#### KENTUCKY EMPLOYERS' MUTUAL INSURANCE AUTHORITY

# Statement of Admitted Assets, Liabilities and Policyholder Equity as of September 30, 2018

## **Statutory Basis of Accounting**

Long-term bonds         \$ 825, 135, 589           Common stocks         71,625, 614           Cash and short-term investments         72,259, 614           Real estate         5,020,818           Other invested assets         10,020,107           Receivable for securities         10,020,107           Investment income due and accrued         5,280,553           Premiums in course of collection         14,652,757           Premiums deferred and not yet due         39,447,923           Non-admitted premiums receivable         (5,059,893)           Reinsurance recoverable         100,954           Receivables for retroactive reinsurance reserves assumed         19,070,429           Electronic data processing equipment, net of depreciation         31,840           TOTAL ASSETS         \$ 1,070,226,887           LOSs reserves         \$ 581,457,982           Loss reserves         \$ 581,457,982           Loss adjustment expense reserves         \$ 4,827,237           Commissions payable         9,932,242           Unearmed premiums         73,597,241           Ceded reinsurance premiums payable         9,862,242           Funds withheld under reinsurance treaties         432,986           Amounts withheld or retained for others         11,753,998 <t< th=""><th>ASSETS</th><th></th><th></th></t<>	ASSETS		
Common stocks         71,625,433           Cash and short-term investments         72,259,614           Real estate         5,020,818           Other invested assets         12,640,509           Receivable for securities         10,020,107           Investment income due and accrued         5,280,553           Premiums in course of collection         14,652,757           Premiums deferred and not yet due         39,447,923           Non-admitted premiums receivable         (5,059,639)           Reinsurance recoverable         100,954           Receivables for retroactive reinsurance reserves assumed         19,070,429           Electronic data processing equipment, net of depreciation         31,840           TOTAL ASSETS         \$ 581,457,982           Loss reserves         \$ 581,457,982           Loss adjustment expense reserves         \$ 44,627,237           Commissions payable         10,528,129           Other expenses payable         4,971,808           Unsarned premiums         73,597,241           Ceded reinsurance premiums payable         (986,628)           Funds withheld under reinsurance treaties         432,986           Amounts withheld or retained for others         11,753,996           Unallocated cash         759,775	Long-term bonds	\$	825,135,589
Cash and short-term investments         72,259,614           Real estate         5,020,818           Other invested assets         12,640,509           Receivable for securities         10,020,107           Investment income due and accrued         5,280,553           Premiums in course of collection         14,652,757           Premiums deferred and not yet due         39,447,923           Non-admitted premiums receivable         (5,059,639)           Reinsurance recoverable         100,954           Receivables for retroactive reinsurance reserves assumed         19,070,429           Electronic data processing equipment, net of depreciation         31,840           TOTAL ASSETS         \$ 1,070,226,887           LIABILITIES AND POLICYHOLDER EQUITY           Loss reserves         \$ 581,457,982           Loss reserves         4,627,237           Commissions payable         10,528,129           Other expenses payable         4,971,808           Unearned premiums         73,597,241           Ceded reinsurance premiums payable         (986,628)           Funds withheld under reinsurance treaties         432,986           Amounts withheld or retained for others         11,753,996           Unallocated cash         759,775           Provision for r	•		
Real estate         5,020,818           Other invested assets         12,640,509           Receivable for securities         10,020,107           Investment income due and accrued         5,280,553           Premiums in course of collection         14,652,757           Premiums deferred and not yet due         39,447,923           Non-admitted premiums receivable         (5,059,639)           Reinsurance recoverable         100,954           Receivables for retroactive reinsurance reserves assumed         19,070,429           Electronic data processing equipment, net of depreciation         31,840           TOTAL ASSETS           LIABILITIES AND POLICYHOLDER EQUITY           Loss reserves         4,627,237           Cosmissions payable         10,528,129           Other expenses payable         4,971,808           Unearned premiums         73,597,241           Ceder einsurance premiums payable         (986,628)           Funds withheld under reinsurance treaties         432,986           Amounts withheld or retained for others         11,753,996           Provision for reinsurance         3,000           Payable for securities         39,743,715           Retroactive reinsurance reserves ceded         (28,012,860           Fund	Cash and short-term investments		72,259,614
