

Kentucky FAIR Plan

Governing Committee & Annual Meeting

June 3, 2026

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 22, 2025, Governing Committee (p.5)
- April 1, 2026, Products and Forms Committee (p.10)
- April 8, 2026, Audit Committee (p.12)
- April 15, 2026, Finance and Investment Committee (p.14)



A close-up, shallow depth-of-field photograph of a silver and gold pen nib, positioned diagonally on the left side of the slide. The background is a light, neutral color.

Election of Governing Committee Members

Matt Highsmith, State Farm

Motion to seat the committee



Election of Officers

- Rudy Schlich – Chair
- Kristen Mellinger– Vice Chair
- Mark Hillis – Secretary Treasurer

Report of Financial Audit

Deming, Malone, Livesay & Ostroff
Sarah Antle

- Financial Highlights – p.18
- Letter to Management – p.19
- Financial Report – p.22

Financial Highlights

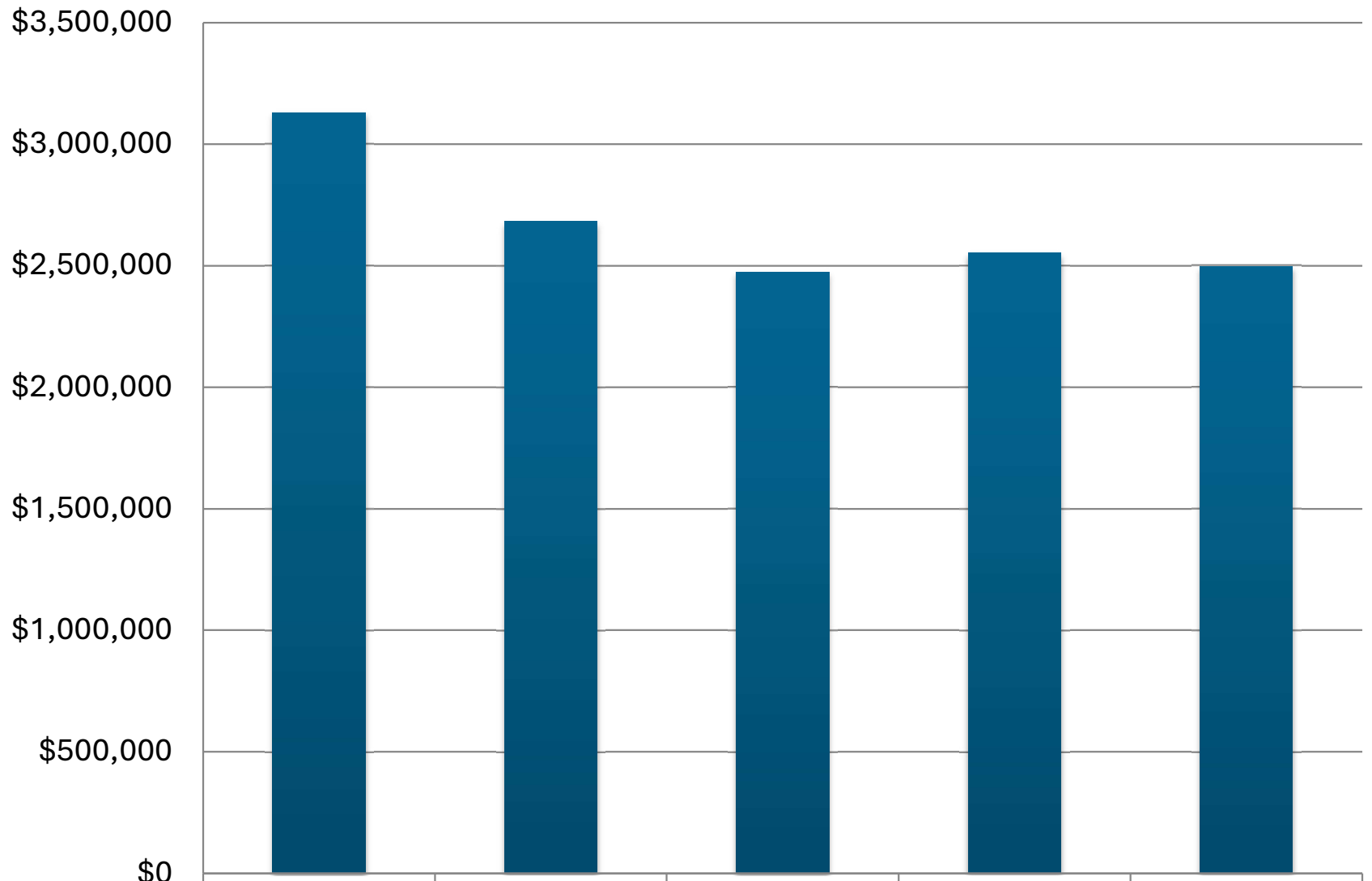


KENTUCKY FAIR PLAN REINSURANCE ASSOCIATION Year Ended December 31, 2025

<u>Financial Highlights</u>	<u>12/31/2025</u>	<u>12/31/2024</u>
Investments	\$ 12,144,907	\$ 12,951,516
Cash and cash equivalents	\$ 2,557,588	\$ 2,394,448
Premiums receivable	\$ 379,307	\$ 370,781
Property occupied	\$ 1,065,542	\$ 1,096,561
Total admitted assets	\$ 16,832,720	\$ 17,590,022
Insurance reserves	\$ 1,431,849	\$ 1,957,633
Total liabilities	\$ 1,504,416	\$ 2,080,129
Members' equity	\$ 15,328,304	\$ 15,509,893
Premiums earned	\$ 2,308,464	\$ 2,264,478
Change in premiums earned	1.9%	
Underwriting expenses	\$ 3,231,922	\$ 3,112,777
Change in underwriting expenses	3.8%	
Investment income	\$ 492,233	\$ 729,711
Net service provider income	\$ (359,661)	\$ 170,276
Net income (loss)	\$ (759,632)	\$ 77,614
Net cash flow from operations	\$ (1,055,509)	\$ (171,615)
Change in cash	\$ 163,140	\$ 528,058

