

Kentucky FAIR Plan

Governing Committee & Annual Meeting

June 4, 2025

Annual and Governing Committee Meeting Agenda

Roll Call

Anti-Trust Preamble

Approval of Minutes

Election of Members of Governing
Committee

Election of Officers

Auditor's Report and Financial
Statement

Executive Director's Report


Other Business

Adjournment

Approval of the Minutes

- October 23, 2024, Governing Committee (p.5)
- March 26, 2025, Products and Forms Committee (p.9)
- April 10, 2025, Finance and Investment Committee (p.11)
- April 23, 2025, Audit Committee (p.14)





Election of Governing Committee Members

No new member since last annual meeting.
Need motion to seat the committee.



Election of Officers

- Rudy Schlich – Chair
- Todd Feltman – Vice Chair
- Mark Hillis – Secretary Treasurer

Report of Financial Audit

Deming, Malone, Livesay & Ostroff
Emily Whatley

- Financial Highlights – p.16
- Letter to Management – p.17
- Financial Report – p.21

Financial Highlights



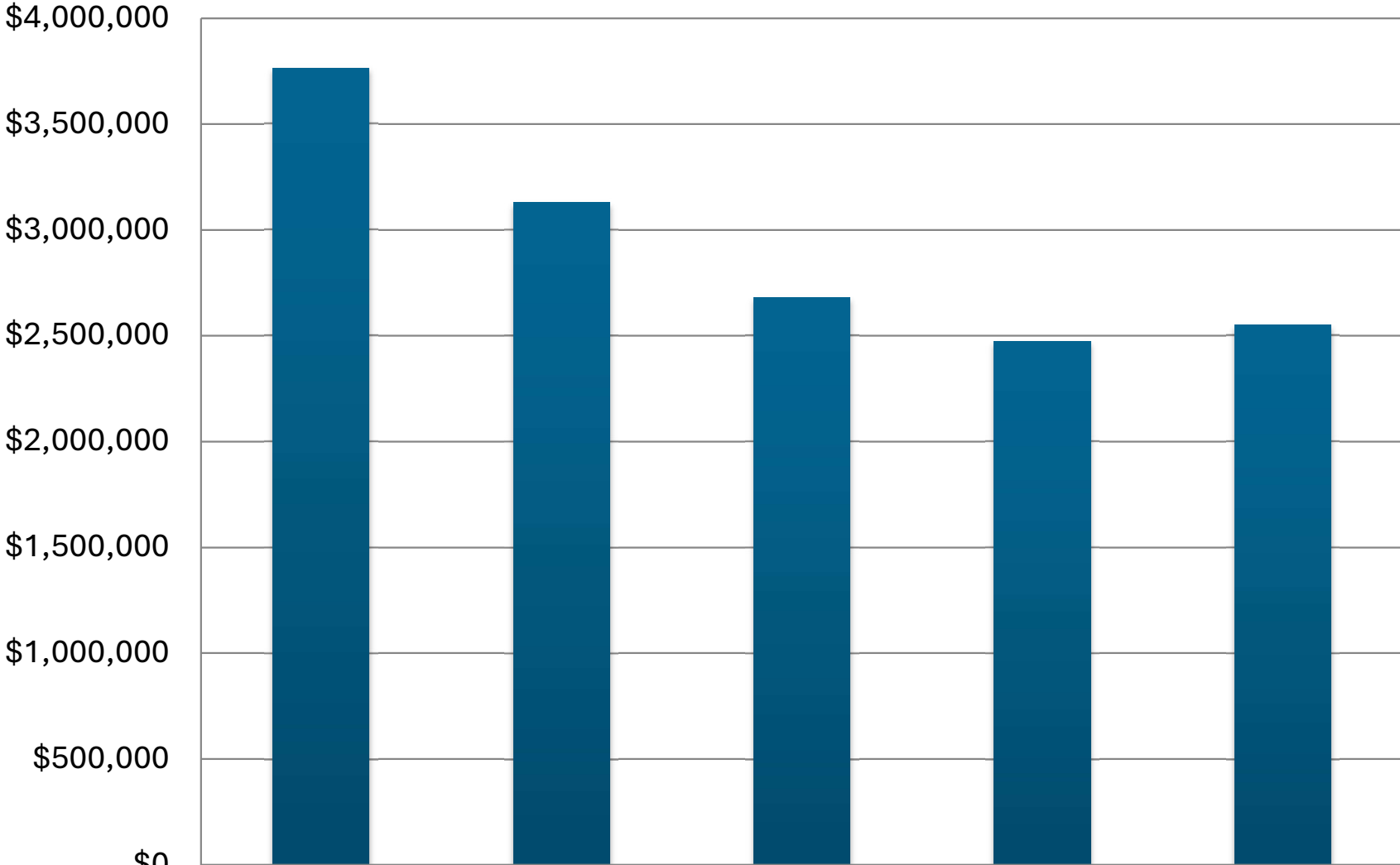
deming malone
livesay + ostroff

KENTUCKY FAIR PLAN REINSURANCE ASSOCIATION Year Ended December 31, 2024

<u>Financial Highlights</u>	<u>12/31/2024</u>	<u>12/31/2023</u>
Investments	\$ 12,951,516	\$ 13,471,441
Cash and cash equivalents	\$ 2,394,448	\$ 1,866,390
Premiums receivable	\$ 370,781	\$ 362,658
Property occupied	\$ 1,096,561	\$ 1,077,270
Total admitted assets	\$ 17,590,022	\$ 17,253,153
Insurance reserves	\$ 1,957,633	\$ 1,544,552
Total liabilities	\$ 2,080,129	\$ 1,699,154
Members' equity	\$ 15,509,893	\$ 15,553,999
Premiums earned	\$ 2,264,478	\$ 2,390,684
Change in premiums earned	-5.3%	
Underwriting expenses	\$ 3,112,777	\$ 4,183,634
Change in underwriting expenses	-25.6%	
Investment income	\$ 729,711	\$ 411,881
Net service provider income	\$ 170,276	\$ 248,477
Net income (loss)	\$ 77,614	\$ (1,105,300)
Net cash flow from operations	\$ (171,615)	\$ (1,189,081)
Change in cash	\$ 528,058	\$ (383,099)

