

# Kentucky FAIR Plan

Governing Committee Meeting  
October 25, 2023

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# Meeting Etiquette & Expectations

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## 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.



# Agenda

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Roll Call

Anti-Trust Preamble Reminder

Approval of Minutes

Committee Reports

Executive Director's Report

2024 Budget

Rate Review

Other Business

Adjournment



# Call to Order

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ROLL CALL

# Approval of Minutes

Anti-Trust Preamble Reminder  
*(Page 2)*

Prior Meeting Minutes  
*(Beginning on Page 5)*

- Governing Committee Meeting 6/7/23
- Claims Committee 8/14 & 8/24/23
- Underwriting Committee 8/8 & 8/23/23
- Equity & Reinsurance Committee 9/13/23
- Investment Committee - 10/10/23
- Cost Sharing Alliance Committee 10/19/23

# Committee Reports



125,058	154,568	95,054	124,500
125,487	56,845	97,511	125,000
124,000	110,000	99,011	154,000
	150,000	99,216	95,000
	25,000	101,090	154,200
		101,684	110,000
			89,000
			50,000

# Claims Audit

## **Kentucky Claims Committee:**

Henry Goins - Kentucky Farm Bureau

Dan Pendleton - Kentucky Farm Bureau

Andy Lewis - State Farm

Stacie Darnell - Kentucky National

## **Claims Committee Meetings:**

August 14 & 24, 2023

# Underwriting Audit

## **Kentucky Underwriting Committee:**

Andy Heim - Kentucky Farm Bureau

Dwayne Taylor - State Farm

Oliver Casey - C.N.A.

## **Underwriting Committee Meetings:**

August 8 & 23, 2023



# Installment Fee Recommendation

## Installment Fee Recommendation:

Increase from \$4 to \$6

Effective July 1, 2024

	PIF	Current Collected (\$4)	Proposed Collected (\$6)
2-Pay	340	\$ 2,720	\$ 4,080
4-Pay	1256	\$ 20,096	\$ 30,144
5-Pay	677	\$ 13,540	\$ 20,310
Full Pay	970	\$ -	\$ -
MT Bill	631	\$ -	\$ -
		\$ 36,356	\$ 54,534

