

WELCOME



Kentucky Insurance Arbitration Association

Annual Meeting
Board Meeting



Kentucky Assigned Claims Plan

Annual Meeting
Governing Committee Meeting

KENTUCKY INSURANCE ARBITRATION ASSOCIATION

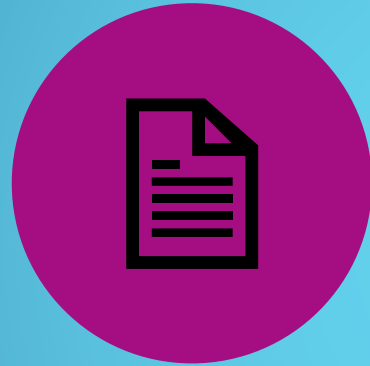
Annual & Board Meetings
September 24, 2025

KIAA ANNUAL MEETING

▶ Agenda

- ▶ Call to Order
- ▶ Roll Call
- ▶ Anti-Trust Preamble
- ▶ Approval of Minutes
- ▶ Election of Board Members
- ▶ Other Business
- ▶ Adjournment

BOARD SELECTION



ROSTER OF BOARD
MEMBERS IN HANDOUT



NEED MOTION TO
APPROVE 2025 BOARD



Other Business?



Adjournment of
Annual Meeting

KENTUCKY INSURANCE ARBITRATION ASSOCIATION

Board Meeting
September 24, 2025

KIAA BOARD MEETING

Agenda

- ▶ Call to Order
- ▶ Roll Call
- ▶ Anti-Trust Preamble
- ▶ Approval of Minutes
- ▶ Election of Officers
- ▶ Auditor's Report and Financial Statement
- ▶ Panel Secretary Report
- ▶ Other Business
- ▶ Adjournment



- ▶ Nominating Committee
 - ▶ **Taylor Martin- Nationwide Insurance**
- ▶ Other Nominations from Floor?
- ▶ Election of Officers

ELECTION OF OFFICERS

**Deming Malone
Livesay & Ostroff
*Certified Public
Accountants***

**Emily Whatley,
CPA**

REPORT OF ANNUAL FINANCIAL AUDIT



deming malone
livesay + ostroff

KENTUCKY INSURANCE ARBITRATION ASSOCIATION
Year Ended December 31, 2024

<u>Financial Highlights</u>	<u>12/31/2024</u>	<u>12/31/2023</u>
Cash	\$ 245,450	\$ 676,717
Assessments	\$ 454,785	\$ 935,994
Filing fees	\$ 48,992	\$ 54,160
Interest income	\$ 8,197	\$ 9,253
Membership fees	\$ 80	\$ 110
Total cash receipts	\$ 512,054	\$ 999,517
Change in cash receipts	-48.77%	
System build	\$ 552,138	
Salaries and benefits	\$ 430,950	\$ 353,785
Computer	\$ 34,168	\$ 23,153
Insurance	\$ 10,349	\$ 11,276
Advance from Alliance	\$ (122,057)	
Other	\$ 37,773	\$ 37,687
Total cash disbursements	\$ 943,321	\$ 425,901
Change in cash disbursements	121.49%	
Excess cash receipts (disbursements)	\$ (431,267)	\$ 573,616

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
- Advance from Alliance to be reimbursed in 2025

FINANCIAL HIGHLIGHTS

PANEL SECRETARY REPORT

- ▶ Managers Report – Mark Hillis
- ▶ Arbitration Report – Owen Caster
- ▶ Budget & Financial Report
- Mark Hillis

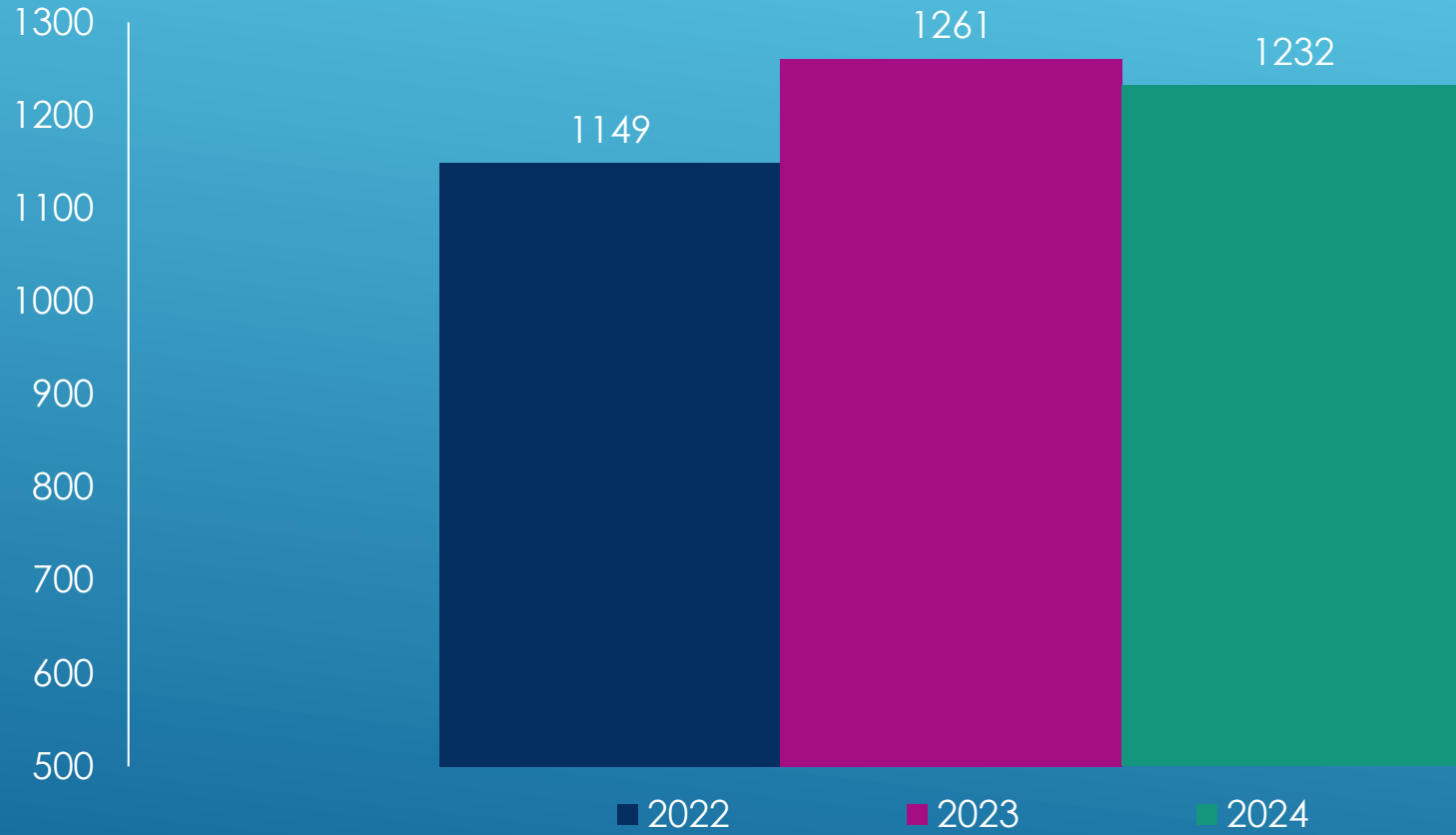
Category	4th Quarter 2023	2023	4th Quarter 2024	2024	YTD % Change
Files Received	304	1261	263	1232	-2.30%
Decision Rendered	128	547	117	515	-5.85%
Files Withdrawn	204	720	166	756	5.00%
Files Rejected	23	82	11	78	-4.88%
Files Deferred	101	404	105	659	63.12%
Files Opened	318	1281	287	1243	-2.97%
Files Set for Hearing	178	794	226	858	8.06%
Total: Currently Deferred		613		616	
Total: Currently Open		176		52	
Total: Currently Set for Hearing		135		126	
Filing Fees	\$13,080	\$54,160.00	\$11,540.00	\$48,940.00	