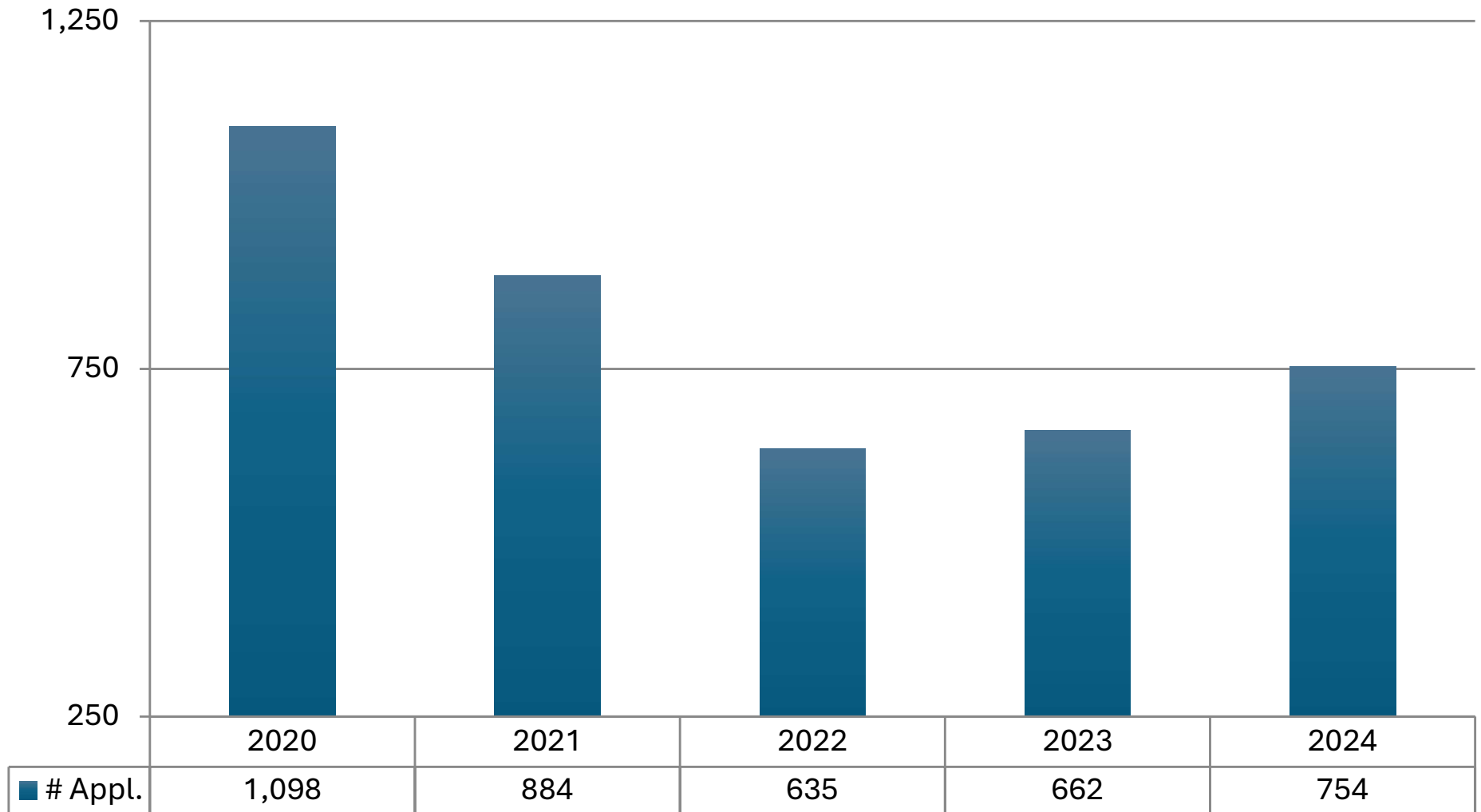
Executive Director's Report

Written Premium

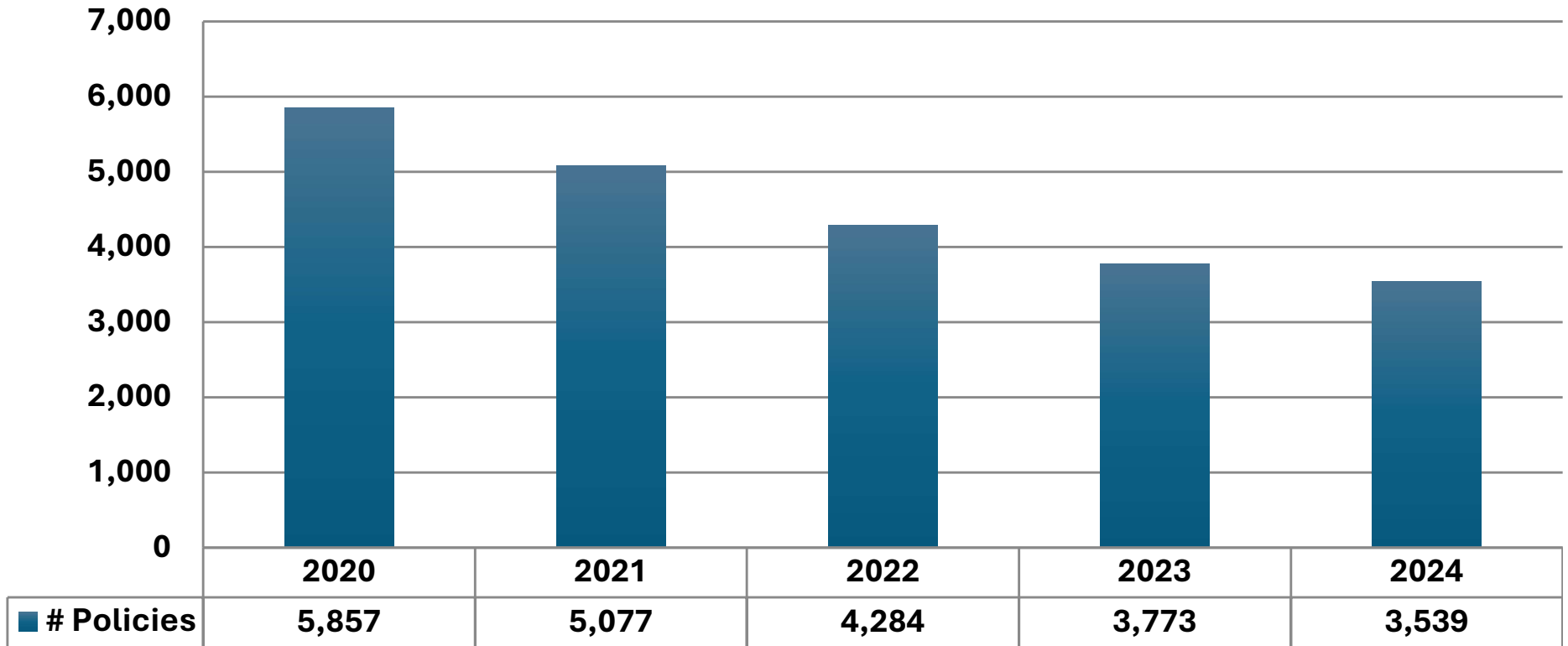


■ Written Premium	\$3,765,008	