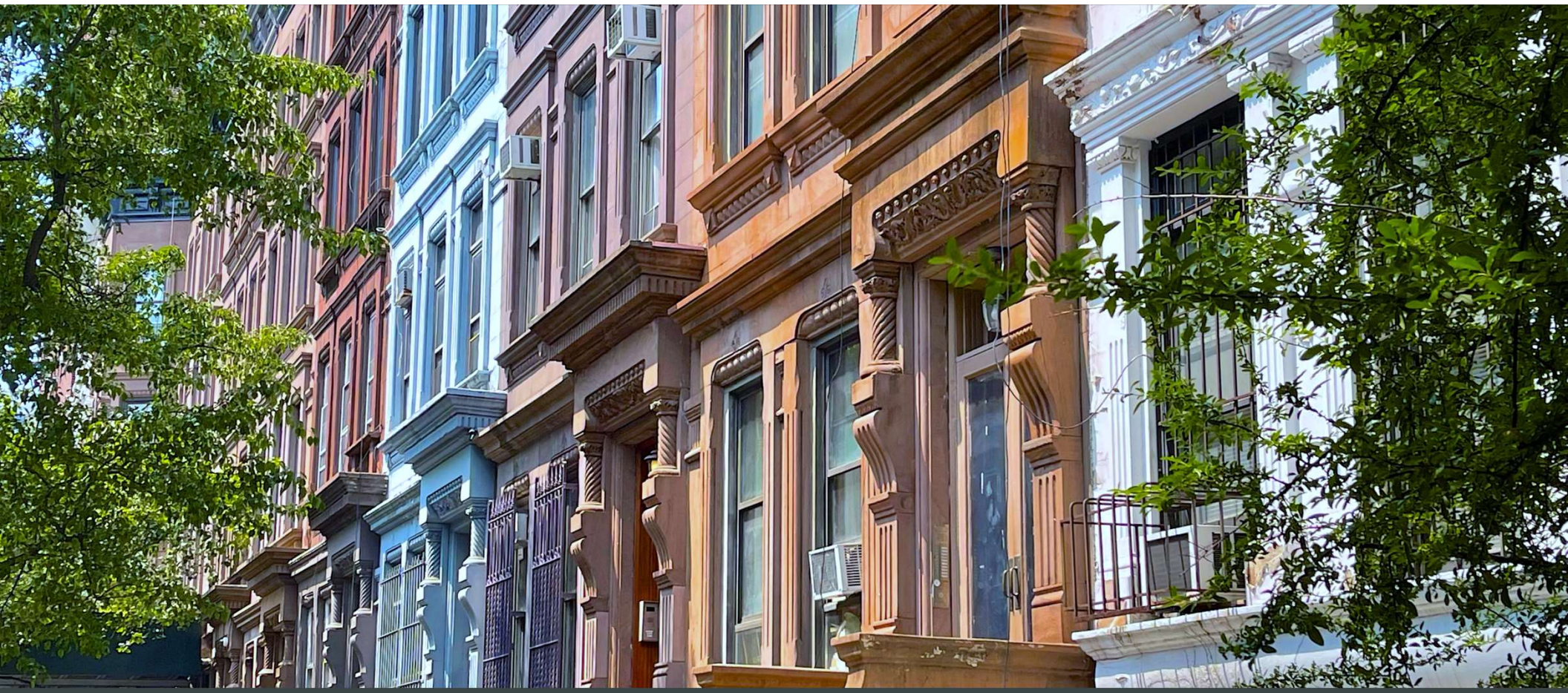


KENTUCKY FAIR PLAN

GOVERNING COMMITTEE MEETING

October 21, 2026

AGENDA

- Roll Call
- Anti-Trust Preamble
- Approval of Minutes
- Committee Reports
- Executive Director’s Report
- 2027 Budget
- Other Business
- Adjournment

CALL TO ORDER

ROLL CALL

ANTI-TRUST PREAMBLE

APPROVAL OF MINUTES

Approval of Prior Meeting Minutes p.5

June 2026 Governing Committee

August 2026 Claims Committee

August 2026 Underwriting Committee

September 2026 Equity & Reinsurance Committee

September 2026 Finance & Investment Committee

Committee Reports

CLAIMS AUDIT

Kentucky Claims Committee:

