

KENTUCKY EMPLOYERS' MUTUAL INSURANCE AUTHORITY
Statement of Admitted Assets, Liabilities and Policyholder Equity
as of June 30, 2018
Statutory Basis of Accounting

ASSETS

Long-term bonds	\$ 819,264,498
Common stocks	59,103,694
Cash and short-term investments	39,964,104
Real estate	5,020,818
Other invested assets	11,349,136
Receivable for securities	0
Investment income due and accrued	5,503,542
Premiums in course of collection	22,690,545
Premiums deferred and not yet due	23,193,025
Non-admitted premiums receivable	(4,722,172)
Reinsurance recoverable	89,443
Receivables for retroactive reinsurance reserves assumed	21,574,689
Electronic data processing equipment, net of depreciation	44,537

TOTAL ASSETS **\$ 1,003,075,859**

LIABILITIES AND POLICYHOLDER EQUITY

Loss reserves	\$ 572,282,591
Loss adjustment expense reserves	43,746,544
Commissions payable	10,896,412
Other expenses payable	4,236,870
Unearned premiums	62,218,480
Ceded reinsurance premiums payable	(1,017,628)
Funds withheld under reinsurance treaties	468,534
Amounts withheld or retained for others	10,157,915
Unallocated cash	926,076
Provision for reinsurance	3,000
Payable for securities	1,000,000
Retroactive reinsurance reserves assumed	68,382,821
Retroactive reinsurance reserves ceded	(28,309,307)
Funds withheld on retroactive reinsurance ceded	31,540,764
Liability for projected pension benefits	11,434,063
Liability for projected retiree health insurance	448,576

TOTAL LIABILITIES **788,415,711**

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

Net income / (loss)	14,665,379
Unrealized capital gain / (loss)	(9,586,828)
Change in non-admitted assets	1,180,560
Change in provision for reinsurance	0
Change in projected pension benefits	1,467,636
Change in projected retiree health insurance	186,990

POLICYHOLDER EQUITY (ending) **214,660,148**

TOTAL LIABILITIES AND POLICYHOLDER EQUITY **\$ 1,003,075,859**

KENTUCKY EMPLOYERS' MUTUAL INSURANCE AUTHORITY
Statement of Income
for the six months ended June 30, 2018
Statutory Basis of Accounting

Net premiums earned	\$ 77,674,385
Deductions	
Losses incurred	54,065,451
Loss expenses incurred	12,727,673
Underwriting expenses incurred	14,731,067
Total deductions	<u>81,524,191</u>
Net underwriting gain / (loss)	(3,849,806)
Net investment income earned	12,244,845
Net realized investment gains / (losses)	7,788,860
Bad debts and other income / (expenses)	<u>(1,518,520)</u>
NET INCOME / (LOSS)	\$ <u><u>14,665,379</u></u>

KENTUCKY EMPLOYERS' MUTUAL INSURANCE AUTHORITY
Statement of Solvency
for the six months ended June 30, 2018
Statutory Basis of Accounting

POLICYHOLDER EQUITY (beginning)	\$ 206,746,411
Net income / (loss)	14,665,379
Unrealized capital gain / (loss)	(9,586,828)
(Increase) / decrease in non-admitted portion of furniture, fixtures, EDP equipment and software	21,734
(Increase) / decrease in uncollected premiums and agents' balances over 90 days past due	39,607
(Increase) / decrease in other non-admitted assets	1,119,219
Change in provision for reinsurance	0
Change in projected pension benefits	1,467,636
Change in projected retiree health insurance	<u>186,990</u>
POLICYHOLDER EQUITY (ending)	<u><u>\$ 214,660,148</u></u>