MANAGER'S REPORT

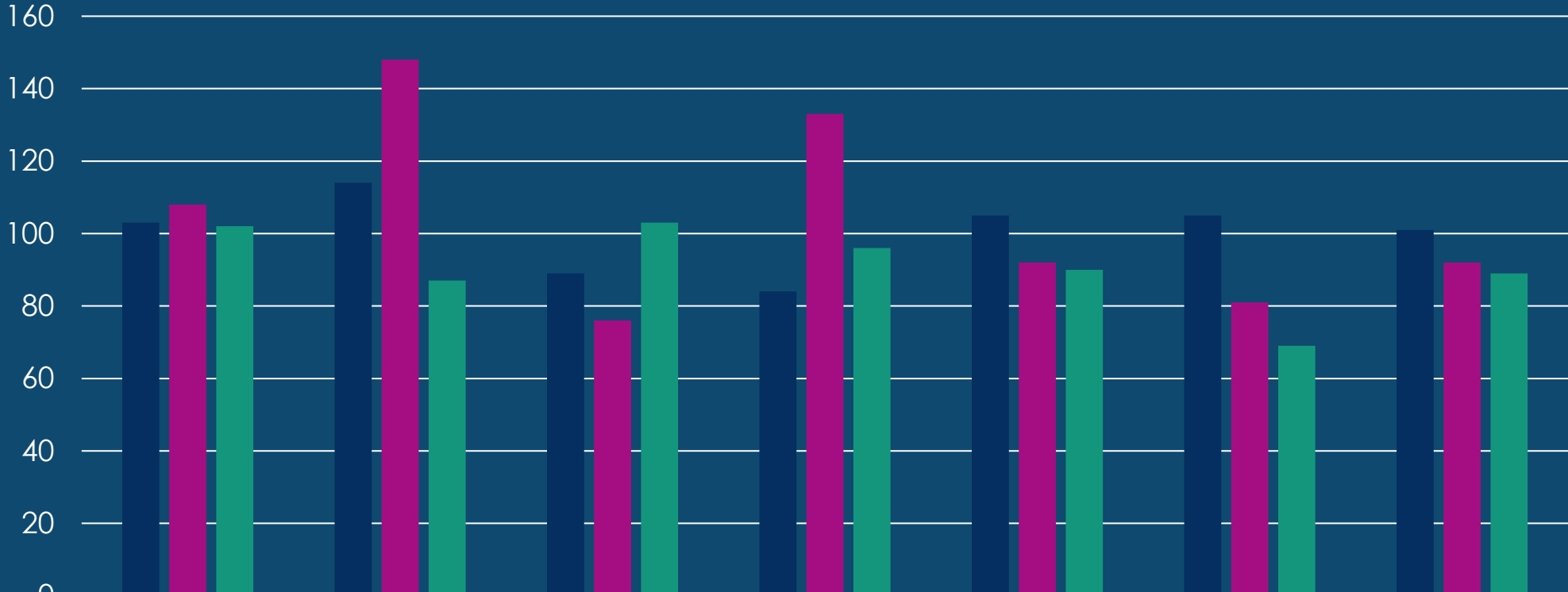


ARBITRATION REPORT

KIAA FILINGS REPORT

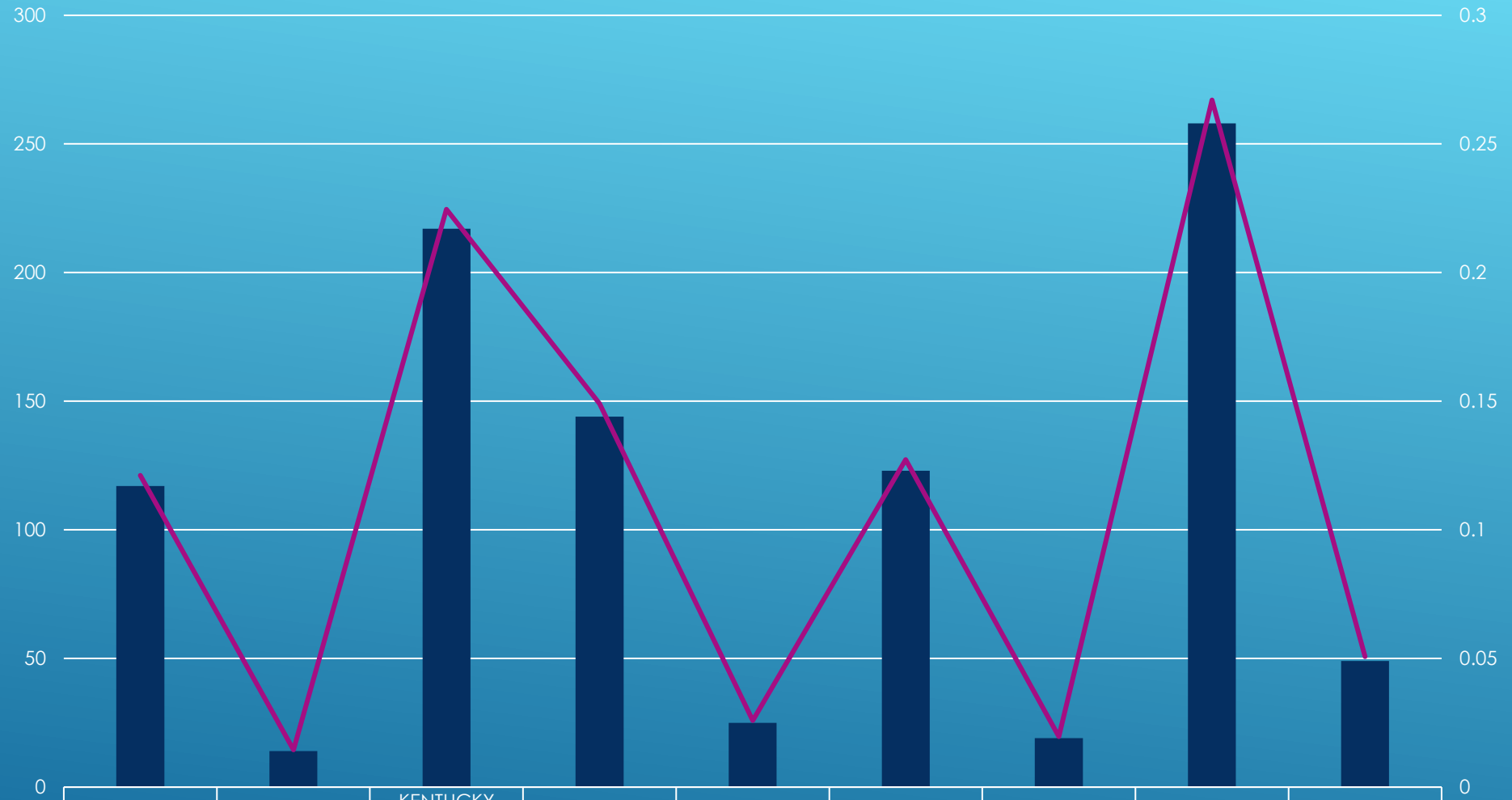


KIAA FILINGS



