

QUARTERLY STATEMENT

OF THE

KENTUCKY EMPLOYERS' MUTUAL INSURANCE AUTHORITY

Of

Lexington

in the

Commonwealth of Kentucky

to the

Commissioner of the Department of Insurance

of the

Commonwealth of Kentucky

For the Period Ended

September 30, 2019

2019



QUARTERLY STATEMENT

As of September 30, 2019
of the Condition and Affairs of the

KENTUCKY EMPLOYERS' MUTUAL INSURANCE AUTHORITY

NAIC Group Code..... 0, 0 <small>(Current Period) (Prior Period)</small>	NAIC Company Code..... 10320	Employer's ID Number..... 61-1275981
Organized under the Laws of KY	State of Domicile or Port of Entry KY	Country of Domicile US
Incorporated/Organized..... April 4, 1994	Commenced Business..... September 1, 1995	
Statutory Home Office	250 West Main Street, Suite 900 .. Lexington .. KY .. US .. 40507-1724 <small>(Street and Number) (City or Town, State, Country and Zip Code)</small>	
Main Administrative Office	250 West Main Street, Suite 900 .. Lexington .. KY .. US .. 40507-1724 <small>(Street and Number) (City or Town, State, Country and Zip Code)</small>	859-425-7800 <small>(Area Code) (Telephone Number)</small>
Mail Address	250 West Main Street, Suite 900 .. Lexington .. KY .. US .. 40507-1724 <small>(Street and Number or P. O. Box) (City or Town, State, Country and Zip Code)</small>	
Primary Location of Books and Records	250 West Main Street, Suite 900 .. Lexington .. KY .. US .. 40507-1724 <small>(Street and Number) (City or Town, State, Country and Zip Code)</small>	859-425-7800 <small>(Area Code) (Telephone Number)</small>
Internet Web Site Address	www.kemi.com	
Statutory Statement Contact	Jon Edward Stewart <small>(Name)</small> jstewart@kemi.com <small>(E-Mail Address)</small>	859-425-7800 <small>(Area Code) (Telephone Number) (Extension)</small> 859-425-7850 <small>(Fax Number)</small>

OFFICERS

Name	Title	Name	Title
1. Jon Edward Stewart	President & Chief Executive Officer	2. Mark David Bunning #	Vice President & Chief Financial Officer
3. Timothy Culver Feld	Vice President & General Counsel	4. Randy Todd Garland	Vice President & Chief Information Officer

OTHER

Jeremy Lynn Terry #	Vice President Policyholder Services	Mary Churchill Colvin	Vice President Claims Services
Elizabeth Angela Paul #	Vice President Strategy, Innovation & Marketing		

DIRECTORS OR TRUSTEES

Lisa Shearer Clark	David Allen Dickerson	Brian Thomas Evans Jr	John Russell Farris
Rebecca Ann Johnson Hedgspeth	Joseph John Koester	William Manton Landrum III	Timothy Stanley Mauntel
Thomas Barrow Stephens	Brandon Nathaniel Voelker		

State of..... Kentucky
County of..... Fayette

The officers of this reporting entity being duly sworn, each depose and say that they are the described officers of said reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from any liens or claims thereon, except as herein stated, and that this statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to, is a full and true statement of all the assets and liabilities and of the condition and affairs of the said reporting entity as of the reporting period stated above, and of its income and deductions therefrom for the period ended, and have been completed in accordance with the NAIC *Annual Statement Instructions and Accounting Practices and Procedures* manual except to the extent that: (1) state law may differ; or, (2) that state rules or regulations require differences in reporting not related to accounting practices and procedures, according to the best of their information, knowledge and belief, respectively. Furthermore, the scope of this attestation by the described officers also includes the related corresponding electronic filing with the NAIC, when required, that is an exact copy (except for formatting differences due to electronic filing) of the enclosed statement. The electronic filing may be requested by various regulators in lieu of or in addition to the enclosed statement.

_____ (Signature) Jon Edward Stewart 1. (Printed Name) President & Chief Executive Officer _____ (Title)	_____ (Signature) Mark David Bunning 2. (Printed Name) Vice President & Chief Financial Officer _____ (Title)	_____ (Signature) Timothy Culver Feld 3. (Printed Name) Vice President & General Counsel _____ (Title)
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Subscribed and sworn to before me
This _____ day of _____

a. Is this an original filing? Yes [X] No []
b. If no: 1. State the amendment number _____
2. Date filed _____
3. Number of pages attached _____

Statement for September 30, 2019 of the **KENTUCKY EMPLOYERS' MUTUAL INSURANCE AUTHORITY**
ASSETS

	Current Statement Date			4 December 31 Prior Year Net Admitted Assets
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	
1. Bonds.....	893,882,994		893,882,994	838,021,650
2. Stocks:				
2.1 Preferred stocks.....			0	
2.2 Common stocks.....	85,505,483		85,505,483	70,699,997
3. Mortgage loans on real estate:				
3.1 First liens.....			0	
3.2 Other than first liens.....			0	
4. Real estate:				
4.1 Properties occupied by the company (less \$.....0 encumbrances).....	5,020,818		5,020,818	5,020,818
4.2 Properties held for the production of income (less \$.....0 encumbrances).....			0	
4.3 Properties held for sale (less \$.....0 encumbrances).....			0	
5. Cash (\$.....11,689,191), cash equivalents (\$.....17,474,202) and short-term investments (\$.....0).....	29,163,393		29,163,393	35,224,679
6. Contract loans (including \$.....0 premium notes).....			0	
7. Derivatives.....			0	
8. Other invested assets.....	13,116,386		13,116,386	13,082,901
9. Receivables for securities.....	109,400		109,400	
10. Securities lending reinvested collateral assets.....			0	
11. Aggregate write-ins for invested assets.....	0	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11).....	1,026,798,474	0	1,026,798,474	962,050,045
13. Title plants less \$.....0 charged off (for Title insurers only).....			0	
14. Investment income due and accrued.....	6,773,904		6,773,904	6,309,754
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection.....	19,988,604	5,169,620	14,818,984	12,652,243
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$.....3,885,942 earned but unbilled premiums).....	34,968,144	516,996	34,451,148	46,897,826
15.3 Accrued retrospective premiums (\$.....0) and contracts subject to redetermination (\$.....0).....			0	
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers.....	79,178		79,178	56,225
16.2 Funds held by or deposited with reinsured companies.....	750,000		750,000	
16.3 Other amounts receivable under reinsurance contracts.....			0	
17. Amounts receivable relating to uninsured plans.....			0	
18.1 Current federal and foreign income tax recoverable and interest thereon.....			0	
18.2 Net deferred tax asset.....			0	
19. Guaranty funds receivable or on deposit.....			0	
20. Electronic data processing equipment and software.....	127,439	37,888	89,551	19,142
21. Furniture and equipment, including health care delivery assets (\$.....0).....	10,629	10,629	0	
22. Net adjustment in assets and liabilities due to foreign exchange rates.....			0	
23. Receivables from parent, subsidiaries and affiliates.....			0	
24. Health care (\$.....0) and other amounts receivable.....	429,921	429,921	0	
25. Aggregate write-ins for other than invested assets.....	14,858,388	9,781,526	5,076,862	15,051,836
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 through 25).....	1,104,784,681	15,946,580	1,088,838,101	1,043,037,071
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			0	
28. Total (Lines 26 and 27).....	1,104,784,681	15,946,580	1,088,838,101	1,043,037,071

DETAILS OF WRITE-INS

1101.....			0	
1102.....			0	
1103.....			0	
1198. Summary of remaining write-ins for Line 11 from overflow page.....	0	0	0	0
1199. Totals (Lines 1101 thru 1103 plus 1198) (Line 11 above).....	0	0	0	0
2501. Receivables for Retroactive Reinsurance Reserves Assumed.....	5,076,862		5,076,862	15,051,836
2502. Prepaid Pension Benefits.....	7,829,121	7,829,121	0	
2503. Prepaid Retiree Health Insurance.....	1,904,943	1,904,943	0	
2598. Summary of remaining write-ins for Line 25 from overflow page.....	47,462	47,462	0	0
2599. Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above).....	14,858,388	9,781,526	5,076,862	15,051,836

Statement for September 30, 2019 of the **KENTUCKY EMPLOYERS' MUTUAL INSURANCE AUTHORITY**
LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Statement Date	2 December 31 Prior Year
1. Losses (current accident year \$.....67,845,703).....	609,724,670	584,639,044
2. Reinsurance payable on paid losses and loss adjustment expenses.....		
3. Loss adjustment expenses.....	52,520,484	48,643,467
4. Commissions payable, contingent commissions and other similar charges.....	11,567,890	12,699,833
5. Other expenses (excluding taxes, licenses and fees).....	4,368,583	5,156,920
6. Taxes, licenses and fees (excluding federal and foreign income taxes).....		
7.1 Current federal and foreign income taxes (including \$.....0 on realized capital gains (losses)).....		
7.2 Net deferred tax liability.....		
8. Borrowed money \$.....0 and interest thereon \$.....0.....		
9. Unearned premiums (after deducting unearned premiums for ceded reinsurance of \$.....59,312 and including warranty reserves of \$.....0 and accrued accident and health experience rating refunds including \$.....0 for medical loss ratio rebate per the Public Health Service Act).....	70,851,925	74,838,627
10. Advance premium.....		
11. Dividends declared and unpaid:		
11.1 Stockholders.....		
11.2 Policyholders.....		
12. Ceded reinsurance premiums payable (net of ceding commissions).....	(496,008)	192,229
13. Funds held by company under reinsurance treaties.....	650,659	866,624
14. Amounts withheld or retained by company for account of others.....	9,835,927	13,381,070
15. Remittances and items not allocated.....	781,235	817,173
16. Provision for reinsurance (including \$.....0 certified).....		
17. Net adjustments in assets and liabilities due to foreign exchange rates.....		
18. Drafts outstanding.....		
19. Payable to parent, subsidiaries and affiliates.....		
20. Derivatives.....		
21. Payable for securities.....	750,000	500,000
22. Payable for securities lending.....		
23. Liability for amounts held under uninsured plans.....		
24. Capital notes \$.....0 and interest thereon \$.....0.....		
25. Aggregate write-ins for liabilities.....	78,697,544	85,499,165
26. Total liabilities excluding protected cell liabilities (Lines 1 through 25).....	839,252,909	827,234,152
27. Protected cell liabilities.....		
28. Total liabilities (Lines 26 and 27).....	839,252,909	827,234,152
29. Aggregate write-ins for special surplus funds.....	0	0
30. Common capital stock.....		
31. Preferred capital stock.....		
32. Aggregate write-ins for other than special surplus funds.....	0	0
33. Surplus notes.....		
34. Gross paid in and contributed surplus.....		
35. Unassigned funds (surplus).....	249,585,192	215,802,919
36. Less treasury stock, at cost:		
36.1 .....0.000 shares common (value included in Line 30 \$.....0).....		
36.2 .....0.000 shares preferred (value included in Line 31 \$.....0).....		
37. Surplus as regards policyholders (Lines 29 to 35, less 36).....	249,585,192	215,802,919
38. Totals (Page 2, Line 28, Col. 3).....	1,088,838,101	1,043,037,071

DETAILS OF WRITE-INS

2501. Retroactive Reinsurance Reserves Assumed.....	65,289,488	70,734,602
2502. Retroactive Reinsurance Reserve Ceded.....	(30,135,394)	(14,115,842)
2503. Funds Withheld on Retroactive Reinsurance Ceded.....	35,091,266	18,028,065
2598. Summary of remaining write-ins for Line 25 from overflow page.....	8,452,184	10,852,340
2599. Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above).....	78,697,544	85,499,165
2901.		
2902.		
2903.		
2998. Summary of remaining write-ins for Line 29 from overflow page.....	0	0
2999. Totals (Lines 2901 thru 2903 plus 2998) (Line 29 above).....	0	0
3201.		
3202.		
3203.		
3298. Summary of remaining write-ins for Line 32 from overflow page.....	0	0
3299. Totals (Lines 3201 thru 3203 plus 3298) (Line 32 above).....	0	0

Statement for September 30, 2019 of the **KENTUCKY EMPLOYERS' MUTUAL INSURANCE AUTHORITY**
STATEMENT OF INCOME

	1 Current Year to Date	2 Prior Year to Date	3 Prior Year Ended December 31
UNDERWRITING INCOME			
1. Premiums earned:			
1.1 Direct..... (written \$....121,422,660).....	125,702,916	118,063,212	159,779,512
1.2 Assumed..... (written \$....1,489,169).....	2,175,647	2,202,555	3,058,135
1.3 Ceded..... (written \$....3,836,216).....	4,322,034	3,765,048	5,085,545
1.4 Net..... (written \$....119,075,613).....	123,556,529	116,500,719	157,752,102
DEDUCTIONS:			
2. Losses incurred (current accident year \$....79,742,755):			
2.1 Direct.....	82,160,587	84,315,084	103,488,146
2.2 Assumed.....	1,224,435	594,355	642,988
2.3 Ceded.....	940,944	2,410,843	2,079,575
2.4 Net.....	82,444,978	82,498,596	102,051,559
3. Loss adjustment expenses incurred.....	20,532,941	18,825,077	28,297,970
4. Other underwriting expenses incurred.....	22,918,418	24,616,241	34,143,952
5. Aggregate write-ins for underwriting deductions.....	0	0	0
6. Total underwriting deductions (Lines 2 through 5).....	125,895,437	125,939,914	164,493,481
7. Net income of protected cells.....			
8. Net underwriting gain (loss) (Line 1 minus Line 6 + Line 7).....	(2,338,908)	(9,439,195)	(6,741,379)
INVESTMENT INCOME			
9. Net investment income earned.....	20,610,684	18,511,382	25,058,082
10. Net realized capital gains (losses) less capital gains tax of \$.....0.....	3,467,713	6,850,897	5,806,415
11. Net investment gain (loss) (Lines 9 + 10).....	24,078,397	25,362,279	30,864,497
OTHER INCOME			
12. Net gain or (loss) from agents' or premium balances charged off (amount recovered \$....53,706 amount charged off \$....1,600,521).....	(1,546,815)	(646,877)	(832,184)
13. Finance and service charges not included in premiums.....	1,220	1,320	1,660
14. Aggregate write-ins for miscellaneous income.....	(2,094,443)	(1,851,370)	(2,485,223)
15. Total other income (Lines 12 through 14).....	(3,640,038)	(2,496,927)	(3,315,747)
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15).....	18,099,451	13,426,157	20,807,371
17. Dividends to policyholders.....			
18. Net income, after dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Line 16 minus Line 17).....	18,099,451	13,426,157	20,807,371
19. Federal and foreign income taxes incurred.....			
20. Net income (Line 18 minus Line 19) (to Line 22).....	18,099,451	13,426,157	20,807,371
CAPITAL AND SURPLUS ACCOUNT			
21. Surplus as regards policyholders, December 31 prior year.....	215,802,919	206,746,411	206,746,411
22. Net income (from Line 20).....	18,099,451	13,426,157	20,807,371
23. Net transfers (to) from Protected Cell accounts.....			
24. Change in net unrealized capital gains or (losses) less capital gains tax of \$.....0.....	11,210,976	(6,015,926)	(14,693,870)
25. Change in net unrealized foreign exchange capital gain (loss).....			
26. Change in net deferred income tax.....			
27. Change in nonadmitted assets.....	2,071,690	559,352	255,082
28. Change in provision for reinsurance.....			3,000
29. Change in surplus notes.....			
30. Surplus (contributed to) withdrawn from protected cells.....			
31. Cumulative effect of changes in accounting principles.....			
32. Capital changes:			
32.1 Paid in.....			
32.2 Transferred from surplus (Stock Dividend).....			
32.3 Transferred to surplus.....			
33. Surplus adjustments:			
33.1 Paid in.....			
33.2 Transferred to capital (Stock Dividend).....			
33.3 Transferred from capital.....			
34. Net remittances from or (to) Home Office.....			
35. Dividends to stockholders.....			
36. Change in treasury stock.....			
37. Aggregate write-ins for gains and losses in surplus.....	2,400,156	2,481,939	2,684,925
38. Change in surplus as regards policyholders (Lines 22 through 37).....	33,782,273	10,451,522	9,056,508
39. Surplus as regards policyholders, as of statement date (Lines 21 plus 38).....	249,585,192	217,197,933	215,802,919