Stacie Darnell - Kentucky National

Henry Goins - Kentucky Farm Bureau

Dan Pendleton - Kentucky Farm Bureau

Andy Lewis - State Farm

UNDERWRITING AUDIT

Kentucky Underwriting Committee:

Andy Heim - Kentucky Farm Bureau

Dwayne Taylor - State Farm

Aubrey Hillis - Travelers

REINSURANCE AND EQUITY COMMITTEE MEETING

Committee Meeting: September 24, 2026

Committee Members:

Kristen Mellinger – Kentucky Farm Bureau

Matt Highsmith – State Farm

Dawn Whalen - Travelers

INVESTMENT COMMITTEE MEETING

Committee Meeting:

September 29, 2026

Committee Members:

Rudy Schlich – Hilb Group

Lisa Pierce - Allstate Insurance

Chuck McCurdy – Cerity Partners

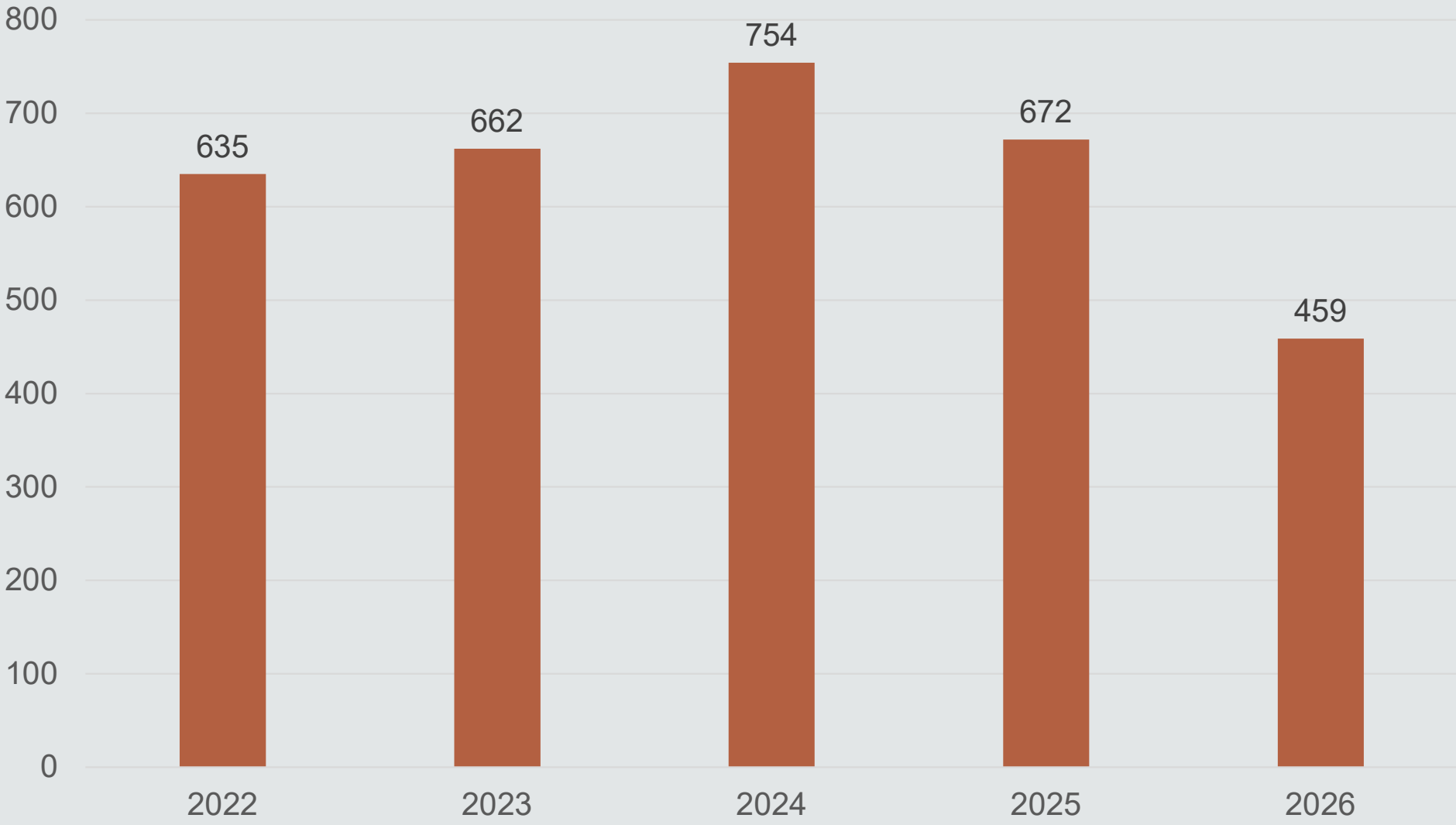