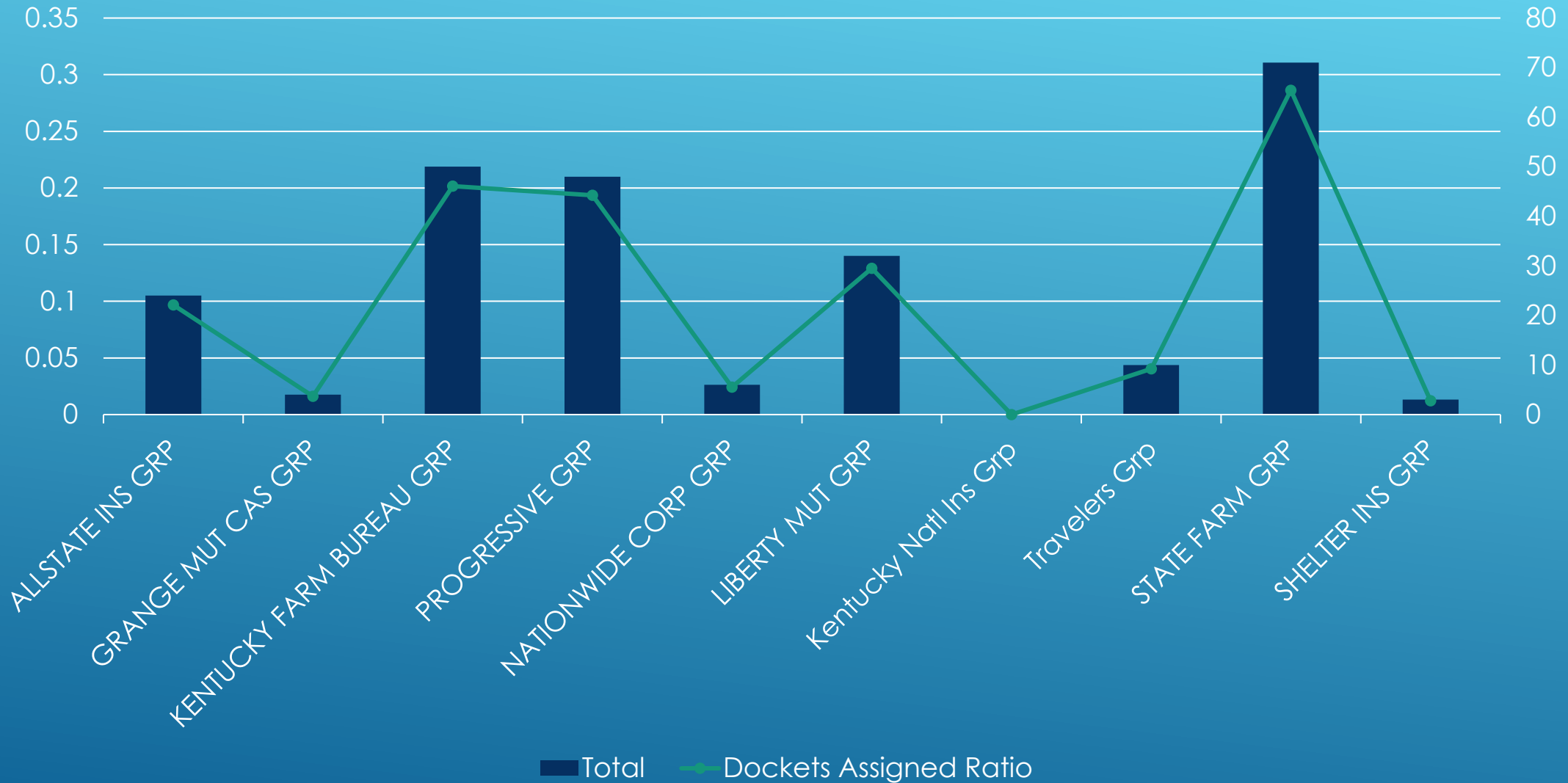
	JAN	FEB	MAR	APR	MAY	JUNE	JULY
2023	103	114	89	84	105	105	101
2024	108	148	76	133	92	81	92
2025	102	87	103	96	90	69	89

