

QUARTERLY STATEMENT

OF THE

**KENTUCKY EMPLOYERS'
MUTUAL INSURANCE
AUTHORITY**

OF

Lexington, Kentucky

TO THE

Commissioner of the Department of Insurance

OF THE

Commonwealth of Kentucky

**FOR THE QUARTER ENDED
SEPTEMBER 30, 2020**

PROPERTY AND CASUALTY

2020



PROPERTY AND CASUALTY COMPANIES - ASSOCIATION EDITION

QUARTERLY STATEMENT

AS OF SEPTEMBER 30, 2020

OF THE CONDITION AND AFFAIRS OF THE

KENTUCKY EMPLOYERS' MUTUAL INSURANCE AUTHORITY

NAIC Group Code (Current) (Prior) NAIC Company Code 10320 Employer's ID Number 61-1275981

Organized under the Laws of Kentucky, State of Domicile or Port of Entry KY

Country of Domicile United States of America

Incorporated/Organized 04/04/1994 Commenced Business 09/01/1995

Statutory Home Office 250 West Main Street, Suite 900 Lexington, KY, US 40507-1724

Main Administrative Office 250 West Main Street, Suite 900 Lexington, KY, US 40507-1724 859-425-7800

Mail Address 250 West Main Street, Suite 900 Lexington, KY, US 40507-1724

Primary Location of Books and Records 250 West Main Street, Suite 900 Lexington, KY, US 40507-1724 859-425-7800

Internet Website Address www.kemi.com

Statutory Statement Contact Jon Edward Stewart 859-425-7800 jstewart@kemi.com 859-425-7850

OFFICERS

President & Chief Executive Officer Jon Edward Stewart Vice President & General Counsel Timothy Culver Feld Vice President & Chief Financial Officer Mark David Bunning Vice President Strategy, Innovation & Marketing Elizabeth Angela Paul

OTHER

Jeremy Lynn Terry, Vice President Policyholder Services Mary Churchill Colvin, Vice President Claims Services

DIRECTORS OR TRUSTEES

Rodney Wayne Casada # Lisa Shearer Clark Brian Thomas Evans Jr Rebecca Ann Johnson Hedgspeth Holly McCoy- Johnson Joseph John Koester Larry Lee Roberts Gerina Diana Whethers Kellie Denise Wilson # Mark Anthony Workman #

State of Kentucky SS: 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.

