

KENTUCKY EMPLOYERS' MUTUAL INSURANCE AUTHORITY
Statement of Admitted Assets, Liabilities and Policyholder Equity
as of March 31, 2018
Statutory Basis of Accounting

ASSETS

Long-term bonds	\$ 814,472,691
Common stocks	59,209,064
Cash and short-term investments	30,282,862
Real estate	5,020,818
Other invested assets	11,349,136
Receivable for securities	104,200
Investment income due and accrued	5,010,237
Premiums in course of collection	14,702,832
Premiums deferred and not yet due	43,259,792
Non-admitted premiums receivable	(4,481,995)
Reinsurance recoverable	75,312
Receivables for retroactive reinsurance reserves assumed	22,646,155
Electronic data processing equipment, net of depreciation	57,236

TOTAL ASSETS **\$ 1,001,708,340**

LIABILITIES AND POLICYHOLDER EQUITY

Loss reserves	\$ 566,324,327
Loss adjustment expense reserves	43,881,371
Commissions payable	11,504,495
Other expenses payable	4,256,709
Unearned premiums	71,857,466
Ceded reinsurance premiums payable	(1,076,781)
Funds withheld under reinsurance treaties	492,618
Amounts withheld or retained for others	10,039,286
Unallocated cash	755,500
Provision for reinsurance	3,000
Payable for securities	0
Retroactive reinsurance reserves assumed	68,849,527
Retroactive reinsurance reserves ceded	(27,755,279)
Funds withheld on retroactive reinsurance ceded	30,650,775
Liability for projected pension benefits	12,167,881
Liability for projected retiree health insurance	542,071

TOTAL LIABILITIES **792,492,966**

POLICYHOLDER EQUITY (beginning) **206,746,411**

Net income / (loss)	9,949,147
Unrealized capital gain / (loss)	(9,096,655)
Change in non-admitted assets	789,158
Change in provision for reinsurance	0
Change in projected pension benefits	733,818
Change in projected retiree health insurance	93,495

POLICYHOLDER EQUITY (ending) **209,215,374**

TOTAL LIABILITIES AND POLICYHOLDER EQUITY **\$ 1,001,708,340**

KENTUCKY EMPLOYERS' MUTUAL INSURANCE AUTHORITY
Statement of Income
for the three months ended March 31, 2018
Statutory Basis of Accounting

Net premiums earned	\$ 37,704,583
Deductions	
Losses incurred	26,756,069
Loss expenses incurred	6,838,575
Underwriting expenses incurred	7,497,350
Total deductions	<u>41,091,994</u>
Net underwriting gain / (loss)	(3,387,411)
Net investment income earned	6,276,780
Net realized investment gains / (losses)	7,737,999
Bad debts and other income / (expenses)	(678,221)
NET INCOME / (LOSS)	<u><u>\$ 9,949,147</u></u>

KENTUCKY EMPLOYERS' MUTUAL INSURANCE AUTHORITY
Statement of Solvency
for the three months ended March 31, 2018
Statutory Basis of Accounting

POLICYHOLDER EQUITY (beginning)	\$ 206,746,411
Net income / (loss)	9,949,147
Unrealized capital gain / (loss)	(9,096,655)
(Increase) / decrease in non-admitted portion of furniture, fixtures, EDP equipment and software	10,867
(Increase) / decrease in uncollected premiums and agents' balances over 90 days past due	279,784
(Increase) / decrease in other non-admitted assets	498,507
Change in provision for reinsurance	0
Change in projected pension benefits	733,818
Change in projected retiree health insurance	<u>93,495</u>
POLICYHOLDER EQUITY (ending)	<u><u>\$ 209,215,374</u></u>