Reinsurance and  
Equity  
Committee  
Meeting

September 13,  
2023

Investment Committee  
Members

Kristen Mellinger – Kentucky  
Farm Bureau

Todd Feltman – State Farm

Mark Hillis - Kentucky FAIR  
Plan

# Investment Committee Meeting

October 10,  
2023

## Investment Committee Members

Rudy Schlich - Old Kentucky Insurance

Lisa Pierce - Allstate Insurance

Rob Cummisford – Kentucky Farm Bureau

Chuck McCurdy – Cerity Partners

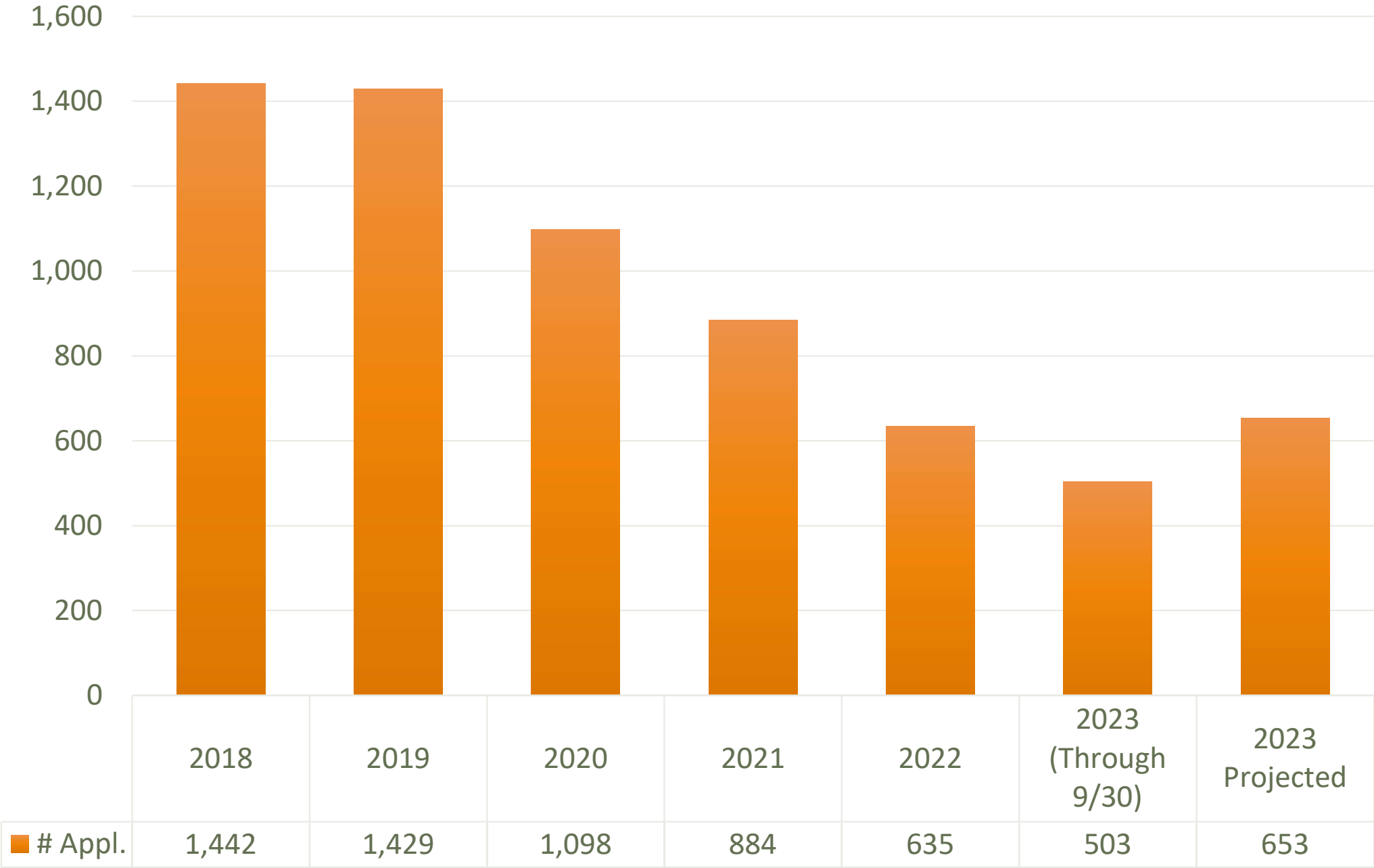
Ryan Burch – Cerity Partners

Mark Hillis - Kentucky FAIR Plan

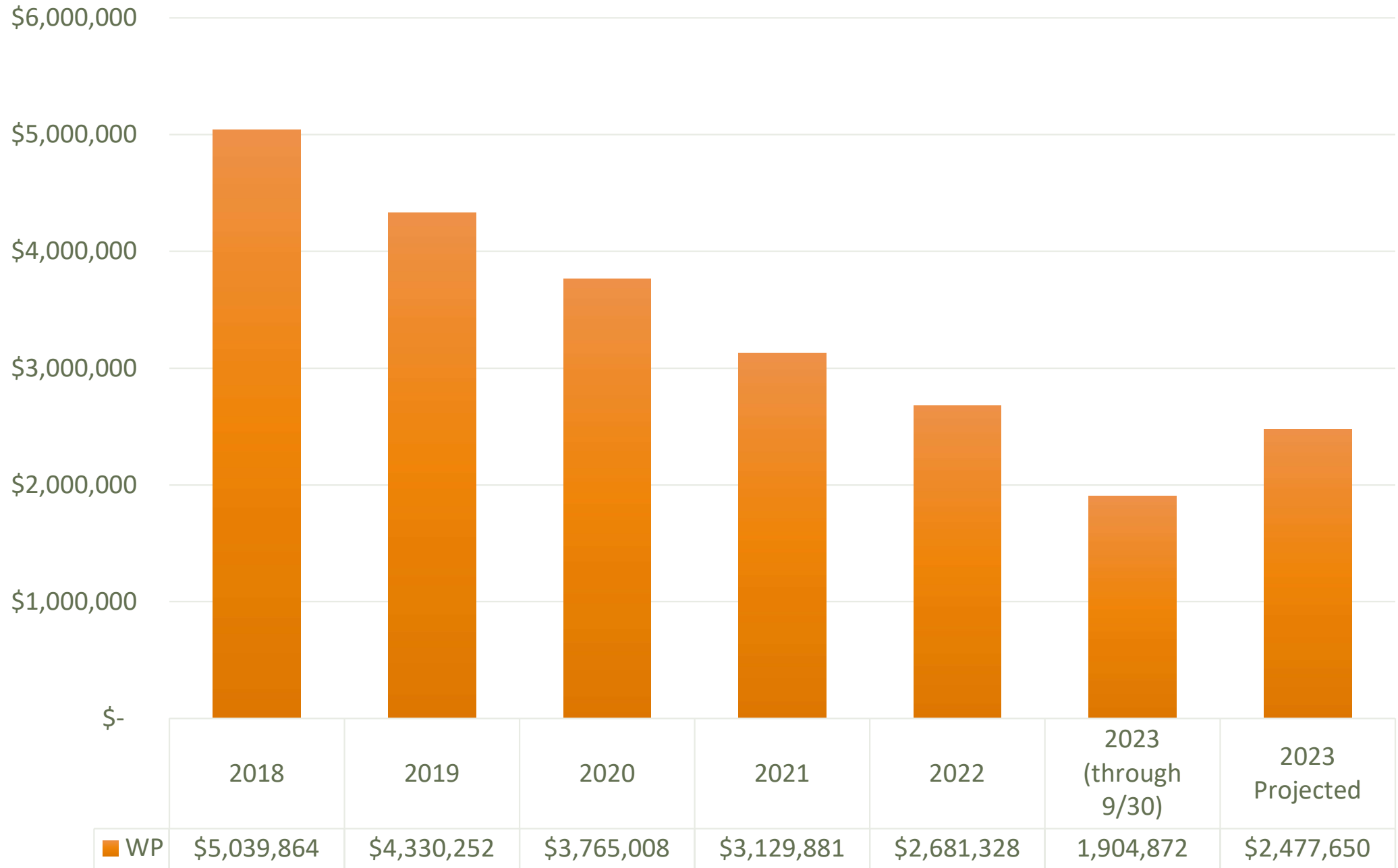
# Executive Directors Report

A thin vertical line is positioned to the right of the text, extending from the top of the text area to the bottom of the text area.

