



## WORKERS' COMPENSATION FUNDING COMMISSION

42 Mill Creek Park  
Frankfort, Kentucky 40601  
Phone: (502) 573-3505  
Fax: (502) 573-4923  
[www.kwfc.ky.gov](http://www.kwfc.ky.gov)

Andy Beshear  
Governor

Lisa Gilreath-King  
Executive Director

May 1, 2024

Hon. Mark Metcalf, State Treasurer  
Office of Kentucky State Treasurer  
1050 US Highway 127 South, Suite 100  
Frankfort, Kentucky 40601  
[mark.metcalf@ky.gov](mailto:mark.metcalf@ky.gov)

RE: KRS 41.476 Restricted Financial Institution Report of The  
Kentucky Workers' Compensation Funding Commission

Dear Mr. Metcalf:

This report constitutes the Kentucky Workers' Compensation Funding Commission's (KWFC) compliance with KRS Chapter 41.474, et seq.

Beginning in 2023, KWFC owned direct or indirect holdings with at least four (4) of the eleven (11) companies your office identified as falling within the purview of KRS Chapter 41.470-41.476. Those companies are:

1. Citigroup Inc.
2. HSBC PLC
3. JPMorgan Chase & Co.
4. Nordea Bank ABP

Since the publishing of the Treasurer's list, one of the restricted holdings KWFC maintained was with HSBC PLC, which matured in 2023 for one million dollars and again in 2024 for one million dollars. Those funds were reinvested, but were not reinvested with HSBC PLC or any other restricted company identified by the Treasurer.

KWFC has previously reported that to the extent KRS 41.472(3) applies to its remaining investments, it should not be subject to the requirements of KRS 41.470-41.476, as it has been determined that divestment would cause a significant financial loss and would "be inconsistent with its fiduciary responsibility with respect to the investment of entity assets or other duties imposed by law relating to the investment of entity assets." KRS 41.472(3).

Specifically, divestment of the remaining direct or indirect interests would result in a financial loss of \$2,028,198 and would, therefore, be inconsistent with KWCF's fiduciary responsibility established under KRS 342.1223. When it is determined divestment of the remaining interests will no longer result in financial loss, KWCF will take the appropriate action under KRS 41.470 – 41.476.

Please advise if you have any questions or require any additional information.

Sincerely,

A handwritten signature in black ink that reads "Lisa G. King". The signature is fluid and cursive, with the first name "Lisa" and last name "King" clearly legible.

Lisa G. King  
Executive Director

cc: Director Jay Hartz  
Legislative Research Commission  
700 Capitol Avenue  
Frankfort, Kentucky 40601  
jay.hartz@lrc.ky.gov

Hon. Russell Coleman  
Attorney General  
700 Capital Avenue, Suite 118  
Frankfort, Kentucky 40601  
ag.coleman@ky.gov