

# Kentucky FAIR Plan Reinsurance Association

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## Notice of Governing Committee Meeting

Pursuant to Article V.3, Articles of Association, Kentucky FAIR Plan Reinsurance Association, a Governing Committee Meeting will be held at 10:30 A.M. on Wednesday, October 23, 2024, at the Plan office located at 327 Townepark Circle, Louisville, KY 40243.

Agenda:

1. Roll Call
2. Anti-Trust Preamble Reminder
3. Approval of Minutes
4. Committee Reports
5. Executive Director's Report
6. 2025 Budget
7. Other Business
8. Adjournment

If you are unable to participate in this meeting in person, please consider providing a proxy.

Sincerely,



Mark Hillis  
Executive Director

Cc: Shawn Boggs, Kentucky Department of Insurance  
Governing Committee Members

**KENTUCKY FAIR PLAN REINSURANCE ASSOCIATION  
GOVERNING COMMITTEE**

Governing Committee Member	Affiliation
<p><b>Rudy Schlich (Chair)</b> Old Kentucky Insurance 915 Lily Creek Road Louisville, KY 40243 (502) 451-8800 <a href="mailto:Rudy.Schlich@oldkyins.com">Rudy.Schlich@oldkyins.com</a></p>	Agent (d)
<p><b>Todd Feltman (Vice-Chair)</b> State Farm Insurance Co. 1 State Farm Plaza, D-1 Bloomington, IL 61710 (309) 763-5792 <a href="mailto:todd.feltman.c0hu@statefarm.com">todd.feltman.c0hu@statefarm.com</a></p>	Non Affiliated (b)
<p><b>David Combs</b> Kentucky National Insurance 2416 Sir Barton Way Lexington, KY 40509 (859) 519-1054 <a href="mailto:dacombs@kynat.com">dacombs@kynat.com</a></p>	Domiciled (a)
<p><b>Lisa Pierce</b> Allstate Insurance Company 555 Marriott Drive, Suite 700 Nashville, TN 37214 (615) 902-7053 <a href="mailto:Lisa.pierce@allstate.com">Lisa.pierce@allstate.com</a></p>	APCIA –Affiliated (c)
<p><b>Kristen K.W. Mellinger</b> Kentucky Farm Bureau Mutual Insurance Co. 9201 Bunsen Parkway Louisville, KY 40220 (502) 495-5000 x 7499 <a href="mailto:Kristen.Mellinger@kyfb.com">Kristen.Mellinger@kyfb.com</a></p>	Domiciled (a)
<p><b>Dawn Whalen</b> Travelers Insurance 303 N. Hurstbourne Parkway Louisville, KY 40222 (502) 468-2903 <a href="mailto:dmwhalen@travelers.com">dmwhalen@travelers.com</a></p>	APCIA –Affiliated (c)
<p><b>Jay Kepperling</b> Nationwide Mutual Insurance Company 1 Nationwide Plaza Columbus, OH 43215 502-645-9562 <a href="mailto:jay1@nationwide.com">jay1@nationwide.com</a></p>	NAMIC (c)

**KENTUCKY FAIR PLAN REINSURANCE ASSOCIATION  
GOVERNING COMMITTEE**

**Kentucky Department of Insurance Representative and Kentucky FAIR Plan Staff**

<p><b>Shawn D. Boggs, APIR</b> Deputy Commissioner</p> <p><b>Kentucky Department of Insurance</b> 500 Mero Street, 2 SE 11 Frankfort KY 40601 502 564 6034 Phone 502 564 6090 Fax <a href="mailto:shawn.boggs@ky.gov">shawn.boggs@ky.gov</a></p>	
<p><b>Stephen "Mark" Hillis</b> Executive Director and Secretary Treasurer Kentucky FAIR Plan Reinsurance Association P.O. Box 437249 Louisville, KY 40243 (502) 425-9998 Ext 2110 <a href="mailto:shillis@kyfairplan.com">shillis@kyfairplan.com</a></p>	
<p><b>Melissa Chlon</b> Assistant Director and Plan Manager Kentucky FAIR Plan Reinsurance Association P.O. Box 437249 Louisville, KY 40243 (502) 425-9998 Ext 2125 <a href="mailto:mchlon@kyfairplan.com">mchlon@kyfairplan.com</a></p>	

## ANTITRUST PREAMBLE

### **Kentucky FAIR Plan Reinsurance Association**

This statement applies to the members of the Kentucky FAIR Plan Reinsurance Association Governing Committee and Kentucky FAIR Plan Reinsurance Association Staff.

Antitrust laws aim to protect the public from agreements among insurance competitors that affect the price or distribution of products. Also, the laws aim to promote fair and vigorous competition in the insurance marketplace.

The agenda and discussion items for each meeting are limited to matters of the Kentucky FAIR Plan Reinsurance Association, and attendees shall not discuss business interests of their individual insurer members. Each Governing Committee member and/or officer shall not discuss competitive information of any insurer member.

It is the policy of the Governing Committee members of the Kentucky FAIR Plan Reinsurance Association to fully comply with applicable federal and state antitrust law. These laws apply to member conduct at all Governing Committee meetings, sub-committee meetings, other adjunct meetings, coffee breaks, meals, social gatherings, and informal conversations. This includes, but is not limited to:

- Raising, lowering or stabilizing rates;
- Actual current or future rates, including actuarial projections and capacity;
- Profit levels or actual costs;
- Credit terms and other price-related terms;
- Allocation of markets, territories, or potential insureds;
- Individual company results, or current or future marketing or pricing strategies or business plans;
- Joint action on pricing, products, markets or innovation;
- Whether to quote or not to quote certain classes or types of risks or products;
- Restrictions on availability of insurance;
- Use of standard forms;
- Any other matters on which insurers ordinarily compete with each other.

It is the responsibility of all Governing Committee members and Kentucky FAIR Plan Reinsurance Association staff to comply with the antitrust laws. Violation of antitrust laws can lead to serious civil and criminal punishment. Check with legal counsel with any questions.

**KENTUCKY FAIR PLAN REINSURANCE ASSOCIATION  
GOVERNING COMMITTEE MEETING**

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The Annual and Governing Committees meetings of the Kentucky FAIR Plan were held at 10:30 AM on June 5, 2024.