2024 KIAA Assignments



■ Total Assignments 2024	117	14	217	144	25	123	19	258	49
— Percentage	0.121118012	0.014492754	0.224637681	0.149068323	0.025879917	0.127329193	0.019668737	0.267080745	0.050724638

KIAA Assignments through 7/31/2025



BUDGET AND FINANCIAL REPORT

2024 Budget: Addendum p. 33
Ended 26% under budget

Bank Balance: (as of 7/31/25)
Republic Bank: \$417,107.05

2025 Budget:
76% of budget as of 7/31
Projected to come in under budget

2026 Budget: Addendum p. 34
\$507,681
Health and Employee Benefits
Employee Allocation

Kentucky Insurance Arbitration Association - Assignment Mechanism						Proposed Assignment Options		
Company	2024 Market Share	Assignments based on Market Share only	2024 Filings	Assignments based on Filings only	2024 Assignments w/ Manual Adjustments	60% Market Share 40% Filings	50% Market Share 50% Filings	60% Filings 40% Market Share
State Farm	28.85%	278	198	209	258	251	244	237
Kentucky Farm Bureau	21.89%	211	86	91	217	163	151	139
Progressive	22.34%	216	182	192	123	206	204	201
Allstate/Safe Auto	9.33%	90	90	95	117	92	93	93
Liberty/Safeco/State Auto	8.50%	82	318	335	144	183	209	234
Nationwide	1.39%	13	11	12	25	13	13	12
Shelter	2.42%	23	22	23	19	23	23	23
Grange	1.08%	10	0	0	14	6	5	4
Travelers	4.21%	27	9	9	49	28	25	22



**Kentucky Dept.
of Insurance
Comments**



**Any Other
Business**



**Next Meeting
Dates**

September 30,
2026 (In-Person)



Adjournment

KENTUCKY ASSIGNED CLAIMS PLAN

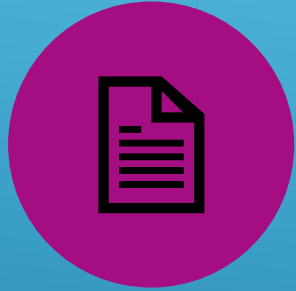
Annual & Governing Committee Meetings

September 24, 2025

KACP ANNUAL MEETING

Agenda

- Call to Order
- Roll Call
- Anti-Trust Preamble
- Approval of Minutes
- Election of Board Members
- Other Business
- Adjournment



Roster of Governing
Committee Members
Addendum p. 9



Need motion to
approve 2025
Governing Committee

GOVERNING COMMITTEE SELECTION



Other Business?



Adjournment of
Annual Meeting

KENTUCKY ASSIGNED CLAIM PLAN

Governing Committee Meeting
September 24, 2025

KACP GOVERNING COMMITTEE MEETING

Agenda

- ▶ Call to Order
- ▶ Roll Call
- ▶ Anti-Trust Preamble
- ▶ Approval of Minutes
- ▶ Election of Officers
- ▶ Auditor's Report and Financial Statement
- ▶ Secretary-Treasurer's Report
- ▶ Other Business
- ▶ Adjournment



ELECTION OF OFFICERS

- Report of Nominating Committee:
Scot McFarland– Allstate
- Nominations from floor?
- Election of Officers

**Deming Malone
Livesay & Ostroff
*Certified Public
Accountants***

**Emily Whatley,
CPA**

REPORT OF ANNUAL FINANCIAL AUDIT



deming malone
livesay + ostroff

KENTUCKY ASSIGNED CLAIMS PLAN
Year Ended December 31, 2024

<u>Financial Highlights</u>	<u>12/31/2024</u>	<u>12/31/2023</u>
Cash	\$ 5,977,321	\$ 5,208,950
Assessments received	\$ 4,112,502	\$ 3,151,004
Subrogation recovery	\$ 1,392,530	\$ 1,520,650
Interest income	\$ 13,483	\$ 13,650
Membership fees	\$ 755	\$ 1,000
Total cash receipts	\$ 5,519,270	\$ 4,686,304
Change in cash receipts	17.77%	
Claims paid	\$ 3,980,722	\$ 3,857,350
Assessments remitted	\$ 454,785	\$ 935,994
Salaries and benefits	\$ 349,053	\$ 308,238
Computer	\$ 34,023	\$ 55,631
Insurance	\$ 9,889	\$ 11,332
Advance from Alliance	\$ (117,510)	
Other	\$ 39,937	\$ 36,795
Total cash disbursements	\$ 4,750,899	\$ 5,205,340
Change in cash disbursements	-8.73%	
Excess cash receipts (disbursements)	\$ 768,371	\$ (519,036)

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
- Advance from Alliance to be reimbursed in 2025

