,277	\$45,318	\$42,737	\$41,137
Fees	\$660,941	\$609,694	\$577,114	\$573,581	\$414,601	\$344,384
Benefits Paid	\$5,325,833	\$4,522,813	\$4,579,540	\$4,463,435	\$3,204,102	\$2,529,878

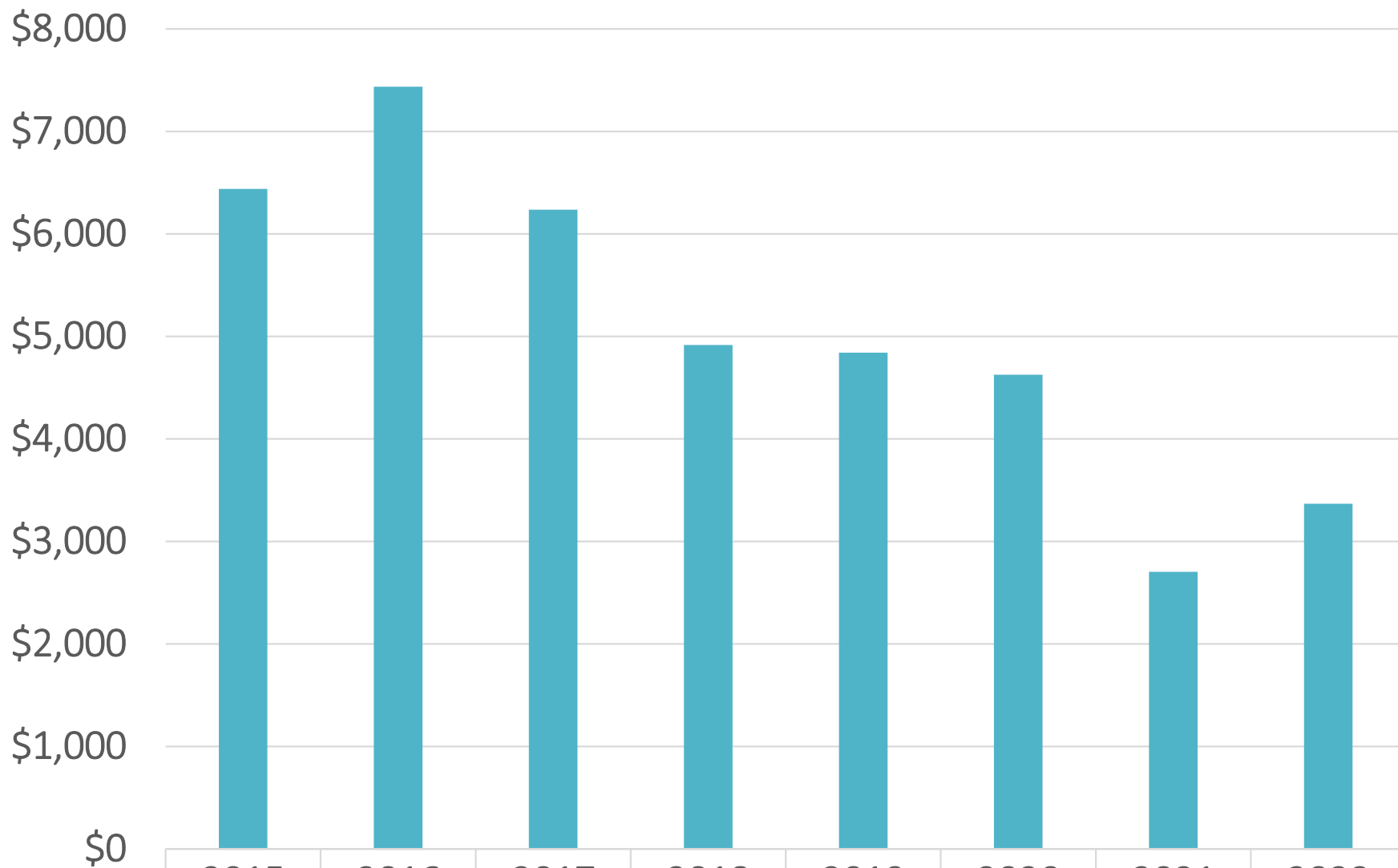
Subrogation

\$3,500,000
 \$3,000,000
 \$2,500,000
 \$2,000,000
 \$1,500,000
 \$1,000,000
 \$500,000
 \$0



