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 30, 2026

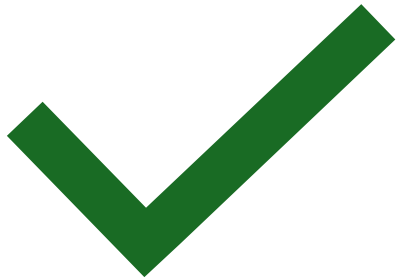
KIAA Annual Meeting

Agenda

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

Board Selection

Roster of Board Members



Need motion to approve 2026 Board

Other Business?

Adjournment of Annual Meeting

KENTUCKY INSURANCE ARBITRATION ASSOCIATION

Board Meeting

September 30, 2026

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

Election of Officers

- Report of Nominating Committee:

  Taylor Martin- Nationwide

- Election of Officers
- New Board Members
  - Nicolee Saulsbury–State Farm
  - Stacie Darnell- KY National

- Other Nominations from Floor?

Report of Annual Financial Audit

Deming Malone Livesay & Ostroff
Certified Public Accountants

Sarah Antle, CPA

FINANCIAL HIGHLIGHTS

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L O
CPAS+ADVISORS

KENTUCKY INUSRANCE ARBITRATION ASSOCIATION
Year Ended December 31, 2025

Financial Highlights	12/31/2025	12/31/2024
Cash	$ 301,685	$ 245,450
Assessments	$ 515,426	$ 454,785
Filing fees	$ 45,232	$ 48,992
Interest income	$ 3,341	$ 8,197
Membership fees	$ 60	$ 80
Total cash receipts	$ 564,059	$ 512,054
Change in cash receipts	10.16%	
System build	$ -	$ 552,138
Contract services	$ 339,939	$ 430,950
Computer	$ 7,484	$ 34,168
Insurance	$ 14,298	$ 10,349
Payment to (advance from) Alliance	$ 122,057	$ (122,057)
Other	$ 24,046	$ 37,773
Total cash disbursements	$ 507,824	$ 943,321
Change in cash disbursements	-46.17%	
Excess cash receipts (disbursements)	$ 56,235	$ (431,267)

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 in 2024 was reimbursed in 2025

Panel Secretary Report

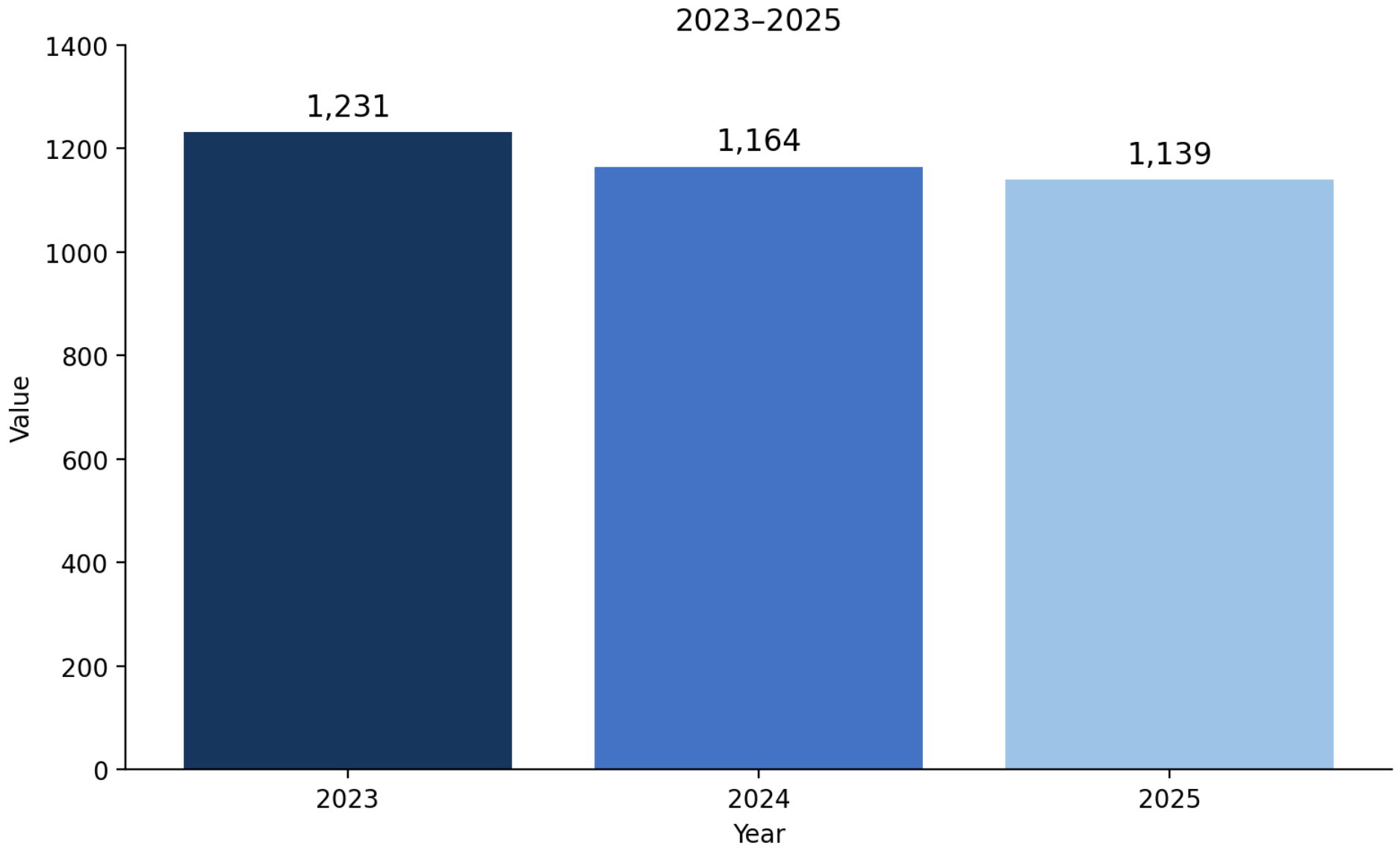
- Managers Report – Mark Hillis
- Arbitration Report – Owen Caster
- Budget and Financial Report - Mark Hillis