\$3,129,881	\$2,681,328	\$2,473,767	2,551,493
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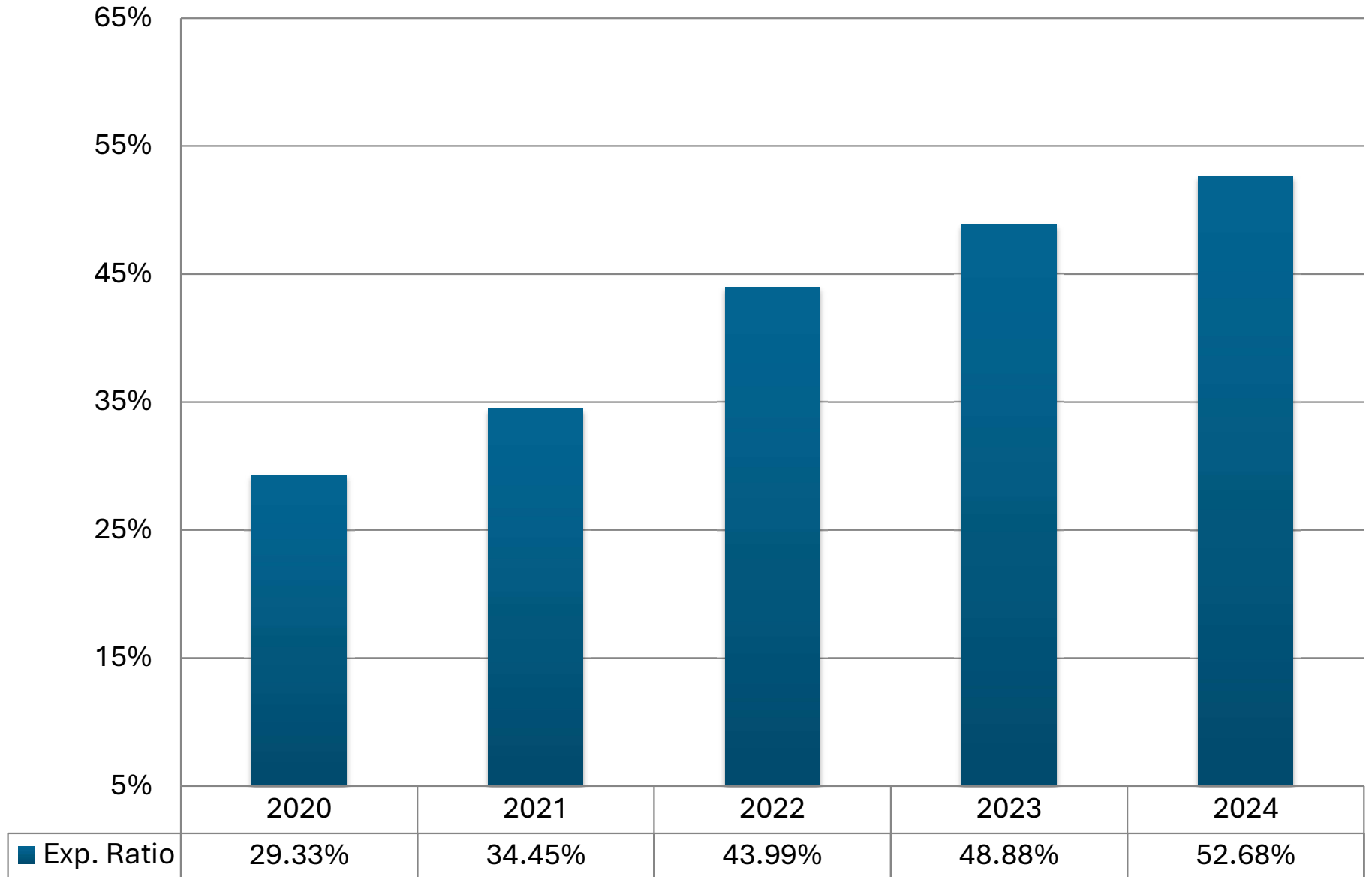
New Business Applications