	2017	2018	2019	2020	2021	2022
Subrogation	\$3,329,752	\$2,470,718	\$2,868,456	\$2,371,000	\$1,846,245	\$1,292,556
Fees and Costs	\$699,548	\$534,232	\$525,146	\$463,705	\$361,447	\$270,300
Net Subrogation	\$2,630,204	\$1,936,486	\$2,343,310	\$1,907,295	\$1,484,798	\$1,022,256

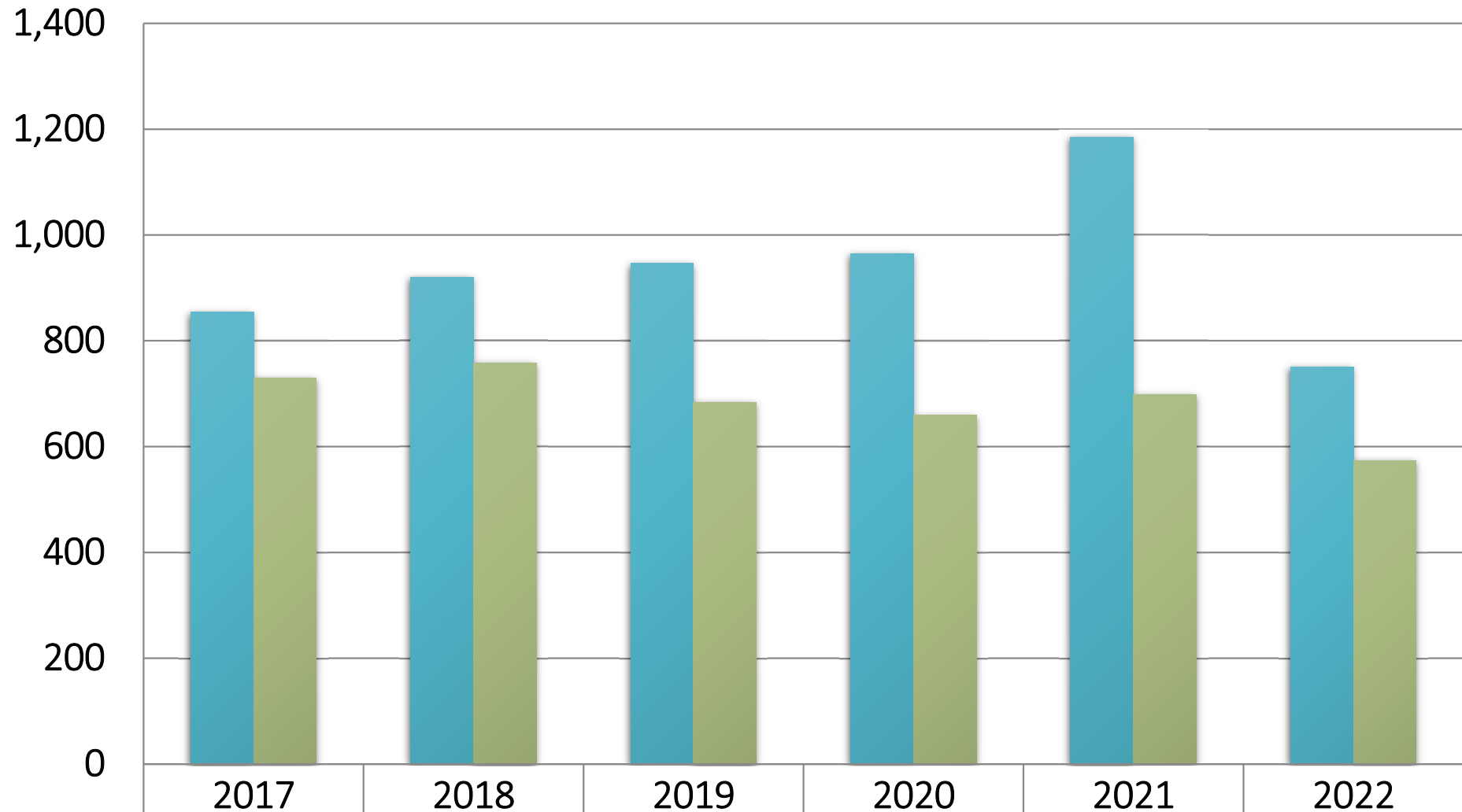
Average Paid



	2015	2016	2017	2018	2019	2020	2021	2022
■ Average Paid Claim	\$6,439	\$7,435	\$6,236	\$4,916	\$4,841	\$4,625	\$2,704	\$3,369