Ryan Burch – Cerity Partners

Mark Hillis - Kentucky FAIR Plan

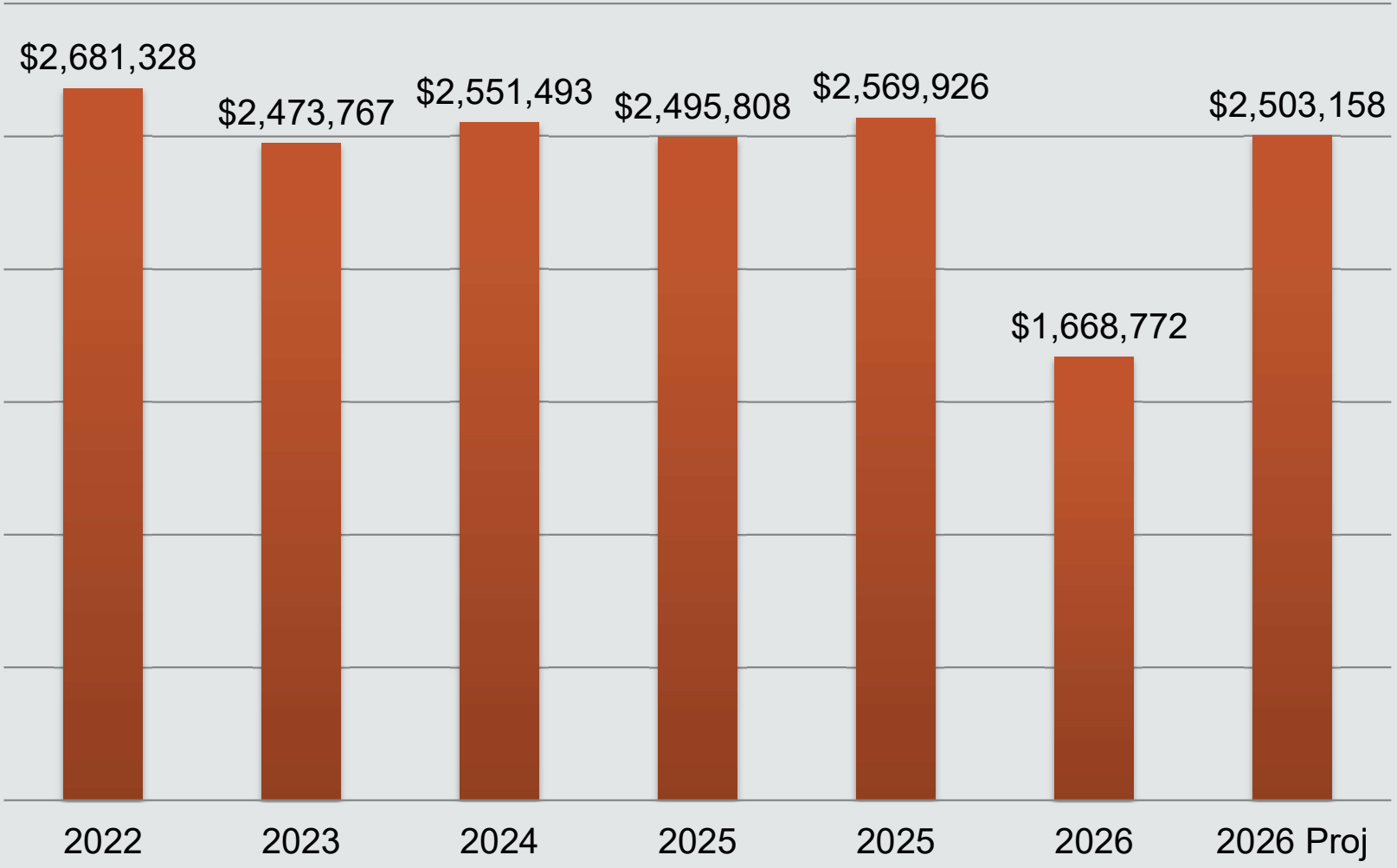
Tina Faleide – Kentucky FAIR Plan

EXECUTIVE DIRECTOR'S REPORT

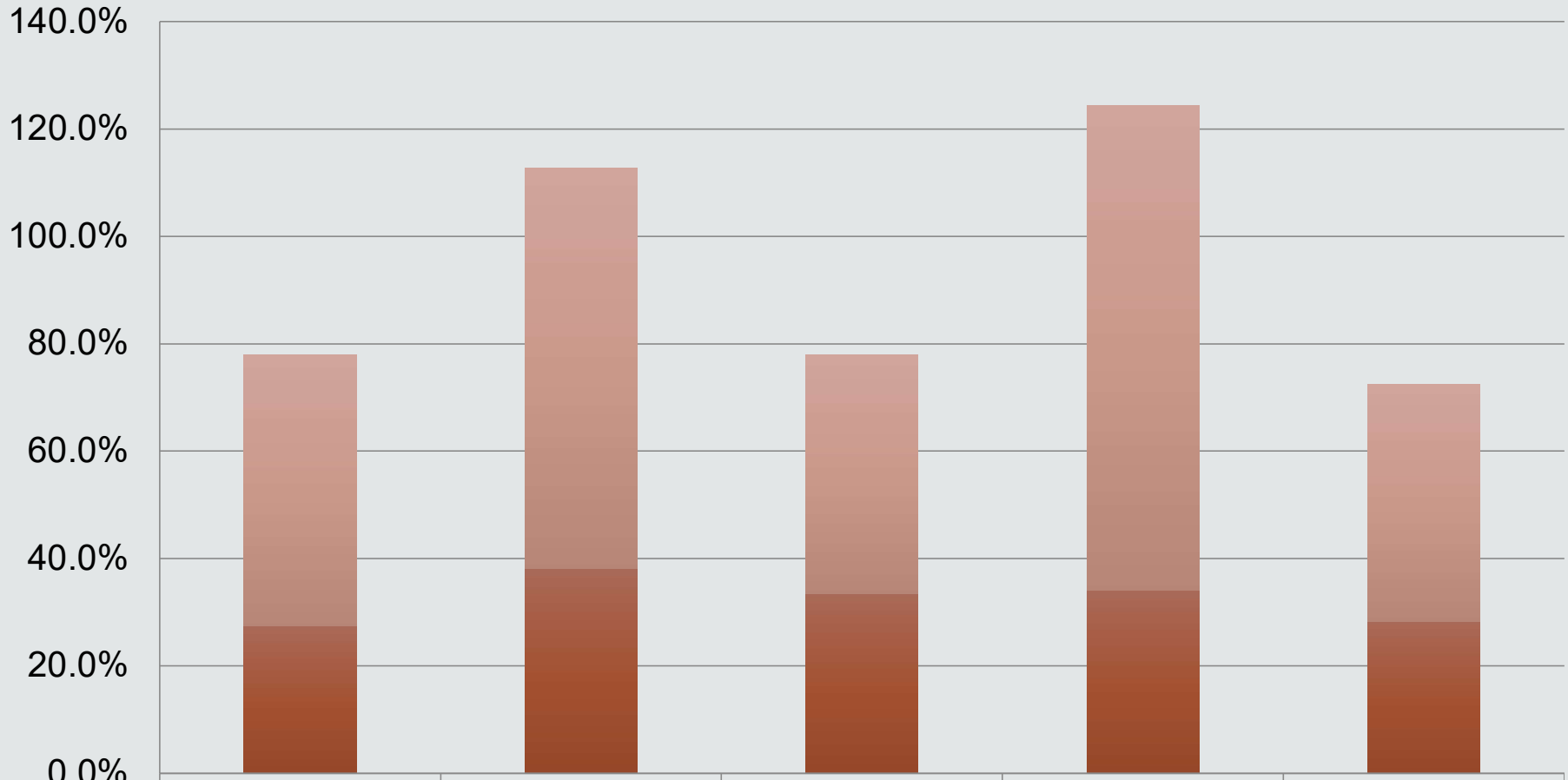
NEW BUSINESS APPLICATIONS



WRITTEN PREMIUM

