

# 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 on Thursday, May 11, 2023 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>Ericka Gocke, (2022)</p> <p><b>CHAIR</b></p> <p><b>Kentucky Farm Bureau Mutual Ins. Co.</b></p> <p>P O Box 20700</p> <p>Louisville, Kentucky 40250-0700</p> <p>502-495-5000</p> <p>FAX 502-495-7711</p>	<p>Chris Douglas, 800-538-8654</p> <p>Lona Giles, 877-496-8286</p> <p>Brad Handley, 800-538-8656</p> <p>Denise Crecelius, 800-782-3810</p> <p>Anthony Patrick, 800-538- 8649</p> <p>Amy S. Hall, 606-784-7536</p> <p>Brandon Tucker, 270- 886-8123</p> <p>Mark Hildebrandt, 270-684-2165</p> <p>Wendy L. Bray, 502-493-7650</p> <p>Joshua P. Abbott, 270-765-4400</p> <p>Reese W. Smoot, 800.782.3810</p> <p>Michele E Reed, 859-525-6170</p> <p>Michael P. Hansel, 800 538-8650</p> <p>Kevin R. King ,606-666-2476</p> <p>Angela J. Benningfield, 502-266-6100</p> <p>Anthony T. Strode, 606-207-2158</p> <p>Daniel W. Rogers, 270-782-1300</p> <p>Jeff Smith, 606-864-9303</p> <p>Art Longnaker, 502-266-6100</p> <p>Adam Blake, 859-412-7352</p> <p>Jason Woods, 606-679-4327</p> <p>Christal Beard, 270-765-4400</p> <p>Howard Rice, 502-718-2161</p> <p>Tiffany Ross, 502-409-2898</p> <p>Scott Collins, 606-784-7536</p> <p>Lee Holt, 270-465-9771</p> <p>Clay Hinton, 502-495-5000</p> <p>Charles Wiley Hendricks, 859-254-8074</p>

## Kentucky Insurance Arbitration Association

<p>Taylor Martin(2023) <b>Nationwide Insurance Company</b> 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 , 614-435-4242 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)  <b>Liberty Mutual Insurance Company</b>  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  Chris Cary, 317-805-2745  Stephanie Dolsen 513-576-4698</p>
<p>Owen K. Caster (2021)  <b>Progressive Insurance Company</b>  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)  Vice Chair  <b>Allstate Insurance Company</b>  PO Box 660636  Dallas, TX 75266  954-956-3707  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>

### Kentucky Insurance Arbitration Association

<p>Kim McCollom (2022)  <b>State Farm Mutual Insurance Co.</b>  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  Donna Parslow, 205-944-8030</p>
<p>Samuel McKenzie Carter (2022)  <b>Shelter Mutual Insurance Co.</b>  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)  <b>Grange Insurance Company</b>  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

Vivian Judy (2022) <b>Travelers Insurance Company</b> PO Box 950293 Dallas, TX 75265 317-818-5208	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 Joselyn Van Leer, 317-818-0159 Lindsey Beasley, 317-818-5103
Allan Faber (2022) Kentucky National Insurance Company PO Box 55108 Lexington, KY 40555 859-367-5216	
<b>Kentucky Department of Insurance Representative</b>	<b>Shawn Boggs</b> <b>Kentucky Department of Insurance</b> P.O. Box 517 Frankfort, Kentucky 40602-0517



**Kentucky Insurance Arbitration Association**

<b>KIAA Staff</b>	Stephen “Mark” Hillis, Panel Secretary Rebecca Darst

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**

**2022 KIAA ANNUAL  
MEETING MINUTES**

**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,

A handwritten signature in black ink, appearing to read 'Mark Hillis', written in a cursive style.

Mark Hillis  
Panel Secretary

**5a**

**KDOI APPROVAL OF  
VIVIAN JUDY -  
TRAVELERS**



**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 23, 2022

Mr. Stephen Mark Hillis  
Kentucky Insurance Arbitration Association  
PO Box 436509  
Louisville, KY 40243

Re: Vivian Judy, Travelers Insurance Company  
Appointment to KIAA Arbitrator and Board Member

Dear Mr. Hillis,

Pursuant to your communication of September 8, 2022, Vivian Judy 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](mailto:Shawn.Boggs@ky.gov)



**5b**

KDOI APPROVAL OF  
ERICKA GOCKE -  
KENTUCKY FARM  
BUREAU



**Andy Beshear**  
Governor

**PUBLIC PROTECTION CABINET**  
**Department of Insurance**  
P.O. Box 517  
Frankfort, Kentucky 40602-0517  
1-800-595-6053  
<http://insurance.ky.gov>