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Open and Closed Claims



■ Closed Claims
■ Open Claims

2017

2018

2019

2020

2021

2022

854

920

946

965

1,185

751

730

758

684

659

698

574

21

As of March 31st

New Claims:

- 2022: 284
- 2023: 250

Paid (benefits + fees/costs):

- 2022: \$764,243
- 2023: \$1,145,861

Subrogation:

- 2022: \$219,744
- 2023: \$331,530

Members Equity System Build



MEQ System – KACP
Assessment

KACP Servicing Carrier Billings

- Updated Fee Schedule took affect on January 1, 2023.
- The minimum handling fee increased from \$250 to \$400 and the fee percentage increased from 10% to 15%.
- The subrogation percentage increased from 15% to 20%.

The Plans Updated Correspondence

Other Business

Kentucky Dept. of Insurance Comments

Other Business

Next Meeting Dates

- September 27, 2023, In-Person
- May 8, 2024, Remote

Adjournment (Break)

Kentucky Insurance Arbitration Association

Annual & Board Meetings

May 11, 2023

KIAA Meeting Etiquette & Expectations

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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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 who 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- Kentucky National*
- *Adjournment*

Board Selection



ROSTER OF GOVERNING BOARD
MEMBERS IN HANDOUT



NEED MOTION TO APPROVE
2023 GOVERNING BOARD



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*

- Nominating Committee

Owen Caster– Progressive Insurance

- Other Nominations from Floor?
- Election of Officers

Election of Officers

Report of Annual Financial Audit

Deming Malone Livesay & Ostroff - *Certified Public Accountants*

Sarah Antle, CPA

Financial Highlights



KENTUCKY INSURANCE ARBITRATION ASSOCIATION
Year Ended December 31, 2022

<u>Financial Highlights</u>	<u>12/31/2022</u>	<u>12/31/2021</u>
Cash	\$ 103,101	\$ 646,967
Assessments	\$ -	\$ 377,157
Filing fees	\$ 44,072	\$ 53,482
Interest income	\$ 468	\$ 160
Membership fees	\$ 100	\$ 40
Total cash receipts	\$ 44,640	\$ 430,839
Change in cash receipts	-89.64%	
Salaries and benefits	\$ 318,877	\$ 287,401
Computer	\$ 224,384	\$ 17,137
Rent	\$ 11,200	\$ 11,279
Other	\$ 34,045	\$ 28,158
Total cash disbursements	\$ 588,506	\$ 343,975
Change in cash disbursements	71.09%	
Excess cash (disbursements) receipts	\$ (543,866)	\$ 86,864

Comments

- Financial statements are prepared on the cash basis of accounting
- No new accounting policies adopted or changed during the year
- No internal control related findings to report

Panel Secretary's Report

MANAGERS REPORT

Kentucky Insurance Arbitration Association			
Quarterly Report of Activity to Board of Directors			
<u>Category</u>	<u>4th Qtr. 2021</u>	<u>4th Qtr. 2022</u>	<u>YTD % Chg</u>
Files Received	325	273	-14.7%
Decisions Rendered	131	126	4.4%
Files Withdrawn	181	160	1.7%
Files Rejected	42	9	-36.7%
Duplicate Filings	1	0	0.0%
Files Deferred	142	88	-20.9%
Files Opened	320	255	-10.5%
Files Set for Hearing	181	225	19.5%
Files Pending Addt'l Docs	2	5	---
Files Pending Fees	42	57	---
Total: Currently Set for Hearing	105	135	---
Total: Currently Open	151	63	---
Total: Currently Deferred	708	662	---
Filing Fees	\$12,680	\$9,000	-17.6%