DETAILS OF WRITE-INS

0501.			
0502.			
0503.			
0598. Summary of remaining write-ins for Line 5 from overflow page.....	0	0	0
0599. Totals (Lines 0501 thru 0503 plus 0598) (Line 5 above).....	0	0	0
1401. Net Periodic Pension Cost.....	(1,985,462)	(1,679,587)	(2,264,179)
1402. Net Periodic Retiree Health Insurance Cost.....	(108,981)	(171,783)	(221,044)
1403.			
1498. Summary of remaining write-ins for Line 14 from overflow page.....	0	0	0
1499. Totals (Lines 1401 thru 1403 plus 1498) (Line 14 above).....	(2,094,443)	(1,851,370)	(2,485,223)
3701. Change in Projected Pension Benefits.....	2,201,454	2,201,454	2,248,061
3702. Change in Projected Retiree Health Insurance.....	198,702	280,485	436,864
3703.			
3798. Summary of remaining write-ins for Line 37 from overflow page.....	0	0	0
3799. Totals (Lines 3701 thru 3703 plus 3798) (Line 37 above).....	2,400,156	2,481,939	2,684,925

Statement for September 30, 2019 of the **KENTUCKY EMPLOYERS' MUTUAL INSURANCE AUTHORITY**
CASH FLOW

	1 Current Year to Date	2 Prior Year To Date	3 Prior Year Ended December 31
CASH FROM OPERATIONS			
1. Premiums collected net of reinsurance.....	128,469,668	118,051,398	151,278,876
2. Net investment income.....	23,432,388	20,554,046	26,769,821
3. Miscellaneous income.....	(3,640,038)	(2,496,927)	(3,315,747)
4. Total (Lines 1 through 3).....	148,262,018	136,108,517	174,732,950
5. Benefit and loss related payments.....	58,131,404	59,389,208	75,716,381
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			
7. Commissions, expenses paid and aggregate write-ins for deductions.....	41,501,615	43,174,132	55,788,960
8. Dividends paid to policyholders.....			
9. Federal and foreign income taxes paid (recovered) net of \$.....0 tax on capital gains (losses).....			
10. Total (Lines 5 through 9).....	99,633,019	102,563,340	131,505,341
11. Net cash from operations (Line 4 minus Line 10).....	48,628,999	33,545,177	43,227,609
CASH FROM INVESTMENTS			
12. Proceeds from investments sold, matured or repaid:			
12.1 Bonds.....	158,577,427	142,351,337	227,601,389
12.2 Stocks.....	23,461,534	60,336,430	67,043,915
12.3 Mortgage loans.....			
12.4 Real estate.....			
12.5 Other invested assets.....			
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments.....			
12.7 Miscellaneous proceeds.....	250,000	39,743,713	500,000
12.8 Total investment proceeds (Lines 12.1 to 12.7).....	182,288,961	242,431,480	295,145,304
13. Cost of investments acquired (long-term only):			
13.1 Bonds.....	213,776,621	166,193,412	267,456,203
13.2 Stocks.....	25,783,828	68,883,248	81,601,731
13.3 Mortgage loans.....			
13.4 Real estate.....			
13.5 Other invested assets.....	33,485	3,405,211	3,847,603
13.6 Miscellaneous applications.....	109,400	10,020,107	
13.7 Total investments acquired (Lines 13.1 to 13.6).....	239,703,334	248,501,978	352,905,537
14. Net increase or (decrease) in contract loans and premium notes.....			
15. Net cash from investments (Line 12.8 minus Line 13.7 and Line 14).....	(57,414,373)	(6,070,498)	(57,760,233)
CASH FROM FINANCING AND MISCELLANEOUS SOURCES			
16. Cash provided (applied):			
16.1 Surplus notes, capital notes.....			
16.2 Capital and paid in surplus, less treasury stock.....			
16.3 Borrowed funds.....			
16.4 Net deposits on deposit-type contracts and other insurance liabilities.....			
16.5 Dividends to stockholders.....			
16.6 Other cash provided (applied).....	2,724,088	11,911,988	16,884,356
17. Net cash from financing and miscellaneous sources (Lines 16.1 through 16.4 minus Line 16.5 plus Line 16.6).....	2,724,088	11,911,988	16,884,356
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS			
18. Net change in cash, cash equivalents and short-term investments (Line 11 plus Line 15 plus Line 17).....	(6,061,286)	39,386,667	2,351,732
19. Cash, cash equivalents and short-term investments:			
19.1 Beginning of year.....	35,224,679	32,872,947	32,872,947
19.2 End of period (Line 18 plus Line 19.1).....	29,163,393	72,259,614	35,224,679

Note: Supplemental disclosures of cash flow information for non-cash transactions:

20.0001			
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NOTES TO FINANCIAL STATEMENTS**Note 1 - Summary of Significant Accounting Policies and Going Concern****A. Accounting Practices, Impact of NAIC/State Differences**

The accompanying financial statements of Kentucky Employers' Mutual Insurance Authority (KEMI) have been prepared on the basis of accounting practices prescribed or permitted by the Department of Insurance of the Commonwealth of Kentucky. The Commonwealth of Kentucky requires insurance companies domiciled in the state to prepare their statutory basis financial statements in accordance with the National Association of Insurance Commissioners Accounting Practices and Procedures Manual (NAIC SAP), subject to any deviations prescribed or permitted by the Department of Insurance of the Commonwealth of Kentucky. KEMI employs no accounting practices that depart from NAIC SAP. Further, there have been no significant changes to KEMI's accounting policies during the year.

Net Income	SSAP #	F/S Page #	F/S Line #	Year to Date 2019	December 31, 2018
Net income, state basis	xxx	xxx	xxx	\$ 18,099,451	\$ 20,807,371
State prescribed practices that increase/(decrease) NAIC SAP				0	0
State permitted practices that increase/(decrease) NAIC SAP				0	0
Net income, NAIC SAP basis				\$ 18,099,451	\$ 20,807,371

Policyholder Surplus	SSAP #	F/S Page #	F/S Line #	Year to Date 2019	December 31, 2018
Policyholder surplus, state basis	xxx	xxx	xxx	\$ 249,585,192	\$ 215,802,919
State prescribed practices that increase/(decrease) NAIC SAP				0	0
State permitted practices that increase/(decrease) NAIC SAP				0	0
Policyholder surplus, NAIC SAP basis				\$ 249,585,192	\$ 215,802,919

B. Use of Estimates in the Preparation of the Financial Statements

No significant changes during the year.

C. Accounting Policies

- Investment grade bonds not backed by other loans are stated at amortized cost using the interest method. Non-investment grade bonds with NAIC designations of 3 through 6, if any, are stated at the lower of amortized cost or fair value.
- U.S. government agency loan-backed and structured securities are stated at amortized cost. Other loan-backed and structured securities are stated at either amortized cost or fair value based on a number of factors, including: the type of underlying collateral, whether modeled by an NAIC vendor, whether rated (by either an NAIC approved rating organization or the NAIC Securities Valuation Office), and the relationship of amortized cost to par value and amortized cost to fair value.

D. Going Concern

Based upon its evaluation of relevant conditions and events, management has no concerns about KEMI's ability to continue as a going concern.

Note 2 - Accounting Changes and Corrections of Errors

Not applicable.

Note 3 - Business Combinations and Goodwill

Not applicable.

Note 4 - Discontinued Operations

Not applicable.

Note 5 - Investments**A. Mortgage Loans, Including Mezzanine Real Estate Loans**

Not applicable.

B. Troubled Debt Restructuring for Creditors

Not applicable.

C. Reverse Mortgages

Not applicable.

D. Loan-Backed and Structured Securities

- For fixed-rate agency mortgage-backed securities, KEMI's investment managers calculate prepayment speeds utilizing Mortgage Industry Advisory Corporation (MIAC) Mortgage Industry Medians (MIMs). MIMs are derived from a semi-monthly dealer consensus survey of long-term prepayment projections. For other mortgage-backed, loan-backed, and structured securities, KEMI's investment managers use prepayment assumptions from Moody's Analytics. Moody's applies a flat economic credit model and utilizes a vector of multiple monthly speeds as opposed to a single speed for more robust projections. In instances where Moody's projections are not available, KEMI's investment managers use data from Reuters, which utilizes the median prepayment speed from contributors' models. Cash flows are reported to KEMI on a monthly basis.
3. KEMI had no loan-backed securities with a recognized other-than-temporary impairment during the year.
- As part of its investment strategy KEMI holds investments in loan-backed securities and, therefore, KEMI has subprime risk exposure related to these investments. These securities subject KEMI to unrealized gains and losses due to changes in asset values; future sales could result in realized losses and a reduction of future cash flows. As of quarter end, none of KEMI's loan-backed securities were considered subprime. KEMI mitigates its subprime risk by adhering to conservative investment strategies and by actively monitoring investment performance.

NOTES TO FINANCIAL STATEMENTS

Loan-backed securities in unrealized loss positions as of quarter end, stratified based on the length of time continuously in these unrealized loss positions, were as follows:

Description	Amount
a. Aggregate amount of unrealized loss:	
1. Less than twelve months	\$ 460,279
2. Twelve months or longer	<u>165,396</u>
3. Total	\$ 625,675
b. Aggregate fair value of securities with unrealized loss:	
1. Less than twelve months	\$ 60,978,827
2. Twelve months or longer	<u>32,369,341</u>
3. Total	\$ 93,348,168

5. A number of factors are considered in determining whether or not there is an other-than-temporary impairment on an investment including, but not limited to, debt burden, credit ratings, sector, liquidity, financial flexibility, company management, expected earnings, cash flow stream, and economic prospects associated with the investment. All investments in an unrealized loss position are considered. As the magnitude of the loss increases, so does the degree of analysis in determining if an other-than-temporary impairment exists.

E. Dollar Repurchase Agreements and/or Securities Lending Transactions

Not applicable.

F. Repurchase Agreements Accounted for as Secured Borrowings

Not applicable.

G. Reverse Repurchase Agreements Accounted for as Secured Borrowings

Not applicable.

H. Repurchase Agreements Accounted for as a Sale

Not applicable.

I. Reverse Repurchase Agreements Accounted for as a Sale

Not applicable.

J. Impairments of Real Estate, Real Estate Sales, Retail Land Sales Operations and Real Estate with Participating Loan Features

Not applicable.

K. Low Income Housing Tax Credits

Not applicable.

L. Restricted Assets

No significant changes during the year.

M. Working Capital Finance Investments

Not applicable.

N. Offsetting and Netting of Assets and Liabilities

Not applicable.

O. Structured Notes

Not applicable.

P. 5GI Securities

Not applicable.

Q. Short Sales

Not applicable.

R. Prepayment Penalty and Acceleration Fees

No significant changes during the year.

Note 6 - Joint Ventures, Partnerships and Limited Liability Companies**A. Greater than 10% of Admitted Assets**

KEMI has no investments in joint ventures, partnerships or limited liability companies that exceed 10% of admitted assets.

B. Impairment Writedowns

None.

Note 7 - Investment Income

No significant changes during the year.

Note 8 - Derivative Instruments

Not applicable.

NOTES TO FINANCIAL STATEMENTS**Note 9 - Income Taxes**

Not applicable; KEMI is a tax exempt entity under section 501(c)(27) of the Internal Revenue Code.

Note 10 - Information Concerning Parent, Subsidiaries, Affiliates and Other Related Parties

Not applicable.

Note 11 - Debt and Capital Notes**A. Terms, Payments and Carrying Values of Debt and Capital Notes**

Not applicable.

B. Federal Home Loan Bank (FHLB) Agreements

1. KEMI is a member of the Federal Home Loan Bank (FHLB) of Cincinnati. Through its membership, KEMI may engage in borrowing activities with the FHLB. The strategy behind purchasing FHLB capital stock was to gain backup liquidity and to provide an option for securing letters of credit at rates lower than those offered by other commercial lenders. To date, KEMI has obtained no debt or letters of credit through FHLB.

2. FHLB Capital Stock

a) KEMI's FHLB capital stock position is summarized as follows:

September 30, 2019	1 Total (2+3)	2 General Account	3 Protected Cells
(a) Membership stock - Class A	\$ 0	\$ 0	\$ 0
(b) Membership stock - Class B	1,668,859	1,668,859	0
(c) Activity stock	0	0	0
(d) Excess stock	<u>41</u>	<u>41</u>	<u>0</u>
(e) Aggregate total	\$ 1,668,900	\$ 1,668,900	\$ 0
(f) Actual or estimated borrowing capacity	\$ 2,035		

December 31, 2018	1 Total (2+3)	2 General Account	3 Protected Cells
(a) Membership stock - Class A	\$ 0	\$ 0	\$ 0
(b) Membership stock - Class B	1,192,768	1,192,768	0
(c) Activity stock	0	0	0
(d) Excess stock	<u>68,332</u>	<u>68,332</u>	<u>0</u>
(e) Aggregate total	\$ 1,261,100	\$ 1,261,100	\$ 0
(f) Actual or estimated borrowing capacity	\$ 3,416,620		

b) KEMI has no FHLB membership stock eligible for redemption.

3. KEMI has no collateral pledged to FHLB.

4. KEMI has had no borrowings from FHLB to date.

Note 12 - Retirement Plans, Deferred Compensation, Postemployment Benefits and Compensated Absences and Other Postretirement Benefit Plans**A. Defined Benefit Pension and Postretirement Benefit Plans**

Prior to July 1, 2016, all full-time KEMI employees were enrolled in a mandatory defined benefit pension plan regulated by Kentucky Retirement Systems (KRS). KEMI voluntarily ceased participation in KRS effective June 30, 2016.