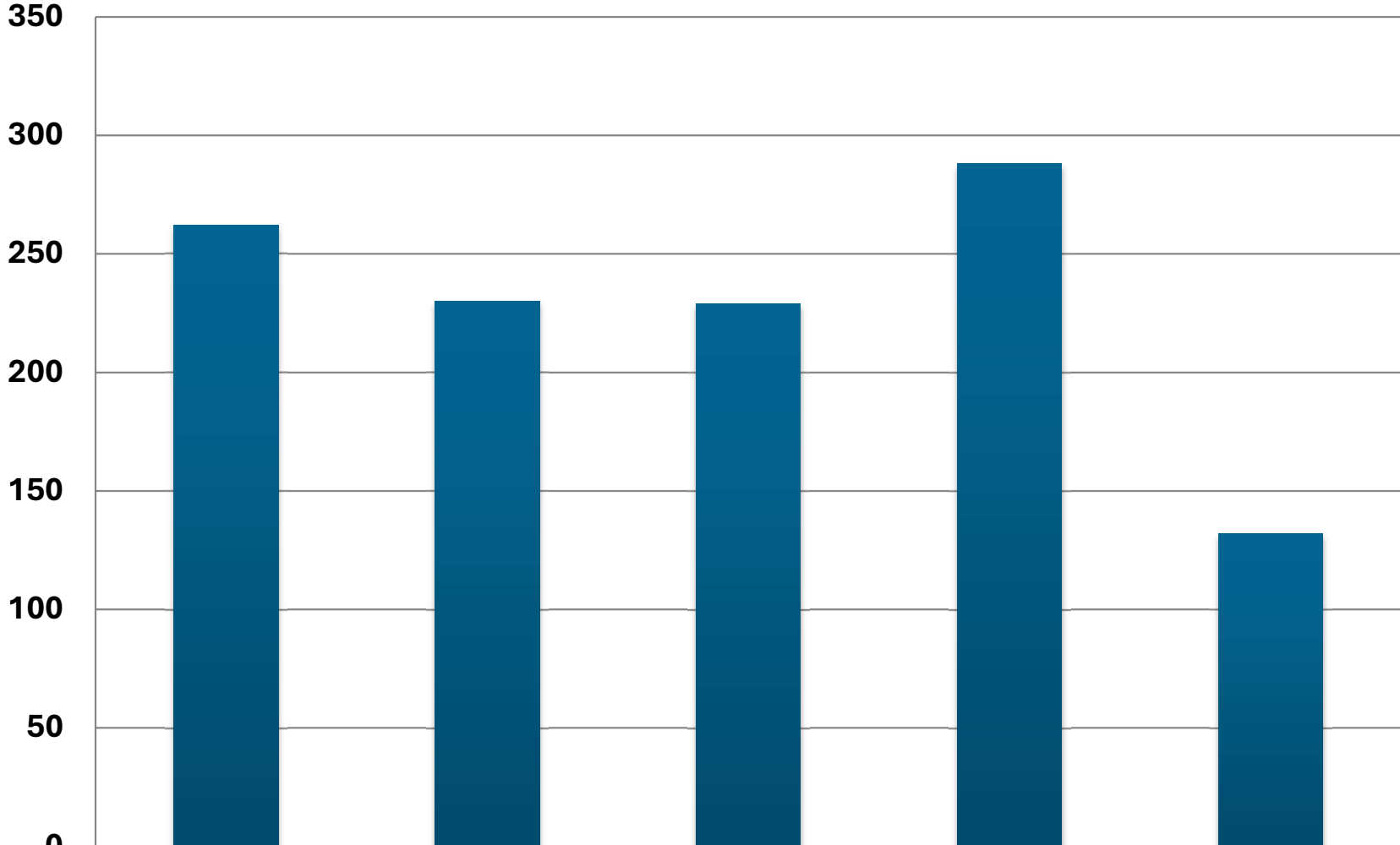
Policies in Force



Operating Expense Ratio