Receivable for securities   10,020,107     Investment income due and accrued   5,280,553     Premiums in course of collection   14,652,757     Premiums deferred and not yet due   39,447,923     Non-admitted premiums receivable   100,954     Receivables for retroactive reinsurance reserves assumed   19,070,429     Electronic data processing equipment, net of depreciation   31,840     TOTAL ASSETS   \$1,070,226,887	Real estate		
Investment income due and accrued   5,280,553   Premiums in course of collection   14,652,753   Premiums deferred and not yet due   39,447,923   Non-admitted premiums receivable   (5,059,639)   Reinsurance recoverable   100,954   Reinsurance recoverable   100,954   Reinsurance recoverable   100,704,226   Receivables for retroactive reinsurance reserves assumed   19,070,429   Reinsurance reserves assumed   19,070,429   Reinsurance reserves   1,070,226,887   Reserves   1,070,237   Reserves   1,070,245   Reserves   1,070,	Other invested assets		12,640,509
Premiums in course of collection         14,652,757           Premiums deferred and not yet due         39,447,923           Non-admitted premiums receivable         (5,059,639)           Reinsurance recoverable         100,954           Receivables for retroactive reinsurance reserves assumed         19,070,424           Electronic data processing equipment, net of depreciation         31,840           TOTAL ASSETS         \$ 1,070,226,887           LIABILITIES AND POLICYHOLDER EQUITY           Loss adjustment expense reserves         44,627,237           Commissions payable         10,528,129           Other expenses payable         4,971,809           Unearmed premiums         73,597,241           Ceded reinsurance premiums payable         (986,628)           Funds withheld under reinsurance treaties         432,936           Amounts withheld or retained for others         11,753,996           Unallocated cash         759,775           Provision for reinsurance         3,000           Payable for securities         39,444,713           Retroactive reinsurance reserves ceded         (28,012,860)           Funds withheld on retroactive reinsurance ceded         11,583,217           Liability for projected pension benefits         10,700,245 <td>Receivable for securities</td> <td></td> <td>10,020,107</td>	Receivable for securities		10,020,107
Premiums deferred and not yet due         39,447,923           Non-admitted premiums receivable         (5,059,639)           Reinsurance recoverable         100,954           Receivables for retroactive reinsurance reserves assumed         19,070,429           Electronic data processing equipment, net of depreciation         31,840           TOTAL ASSETS         \$ 1,070,226,887           LIABILITIES AND POLICYHOLDER EQUITY           Loss reserves         \$ 581,457,982           Loss adjustment expense reserves         44,627,237           Commissions payable         10,528,129           Other expenses payable         4,971,808           Unearned premiums         73,597,241           Ceded reinsurance premiums payable         (986,628)           Funds withheld under reinsurance treaties         432,986           Amounts withheld or retained for others         11,753,996           Unallocated cash         759,775           Provision for reinsurance         3,000           Payable for securities         39,743,713           Retroactive reinsurance reserves ceded         (28,612,860)           Funds withheld on retroactive reinsurance ceded         31,583,217           Liability for projected pension benefits         10,700,245           Liabil	Investment income due and accrued		5,280,553
Non-admitted premiums receivable Reinsurance recoverable Receivables for retroactive reinsurance reserves assumed 19,070, 429 Electronic data processing equipment, net of depreciation 31,840         100,954 19,070,226,887           TOTAL ASSETS         \$ 1,070,226,887           LIABILITIES AND POLICYHOLDER EQUITY         \$ 581,457,982           Loss reserves         44,627,237           Commissions payable         10,528,129           Other expenses payable         4,971,808           Unearned premiums         73,597,241           Ceded reinsurance premiums payable         (986,628)           Funds withheld under reinsurance treaties         432,986           Amounts withheld or retained for others         11,753,996           Unallocated cash         759,775           Provision for reinsurance         3,000           Payable for securities         39,743,713           Retroactive reinsurance reserves assumed         71,514,032           Retroactive reinsurance reserves ceded         (28,012,860)           Funds withheld on retroactive reinsurance ceded         31,583,217           Liability for projected pension benefits         10,700,245           Liability for projected pension benefits         10,700,245           Liability for projected pension benefits         6,015,926           Change in provision for reinsurance         <	Premiums in course of collection		14,652,757