Effective July 1, 2016, KEMI established a contributory 401(a) defined benefit pension plan for which it is the plan sponsor. The plan provides pension benefits and a partial subsidy of retiree health insurance premiums for eligible KEMI employees who have chosen to participate in the plan. Benefit amounts are determined based on retirement age, salary history, participation date and years of service. Participating employees are required to contribute 6% of their salary to the defined benefit pension plan; KEMI contributes 20% of eligible salaries to the plan. KEMI also contributes \$12,000 per pay period to the retiree health insurance plan. Employer contribution rates are evaluated as deemed necessary to ensure the financial soundness of the plan.

KEMI's financial statements reflect the actuarially determined liabilities, nonadmitted assets and net periodic costs of the defined benefit pension plan and the retiree health insurance plan. Net periodic benefit costs related to these plans are as follows:

		Year to Date 2019	December 31, 2018	Year to Date 2019	December 31, 2018	Year to Date 2019	December 31, 2018
(4)	Components of net periodic benefit cost	Pension Benefits		Postretirement Benefits		Special or Contractual Benefits per SSAP No. 11	
a.	Service cost	\$ 578,596	\$ 1,247,943	\$ 172,391	\$ 289,305	\$ 0	\$ 0
b.	Interest cost	955,087	1,071,976	126,731	159,234		
c.	Expected return on plan assets	(801,692)	(940,690)	(147,845)	(194,150)		
d.	Amortization of unrecognized transition obligation or asset	0	0	0	0		
e.	Recognized gains and losses	0	0	0	(95,325)		
f.	Prior service cost recognized	2,201,453	2,935,272	185,704	373,980		
g.	Gain or loss recognized due to settlement or curtailment	0	0	0	0		
h.	Total net periodic benefit cost	\$ 2,933,444	\$ 4,314,501	\$ 336,981	\$ 533,044	\$ 0	\$ 0

NOTES TO FINANCIAL STATEMENTS

B. Pension and Postretirement Benefit Plan Investment Strategies

No significant changes during the year.

C, D. Fair Value Measurements of Plan Assets and Rate of Return Assumptions

No significant changes during the year.

E. Defined Contribution Plans

Prior to July 1, 2016, KEMI employees could elect to participate in a defined contribution plan regulated by the Kentucky Public Employees Deferred Compensation Authority (KDC). KEMI voluntarily ceased participation in KDC effective June 30, 2016.

Effective July 1, 2016, KEMI established a 401(a) defined contribution plan for which it is the plan sponsor. Participation in the plan is not mandatory; however, employees who elect to participate are required to contribute 6% of their salary to the plan. Employees who have chosen to participate in the 401(a) defined benefit pension plan (see Note 12A) are not eligible to participate in the 401(a) defined contribution plan except to the extent of matching employer funds on their 457(b) elective deferrals, as described later in this paragraph. KEMI provides matching funds of 6% to the 401(a) defined contribution plan for participants hired on or after July 1, 2016; an enhanced match is provided for participants hired prior to July 1, 2016 who were previously members of KRS (see Note 12A). KEMI also established a 457(b) plan effective July 1, 2016 for which it is the plan sponsor and to which employees may elect to contribute additional elective deferrals. Employees hired prior to July 1, 2016 are eligible to receive matching employer funds of 50% of their elective deferrals, up to a maximum match of 3%. Employees hired on or after July 1, 2016 may contribute elective deferrals to the 457(b) plan, but are not eligible to receive matching employer funds. Participants are fully vested after 60 months of service.

F. Multiemployer Plans

Not applicable.

G. Consolidated / Holding Company Plans

Not applicable.

H. Postemployment Benefits and Compensated Absences

No significant changes during the year.

I. Impact of Medicare Modernization Act on Postretirement Benefits

Not applicable.

Note 13 - Capital and Surplus, Dividend Restrictions and Quasi-Reorganizations

No significant changes during the year.

Note 14 - Liabilities, Contingencies and Assessments

A. Contingent Commitments

Pursuant to its investment in ElmTree U.S. Net Lease Fund III, L.P., KEMI committed to a total subscription of \$20 million, of which \$13,116,386 has been called. The outstanding balance of the subscription was \$6,883,614 as of quarter end.

B. Guaranty Fund and Other Assessments

Not applicable.

C. Gain Contingencies

Not applicable.

D. Claims Related Extra Contractual Obligation and Bad Faith Losses Stemming from Lawsuits

Not applicable.

E. Product Warranties

Not applicable.

F. Joint and Several Liabilities

Not applicable.

G. All Other Contingencies

No significant changes during the year.

Note 15 - Leases

A. Lessee Leasing Arrangements

No significant changes during the year.

B. Lessor Leasing Arrangements

Not applicable.

Note 16 - Information About Financial Instruments With Off-Balance-Sheet Risk and Financial Instruments With Concentrations of Credit Risk

Not applicable.

Note 17 - Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities

Not applicable.

NOTES TO FINANCIAL STATEMENTS**Note 18 - Gain or Loss to the Reporting Entity from Uninsured Plans and the Uninsured Portion of Partially Insured Plans**

Not applicable.

Note 19 - Direct Premiums Written / Produced by Managing General Agents / Third Party Administrators

Not applicable.

Note 20 - Fair Value Measurements**A. Inputs and Valuation Techniques Used for Assets and Liabilities Measured and Reported at Fair Value**

1. Fair Value Measurements at Reporting Date

Assets and liabilities that are carried at fair value on the balance sheet are categorized into a three-level fair value hierarchy as reflected in the table below. The three-level fair value hierarchy is based on the degree of subjectivity inherent in the valuation method by which fair value was determined. Following is a brief description of the valuation inputs used to establish fair value for each level.

Level 1 - Quoted Prices in Active Markets for Identical Assets and Liabilities: Valuations for this category are based on unadjusted quoted prices in active markets for identical assets that KEMI's pricing sources have the ability to access. Since the valuations are based on quoted prices that are readily and regularly available in an active market, valuation of these securities does not entail a significant amount or degree of judgment.

Level 2 - Significant Other Observable Inputs: Valuations for this category are based on quoted prices for similar assets in active markets, quoted prices for identical or similar assets in inactive markets, or models where the significant inputs are observable (e.g., interest rates, yield curves, prepayment speeds, default rates, loss severities) or can be corroborated by observable market data.

Level 3 - Significant Unobservable Inputs: Valuations for this category are derived from techniques in which one or more of the significant inputs are unobservable, including broker quotes which are non-binding.

The table below reflects the fair values of all admitted assets and liabilities that are carried at fair value on the balance sheet, categorized into the three-level fair value hierarchy.

Description	Level 1	Level 2	Level 3	Total
Assets Measured and Reported at Fair Value:				
Long-term bonds	\$ 0	\$ 9,416,766	\$ 0	\$ 9,416,766
Common stocks	85,505,483	0	0	85,505,483
Cash	11,689,191	0	0	11,689,191
Cash equivalents	17,474,202	0	0	17,474,202
Total	\$ 114,668,876	\$ 9,416,766	\$ 0	\$ 124,085,642

2. Rollforward of Items in Level 3 of the Fair Value Hierarchy

KEMI had no assets or liabilities carried at fair value and categorized within Level 3 during the year.

3. Policy Regarding Transfers Into and Out of Level 3 of the Fair Value Hierarchy

At the end of each reporting period, KEMI evaluates whether or not any event has occurred or circumstances have changed that would cause an asset or liability measured and reported at fair value to be transferred into or out of Level 3. During the year, no transfers into or out of Level 3 were required.

4. Inputs and Valuation Techniques Used to Determine Level 2 and Level 3 Fair Values

As of quarter end, KEMI held twelve corporate bonds rated lower than NAIC 2 that were carried at fair value and categorized within Level 2 of the fair value hierarchy. When applicable, fair value for such bonds is determined by utilizing quoted market prices for similar instruments in an active market. There were no assets or liabilities carried at fair value and categorized in Level 3 of the fair value hierarchy at any time during the year.

5. Fair Value of Derivatives

Not applicable.

B. Other Fair Value Disclosures

Not applicable.

C. Fair Values for All Financial Instruments by Levels 1, 2 and 3

The table below reflects the fair values and admitted values of all admitted assets and liabilities that are financial instruments. The fair values are also categorized into the three-level fair value hierarchy as described above in Note 20A.

Description	Aggregate Fair Value	Admitted Value	Level 1	Level 2	Level 3	Not Practicable (Carrying Value)
Financial Instruments - Assets:						
Long-term bonds	\$ 922,891,403	\$ 893,882,994	\$ 0	\$ 922,891,403	\$ 0	\$ 0
Common stocks	85,505,483	85,505,483	85,505,483	0	0	0
Cash	11,689,191	11,689,191	11,689,191	0	0	0
Cash equivalents	17,474,202	17,474,202	17,474,202	0	0	0
Other invested assets	13,116,386	13,116,386	0	0	13,116,386	0
Receivable for securities	109,400	109,400	109,400	0	0	0
Total	\$ 1,050,786,065	\$ 1,021,777,656	\$ 114,778,276	\$ 922,891,403	\$ 13,116,386	\$ 0
Financial Instruments - Liabilities:						
Payable for securities	\$ 750,000	\$ 750,000	\$ 750,000	\$ 0	\$ 0	\$ 0
Total	\$ 750,000	\$ 750,000	\$ 750,000	\$ 0	\$ 0	\$ 0

D. Financial Instruments for Which It Is Not Practicable to Determine Fair Value

Not applicable.

NOTES TO FINANCIAL STATEMENTS**E. Financial Instruments Valued Using Net Asset Method as a Practical Expedient**

Not applicable.

Note 21 - Other Items

No significant changes during the year.

Note 22 - Events Subsequent

Subsequent events have been evaluated through the date this statutory statement was available to be issued. There were no events occurring subsequent to quarter end that merited recognition or disclosure in these financial statements.

Note 23 - Reinsurance**A. Unsecured Reinsurance Recoverables**

No significant changes during the year.

B. Reinsurance Recoverables in Dispute

None of KEMI's reinsurance recoverables are in dispute.

C. Reinsurance Assumed and Ceded and Protected Cells

No significant changes during the year.

D. Uncollectable Reinsurance

None of KEMI's reinsurance recoverables are deemed to be uncollectable.

E. Commutation of Ceded Reinsurance

No reinsurance contracts have been commuted during the year.

F. Retroactive Reinsurance

Effective October 31, 2014, KEMI entered into a loss portfolio transfer agreement with the Commissioner of Insurance of the Commonwealth of Kentucky, Rehabilitator of Kentucky School Boards Insurance Trust (KSBIT) Workers' Compensation Self Insurance Fund. Pursuant to this loss portfolio transfer, approximately \$35 million in workers' compensation claim liabilities for the period July 7, 1978 through June 30, 2013, were transferred to KEMI by KSBIT's Rehabilitator. In exchange for assuming responsibility for these claim liabilities and the handling thereof, KEMI received \$35 million in cash and guaranteed receivables. As a result of efficient claims handling practices, actuarially determined claim liabilities are expected to be less than originally projected; therefore, KEMI was able to return \$4.8 million of transferred reserves to the Rehabilitator in March 2019. Inception to date activity is included in the following table as retroactive reinsurance assumed.

Effective July 7, 2017, KEMI entered into a loss portfolio transfer agreement with the Kentucky Workers' Compensation Funding Commission (the Funding Commission) wherein all authority and responsibility to administer the Kentucky Coal Workers' Pneumoconiosis Fund (KCWPF) was transferred from the Funding Commission to KEMI. The purpose of KCWPF is to pay one-half of the indemnity benefits for coal-related occupational disease claims incurred on or after December 12, 1996 and filed on or before June 30, 2017. Pursuant to this loss portfolio transfer, the Funding Commission transferred all of the existing assets and liabilities of KCWPF to KEMI. The Funding Commission will continue to impose and collect quarterly assessments in a manner consistent with past practice and will remit future assessments to KEMI until such time as both parties agree that all claim liabilities are fully funded. Inception to date activity is included in the following table as retroactive reinsurance assumed.

Effective December 31, 2015, KEMI entered into an agreement for adverse development cover with an unaffiliated reinsurer, Munich Reinsurance America, Inc. This agreement relates to direct and assumed business, excluding the KSBIT and KCWPF loss portfolio transfers, and provides KEMI with reinsurance protection against unfavorable development arising from existing and/or newly reported claims for accident years 1995 through 2014. In exchange for a total premium of \$40 million, KEMI ceded \$32 million of existing loss reserves as well as obtaining \$45.25 million of additional protection against unfavorable development for those accident years. The agreement provides for a loss corridor of \$20 million (for which KEMI is responsible) between the first and second layers of coverage, and it includes a provision wherein KEMI may share in the reinsurer's ultimate profit, if any. Under the terms of the agreement, KEMI maintains a Funds Withheld balance which is secured by a Trust Account equal to 105% of Funds Withheld. Inception to date activity is included in the following table as retroactive reinsurance ceded.