MANAGER'S REPORT

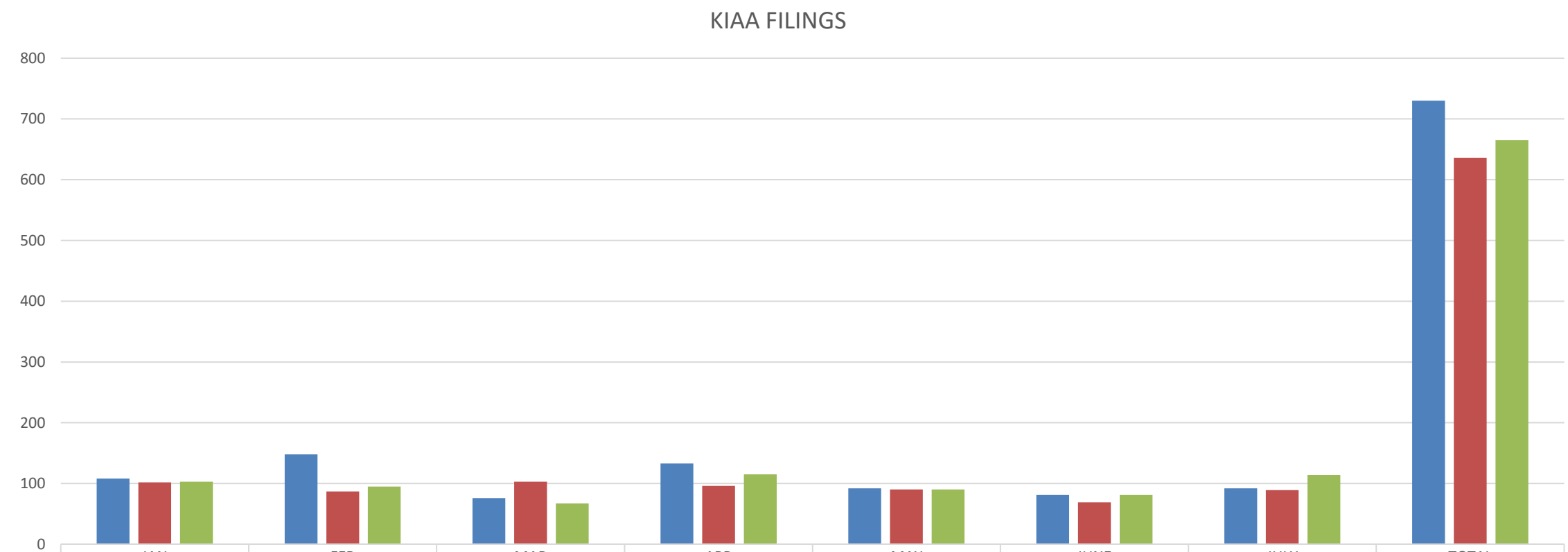
Category	4th Quarter 2024	2024	4th Quarter 2025	2025	YTD % Change
Files Received	263	1232	278	1139	-8%
Decision Rendered	117	515	90	490	-5%
Files Withdrawn	166	756	155	696	-8%
Files Rejected	11	78	22	77	-1%
Files Deferred	105	659	113	435	-34%
Files Opened	287	1243	425	1437	16%
Files Set for Hearing	226	858	316	893	4%
Total: Currently Deferred		616		545	
Total: Currently Open		52		98	
Total: Currently Set for Hearing		126		155	
Filing Fees	$11,540.00	$48,940.00	$12,160.00	$45,372.00	

