



250 West Main Street, Suite 900 Lexington, KY 40507-1724 859-425-7800 www.kemi.com

May 8, 2025

Mr. Mark Workman
Bacon Farmer Workman
Engineering & Testing
4545 Quail Hollow Drive
Paducah, KY 42001

Dear Mr. Workman:

KEMI continues to take pride in its financial stability and outlook for the future, and our first quarter 2025 financial statements support those positions. In accordance with KRS 342.821, we enclose some of our reports indicative of our growth and solid foundation.

We will continue to keep you apprised of our solvency position, which we expect to continue to be very positive.

Sincerely,

A handwritten signature in blue ink, reading "Jon E. Stewart". The signature is written in a cursive style with a large, stylized "J" and "S".

Jon E. Stewart
President & CEO

Enclosures

KENTUCKY EMPLOYERS' MUTUAL INSURANCE AUTHORITY**Statement of Admitted Assets, Liabilities and Policyholder Equity****as of March 31, 2025****Statutory Basis of Accounting****ASSETS**

Long term bonds	\$ 1,004,055,137
Common and preferred stocks	74,756,391
Cash and short-term investments	28,463,471
Real estate	4,025,000
Other invested assets	13,607,532
Receivable for securities	518,600
Investment income due and accrued	9,032,183
Non-admitted investment income due and accrued	(47,862)
Premiums in course of collection	23,278,876
Premiums deferred and not yet due	41,041,811
Non-admitted premiums receivable	(14,625,103)
Policy deductibles receivable	35,460
Reinsurance recoverable	12,922
Reinsurance deposits	1,200,000
Electronic data processing equipment, net of depreciation	168,778

TOTAL ASSETS **\$ 1,185,523,196****LIABILITIES AND POLICYHOLDER EQUITY**

Loss reserves	\$ 605,807,742
Loss adjustment expense reserves	52,420,135
Commissions payable	14,602,613
Other expenses payable	4,373,174
Unearned premiums	62,663,583
Ceded reinsurance premiums payable	(355,634)
Funds withheld under reinsurance treaties	2,364,280
Amounts withheld or retained for others	11,408,308
Unallocated cash	836,549
Provision for reinsurance	59,154
Payable for securities	0
Retroactive reinsurance reserves assumed	28,885,395
Funds withheld on retroactive reinsurance ceded	0
Liability for projected pension benefits	0
Liability for projected retiree health insurance	0

TOTAL LIABILITIES **783,065,299****POLICYHOLDER EQUITY (beginning)** **389,508,728**

Net income / (loss)	11,141,600
Unrealized capital gain / (loss)	1,195,860
Change in non-admitted assets	611,708
Change in provision for reinsurance	0
Change in projected pension benefits	0
Change in projected retiree health insurance	0

POLICYHOLDER EQUITY (ending) **402,457,897****TOTAL LIABILITIES AND POLICYHOLDER EQUITY** **\$ 1,185,523,196**

KENTUCKY EMPLOYERS' MUTUAL INSURANCE AUTHORITY**Statement of Income
for the month ended March 31, 2025
Statutory Basis of Accounting**

Net premiums earned	\$	34,607,796
Deductions		
Losses incurred		19,420,169
Loss expenses incurred		7,833,228
Underwriting expenses incurred		7,857,881
Total deductions		35,111,278
Net underwriting gain / (loss)		(503,482)
Net investment income earned		11,467,329
Net realized investment gains / (losses)		1,640,204
Net periodic pension and postretirement benefit cost		(938,442)
Bad debts and other income / (expenses)		(524,009)
Retroactive reinsurance gain / (loss)		0
Net income / (loss) before policyholder dividends		11,141,600
Dividends to policyholders		0
NET INCOME / (LOSS) AFTER POLICYHOLDER DIVIDENDS	\$	11,141,600

KENTUCKY EMPLOYERS' MUTUAL INSURANCE AUTHORITY

**Statement of Solvency
for the month ended March 31, 2025
Statutory Basis of Accounting**

POLICYHOLDER EQUITY (beginning)	\$	389,508,728
Net income / (loss)		11,141,600
Unrealized capital gain / (loss)		1,195,860
(Increase) / decrease in non-admitted portion of furniture, fixtures, EDP equipment and software		(14,580)
(Increase) / decrease in uncollected premiums and agents' balances over 90 days past due		(180,478)
(Increase) / decrease in prepaid pension and retiree health insurance plans		938,442
(Increase) / decrease in other non-admitted assets		(131,676)
Change in provision for reinsurance		0
Change in projected liabilities for pension and retiree health insurance plans		<u>0</u>
POLICYHOLDER EQUITY (ending)	\$	<u>402,457,897</u>