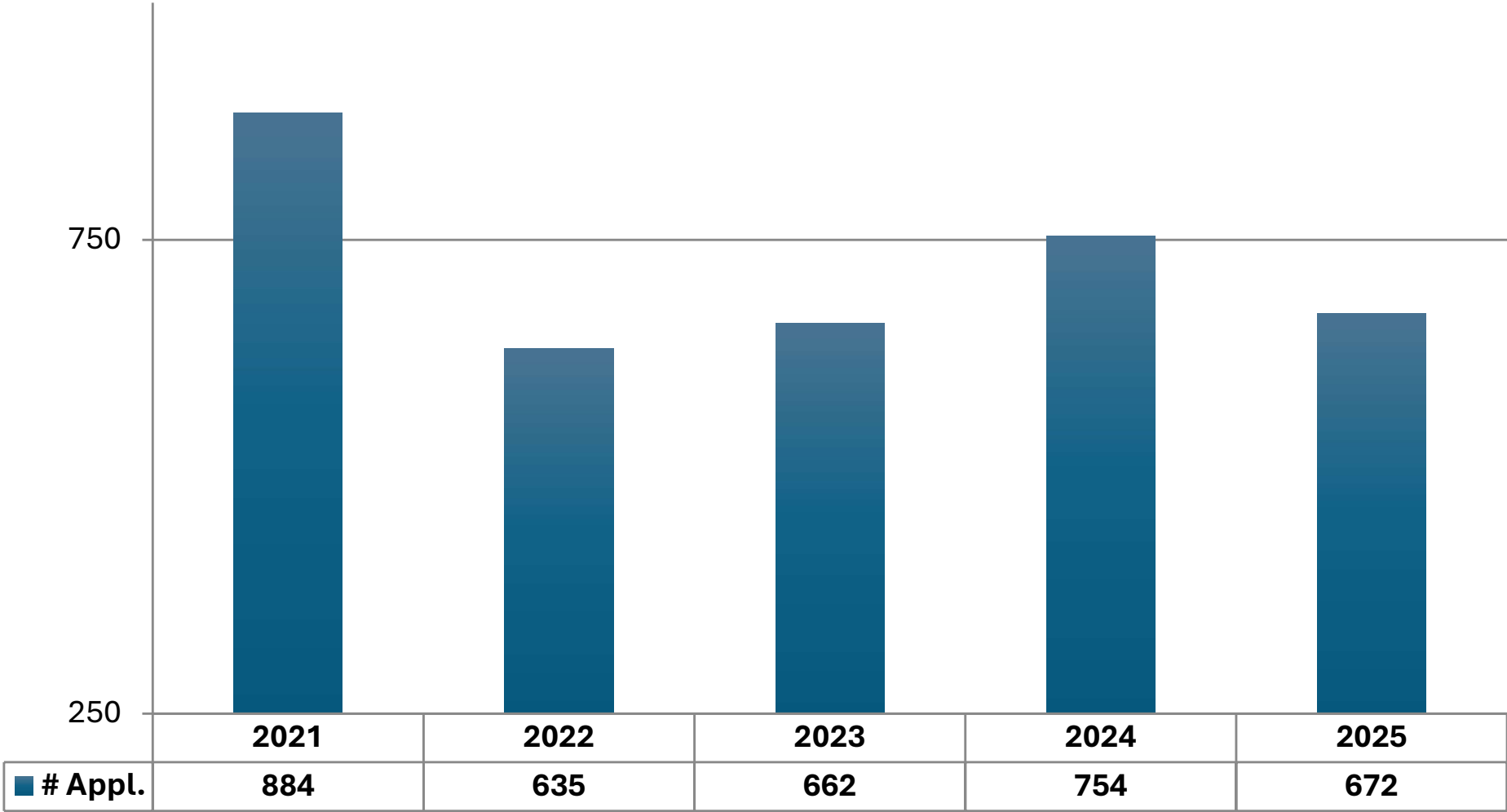
Executive Director's Report

Written Premium

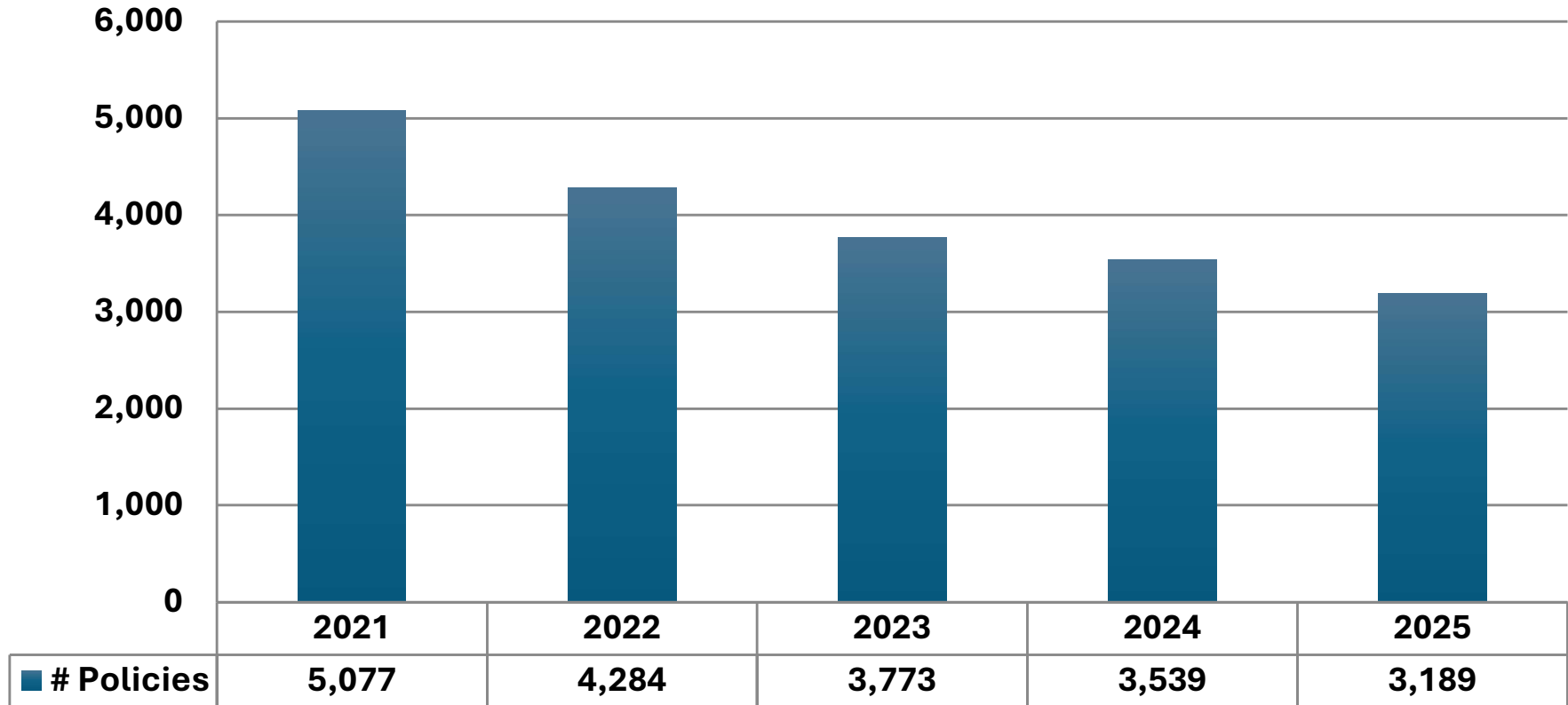


	2021	2022	2023	2024	2025
■ Written Premium	\$3,129,881	\$2,681,328	\$2,473,767	2,551,493	2,495,809