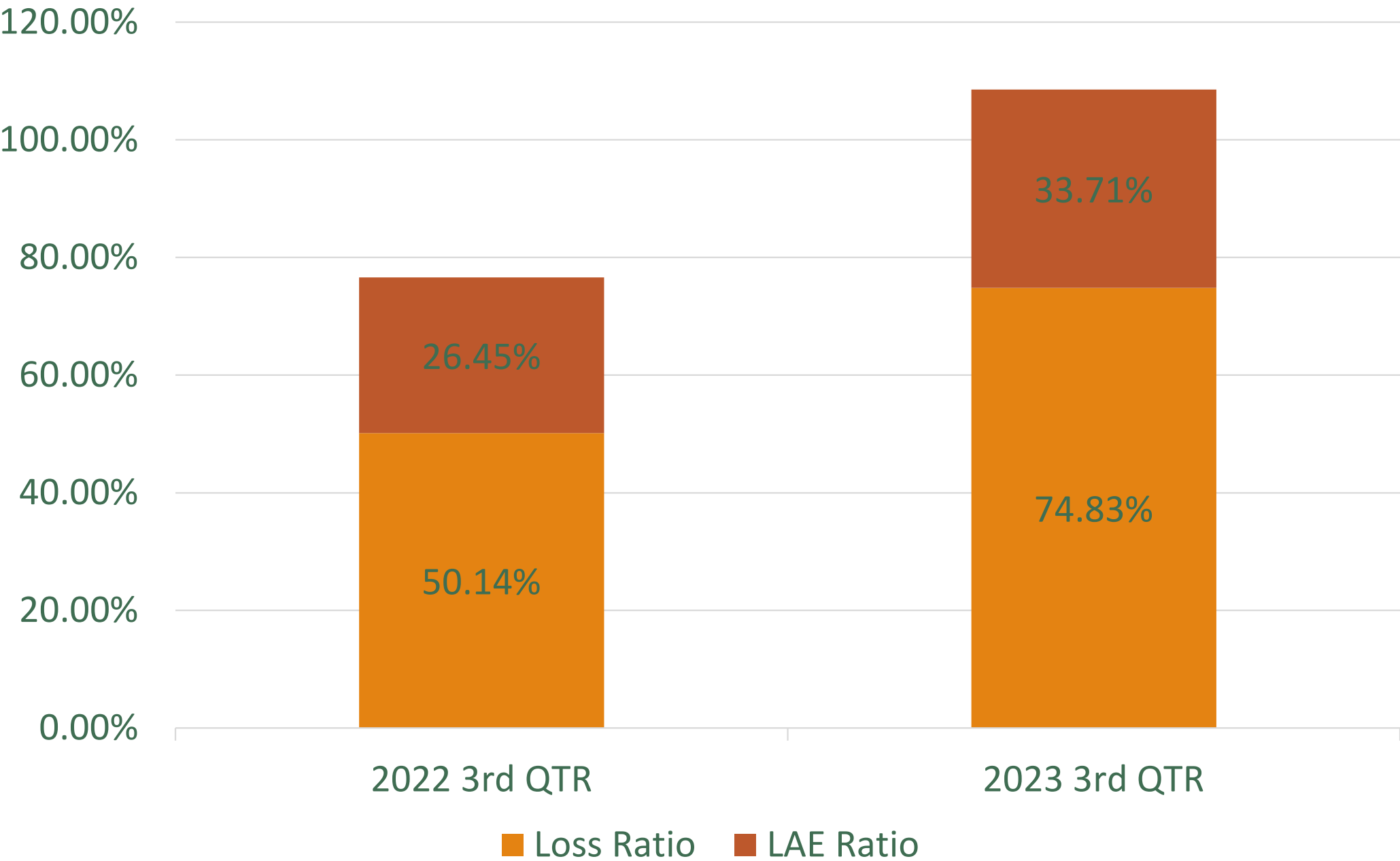
# Number of New Business Applications



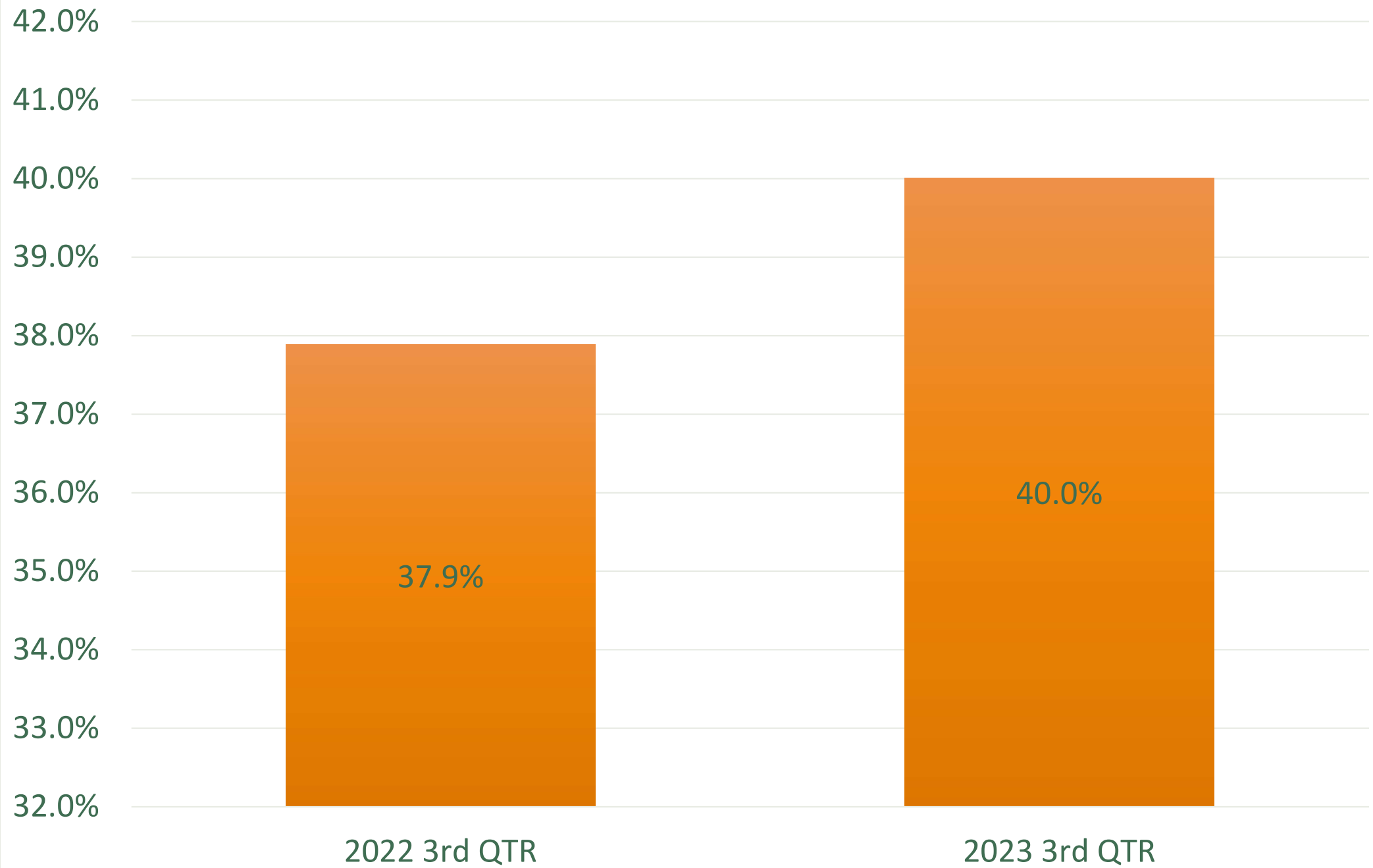
# Written Premium



# Loss and LAE Ratio

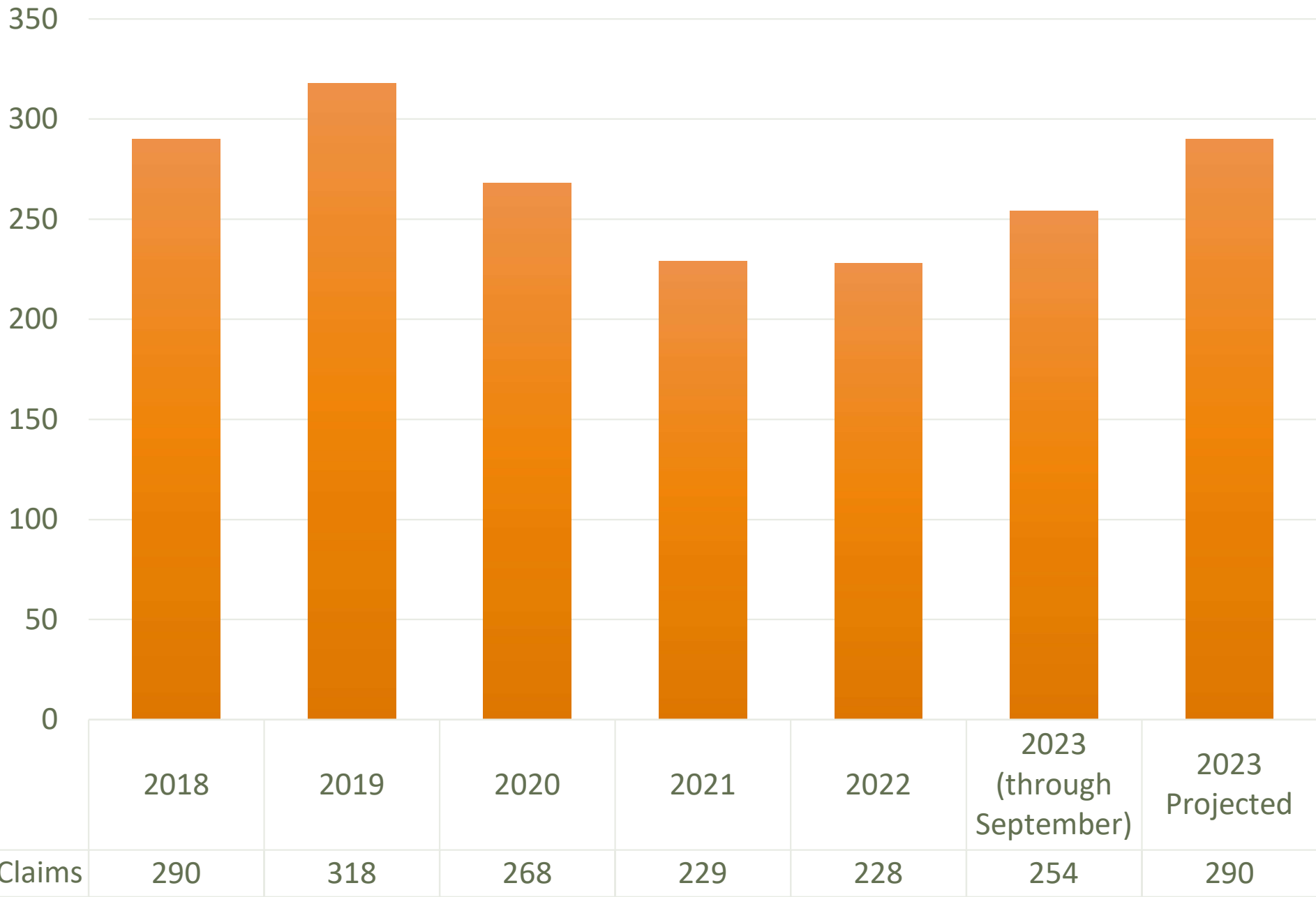


# Operating Expense Ratio





# Number of Claims Reported





# Banking and Investments

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## Republic Bank Operating Account

- Cash Flow Balance: \$777,053
- ICS: \$2,829
- Members Equity Account (Disbursement): \$227,741
  - \$226,205 will be escheated on 11/1.

## Cerity/Fifth Third Investment Account

- \$14,258,073