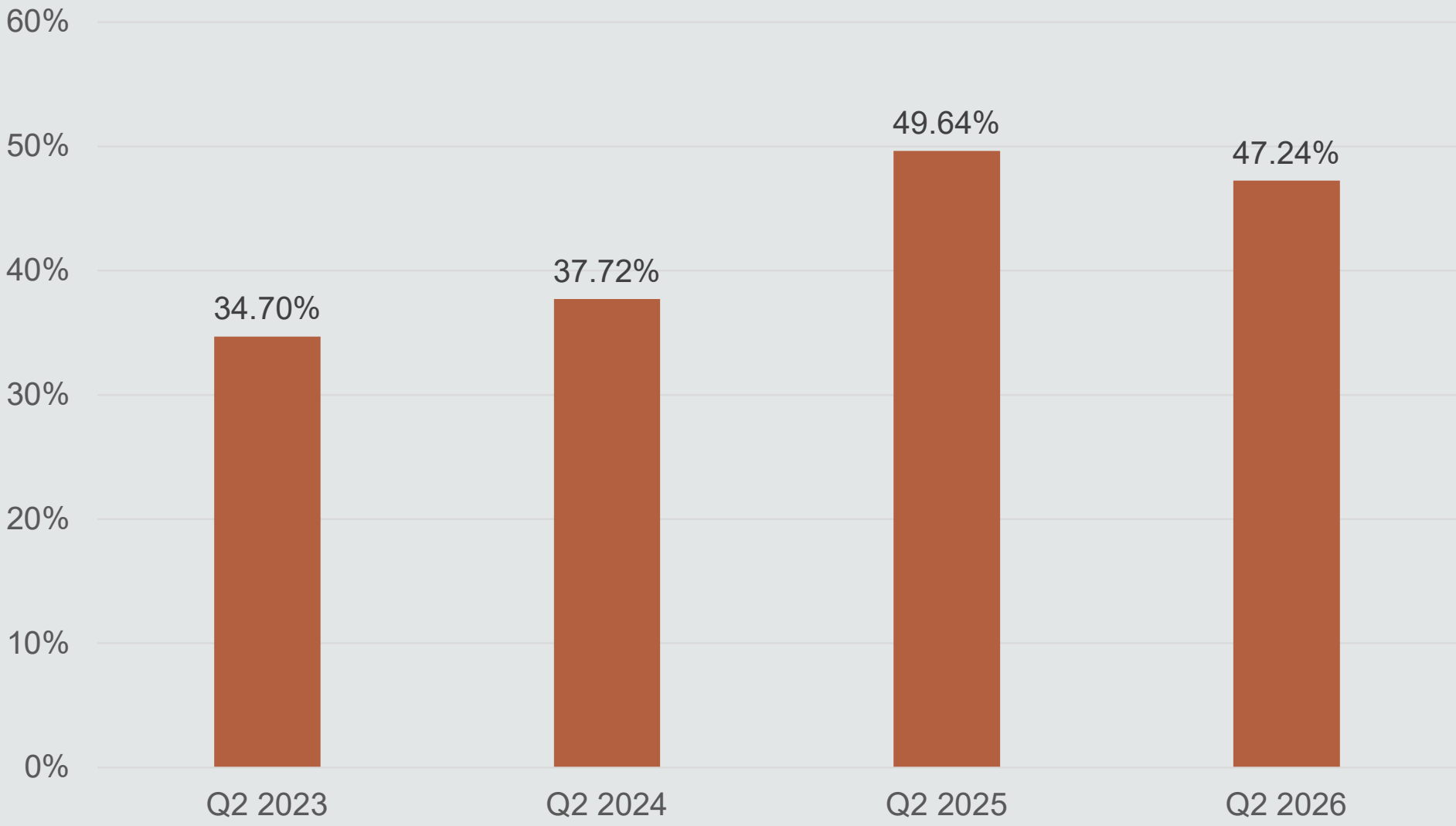


LOSS AND LAE RATIO THROUGH Q2

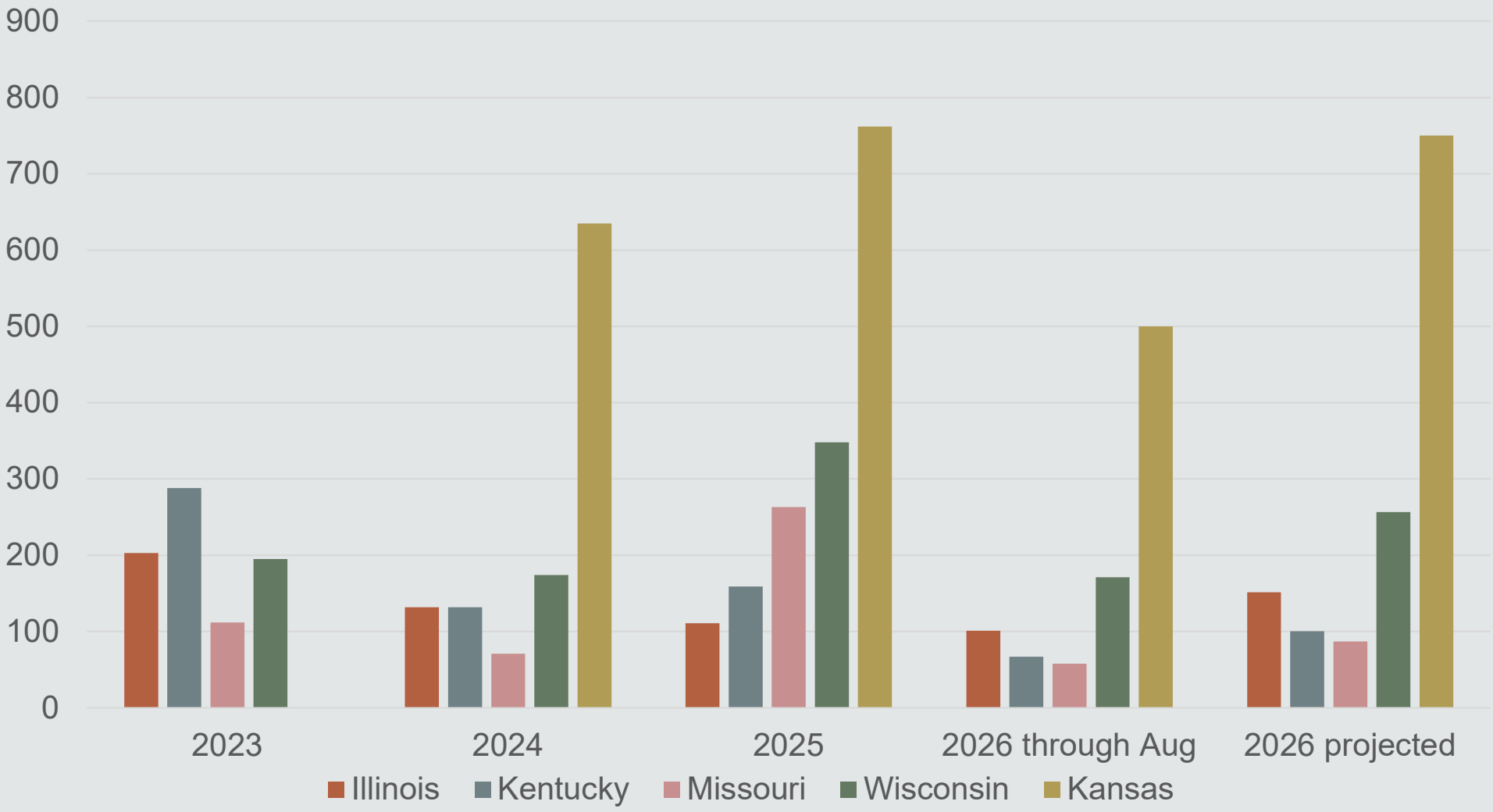


	2022	2023	2024	2025	2026
Loss Ratio	50.47%	74.54%	44.38%	90.32%	44.12%
LAE	27.44%	38.14%	33.49%	34.05%	28.35%