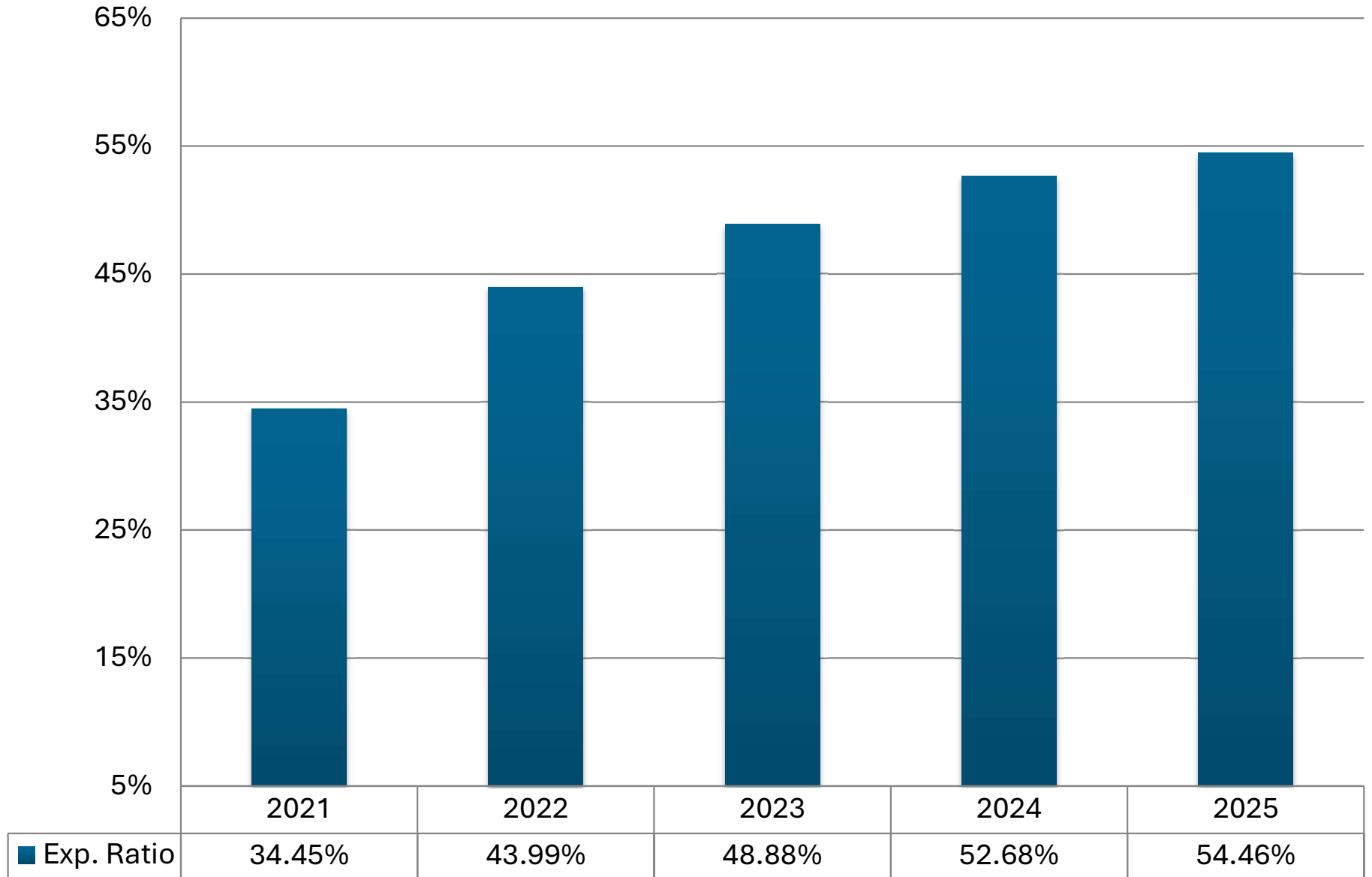
New Business Applications



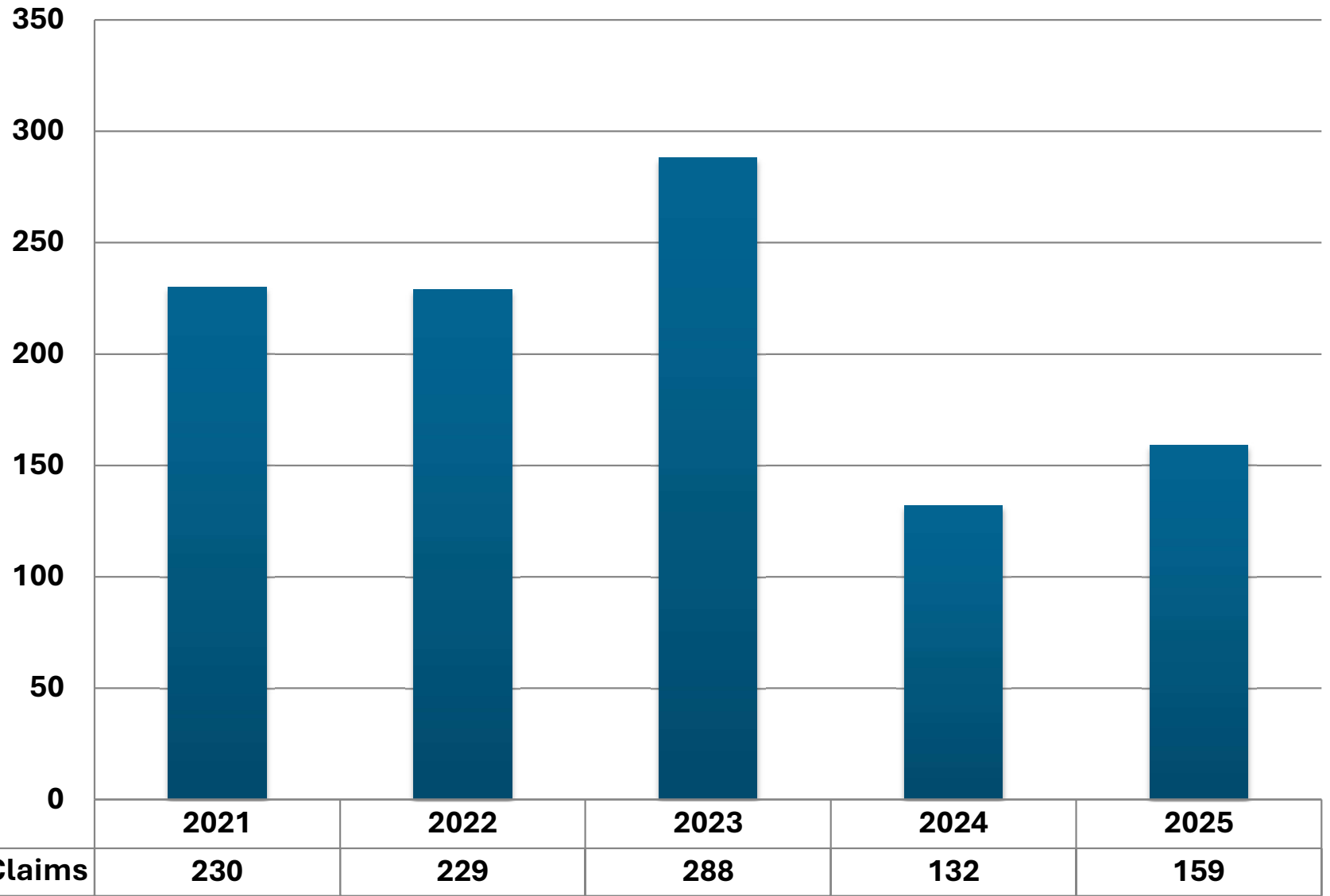
Policies in Force



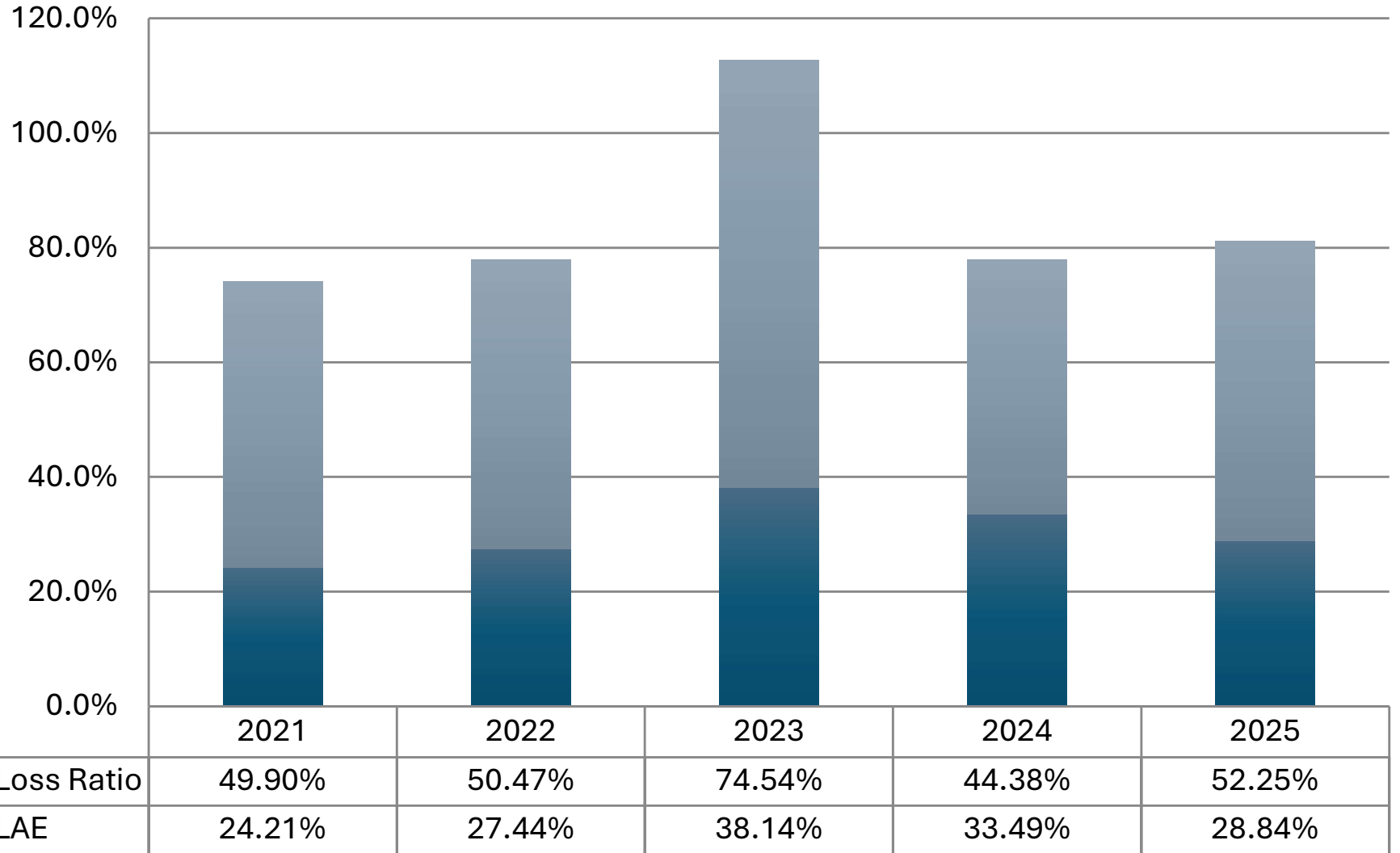
Operating Expense Ratio



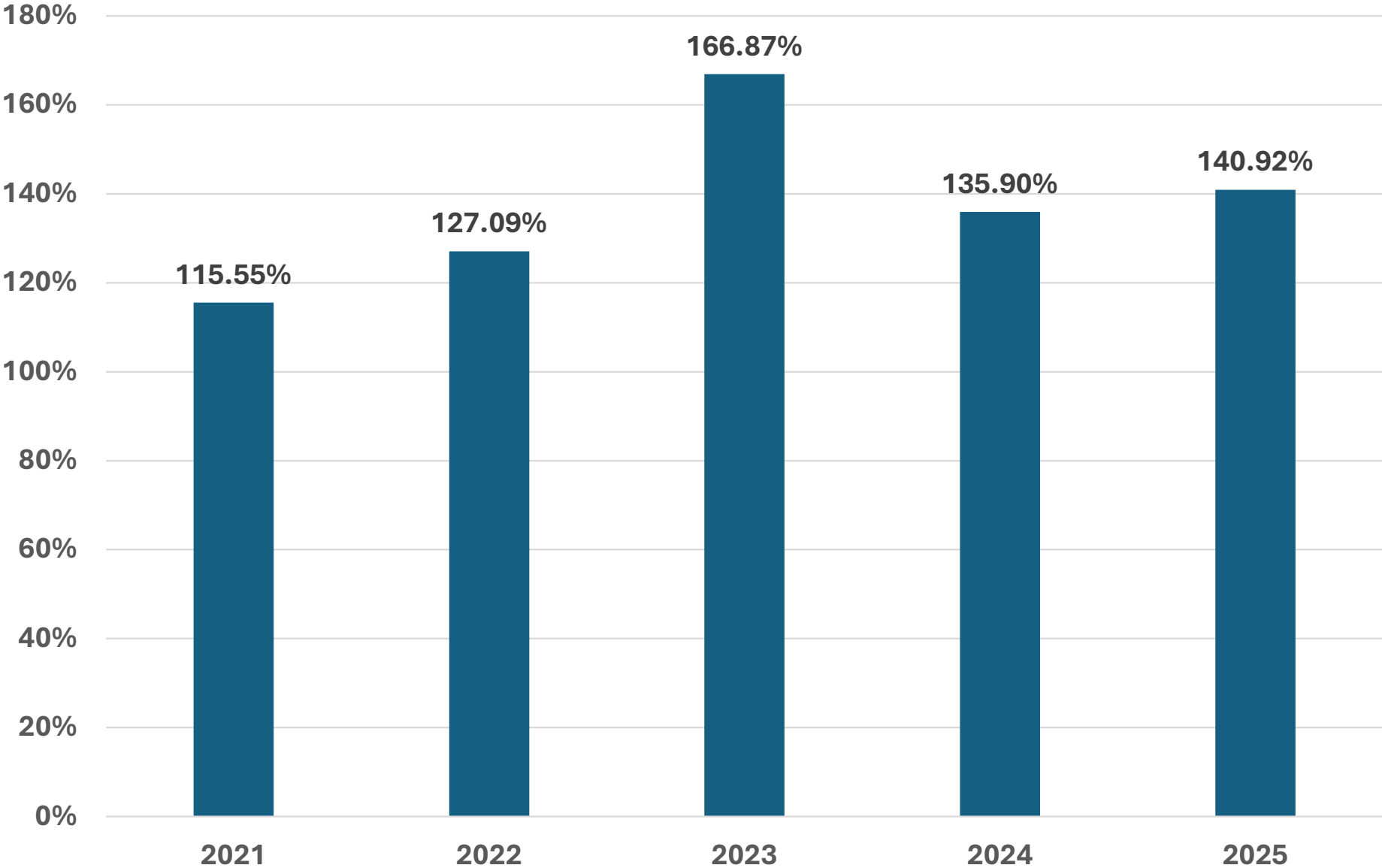
Number of Reported Claims



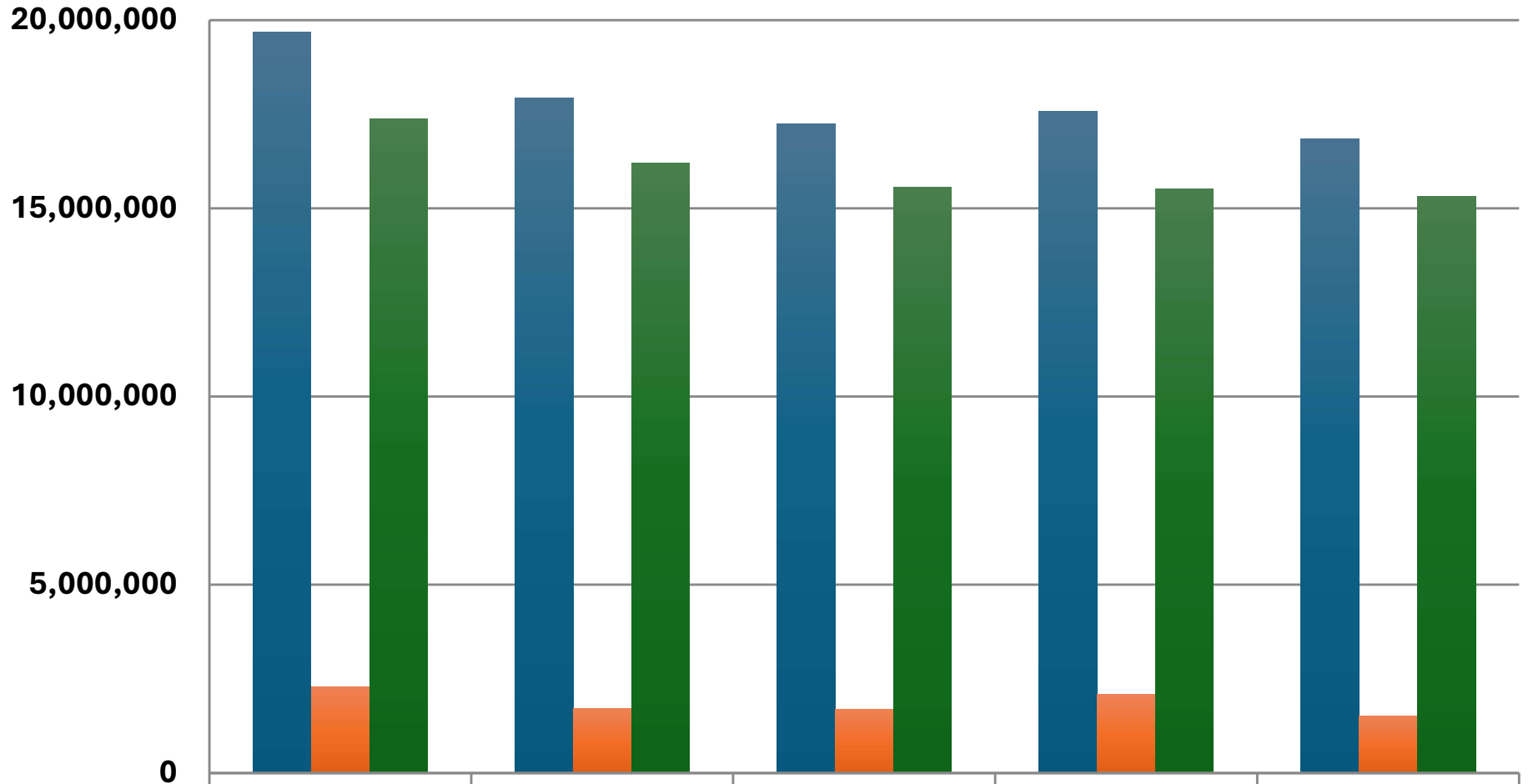
Loss and LAE Ratio



Combined Ratio



Balance Sheet



	2021	2022	2023	2024	2025
■ Assets	\$19,667,648	\$17,932,929	\$17,253,153	\$17,590,022	\$16,832,720
■ Liabilities	\$2,286,013	\$1,722,229	\$1,699,154	\$2,080,129	\$1,504,416
■ Equity	\$17,381,635	\$16,210,700	\$15,553,999	\$15,509,893	\$15,328,304

