

KENTUCKY EMPLOYERS' MUTUAL INSURANCE AUTHORITY
Statement of Admitted Assets, Liabilities and Policyholder Equity
as of September 30, 2019
Statutory Basis of Accounting

ASSETS

Long-term bonds	\$ 893,882,994
Common stocks	85,505,483
Cash and short-term investments	29,163,393
Real estate	5,020,818
Other invested assets	13,116,386
Receivable for securities	109,400
Investment income due and accrued	6,773,904
Premiums in course of collection	19,988,604
Premiums deferred and not yet due	34,968,144
Non-admitted premiums receivable	(5,686,616)
Reinsurance recoverable	79,178
Reinsurance deposits	750,000
Receivables for retroactive reinsurance reserves assumed	5,076,862
Electronic data processing equipment, net of depreciation	89,551

TOTAL ASSETS **\$ 1,088,838,101**

LIABILITIES AND POLICYHOLDER EQUITY

Loss reserves	\$ 609,724,670
Loss adjustment expense reserves	52,520,484
Commissions payable	11,567,890
Other expenses payable	4,368,583
Unearned premiums	70,851,925
Ceded reinsurance premiums payable	(496,008)
Funds withheld under reinsurance treaties	650,659
Amounts withheld or retained for others	9,835,927
Unallocated cash	781,235
Provision for reinsurance	0
Payable for securities	750,000
Retroactive reinsurance reserves assumed	65,289,488
Retroactive reinsurance reserves ceded	(30,135,394)
Funds withheld on retroactive reinsurance ceded	35,091,266
Liability for projected pension benefits	8,452,184
Liability for projected retiree health insurance	0

TOTAL LIABILITIES **839,252,909**

POLICYHOLDER EQUITY (beginning) **215,802,919**

Net income / (loss)	18,099,451
Unrealized capital gain / (loss)	11,210,976
Change in non-admitted assets	2,071,690
Change in provision for reinsurance	0
Change in projected pension benefits	2,201,454
Change in projected retiree health insurance	198,702

POLICYHOLDER EQUITY (ending) **249,585,192**

TOTAL LIABILITIES AND POLICYHOLDER EQUITY **\$ 1,088,838,101**

KENTUCKY EMPLOYERS' MUTUAL INSURANCE AUTHORITY
Statement of Income
for the nine months ended September 30, 2019
Statutory Basis of Accounting

Net premiums earned	\$ 123,556,529
Deductions	
Losses incurred	82,444,078
Loss expenses incurred	20,532,941
Underwriting expenses incurred	22,918,418
Total deductions	<u>125,895,437</u>
Net underwriting gain / (loss)	(2,338,908)
Net investment income earned	20,610,684
Net realized investment gains / (losses)	3,467,713
Net periodic pension and postretirement benefit cost	(2,094,443)
Bad debts and other income / (expenses)	<u>(1,545,595)</u>
NET INCOME / (LOSS)	\$ <u><u>18,099,451</u></u>

KENTUCKY EMPLOYERS' MUTUAL INSURANCE AUTHORITY
Statement of Solvency
for the nine months ended September 30, 2019
Statutory Basis of Accounting

POLICYHOLDER EQUITY (beginning)	\$ 215,802,919
Net income / (loss)	18,099,451
Unrealized capital gain / (loss)	11,210,976
(Increase) / decrease in non-admitted portion of furniture, fixtures, EDP equipment and software	(18,697)
(Increase) / decrease in uncollected premiums and agents' balances over 90 days past due	(691,858)
(Increase) / decrease in prepaid pension and retiree health insurance plans	2,094,443
(Increase) / decrease in other non-admitted assets	687,802
Change in provision for reinsurance	0
Change in projected liabilities for pension and retiree health insurance plans	<u>2,400,156</u>
POLICYHOLDER EQUITY (ending)	\$ <u><u>249,585,192</u></u>