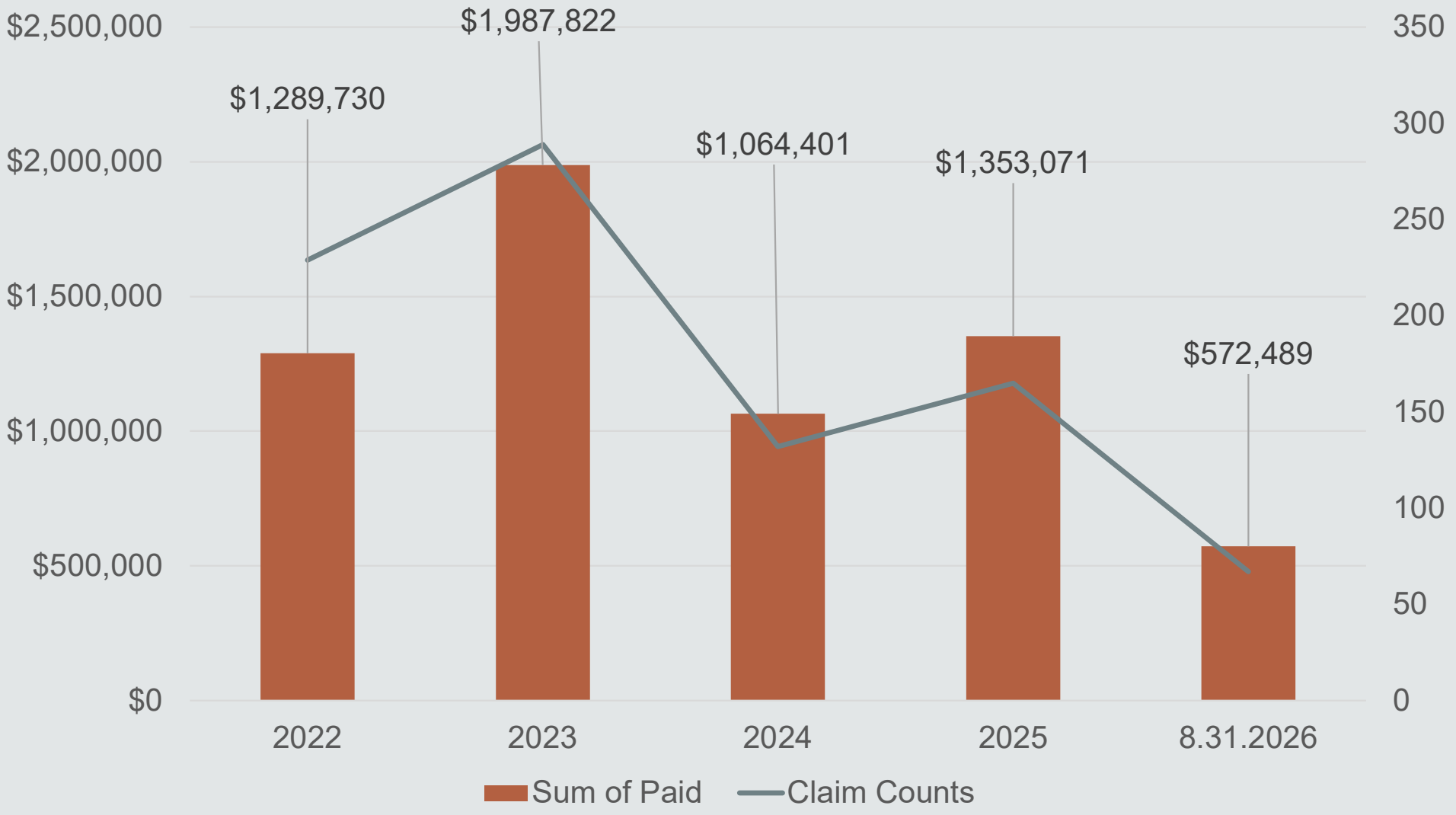
OPERATING EXPENSE RATIO



ALLIANCE CLAIMS



PAID CLAIMS


$2,500,000
$2,000,000
$1,500,000
$1,000,000
$500,000
$0
350
300
250
200
150
100
50
0
$1,289,730
$1,987,822
$1,064,401
$1,353,071
$572,489
2022
2023
2024
2025
8.31.2026
Sum of Paid
Claim Counts

BANKING AND INVESTMENTS

Republic Bank
Operating Account
$878,294

Cerity/Fifth Third
Investment Account
$13,836,691

BUDGET

Details in your packet, tab 1, page 26.