Budget
p.44

KENTUCKY FAIR PLAN				
Budget Status				
Line	2023 Budget	2024 Budget	2025 Budget	2025 Final
Accounting Fees	\$ 20,473	\$ 21,300	\$ 21,221	\$ 22,500
Actuarial Review	\$ 16,016	\$ 7,816	\$ 16,016	\$ 13,376
Board Meetings	\$ 700	\$ 700	\$ 700	\$ 1,421
Bldg. Repairs & Main.	\$ 24,932	\$ 25,644	\$ 26,208	\$ 25,298
Bldg. Utilities	\$ 9,601	\$ 9,032	\$ 8,025	\$ 8,255
Building Taxes	\$ 9,541	\$ 9,783	\$ 9,753	\$ 8,574
Computer Expenses	\$ 60,914	\$ 64,542	\$ 76,343	\$ 76,911
Dues & Subscriptions	\$ 2,549	\$ 2,550	\$ 2,375	\$ 2,711
Education	\$ 3,940	\$ 3,311	\$ 5,261	\$ 2,022
Health Insurance	\$ 182,975	\$ 168,756	\$ -	\$ -
Human Resources	\$ 13,825	\$ 15,120	\$ 17,730	\$ 8,359
Inspections	\$ 43,087	\$ 41,517	\$ 44,568	\$ 43,649
P&C Insurance	\$ 49,350	\$ 51,416	\$ 54,897	\$ 70,501
Legal/Professional	\$ 53,045	\$ 41,318	\$ 41,626	\$ 2,421
Meals & Entertainment	\$ 2,000	\$ 2,000	\$ 2,250	\$ 772
Memb.Fees - PIPSO/ISO	\$ 40,979	\$ 37,500	\$ 37,500	\$ 33,234
Miscellaneous	\$ 1,200	\$ 1,200	\$ 1,200	\$ 423
Office Equipment	\$ 1,500	\$ 1,500	\$ 1,500	\$ 850
Office Supplies	\$ 5,000	\$ 5,000	\$ 8,000	\$ 4,104
Payroll Fees	\$ 1,715	\$ 2,376	\$ -	\$ -