FINANCIAL HIGHLIGHTS

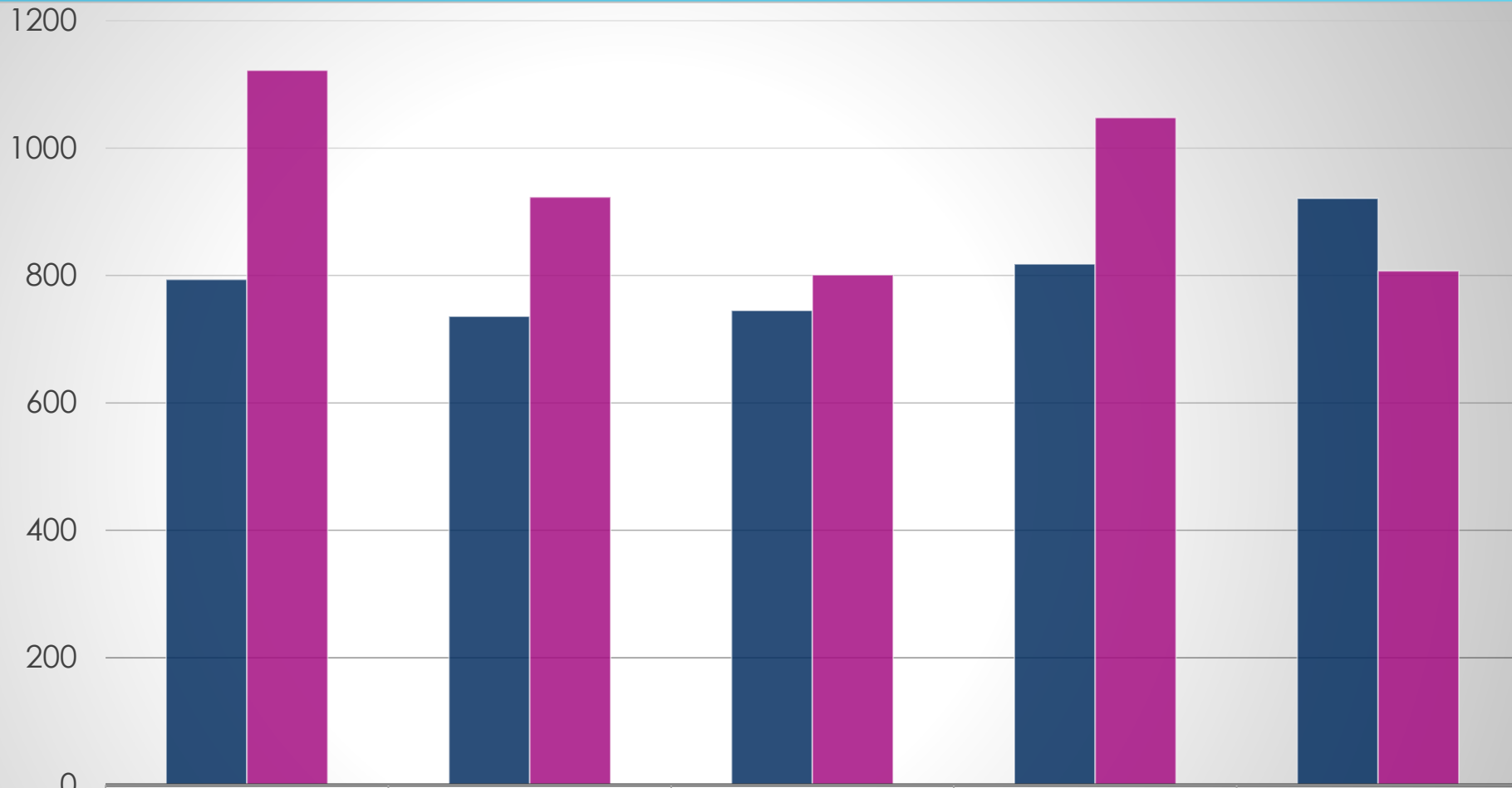
SECRETARY-TREASURER'S REPORT

- ▶ Managers Report – Mark Hillis
- ▶ Claims Summary – Carrie Manor
- ▶ Budget and Financial Report – Mark Hillis
- ▶ 2025 Assessment – Mark Hillis

MANAGER'S REPORT

Kentucky Assigned Claims Plan							
Report of Activity							
Year	2021	2022	Δ 2022 from 2021	2023	Δ 2023 from 2022	2024	Δ 2024 from 2023
<u>New Claims:</u>							
Received	736	745	1.2%	818	9.8%	921	12.6%
Rejected	157	173	10.2%	221	27.7%	209	-5.4%
Assigned	579	569	-1.7%	597	4.9%	592	-0.8%
Closed	1185	751	-36.6%	777	3.5%	580	-25.4%
<u>Claims Open:</u>							
Open/Active	698	574	-17.8%	475	-17.2%	484	1.9%
Pending Subro	731	563	-23.0%	512	-9.1%	537	4.9%
Benefits Paid	\$3,204,102.42	\$2,529,877.99	\$ (674,224.43)	\$3,106,383.57	\$576,505.58	\$3,112,379.30	\$5,995.73