Arbitration Report

KIAA FILINGS REPORT

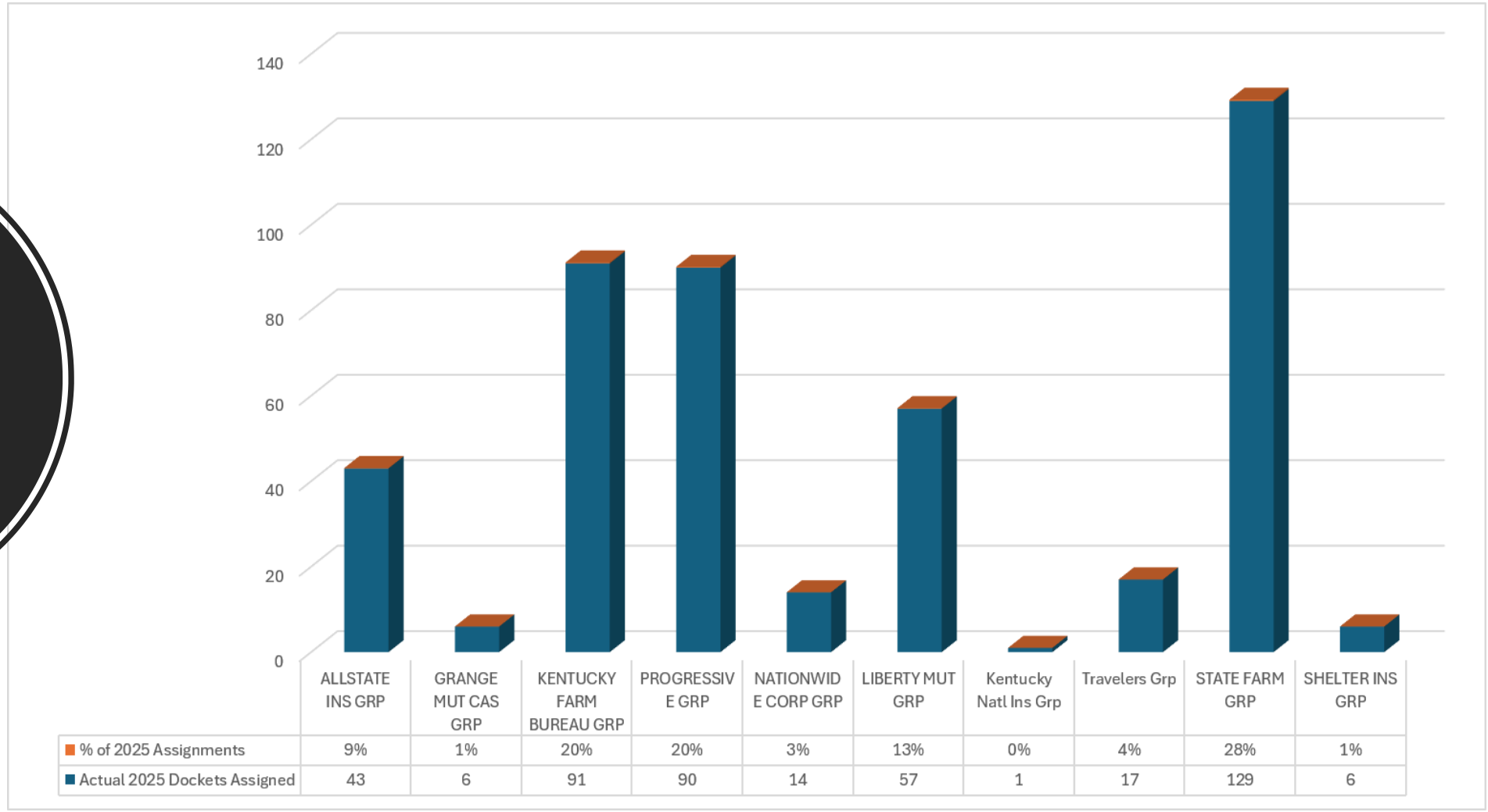


New Arbitration Filings by Month

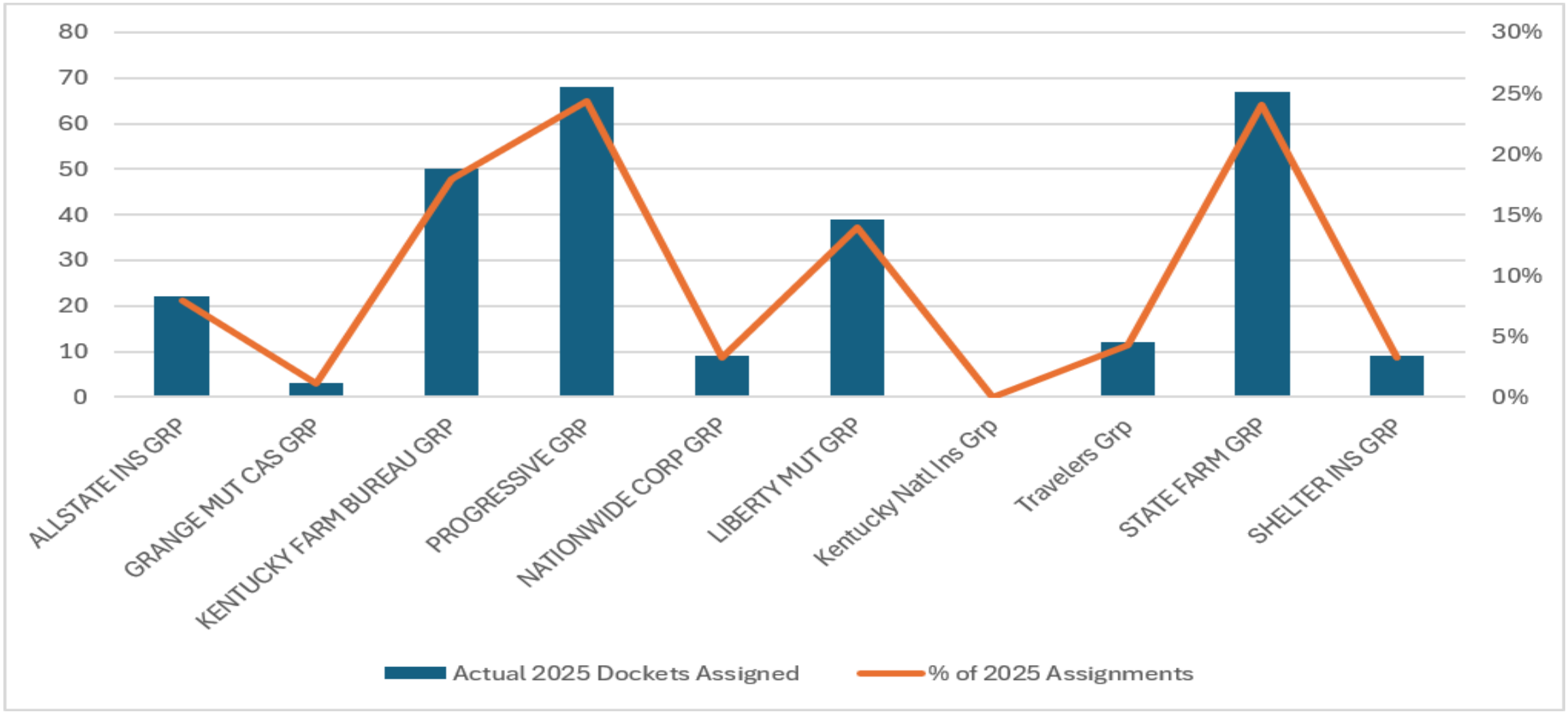


	JAN	FEB	MAR	APR	MAY	JUNE	JULY	TOTAL
2024	108	148	76	133	92	81	92	730
2025	102	87	103	96	90	69	89	636
2026	103	95	67	115	90	81	114	665

