

Kentucky FAIR Plan

Governing Committee Meeting

October 22, 2025

Agenda

- Roll Call
- Anti-Trust Preamble
- Approval of Minutes
- Committee Reports
- Executive Director's Report
- 2026 Budget
- Other Business
- Adjournment



ROLL CALL

**ANTI-TRUST
PREAMBLE**

**Call to
Order**



Approval of Minutes

June 2025 Governing Committee, page 5

August 2025 Claims Committee, page 10

August 2025 Underwriting Committee, page 13

September 2025 Finance & Investment
Committee, page 16

September 2025 Equity & Reinsurance
Committee, page 20



Claims Audit

Kentucky Claims Committee:

Stacie Darnell - Kentucky National

Henry Goins - Kentucky Farm Bureau

Dan Pendleton - Kentucky Farm Bureau

Andy Lewis - State Farm

Claims Committee Meetings:

August 5 & 14, 2025

Underwriting Audit

Kentucky Underwriting Committee:

Andy Heim - Kentucky Farm Bureau

Dwayne Taylor - State Farm

Underwriting Committee Meetings:

August 18 & 28, 2025

Reinsurance and Equity Committee Meeting

Reinsurance and Equity Committee Members

Kristen Mellinger –
Kentucky Farm Bureau

Todd Feltman – State
Farm

Dawn Whalen - Travelers

Investment Committee Meeting

Investment Committee Members

Rudy Schlich - Old Kentucky
Insurance

Lisa Pierce - Allstate Insurance

Jon Simon – Kentucky Farm Bureau