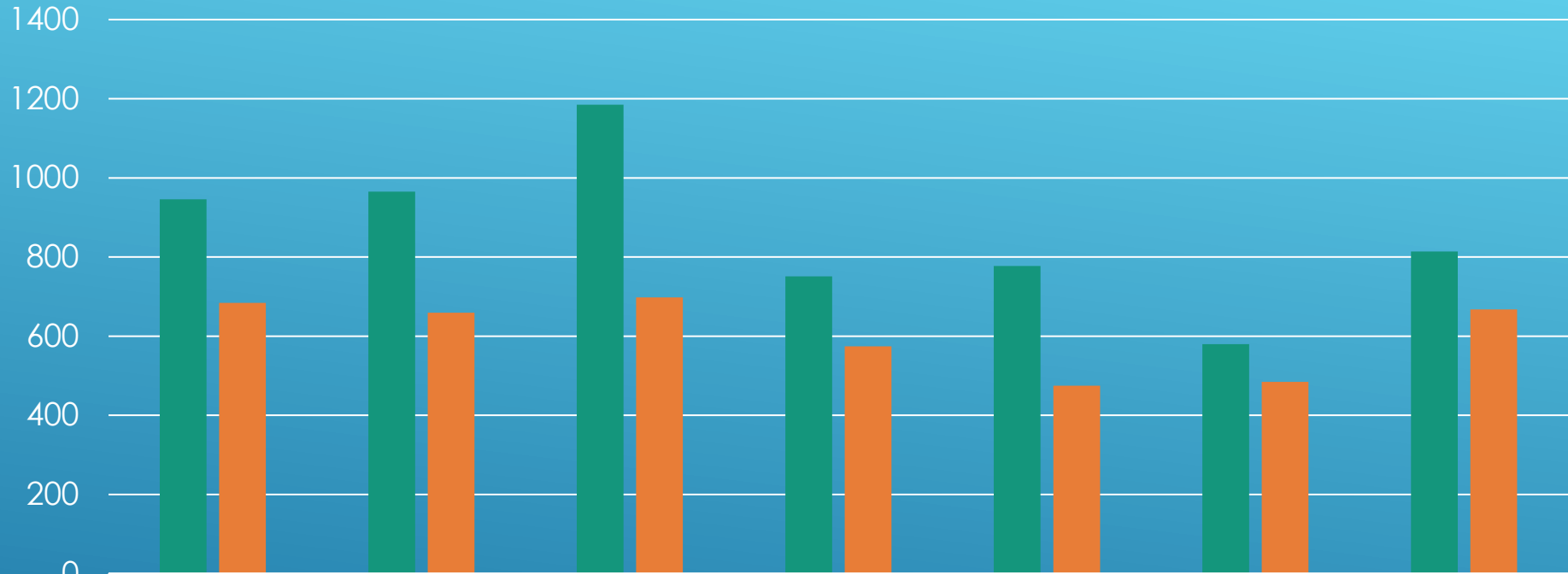
Claims Activity



■ Claims Received
■ Claimants Assigned

	2020	2021	2022	2023	2024
Claims Received	794	736	745	818	921
Claimants Assigned	1122	923	801	1048	807