KIAA 2025 ASSIGNMENTS



	ALLSTATE INS GRP	GRANGE MUT CAS GRP	KENTUCKY FARM BUREAU GRP	PROGRESSIVE GRP	NATIONWIDE CORP GRP	LIBERTY MUT GRP	Kentucky Natl Ins Grp	Travelers Grp	STATE FARM GRP	SHELTER INS GRP
% of 2025 Assignments	9%	1%	20%	20%	3%	13%	0%	4%	28%	1%
Actual 2025 Dockets Assigned	43	6	91	90	14	57	1	17	129	6



KIAA ASSIGNMENTS THROUGH 7/31/26

Budget & Financial Report

2025 Budget: Tab 7, Document B

Ended 5% under budget

Bank Balance: (as of 7/31/26)

Republic Bank: $ 562,932.05

2026 Budget:

45% of budget as of 6/30

Projected to come in under budget

2027 Budget: (Tab 7, Document C)

$651,141 – 2027 budget

Health and Employee Benefits

Employee Allocation

KIAA Discussion Topics for Board Members

A. Rules, Operations, & Governance

- KIAA Plan & Rules revisions
- Usage of Arb Forums vs. KIAA for PIP (We have revised our KIAA Plan of Operations to require some basic reporting from Arb Forums as to how many PIP cases they hear, etc.)
- Restrictions on "same company arbitrations"

B. Financials & Administrative Costs

- Future fee increases ($50 in 2027, $60 in 2029)
- Impact of HB 627 fee schedule on filings
- Feedback on electronic filing fee payments

C. Training, Procedures, & Operations

- Common filing issues & arbitrator refresher training
- Servicing Insurers vs. "in-house" arbitrators

D. Technology, Innovation, & General Feedback

- Does AI play any role in Arbitration and if so, do we need some guidelines around its usage?
- Any feedback on what we can improve?

E. Approval vote needed for revisions to KIAA Plan of Operations and Rules

Kentucky Dept. of Insurance Comments

Any Other Business

Next Meeting Dates

September 23, 2025 (In-Person)

Adjournment

Kentucky Assigned Claims Plan

Annual & Governing Committee Meetings

September 30, 2026

KACP Annual Meeting

Agenda

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

Governing Committee Selection

Roster of Governing Committee Members

Need motion to approve 2026 Governing Committee

Other Business?

Adjournment of Annual Meeting

KENTUCKY ASSIGNED CLAIM PLAN

Governing Committee Meeting

September 30, 2026

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:

  Alan Finn- Liberty

- Election of Officers

- Nominations from floor?

Report of Annual Financial Audit

Deming Malone Livesay & Ostroff
Certified Public Accountants

Sarah Antle, CPA

FINANCIAL HIGHLIGHTS

DMLO CPAS+ADVISORS

KENTUCKY ASSIGNED CLAIMS PLAN
Year Ended December 31, 2025

Financial Highlights	12/31/2025	12/31/2024
Cash	$ 6,214,656	$ 5,977,321
Assessments received	$ 4,171,492	$ 4,112,502
Subrogation recovery	$ 1,514,178	$ 1,392,530
Interest income	$ 88,440	$ 13,483
Membership fees	$ 900	$ 755
Total cash receipts	$ 5,775,010	$ 5,519,270
Change in cash receipts	4.63%	
Claims paid	$ 4,563,502	$ 3,980,722
Assessments remitted	$ 515,426	$ 454,785
Contract services	$ 290,186	$ 349,053
Computer	$ 11,348	$ 34,023
Insurance	$ 11,964	$ 9,889
Payment to (advance from) Alliance	$ 117,510	$ (117,510)
Other	$ 27,739	$ 39,937
Total cash disbursements	$ 5,537,675	$ 4,750,899
Change in cash disbursements	16.56%	
Excess cash receipts	$ 237,335	$ 768,371

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 in 2024 was reimbursed in 2025