Jon Edward Stewart President & Chief Executive Officer

Mark David Bunning Vice President & Chief Financial Officer

Timothy Culver Feld Vice President & General Counsel

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 AS OF SEPTEMBER 30, 2020 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	958,067,409		958,067,409	940,731,186
2. Stocks:				
2.1 Preferred stocks				
2.2 Common stocks	53,229,014		53,229,014	55,190,169
3. Mortgage loans on real estate:				
3.1 First liens				
3.2 Other than first liens.....				
4. Real estate:				
4.1 Properties occupied by the company (less \$ encumbrances)				
4.2 Properties held for the production of income (less \$ encumbrances)				
4.3 Properties held for sale (less \$ encumbrances)	4,025,000		4,025,000	4,025,000
5. Cash (\$19,522,765), cash equivalents (\$ 18,718,961) and short-term investments (\$)	38,241,726		38,241,726	43,735,240
6. Contract loans (including \$ premium notes)				
7. Derivatives				
8. Other invested assets	866,220		866,220	
9. Receivables for securities				
10. Securities lending reinvested collateral assets				
11. Aggregate write-ins for invested assets				
12. Subtotals, cash and invested assets (Lines 1 to 11)	1,054,429,369		1,054,429,369	1,043,681,595
13. Title plants less \$ charged off (for Title insurers only)				
14. Investment income due and accrued	6,726,057		6,726,057	6,484,708
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection	15,274,632	7,346,019	7,928,613	11,134,088
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$2,969,803 earned but unbilled premiums)	34,402,240	481,516	33,920,724	38,244,457
15.3 Accrued retrospective premiums (\$) and contracts subject to redetermination (\$)				
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers	72,009		72,009	49,567
16.2 Funds held by or deposited with reinsured companies	750,000		750,000	750,000
16.3 Other amounts receivable under reinsurance contracts				
17. Amounts receivable relating to uninsured plans				
18.1 Current federal and foreign income tax recoverable and interest thereon				
18.2 Net deferred tax asset				
19. Guaranty funds receivable or on deposit				
20. Electronic data processing equipment and software	52,665	13,916	38,749	67,482
21. Furniture and equipment, including health care delivery assets (\$)	493,998	493,998		
22. Net adjustment in assets and liabilities due to foreign exchange rates				
23. Receivables from parent, subsidiaries and affiliates				
24. Health care (\$) and other amounts receivable	383,990	383,990		
25. Aggregate write-ins for other than invested assets	10,098,269	9,298,107	800,162	4,245,389
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	1,122,683,229	18,017,546	1,104,665,683	1,104,657,286
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts				
28. Total (Lines 26 and 27)	1,122,683,229	18,017,546	1,104,665,683	1,104,657,286
DETAILS OF WRITE-INS				
1101.				
1102.				
1103.				
1198. Summary of remaining write-ins for Line 11 from overflow page				
1199. Totals (Lines 1101 through 1103 plus 1198)(Line 11 above)				
2501. Receivables for Retroactive Reinsurance Reserves Assumed	796,683		796,683	4,245,389
2502. Policy Deductibles Receivable	3,479		3,479	
2503. TPA Advances	50,709	50,709		
2598. Summary of remaining write-ins for Line 25 from overflow page	9,247,398	9,247,398		
2599. Totals (Lines 2501 through 2503 plus 2598)(Line 25 above)	10,098,269	9,298,107	800,162	4,245,389

STATEMENT AS OF SEPTEMBER 30, 2020 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 \$ 52,844,361)	607,560,269	612,265,699
2. Reinsurance payable on paid losses and loss adjustment expenses		
3. Loss adjustment expenses	52,610,237	53,067,996
4. Commissions payable, contingent commissions and other similar charges	11,005,088	12,081,707
5. Other expenses (excluding taxes, licenses and fees)	4,839,396	4,067,966
6. Taxes, licenses and fees (excluding federal and foreign income taxes)		
7.1 Current federal and foreign income taxes (including \$ on realized capital gains (losses))		
7.2 Net deferred tax liability		
8. Borrowed money \$ and interest thereon \$		
9. Unearned premiums (after deducting unearned premiums for ceded reinsurance of \$ 65,905 and including warranty reserves of \$ and accrued accident and health experience rating refunds including \$ for medical loss ratio rebate per the Public Health Service Act)	61,856,112	67,787,574
10. Advance premium		
11. Dividends declared and unpaid:		
11.1 Stockholders		
11.2 Policyholders		
12. Ceded reinsurance premiums payable (net of ceding commissions)	(1,190,565)	18,408
13. Funds held by company under reinsurance treaties	866,153	1,116,113
14. Amounts withheld or retained by company for account of others	9,477,520	9,496,225
15. Remittances and items not allocated	543,719	1,063,466
16. Provision for reinsurance (including \$ 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	3,100,000	
22. Payable for securities lending		
23. Liability for amounts held under uninsured plans		
24. Capital notes \$ and interest thereon \$		
25. Aggregate write-ins for liabilities	74,553,136	81,967,569
26. Total liabilities excluding protected cell liabilities (Lines 1 through 25)	825,221,065	842,932,723
27. Protected cell liabilities		
28. Total liabilities (Lines 26 and 27)	825,221,065	842,932,723
29. Aggregate write-ins for special surplus funds		
30. Common capital stock		
31. Preferred capital stock		
32. Aggregate write-ins for other than special surplus funds		
33. Surplus notes		
34. Gross paid in and contributed surplus		
35. Unassigned funds (surplus)	279,444,618	261,724,563
36. Less treasury stock, at cost:		
36.1 shares common (value included in Line 30 \$)		
36.2 shares preferred (value included in Line 31 \$)		
37. Surplus as regards policyholders (Lines 29 to 35, less 36)	279,444,618	261,724,563
38. Totals (Page 2, Line 28, Col. 3)	1,104,665,683	1,104,657,286
DETAILS OF WRITE-INS		
2501. Retroactive Reinsurance Reserves Assumed	30,430,902	65,115,306
2502. Retroactive Reinsurance Reserves Ceded	(24,880,174)	(25,930,096)
2503. Funds Withheld on Retroactive Reinsurance Reserves Ceded	31,413,916	31,239,957
2598. Summary of remaining write-ins for Line 25 from overflow page	37,588,492	11,542,402
2599. Totals (Lines 2501 through 2503 plus 2598)(Line 25 above)	74,553,136	81,967,569
2901.		
2902.		
2903.		
2998. Summary of remaining write-ins for Line 29 from overflow page		
2999. Totals (Lines 2901 through 2903 plus 2998)(Line 29 above)		
3201.		
3202.		
3203.		
3298. Summary of remaining write-ins for Line 32 from overflow page		
3299. Totals (Lines 3201 through 3203 plus 3298)(Line 32 above)		