Reinsurance recoverable         100,954           Receivables for retroactive reinsurance reserves assumed         19,070,429           Electronic data processing equipment, net of depreciation         31,840           TOTAL ASSETS         \$ 1,070,226,887           LIABILITIES AND POLICYHOLDER EQUITY         \$ 581,457,982           Loss reserves         \$ 581,457,982           Loss adjustment expense reserves         44,627,237           Commissions payable         10,528,129           Other expenses payable         4,971,808           Unearned premiums         73,597,241           Ceded reinsurance premiums payable         (986,628)           Funds withheld under reinsurance treaties         432,986           Amounts withheld or retained for others         11,753,996           Unallocated cash         759,775           Provision for reinsurance         3,000           Payable for securities         39,743,713           Retroactive reinsurance reserves assumed         71,514,032           Retroactive reinsurance reserves ceded         (28,012,860)           Funds withheld on retroactive reinsurance ceded         31,583,217           Liability for projected pension benefits         10,700,245           Liability for projected retiree health insurance         853,028,954	Premiums deferred and not yet due		39,447,923
Receivables for retroactive reinsurance reserves assumed Electronic data processing equipment, net of depreciation   31,840	Non-admitted premiums receivable		(5,059,639)
Electronic data processing equipment, net of depreciation  TOTAL ASSETS  \$ 1,070,226,887   LIABILITIES AND POLICYHOLDER EQUITY  Loss reserves \$ 581,457,982  Loss adjustment expense reserves 44,627,237  Commissions payable 0ther expenses payable 10,528,129  Other expenses 11,53,98  Other expenses	Reinsurance recoverable		100,954
LIABILITIES AND POLICYHOLDER EQUITY	Receivables for retroactive reinsurance reserves assumed		19,070,429
LIABILITIES AND POLICYHOLDER EQUITY         \$ 581,457,982           Loss reserves         44,627,237           Commissions payable         10,528,129           Other expenses payable         4,971,808           Unearned premiums         73,597,241           Ceded reinsurance premiums payable         (986,628)           Funds withheld under reinsurance treaties         432,986           Amounts withheld or retained for others         11,753,996           Unallocated cash         759,775           Provision for reinsurance         3,000           Payable for securities         39,743,713           Retroactive reinsurance reserves assumed         71,514,032           Retroactive reinsurance reserves ceded         (28,012,860)           Funds withheld on retroactive reinsurance ceded         31,583,217           Liability for projected pension benefits         10,700,245           Liability for projected retiree health insurance         355,081           TOTAL LIABILITIES         853,028,954           POLICYHOLDER EQUITY (beginning)         206,746,411           Net income / (loss)         13,426,157           Unrealized capital gain / (loss)         (6,015,926)           Change in provision for reinsurance         0           Change in projected pension benefits	Electronic data processing equipment, net of depreciation	_	31,840
Loss reserves         \$ 581,457,982           Loss adjustment expense reserves         44,627,237           Commissions payable         10,528,129           Other expenses payable         4,971,808           Unearned premiums         73,597,241           Ceded reinsurance premiums payable         (986,628)           Funds withheld under reinsurance treaties         432,986           Amounts withheld or retained for others         11,753,996           Unallocated cash         759,775           Provision for reinsurance         3,000           Payable for securities         39,743,713           Retroactive reinsurance reserves assumed         71,514,032           Retroactive reinsurance reserves ceded         (28,012,860)           Funds withheld on retroactive reinsurance ceded         31,583,217           Liability for projected pension benefits         10,700,245           Liability for projected retiree health insurance         355,081           TOTAL LIABILITIES         853,028,954           POLICYHOLDER EQUITY (beginning)         206,746,411           Net income / (loss)         13,426,157           Unrealized capital gain / (loss)         (6,015,926)           Change in provision for reinsurance         0           Change in projected pens	TOTAL ASSETS	\$ <u>_</u>	1,070,226,887