Those present:

**Governing Committee:**

Rudy Schlich	(Chair)	Old Kentucky Insurance
Todd Feltman	(Vice Chair)	State Farm Insurance
Kristen Mellinger		Kentucky Farm Bureau Ins. Co.
Jay Kepperling		Nationwide Mutual Insurance Co.
David Combs		Kentucky National Insurance
Dawn Whalen		Travelers Insurance
Lisa Pierce		Allstate Insurance Co.

**Kentucky Department of Insurance:**

Sharon Clark	Commissioner, Kentucky DOI
Shawn Boggs	Deputy Commissioner, Kentucky DOI

**Other:**

Sarah Antle, CPA	Deming, Malone, Livesay & Ostroff
Emily Whatley, CPA	Deming, Malone, Livesay & Ostroff

**Staff:**

Mark Hillis	Executive Director / Sec. Treasurer
Melissa Chlon	Assistant Director / Plan Manager
Erin Lux	Associate Plans Manager
Tina Faleide	Senior Accounting Manager

**1. Call to Order and Roll Call:**

Mr. Schlich called the meeting to order and held roll call for the committee members and guests and noted that a quorum was present.

**2. Antitrust Preamble:**

Mr. Schlich reminded the Committee that all members are bound by the Anti-Trust Preamble which was provided in the meeting documents.

**3. Approval of Minutes:**

The Committee reviewed minutes of the October 25, 2023 Governing Committee Meeting as well as the Investment Committee Meeting held April 10, 2024, and the Product and Forms and Audit Committee Meetings held on April 17, 2024. Minutes for all meetings listed above were distributed with the meeting documents.

Mr. Feltman moved, and Ms. Mellinger seconded to approve the minutes of the Committees. All voted in favor and the motion passed.

## **KENTUCKY FAIR PLAN REINSURANCE ASSOCIATION GOVERNING COMMITTEE MEETING**

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### **4. Election of Members of Governing Committee:**

Mr. Hillis indicated that the Governing Committee is seated annually for the coming year and new members are elected to the Committee. He noted that there were no changes to the Governing Committee.

A motion was made by Mr. Feltman to seat the Committee for the coming year. The motion was seconded by Mr. Kepperling. All members approved, and the motion carried.

### **5. Election of Officers:**

Ms. Mellinger nominated Mr. Schlich as Chair, Mr. Feltman as Vice-Chair and Mr. Hillis as Secretary-Treasurer. Ms. Mellinger asked if there were other nominations from the floor, and hearing none, closed the nominations.

Mr. Kepperling moved to accept the nominations; Mr. Combs seconded the motion. Mr. Feltman abstained, all others approved, and the motion carried.

### **6. Auditors Report and Financial Statement:**

The 2023 Independent Auditor's Report and Financial Statement, prepared by Deming, Malone, Livesay & Ostroff, CPA, was distributed to Governing Committee Members within the meeting materials. Ms. Antle discussed the Financial Highlight report and allowed an opportunity for questions, of which there were none.

Ms. Whatley explained that market performance had an impact on the 2023 investment results, as seen across all markets. Ms. Whatley stated that her firm issued an unmodified opinion on Statutory Basis of Accounting noting that adequate controls were in place and the audit firm was reporting a clean audit with no irregularities noted.

Mr. Hillis thanked Ms. Antle and Ms. Whatley for their service to the Kentucky Plan. Mr. Hillis commended them for expanding DMLO's auditing service to other residual market mechanisms, saving the industry money across many states.

### **7. Executive Director's Report:**

Ms. Lux presented a status report on 2023 key metrics. She compared written premium, number of new business applications and the number of policies in force against those metrics in 2022.

Written Premium declined slightly from 2022 to 2023, consistent with the trend the Plan has seen for the past decade. New business applications increased 4.25% over 2022 which, albeit small, is the first uptick the Plan has seen since 2013. The Plan ended 2023 with 3,773 policies in force which is down 12% from the prior year. The Plan's applications and policies in force continue to paint the picture of Kentucky's healthy insurance market.

The Plan's operating expense ratio, loss ratio, and combined ratio increased mainly due to a combination of a reduction in written premium and a nearly 25% increase in claims in 2023.

## **KENTUCKY FAIR PLAN REINSURANCE ASSOCIATION GOVERNING COMMITTEE MEETING**

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Finally, the Plan's assets, liabilities and Members Equity were all down slightly at year end. Ms. Lux reminded the committee that the Plan successfully distributed \$4.9 million back to the industry in December 2019 and that future disbursements are a recurring agenda item for the fall Investment sub-committee meeting.

### **Budget:**

Ms. Lux noted that the Plan ended 2023 under budget. She explained that the budget is approved before health insurance rates are received from the vendor and forecasted premium used to calculate the health insurance budget. She also noted that the Plans offer a simple Defined Contribution Plan. The Plans continue to look for ways to become more efficient and reduce expenses. Ms. Lux shared that the Alliance income for 2023 was \$248,477 compared to \$133,559 in 2022. Kentucky was able to offset expenses (legal, IT, supplies, etc.) directly from the billed amount resulting in the above noted income.

Wages were the largest factor in the 2023 budget results. It was noted that the Plan operates with staff that is cross-trained and can be allocated as needed across the various Plans via the Cost Sharing Agreement.

Ms. Mellinger sought confirmation that the actuarial review took place every other year. Mr. Hillis confirmed same. She further noted that wages and building improvements were up and a brief discussion took place regarding the increased staffing, resulting spend and need for same.

Mr. Combs asked about mitigating storm losses and Mr. Hillis advised that 85% of the FAIR Plan book is in the Dwelling Fire program which includes our most basic policy form.

### **First Quarter 2023 results:**

Ms. Lux reported key metrics for the first quarter 2024, noting that written premium was down approximately 4%. New applications had a small increase of 4.5% when compared to first quarter 2023. The Plan ended the quarter with 3,690 policies in force which has also declined from last year. Ms. Lux reminded the Committee of the depopulation efforts in place designed to encourage insureds to re-enter the standard market by reaching out to their agents and reviewing their policies. The depopulation flyers that are sent with all new business and renewal declarations include their producer contact information.

Claims in Q1 2024 were much lower, thankfully, than in Q1 2023, coming in at 23.

### **Reinsurance:**

Ms. Lux discussed the Plan's reinsurance treaty limits and shared that Plan staff are starting to gather the renewal data for next year's contract placement. When quotes are available, a meeting of the Reinsurance and Equity Committee will be scheduled to consider the quotes and to discuss the equity position of the Plan in accordance with the Governing Committee Policy, Members Equity and Distribution to Members.