**Kerry B. Harvey**  
Secretary

**Sharon P. Clark**  
Commissioner

November 29, 2022

Mr. Stephen Mark Hillis  
Kentucky Insurance Arbitration Association  
PO Box 436509  
Louisville, KY 40243

Re: Ericka Gocke, Kentucky Farm Bureau Insurance Company  
Appointment to KIAA Arbitrator and Board Member

Dear Mr. Hillis,

Pursuant to your communication of November 15, 2022, Ericka Gocke is hereby appointed as an arbitrator and board member for the Kentucky Insurance Arbitration Association.

Sincerely,

Sharon P. Clark, Commissioner

Shawn Boggs, Deputy Commissioner

Kentucky Department of Insurance  
(502) 564 3630  
[Shawn.Boggs@ky.gov](mailto:Shawn.Boggs@ky.gov)

**5c**

**KDOI APPROVAL OF  
ALLAN FABER -  
KENTUCKY NATIONAL  
INSURANCE**



**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

November 29, 2022

Mr. Stephen Mark Hillis  
Kentucky Insurance Arbitration Association  
PO Box 436509  
Louisville, KY 40243

Re: Allan Faber, Kentucky National Ins. Co.  
Appointment to KIAA Arbitrator and Board Member

Dear Mr. Hillis,

Pursuant to your communication of November 18, 2022, Allan Faber is hereby appointed as an arbitrator and board member for the Kentucky Insurance Arbitration Association.

Sincerely,

Sharon P. Clark, Commissioner

Shawn Boggs, Deputy Commissioner

Kentucky Department of Insurance

(502) 564 3630

[Shawn.Boggs@ky.gov](mailto: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 11, 2023 held 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>Ericka Gocke, (2022)</p> <p><b>CHAIR</b></p> <p><b>Kentucky Farm Bureau Mutual Ins. Co.</b></p> <p>P O Box 20700</p> <p>Louisville, Kentucky 40250-0700</p> <p>502-495-5000</p> <p>FAX 502-495-7711</p>	<p>Chris Douglas, 800-538-8654</p> <p>Lona Giles, 877-496-8286</p> <p>Brad Handley, 800-538-8656</p> <p>Denise Crecelius, 800-782-3810</p> <p>Anthony Patrick, 800-538- 8649</p> <p>Amy S. Hall, 606-784-7536</p> <p>Brandon Tucker, 270- 886-8123</p> <p>Mark Hildebrandt, 270-684-2165</p> <p>Wendy L. Bray, 502-493-7650</p> <p>Joshua P. Abbott, 270-765-4400</p> <p>Reese W. Smoot, 800.782.3810</p> <p>Michele E Reed, 859-525-6170</p> <p>Michael P. Hansel, 800 538-8650</p> <p>Kevin R. King ,606-666-2476</p> <p>Angela J. Benningfield, 502-266-6100</p> <p>Anthony T. Strode, 606-207-2158</p> <p>Daniel W. Rogers, 270-782-1300</p> <p>Jeff Smith, 606-864-9303</p> <p>Art Longnaker, 502-266-6100</p> <p>Adam Blake, 859-412-7352</p> <p>Jason Woods, 606-679-4327</p> <p>Christal Beard, 270-765-4400</p> <p>Howard Rice, 502-718-2161</p> <p>Tiffany Ross, 502-409-2898</p> <p>Scott Collins, 606-784-7536</p> <p>Lee Holt, 270-465-9771</p> <p>Clay Hinton, 502-495-5000</p> <p>Charles Wiley Hendricks, 859-254-8074</p>



## Kentucky Insurance Arbitration Association

<p>Taylor Martin(2023) <b>Nationwide Insurance Company</b> 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 , 614-435-4242 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 <b>Liberty Mutual Insurance Company</b> 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 Chris Cary, 317-805-2745 Stephanie Dolsen 513-576-4698</p>
<p>Owen K. Caster (2021) <b>Progressive Insurance Company</b> 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) <b>Allstate Insurance Company</b> PO Box 660636 Dallas, TX 75266 954-956-3707 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>