Retroactive Reinsurance	Assumed	Ceded
A. Reserves Transferred:		
1. Initial reserves (assumed) or ceded	\$ (75,000,000)	\$ 32,000,000
2. Adjustments - prior years	(13,262,277)	(17,884,158)
3. Adjustments - current year	<u>2,208,735</u>	<u>16,019,552</u>
4. Current total	\$ (86,053,542)	\$ 30,135,394
B. Consideration Received or (Paid):		
1. Initial consideration	\$ 75,000,000	\$ (40,000,000)
2. Adjustments - prior years	13,262,277	25,884,158
3. Adjustments - current year	<u>(2,208,735)</u>	<u>(16,019,552)</u>
4. Current total	\$ 86,053,542	\$ (30,135,394)
C. Losses and Loss Expenses (Paid) or Recovered:		
1. Prior years	\$ (17,527,675)	\$ 0
2. Current year	<u>(3,236,379)</u>	<u>0</u>
3. Current total	\$ (20,764,054)	\$ 0
X. Transferred to Unassigned Funds:		
1. Prior years	\$ 0	\$ 0
2. Current year	<u>0</u>	<u>0</u>
3. Current total	\$ 0	\$ 0
D. Surplus Impact from Retroactive Reinsurance:	Unassigned Funds:	Special Surplus:
1. Initial surplus (loss) or gain (A1+B1)	\$ 0	\$ (8,000,000)
2. Adjustments - prior years (A2+B2+X1)	0	8,000,000
3. Adjustments - current year (A3+B3+X2)	<u>0</u>	<u>0</u>
4. Current year surplus impact (A4+B4+D5)	\$ <u>0</u>	\$ <u>0</u>
5. Cumulative total transferred to unassigned funds (if C3 exceeds B4)	\$ 0	\$ 0

NOTES TO FINANCIAL STATEMENTS

E. Cedents and Reinsurers Involved in All Transactions Included in Summary Totals Above:	Assumed Reserves Transferred	Assumed Reserves Remaining Unpaid	Ceded Reserves Transferred	Ceded Reserves Remaining Unpaid
Commissioner of Insurance of the Commonwealth of Kentucky, Rehabilitator of Kentucky School Boards Insurance Trust (KSBIT) Workers' Compensation Self Insurance Fund	\$ (30,227,676)	\$ (22,202,694)		
Kentucky Workers' Compensation Funding Commission and Division of Workers' Compensation Funds, Department of Workers' Claims, Labor Cabinet, Commonwealth of Kentucky	\$ (55,825,866)	\$ (43,086,794)		
Munich Reinsurance America, Inc. (NAIC Company Code 10227)			\$ 30,135,394	\$ 30,135,394
Totals	\$ (86,053,542)	\$ (65,289,488)	\$ 30,135,394	\$ 30,135,394
F. Recoverables on Paid Losses and Loss Expenses, Related Collateral Held and Funds Withheld:	Paid Losses and LAE Recoverable	Recoverables Over 90 Days Past Due	Related Collateral Held	Funds Withheld
1. Authorized reinsurers:				
Aetna Life & Casualty Co.	\$ 17,516	\$ 0	\$ 0	\$ 0
CNA / Continental Casualty Co.	212,508	0	0	0
Coregis Insurance Co. / Westport Insurance Corp.	11,553	0	0	0
Harbor Insurance Co.	9,429	0	0	0
Liberty Mutual Insurance	20,013	0	0	0
Midwest Employers Casualty Co.	4,581	0	0	0
New York Marine & General Insurance Co.	113,880	99,060	0	0
Selective Insurance Co. of America	61,067	20,287	0	0
TIG Insurance Co. / Transamerica Insurance Co.	588	0	0	0
Totals for Retroactive Reinsurance Assumed	\$ 451,135	\$ 119,347	\$ 0	\$ 0
Munich Reinsurance America, Inc.	\$ 0	\$ 0	\$ 0	\$ 40,455,872
Totals for Retroactive Reinsurance Ceded	\$ 0	\$ 0	\$ 0	\$ 40,455,872
2. Unauthorized reinsurers:				
None	\$ 0	\$ 0	\$ 0	\$ 0
Totals	\$ 0	\$ 0	\$ 0	\$ 0
3. Certified reinsurers:				
None	\$ 0	\$ 0	\$ 0	\$ 0
Totals	\$ 0	\$ 0	\$ 0	\$ 0
Totals	\$ 451,135	\$ 119,347	\$ 0	\$ 40,455,872

G. Reinsurance Accounted for as a Deposit

Not applicable.

H. Transfer of Property and Casualty Run-Off Agreements

Not applicable.

I. Certified Reinsurer Rating Downgraded or Status Subject to Revocation

Not applicable.

J. Reinsurance Agreements Qualifying for Reinsurer Aggregation

Not applicable.

Note 24 - Retrospectively Rated Contracts and Contracts Subject to Redetermination

Not applicable.

Note 25 - Changes in Incurred Losses and Loss Adjustment Expenses**A. Changes Attributable to Insured Events of Prior Years**

Current year changes in estimates of the costs of prior year losses and loss adjustment expenses affect the current year Statement of Income. Increases in those estimates increase current year expense and are referred to as unfavorable development or prior year reserve shortages. Decreases in those estimates decrease current year expense and are referred to as favorable development or prior year reserve redundancies.

Gross case reserves for incurred losses and loss adjustment expenses attributable to insured events of prior years have increased by \$40,621,279. Of this increase, \$30,396,963 is attributable to accident years 2014-2018 and is the result of additional claims being reported for those accident years, as well as for additional information becoming available on previously known individual claims. Accordingly, IBNR reserves for prior years were adjusted as information became available on these reported and unreported claims. These adjustments are generally the result of ongoing analysis of recent loss development trends and occur during the normal course of business. Overall net reserves for incurred losses and loss adjustment expenses of prior years, including IBNR and net of reinsurance, have increased by \$6,301,995.

B. Changes in Methodologies and Assumptions Used In Calculating the Liability

No significant changes during the year.

Note 26 - Intercompany Pooling Arrangements

Not applicable.

Note 27 - Structured Settlements

Not applicable.

NOTES TO FINANCIAL STATEMENTS

Note 28 - Health Care Receivables

Not applicable.

Note 29 - Participating Policies

Not applicable.

Note 30 - Premium Deficiency Reserves

No significant changes during the year.

Note 31 - High Deductibles

Not applicable.

Note 32 - Discounting of Liabilities for Unpaid Losses or Unpaid Loss Adjustment Expenses

A. Tabular Discounts

No significant changes during the year.

B. Non-Tabular Discounts

None.

C. Changes in Discount Assumptions

None.

Note 33 - Asbestos and Environmental Reserves

Not applicable.

Note 34 - Subscriber Savings Accounts

Not applicable.

Note 35 - Multiple Peril Crop Insurance

Not applicable.

Note 36 - Financial Guaranty Insurance

Not applicable.

Statement for September 30, 2019 of the **KENTUCKY EMPLOYERS' MUTUAL INSURANCE AUTHORITY**
GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

GENERAL

- 1.1 Did the reporting entity experience any material transactions requiring the filing of Disclosure of Material Transactions with the State of Domicile, as required by the Model Act? Yes [] No [X]
- 1.2 If yes, has the report been filed with the domiciliary state? Yes [] No []
- 2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? Yes [X] No []
- 2.2 If yes, date of change: 08/13/2019
- 3.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer? If yes, complete Schedule Y, Parts 1 and 1A. Yes [] No [X]
- 3.2 Have there been any substantial changes in the organizational chart since the prior quarter end? Yes [] No [X]
- 3.3 If the response to 3.2 is yes, provide a brief description of those changes.

- 3.4 Is the reporting entity publicly traded or a member of a publicly traded group? Yes [] No [X]
- 3.5 If the response to 3.4 is yes, provide the CIK (Central Index Key) code issued by the SEC for the entity/group.
- 4.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? If yes, complete and file the merger history data file with the NAIC for the annual filing corresponding to this period. Yes [] No [X]
- 4.2 If yes, provide name of entity, NAIC Company Code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

1 Name of Entity	2 NAIC Company Code	3 State of Domicile

5. If the reporting entity is subject to a management agreement, including third-party administrator(s), managing general agent(s), attorney-in-fact, or similar agreement, have there been any significant changes regarding the terms of the agreement or principals involved? If yes, attach an explanation. Yes [] No [] N/A [X]

- 6.1 State as of what date the latest financial examination of the reporting entity was made or is being made. 12/31/2017
- 6.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. 12/31/2017
- 6.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date). 06/28/2019

- 6.4 By what department or departments?
Commonwealth of Kentucky Department of Insurance
- 6.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with Departments? Yes [] No [] N/A [X]
- 6.6 Have all of the recommendations within the latest financial examination report been complied with? Yes [X] No [] N/A []
- 7.1 Has this reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? Yes [] No [X]
- 7.2 If yes, give full information:

- 8.1 Is the company a subsidiary of a bank holding company regulated with the Federal Reserve Board? Yes [] No [X]
- 8.2 If response to 8.1 is yes, please identify the name of the bank holding company.

- 8.3 Is the company affiliated with one or more banks, thrifts or securities firms? Yes [] No [X]
- 8.4 If the response to 8.3 is yes, please provide below the names and location (city and state of the main office) of any affiliates regulated by a federal regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator].

1 Affiliate Name	2 Location (City, State)	3 FRB	4 OCC	5 FDIC	6 SEC

- 9.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards? Yes [X] No []
- (a) Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
- (b) Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;
- (c) Compliance with applicable governmental laws, rules and regulations;
- (d) The prompt internal reporting of violations to an appropriate person or persons identified in the code; and
- (e) Accountability for adherence to the code.

- 9.11 If the response to 9.1 is No, please explain:
- 9.2 Has the code of ethics for senior managers been amended? Yes [] No [X]
- 9.21 If the response to 9.2 is Yes, provide information related to amendment(s).

- 9.3 Have any provisions of the code of ethics been waived for any of the specified officers? Yes [] No [X]
- 9.31 If the response to 9.3 is Yes, provide the nature of any waiver(s).

Statement for September 30, 2019 of the **KENTUCKY EMPLOYERS' MUTUAL INSURANCE AUTHORITY**
GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

FINANCIAL

- 10.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement? Yes [] No [X]
- 10.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount: \$ 0

INVESTMENT

- 11.1 Were any of the stocks, bonds, or other assets of the reporting entity loaned, placed under option agreement, or otherwise made available for use by another person? (Exclude securities under securities lending agreements.) Yes [] No [X]
- 11.2 If yes, give full and complete information relating thereto:

12. Amount of real estate and mortgages held in other invested assets in Schedule BA: \$ 0
13. Amount of real estate and mortgages held in short-term investments: \$ 0
- 14.1 Does the reporting entity have any investments in parent, subsidiaries and affiliates? Yes [] No [X]

14.2 If yes, please complete the following:

	1 Prior Year End Book/Adjusted Carrying Value	2 Current Quarter Book/Adjusted Carrying Value
14.21 Bonds	\$ 0	\$ 0
14.22 Preferred Stock	0	0
14.23 Common Stock	0	0
14.24 Short-Term Investments	0	0
14.25 Mortgage Loans on Real Estate	0	0
14.26 All Other	0	0
14.27 Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Lines 14.21 to 14.26)	\$ 0	\$ 0
14.28 Total Investment in Parent included in Lines 14.21 to 14.26 above	\$ 0	\$ 0

- 15.1 Has the reporting entity entered into any hedging transactions reported on Schedule DB? Yes [] No [X]
- 15.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? Yes [] No []
 If no, attach a description with this statement.

16. For the reporting entity's security lending program, state the amount of the following as of current statement date:

- 16.1 Total fair value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2: \$ 0
- 16.2 Total book adjusted/carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2: \$ 0
- 16.3 Total payable for securities lending reported on the liability page: \$ 0

17. Excluding items in Schedule E-Part 3-Special Deposits, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Section 1, III - General Examination Considerations, F. Outsourcing of Critical Functions, Custodial or Safekeeping Agreements of the NAIC *Financial Condition Examiners Handbook*? Yes [X] No []

17.1 For all agreements that comply with the requirements of the NAIC *Financial Condition Examiners Handbook*, complete the following:

1 Name of Custodian(s)	2 Custodian Address
US Bank Institutional Trust & Custody	425 Walnut Street, Cincinnati OH 45202

17.2 For all agreements that do not comply with the requirements of the NAIC *Financial Condition Examiners Handbook*, provide the name, location and a complete explanation:

1 Name(s)	2 Location(s)	3 Complete Explanation(s)

- 17.3 Have there been any changes, including name changes, in the custodian(s) identified in 17.1 during the current quarter? Yes [] No [X]

17.4 If yes, give full and complete information relating thereto:

1 Old Custodian	2 New Custodian	3 Date of Change	4 Reason

17.5 Investment management – Identify all investment advisors, investment managers, broker/dealers, including individuals that have the authority to make investment decisions on behalf of the reporting entity. For assets that are managed internally by employees of the reporting entity, note as such ["...that have access to the investment accounts", "handle securities"].

1 Name of Firm or Individual	2 Affiliation
Conning Asset Management	U

- 17.5097 For those firms/individuals listed in the table for Question 17.5, do any firms/individuals unaffiliated with the reporting entity (i.e., designated with a "U") manage more than 10% of the reporting entity's assets? Yes [X] No []

- 17.5098 For firms/individuals unaffiliated with the reporting entity (i.e., designated with a "U") listed in the table for Question 17.5, does the total assets under management aggregate to more than 50% of the reporting entity's assets? Yes [X] No []

17.6 For those firms or individuals listed in the table for 17.5 with an affiliation code of "A" (affiliated) or "U" (unaffiliated), provide the information for the table below.

1 Central Registration Depository Number	2 Name of Firm or Individual	3 Legal Entity Identifier (LEI)	4 Registered With	5 Investment Management Agreement (IMA) Filed
107423	Conning Asset Management		SEC	NO

- 18.1 Have all the filing requirements of the *Purposes and Procedures Manual of the NAIC Investment Analysis Office* been followed? Yes [X] No []

18.2 If no, list exceptions:

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

19. By self-designating 5GI securities, the reporting entity is certifying the following elements for each self-designated 5GI security:
- a. Documentation necessary to permit a full credit analysis of the security does not exist or an NAIC CRP credit rating for an FE or PL security is not available.
 - b. Issuer or obligor is current on all contracted interest and principal payments.
 - c. The insurer has an actual expectation of ultimate payment of all contracted interest and principal.
- Has the reporting entity self-designated 5GI securities? Yes [] No [X]
20. By self-designating PLGI securities, the reporting entity is certifying the following elements for each self-designated PLGI security:
- a. The security was purchased prior to January 1, 2018.
 - b. The reporting entity is holding capital commensurate with the NAIC Designation reported for the security.
 - c. The NAIC Designation was derived from the credit rating assigned by an NAIC CRP in its legal capacity as a NRSRO which is shown on a current private letter rating held by the insurer and available for examination by state insurance regulators.
 - d. The reporting entity is not permitted to share this credit rating of the PL security with the SVO.
- Has the reporting entity self-designated PLGI securities? Yes [] No [X]

Statement for September 30, 2019 of the **KENTUCKY EMPLOYERS' MUTUAL INSURANCE AUTHORITY**
GENERAL INTERROGATORIES (continued)

PART 2 – PROPERTY & CASUALTY INTERROGATORIES

1. If the reporting entity is a member of a pooling arrangement, did the agreement or the reporting entity's participation change? Yes [] No [] N/A [X]
 If yes, attach an explanation.
2. Has the reporting entity reinsured any risk with any other reporting entity and agreed to release such entity from liability, in whole or in part, from any loss that may occur on the risk, or portion thereof, reinsured? Yes [] No [X]
 If yes, attach an explanation.
- 3.1 Have any of the reporting entity's primary reinsurance contracts been canceled? Yes [] No [X]
- 3.2 If yes, give full and complete information thereto:

- 4.1 Are any of the liabilities for unpaid losses and loss adjustment expenses other than certain workers' compensation tabular reserves (see *Annual Statement Instructions* pertaining to disclosure of discounting for definition of "tabular reserves,") discounted at a rate of interest greater than zero? Yes [] No [X]

4.2 If yes, complete the following schedule:

1 Line of Business	2 Maximum Interest	3 Disc. Rate	Total Discount				Discount Taken During Period			
			4 Unpaid Losses	5 Unpaid LAE	6 IBNR	7 Total	8 Unpaid Losses	9 Unpaid LAE	10 IBNR	11 Total
	0.000	0.000	0	0	0	0	0	0	0	0
Total	XXX	XXX	0	0	0	0	0	0	0	0

5. Operating Percentages:
- 5.1 A&H loss percent 0.000%
- 5.2 A&H cost containment percent 0.000%
- 5.3 A&H expense percent excluding cost containment expenses 0.000%
- 6.1 Do you act as a custodian for health savings accounts? Yes [] No [X]
- 6.2 If yes, please provide the amount of custodial funds held as of the reporting date. \$ 0
- 6.3 Do you act as an administrator for health savings accounts? Yes [] No [X]
- 6.4 If yes, please provide the amount of funds administered as of the reporting date. \$ 0
7. Is the reporting entity licensed or chartered, registered, qualified, eligible or writing business in at least two states? Yes [] No [X]
- 7.1 If no, does the reporting entity assume reinsurance business that covers risks residing in at least one state other than the state of domicile of the reporting entity? Yes [X] No []

Statement for September 30, 2019 of the **KENTUCKY EMPLOYERS' MUTUAL INSURANCE AUTHORITY**
SCHEDULE F - CEDED REINSURANCE

Showing All New Reinsurers - Current Year to Date

1 NAIC Company Code	2 ID Number	3 Name of Reinsurer	4 Domiciliary Jurisdiction	5 Type of Reinsurer	6 Certified Reinsurer Rating (1 through 6)	7 Effective Date of Certified Reinsurer Rating
U.S. Insurers						
10677.....	31-0542366.....	Cincinnati Ins. Co.....	OH.....	Authorized.....	.....	.....
10829.....	06-1481194.....	Markel Global Reins Co.....	DE.....	Authorized.....	.....	.....
27847.....	95-2769232.....	Insurance Co. of the West.....	CA.....	Authorized.....	.....	.....