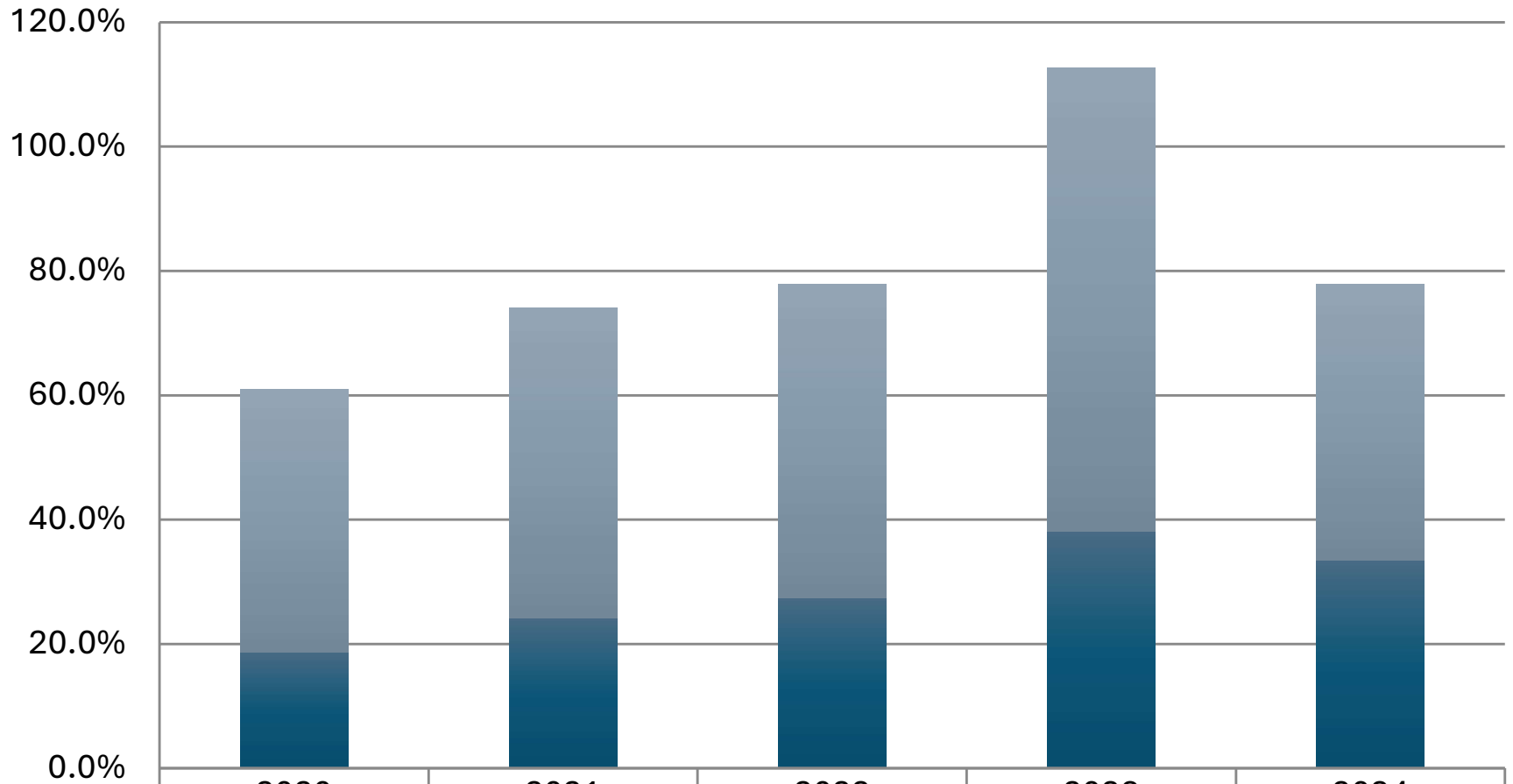


Number of Reported Claims



