

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

ASSETS

Long-term bonds	\$ 825,135,589
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 **\$ 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 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**

TOTAL LIABILITIES AND POLICYHOLDER EQUITY **\$ 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	<u>125,939,914</u>
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)	<u>(645,557)</u>
NET INCOME / (LOSS)	\$ <u><u>13,426,157</u></u>

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	<u>280,485</u>
POLICYHOLDER EQUITY (ending)	<u><u>\$ 217,197,933</u></u>