### Kentucky Insurance Arbitration Association

<p>Kim McCollom (2022)  <b>State Farm Mutual Insurance Co.</b>  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  Donna Parslow, 205-944-8030</p>
<p>Samuel McKenzie Carter (2022)  <b>Shelter Mutual Insurance Co.</b>  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)  <b>Grange Insurance Company</b>  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>Vivian Judy (2022) <b>Travelers Insurance Company</b> PO Box 950293 Dallas, TX 75265 317-818-5208</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 Joselyn Van Leer, 317-818-0159 Lindsey Beasley, 317-818-5103</p>
<p>Allan Faber (2022) Kentucky National Insurance Company PO Box 55108 Lexington, KY 40555 859-367-5216</p>	
<p><b>Kentucky Department of Insurance Representative</b></p>	<p><b>Shawn Boggs</b> <b>Kentucky Department of Insurance</b> P.O. Box 517 Frankfort, Kentucky 40602-0517</p>

Kentucky Insurance Arbitration Association

KIAA Staff	Stephen “Mark” Hillis, Panel Secretary Rebecca Darst

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**

**FALL 2022 KIAA BOARD OF  
DIRECTORS  
MEETING MINUTES**



## **Kentucky Insurance Arbitration Association Board Meeting Minutes**

A Board Meeting of the Kentucky Insurance Arbitration Association was held on September 29, 2022, at 10:30 AM EST.

### **Those in attendance were:**

#### **Board of Directors:**

Karen Perdue, CPCU, AIC, AIM, AU (Chair)  
Christa Hobe (Vice Chair)  
Taylor Martin  
Owen K. Caster  
Brooke McNeil  
Samuel McKenzie Carter  
Kimberly McCollom  
Scot McFarland  
Vivian Judy for 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 Farm Mutual Ins. Co.  
Allstate Ins. Co.  
Travelers Ins. Co.

#### **Kentucky Department of Insurance:**

Shawn Boggs, Deputy Commissioner

Kentucky Department of Insurance

#### **Guest:**

Ericka Gocke

Kentucky Farm Bureau Ins. Co.

#### **Staff:**

Mark Hillis  
Melissa Chlon  
Erin Lux  
Becky Darst  
Carrie Manor

Panel Secretary and Manager  
Assistant Director  
Assistant Plans Manager  
Claims Manager  
Claims Supervisor

### **1. Call to Order:**

Ms. Perdue called the meeting to order.

### **2. Roll Call:**

Roll Call was conducted to confirm attendees. The Chair noted a quorum was present.

**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:**

Mr. Caster moved, and Ms. McNeil seconded to approve the minutes of the May 12, 2022, Annual and Board meetings and the motion carried.

**5. Panel Secretary's Report:**

**A. Arbitration Status Report:**

Ms. Darst presented information showing new arbitration filings by month and assignments set for hearing. She indicated that new filings have been inconsistent month-by-month throughout 2022 and are down compared to this time last year. Hearing assignments through August are up compared to last year.

**B. Financial Report:**

Mr. Hillis reported that the balance at Republic Bank as of August 31, 2022, was \$433,451.97.

**C. Budget, Assessment, and System Update:**

Mr. Hillis reminded the Board that the Association did not assess in 2021 for 2022. Through August 2022, the Association has used approximately 65% of the 2022 budget and is projected to end 2022 under budget. The proposed 2023 budget of \$435,994 is higher than prior year mainly due to wage allocation and health coverage.

- Employee wages are allocated based on the amount of work we are expecting to be needed by staff for each specific Plan in the upcoming year. This allows the Plans to work efficiently and remain consistent with the budget. With the upcoming system build for KIAA the time allocated to creating and writing system specifications will result in a heavier workload, shifting wages.
- Ancillary benefit rates are stagnant, however, the same is not true for health/medical coverage. The Plans shop the market annually and compare options with two main carriers, Anthem and United Health Care. Anthem, the current 2022 carrier, has filed and been approved for a 5.8% increase with the Kentucky Department of Insurance. While that increase would be nice, the Plans have historically seen a 10%-12% rate increase annually. The Plans use a benefits broker, Gibson, along with NAMIC to shop the market.

Mr. Hillis gave some history on Finys and the relationship the Plans has built with them, allowing us to seek out their services for the KIAA system build, discussed in Other Business below. Finys supports eight other FAIR Plans in addition to the Assigned Claims Plan. Further, he recommended that \$500,000 is added to the 2023 pure assessment to cover the initial phases of the new KIAA system build which is estimated at \$500,000 - \$750,000 plus annual maintenance costs.

Mr. Caster moved, and Ms. Hobe seconded to approve the 2023 administrative budget of \$435,994 and add \$500,000 to the 2023 Assessment. The motion carried.