## **KENTUCKY FAIR PLAN REINSURANCE ASSOCIATION GOVERNING COMMITTEE MEETING**

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Mr. Hillis noted the partnership displayed by both Guy Carpenter and Sedgwick for modeling storm data and providing predictive analytics for the Kentucky Plan and others, as needed. Although the Kentucky FAIR Plan continues to decrease in size, our financials are sound, and we continue to have avenues to explore relative to reinsurance.

### **8. Other Business:**

#### **FAIR Plan Cost Sharing Alliance:**

Mr. Hillis shared the history of the FAIR Plan Alliance and noted the current participation of other FAIR Plans in this Alliance. Kentucky assists or provides complete handling of underwriting, accounting, print services, IT/computer projects, human resources, and claims support for some, all or part of the Colorado, Illinois, Wisconsin, Missouri, Indiana, Minnesota, Oregon, Kansas and Washington FAIR Plans. The FAIR Plan Cost Sharing Alliance has allowed participating members to reduce their respective staff, and, or simply improve operational efficiency.

Mr. Hillis noted the operational efficiencies the Alliance would foster, by supporting FAIR Plans of similar size, as well as expense savings for the insurance industry. Kentucky, through the Alliance, is trying to change the mindset to one of responsibility and efficiency, keeping what is best for consumers at the forefront. The Alliance will continue to prioritize leaving Plans better off than they were when the relationship was formed with them, if and when they separate from the Alliance.

Mr. Feltman asked if Colorado plans to utilize the Alliance for claims and underwriting. Mr. Hillis stated that the new Executive Director, hired just this week to lead the Colorado FAIR Plan, will need to make those decisions. Mr. Hillis noted that given the lead time to staffing a claims and underwriting operation, the decisions need to be made timely.

Mr. Hillis summarized recent work completed with the Alliance to include the formation of the LLC, the initial Articles of Association, all employees moving to the LLC as of January 1, 2024, the initial Committee Meeting and several conversations with other FAIR Plan Boards.

Ms. Lux shared a snapshot of both new claims volume for Q1 2024 and average monthly pending for the Alliance claims participants, noting that Kansas FAIR Plan is a new addition since the last meeting.

#### **Team Engagement Opportunities**

Ms. Lux shared that over the past year, the Plan found creative ways to support local communities. Plan staff purchased items over the holidays as well as contributing to a west-end non-profit that encourages at-risk children to grow their skills through sports. The Alliance also rewards employees with up to two days of PTO per year for donating blood, a benefit that is consistent with most standard market companies.

#### **Investment Concepts and Funds Management Policy Update:**



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GOVERNING COMMITTEE MEETING**

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Mr. Hillis noted that the Investment Committee recommended an update to the Investment Concepts and Funds Management Policy which was outlined in their Minutes. This update is to add clarification around Exchange Traded Funds (ETF's). He noted that the prior version of the document did not restrict the use of same, however, the Investment Committee believed that adding language to clarify their use was prudent.

Mr. Hillis noted that the current language simply read:

6. *The Plan recognizes that from time to time bonds and fixed income securities mature or may be called which will result in balances that may exceed the standards included herein. However, the Investment manager will at all times endeavor to replace or reinvest securities in accordance with this policy as soon as practical.*

He noted that the proposed updates to add clarification surrounding ETF's:

6. *The Plan recognizes that from time to time bonds and fixed income securities mature or may be called which will result in balances that may exceed the standards included herein. However, the Investment manager will at all times endeavor to replace or reinvest securities in accordance with this policy as soon as practical.*

*Investments in equity, fixed income, real estate and other assets classes under consideration may be owned directly via purchase of individual equity securities, or by purchasing mutual funds and/or Exchange Traded Funds (ETFs) that maintain underlying equity, fixed income, real estate, or other investable asset class ownership.*

- i. Per item 4(i) above, no more than 5% of Investment Assets shall be invested in a single ETF or mutual fund.*
- ii. Underlying equity interest exposures held in ETFs or mutual funds, plus direct ownership of individual publicly traded equity securities or private equity interests, shall not exceed 25% of Investment Assets.*
- iii. Fixed Income ETFs and/or mutual funds must not exceed a maturity of 10 years.*
- iv. Fixed Income ETFs and/or mutual funds must comply with item 3 above*

Mr. Kepperling moved to accept the update of the Investment Concepts and Funds Management Policy as outlined. Mr. Feltman seconded the motion, all others approved, and the motion carried.

**PIPSO Report:**

Mr. Hillis advised that in accordance with the Articles of Association the abbreviated quarterly PIPSO report is provided to the Governing Committee and Department of Insurance in the meeting documents.

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**Committee Assignments:**

Mr. Hillis advised that updated committee assignments were included in the meeting materials. He asked for any questions regarding the assignments and there were none.

**Kentucky Department of Insurance Comments:**

Ms. Sharon Clark, Insurance Commissioner with the Kentucky Department of Insurance, thanked this Board for their commitment to the FAIR Plan, residual markets, and the industry in Kentucky. Commissioner Clark also thanked Mr. Hillis and his team at the Plans for the work they do to support both Kentucky, and other residual markets. She specifically noted the hard work and professional communication on part of Mr. Hillis and his team. She specifically mentioned the tight timeline in which the Alliance has been working with to support the build of the Colorado FAIR Plan and commended Mr. Hillis and his team on same.

Deputy Commissioner Boggs noted that he agreed with Commissioner Clark's comments and appreciated being included in meetings communication around the Plan and Alliance.

**Next meeting:**

Mr. Schlich noted that the fall meeting will be in-person. The next meeting date is set for October 23, 2024, at 10:30 AM.

**9. Adjournment:**

There being no other business, Mr. Feltman moved, Ms. Whalen seconded, and the committee agreed to adjourn the meeting.

Respectfully Submitted,



Erin Lux  
Associate Plan Manager

KENTUCKY FAIR PLAN REINSURANCE ASSOCIATION  
REINSURANCE AND EQUITY COMMITTEE MEETING

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Pursuant to notice, a meeting of the Reinsurance and Equity Committee was held at 1:30 PM on September 17, 2024 via teleconference.