Loss reserves         \$ 581,457,982           Loss adjustment expense reserves         44,627,237           Commissions payable         10,528,129           Other expenses payable         4,971,808           Unearned premiums         73,597,241           Ceded reinsurance premiums payable         (986,628)           Funds withheld under reinsurance treaties         432,986           Amounts withheld or retained for others         11,753,996           Unallocated cash         759,775           Provision for reinsurance         3,000           Payable for securities         39,743,713           Retroactive reinsurance reserves assumed         71,514,032           Retroactive reinsurance reserves ceded         (28,012,860)           Funds withheld on retroactive reinsurance ceded         31,583,217           Liability for projected pension benefits         10,700,245           Liability for projected retiree health insurance         355,081           TOTAL LIABILITIES         853,028,954           POLICYHOLDER EQUITY (beginning)         206,746,411           Net income / (loss)         13,426,157           Unrealized capital gain / (loss)         (6,015,926)           Change in provision for reinsurance         0           Change in projected pens	LIABILITIES AND POLICYHOLDER EQUITY		
Loss adjustment expense reserves       44,627,237         Commissions payable       10,528,129         Other expenses payable       4,971,808         Unearned premiums       73,597,241         Ceded reinsurance premiums payable       (986,628)         Funds withheld under reinsurance treaties       432,986         Amounts withheld or retained for others       11,753,996         Unallocated cash       759,775         Provision for reinsurance       3,000         Payable for securities       39,743,713         Retroactive reinsurance reserves assumed       71,514,032         Retroactive reinsurance reserves ceded       (28,012,860)         Funds withheld on retroactive reinsurance ceded       31,583,217         Liability for projected pension benefits       10,700,245         Liability for projected retiree health insurance       355,081         TOTAL LIABILITIES       853,028,954         POLICYHOLDER EQUITY (beginning)       206,746,411         Net income / (loss)       13,426,157         Unrealized capital gain / (loss)       (6,015,926)         Change in provision for reinsurance       0         Change in projected pension benefits       2,201,454         Change in projected retiree health insurance       280,485         POL		\$	581,457,982
Commissions payable         10,528,129           Other expenses payable         4,971,808           Unearned premiums         73,597,241           Ceded reinsurance premiums payable         (986,628)           Funds withheld under reinsurance treaties         432,986           Amounts withheld or retained for others         11,753,996           Unallocated cash         759,775           Provision for reinsurance         3,000           Payable for securities         39,743,713           Retroactive reinsurance reserves assumed         71,514,032           Retroactive reinsurance reserves ceded         (28,012,860)           Funds withheld on retroactive reinsurance ceded         31,583,217           Liability for projected pension benefits         10,700,245           Liability for projected retiree health insurance         355,081           TOTAL LIABILITIES         853,028,954           POLICYHOLDER EQUITY (beginning)         206,746,411           Net income / (loss)         13,426,157           Unrealized capital gain / (loss)         (6,015,926)           Change in pron-admitted assets         559,352           Change in projected pension benefits         2,201,454           Change in projected retiree health insurance         280,485           POLICYHOLDER EQUITY		Ψ	
Other expenses payable         4,971,808           Unearned premiums         73,597,241           Ceded reinsurance premiums payable         (986,628)           Funds withheld under reinsurance treaties         432,986           Amounts withheld or retained for others         11,753,996           Unallocated cash         759,775           Provision for reinsurance         3,000           Payable for securities         39,743,713           Retroactive reinsurance reserves assumed         71,514,032           Retroactive reinsurance reserves ceded         (28,012,860)           Funds withheld on retroactive reinsurance ceded         31,583,217           Liability for projected pension benefits         10,700,245           Liability for projected retiree health insurance         355,081           TOTAL LIABILITIES         853,028,954           POLICYHOLDER EQUITY (beginning)         206,746,411           Net income / (loss)         13,426,157           Unrealized capital gain / (loss)         (6,015,926)           Change in non-admitted assets         559,352           Change in provision for reinsurance         0           Change in projected pension benefits         2,201,454           Change in projected retiree health insurance         280,485           POLICYHOLDER	·		