Ms. Lux presented an update on the new KIAA system and the current work underway. A new system will increase efficiency by reducing duplicative entries into multiple systems for KIAA staff as well as supporting the industry by increasing ease of use and better reporting functionality for external users. Finys, the vendor that built the Kentucky Assigned Claims Plan and the Kentucky FAIR Plan systems have agreed to undertake the new KIAA system build.

Mr. Hillis added that Finys has grown to be a competitor of Guidewire and is selective with the clients they onboard. This system build will take additional time, resources, and funds (up front and annually) as it is a custom build. Over the years Finys has shown their strong understanding of the residual markets and have been a great partner for the Plans.

## **6. Other Business:**

Mr. Hillis recognized Karen Perdue for her 20 years of service to the Plans. Karen has provided invaluable knowledge, support, and partnership. Karen will be retiring in December. We will miss her dearly but wish her all the best in her next chapter.

Mr. Hillis advised the Plans will be taking over the whole building. The Alliance is growing, and the Plans need more space. KIGA will be placed on notice that the Alliance will not be offering a renewal of their lease later in 2023, for 2024.

Deputy Commissioner Boggs took the opportunity to thank the Plans for allowing the Department of Insurance to participate in these meetings, and for all the support they provide for the citizens of our Commonwealth. The department continues to operate on a hybrid schedule. The Property & Casualty sector has seen an increase in carriers and filings have increased 50% over last year. Deputy Commissioner Boggs, as representing the Department and Commissioner Clark, appreciate all we do and are looking forward to meeting with Plan leadership in person, next week.

The next meetings will be held May 11, 2023. The Fall meeting will be held September 27, 2023 and will be in person.

## **7. Adjournment:**

There being no further business, Mr. Caster moved, and Mr. McFarland seconded, and the motion carried to adjourn the meeting.

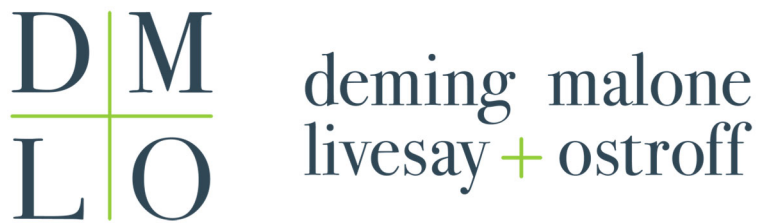
Respectfully submitted,



Mark Hillis  
Panel Secretary

**6a**

## KIAA Financial Highlights



**KENTUCKY INSURANCE ARBITRATION ASSOCIATION**  
**Year Ended December 31, 2022**

<b><u>Financial Highlights</u></b>	<b><u>12/31/2022</u></b>	<b><u>12/31/2021</u></b>
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

---

301 E. Elm Street  
New Albany, Indiana 47150  
T: 812.945.5236  
F: 812.949.4095

9300 Shelbyville Road  
Suite 1100  
Louisville, Kentucky 40222  
T: 502.426.9660  
F: 502.425.0883

131 E. Chestnut Street  
Corydon, Indiana 47112  
T: 812.738.3516  
F: 812.738.3519

**6b**

**KIAA FINANCIALS**

**KENTUCKY INSURANCE ARBITRATION  
ASSOCIATION**

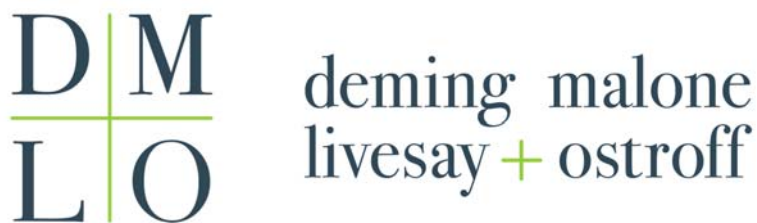
**STATEMENTS OF CASH RECEIPTS AND  
DISBURSEMENTS**

**Years Ended December 31, 2022 and 2021**

## **Table of Contents**

	Page
<b>Independent Auditors' Report</b>	1 and 2
<b>Financial Statements</b>	
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

### **Opinion**

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, 2022 and 2021, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash receipts and disbursements of Kentucky Insurance Arbitration Association for the years ended December 31, 2022 and 2021, in accordance with the cash basis of accounting as described in Note 1.

### **Basis for Opinion**

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Kentucky Insurance Arbitration Association and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **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.