Chuck McCurdy – Cerity Partners

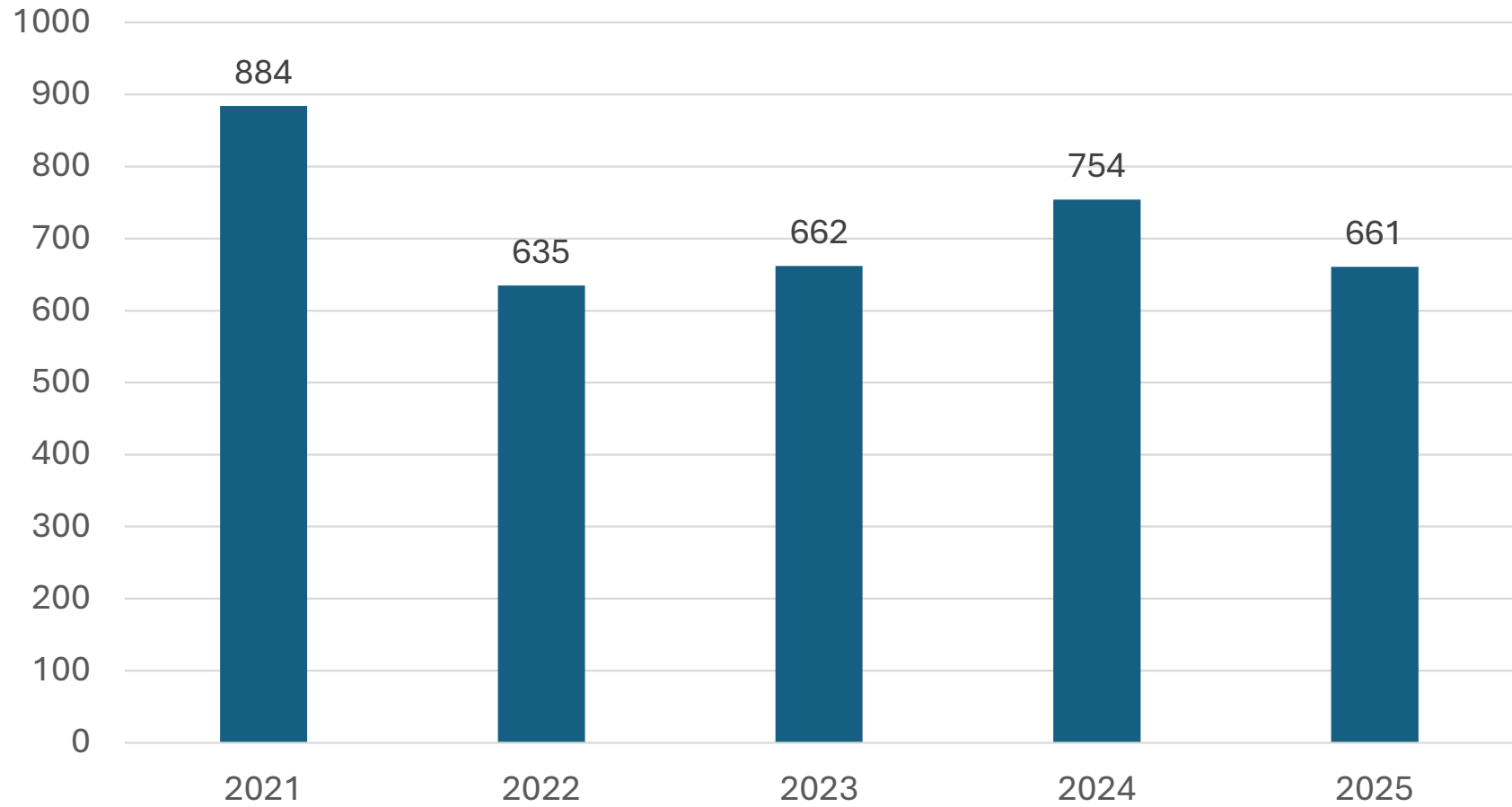
Ryan Burch – Cerity Partners

Mark Hillis - Kentucky FAIR Plan

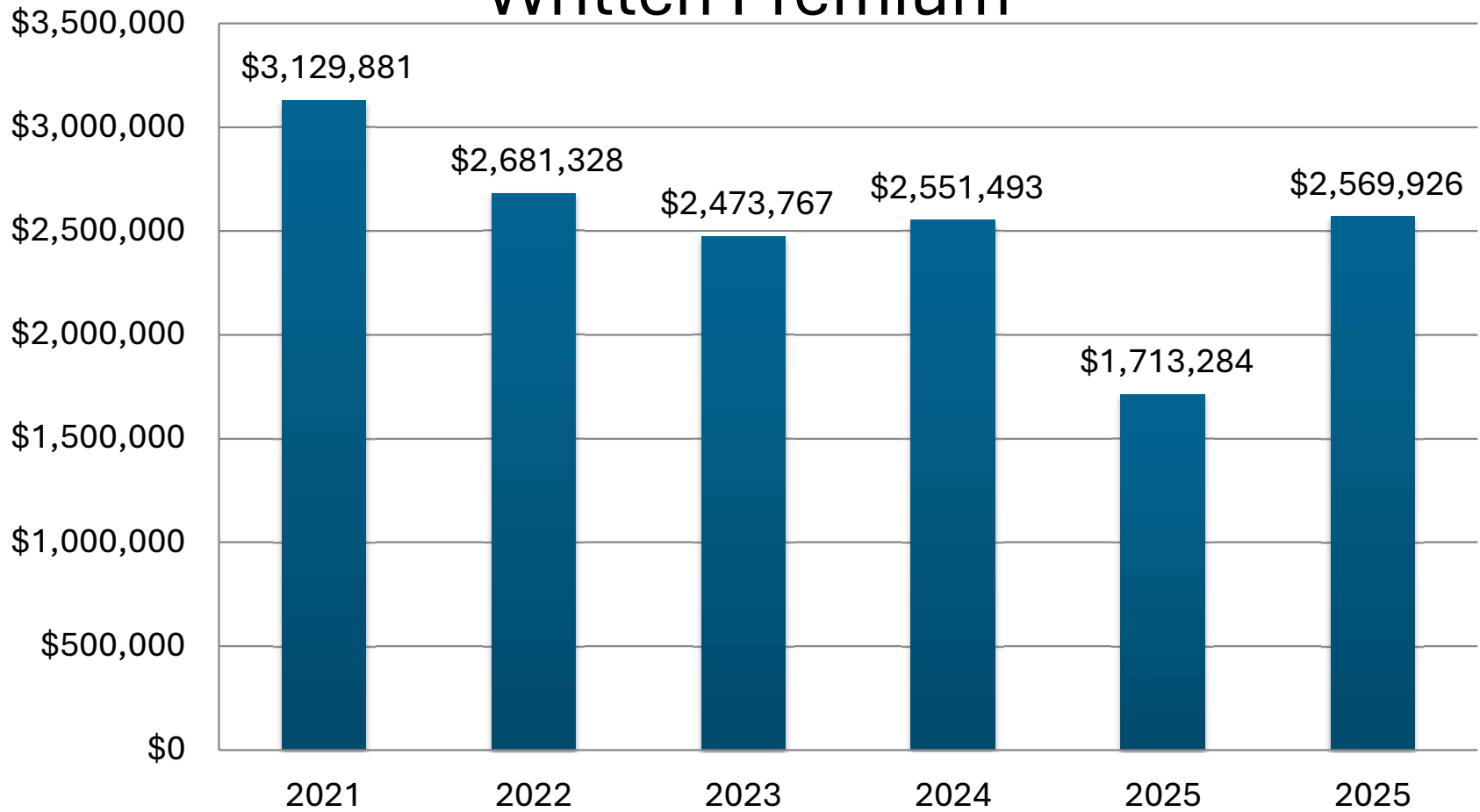
Tina Faleide – Kentucky FAIR Plan

Executive Director's Report

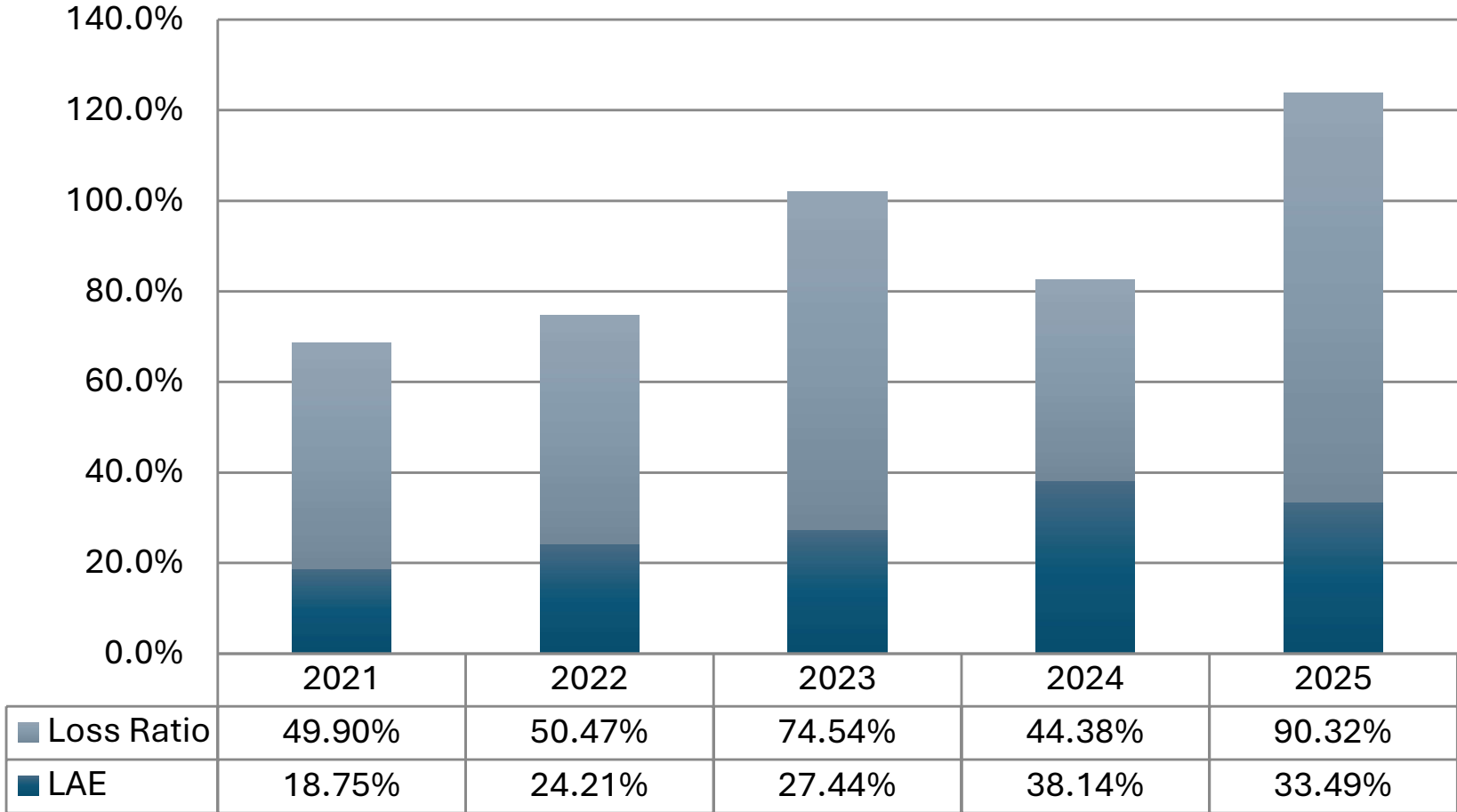
New Business Applications



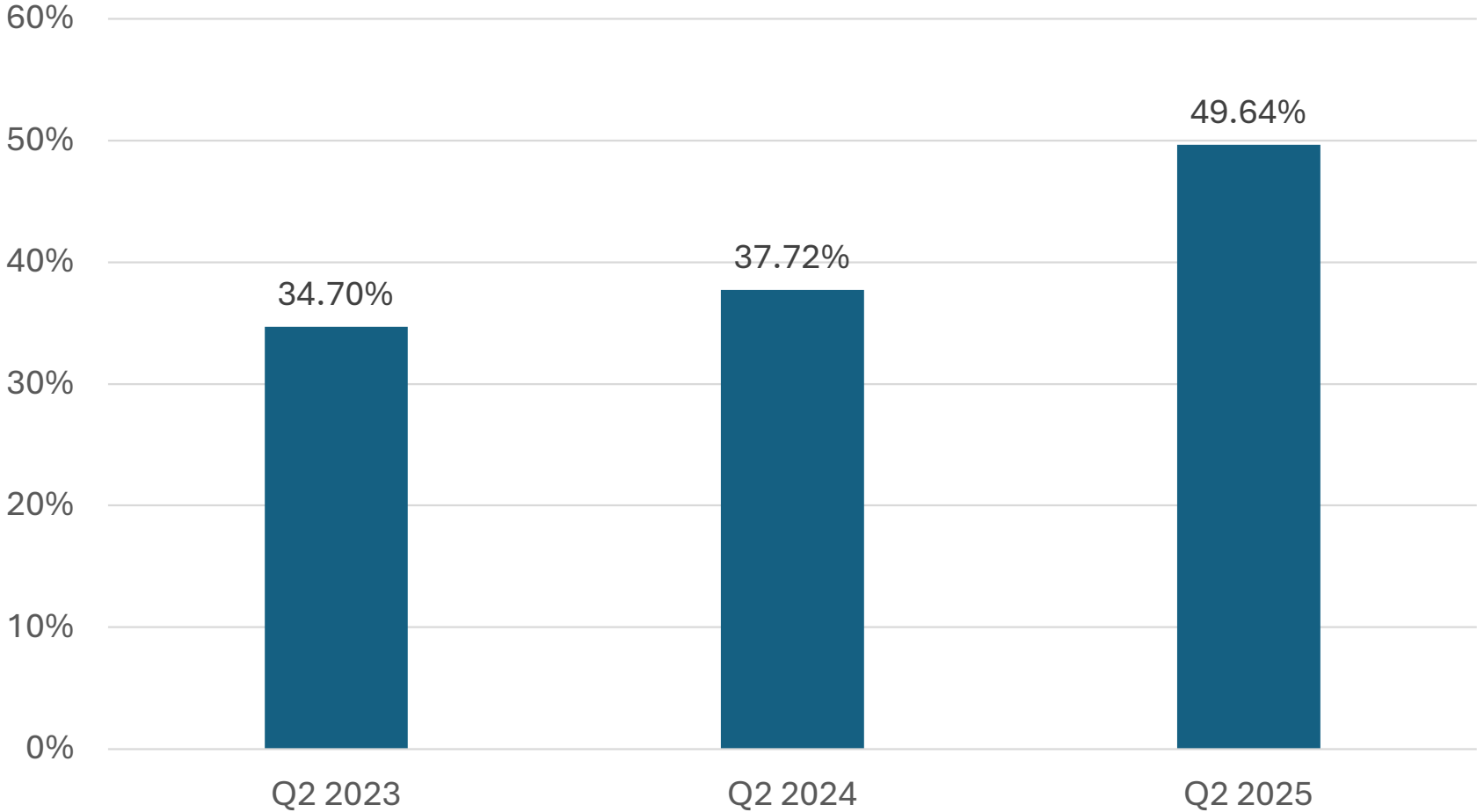
Written Premium



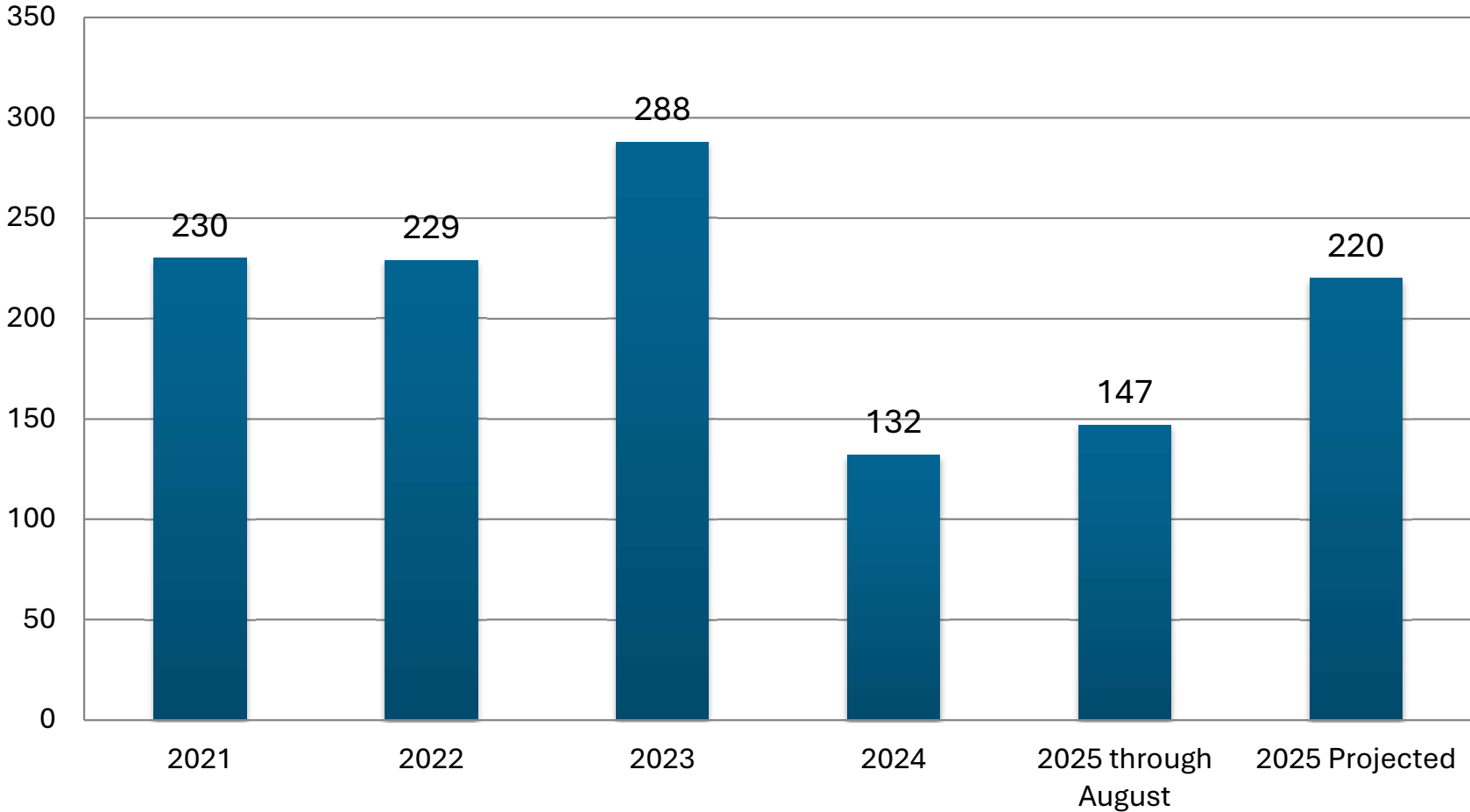
Loss and LAE Ratio



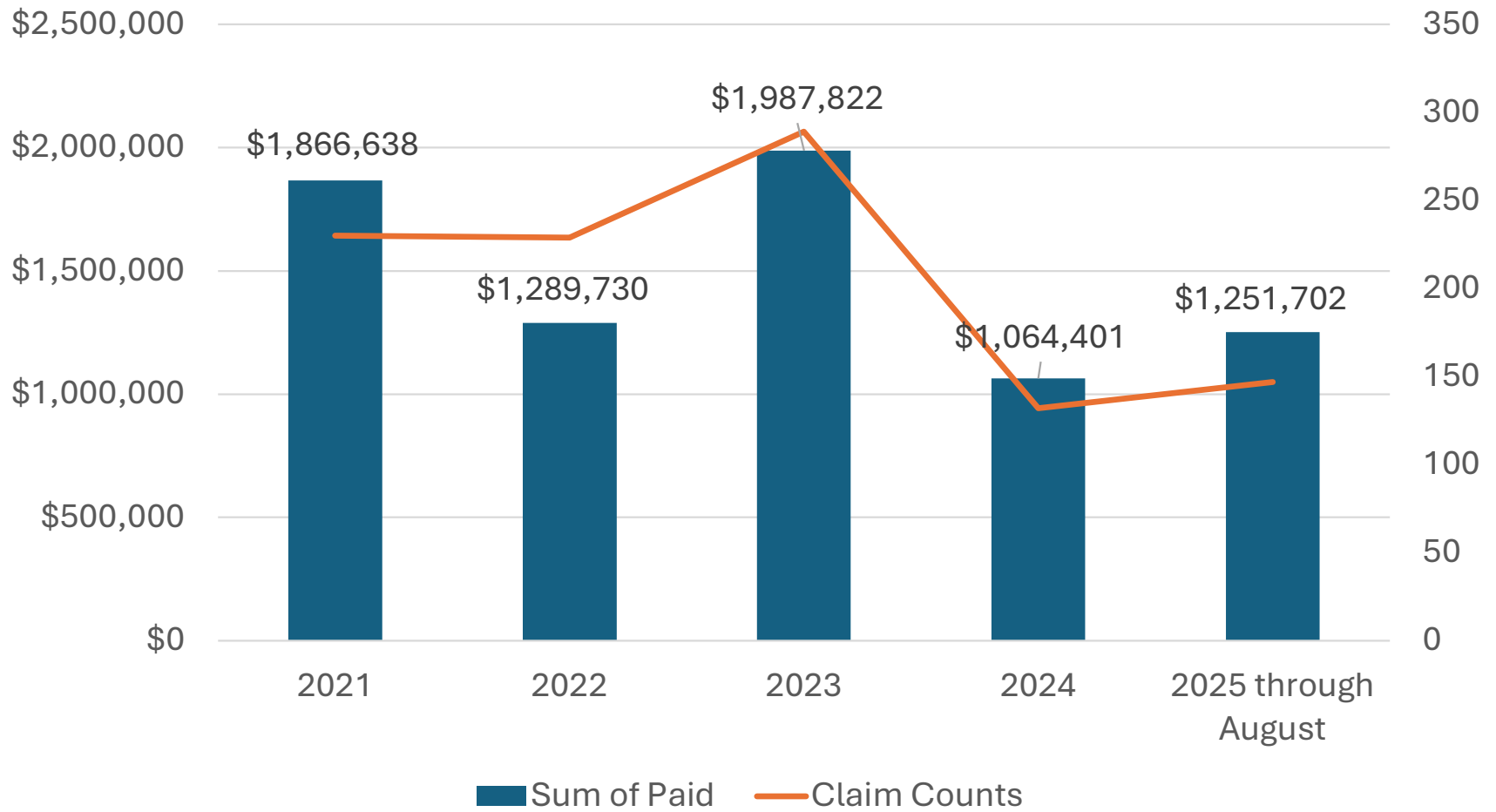
Operating Expense Ratio



Claims Reported



Paid Claims



Banking and Investments

- Republic Bank Operating Account
 - Cash Flow Balance: \$1,207,595
 - ICS: \$2,832