Present:

Kristen Mellinger	Kentucky Farm Bureau Insurance Company
Todd Feltman	State Farm Insurance Company
Mark Hillis	Kentucky FAIR Plan – Executive Director
Tina Faleide	Kentucky FAIR Plan – Accounting Manager

1. Call to Order:

Mr. Hillis was Chair for the meeting. He called the meeting to order and took roll. Mr. Hillis noted that a quorum was present.

2. Anti-Trust Preamble:

Mr. Hillis reminded the Committee that members are bound by the Anti-Trust Preamble provided in the meeting documentation.

3. Minutes Review:

Mr. Hillis noted that Minutes of the September 13, 2023 Committee meeting were included, and had been approved by the Governing Committee during its fall meeting.

4. Reinsurance Renewal:

Mr. Hillis stated that quotes and modeling results have been obtained from Guy Carpenter for the 2024 to 2025 term, which will be a simple one-year term. The Plan continued to provide improved street-level data, which was analyzed by RMS, RiskLink, to determine the Plans exposure to Earthquake and Convective Storm. An additional tool used this year is the Severe Thunderstorm Risk Magnitude Index (StoRMi), which is an internally developed solution at Guy Carpenter. StoRMi is a county-resolution hazard metric for U.S. severe thunderstorm activity. According to the StoRMi index, the Plan does not have any risks in the extreme category and relatively few in the very high category. Probable maximum loss analytics and a quote summary documenting deposit premiums and rates for varying treaty layers were presented and discussed.

Guy Carpenter seeks quotes for placement with carriers rated A, or better, by AM Best. The 2024-2025 quote represents premiums driven by the continued declining size of the FAIR Plan as well as better data for modeling but impacted adversely by the lack of business placed by the Plan, and a hardening reinsurance market.

The Plan has seen interest in quoting the submission this year after 3 years of challenges. As such, Firm Order Terms were sent to market with a 4.5% ROL. And with a lower retention of \$1.5m given the interest this year.

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REINSURANCE AND EQUITY COMMITTEE MEETING

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Mr. Hillis noted that there were still 12 days left to place the cover and seek interest, however he believed that the 4.5% to 5% ROL was the absolute best the Plan could secure, and based upon the small size of the Plan.

Mr. Hillis noted that he believed the current \$5M XS of \$2M cover does protect the members equity if and only if the Plans had an earthquake event with fire following and lost an entire area like that shown (25-mile radius) with complete and total losses of all properties. And that simply tends not to be the case with earthquake events. But further noted that if they were able to fill with a \$1.5m retention level, it was much more representative of the modelling needs for the Kentucky Plan not just for EQ, but also for SCS events.

Discussion took place around the Plan's declining Written Premium and book of business, confirming that the prior decision of reducing reinsurance to \$5M XS \$2M was appropriate, and also supporting the move to a \$1.5m retention level.

Additional discussion took place regarding the collective efforts of the FAIR Plan Alliance and Guy Carpenter to model reinsurance coverage for Alliance members. Even though board meeting dates, data availability and other factors have not allowed modeling to be completed in conjunction with Kentucky FAIR Plan's timeline, the door has been opened. Mr. Feltman specifically asked about the impact of wildfire cover in Colorado, Washington and Oregon to the Kentucky premium. Mr. Hillis explained that it would be quoted separately and would not be a negative impact. Ms. Mellinger expressed her gratitude for this effort.

Mr. Feltman made a motion to approve the recommendation to use Guy Carpenter in efforts to secure coverage of with a \$5m XS \$1.5m retention level at a rate of 4.5% to 5% (will be a blended rate). Ms. Mellinger seconded and the motion carried.

5. Review of Member Equity Policy:

Mr. Hillis advised that the Plan's Member Equity position at the end Q2 of 2023 was \$16,074,917 compared to Q2 of 2024 at \$15,580,174. He noted that written premiums at the end of Q2 2023 were \$1,303,189 compared to \$1,273,304 at the end of Q2 2024.

It was noted by members of this Committee that the current markets, economic trends, weather patterns and general market uncertainty, would support not pursuing a Member Equity disbursement at the current time.

A general discussion took place about revising the Plans Articles of Association to allow for the Plan to disburse and assess with simple notification to the Department of Insurance rather than a requirement to secure their approval before acting. All agreed that this discussion should be tabled at this time, but should be reconsidered down the road.

6. Other Business:

Mr. Hillis advised that the next Governing Committee meeting is scheduled for October 23, 2024.

KENTUCKY FAIR PLAN REINSURANCE ASSOCIATION  
REINSURANCE AND EQUITY COMMITTEE MEETING

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7. Adjournment:

There being no further business, Ms. Mellinger motioned to close the meeting. Mr. Feltman seconded and the motion carried.

Respectfully submitted,



Mark Hillis  
Executive Director

# FAIR PLAN REINSURANCE ASSOCIATION

## FINANCE AND INVESTMENT COMMITTEE MEETING

Pursuant to notice, a meeting was held at 11:00 AM on October 16, 2024.

Present for the meeting:

Rudy Schlich  
Don McConnell  
Mark Hillis  
Tina Faleide, CPA  
Chuck McCurdy  
Ryan Burch

Old Kentucky Insurance  
Kentucky Farm Bureau Insurance  
Kentucky Insurance Plans  
Kentucky FAIR Plan  
Cerity Partners  
Cerity Partners

1. **Call to Order:**

Mr. Hillis called the meeting to order and noted that a quorum was present with Ms. Pierce proxy having been given to Mr. Schlich. He noted that Mr. McConnell had replaced Mr. Cummisford from Kentucky Farm Bureau and welcomed Mr. McConnell to the meeting.

2. **Anti-Trust Preamble:**

Mr. Hillis reminded the committee that they are bound by the anti-trust preamble.

3. **Documentation of Minutes:**

Mr. Hillis noted that documents had been provided prior to the meeting. Minutes of the prior April 10, 2024, Investment Committee Meetings have been approved by the full Governing Committee.

4. **Report of the Accounting Manager:**

Ms. Faleide provided a report detailing the change in written premium down nearly 2.29%, assets slightly up .39%, liabilities have increased from Q2 2023 at \$1,337,134 to \$1,899,954 at Q2 2024, members equity has declined by 3.08%. She further shared Loss, Expense and Combined Ratio results. Loss ratio is down comparing Q2 2023 (125.05%) to Q2 2024 (75.58%). Combined Ratio is also down comparing Q2 2023 (165.02%) to Q2 2024 (118.68%).