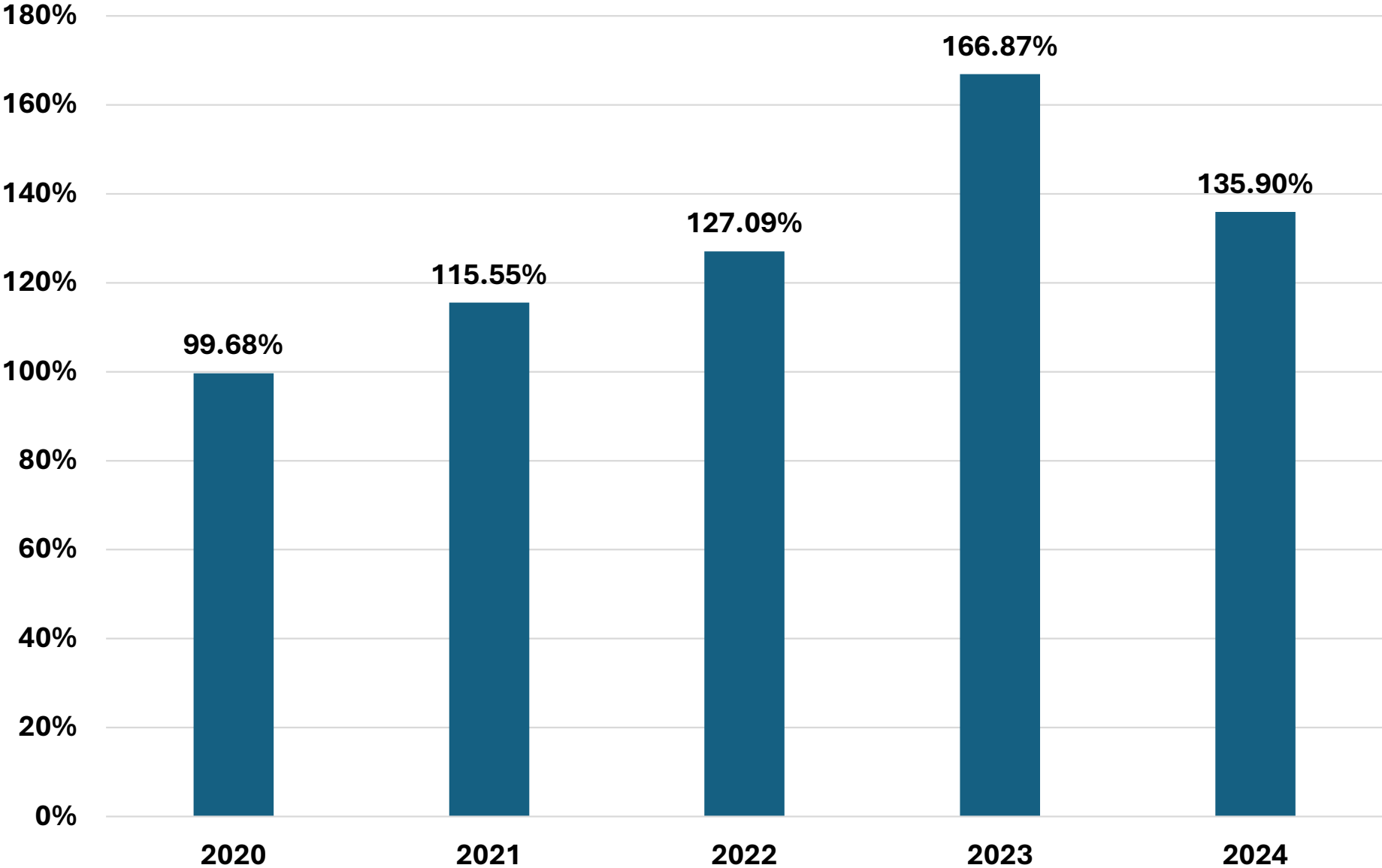
	2020	2021	2022	2023	2024
# of Claims	262	230	229	288	132