 - Members Equity Account (Disbursement): \$1,536
- Cerity/Fifth Third Investment Account
 - \$13,160,836



Budget

- Details in your packet, page 32.
- **2025:** Projected to come in under budget.
- **2026:** Proposed budget of \$1,809,818



Kentucky FAIR Plan

Budget

	2025 Budget	2025 as of 6/2025	2025 Proj.	2025 Projected as % of Total	2026 Budget
☺					
Contract Services	1,190,829	685,630	1,175,630	98.72%	1,104,675
Accounting Fees	21,221	22,500	22,500	106.03%	23,625
Actuarial Review	16,016	-	5,000	31.22%	21,018
Board Meetings	700	696	696	99.43%	700
Bldg-Repairs & Maint.	26,208	14,747	29,747	113.50%	27,597
Building-Utilities	8,025	5,027	10,027	124.95%	8,993
Building-Taxes	9,753	-	9,753	100.00%	9,753
Computer	76,343	35,005	80,005	104.80%	122,422
Dues & Subscriptions	2,375	762	1,762	74.19%	3,870
Education	5,261	1,022	1,522	28.93%	7,294
Human Resources	17,730	3,438	8,438	47.59%	18,980
Inspections	44,568	23,843	47,843	107.35%	49,248
P & C Insurance	54,897	-	70,000	127.51%	70,000
Legal/Professional	41,626	2,213	7,213	17.33%	18,076
Meals & Ent.	2,250	154	654	29.07%	2,250
Membership Fees	37,500	28,144	38,144	101.72%	34,500
Miscellaneous	1,200	289	789	65.75%	750
Office Equipment	1,500	-	1,500	100.00%	1,500
Office Supplies	8,000	1,951	4,951	61.89%	10,000
Postage	6,698	4,580	9,580	143.03%	8,924