Secretary-Treasurer's Report

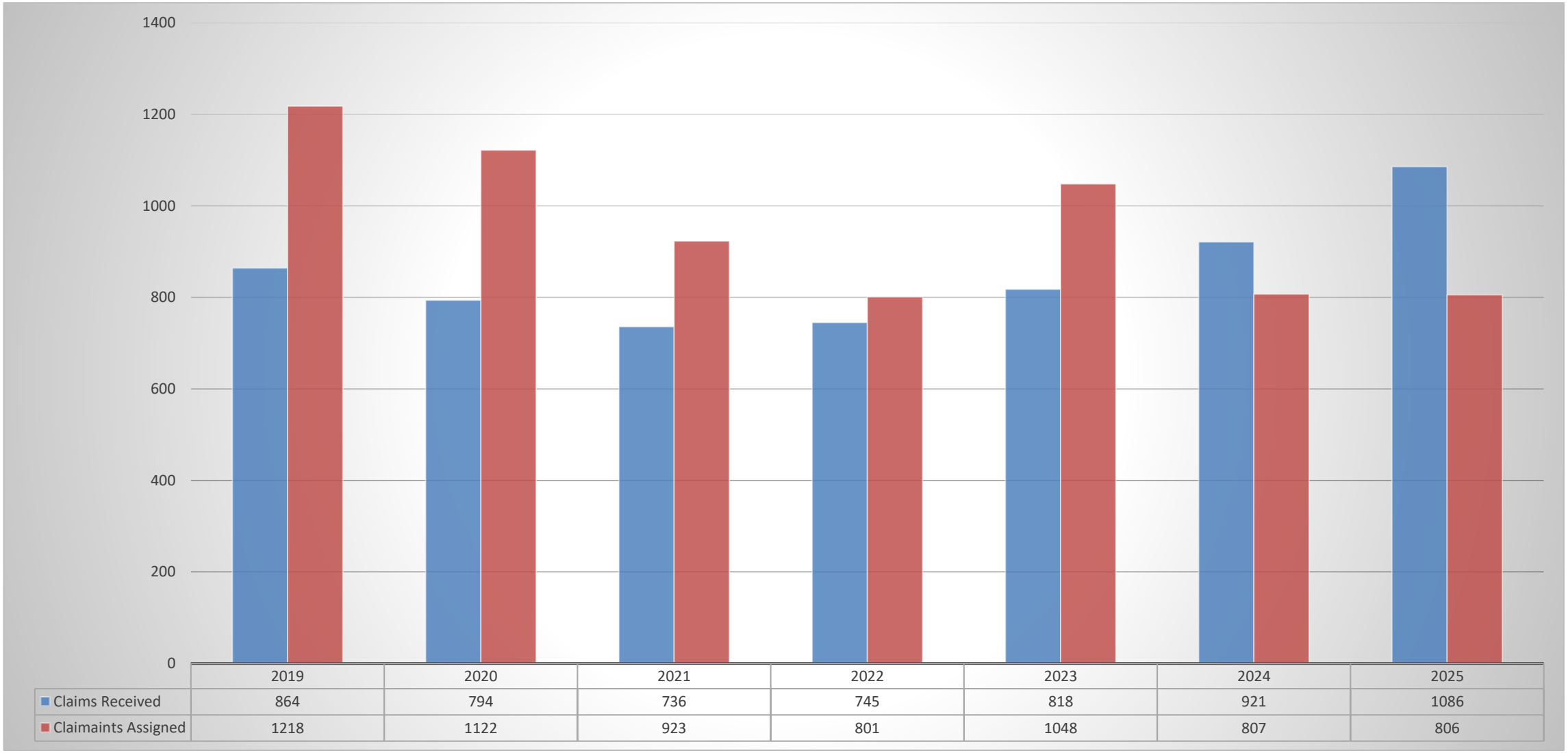
- Managers Report – Mark Hillis
- Claims Summary – Carrie Manor
- Budget and Financial Report – Mark Hillis
- 2027 Assessment – Mark Hillis

MANAGER'S REPORT

Kentucky Assigned Claims Plan							
Report of Activity							
Year	2022	2023	Δ 2023 from 2022	2024	Δ 2024 from 2023	2025	Δ 2025 from 2024
New Claims:							
Received	745	818	9.8%	921	12.6%	1086	17.9%
Rejected	173	221	27.7%	209	-5.4%	232	11.0%
Assigned	569	597	4.9%	592	-0.8%	571	-3.5%
Closed	751	777	3.5%	580	-25.4%	620	6.9%
Claims Open:							
Open/Active	574	475	-17.2%	484	1.9%	483	-0.2%
Pending Subro	563	512	-9.1%	537	4.9%	505	-6.0%
Benefits Paid	$2,529,877.99	$3,106,383.57	$ 576,505.58	$3,112,379.30	$5,995.73	$3,661,258.76	$548,879.46