The balance in the Republic Bank and ICS accounts reflected a total of \$615,098 as of July 1, 2024.

Mr. Hillis noted that the Plan was seeing signs of some general market hardening with a 16.7% increases in applications, as well as written premiums up 3.19% through September. He further noted that we have not received any inquiries from Insurance Commissioner Sharon Clark relative to support for the state related to consumers being unable to secure cover, but that the Plans continued to work to proactively keep the Commissioner's office informed.

Mr. Hillis reminded the Committee that the Kentucky FAIR Plan has continued to provide services to other FAIR Plans via a FAIR Plan Cost Sharing Alliance. The Alliance is its own LLC and all employees of all Plans are sourced from the Alliance. He noted that

those states currently in the Alliance included Missouri, Illinois, Indiana, Wisconsin, Minnesota, Washington, Colorado and Oregon. The mission of the Alliance is to efficiently and effectively run different aspects of Plans to save the industry money.

Mr. Hillis noted that Colorado's Board and Executive Director continued to present challenges and that the Alliance had provided notice in August of its intent not to continue to provide services under the MSA and SOW's after 12/31/2024. He noted that the Colorado Executive Director had yet to respond with any requests for services in 2024 and that he was working with her to move services away from the Alliance. To date, Colorado has moved their website services to their own vendor. Mr. Hillis noted that he had concerns about the lack of fiduciary responsibility by the Colorado FAIR Plan and this was the next push to remove all financial involvement and support of the Alliance related to accounting services currently provided to Colorado and he hoped that this could be done by the end of this month (October). He noted he had set up weekly meetings with the Executive Director to try to maintain some communication. He further noted that systems would be Colorado's biggest challenge moving away from the Alliance without Alliance support. He did indicate that the Colorado Executive Director had asked about a SOW without an MSA for a short time in 2025 until Colorado was able to address things fully on their own. He noted that he strongly recommended that there be no consideration for same as there would be no protections for the Alliance nor any guarantees that Alliance costs would be addressed in a fair manner.

#### **5. Report of the Investment Managers – Chuck McCurdy and Ryan Burch:**

Mr. McCurdy thanked this Committee for their partnership and referenced the materials provided to the group in advance of the meeting. Mr. McCurdy expressed his condolences regarding the relationship between the Alliance and the Colorado FAIR Plan. In that, he also expressed that Cerity Partners is ready and willing to assist the Alliance with other state relationships that may come to be.

Mr. McCurdy presented a general state of the market. Federal Reserve policy is still a focal point that will continue to impact the market. There has been one rate cut (50 basis points) recently. However, the Bank of Japan raised rates for the first time since 2006. The combination of both rate moves caused some indigestion in the currency markets. The result fueled Large Cap stocks and now includes rate cut expectations way ahead of the market. The economy is cruising along, there is positive job creation and steady consumer spending – all showing little sign of weakness.

Mr. Burch shared a review of the investment policy, noting a good status relative to our Investment Concepts and Management Strategy. Mr. Burch noted performance of 6.71% for all accounts since inception. He is very pleased with the portfolio's performance, stating that the target performance for this portfolio is 3-5%.

Mr. Burch recapped the 2024 action items, which included a portfolio rebalance in January 2024 whereby liquidated mutual funds were reinvested to ETFs or new individual bonds of larger lot sizes. There were no cash distributions in 2024. The need for additional cash distributions soon was discussed, but none was determined to be needed. Mr. Hillis also stated that the Plan recently secured reinsurance at a \$1.5 million retention level. With this as well as cash on hand, there are no anticipated cash

distributions from investments.

**6. Review of Investments – Don McConnell – Kentucky Farm Bureau:**

Mr. McConnell provided the committee with his analysis of the portfolio, stating that it was very good and he observed nothing of concern. Mr. McConnell did point out that much of the equity portion of the portfolio includes Large Cap funds that appear to be investing in the same types of geographics. In addition, he also stated that the majority of the bonds are municipal bonds. General discussion took place around the fact that the ETFs are rebalanced, causing concentrations to change from time to time. The Plan's funds are also invested very conservatively in the bond market. Mr. McCurdy agreed with Mr. McConnell's comments. Mr. Hillis thanked Mr. McConnell for his thorough review and information as the Plan continues to value the input of our industry leaders.

**7. Other Business:**

Mr. Hillis advised that the next Governing Committee meeting is scheduled for 10:30 AM on October 23<sup>rd</sup>, 2024.

**8. Adjournment:**

There being no further business, the meeting was adjourned by unanimous consent.

Respectfully Submitted



Mark Hillis  
Executive Director / Secretary Treasurer



# FAIR PLAN ALLIANCE

## 2024 Claims Audit Committee Meeting Minutes

**The 2024 Claims Audit was conducted virtually with meetings on August 6, and 15, 2024.**

### **Kick-Off**

#### **In Attendance**

Andy Lewis	State Farm Insurance
Wesley Savage	State Farm Insurance
Stacie Darnell	Kentucky National
Henry Goins	Kentucky Farm Bureau
Dan Pendleton	Kentucky Farm Bureau
Val Thompson	State Farm Insurance
Kim Burnell	Travelers Insurance – Individual meeting
Russ Thornton	Kentucky FAIR Plan – Alliance Claims Manager
Patrick Terry	Kentucky FAIR Plan – Alliance Director of Operations
Erin Lux	Kentucky FAIR Plan – Alliance Vice President of Operations

#### **(1) Welcome and Introductions / Call to Order:**

Ms. Lux called the meeting to order at 10:00 AM on August 6, 2024. Introductions were made and attendees confirmed.

#### **(2) Anti-Trust Preamble:**

Ms. Lux presented the Anti-Trust Preamble, reminding the committee they are bound by it.

#### **(3) Review of Resource Materials & Training**

Resources including a quick reference guide were provided to the auditors in advance of the meeting. All attendees were directed to the training PowerPoint. This presentation provided training on the *Finys* computer system that would be used during the audit.

#### **(4) File Reviews:**

The audit was conducted virtually over the course of just over a week. 98 claim files were reviewed from a list of closed claims. 28 Illinois and Wisconsin claims were randomly selected from a list of 260 (119 from Illinois and 141 from Wisconsin) and audited. 70 Kentucky claims were randomly selected from a list of 107 and audited.