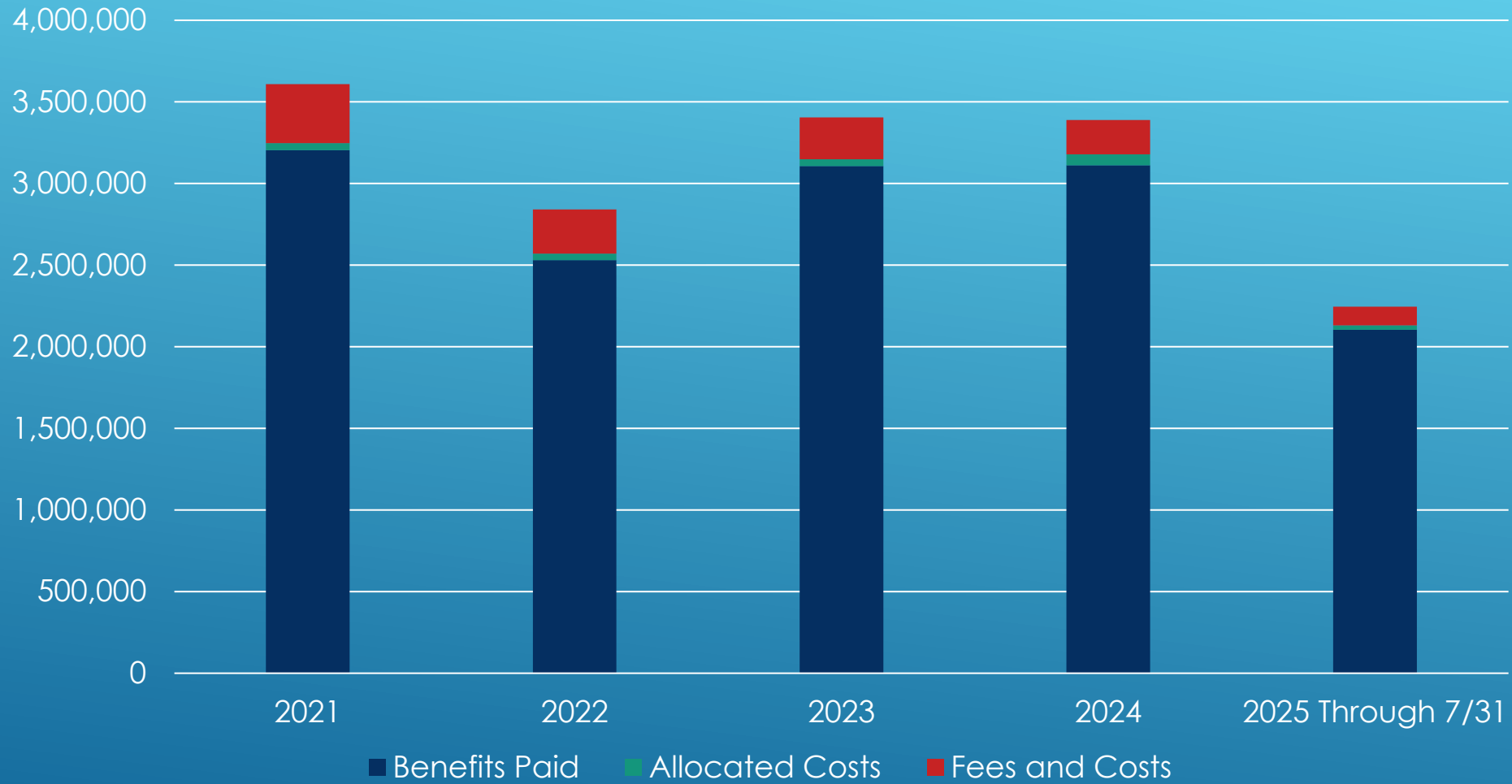
Open vs Closed Claims



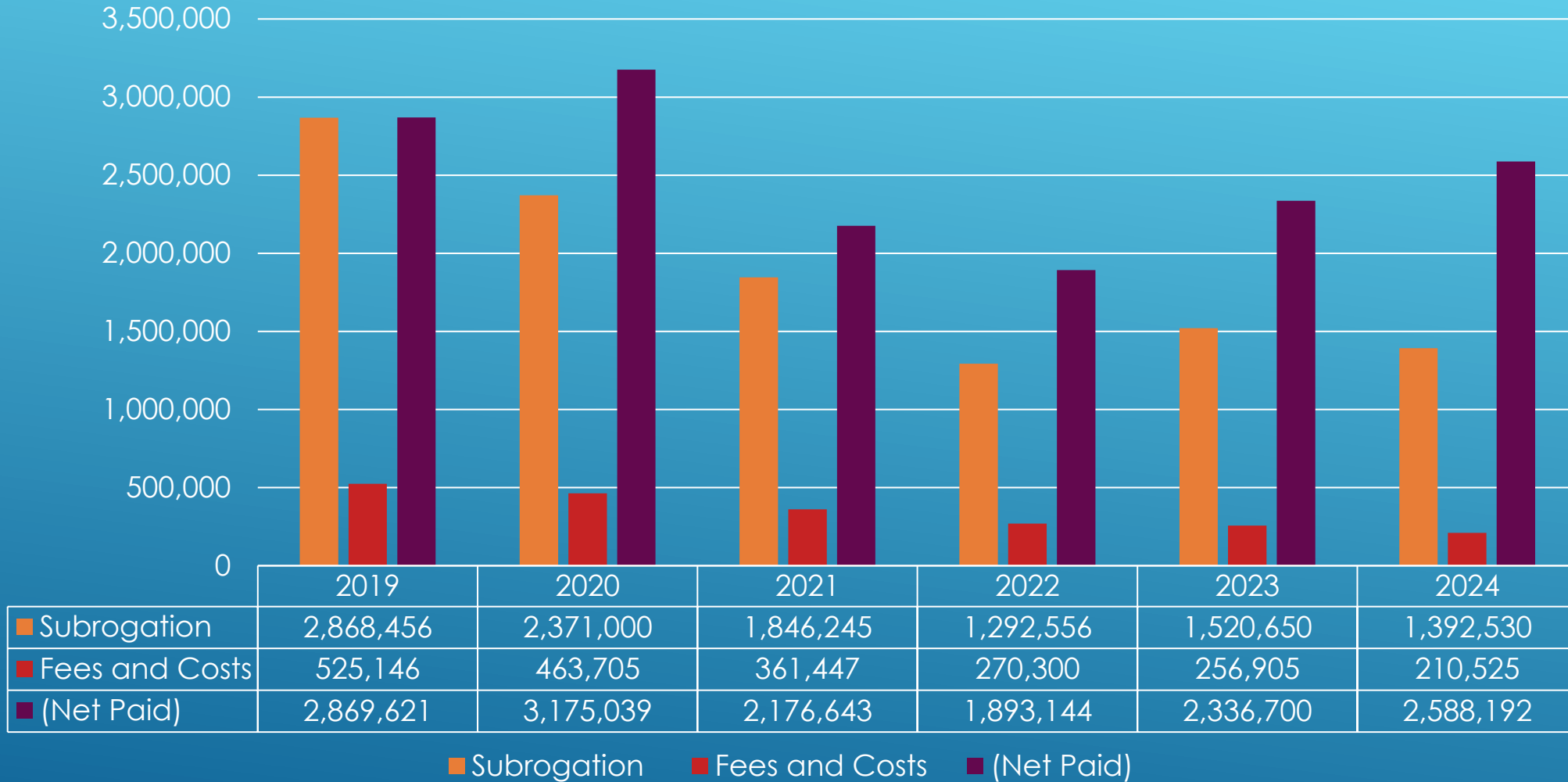
	2019	2020	2021	2022	2023	2024	2025 Est.
Closed Claims	946	965	1185	751	777	580	814
Open Claims	684	659	698	574	475	484	667

■ Closed Claims ■ Open Claims

BENEFITS PAID AND COSTS



Subrogation



AS OF JULY 31ST, 2025

New Claims:

- 2024: 562
- 2025: 558

Paid (benefits + fees/costs):

- 2024: \$2,299,558
- 2025: \$2,528,865

Subrogation:

- 2024: \$1,449,366
- 2025: \$1,619,053

BUDGET AND FINANCIAL REPORT

- ▶ 2024 Budget – Addendum p. 27
 - ▶ Ended 26% under budget
- ▶ Bank Balance: (as of 7/31/25)
 - ▶ Republic Bank:
 - ▶ Checking Account: **\$1,509,349.20**
 - ▶ Collateralized Sweep Account: **\$28,014.24**
 - ▶ Savings Account **\$2,040,876.15**
- ▶ 2025 Budget:
 - ▶ 71% of budget as of 7/31
 - ▶ Projected to come in less than 1% budget
- ▶ 2026 Budget: Addendum p. 28
 - ▶ \$448,109
 - ▶ Health and Employee Benefits
 - ▶ Employee Allocation