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 \$ 95,873,062)	100,919,679	125,702,916	165,732,548
1.2 Assumed (written \$ 1,853,681)	2,331,786	2,175,647	2,858,653
1.3 Ceded (written \$ 3,269,865)	3,810,258	4,322,034	5,212,676
1.4 Net (written \$ 94,456,878)	99,441,207	123,556,529	163,378,525
DEDUCTIONS:			
2. Losses incurred (current accident year \$ 62,629,184):			
2.1 Direct	55,077,975	82,160,587	106,796,253
2.2 Assumed	1,713,990	1,224,435	1,528,214
2.3 Ceded	1,135,290	940,944	3,163,633
2.4 Net	55,656,675	82,444,078	105,160,834
3. Loss adjustment expenses incurred	15,958,753	20,532,941	26,808,288
4. Other underwriting expenses incurred	22,809,103	22,918,418	30,171,139
5. Aggregate write-ins for underwriting deductions			
6. Total underwriting deductions (Lines 2 through 5)	94,424,531	125,895,437	162,140,261
7. Net income of protected cells			
8. Net underwriting gain or (loss) (Line 1 minus Line 6 + Line 7)	5,016,676	(2,338,908)	1,238,264
INVESTMENT INCOME			
9. Net investment income earned	19,287,926	20,610,684	28,196,803
10. Net realized capital gains (losses) less capital gains tax of \$	2,229,201	3,467,713	12,096,439
11. Net investment gain (loss) (Lines 9 + 10)	21,517,127	24,078,397	40,293,242
OTHER INCOME			
12. Net gain or (loss) from agents' or premium balances charged off (amount recovered \$ 24,662 amount charged off \$ 2,434,565)	(2,409,903)	(1,546,815)	(1,883,063)
13. Finance and service charges not included in premiums	340	1,220	1,560
14. Aggregate write-ins for miscellaneous income	(6,250,705)	(2,094,443)	(2,650,404)
15. Total other income (Lines 12 through 14)	(8,660,268)	(3,640,038)	(4,531,907)
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15)	17,873,535	18,099,451	36,999,599
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)	17,873,535	18,099,451	36,999,599
19. Federal and foreign income taxes incurred			
20. Net income (Line 18 minus Line 19)(to Line 22)	17,873,535	18,099,451	36,999,599
CAPITAL AND SURPLUS ACCOUNT			
21. Surplus as regards policyholders, December 31 prior year	261,724,563	215,802,919	215,802,919
22. Net income (from Line 20)	17,873,535	18,099,451	36,999,599
23. Net transfers (to) from Protected Cell accounts			
24. Change in net unrealized capital gains (losses) less capital gains tax of \$	(4,316,069)	11,210,976	11,292,033
25. Change in net unrealized foreign exchange capital gain (loss)			
26. Change in net deferred income tax			
27. Change in nonadmitted assets	1,680,650	2,071,690	(1,679,926)
28. Change in provision for reinsurance			
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	2,481,939	2,400,156	(690,062)
38. Change in surplus as regards policyholders (Lines 22 through 37)	17,720,055	33,782,273	45,921,644
39. Surplus as regards policyholders, as of statement date (Lines 21 plus 38)	279,444,618	249,585,192	261,724,563
DETAILS OF WRITE-INS			
0501.			
0502.			
0503.			
0598. Summary of remaining write-ins for Line 5 from overflow page			
0599. Totals (Lines 0501 through 0503 plus 0598)(Line 5 above)			
1401. Net Periodic Pension Cost	(1,726,980)	(1,985,462)	(2,513,096)
1402. Net Periodic Retiree Health Insurance Cost	(203,725)	(108,981)	(137,308)
1403. Retroactive Reinsurance Ceded Expense	(4,320,000)		
1498. Summary of remaining write-ins for Line 14 from overflow page			
1499. Totals (Lines 1401 through 1403 plus 1498)(Line 14 above)	(6,250,705)	(2,094,443)	(2,650,404)
3701. Change in Projected Pension Benefits	2,201,454	2,201,454	(420,210)
3702. Change in Projected Retiree Health Insurance	280,485	198,702	(269,852)
3703.			
3798. Summary of remaining write-ins for Line 37 from overflow page			
3799. Totals (Lines 3701 through 3703 plus 3798)(Line 37 above)	2,481,939	2,400,156	(690,062)