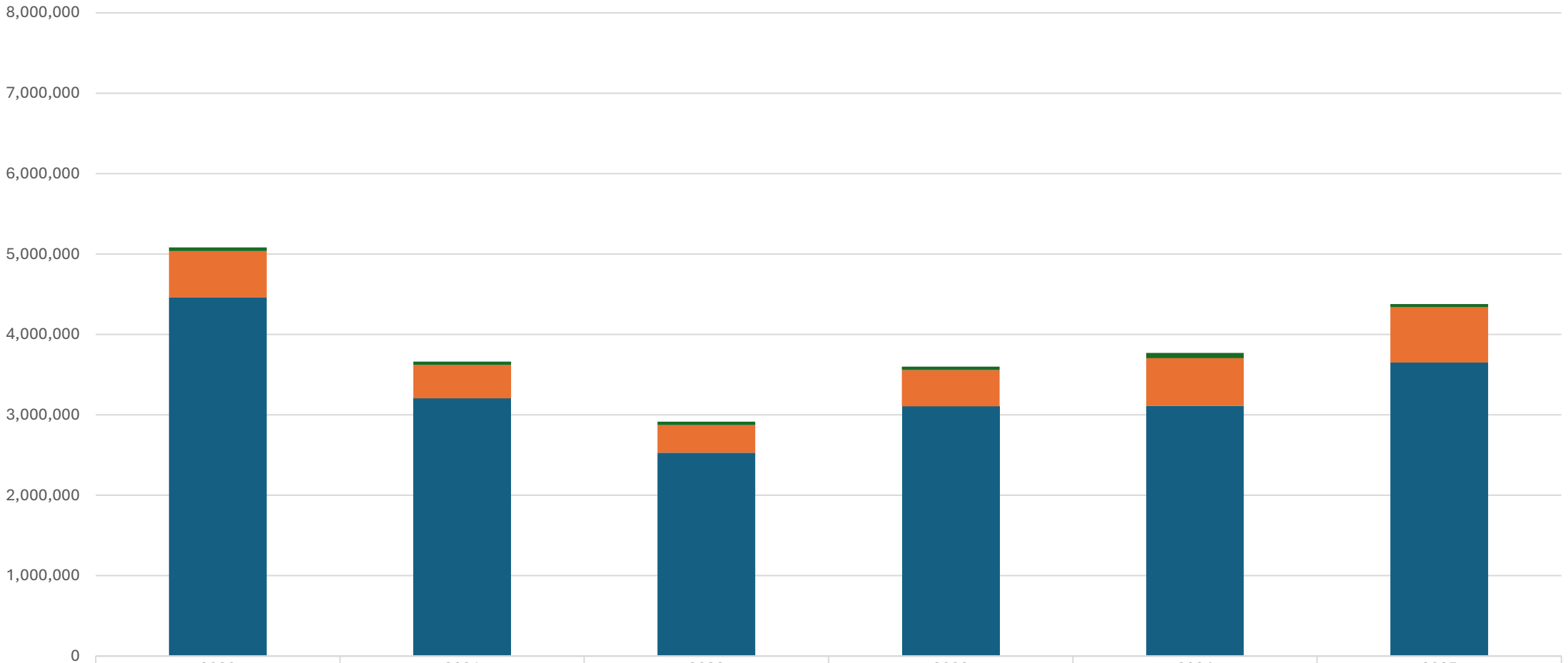
Claims Report

Claims Activity



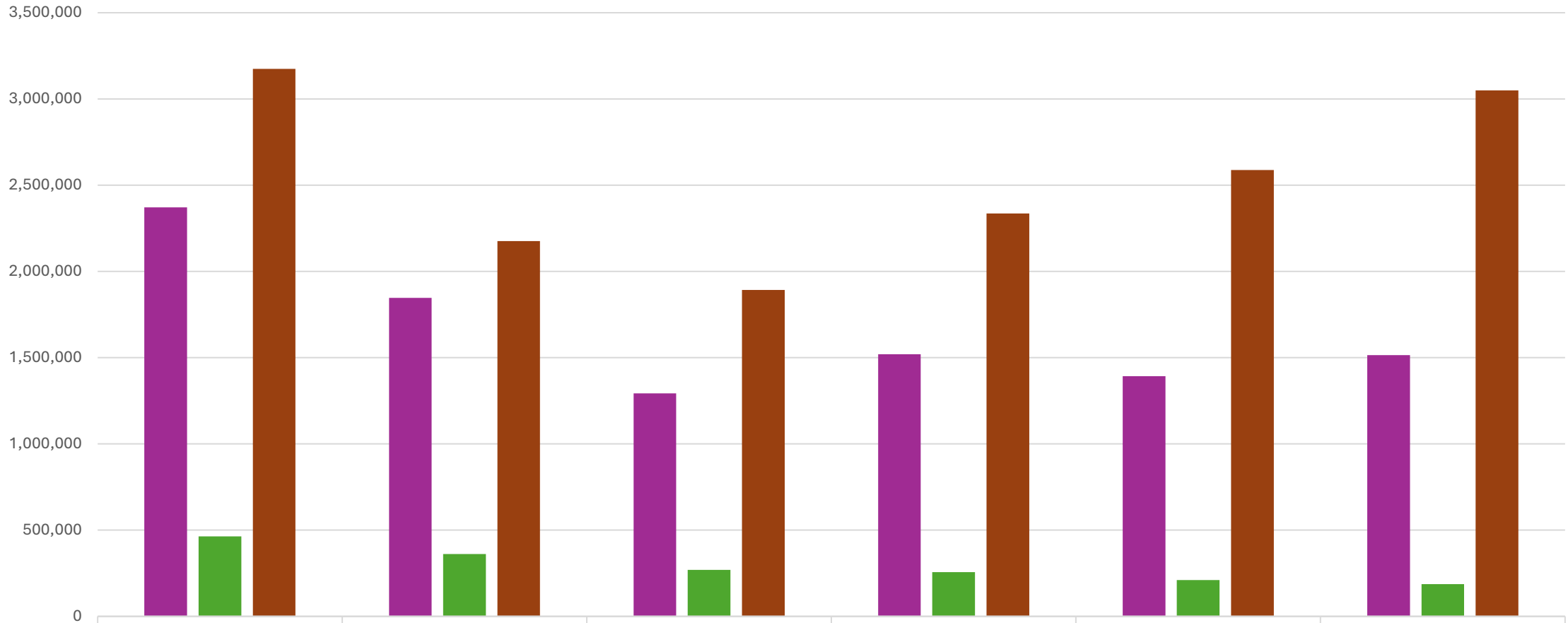
	2019	2020	2021	2022	2023	2024	2025
Claims Received	864	794	736	745	818	921	1086
Claimaints Assigned	1218	1122	923	801	1048	807	806

Benefits Paid and Costs



	2020	2021	2022	2023	2024	2025
Allocated Costs	45,318	42,737	41,137	42,286	66,306	39,964
Fees	573,581	414,601	344,384	451,775	591,511	686,010
Benefits Paid	4,463,435	3,204,102	2,529,878	3,106,384	3,112,379	3,651,259