2022 Budget Results

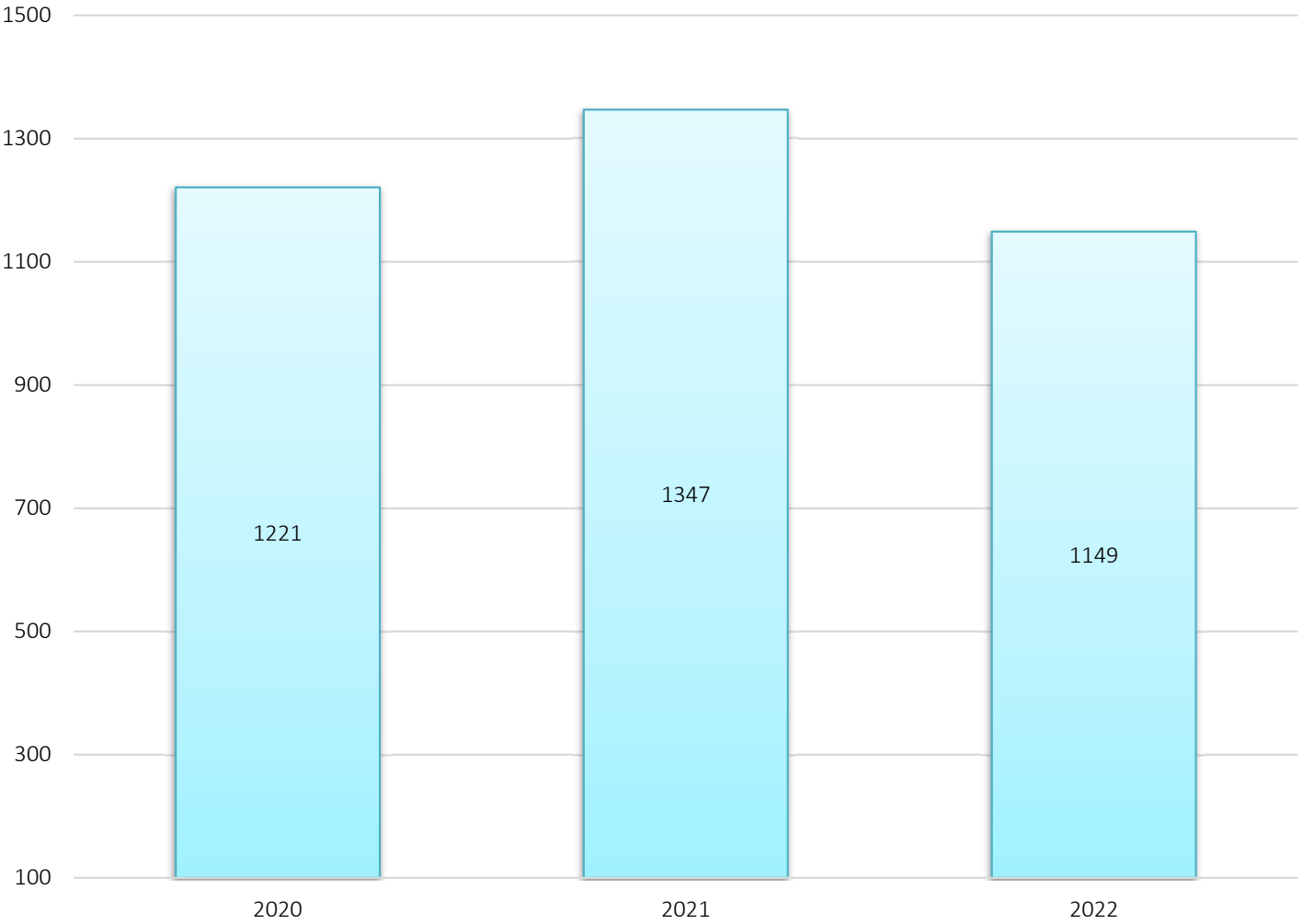
Kentucky Insurance Arbitration Association			
Budget Status			
	2021 Budget	2022 Budget	2022 Final
Wages (W-2)	\$ 189,073	\$ 194,958	\$ 194,909
Payroll Taxes	\$ 18,907	\$ 19,496	\$ 14,673
401K Match and Defined Contribution Benefits	\$ 30,630	\$ 31,583	\$ 32,002
Office Supplies and Equip.	\$ 3,240	\$ 3,200	\$ 3,190
Professional Services	\$ 8,750	\$ 7,740	\$ 5,383
Human Resources	\$ 1,500	\$ 1,500	\$ 2,431
Rent	\$ 11,200	\$ 11,200	\$ 11,200
Telephone	\$ 3,128	\$ 3,657	\$ 4,220
Travel	\$ 2,000	\$ 2,800	\$ 2,147
Meals and Entertainment	\$ 1,200	\$ 1,200	\$ 214
Insurance - P & C	\$ 9,200	\$ 9,120	\$ 10,148
Health and Employee Benefits	\$ 42,605	\$ 42,949	\$ 57,610
Postage	\$ 4,400	\$ 4,800	\$ 4,176
Computer and Systems	\$ 49,224	\$ 40,390	\$ 24,384
Dues & Subscriptions	\$ 500	\$ 500	\$ 913
Board Meetings	\$ 300	\$ 300	\$ 128
Education	\$ 300	\$ 300	\$ -
Miscellaneous	\$ 1,000	\$ 1,000	\$ 979
Total	\$ 377,156	\$ 376,693	\$ 368,707