STATEMENT AS OF SEPTEMBER 30, 2020 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	100,009,299	128,469,668	163,313,081
2. Net investment income	23,852,157	23,432,388	32,144,302
3. Miscellaneous income	(8,660,268)	(3,640,038)	(4,531,907)
4. Total (Lines 1 to 3)	115,201,188	148,262,018	190,925,476
5. Benefit and loss related payments	60,384,547	58,131,404	78,277,520
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts			
7. Commissions, expenses paid and aggregate write-ins for deductions	39,441,895	41,501,615	54,218,796
8. Dividends paid to policyholders			
9. Federal and foreign income taxes paid (recovered) net of \$ tax on capital gains (losses)			
10. Total (Lines 5 through 9)	99,826,442	99,633,019	132,496,316
11. Net cash from operations (Line 4 minus Line 10)	15,374,746	48,628,999	58,429,160
Cash from Investments			
12. Proceeds from investments sold, matured or repaid:			
12.1 Bonds	153,562,100	158,577,427	194,712,964
12.2 Stocks	17,463,748	23,461,534	58,724,768
12.3 Mortgage loans			
12.4 Real estate			
12.5 Other invested assets	381,093		18,122,683
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments			
12.7 Miscellaneous proceeds	3,100,000	250,000	
12.8 Total investment proceeds (Lines 12.1 to 12.7)	174,506,941	182,288,961	271,560,415
13. Cost of investments acquired (long-term only):			
13.1 Bonds	172,638,489	213,776,621	296,371,163
13.2 Stocks	18,896,733	25,783,828	26,018,546
13.3 Mortgage loans			
13.4 Real estate			
13.5 Other invested assets	866,220	33,485	673,950
13.6 Miscellaneous applications		109,400	500,000
13.7 Total investments acquired (Lines 13.1 to 13.6)	192,401,442	239,703,334	323,563,659
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)	(17,894,501)	(57,414,373)	(52,003,244)
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)	(2,973,759)	2,724,088	2,084,645
17. Net cash from financing and miscellaneous sources (Line 16.1 through Line 16.4 minus Line 16.5 plus Line 16.6)	(2,973,759)	2,724,088	2,084,645
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS			
18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17)	(5,493,514)	(6,061,286)	8,510,561
19. Cash, cash equivalents and short-term investments:			
19.1 Beginning of year	43,735,240	35,224,679	35,224,679
19.2 End of period (Line 18 plus Line 19.1)	38,241,726	29,163,393	43,735,240

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

NOTES TO FINANCIAL STATEMENTS

NOTE 1 Summary of Significant Accounting Policies and Going Concern

A. Accounting Practices

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.