#### **Wrap-Up**

##### **In Attendance**

Andy Lewis	State Farm Insurance
Wesley Savage	State Farm Insurance
Stacie Darnell	Kentucky National
Dan Pendleton	Kentucky Farm Bureau
Henry Goins	Kentucky Farm Bureau
Val Thompson	State Farm Insurance
Russ Thornton	FAIR Plan Alliance – Alliance Claims Manager
Patrick Terry	FAIR Plan Alliance – Director of Operations
Erin Lux	FAIR Plan Alliance – Vice President of Operations

Ms. Lux called the meeting to order at 1:00 PM on August 15, 2024, and reminded attendees that the Committee was bound by the Anti-Trust Preamble.

#### **(5) Auditor Feedback and Trends:**

A general conversation was held to discuss observations and trends of the FAIR Plan Alliance staff's claims handling. Observations included:

- Excellent contacts throughout the life of the claim file.
- Very well documented files.
- Strong attention to detail.
- Partnership between claims and underwriting.

#### **(6) Assignment of Executive Summary:**

The Executive Summary for Kentucky was assigned to Andy Lewis, State Farm Insurance, to be completed and returned via email to Ms. Lux by Monday, August 19, 2024. The Executive Summary for Illinois & Wisconsin was assigned to Val Thompson, State Farm Insurance, to be completed and returned similarly.

#### **(7) Other Business:**

There were no other business items discussed.

**Respectfully Submitted,**

A handwritten signature in black ink, appearing to read "Erin Lux". The signature is fluid and cursive, with the first name "Erin" written in a larger, more prominent script than the last name "Lux".

**Erin Lux  
Vice President of Operations  
FAIR Plan Alliance**

# KENTUCKY FAIR PLAN REINSURANCE ASSOCIATION

## Underwriting Audit Meeting Minutes August 20 and August 29, 2024

**The 2024 Underwriting Audit was held virtually beginning on August 20, 2024, and ending on August 29, 2024.**

### **Attendance, August 20, 2024:**

Anne Smits	Nationwide Insurance
Dwayne Taylor	State Farm Insurance
Andy Heim	Kentucky Farm Bureau Insurance Companies
Michael Workman	Kentucky FAIR Plan - Underwriter
Patrick Terry	Kentucky FAIR Plan – Alliance Manager
Erin Lux	Kentucky FAIR Plan - Assistant Plans Manager

### **(1) Welcome and Introductions / Call to Order:**

Ms. Lux called the meeting to order at 10:00 AM. Introductions were made, and attendees confirmed.

### **(2) Anti-Trust Preamble:**

Ms. Lux shared the Anti-Trust Preamble, advising the Committee that we are bound to it.

### **(3) Review of Resource Materials:**

The Articles of Association and policy quick reference guides were provided to the auditors.

### **(4) Finys Training Refresher:**

Ms. Lux led the Committee through a brief training of *Finys*, the computer system used during the audit.

### **(5) Overview of Checklist:**

A list of policies was provided to the auditors electronically to select from, along with pre-formatted worksheets to track the results. General discussion took place that the focus should be on general underwriting trends, documentation, and overall quality as they review the policies.

### **(6) Adjournment:**

The meeting adjourned at approximately 10:30 AM with instructions to audit 15-20 policies over the next several days and provide their results, electronically to Ms. Lux by noon Wednesday August 28, 2024.

**Attendance, August 29, 2024:**

Anne Smits	Nationwide Insurance
Andy Heim	Kentucky Farm Bureau Insurance Companies
Michael Workman	Kentucky FAIR Plan - Underwriter
Patrick Terry	Kentucky FAIR Plan – Alliance Manager
Erin Lux	Kentucky FAIR Plan - Assistant Plans Manager

**(1) Welcome and Introductions / Call to Order:**

Ms. Lux called the meeting to order at 1 PM. Attendees were confirmed.

**(2) Anti-Trust Preamble:**

Ms. Lux reminded attendees that we are bound by the Anti-Trust Preamble presented to them.

**(3) Auditor’s Feedback and Trends:**

Ms. Lux confirmed that all three auditors’ workbooks were received, and the results compiled. Ms. Lux thanked the group for their efforts in completing 15-20 files each this year. She shared the summary of results with the group. Conversation was held and feedback was shared by the auditors.

- Files were thoughtfully documented.
- Underwriting procedures were reliably applied and identifiable.
- Coverage limitations and surcharges were appropriate.
- The reason for application to the Plan is generally evident in either the application or the notes.
- The system was easy to navigate.

**(4) Assignment of Executive Summary Duties:**

The committee designated Andy Heim from Kentucky Farm Bureau Insurance Companies would complete the Executive Summary and forward it to Ms. Lux by Friday September 6, 2024.

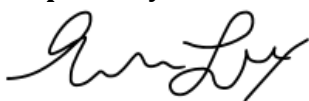
**(5) Other Business:**

No items discussed.

**(6) Adjournment:**

The committee was reminded of their duty and authority as outlined in the Articles of Association, Article VI, Section 4(b). The meeting was adjourned at approximately 1:15pm.

**Respectfully Submitted,**



**Erin Lux  
Associate Plans Manager  
Kentucky FAIR Plan Reinsurance Association**

# **KENTUCKY FAIR PLAN REINSURANCE ASSOCIATION**

## **Claims Audit Executive Summary**

**August 2024**

### **Submitted by:**

**Stacie Darnell, Kentucky National**

**Andy Lewis, State Farm**

**Wesley Savage, State Farm**

**Dan Pendleton, Kentucky Farm Bureau**

**Henry Goins, Kentucky Farm Bureau**

The 2024 Kentucky FAIR Plan Claims Audit was conducted between August 6 and 15th, 2024. 107 Kentucky files were provided and 70 were randomly selected for review. Each of the claims auditors was provided with an individual workbook to complete. The completed workbooks were submitted electronically to the FAIR Plan to compile.