Statement for September 30, 2019 of the **KENTUCKY EMPLOYERS' MUTUAL INSURANCE AUTHORITY**
SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN

Current Year to Date - Allocated by States and Territories

States, Etc.	1 Active Status (a)	Direct Premiums Written		Direct Losses Paid (Deducting Salvage)		Direct Losses Unpaid	
		2 Current Year to Date	3 Prior Year to Date	4 Current Year to Date	5 Prior Year to Date	6 Current Year to Date	7 Prior Year to Date
1. Alabama.....AL	..N...						
2. Alaska.....AK	..N...						
3. Arizona.....AZ	..N...						
4. Arkansas.....AR	..N...						
5. California.....CA	..N...						
6. Colorado.....CO	..N...						
7. Connecticut.....CT	..N...						
8. Delaware.....DE	..N...						
9. District of Columbia.....DC	..N...						
10. Florida.....FL	..N...						
11. Georgia.....GA	..N...						
12. Hawaii.....HI	..N...						
13. Idaho.....ID	..N...						
14. Illinois.....IL	..N...						
15. Indiana.....IN	..N...						
16. Iowa.....IA	..N...						
17. Kansas.....KS	..N...						
18. Kentucky.....KY	..L...	121,422,660	119,992,913	56,932,185	57,747,665	629,546,614	602,541,472
19. Louisiana.....LA	..N...						
20. Maine.....ME	..N...						
21. Maryland.....MD	..N...						
22. Massachusetts.....MA	..N...						
23. Michigan.....MI	..N...						
24. Minnesota.....MN	..N...						
25. Mississippi.....MS	..N...						
26. Missouri.....MO	..N...						
27. Montana.....MT	..N...						
28. Nebraska.....NE	..N...						
29. Nevada.....NV	..N...						
30. New Hampshire.....NH	..N...						
31. New Jersey.....NJ	..N...						
32. New Mexico.....NM	..N...						
33. New York.....NY	..N...						
34. North Carolina.....NC	..N...						
35. North Dakota.....ND	..N...						
36. Ohio.....OH	..N...						
37. Oklahoma.....OK	..N...						
38. Oregon.....OR	..N...						
39. Pennsylvania.....PA	..N...						
40. Rhode Island.....RI	..N...						
41. South Carolina.....SC	..N...						
42. South Dakota.....SD	..N...						
43. Tennessee.....TN	..N...						
44. Texas.....TX	..N...						
45. Utah.....UT	..N...						
46. Vermont.....VT	..N...						
47. Virginia.....VA	..N...						
48. Washington.....WA	..N...						
49. West Virginia.....WV	..N...						
50. Wisconsin.....WI	..N...						
51. Wyoming.....WY	..N...						
52. American Samoa.....AS	..N...						
53. Guam.....GU	..N...						
54. Puerto Rico.....PR	..N...						
55. US Virgin Islands.....VI	..N...						
56. Northern Mariana Islands.....MP	..N...						
57. Canada.....CAN	..N...						
58. Aggregate Other Alien.....OT	..XXX...	0	0	0	0	0	0
59. Totals.....	..XXX...	121,422,660	119,992,913	56,932,185	57,747,665	629,546,614	602,541,472

DETAILS OF WRITE-INS

58001.....	..XXX...						
58002.....	..XXX...						
58003.....	..XXX...						
58998. Summary of remaining write-ins for Line 58 from overflow page....	..XXX...	0	0	0	0	0	0
58999. Totals (Lines 58001 thru 58003+ Line 58998) (Line 58 above).....	..XXX...	0	0	0	0	0	0

(a) Active Status Count

L - Licensed or Chartered - Licensed insurance carrier or domiciled RRG.....	1	R - Registered - Non-domiciled RRGs.....	0
E - Eligible - Reporting entities eligible or approved to write surplus lines in the state (other than their state of domicile - See DSLI).....	0	Q - Qualified - Qualified or accredited reinsurer.....	0
D - Domestic Surplus Lines Insurer (DSLI) - Reporting entities authorized to write surplus lines in the state of domicile.....	0	N - None of the above - Not allowed to write business in the state.....	56

**Sch. Y - Pt. 1
NONE**

**Sch. Y Pt. 1A
NONE**

Statement for September 30, 2019 of the **KENTUCKY EMPLOYERS' MUTUAL INSURANCE AUTHORITY**
PART 1 - LOSS EXPERIENCE

Lines of Business	Current Year to Date			4 Prior Year to Date Direct Loss Percentage
	1 Direct Premiums Earned	2 Direct Losses Incurred	3 Direct Loss Percentage	
1. Fire.....			0.000	
2. Allied lines.....			0.000	
3. Farmowners multiple peril.....			0.000	
4. Homeowners multiple peril.....			0.000	
5. Commercial multiple peril.....			0.000	
6. Mortgage guaranty.....			0.000	
8. Ocean marine.....			0.000	
9. Inland marine.....			0.000	
10. Financial guaranty.....			0.000	
11.1. Medical professional liability - occurrence.....			0.000	
11.2. Medical professional liability - claims-made.....			0.000	
12. Earthquake.....			0.000	
13. Group accident and health.....			0.000	
14. Credit accident and health.....			0.000	
15. Other accident and health.....			0.000	
16. Workers' compensation.....	125,702,916	82,160,587	65.361	71.415
17.1 Other liability-occurrence.....			0.000	
17.2 Other liability-claims made.....			0.000	
17.3 Excess workers' compensation.....			0.000	
18.1 Products liability-occurrence.....			0.000	
18.2 Products liability-claims made.....			0.000	
19.1, 19.2 Private passenger auto liability.....			0.000	
19.3, 19.4 Commercial auto liability.....			0.000	
21. Auto physical damage.....			0.000	
22. Aircraft (all perils).....			0.000	
23. Fidelity.....			0.000	
24. Surety.....			0.000	
26. Burglary and theft.....			0.000	
27. Boiler and machinery.....			0.000	
28. Credit.....			0.000	
29. International.....			0.000	
30. Warranty.....			0.000	
31. Reinsurance-nonproportional assumed property.....	XXX	XXX	XXX	XXX
32. Reinsurance-nonproportional assumed liability.....	XXX	XXX	XXX	XXX
33. Reinsurance-nonproportional assumed financial lines.....	XXX	XXX	XXX	XXX
34. Aggregate write-ins for other lines of business.....	0	0	0.000	
35. Totals.....	125,702,916	82,160,587	65.361	71.415
DETAILS OF WRITE-INS				
3401.....			0.000	
3402.....			0.000	
3403.....			0.000	
3498. Sum. of remaining write-ins for Line 34 from overflow page.....	0	0	0.000	XXX
3499. Totals (Lines 3401 thru 3403 plus 3498) (Line 34).....	0	0	0.000	

PART 2 - DIRECT PREMIUMS WRITTEN

Lines of Business	1	2	3
	Current Quarter	Current Year to Date	Prior Year Year to Date
1. Fire.....			
2. Allied lines.....			
3. Farmowners multiple peril.....			
4. Homeowners multiple peril.....			
5. Commercial multiple peril.....			
6. Mortgage guaranty.....			
8. Ocean marine.....			
9. Inland marine.....			
10. Financial guaranty.....			
11.1. Medical professional liability - occurrence.....			
11.2. Medical professional liability - claims made.....			
12. Earthquake.....			
13. Group accident and health.....			
14. Credit accident and health.....			
15. Other accident and health.....			
16. Workers' compensation.....	49,871,769	121,422,660	119,992,913
17.1 Other liability-occurrence.....			
17.2 Other liability-claims made.....			
17.3 Excess workers' compensation.....			
18.1 Products liability-occurrence.....			
18.2 Products liability-claims made.....			
19.1 19.2 Private passenger auto liability.....			
19.3 19.4 Commercial auto liability.....			
21. Auto physical damage.....			
22. Aircraft (all perils).....			
23. Fidelity.....			
24. Surety.....			
26. Burglary and theft.....			
27. Boiler and machinery.....			
28. Credit.....			
29. International.....			
30. Warranty.....			
31. Reinsurance-nonproportional assumed property.....	XXX	XXX	XXX
32. Reinsurance-nonproportional assumed liability.....	XXX	XXX	XXX
33. Reinsurance-nonproportional assumed financial lines.....	XXX	XXX	XXX
34. Aggregate write-ins for other lines of business.....	0	0	0
35. Totals.....	49,871,769	121,422,660	119,992,913
DETAILS OF WRITE-INS			
3401.....			
3402.....			
3403.....			
3498. Sum. of remaining write-ins for Line 34 from overflow page.....	0	0	0
3499. Totals (Lines 3401 thru 3403 plus 3498) (Line 34).....	0	0	0

Statement for September 30, 2019 of the **KENTUCKY EMPLOYERS' MUTUAL INSURANCE AUTHORITY**
PART 3 (000 omitted)

LOSS AND LOSS ADJUSTMENT EXPENSE RESERVES SCHEDULE

	1	2	3	4	5	6	7	8	9	10	11	12	13
Years in Which Losses Occurred	Prior Year-End Known Case Loss and LAE Reserves	Prior Year-End IBNR Loss and LAE Reserves	Total Prior Year-End Loss and LAE Reserves (Cols. 1 + 2)	2019 Loss and LAE Payments on Claims Reported as of Prior Year-End	2019 Loss and LAE Payments on Claims Unreported as of Prior Year-End	Total 2019 Loss and LAE Payments (Cols. 4 + 5)	Q.S. Date Known Case Loss and LAE Reserves on Claims Reported and Open as of Prior Year-End	Q.S. Date Known Case Loss and LAE Reserves on Claims Reported or Reopened Subsequent to Prior Year-End	Q.S. Date IBNR Loss and LAE Reserves	Total Q.S. Loss and LAE Reserves (Cols. 7 + 8 + 9)	Prior Year-End Known Case Loss and LAE Reserves Developed (Savings)/Deficiency (Cols. 4 + 7 minus Col. 1)	Prior Year-End IBNR Loss and LAE Reserves Developed (Savings)/Deficiency (Cols. 5 + 8 + 9 minus Col. 2)	Prior Year-End Total Loss and LAE Reserve Developed (Savings)/Deficiency (Cols. 11 + 12)
1. 2016 + Prior.....	302,512	171,452	473,964	25,627	340	25,967	296,749	2,335	171,741	470,825	19,863	2,965	22,828
2. 2017.....	20,478	47,218	67,696	8,695	123	8,817	15,099	433	30,976	46,508	3,316	(15,686)	(12,370)
3. Subtotals 2017 + Prior.....	322,990	218,670	541,660	34,321	463	34,784	311,848	2,768	202,718	517,333	23,179	(12,722)	10,457
4. 2018.....	30,155	61,468	91,622	16,119	588	16,706	23,831	1,627	45,302	70,760	9,796	(13,951)	(4,155)
5. Subtotals 2018 + Prior.....	353,145	280,138	633,283	50,440	1,051	51,491	335,679	4,395	248,019	588,094	32,975	(26,673)	6,302
6. 2019.....	XXX	XXX	XXX	XXX	22,524	22,524	XXX	16,852	57,300	74,151	XXX	XXX	XXX
7. Totals.....	353,145	280,138	633,283	50,440	23,574	74,014	335,679	21,246	305,319	662,245	32,975	(26,673)	6,302
8. Prior Year-End's Surplus As Regards Policyholders	215,803												
											Col. 11, Line 7 As % of Col. 1, Line 7	Col. 12, Line 7 As % of Col. 2, Line 7	Col. 13, Line 7 As % of Col. 3, Line 7
											1. ....9.3 %	2. ....(9.5)%	3. ....1.0 %
													Col. 13, Line 7 Line 8
													4. ....2.9 %

Q14

Statement for September 30, 2019 of the **KENTUCKY EMPLOYERS' MUTUAL INSURANCE AUTHORITY**
SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

The following supplemental reports are required to be filed as part of your statement filing. However, in the event that your company does not transact the type of business for which the special report must be filed, your response of NO to the specific interrogatory will be accepted in lieu of filing a "NONE" report and a bar code will be printed below. If the supplement is required of your company but is not being filed for whatever reason, enter SEE EXPLANATION and provide an explanation following the interrogatory questions.

	Response
1. Will the Trusteed Surplus Statement be filed with the state of domicile and the NAIC with this statement?	NO
2. Will Supplement A to Schedule T (Medical Professional Liability Supplement) be filed with this statement?	NO
3. Will the Medicare Part D Coverage Supplement be filed with the state of domicile and the NAIC with this statement?	NO
4. Will the Director and Officer Insurance Coverage Supplement be filed with the state of domicile and the NAIC with this statement?	NO

Explanation:

1. The data for this supplement is not required to be filed.
2. The data for this supplement is not required to be filed.
3. The data for this supplement is not required to be filed.
4. The data for this supplement is not required to be filed.