Loss and LAE Ratio

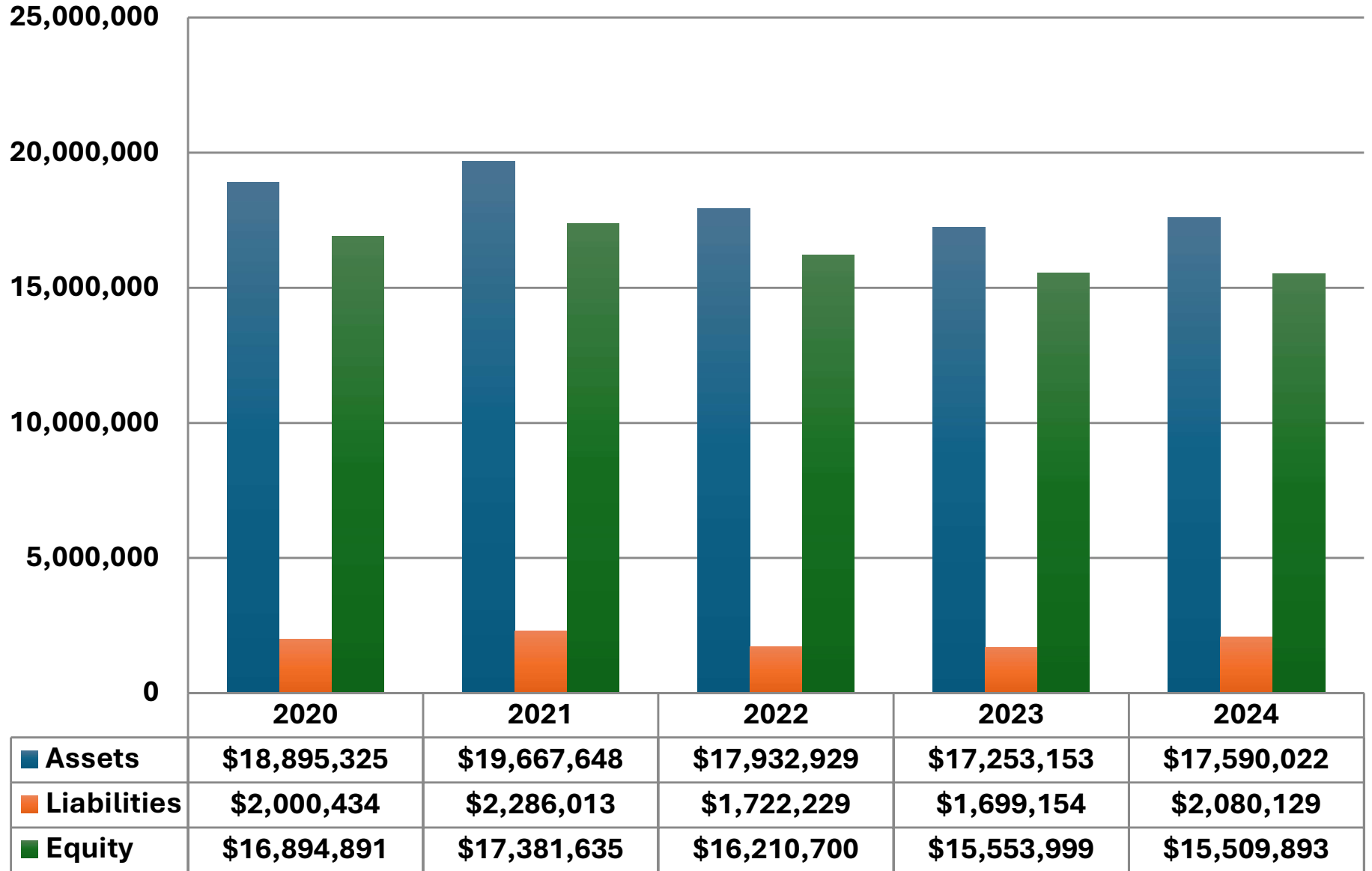


	2020	2021	2022	2023	2024
■ Loss Ratio	42.27%	49.90%	50.47%	74.54%	44.38%
■ LAE	18.75%	24.21%	27.44%	38.14%	33.49%