2023 Budget Status through March –4.8% under budget.

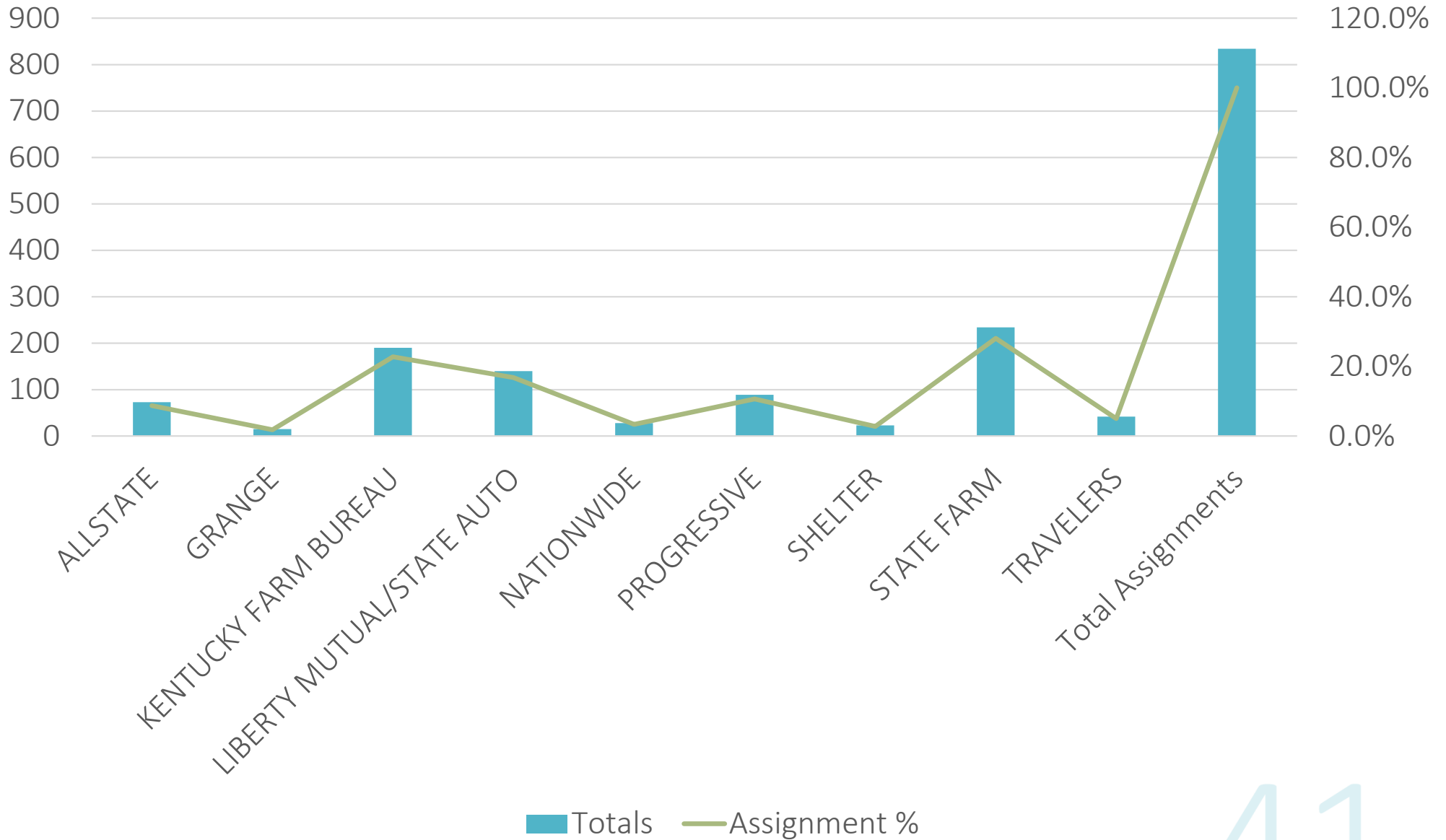
Arbitration Report

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KIAA FILINGS REPORT



KIAA 2022 ASSIGNMENTS



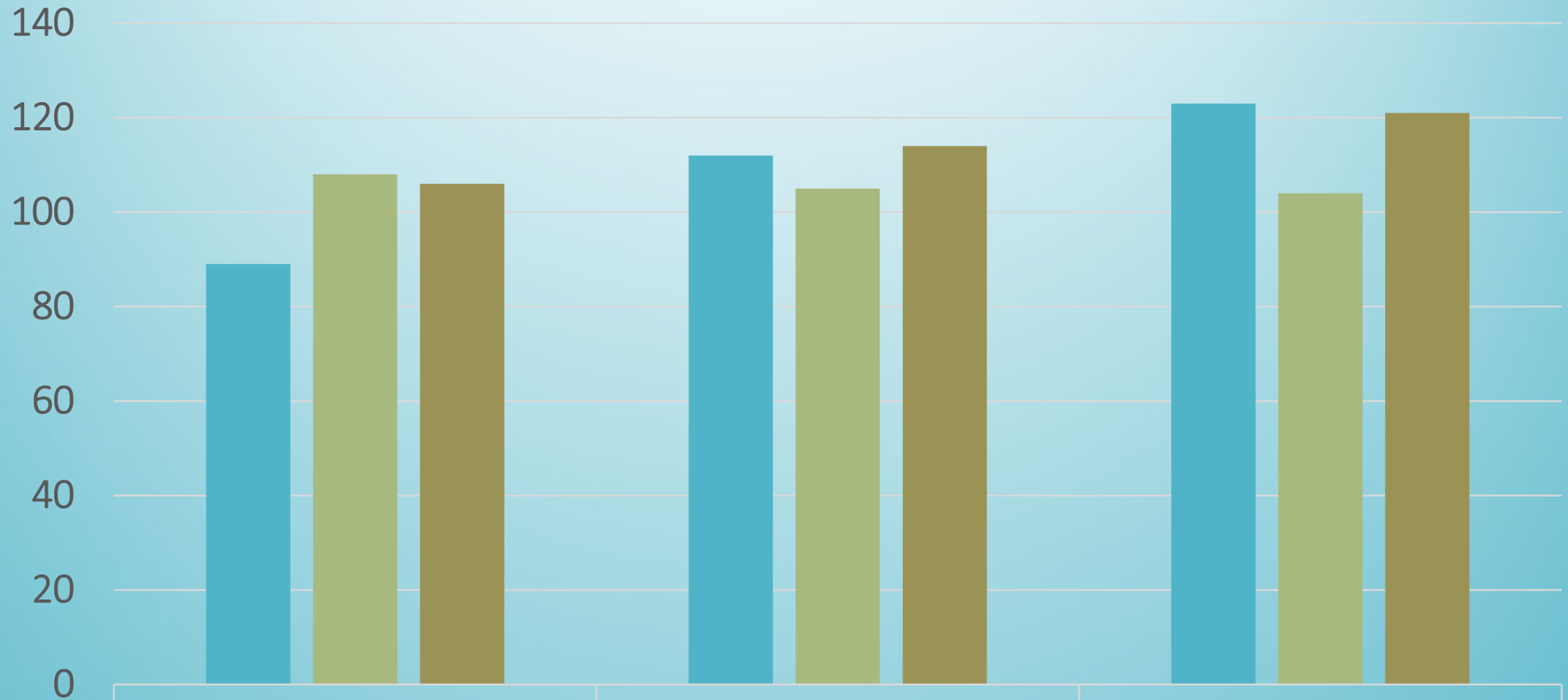
Kentucky Insurance Arbitration Association			
Quarterly Report of Activity to Board of Directors			
<u>Category</u>	<u>1st Qtr. 2022</u>	<u>1st Qtr. 2023</u>	<u>YTD % Chg</u>
Files Received	317	341	7.6%
Decisions Rendered	133	169	27.1%
Files Withdrawn	185	158	-14.6%
Files Rejected	8	7	-12.5%
Duplicate Filings	5	1	-80.0%
Files Deferred	123	112	-8.9%
Files Opened	309	331	7.1%
Files Set for Hearing	223	238	2.1%
Files Pending Addt'l Docs	2	5	---
Files Pending Fees	52	50	---
Total: Currently Set for Hearing	123	122	---
Total: Currently Open	129	109	---
Total: Currently Deferred	698	647	---
Filing Fees	\$13,092	\$15,520	18.5%