Printing	1,500	360	860	57.33%	4,000
Processing	162,962	26,979	153,979	94.49%	176,016
Repairs & Maint.-Off. Eq.	2,761	1,049	2,249	81.46%	2,427
System Enhancements	25,000	-	-	0.00%	45,000
Telephone	23,676	11,031	23,031	97.28%	25,200
Travel	11,000	944	2,444	22.22%	13,000
Totals	\$ 1,799,599	\$ 870,363	\$ 1,708,317	94.93%	\$ 1,809,818

Rate Review

	LCM		Rate Impact			
LOB	Current	Proposed	Smallest	Largest	Proposed Increase	Premium Impact
Dwelling Fire	4.200	4.403	16.3%	25.4%	17.8%	\$378,320
Homeowners	3.432	2.770	-25.8%	32.5%	12.0%	\$44,670
Commercial	4.069	3.823	-12.4%	39.3%	8.8%	\$30,403
Farm Fire	4.069	3.823	-17.8%	-11.2%	8.8%	\$(6,551)
						\$446,842

Underwriting Form Recommendations

Wind/Hail
Restrictive
Endorsement

Cosmetic
Damage
Exclusion

FAIR Plan
Alliance
Members

Illinois

Kansas

Kentucky

Minnesota

Missouri

Oregon

Washington

Wisconsin

Investment Policy Statement

p. 147 tracked
p. 159 clean

- Review and update by Investment Committee
- 5% investment rule regulating single issuer
- NAIC rating restrictions
- Government securities
- Taxable and tax exempt
- Expected tax rates
- KRS 304.7 regulations

Other Business



Committee Assignment
Update – Page 170



Kentucky Department of
Insurance Comments



Next meeting dates:
June 3 & October 21,
2026

Adjournment