### **Responsibilities of Management 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' Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Kentucky Insurance Arbitration Association's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Kentucky Insurance Arbitration Association's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

*Deming, Malone, Lussay & Ostroff*

Louisville, Kentucky  
February 9, 2023

**KENTUCKY INSURANCE ARBITRATION ASSOCIATION**

**STATEMENTS OF CASH RECEIPTS AND DISBURSEMENTS**

Years Ended December 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
<b>Cash Receipts</b>		
Assessments		\$ 377,157
Filing fees	\$ 44,072	53,482
Interest income	468	160
Membership fees	<u>100</u>	<u>40</u>
<b>Total cash receipts</b>	<u>44,640</u>	<u>430,839</u>
<b>Cash Disbursements</b>		
Computer	224,384	17,137
Salaries	214,591	199,000
Health insurance	57,610	52,300
Retirement	32,003	23,395
Payroll taxes	14,673	12,706
Rent	11,200	11,279
Insurance	10,148	9,133
Professional services	5,383	4,721
Office supplies	3,190	3,401
Miscellaneous	4,548	3,128
Postage	4,281	3,323
Telephone	4,220	3,329
Travel and meetings	<u>2,275</u>	<u>1,123</u>
<b>Total cash disbursements</b>	<u>588,506</u>	<u>343,975</u>
<b>Excess cash (disbursements) receipts</b>	(543,866)	86,864
Cash at beginning of year	<u>646,967</u>	<u>560,103</u>
Cash at end of year	<u>\$ 103,101</u>	<u>\$ 646,967</u>

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 9, 2023, 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, 2022 and 2021, 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, Kentucky Assigned Claims Plan (KACP), and Kentucky FAIR Plan Reinsurance Association (KFP) are related organizations under a cost sharing agreement. KFP furnishes personnel and administrative support for the Association and the above entities and allocates the charges to each. Cash disbursements during 2022 and 2021 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>2022</u>	<u>2021</u>
Payable at beginning of year	\$ 49,686	\$ 39,412
Expenses allocated during the year	589,223	354,227
Payments made during the year	<u>(588,493)</u>	<u>(343,953)</u>
Payable at end of year	<u>\$ 50,416</u>	<u>\$ 49,686</u>

KACP collects assessments and holds cash in its account on behalf of the Association. Cash receipts of assessments from KACP during 2022 and 2021 are included in the statements of cash receipts and disbursements. An analysis of cash activity in 2022 and 2021 by KACP on behalf of the Association follows:

	<u>2022</u>	<u>2021</u>
Receivable from KACP, beginning of year	\$	\$ 377,157
Assessments collected by KACP	935,944	
Payments received from KACP	<u>                    </u>	<u>(377,157)</u>
Receivable from KACP, end of year	<u>\$ 935,944</u>	<u>\$</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 \$26,133 and \$18,684 for the years ended December 31, 2022 and 2021, 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 \$5,870 and \$4,711 for the years ending December 31, 2022 and 2021, respectively.

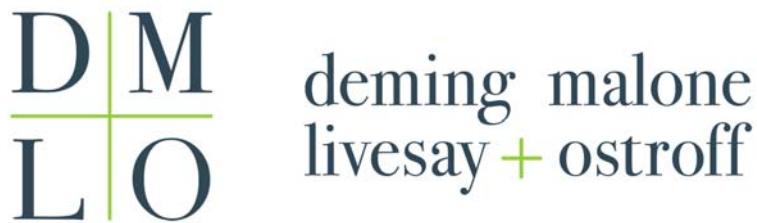
Costs are allocated in accordance with the cost sharing agreement as described in Note 3.

### **Note 5. Operating Lease**

The Association leases office space from the Kentucky FAIR Plan Reinsurance Association under an operating lease through December 31, 2023. 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, 2023. Cash disbursements for rent expense allocated to the Association were \$11,200 and \$11,279 for the years ended December 31, 2022 and 2021, respectively.

**6c**

# KIAA REPORT TO MANAGEMENT



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, 2022, and have issued our report thereon dated February 9, 2023. 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 30, 2022. 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 2022. 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 disagreement on a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' 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 9, 2023.

### *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 auditors’ 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 & Petroff*

Louisville, Kentucky  
February 9, 2023

**7a**

**2022 4th QUARTER  
REPORT TO KIAA BOARD**

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

**7B**

# **KIAA 2022 BUDGET RESULTS**

**Kentucky Insurance Arbitration Association****Budget Status**

	<b>2021 Budget</b>	<b>2022 Budget</b>	<b>2022 Final</b>
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
<b>Total</b>	<b>\$ 377,156</b>	<b>\$ 376,693</b>	<b>\$ 368,707</b>