KIAA Filings Report

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KIAA Filings as of March 31, 2023

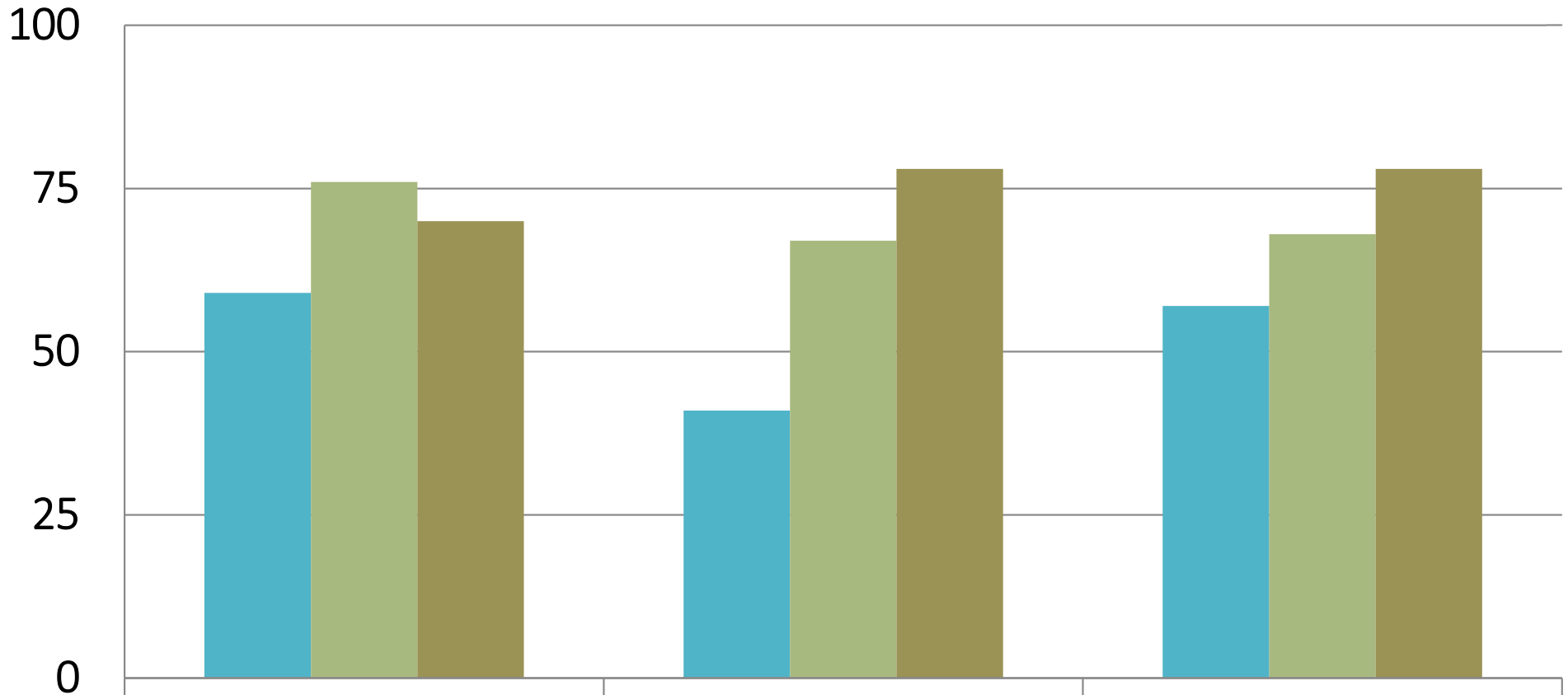
KIAA FILINGS



	JAN	FEB	MAR
2021	89	112	123
2022	108	105	104
2023	106	114	121

As of March 31, 2022

Files Set for Hearing



	JAN	FEB	MAR
2021	59	41	57
2022	76	67	68
2023	70	78	78

KIAA New System Planning

The Plans Updated Addresses

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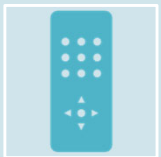
Other
Business



Kentucky Dept. of Insurance Comments



Any Other Business



Next Meeting Dates

September 27, 2023 (In-Person)

May 8, 2024 (Remote)



Adjournment