Payroll Tax	\$ 94,460	\$ 94,253	\$ -	\$ -
Retirement Savings Plan	\$ 153,026	\$ 152,690	\$ -	\$ -
Postage	\$ 9,413	\$ 6,115	\$ 6,698	\$ 7,886
Printing	\$ 1,699	\$ 1,500	\$ 1,500	\$ 360
Processing	\$ 146,848	\$ 146,711	\$ 162,962	\$ 137,244
Repairs and Maintenance	\$ 1,789	\$ 2,000	\$ 2,761	\$ 3,693
Systems/PASS	\$ 25,000	\$ 25,000	\$ 25,000	\$ -
Telephone	\$ 24,360	\$ 19,239	\$ 23,676	\$ 22,920
Travel	\$ 11,000	\$ 11,000	\$ 11,000	\$ 1,220
Wages	\$ 944,604	\$ 942,534	\$ -	\$ -
Contract Services	\$ -	\$ -	\$ 1,190,829	\$ 1,243,061
FAIR Plan Alliance	\$ (155,000)	\$ (230,000)	\$ -	\$ -
Total	\$ 1,800,542	\$ 1,683,426	\$ 1,799,599	\$ 1,741,765

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 2026.



Team Building & Community Service

- PTO award for blood donation and volunteer hours
- Lifeline Christian Mission meal packing
- GOTR volunteering
- Partial company match for holiday gift giving



FAIR Plan
Alliance
Update

2026 Member Plan

2026 Services Provided

Partnerships

Project Work

Regulatory Focus

Other Business



PIPSO Report p. 45



Committee
Assignments p. 46



Comments from
the Department of
Insurance



Next meeting
October 21, 2026

Thank you for your support!