Bar Code:



Statement for September 30, 2019 of the **KENTUCKY EMPLOYERS' MUTUAL INSURANCE AUTHORITY**
Overflow Page for Write-Ins

Additional Write-ins for Assets:

	Current Statement Date			4 December 31, Prior Year Net Admitted Assets
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	
2504. TPA Advances.....	47,462	47,462	0	
2597. Summary of remaining write-ins for Line 25.....	47,462	47,462	0	0

Additional Write-ins for Liabilities:

	1 Current Statement Date	2 December 31, Prior Year
2504. Liability for Projected Pension Benefits.....	8,452,184	10,653,638
2505. Liability for Projected Retiree Health Insurance.....		198,702
2597. Summary of remaining write-ins for Line 25.....	8,452,184	10,852,340

Statement for September 30, 2019 of the **KENTUCKY EMPLOYERS' MUTUAL INSURANCE AUTHORITY**
SCHEDULE A - VERIFICATION

Real Estate

	1 Year to Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year.....	5,020,818	5,020,818
2. Cost of acquired:		
2.1 Actual cost at time of acquisition.....		
2.2 Additional investment made after acquisition.....		
3. Current year change in encumbrances.....		
4. Total gain (loss) on disposals.....		
5. Deduct amounts received on disposals.....		
6. Total foreign exchange change in book/adjusted carrying value.....		
7. Deduct current year's other-than-temporary impairment recognized.....		
8. Deduct current year's depreciation.....		
9. Book/adjusted carrying value at end of current period (Lines 1+2+3+4-5+6-7-8).....	5,020,818	5,020,818
10. Deduct total nonadmitted amounts.....		
11. Statement value at end of current period (Line 9 minus Line 10).....	5,020,818	5,020,818

SCHEDULE B - VERIFICATION

Mortgage Loans

	1 Year to Date	2 Prior Year Ended December 31
1. Book value/recorded investment excluding accrued interest, December 31 of prior year.....	0	
2. Cost of acquired:		
2.1 Actual cost at time of acquisition.....		
2.2 Additional investment made after acquisition.....		
3. Capitalized deferred interest and other.....		
4. Accrual of discount.....		
5. Unrealized valuation increase (decrease).....		
6. Total gain (loss) on disposals.....		
7. Deduct amounts received on disposals.....		
8. Deduct amortization of premium and mortgage interest points and commitment fees.....		
9. Total foreign exchange change in book value/recorded investment excluding accrued interest.....		
10. Deduct current year's other-than-temporary impairment recognized.....		
11. Book value/recorded investment excluding accrued interest at end of current period (Lines 1+2+3+4+5+6-7-8-9-10).....	0	0
12. Total valuation allowance.....		
13. Subtotal (Line 11 plus Line 12).....	0	0
14. Deduct total nonadmitted amounts.....		
15. Statement value at end of current period (Line 13 minus Line 14).....	0	0

NONE

SCHEDULE BA - VERIFICATION

Other Long-Term Invested Assets

	1 Year to Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year.....	13,082,901	9,235,298
2. Cost of acquired:		
2.1 Actual cost at time of acquisition.....		
2.2 Additional investment made after acquisition.....	33,485	3,847,603
3. Capitalized deferred interest and other.....		
4. Accrual of discount.....		
5. Unrealized valuation increase (decrease).....		
6. Total gain (loss) on disposals.....		
7. Deduct amounts received on disposals.....		
8. Deduct amortization of premium and depreciation.....		
9. Total foreign exchange change in book/adjusted carrying value.....		
10. Deduct current year's other-than-temporary impairment recognized.....		
11. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5+6-7-8-9-10).....	13,116,386	13,082,901
12. Deduct total nonadmitted amounts.....		
13. Statement value at end of current period (Line 11 minus Line 12).....	13,116,386	13,082,901

SCHEDULE D - VERIFICATION

Bonds and Stocks

	1 Year to Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value of bonds and stocks, December 31 of prior year.....	908,721,647	864,513,234
2. Cost of bonds and stocks acquired.....	239,560,450	349,057,934
3. Accrual of discount.....	269,561	231,327
4. Unrealized valuation increase (decrease).....	11,210,976	(14,693,870)
5. Total gain (loss) on disposals.....	3,467,712	5,806,415
6. Deduct consideration for bonds and stocks disposed of.....	182,049,319	294,663,483
7. Deduct amortization of premium.....	1,802,907	1,548,089
8. Total foreign exchange change in book/adjusted carrying value.....		
9. Deduct current year's other-than-temporary impairment recognized.....		
10. Total investment income recognized as a result of prepayment penalties and/or acceleration fees.....	10,358	18,178
11. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9+10).....	979,388,477	908,721,647
12. Deduct total nonadmitted amounts.....		
13. Statement value at end of current period (Line 11 minus Line 12).....	979,388,477	908,721,647

Statement for September 30, 2019 of the **KENTUCKY EMPLOYERS' MUTUAL INSURANCE AUTHORITY**
SCHEDULE D - PART 1B

Showing the Acquisitions, Dispositions and Non-Trading Activity
 During the Current Quarter for all Bonds and Preferred Stock by NAIC Designation

NAIC Designation	1 Book/Adjusted Carrying Value Beginning of Current Quarter	2 Acquisitions During Current Quarter	3 Dispositions During Current Quarter	4 Non-Trading Activity During Current Quarter	5 Book/Adjusted Carrying Value End of First Quarter	6 Book/Adjusted Carrying Value End of Second Quarter	7 Book/Adjusted Carrying Value End of Third Quarter	8 Book/Adjusted Carrying Value December 31 Prior Year
BONDS								
1. NAIC 1 (a).....	658,421,658	77,899,493	34,351,696	(9,685,710)	668,178,739	658,421,658	692,283,745	662,793,867
2. NAIC 2 (a).....	148,058,909	19,482,911	6,070,520	10,068,830	145,205,570	148,058,909	171,540,131	148,464,963
3. NAIC 3 (a).....	31,628,174	11,458,531	11,823,002	(1,204,585)	27,302,735	31,628,174	30,059,118	26,762,820
4. NAIC 4 (a).....		1,060,000	1,059,603	(397)			0	
5. NAIC 5 (a).....							0	
6. NAIC 6 (a).....							0	
7. Total Bonds.....	838,108,741	109,900,935	53,304,820	(821,862)	840,687,044	838,108,741	893,882,994	838,021,650
PREFERRED STOCK								
8. NAIC 1.....							0	
9. NAIC 2.....							0	
10. NAIC 3.....							0	
11. NAIC 4.....							0	
12. NAIC 5.....							0	
13. NAIC 6.....							0	
14. Total Preferred Stock.....	0	0	0	0	0	0	0	0
15. Total Bonds and Preferred Stock.....	838,108,741	109,900,935	53,304,820	(821,862)	840,687,044	838,108,741	893,882,994	838,021,650

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(a) Book/Adjusted Carrying Value column for the end of the current reporting period includes the following amount of short-term and cash equivalent bonds by NAIC designation:
 NAIC 1 \$.....0; NAIC 2 \$.....0; NAIC 3 \$.....0; NAIC 4 \$.....0; NAIC 5 \$.....0; NAIC 6 \$.....0.

Statement for September 30, 2019 of the **KENTUCKY EMPLOYERS' MUTUAL INSURANCE AUTHORITY**
SCHEDULE DA - PART 1

Short-Term Investments

	1 Book/Adjusted Carrying Value	2 Par Value	3 Actual Cost	4 Interest Collected Year To Date	5 Paid for Accrued Interest Year To Date
9199999.....		X			

NONE

SCHEDULE DA - VERIFICATION

Short-Term Investments

	1 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year.....	.0	7,064,961
2. Cost of short-term investments acquired.....		
3. Accrual of discount.....		11,663
4. Unrealized valuation increase (decrease).....		
5. Total gain (loss) on disposals.....		
6. Deduct consideration received on disposals.....		7,055,000
7. Deduct amortization of premium.....		21,623
8. Total foreign exchange change in book/adjusted carrying value.....		
9. Deduct current year's other-than-temporary impairment recognized.....		
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9).....	.0	.0
11. Deduct total nonadmitted amounts.....		
12. Statement value at end of current period (Line 10 minus Line 11).....	.0	.0

**Sch. DB - Pt. A - Verification
NONE**

**Sch. DB - Pt. B - Verification
NONE**

**Sch. DB - Pt. C - Sn. 1
NONE**

**Sch. DB - Pt. C - Sn. 2
NONE**

**Sch. DB - Verification
NONE**

Statement for September 30, 2019 of the **KENTUCKY EMPLOYERS' MUTUAL INSURANCE AUTHORITY**
SCHEDULE E - PART 2 - VERIFICATION

Cash Equivalents

	1 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year.....	21,421,380	15,819,730
2. Cost of cash equivalents acquired.....	158,548,976	215,611,358
3. Accrual of discount.....		1,353
4. Unrealized valuation increase (decrease).....		
5. Total gain (loss) on disposals.....		
6. Deduct consideration received on disposals.....	162,496,154	210,011,061
7. Deduct amortization of premium.....		
8. Total foreign exchange change in book/ adjusted carrying value.....		
9. Deduct current year's other-than-temporary impairment recognized.....		
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9).....	17,474,202	21,421,380
11. Deduct total nonadmitted amounts.....		
12. Statement value at end of current period (Line 10 minus Line 11).....	17,474,202	21,421,380

**Sch. A Pt. 2
NONE**

**Sch. A Pt. 3
NONE**

**Sch. B - Pt. 2
NONE**

**Sch. B - Pt. 3
NONE**

SCHEDULE BA - PART 2

Showing Other Long-Term Invested Assets ACQUIRED AND ADDITIONS MADE During the Current Quarter

1 CUSIP Identification	2 Name or Description	Location		5 Name of Vendor or General Partner	6 NAIC Designation and Administrative Symbol/Market Indicator	7 Date Originally Acquired	8 Type and Strategy	9 Actual Cost at Time of Acquisition	10 Additional Investment Made after Acquisition	11 Amount of Encumbrances	12 Commitment for Additional Investment	13 Percentage of Ownership	
		3 City	4 State										
Joint Venture or Partnership Interests That Have Underlying Characteristics of Common Stocks - Unaffiliated													
000000 00 0	ELMTREE U.S. NET LEASE FUND III L.P.	WILMINGTON	DE	ELMTREE U.S. NET LEASE FUND III G.P., LLC		09/20/2016			33,485		6,883,614	10.674	
1599999. Total - Joint Venture or Partnership Interests That Have Underlying Characteristics of Common Stocks - Unaffiliated									0	33,485	0	6,883,614	XXX
4499999. Subtotal - Unaffiliated									0	33,485	0	6,883,614	XXX
4699999. Totals									0	33,485	0	6,883,614	XXX

QE03

SCHEDULE BA - PART 3

Showing Other Long-Term Invested Assets DISPOSED, Transferred or Repaid During the Current Quarter

1 CUSIP Identification	2 Name or Description	Location		5 Name of Purchaser or Nature of Disposal	6 Date Originally Acquired	7 Disposal Date	8 Book/Adjusted Carrying Value Less Encumbrances, Prior Year	Changes in Book/Adjusted Carrying Value						15 Book/Adjusted Carrying Value Less Encumbrances on Disposal	16 Consideration	17 Foreign Exchange Gain (Loss) on Disposal	18 Realized Gain (Loss) on Disposal	19 Total Gain (Loss) on Disposal	20 Investment Income
		3 City	4 State					9 Unrealized Valuation Increase (Decrease)	10 Current Year's (Depreciation) or (Amortization) / Accretion	11 Current Year's Other-Than-Temporary Impairment Recognized	12 Capitalized Deferred Interest and Other	13 Total Change in B./A.C.V. (9+10-11+12)	14 Total Foreign Exchange Change in B./A.C.V.						
NONE																			

Statement for September 30, 2019 of the **KENTUCKY EMPLOYERS' MUTUAL INSURANCE AUTHORITY**
SCHEDULE D - PART 3

Showing all Long-Term Bonds and Stocks ACQUIRED During Current Quarter

1	2		3	4	5	6	7	8	9	10	
CUSIP Identification	Description		Foreign	Date Acquired	Name of Vendor	Number of Shares of Stock	Actual Cost	Par Value	Paid for Accrued Interest and Dividends	NAIC Designation and Administrative Symbol/Market Indicator (a)	
Bonds - U.S. Special Revenue and Special Assessment											
3132DV	3M	5		08/01/2019	MITSUBISHI UFJ SECURITIES		1,006,588	997,084	.83	1	
31334W	3H	2		08/01/2019	WELLS FARGO SECURITIES LLC		3,533,223	3,500,000	7,000	1	
3137FE	BQ	2		08/06/2019	WELLS FARGO SECURITIES LLC		549,063	500,000	383	1	
3137FL	6P	4		08/06/2019	DEUTSCHE BANK SECURITIES, INC		556,387	500,000	396	1	
3137FL	MV	3		08/06/2019	MORGAN STANLEY & CO. LLC		551,055	500,000	380	1	
3137FL	N9	1		08/06/2019	Morgan Stanley		554,766	500,000	389	1	
3137FM	CR	1		08/06/2019	SUNTRUST ROBINSON HUMPHREY INC		534,688	500,000	331	1	
3137FN	AE	0		08/06/2019	CREDIT SUISSE SECURITIES (USA)		526,973	500,000	309	1	
3140JG	LQ	6		09/01/2019	CITIGROUP GLOBAL MARKETS INC		2,006,484	1,929,022	2,358	1	
3140JP	KH	7		07/15/2019	WELLS FARGO SECURITIES LLC		2,047,710	2,001,045	3,113	1	
3140Q9	XC	2		07/02/2019	J.P. MORGAN SECURITIES INC		3,042,194	2,935,551	1,305	1	
3140QB	LU	0		08/01/2019	Morgan Stanley		1,011,523	996,906		1	
3140X4	E7	7		07/23/2019	CITIGROUP GLOBAL MARKETS INC		3,582,974	3,497,717	8,161	1	
31418D	B9	2		08/01/2019	BARCLAYS CAPITAL INC FIXED INC		1,014,872	990,119	385	1	
31418D	BF	8		08/22/2019	CITIGROUP GLOBAL MARKETS INC		2,052,412	1,999,914	5,055	1	
31418D	C6	7		07/02/2019	WELLS FARGO SECURITIES LLC		3,062,339	2,987,534	1,162	1	
31418D	CA	8		08/01/2019	J.P. MORGAN SECURITIES INC		3,628,156	3,499,653	9,332	1	
31418D	CY	6		08/01/2019	BONY/TORONTO DOMINION SECURITI		1,014,948	990,043	385	1	
31418D	ES	7		08/01/2019	VARIOUS		1,005,481	996,412	.83	1	
31418D	ET	5		08/01/2019	J.P. MORGAN SECURITIES INC		1,020,267	994,397	387	1	
31418D	FQ	0		08/06/2019	BARCLAYS CAPITAL INC FIXED INC		1,017,461	1,000,000	583	1	
3199999	Total - Bonds - U.S. Special Revenue and Special Assessments							33,319,561	32,315,396	41,581	XXX
Bonds - Industrial and Miscellaneous											
001055	AM	4		07/31/2019	WELLS FARGO SECURITIES LLC		633,348	600,000	4,652	1FE	
00164V	AE	3		09/09/2019	WELLS FARGO SECURITIES LLC		1,031,550	1,000,000	5,278	3FE	
00206R	CN	0		07/31/2019	MLPFS INC FIXED INCOME		515,025	500,000	3,636	2FE	
015271	AT	6		09/03/2019	JP MORGAN SECURITIES LLC		1,203,096	1,205,000		2FE	
019736	AE	7		09/12/2019	VARIOUS		1,035,500	1,000,000	21,560	3FE	
02209S	BD	4		08/09/2019	KEYBANC CAPITAL MARKETS INC		547,005	500,000	11,933	2FE	
02380@	AA	2		09/30/2019	Unknown		550,000	550,000		1FE	
03040W	AU	9		07/31/2019	Morgan Stanley		209,566	200,000	1,514	2FE	
03066H	AD	9		08/06/2019	BONY/TORONTO DOMINION SECURITI		504,785	500,000	853	1FE	
03330N	AA	2		07/26/2019	WELLS FARGO SECURITIES LLC		250,000	250,000		1FE	
03463U	AA	5		07/26/2019	NOMURA SECURITIES/FIXED INCOME		1,129,987	1,130,000	2,912	1FE	
035240	AQ	3	C	08/09/2019	KEYBANC CAPITAL MARKETS INC		578,080	500,000	1,319	2FE	
038222	AL	9		07/31/2019	Morgan Stanley		626,754	600,000	6,655	1FE	
05530Q	AK	6	C	07/31/2019	CREDIT SUISSE SECURITIES (USA)		622,980	600,000	3,094	2FE	
05531F	BB	8		07/31/2019	CREDIT SUISSE SECURITIES (USA)		507,955	500,000	3,800	1FE	
06051G	EU	9		07/31/2019	DEUTSCHE BANK SECURITIES, INC		513,940	500,000	963	1FE	
06406F	AD	5		07/31/2019	MLPFS INC FIXED INCOME		497,375	500,000	5,072	1FE	
07335C	AF	1		08/15/2019	BARCLAYS CAPITAL INC		524,219	500,000	1,095	1FE	
075887	BW	8		07/31/2019	WELLS FARGO SECURITIES LLC		629,706	600,000	3,453	2FE	
08162F	AD	5		07/19/2019	CITIGROUP GLOBAL MARKETS INC		1,509,944	1,495,000	831	1FE	
084659	AM	3		07/31/2019	Morgan Stanley		518,435	500,000	4,830	1FE	