**SAMPLE:**

Number of files reviewed: 70  
 Number of files presented for review: 107  
 Date range of files presented for review: Reported to KFP between September 2023 and July 2024

**RESULTS:**

Section	Acceptable	Not Acceptable	Comments
Timely Assignment to IA	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Excellent job in assigning new claims
Contact / Communication	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Consistent follow-up communications
Coverage Review	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
Investigation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
Documentation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Files were well-documented
Kentucky Claims Handling Standards	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
Loss Payment	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Payments were issued promptly
Subrogation / Salvage	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Good subrogation investigations
Overall File Quality	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Excellent results with this year's audit

**Compliance with Regulations**

This audit committee, all being adjusters who hold active licenses in the Commonwealth of Kentucky are all familiar with KRS 304.12-230 the Unfair Claims Settlement Practices; KRS 304.12-235 Timely Payments of Claims; and KRS 304.35 FAIR Plan Reinsurance Association.

Were the following behaviors identified during this audit: No

- Misrepresenting facts related to coverage
- Failure to act promptly to all communications
- Failure to promptly investigate a claim
- Refusal to pay a claim without first conducting a reasonable investigation
- Failure to affirm or deny coverage within a reasonable amount of time
- Failure to promptly pay the fair amount owed on a claim
- Compelling insureds to institute litigation
- Failure to include a statement explaining which coverage the payment is being made under
- Compelling insureds to accept compromise settlements in order to settle the claim

- Delaying the investigation or payment without a substantial need to do so
- Requesting duplicative information without a substantial need for it
- Failure to explain the facts supporting the denial or offer of compromised settlement

If yes, please explain:

**SUMMARY OF FINDINGS AND RECOMMENDATIONS:**

Overall file adequacy: 98.4 %

Observations from this audit:

- Outstanding initial and subsequent contacts, and overall responsiveness.
- Well documented files.
- Attention to detail by the claims manager.
- Partnership between claims and underwriting.

**Conclusions:**

Yes	The number of files reviewed for this audit represented a sufficient sample of the claims operation.
Yes	The Kentucky FAIR Plan is being managed in an effective manner.
Yes	Coverage is being correctly documented and denial letters are being sent in writing, if appropriate.
Yes	Independent adjusters are being assigned timely.
Yes	Covered losses are being settled promptly.
Yes	The Kentucky FAIR Plan claims department is effectively communicating with all relevant parties, to include IA firms, insureds, and producers.
Yes	<b>Claims are being handled appropriately, and in accordance with KRS 304.12-230.</b>

Andrew P Lewis, State Farm Fire & Casualty  
COMMITTEE MEMBER

8/16/2024  
DATE



**KENTUCKY FAIR PLAN REINSURANCE ASSOCIATION**  
**2024**  
**UNDERWRITING AUDIT**

**August 20 & 29, 2024**

**Submitted by the Underwriting Committee:**

**Dwayne Taylor, State Farm Insurance**

**Andy Heim, Kentucky Farm Bureau**

**Anne Smits, Nationwide Insurance**

**Executive Summary:**

The 2024 Underwriting Audit was conducted virtually between August 20 and August 29, 2024. Following the reading of the Anti-Trust Preamble, Ms. Lux led the group through a brief review of the computer system (Finys). Each auditor was provided with training material which included Kentucky FAIR Plan Manuals, the Articles of Association, and other supporting documents such as policy quick-reference guides. An Underwriting Audit worksheet was completed for each file reviewed. Following the completion of the audit and corresponding worksheets, a discussion of the trends and general feedback was held.

This executive summary provides an overview of the audit results from all files reviewed for the 2024 audit as it relates to the performance of the Kentucky FAIR Plan's Underwriting Department.

Subject to the Articles of Association, Article VI Section 4(b) provides authority to the Audit Committee as follows recognizing that the FAIR Plan is a residual market mechanism which includes allowing for the placement of distressed business existing in part to serve a social need, without focus on providing a proprietary profit:

*It shall be the duty of the Underwriting Committee to meet on call to conduct underwriting audits of applications and policies randomly selected and to assist the Plan's Underwriting Department by reviewing, and making recommendations for changes in, underwriting procedures and the Plans policies and forms. In determining such issues, the Underwriting Committee shall apply only those rules or standards prescribed by the Association and its Governing Committee. It shall also be ever mindful that the Association operates as a residual market mechanism for the placement of distressed business and as such is intended to serve a social need rather than provide a proprietary profit.*

**Review Criteria:**

A total of 55 files were selected at random from 252 possible underwriting files. Files reviewed included commercial, homeowner, dwelling fire, and farm fire policies. The list represents policies written and premium-bearing endorsements over the previous 12 months. The list was compiled from the Finys system and provided to the auditors via the Policy Register Report.

The number of files reviewed is a sufficient number to formulate opinions and recommendations based upon the total amount of files handled by the Kentucky FAIR Plan Reinsurance Association between September 2023 and June 2024.

As per Article VI.4. (c) of the Articles of Association, the Underwriting Department shall review each application and determine if such risk is either:

1. Acceptable as applied for
2. Acceptable with lesser limits than applied for
3. Acceptable with specified condition charges
4. Not acceptable but may become so if specified improvements or repairs are made and confirmed; or
5. Not acceptable for reasons specified.

From our review, the underwriting team is applying the above criteria appropriately in their decision-making process.

**Summary of Audit Findings:**

Yes	Applications are reviewed and addressed within Plan standards and are completed within Article VI.2. (c), ("Deemer provision") of the Articles of Association.
Yes	Policies are issued with proper limits as prescribed in Article VI. 3. (b) of the Articles of Association.
Yes	Correspondence is in accordance with guidelines outlined in the Articles of Association and/or within the scope of generally recognized best business practices.
Yes	Action items other than applications are responded to within Plan standards and/or within generally recognized best business responsiveness.
Yes	Policies are being issued and serviced appropriately, and with supporting documentation.
Yes	The Kentucky FAIR Plan is being managed in an effective manner.
Yes	The Underwriting staff is effectively communicating with producers to service business placed in accordance with the Articles of Association.
Yes	<b>Kentucky FAIR Plan manual rules and guidelines are being followed.</b>

**Overall file adequacy: 100% (Adequacy = # yes (367) / # of yes + # of no (367))**

**Audit Observations and Recommendations:**

- Sound underwriting decisions were made.
- Thoughtfully documented files.
- Easy to follow the underwriting thought process. Easy to navigate the Finys platform.
- A discussion was held regarding verification of company names listed on commercial applications and it was agreed upon that Plan staff will review and consider implementing this step.