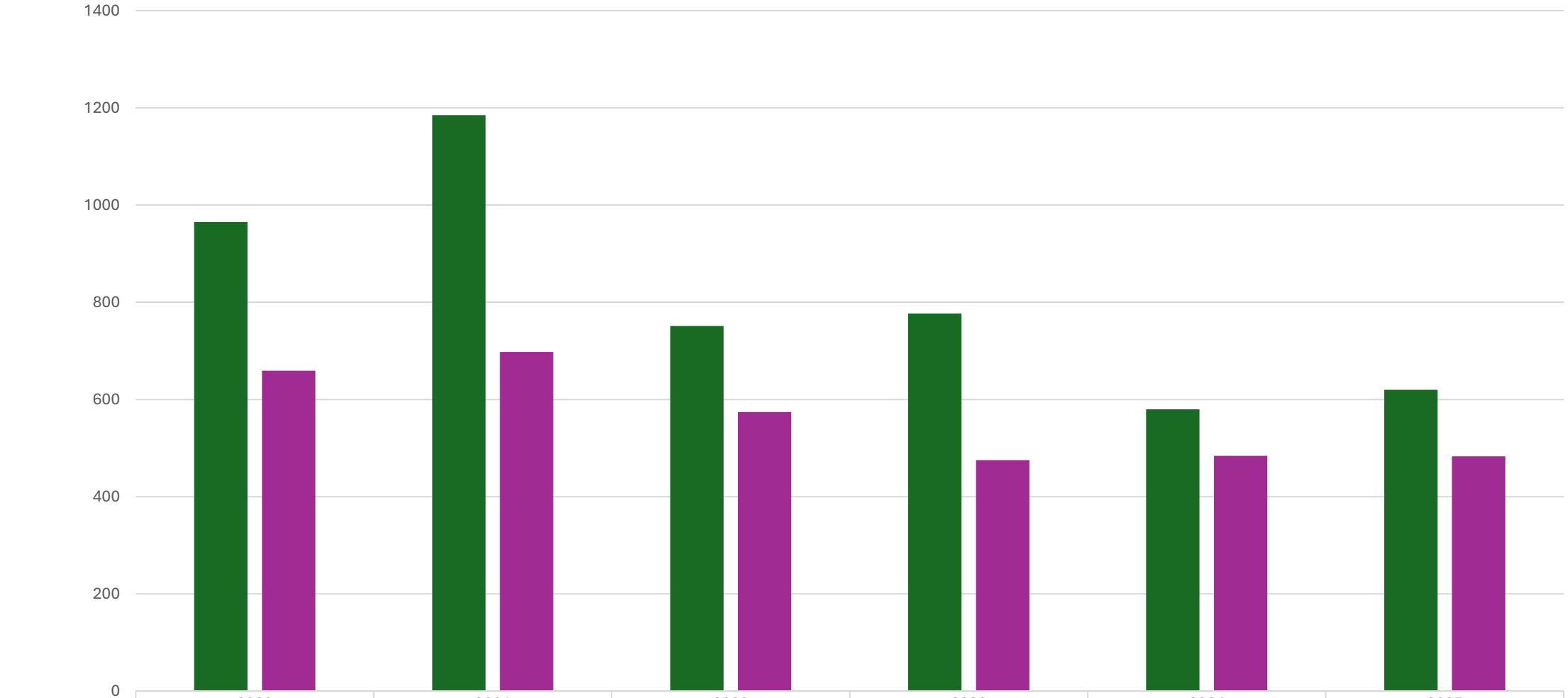
Subrogation



	2020	2021	2022	2023	2024	2025
Subrogation	2,371,000	1,846,245	1,292,556	1,520,650	1,392,530	1,514,178
Fees and Costs	463,705	361,447	270,300	256,905	210,525	187,270
(Net Paid)	3,175,039	2,176,643	1,893,144	2,336,700	2,588,192	3,050,325

Subrogation Fees and Costs (Net Paid)

Open and Closed Claims



	2020	2021	2022	2023	2024	2025
Closed Claims	965	1185	751	777	580	620
Open Claims	659	698	574	475	484	483

As of July 31, 2026

New Claims:

- 2025: 667
- 2026: 515

Paid (benefits + fees/costs):

- 2025: $2,528,865.20
- 2026: $2,042,929.17

Subrogation:

- 2025: $924,792.62
- 2026: $732,531.76

Budget & Financial Report

2025 Budget – Tab 6, Document B

Ended under budget

Bank Balance: (as of 7/31/26)

Republic Bank: $4,197,980.81

Checking Account: $1,526,857.03

Insured Cash Sweep Account: $2,614,589

Collateralized Sweep Account: $28,267.41

2026 Budget:

48% of budget as of 6/30

Projected to come in under budget

2027 Budget: (Tab 6, Document C)

- **$606,810** – 2027 Budget

Health and Employee Benefits

Employee Allocation

Mark Hillis

2027 Assessment

2027 Assessment

2027 Assessment: $2,560,476

Includes 2027 Administrative Budget for KACP and KIAA (Tab 7.)