Unearned premiums         73,597,241           Ceded reinsurance premiums payable         (986,628)           Funds withheld under reinsurance treaties         432,986           Amounts withheld or retained for others         11,753,996           Unallocated cash         759,775           Provision for reinsurance         3,000           Payable for securities         39,743,713           Retroactive reinsurance reserves assumed         71,514,032           Retroactive reinsurance reserves ceded         (28,012,860)           Funds withheld on retroactive reinsurance ceded         31,583,217           Liability for projected pension benefits         10,700,245           Liability for projected retiree health insurance         355,081           TOTAL LIABILITIES         853,028,954           POLICYHOLDER EQUITY (beginning)         206,746,411           Net income / (loss)         13,426,157           Unrealized capital gain / (loss)         (6,015,926)           Change in non-admitted assets         559,352           Change in provision for reinsurance         0           Change in projected pension benefits         2,201,454           Change in projected retiree health insurance         280,485           POLICYHOLDER EQUITY (ending)         217,197,933	• •		
Ceded reinsurance premiums payable         (986,628)           Funds withheld under reinsurance treaties         432,986           Amounts withheld or retained for others         11,753,996           Unallocated cash         759,775           Provision for reinsurance         3,000           Payable for securities         39,743,713           Retroactive reinsurance reserves assumed         71,514,032           Retroactive reinsurance reserves ceded         (28,012,860)           Funds withheld on retroactive reinsurance ceded         31,583,217           Liability for projected pension benefits         10,700,245           Liability for projected retiree health insurance         355,081           TOTAL LIABILITIES         853,028,954           POLICYHOLDER EQUITY (beginning)         206,746,411           Net income / (loss)         13,426,157           Unrealized capital gain / (loss)         (6,015,926)           Change in non-admitted assets         559,352           Change in provision for reinsurance         0           Change in projected pension benefits         2,201,454           Change in projected retiree health insurance         280,485           POLICYHOLDER EQUITY (ending)         217,197,933	· · · · ·		
Funds withheld under reinsurance treaties Amounts withheld or retained for others Unallocated cash Frovision for reinsurance Payable for securities Retroactive reinsurance reserves assumed Retroactive reinsurance reserves ceded Funds withheld on retroactive reinsurance ceded Funds withheld on retroactive reinsurance ceded Liability for projected pension benefits Liability for projected retiree health insurance  TOTAL LIABILITIES  POLICYHOLDER EQUITY (beginning)  Net income / (loss) Unrealized capital gain / (loss) Change in provision for reinsurance Change in projected pension benefits Change in projected retiree health insurance  POLICYHOLDER EQUITY (ending)  POLICYHOLDER EQUITY (ending)  217,197,933	•		
Amounts withheld or retained for others Unallocated cash Top,775 Provision for reinsurance Retroactive reinsurance reserves assumed Funds withheld on retroactive reinsurance ceded Funds withheld on retroactive reinsurance Funds	· · · · · · · · · · · · · · · · · · ·		, ,
Unallocated cash Provision for reinsurance Payable for securities Retroactive reinsurance reserves assumed Retroactive reinsurance reserves ceded Retroactive reinsurance Retroactive reinsurance ceded Retroactive reinsurance ceded Retroactive reinsurance Retroactive r			
Provision for reinsurance 3,000 Payable for securities 39,743,713 Retroactive reinsurance reserves assumed 71,514,032 Retroactive reinsurance reserves ceded (28,012,860) Funds withheld on retroactive reinsurance ceded 31,583,217 Liability for projected pension benefits 10,700,245 Liability for projected retiree health insurance 355,081  TOTAL LIABILITIES 853,028,954  POLICYHOLDER EQUITY (beginning) 206,746,411  Net income / (loss) 13,426,157 Unrealized capital gain / (loss) (6,015,926) Change in non-admitted assets 559,352 Change in provision for reinsurance 0 Change in projected pension benefits 2,201,454 Change in projected retiree health insurance 280,485  POLICYHOLDER EQUITY (ending) 217,197,933			