2026
ASSESSMENT

\$4,091,969

Includes 2026
Administrative budget for
KACP and KIAA

Addendum p. 29

2026 ASSESSMENT SUMMARY REPORT

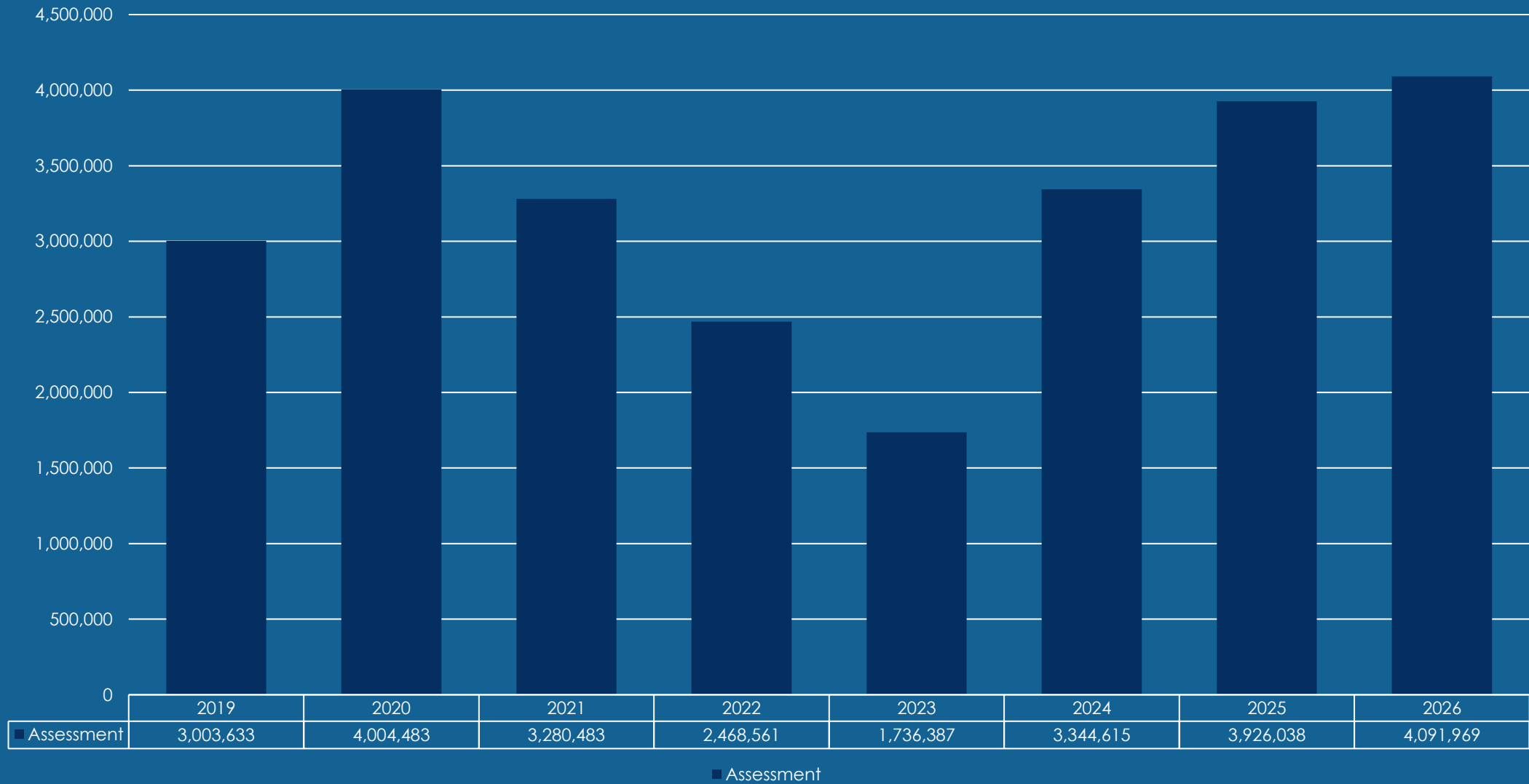
Line #	Description	2019	2020	2021	2022	2023	2024	2025 Through 7/31	2025 Est.	2026 Est.	% Chng
a	Benefits Paid	4,579,540	4,463,435	3,204,102	2,529,878	3,106,384	3,112,379	2,104,304	3,607,378	4,689,591	30.0%
b	Fees	577,114	573,581	414,601	344,384	451,775	591,511	398,700	683,485	888,531	30.0%
c	Allocated Costs	56,277	45,318	42,737	41,137	42,286	66,306	25,862	44,335	62,069	40.0%
d	Total Paid	5,212,931	5,082,334	3,661,441	2,915,400	3,600,445	3,770,196	2,528,865	4,335,197	5,640,190	
e	Subrogation	2,868,456	2,371,000	1,846,245	1,292,556	1,520,650	1,392,530	924,793	1,585,359	1,426,823	-10.0%
f	Fees and Costs	525,146	463,705	361,447	270,300	256,905	210,525	115,266	197,599	256,879	30.0%
g	Net	2,343,310	1,907,295	1,484,798	1,022,256	1,263,745	1,182,005	809,527	1,387,760	1,169,944	
h	(Net Paid)	2,869,621	3,175,039	2,176,643	1,893,144	2,336,700	2,588,192	1,719,339	2,947,438	4,470,246	\$2,433,943

Line #	Item	2019	2020	2021	2022	2023	2024	2025 Through 7/31	2025 Est.	2026 Est.
i	Claims Received	864	794	736	745	818	921	558	957	849
j	Claimants Assigned	1218	1122	923	801	1048	807	470	806	1054
k	Closed Claims	946	965	1185	751	777	580	357	814	809
l	Average Paid Claim	\$4,841	\$4,625	\$2,704	\$3,369	\$3,998	\$5,366	\$5,894	\$4,432	\$5,799
m	Open Claims	684	659	698	574	475	484	470	667	651
o	Reconciled Bank balance as of 7/31/XX							3,995,346.64		
p	Estimated claims payments less recovery for remainder of year							1,387,759.92		
p-2	Estimated operating expenses remainder of year (KIAA and KACP)							495,613.89		
q	Estimated cash on hand balance at end of year							2,111,972.83		

Recommended Assessment for 2025 (For Year 2026)

		KACP		KIAA	Totals
r	Administrative Budget: KIAA and KACP	448,109		507,681	955,790
s	Budget for new claims less subrogation				4,470,246
t	Reserve fund (25% of Reserve for open claims)				777,906
u	2025 Estimate for Claims, Reserve and Administrative Budget				6,203,942
v	Less Cash Balance Estimate as of 12/31/24				2,111,973
w	Recommended Assessment for 2026 (line u - v)				4,091,969

ASSESSMENT HISTORY



2026 BUDGET & ASSESSMENT

Governing Committee Approval

Pure Assessment - \$4,091,969





**Kentucky Dept. of
Insurance
Comments**



Any Other Business



**Next Meeting
Dates**

September 30, 2026
(In-Person)



Adjournment