Combined Ratio



Balance Sheet



Budget
p.43

KENTUCKY FAIR PLAN				
Budget Status				
Line	2022 Budget	2023 Budget	2024 Budget	2024 Final
Accounting Fees	\$ 18,753	\$ 20,473	\$ 21,300	\$ 20,210
Actuarial Review	\$ 9,400	\$ 16,016	\$ 7,816	\$ -
Board Meetings	\$ 500	\$ 700	\$ 700	\$ 1,028
Bldg. Repairs & Main.	\$ 24,444	\$ 24,932	\$ 25,644	\$ 21,750
Bldg. Utilities	\$ 8,389	\$ 9,601	\$ 9,032	\$ 7,510
Building Taxes	\$ 8,992	\$ 9,541	\$ 9,783	\$ 8,727
Computer Expenses	\$ 68,708	\$ 60,914	\$ 64,542	\$ 83,093
Dues & Subscriptions	\$ 2,270	\$ 2,549	\$ 2,550	\$ 3,189
Education	\$ 4,120	\$ 3,940	\$ 3,311	\$ 1,972
Health Insurance	\$ 135,849	\$ 182,975	\$ 168,756	\$ 133,406
Human Resources	\$ 15,075	\$ 13,825	\$ 15,120	\$ 42,094
Inspections	\$ 49,656	\$ 43,087	\$ 41,517	\$ 53,432
P&C Insurance	\$ 30,421	\$ 49,350	\$ 51,416	\$ 50,636
Legal/Professional	\$ 52,386	\$ 53,045	\$ 41,318	\$ 31,651
Meals & Entertainment.	\$ 2,000	\$ 2,000	\$ 2,000	\$ 1,510
Memb.Fees - PIPSO/ISO	\$ 40,867	\$ 40,979	\$ 37,500	\$ 28,016
Miscellaneous	\$ 1,200	\$ 1,200	\$ 1,200	\$ 775
Office Equipment	\$ 1,500	\$ 1,500	\$ 1,500	\$ 925
Office Supplies	\$ 5,000	\$ 5,000	\$ 5,000	\$ 9,044
Payroll Fees	\$ 1,450	\$ 1,715	\$ 2,376	\$ 2,747
Payroll Tax	\$ 77,417	\$ 94,460	\$ 94,253	\$ 63,420
Retirement Savings Plan	\$ 125,416	\$ 153,026	\$ 152,690	\$ 145,146
Postage	\$ 9,115	\$ 9,413	\$ 6,115	\$ 4,797
Printing	\$ 1,699	\$ 1,699	\$ 1,500	\$ 353
Processing	\$ 155,489	\$ 146,848	\$ 146,710	\$ 133,843
Repairs and Maintenance	\$ 1,826	\$ 1,789	\$ 2,000	\$ 3,792
Systems/PASS	\$ 40,000	\$ 25,000	\$ 25,000	\$ 30,000
Telephone	\$ 17,130	\$ 24,360	\$ 19,239	\$ 28,735
Travel	\$ 11,000	\$ 11,000	\$ 11,000	\$ 17,278
Wages (Non Allocated)	\$ 774,173	\$ 944,604	\$ 942,534	\$ 741,487
FAIR Plan Alliance	\$ (65,000)	\$ (155,000)	\$ (230,000)	
Total	\$ 1,629,245	\$ 1,800,542	\$ 1,683,423	\$ 1,670,562

Reinsurance

- Annual Contracts using Guy Carpenter as Broker
- Contract runs 10/1 to 9/30
- Renewal data provided in July
- Reinsurance and Equity meeting is scheduled in Sept 2025.

Team Building & Community Service

- PTO award for blood donation
- Support local boy scout troop
- Clays for a Cause
- Partial company match for holiday gift giving / angel tree shopping



FAIR Plan Alliance Update

2024 / 2025 Member Plan

2024 / 2025 Services
Provided

Partnerships

Project Work

Accounting Updates

Other Business



PIPSO Report p. 45



Committee
Assignments p. 46



Comments from
the Department of
Insurance



Next meeting
October 22, 2025

Thank you for your support!