Payable for securities  Retroactive reinsurance reserves assumed  Retroactive reinsurance reserves ceded  Retroactive reinsurance reserves ceded  Funds withheld on retroactive reinsurance  Standard Interval 10,700,245  Elability for projected retiree health insurance  Funds Washeld  Funds Was			
Retroactive reinsurance reserves assumed Retroactive reinsurance reserves ceded (28,012,860) Funds withheld on retroactive reinsurance ceded 31,583,217 Liability for projected pension benefits 10,700,245 Liability for projected retiree health insurance 355,081  TOTAL LIABILITIES 853,028,954  POLICYHOLDER EQUITY (beginning) 206,746,411  Net income / (loss) Unrealized capital gain / (loss) Change in non-admitted assets Change in provision for reinsurance 0 Change in projected pension benefits Change in projected retiree health insurance 280,485  POLICYHOLDER EQUITY (ending) 217,197,933			
Retroactive reinsurance reserves ceded Funds withheld on retroactive reinsurance ceded Tiability for projected pension benefits TOTAL LIABILITIES TOTAL LIAB	· · · · · · · · · · · · · · · · · · ·		
Funds withheld on retroactive reinsurance ceded Liability for projected pension benefits Liability for projected retiree health insurance  TOTAL LIABILITIES  853,028,954  POLICYHOLDER EQUITY (beginning)  Net income / (loss) Unrealized capital gain / (loss) Change in non-admitted assets Change in provision for reinsurance Change in projected pension benefits Change in projected retiree health insurance POLICYHOLDER EQUITY (ending)  235,081  206,746,411  206,746,411  206,746,411  206,746,411  206,746,411  207,197,933			
Liability for projected pension benefits Liability for projected retiree health insurance  TOTAL LIABILITIES  853,028,954  POLICYHOLDER EQUITY (beginning)  Net income / (loss) Unrealized capital gain / (loss) Change in non-admitted assets Change in provision for reinsurance Change in projected pension benefits Change in projected retiree health insurance POLICYHOLDER EQUITY (ending)  10,700,245 2355,081  10,700,245 206,746,411  13,426,157 (6,015,926) (6,015,926) 259,352 201,454 217,197,933	Funds withheld on retroactive reinsurance ceded		• • • • • • • • • • • • • • • • • • • •
Liability for projected retiree health insurance 355,081  TOTAL LIABILITIES 853,028,954  POLICYHOLDER EQUITY (beginning) 206,746,411  Net income / (loss) 13,426,157 Unrealized capital gain / (loss) (6,015,926) Change in non-admitted assets 559,352 Change in provision for reinsurance 0 Change in projected pension benefits 2,201,454 Change in projected retiree health insurance 280,485  POLICYHOLDER EQUITY (ending) 217,197,933	Liability for projected pension benefits		
POLICYHOLDER EQUITY (beginning)  Net income / (loss) Unrealized capital gain / (loss) Change in non-admitted assets Change in provision for reinsurance Change in projected pension benefits Change in projected retiree health insurance  POLICYHOLDER EQUITY (ending)  206,746,411  13,426,157 (6,015,926) (6,015,926) 259,352 201,454 2201,454 2201,454 230,485			355,081
Net income / (loss) 13,426,157 Unrealized capital gain / (loss) (6,015,926) Change in non-admitted assets 559,352 Change in provision for reinsurance 0 Change in projected pension benefits 2,201,454 Change in projected retiree health insurance 280,485  POLICYHOLDER EQUITY (ending) 217,197,933	TOTAL LIABILITIES	_	853,028,954
Unrealized capital gain / (loss) (6,015,926) Change in non-admitted assets 559,352 Change in provision for reinsurance 0 Change in projected pension benefits 2,201,454 Change in projected retiree health insurance 280,485  POLICYHOLDER EQUITY (ending) 217,197,933	POLICYHOLDER EQUITY (beginning)		206,746,411
Unrealized capital gain / (loss) (6,015,926) Change in non-admitted assets 559,352 Change in provision for reinsurance 0 Change in projected pension benefits 2,201,454 Change in projected retiree health insurance 280,485  POLICYHOLDER EQUITY (ending) 217,197,933	Net income / (loss)		13.426.157
Change in non-admitted assets Change in provision for reinsurance Change in projected pension benefits Change in projected retiree health insurance  POLICYHOLDER EQUITY (ending)  559,352  0  2,201,454  2,80,485	, ,		
Change in provision for reinsurance 0 Change in projected pension benefits 2,201,454 Change in projected retiree health insurance 280,485  POLICYHOLDER EQUITY (ending) 217,197,933	, , ,		
Change in projected pension benefits 2,201,454 Change in projected retiree health insurance 280,485  POLICYHOLDER EQUITY (ending) 217,197,933	· · · · · · · · · · · · · · · · · · ·		
Change in projected retiree health insurance 280,485  POLICYHOLDER EQUITY (ending) 217,197,933	· · ·		2.201.454
	· · · · · · · · · · · · · · · · · · ·		
TOTAL LIABILITIES AND POLICYHOLDER EQUITY \$ 1,070,226,887	POLICYHOLDER EQUITY (ending)	_	217,197,933
	TOTAL LIABILITIES AND POLICYHOLDER EQUITY	\$ <u></u>	1,070,226,887