	SSAP #	F/S Page	F/S Line #	2020	2019
NET INCOME					
(1) State basis (Page 4, Line 20, Columns 1 & 3)	XXX	XXX	XXX	\$ 17,873,535	\$ 36,999,599
(2) State Prescribed Practices that are an increase/(decrease) from NAIC SAP: None				\$ -	\$ -
(3) State Permitted Practices that are an increase/(decrease) from NAIC SAP: None				\$ -	\$ -
(4) NAIC SAP (1-2-3=4)	XXX	XXX	XXX	<u>\$ 17,873,535</u>	<u>\$ 36,999,599</u>
SURPLUS					
(5) State basis (Page 3, Line 37, Columns 1 & 2)	XXX	XXX	XXX	\$ 279,444,618	\$ 261,724,563
(6) State Prescribed Practices that are an increase/(decrease) from NAIC SAP: None				\$ -	\$ -
(7) State Permitted Practices that are an increase/(decrease) from NAIC SAP: None				\$ -	\$ -
(8) NAIC SAP (5-6-7=8)	XXX	XXX	XXX	<u>\$ 279,444,618</u>	<u>\$ 261,724,563</u>

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

The preparation of financial statements in accordance with Statutory Accounting Principles requires management to make estimates and assumptions that affect the amounts of assets and liabilities reported in these financial statements and accompanying notes. It also requires disclosure of contingent assets and liabilities as of the date of the financial statements. Actual results could differ from these estimates.

C. Accounting Policy

2. Investment grade bonds not backed by other loans are stated at amortized cost using the interest method. Non-investment grade bonds that have NAIC designations of 3 through 6, if any, are stated at the lower of amortized cost or fair value. Measurement methods are consistent from year to year.

6. 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 is confident of 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

A. Statutory Purchase Method

Not applicable.

B. Statutory Merger

Not applicable.

C. Impairment Loss

Not applicable.

NOTE 4 Discontinued Operations

A. Discontinued Operation Disposed of or Classified as Held for Sale

Not applicable.

B. Change in Plan of Sale of Discontinued Operation

Not applicable.

C. Nature of Any Significant Continuing Involvement with Discontinued Operations After Disposal

Not applicable.

D. Equity Interest Retained in the Discontinued Operation After Disposal

Not applicable.

NOTE 5 Investments

A. Mortgage Loans, including Mezzanine Real Estate Loans

Not applicable.

NOTES TO FINANCIAL STATEMENTS

B. Troubled Debt Restructuring for Creditors

Not applicable.

C. Reverse Mortgages

Not applicable.

D. Loan-Backed Securities

- (1) 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.
- (2) KEMI recognized no other-than-temporary impairments for loan-backed and structured securities during the year because it has the ability and intent to retain these assets until fair market values recover.
- (3) KEMI held no loan-backed and structured securities with a recognized other-than-temporary impairment as of quarter end.
- (4) 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.

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:

a) The aggregate amount of unrealized losses:

1. Less than 12 Months	\$	957,201
2. 12 Months or Longer	\$	783,759

b) The aggregate related fair value of securities with unrealized losses:

1. Less than 12 Months	\$	36,104,279
2. 12 Months or Longer	\$	31,427,913

- (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. It is possible that the company could recognize other-than-temporary impairments in the future on some of these securities that are currently in an unrealized loss position if future events, information and the passage of time cause it to conclude that declines in value are other-than-temporary.

E. Dollar Repurchase Agreements and/or Securities Lending Transactions

Not applicable.

F. Repurchase Agreements Accounted for as Secured Borrowing

Not applicable.

G. Reverse Repurchase Agreements Accounted for as Secured Borrowing

Not applicable.

H. Repurchase Agreements Accounted for as a Sale

Not applicable.

I. Reverse Repurchase Agreements Accounted for as a Sale

Not applicable.

J. Real Estate

(1) Real Estate Impairments

No significant changes during the year.