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Statement for September 30, 2019 of the **KENTUCKY EMPLOYERS' MUTUAL INSURANCE AUTHORITY**
SCHEDULE D - PART 3

Showing all Long-Term Bonds and Stocks ACQUIRED During Current Quarter

1	2	3	4	5	6	7	8	9	10
CUSIP Identification	Description	Foreign	Date Acquired	Name of Vendor	Number of Shares of Stock	Actual Cost	Par Value	Paid for Accrued Interest and Dividends	NAIC Designation and Administrative Symbol/Market Indicator (a)
09256B AL 1	BLACKSTONE HOLDINGS FINANCE CO LLC.....		09/03/2019.....	Morgan Stanley.....		972,530	985,000		1FE.....
097023 CM 5	BOEING CO.....		08/09/2019.....	VARIOUS.....		2,501,910	2,500,000	488	1FE.....
100743 AL 7	BOSTON GAS CO.....	C.....	07/31/2019.....	Morgan Stanley.....		201,640	200,000	50	1FE.....
1248EP BM 4	CCO HOLDINGS LLC.....		09/25/2019.....	WELLS FARGO SECURITIES LLC.....		1,059,050	1,000,000	6,708	3FE.....
14041N FN 6	COMET 174 A - ABS.....		08/06/2019.....	BARCLAYS CAPITAL INC.....		500,469	500,000	636	1FE.....
14311D BG 0	CGMS 151RR B2R - CDO.....		07/12/2019.....	Morgan Stanley.....		250,000	250,000		1FE.....
14314A AC 3	CARMX 181 A3 - ABS.....		08/06/2019.....	BARCLAYS CAPITAL INC.....		502,988	500,000	792	1FE.....
14987V AC 3	CBAM 199 B1 - CDO.....	C.....	09/11/2019.....	J.P. MORGAN SECURITIES INC.....		250,000	250,000	6,846	1FE.....
15033X AE 6	CEDF 10 C - CDO.....	C.....	08/15/2019.....	CITIGROUP GLOBAL MARKETS INC.....		250,000	250,000		1FE.....
16411Q AE 1	CHENIERE ENERGY PARTNERS LP.....		09/25/2019.....	RBC CAPITAL MARKETS, LLC.....		1,020,213	1,000,000	1,378	3FE.....
17180T AQ 5	CIFC 161R BR - CDO.....	C.....	09/16/2019.....	GOLDMAN, SACHS & CO.....		250,000	250,000		1FE.....
172967 LD 1	CITIGROUP INC.....		07/31/2019.....	MLPFS INC FIXED INCOME.....		527,945	500,000	1,188	1FE.....
21036P BE 7	CONSTELLATION BRANDS INC.....		07/31/2019.....	MLPFS INC FIXED INCOME.....		600,528	600,000	158	2FE.....
22160K AL 9	COSTCO WHOLESALE CORP.....		07/31/2019.....	Morgan Stanley.....		512,625	500,000	2,826	1FE.....
25277L AA 4	DIAMOND SPORTS GROUP LLC.....		07/18/2019.....	VARIOUS.....		1,025,331	1,000,000		3FE.....
26875P AK 7	EOG RESOURCES INC.....		07/31/2019.....	KEYBANC CAPITAL MARKETS INC.....		505,260	500,000	4,995	1FE.....
29736R AJ 9	ESTEE LAUDER COMPANIES INC.....		07/31/2019.....	Morgan Stanley.....		627,990	600,000	7,193	1FE.....
29977A B@ 3	EVERCORE INC.....		08/01/2019.....	DIRECT FROM ISSUER.....		300,000	300,000		2.....
30219G AN 8	EXPRESS SCRIPTS HOLDING CO.....		07/31/2019.....	MERRILL LYNCH PIERCE FENNER SMITH INC.....		611,466	600,000	8,557	2FE.....
34528F AD 0	FORDO 18A A3 - ABS.....		08/07/2019.....	WELLS FARGO SECURITIES LLC.....		506,504	500,000	1,010	1FE.....
35671D CC 7	FREEMPORT-MCMORAN INC.....		08/05/2019.....	VARIOUS.....		992,828	1,000,000		3FE.....
361448 AY 9	GATX CORP.....		07/31/2019.....	US BANCORP INVESTMENTS INC.....		200,896	200,000	2,474	2FE.....
36257P AD 0	GMCAR 193 A3 - ABS.....		07/16/2019.....	WELLS FARGO SECURITIES LLC.....		799,903	800,000		1FE.....
38141G WZ 3	GOLDMAN SACHS GROUP INC.....		08/09/2019.....	MERRILL LYNCH PIERCE FENNER SMITH INC.....		546,660	500,000	5,983	1FE.....
42217K BF 2	HEALTH CARE REIT INC.....		07/31/2019.....	US BANCORP INVESTMENTS INC.....		635,160	600,000	4,067	2FE.....
42225U AG 9	HEALTHCARE TRUST OF AMERICA HOLDINGS LP.....		09/05/2019.....	WELLS FARGO SECURITIES LLC.....		1,096,238	1,100,000		2FE.....
427096 A* 3	HERCULES CAPITAL INC.....		07/16/2019.....	DIRECT FROM ISSUER.....		1,500,000	1,500,000		2.....
431282 AS 1	HIGHWOODS REALTY LP.....		09/04/2019.....	WELLS FARGO SECURITIES LLC.....		1,994,900	2,000,000		2FE.....
44932V AE 2	ICG 191 A2 - CDO.....		08/28/2019.....	CITIGROUP GLOBAL MARKETS INC.....		250,000	250,000		1FE.....
459200 KA 8	INTERNATIONAL BUSINESS MACHINES CORP.....		08/09/2019.....	WELLS FARGO SECURITIES LLC.....		533,160	500,000	4,278	1FE.....
460146 CP 6	INTERNATIONAL PAPER CO.....		07/31/2019.....	MERRILL LYNCH PIERCE FENNER SMITH INC.....		346,885	350,000	4,871	2FE.....
46591E AS 6	JPMCC 19COR5 A3 - CMBS.....		08/15/2019.....	BARCLAYS CAPITAL INC.....		531,426	500,000	781	1FE.....
46625H JD 3	JPMORGAN CHASE & CO.....		07/31/2019.....	DEUTSCHE BANK SECURITIES, INC.....		525,655	500,000	500	1FE.....
48253H AG 0	KKR 26 C - CDO.....	C.....	07/16/2019.....	CREDIT SUISSE SECURITIES (USA).....		250,000	250,000		1FE.....
540424 AQ 1	LOEWS CORP.....		07/31/2019.....	WELLS FARGO SECURITIES LLC.....		605,580	600,000	3,369	1FE.....
548661 DD 6	LOWES CO INC.....		07/31/2019.....	KEYBANC CAPITAL MARKETS INC.....		515,895	500,000	5,946	2FE.....
55303X AG 0	MGM GROWTH PROPERTIES OPERATING PARTNERS.....		09/25/2019.....	BARCLAYS CAPITAL INC.....		1,122,480	1,000,000	8,944	3FE.....
55336V AG 5	MARKWEST ENERGY PARTNERS LP.....		07/31/2019.....	KEYBANC CAPITAL MARKETS INC.....		544,835	500,000	4,130	2FE.....
55608J AP 3	MACQUARIE GROUP LTD.....	C.....	07/31/2019.....	Morgan Stanley.....		558,995	500,000	1,188	1FE.....
56607B AA 2	MARBLE POINT CLO XVI LTD. - CDO.....	C.....	09/01/2019.....	MLPFS INC FIXED INCOME.....		250,000	250,000		1FE.....
57636Q AG 9	MASTERCARD INC.....		07/31/2019.....	US BANCORP INVESTMENTS INC.....		518,445	500,000	2,909	1FE.....
594918 BW 3	MICROSOFT CORP.....		07/31/2019.....	Morgan Stanley.....		605,604	600,000	7,040	1FE.....
61769J AZ 4	MSC 19H6 A3 - CMBS.....		08/16/2019.....	WELLS FARGO SECURITIES LLC.....		534,121	500,000	833	1FE.....
61771M AW 0	MSC 19H7 A4 - CMBS.....		08/15/2019.....	VARIOUS.....		1,882,917	1,805,000	3,652	1FE.....

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Statement for September 30, 2019 of the **KENTUCKY EMPLOYERS' MUTUAL INSURANCE AUTHORITY**

SCHEDULE D - PART 3

Showing all Long-Term Bonds and Stocks ACQUIRED During Current Quarter

1	2	3	4	5	6	7	8	9	10
CUSIP Identification	Description	Foreign	Date Acquired	Name of Vendor	Number of Shares of Stock	Actual Cost	Par Value	Paid for Accrued Interest and Dividends	NAIC Designation and Administrative Symbol/Market Indicator (a)
63172W AA 7	NCC 192 AN - CDO.....	C.....	09/01/2019.....	BNYM/NATIXIS.....		250,000	250,000		1FE.....
64110L AS 5	NETFLIX INC.....		09/10/2019.....	SG AMERICAS SECURITIES, LLC.....		1,057,960	1,000,000	19,906	3FE.....
64132T AE 3	NEUB 33 C - CDO.....	C.....	08/15/2019.....	CREDIT SUISSE SECURITIES (USA).....		250,000	250,000		1FE.....
64828E AA 3	NRZT 19NQM4 A1 - CMO/RMBS.....		09/09/2019.....	NOMURA SECURITIES/FIXED INCOME.....		1,035,000	1,035,000	1,075	1FE.....
65339K BJ 8	NEXTERA ENERGY CAPITAL HOLDINGS INC.....		07/31/2019.....	KEYBANC CAPITAL MARKETS INC.....		522,420	500,000	5,736	2FE.....
65479H AB 3	NAROT 19B A2A - ABS.....		08/07/2019.....	BNP Paribas.....		502,715	500,000	853	1FE.....
655844 BS 6	NORFOLK SOUTHERN CORP.....		07/31/2019.....	MLPFS INC FIXED INCOME.....		510,630	500,000	1,893	2FE.....
66621# AA 4	NORTHFIELD MOUNTAIN, LLC.....		07/18/2019.....	DIRECT FROM ISSUER.....		500,000	500,000		2.....
666807 BN 1	NORTHROP GRUMMAN CORP.....		07/31/2019.....	HSBC SECURITIES (USA) FXD INC.....		514,225	500,000	767	2FE.....
67103H AG 2	O'REILLY AUTOMOTIVE INC.....		07/31/2019.....	Morgan Stanley.....		545,750	500,000	3,685	2FE.....
67113D AC 8	OZLM 24 A1A - CDO.....		07/26/2019.....	BNP SECURITIES.....		250,000	250,000		1FE.....
680665 AL 0	OLIN CORP.....		07/12/2019.....	JP MORGAN SECURITIES LLC.....		1,003,000	1,000,000		3FE.....
68269B AA 6	OMFIT 192 A - ABS.....		09/16/2019.....	BARCLAYS CAPITAL INC.....		2,998,721	3,000,000		1FE.....
693475 AX 3	PNC FINANCIAL SERVICES GROUP INC.....		07/18/2019.....	DBTC AMERICAS/PNC BANK, N.A.-S.....		2,994,270	3,000,000		1FE.....
718549 AH 1	PHILLIPS 66 PARTNERS LP.....		09/03/2019.....	RBC CAPITAL MARKETS, LLC.....		1,995,620	2,000,000		2FE.....
75888H AC 5	REG12 12 A2 - CDO.....	C.....	09/03/2019.....	BNP SECURITIES.....		250,000	250,000		1FE.....
767201 AS 5	RIO TINTO FINANCE (USA) LTD.....	C.....	07/31/2019.....	Morgan Stanley.....		374,584	350,000	1,714	1FE.....
780097 BL 4	ROYAL BANK OF SCOTLAND GROUP PLC.....	C.....	08/09/2019.....	BARCLAYS CAPITAL INC.....		525,310	500,000	5,865	2FE.....
78442F EQ 7	NAVIENT CORP.....		09/25/2019.....	KEYBANC CAPITAL MARKETS INC.....		1,045,620	1,000,000	9,472	3FE.....
808513 AU 9	CHARLES SCHWAB CORP.....		07/31/2019.....	SUNTRUST ROBINSON HUMPHREY INC.....		618,498	600,000	373	1FE.....
828807 DE 4	SIMON PROPERTY GROUP LP.....		08/09/2019.....	SUNTRUST ROBINSON HUMPHREY INC.....		531,495	500,000	3,375	1FE.....
83609G AW 5	SNDPT 9RR ARR - CDO.....	C.....	07/16/2019.....	CITIGROUP GLOBAL MARKETS INC.....		249,850	250,000		1FE.....
83614N AG 8	SNDPT 24 C - CDO.....	C.....	09/04/2019.....	CREDIT SUISSE SECURITIES (USA).....		250,000	250,000		1FE.....
85817E AC 7	STCR 192 B - CDO.....	C.....	07/26/2019.....	WELLS FARGO SECURITIES LLC.....		250,000	250,000		1FE.....
86157# AA 4	STOLTHAVEN NEW ORLEANS LLC.....	C.....	07/17/2019.....	DIRECT FROM ISSUER.....		1,400,000	1,400,000		2.....
87612B BJ 0	TARGA RESOURCES PARTNERS LP.....		09/10/2019.....	GOLDMAN, SACHS & CO.....		1,065,000	1,000,000	23,990	3FE.....
88579Y BF 7	3M CO.....		07/31/2019.....	Morgan Stanley.....		508,835	500,000	6,111	1FE.....
89400P AE 3	TRANSURBAN FINANCE COMPANY PTY LTD.....	C.....	07/31/2019.....	BANK OF NEW YORK.....		526,435	500,000		2FE.....
904764 BH 9	UNILEVER CAPITAL CORP.....		09/03/2019.....	MLPFS INC FIXED INCOME.....		1,981,980	2,000,000		1FE.....
91159J AA 4	U.S. BANCORP.....		07/31/2019.....	DEUTSCHE BANK SECURITIES, INC.....		509,305	500,000	697	1FE.....
91913Y AL 4	VALERO ENERGY CORP.....		07/31/2019.....	KEYBANC CAPITAL MARKETS INC.....		641,210	500,000	4,325	2FE.....
92332N AE 5	VENTR 38 C - CDO.....	C.....	07/25/2019.....	Bank of New York Mellon.....		250,000	250,000		1FE.....
92343V ET 7	VERIZON COMMUNICATIONS INC.....		08/09/2019.....	WELLS FARGO SECURITIES LLC.....		552,730	500,000	3,904	2FE.....
92918F AC 8	VOYA 193 C - CDO.....	C.....	09/17/2019.....	KEYBANC CAPITAL MARKETS INC.....		250,000	250,000		1FE.....
95000U 2D 4	WELLS FARGO & CO.....		08/09/2019.....	Morgan Stanley.....		555,090	500,000	1,095	1FE.....
95001V AT 7	WFCM 19C51 A3 - CMBS.....		08/15/2019.....	WELLS FARGO SECURITIES LLC.....		529,102	500,000	764	1FE.....
95040Q AJ 3	WELLTOWER INC.....		08/08/2019.....	GOLDMAN, SACHS & CO.....		1,996,320	2,000,000		2FE.....
961214 EC 3	WESTPAC BANKING CORP.....	C.....	07/31/2019.....	Morgan Stanley.....		520,360	500,000	7,150	1FE.....
98161V AC 4	WOART 18A A3 - ABS.....		08/07/2019.....	BONY/TORONTO DOMINION SECURITI.....		503,633	500,000	833	1FE.....
983130 AV 7	WYNN LAS VEGAS LLC.....		09/05/2019.....	CITIGROUP GLOBAL MARKETS INC.....		1,060,000	1,000,000	1,222	4FE.....
98876N AG 9	ZAIS 13 B1 - CDO.....	C.....	08/01/2019.....	JP MORGAN SECURITIES LLC.....		247,425	250,000		1FE.....
3899999	Total - Bonds - Industrial and Miscellaneous.....					76,581,374	74,705,000	292,045	XXX.....
8399997	Total - Bonds - Part 3.....					109,900,935	107,020,396	333,626	XXX.....
8399999	Total - Bonds.....					109,900,935	107,020,396	333,626	XXX.....