#### KENTUCKY EMPLOYERS' MUTUAL INSURANCE AUTHORITY

#### Statement of Income

## for the nine months ended September 30, 2018

#### **Statutory Basis of Accounting**

Net premiums earned	\$ 116,500,719
Deductions	
Losses incurred	82,498,596
Loss expenses incurred	18,825,077
Underwriting expenses incurred	 24,616,241
Total deductions	125,939,914
Net underwriting gain / (loss)	(9,439,195)
Net investment income earned	18,511,382
Net realized investment gains / (losses)	6,850,897
Net periodic pension and postretirement benefit cost	(1,851,370)
Bad debts and other income / (expenses)	 (645,557)
NET INCOME / (LOSS)	\$ 13,426,157

## KENTUCKY EMPLOYERS' MUTUAL INSURANCE AUTHORITY

# **Statement of Solvency**

## for the nine months ended September 30, 2018

**Statutory Basis of Accounting** 

POLICYHOLDER EQUITY (beginning)	\$	206,746,411
Net income / (loss)		13,426,157
Unrealized capital gain / (loss)		(6,015,926)
(Increase) / decrease in non-admitted portion of furniture, fixtures, EDP equipment and software		32,601
(Increase) / decrease in uncollected premiums and agents' balances over 90 days past due		(297,860)
(Increase) / decrease in other non-admitted assets		824,611
Change in provision for reinsurance		0
Change in projected pension benefits		2,201,454
Change in projected retiree health insurance	_	280,485
POLICYHOLDER EQUITY (ending)	\$_	217,197,933