



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, appearing to read 'Jon E. Stewart'.

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> |