**Submitted by Auditor & Underwriting Committee Member:**

\_\_\_\_\_  
Auditor 

\_\_\_\_\_  
Date 8/30/24

## Addendum

### Compliance with Department of Insurance Regulations and the Articles of Association:

The audit team recognizes that due to KRS 304.20-300(2)(b), the Kentucky FAIR Plan is not obligated to cancellation, declination, and refusal regulations found in KRS 304.20-320 to 304.20-350 since it is a residual market mechanism. *(2) KRS 304.20-320 to 304.20-350 does not apply to:*

- (a) Automobile liability insurance policies protected by KRS 304.20-040; or*
- (b) Any policy issued through a residual market mechanism.*

As such, the **Articles of Association** serve as the guidance mechanism for the Kentucky FAIR Plan on these issues.

**Article VI subsection 6** addresses denials, cancellations and non-renewals.

### Denial/Cancellation/Non-Renewal:

(a) Denial, cancellation, or non-renewal of any applicant/insured must be authorized by the Underwriting Department. The Underwriting Department shall have authority to deny, cancel, or non-renew any application or policy based on any grounds in the reasonable discretion of the Underwriting Department, including, but not limited to, the existence of any one or more of the following conditions:

- (1) anticipated owner or occupant incendiarism;
- (2) at least 65% of the rental units in the building are unoccupied, and the insured has not obtained prior approval from the Underwriting Department of a rehabilitation plan which necessitates a high degree of unoccupancy;
- (3) property damage exists and more than 60 days have elapsed as to indicate that the damage will not be promptly repaired;

- (4) following a loss, permanent repairs following satisfactory adjustment of loss have not commenced within 60 days;
- (5) property has been apparently abandoned or there has been removal of undamaged salvageable items from the building and the insured can give no reasonable explanation for such removal;
- (6) utilities such as electric, gas, or water services have been disconnected and, if for non-payment of service bills, the insured has failed to pay his account for such services within 60 days, or real estate taxes have not been paid for a two-year period after the taxes have become delinquent (real estate taxes shall not be deemed to be delinquent for this purpose even if they are due and constitute a lien, so long as a grace period remains under local law during which such taxes may be paid without penalty);
- (7) conviction or unresolved indictment of a named insured or loss payee, or any other person having a financial interest in the property, of the crime of arson or crime involving a purpose to defraud an insurance company;
- (8) where the building or the named insured has been subject to two or more fires, each loss amounting to at least \$500 or one percent of the insurance in force, whichever is greater, in any 12-month period; or three (3) such fires in any 24-month period, at the discretion of the underwriter.
- (9) Material misrepresentation
- (10) Non-payment of additional initial or increased hazard premium; or
- (11) Failure of the insured or his/her agent to timely furnish when due additional primary or supplemental underwriting information requested by the facility.
- (12) Other conditions proposed by the Underwriting Department and adopted by resolution by the Underwriting Committee as established herein.

(b) After a policy has been in effect for more than 60 days, there shall be no cancellation or refusal to renew the policy without a 30-day written notice to the insured, except that a written notice of not less than five days before the effective date of cancellation or non-renewal may be used if one or more of the specific conditions set out in Section 6(a) above is present.

(c) Each notice of denial, cancellation, or non-renewal shall contain a statement of the reason

therefor. It shall be sent to the insured at the last known address with copies sent to the mortgagee, if any, and the insured's Producer.

(d) Any denial, cancellation, or non-renewal notice to the insured shall be accompanied by a statement that the insured has a right of appeal as provided in Article X below.

(e) The Underwriting Department shall reinstate, without lapse in coverage or additional charge, any policy cancelled solely because of non-payment of additional initial or increased hazard premium, if and when full and complete payment of all premiums due are received before the termination date contained in the notice of denial, cancellation or non-renewal. Such reinstatement of coverage is conditioned upon any check tendered for premium payment being honored when presented for payment.

(f) Non-payment of any renewal premium shall result in lapse of the policy as of the renewal date and only a notice of such lapse shall be sent to the insured within 15 days following the lapse in coverage.

(g) No coverage will be effective if the insured's premium remittance, which accompanies the application is dishonored by the financial institution.

(h) A charge for checks returned by a bank or financial institution due to insufficient funds (NSF) may be made by the Plan.

**Inspection Ordering:**

The Kentucky FAIR Plan adheres to the following inspection ordering guide for new and renewal policies placed with the Plan.

1. Inspections are ordered based on Underwriter's discretion for new business applications for Dwelling Fire and Farm Fire.
2. Renewals are inspected via a report ordering system programmed into Finys.
3. Inspections should be ordered upon issuing a new Commercial Fire or Homeowner application unless specifically documented as to why it is not necessary.





**Kentucky FAIR Plan Committee Assignments –**  
**2024/2025**

<b>Committee</b>	<b>Member</b>	<b>Company</b>
<b>Executive Committee</b>	Rudy Schlich	Old Kentucky Insurance
	Todd Feltman	State Farm
	Mark Hillis -Executive Director	Kentucky FAIR Plan
<b>Investment Committee</b>	Lisa Pierce	Allstate Insurance Co.
	Don McConnell	Kentucky Farm Bureau
	Rudy Schlich	Old Kentucky Insurance
	Chuck McCurdy	Cerity Partners Financial Group
	Mark Hillis - Executive Director	Kentucky FAIR Plan
<b>Members Equity and Reinsurance Committee</b>	Kristen Mellinger	Kentucky Farm Bureau
	Todd Feltman	State Farm
	Mark Hillis – Executive Director	Kentucky FAIR Plan
<b>Audit Committee</b>	Marcus Bickwermert	Kentucky Farm Bureau
	Todd Feltman	State Farm
	Dawn Whalen	Travelers Insurance
	Tina Faleide	Kentucky FAIR Plan
<b>Products and Forms Committee</b>	Kristen Mellinger	Kentucky Farm Bureau
	Rudy Schlich	Old Kentucky Insurance
	Jay Kepperling	Nationwide
	Erin Lux	Kentucky FAIR Plan
<b>Underwriting Committee</b>	Dwayne Taylor	State Farm
	Andy Heim	Kentucky Farm Bureau
	Erin Lux	Kentucky FAIR Plan
<b>Claims Committee</b>	Henry Goins	Kentucky Farm Bureau
	Dan Pendleton	Kentucky Farm Bureau
	Andy Lewis	State Farm
	Stacie Darnell	Kentucky National
	Russ Thornton	Kentucky FAIR Plan
<b>KAIP Compensation and Benefits</b>	Lisa Pierce	Allstate Insurance Co.