# Budget

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Details in your packet, page 37.

**2023:** Projected to come in under budget.

**2024:** Proposed budget of \$1,683,426

# Other Business

2023 Rate Review

Alliance Update

401K Vesting Amendment

# Rate Review

LOB	LCM		Rate Impact		Proposed Increase	Premium Impact
	Current	Proposed	Smallest	Largest		
Dwelling Fire	3.800	4.200	5.30%	11.80%	7.50%	\$ 169,262
Homeowners	3.021	3.432	-10.70%	30.90%	9.50%	\$ 39,713
Commercial	4.069	4.295	5.60%	5.60%	3.50%	\$ 9,512
Farm Fire	4.069	4.295	-0.03%	-7.70%	3.50%	\$ (1,676)
						<b>\$ 216,811</b>

# FAIR Plan Alliance Members

Illinois

Indiana

Minnesota

Wisconsin

Missouri

Washington

Kansas

# FAIR Plan Alliance Updates

Update on the Alliance LLC

Employee Alignment

Proposed Budget

Funding

Governing Committee

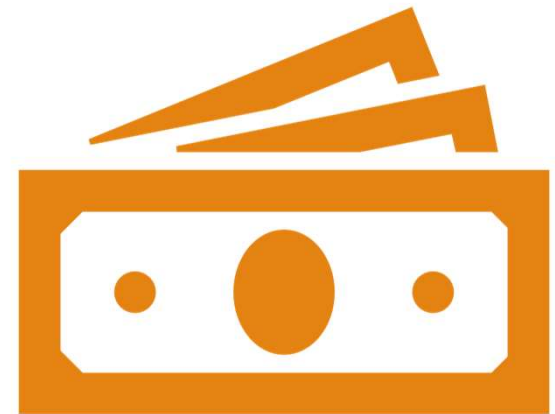
Plan Prospects and Communication

Policy, Claims and Admin System (Finys)

# 401k Vesting Amendment

Current 401K vesting schedule  
is a 5-year stairstep.

Recommendation is to change  
to a 3-year waterfall.





# Other Business

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Committee Assignment  
Update – Page 44



Kentucky Department of  
Insurance Comments



Next meeting dates:  
June 5 & October 23



# Adjournment