2027 Assessment

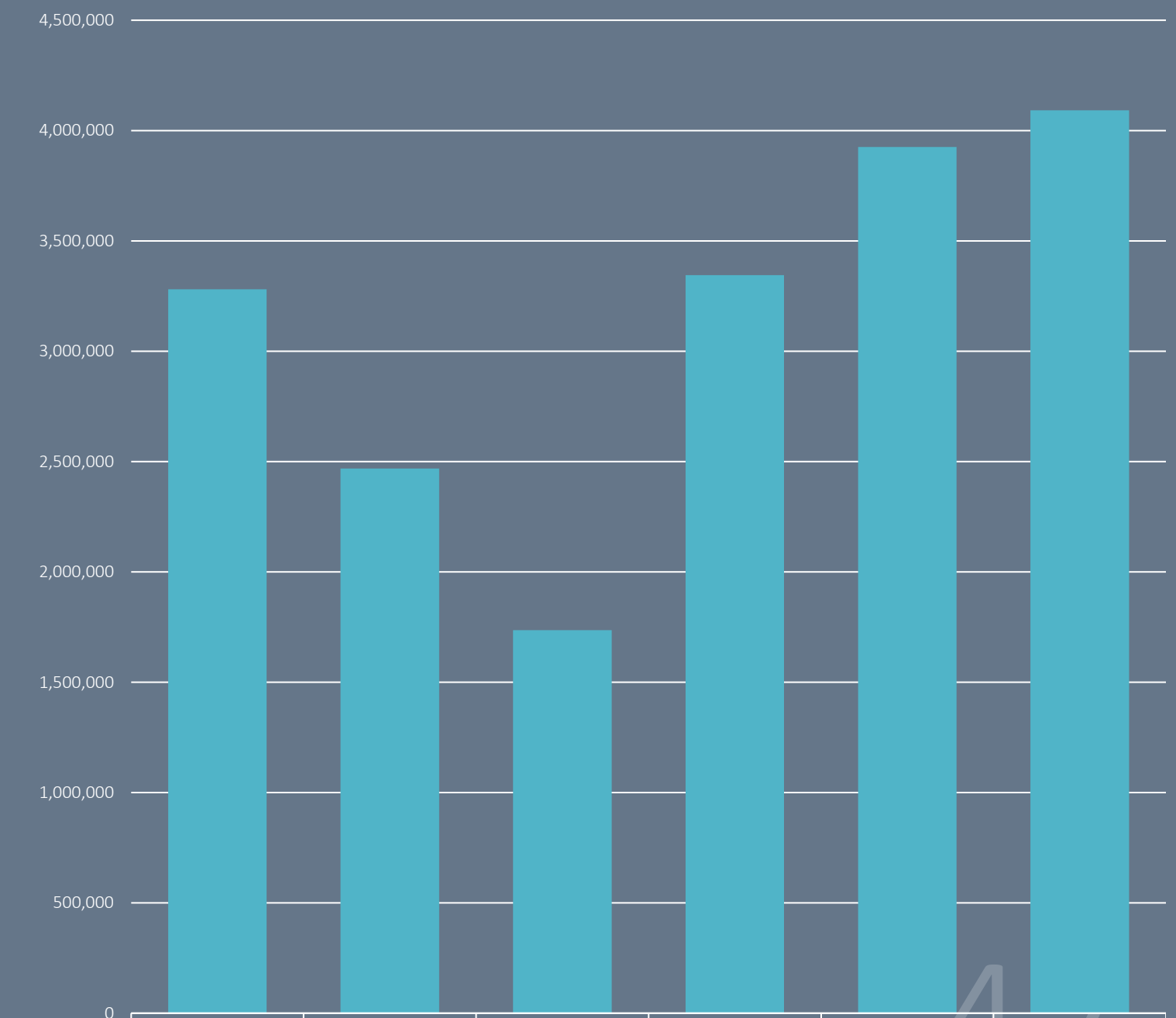
Line #	Description	2019	2020	2021	2022	2023	2024	2025	2026 Through 7/31	2026 Est.	2027 Est.	% Chng
a	Benefits Paid	4,579,540	4,463,435	3,204,102	2,529,878	3,106,384	3,112,379	3,651,259	1,701,631	2,917,082	4,083,915	40.0%
b	Fees	577,114	573,581	414,601	344,384	451,775	591,511	686,010	330,060	565,817	792,144	40.0%
c	Allocated Costs	56,277	45,318	42,737	41,137	42,286	66,306	39,964	11,238	19,266	26,972	40.0%
d	Total Paid	5,212,931	5,082,334	3,661,441	2,915,400	3,600,445	3,770,196	4,377,233	2,042,929	3,502,164	4,903,030	
e	Subrogation	2,868,456	2,371,000	1,846,245	1,292,556	1,520,650	1,392,530	1,514,178	732,532	1,255,769	1,255,769	0.0%
f	Fees and Costs	525,146	463,705	361,447	270,300	256,905	210,525	187,270	77,217	132,371	185,320	40.0%
g	Net	2,343,310	1,907,295	1,484,798	1,022,256	1,263,745	1,182,005	1,326,908	655,315	1,123,398	1,070,449	
h	(Net Paid)	2,869,621	3,175,039	2,176,643	1,893,144	2,336,700	2,588,192	3,050,325	1,387,614	2,378,767	3,832,581	$2,409,001

Line #	Item	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026 Through 7/31	2026 Est.	2027 Est.
i	Claims Received	1,086	950	978	983	930	905	864	794	736	745	818	921	1086	474	813	839
	Claims Assigned												592	571	332	569	516
j	Claimaints Assigned	1,606	1,449	1,415	1,414	1320	1305	1218	1122	923	801	1048	807	806	415	711	991
k	Closed Claims	820	878	842	713	854	920	946	965	1185	751	777	580	620	273	468	754
l	Average Paid Claim	$7,831	$4,788	$6,439	$7,435	$6,236	$4,916	$4,841	$4,625	$2,704	$3,369	$3,998	$5,366	$5,889	$6,233	$6,233	$5,414
m	Open Claims	775	864	811	798	730	758	684	659	698	574	475	484	483	579	668	633

o	Reconciled Bank balance as of 7/31/2026	4,732,645.16
p	Estimated claims payments less recovery for remainder of year	1,123,397.54
p-2	Estimated operating expenses remainder of year (KIAA and KACP)	366,732.48
q	Estimated cash on hand balance at end of year	3,242,515.14

Recommended Assessment for 2026 (For Year 2027)					
	KACP			KIAA	Totals
Administrative Budget: KIAA and KACP	$606,810			$651,141	1,257,951
Budget for new claims less subrogation					3,832,581
Reserve fund (25% of Reserve for open claims)					712,459
2026 Estimate for Claims, Reserve and Administrative Budget					5,802,991
Less Cash Balance Estimate as of 12/31/26					3,242,515
Recommended Assessment for 2027 (line u - v)					2,560,476

Assessment History



	2021	2022	2023	2024	2025	2026
Assessment	3,280,483	2,468,561	1,736,387	3,344,615	3,926,038	4,091,969

Pure assessment - $2,560,476

Needs Governing Committee Approval

2027 Budget & Assessment

KACP Discussion Topics for Board Members

Operations & Modernization

- Plan of Operations and Rules Update:
- Finys System Feedback

Training & Education

- Training needs of our Servicing insurers

Statutory & Case Law Updates

- Alvarez v. Allstate
- Jarnigan v. Allstate
- Dairyland v. KY Assigned Claims Plan
- HB 627 – introduced fee schedule for PIP

Open Forum

- General Feedback
- Approval vote needed for revisions to KACP Plan of Operations and Rules

Kentucky Dept. of Insurance Comments

Any Other Business

Next Meeting Dates

September 29, 2027 (In-Person)

Adjournment