QE04.2

Common Stocks - Industrial and Miscellaneous

Statement for September 30, 2019 of the **KENTUCKY EMPLOYERS' MUTUAL INSURANCE AUTHORITY**
SCHEDULE D - PART 3

Showing all Long-Term Bonds and Stocks ACQUIRED During Current Quarter

1	2	3	4	5	6	7	8	9	10
CUSIP Identification	Description	Foreign	Date Acquired	Name of Vendor	Number of Shares of Stock	Actual Cost	Par Value	Paid for Accrued Interest and Dividends	NAIC Designation and Administrative Symbol/Market Indicator (a)
001055 10 2	AFLAC ORD.....		09/03/2019.....	BARCLAYS CAPITAL INC./LE.....	3,961.000	198,501	XXX		L.....
02209S 10 3	ALTRIA GROUP ORD.....		09/03/2019.....	BARCLAYS CAPITAL INC./LE.....	7,802.000	342,101	XXX		L.....
054937 10 7	BB AND T ORD.....		09/03/2019.....	BARCLAYS CAPITAL INC./LE.....	2,752.000	128,534	XXX		L.....
086516 10 1	BEST BUY ORD.....		09/03/2019.....	BARCLAYS CAPITAL INC./LE.....	2,154.000	136,610	XXX		L.....
09247X 10 1	BLACKROCK ORD.....		09/03/2019.....	BARCLAYS CAPITAL INC./LE.....	320.000	133,079	XXX		L.....
14149Y 10 8	CARDINAL HEALTH ORD.....		09/03/2019.....	BARCLAYS CAPITAL INC./LE.....	2,814.000	120,746	XXX		L.....
17275R 10 2	CISCO SYSTEMS ORD.....		09/03/2019.....	BARCLAYS CAPITAL INC./LE.....	7,005.000	325,618	XXX		L.....
189054 10 9	CLOROX ORD.....		09/04/2019.....	BARCLAYS CAPITAL INC./LE.....	11,444.000	1,854,715	XXX		L.....
231021 10 6	CUMMINS ORD.....		09/03/2019.....	BARCLAYS CAPITAL INC./LE.....	1,200.000	174,618	XXX		L.....
30231G 10 2	EXXON MOBIL ORD.....		09/03/2019.....	BARCLAYS CAPITAL INC./LE.....	26,410.000	1,803,240	XXX		L.....
452308 10 9	ILLINOIS TOOL ORD.....		09/03/2019.....	GOLDMAN, SACHS & CO.....	283.000	41,219	XXX		L.....
458140 10 0	INTEL ORD.....		09/03/2019.....	GOLDMAN, SACHS & CO.....	778.000	36,497	XXX		L.....
459200 10 1	INTERNATIONAL BUSINESS MACHINES ORD.....		09/03/2019.....	GOLDMAN, SACHS & CO.....	385.000	51,697	XXX		L.....
460146 10 3	INTERNATIONAL PAPER ORD.....		09/03/2019.....	BARCLAYS CAPITAL INC./LE.....	6,570.000	251,329	XXX		L.....
46625H 10 0	JPMORGAN CHASE ORD.....		09/03/2019.....	BARCLAYS CAPITAL INC./LE.....	930.000	100,706	XXX		L.....
478160 10 4	JOHNSON & JOHNSON ORD.....		09/03/2019.....	BARCLAYS CAPITAL INC./LE.....	1,541.000	198,131	XXX		L.....
58933Y 10 5	MERCK & CO ORD.....		09/03/2019.....	GOLDMAN, SACHS & CO.....	138.000	11,952	XXX		L.....
670346 10 5	NUCOR ORD.....		09/03/2019.....	BARCLAYS CAPITAL INC./LE.....	2,639.000	127,490	XXX		L.....
681919 10 6	OMNICOM GROUP ORD.....		09/03/2019.....	BARCLAYS CAPITAL INC./LE.....	2,504.000	189,162	XXX		L.....
693475 10 5	PNC FINANCIAL SERVICES GROUP ORD.....		09/03/2019.....	BARCLAYS CAPITAL INC./LE.....	1,095.000	138,501	XXX		L.....
704326 10 7	PAYCHEX ORD.....		09/04/2019.....	BARCLAYS CAPITAL INC./LE.....	22,153.000	1,812,405	XXX		L.....
713448 10 8	PEPSICO ORD.....		09/03/2019.....	GOLDMAN, SACHS & CO.....	370.000	50,704	XXX		L.....
717081 10 3	PFIZER ORD.....		09/03/2019.....	BARCLAYS CAPITAL INC./LE.....	11,236.000	405,393	XXX		L.....
718172 10 9	PHILIP MORRIS INTERNATIONAL ORD.....		09/03/2019.....	BARCLAYS CAPITAL INC./LE.....	3,750.000	271,137	XXX		L.....
74251V 10 2	PRINCIPAL FINANCIAL GROUP ORD.....		09/03/2019.....	BARCLAYS CAPITAL INC./LE.....	2,070.000	108,681	XXX		L.....
88579Y 10 1	3M ORD.....		09/03/2019.....	BARCLAYS CAPITAL INC./LE.....	881.000	139,678	XXX		L.....
89417E 10 9	TRAVELERS COMPANIES ORD.....		09/03/2019.....	BARCLAYS CAPITAL INC./LE.....	1,001.000	147,224	XXX		L.....
902973 30 4	US BANCORP ORD.....		09/03/2019.....	GOLDMAN, SACHS & CO.....	1,541.000	80,410	XXX		L.....
918204 10 8	VF ORD.....		09/03/2019.....	BARCLAYS CAPITAL INC./LE.....	1,970.000	159,255	XXX		L.....
91913Y 10 0	VALERO ENERGY ORD.....		09/03/2019.....	GOLDMAN, SACHS & CO.....	647.000	48,023	XXX		L.....
92343V 10 4	VERIZON COMMUNICATIONS ORD.....		09/03/2019.....	GOLDMAN, SACHS & CO.....	815.000	47,219	XXX		L.....
9099999	Total - Common Stocks - Industrial and Miscellaneous.....					9,634,573	XXX	0	XXX.....
9799997	Total - Common Stocks - Part 3.....					9,634,573	XXX	0	XXX.....
9799999	Total - Common Stocks.....					9,634,573	XXX	0	XXX.....
9899999	Total - Preferred and Common Stocks.....					9,634,573	XXX	0	XXX.....
9999999	Total - Bonds, Preferred and Common Stocks.....					119,535,508	XXX	333,626	XXX.....

QE04.3

(a) For all common stock bearing NAIC market indicator "U" provide the number of such issues:.....0.

SCHEDULE D - PART 4

Showing all Long-Term Bonds and Stocks SOLD, REDEEMED or Otherwise DISPOSED OF During Current Quarter

1	2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value					16	17	18	19	20	21	22
										11	12	13	14	15							
CUSIP Identification	Description	For rei g n	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/Adjusted Carrying Value	Unrealized Valuation Increase (Decrease)	Current Year's (Amortization) / Accretion	Current Year's Other-Than- Temporary Impairment Recognized	Total Change in B./A.C.V. (11+12-13)	Total Foreign Exchange Change in B./A.C.V.	Book/Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest / Stock Dividends Received During Year	Stated Contractual Maturity Date	NAIC Designation and Admini- strative Symbol/ Market Indicator (a)
882508 10 4	TEXAS INSTRUMENTS ORD.....		09/03/2019	BARCLAYS CAPITAL INC./LE.....	1,163.000	141,309	XXX	47,683	109,904	(62,221)			(62,221)		47,683		93,626	93,626	2,687	XXX	L.....
911312 10 6	UNITED PARCEL SERVICE CL B ORD....		09/04/2019	BARCLAYS CAPITAL INC./LE.....	2,470.000	289,129	XXX	262,775	240,899	21,876			21,876		262,775		26,354	26,354	7,114	XXX	L.....
931142 10 3	WALMART ORD.....		09/03/2019	BARCLAYS CAPITAL INC./LE.....	16,224.000	1,859,230	XXX	1,425,260	1,511,266	(86,006)			(86,006)		1,425,260		433,971	433,971	33,461	XXX	L.....
9099999.	Total - Common Stocks - Industrial and Miscellaneous.....					9,013,242	XXX	8,252,639	5,514,035	111,467	0	0	111,467	0	8,252,639	0	760,603	760,603	175,416	XXX	XXX
9799997.	Total - Common Stocks - Part 4.....					9,013,242	XXX	8,252,639	5,514,035	111,467	0	0	111,467	0	8,252,639	0	760,603	760,603	175,416	XXX	XXX
9799999.	Total - Common Stocks.....					9,013,242	XXX	8,252,639	5,514,035	111,467	0	0	111,467	0	8,252,639	0	760,603	760,603	175,416	XXX	XXX
9899999.	Total - Preferred and Common Stocks.....					9,013,242	XXX	8,252,639	5,514,035	111,467	0	0	111,467	0	8,252,639	0	760,603	760,603	175,416	XXX	XXX
9999999.	Total - Bonds, Preferred and Common Stocks.....					63,317,497	XXX	61,955,597	49,359,552	295,173	(297,942)	0	(2,770)	0	61,557,459	0	1,757,356	1,757,356	1,548,556	XXX	XXX

(a) For all common stock bearing the NAIC market indicator "U" provide: the number of such issues:0.

Sch. DB - Pt. A - Sn. 1
NONE

Sch. DB - Pt. B - Sn. 1
NONE

Sch. DB - Pt. D - Sn. 1
NONE

Sch. DB - Pt. D - Sn. 2
NONE

Sch. DL - Pt. 1
NONE

Sch. DL - Pt. 2
NONE

Statement for September 30, 2019 of the **KENTUCKY EMPLOYERS' MUTUAL INSURANCE AUTHORITY**
SCHEDULE E - PART 1 - CASH

Month End Depository Balances

1 Depository	2 Code	3 Rate of Interest	4 Amount of Interest Received During Current Quarter	5 Amount or interest Accrued at Current Statement Date	Book Balance at End of Each Month During Current Quarter			9 *
					6 First Month	7 Second Month	8 Third Month	
Open Depositories								
JPMorgan Chase Bank..... Lexington KY.....		.....0.006	.....12,922		.....12,837,227	.....11,458,278	.....11,636,684	XXX
0199998. Deposits in.....3 depositories that do not exceed the allowable limit in any one depository (see Instructions) - Open Depositories.....	XXX	XXX	.....87		.....(9,745)	.....33,001	.....52,368	XXX
0199999. Total Open Depositories.....	XXX	XXX	.....13,008	.....0	.....12,827,482	.....11,491,279	.....11,689,052	XXX
0399999. Total Cash on Deposit.....	XXX	XXX	.....13,008	.....0	.....12,827,482	.....11,491,279	.....11,689,052	XXX
0499999. Cash in Company's Office.....	XXX	XXX	XXX	XXX	.....95	.....103	.....139	XXX
0599999. Total Cash.....	XXX	XXX	.....13,008	.....0	.....12,827,576	.....11,491,383	.....11,689,191	XXX

Statement for September 30, 2019 of the **KENTUCKY EMPLOYERS' MUTUAL INSURANCE AUTHORITY**
SCHEDULE E - PART 2 - CASH EQUIVALENTS

Show Investments Owned End of Current Quarter

1 CUSIP	2 Description	3 Code	4 Date Acquired	5 Rate of Interest	6 Maturity Date	7 Book/Adjusted Carrying Value	8 Amount of Interest Due & Accrued	9 Amount Received During Year
All Other Money Market Mutual Funds								
31846V 56 7	FIRST AMER.GVT OBLG Z.....		09/30/2019.....	1.850		17,474,202	27,606	61,604
8699999. Total - All Other Money Market Mutual Funds.....						17,474,202	27,606	61,604
8899999. Total - Cash Equivalents.....						17,474,202	27,606	61,604

QE13