2026: Projected to come in under budget.

2027: Proposed budget of $1,995,005

Kentucky FAIR Plan					
	2026 Budget	2026 as of 6/2026	2026 Proj.	2026 Projected as % of Total	2027 Budget
Contract Services	1,104,675	566,096	1,132,192	102.49%	1,221,941
Accounting Fees	23,625	24,000	24,000	101.59%	26,400
Actuarial Review	21,018	2,697	5,000	23.79%	23,961
Board Meetings	700	-	700	100.00%	1,000
Building-Repairs & Mainten.	27,597	16,391	32,782	118.79%	39,582
Building-Utilities	8,993	5,038	10,076	112.04%	9,093
Building-Taxes	9,753	-	9,753	100.00%	11,469
Computer	122,422	50,391	100,782	82.32%	138,751
Dues & Subscriptions	3,870	1,282	3,000	77.52%	5,020
Education	7,294	165	1,000	13.71%	9,986
Human Resources	18,980	5,771	11,542	60.81%	21,250
Inspections	49,248	24,384	48,768	99.03%	46,056
P & C Insurance	70,000	-	70,000	100.00%	84,703
Legal/Professional	18,076	5,410	10,820	59.86%	20,628
Meals & Ent.	2,250	3,097	4,000	177.78%	3,450
Membership Fees	34,500	28,753	34,753	100.73%	36,500
Miscellaneous	750	107	750	100.00%	750
Office Equipment	1,500	289	1,500	100.00%	1,500
Office Supplies	10,000	3,067	6,134	61.34%	10,000
Postage	8,924	3,999	7,998	89.62%	8,867
Printing	4,000	-	1,500	37.50%	4,000
Processing	176,016	36,025	162,050	92.07%	175,212
Repairs & Maint.-Off. Eq.	2,427	1,266	2,532	104.33%	2,890
System Enhancements	45,000	-	-	0.00%	45,000
Telephone	25,200	13,859	27,718	109.99%	24,498
Travel	13,000	8,124	13,000	100.00%	22,500
Totals	$ 1,809,818	$ 800,211	$ 1,722,350	95.17%	$ 1,995,005

PRODUCTS & FORMS – TABS 2, 3 & 4

Policy Forms General Update	• Using most current ISO forms to update base policies • Earthquake, Mine Subsidence, Vacancy, TRIA, etc. • Clarification to coverage limits, definition of ACV
Endorsements & Exclusions	• Adding endorsements to broaden coverage beyond basic / fire • Wind & hail, cosmetic damage, & other structures exclusions
Manual Modifications	• Separating current to create product-specific manuals (DP, CF & FF) • Rating updates relative to exclusions and/or product-specific lines
Articles of Association Updates	• Modernize outdated language • Clarify definitions and processes • Statute updates

FORMS REVISIONS TAB 2

Forms:
DP1
DP2
HO2
HO4
HO6
HO8

In Progress:
Commercial
Farm Fire

MANUALS REVISIONS TAB 3

For Review:
Dwelling
Homeowners
Articles of
Association

In Progress:
Commercial
Farm Fire

ENDORSEMENT ADDITIONS AND REVISIONS TAB 4

Additional Insured

Cannabis

Cosmetic Damage

Earthquake

Fungi

Home Sharing

Other Structures

TRIA

Vacancy

Wind / Hail

FAIR PLAN ALLIANCE MEMBERS

- Illinois
- Kansas
- Kentucky
- Minnesota
- Missouri
- Oregon
- Washington
- Wisconsin

OTHER BUSINESS

Committee Assignment Tab 5

Kentucky Department of Insurance Comments

Next meeting dates: June 9 & October 27, 2027

ADJOURNMENT

Thank you!