(2) Real Estate Classified as Held for Sale

No significant changes during the year.

(3) Changes in Plans to Sell Real Estate

No significant changes during the year.

(4) Retail Land Sales Operations

Not applicable.

(5) Real Estate with Participating Loan Features

Not applicable.

K. Low Income Housing Tax Credits (LIHTC)

Not applicable.

NOTES TO FINANCIAL STATEMENTS

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. 5GI Securities

Not applicable.

P. Short Sales

Not applicable.

Q. Prepayment Penalty and Acceleration Fees

The following table reflects bonds called during the year which included prepayment penalties and/or acceleration fees:

	General Account	Protected Cell
1. Number of CUSIPs	3	0
2. Aggregate Amount of Investment Income	\$ 84,204	\$ -

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

A. Accrued Investment Income

KEMI nonadmits all due and accrued investment income that is more than 90 days past due, if any. In addition, all other amounts that are determined to be in default are written off and future accruals are no longer reported.

B. Amounts Nonadmitted

None.

NOTE 8 Derivative Instruments

A. Derivatives under SSAP No. 86—Derivatives

Not applicable.

B. Derivatives under SSAP No. 108—Derivatives Hedging Variable Annuity Guarantees

Not applicable.

NOTE 9 Income Taxes

A. Deferred Tax Asset / (Liability)

Not applicable.

B. Deferred Tax Liabilities Not Recognized

Not applicable.

C. Current and Deferred Income Taxes

Not applicable.

D. Reconciliation of Federal Income Tax Rate to Actual Effective Rate

Not applicable.

E. Operating Loss and Tax Credit Carryforwards and Protective Tax Deposits

Not applicable.

F. Consolidated Federal Income Tax Return

Not applicable.

G. Federal or Foreign Income Tax Loss Contingencies

Not applicable.

H. Repatriation Transition Tax (RTT)

Not applicable.

NOTES TO FINANCIAL STATEMENTS

I. Alternative Minimum Tax (AMT) Credit

Not applicable.

NOTE 10 Information Concerning Parent, Subsidiaries, Affiliates and Other Related Parties

A. Nature of Relationships

Not applicable.

B. Transactions Greater than ½% of Admitted Assets

Not applicable.

C. Changes in Terms of Intercompany Arrangements

Not applicable.

D. Amounts Due To or From Related Parties

Not applicable.

E. Guarantees or Contingencies for Related Parties

Not applicable.

F. Management, Service Contracts and Cost Sharing Arrangements

Not applicable.

G. Nature of Control Relationships that Could Affect Operations

Not applicable.

H. Amount Deducted for Investment in Upstream Company

Not applicable.

I. Investments in Affiliates Greater than 10% of Admitted Assets

Not applicable.

J. Impairment Writedowns for Investments in Affiliates

Not applicable.

K. Foreign Insurance Subsidiary Valued Using CARVM

Not applicable.

L. Downstream Holding Company Valued Using Look-Through Method

Not applicable.

M. Investments in Subsidiary, Controlled and Affiliated (SCA) Entities

Not applicable.

N. Investments in Insurance Subsidiary, Controlled and Affiliated (SCA) Entities

Not applicable.

O. SCA or SSAP 48 Entity Loss Tracking

Not applicable.

NOTE 11 Debt

A. Terms, Payments and Carrying Values of Debt and Capital Notes

Not applicable.

B. FHLB (Federal Home Loan Bank) 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. Aggregate Totals

	1 Total 2+3	2 General Account	3 Protected Cell Accounts
1. Current Year			
(a) Membership Stock - Class A	\$ -	\$ -	\$ -
(b) Membership Stock - Class B	\$ 1,767,452	\$ 1,767,452	\$ -
(c) Activity Stock	\$ -	\$ -	\$ -
(d) Excess Stock	\$ 48	\$ 48	\$ -
(e) Aggregate Total (a+b+c+d)	\$ 1,767,500	\$ 1,767,500	\$ -
(f) Actual or Estimated Borrowing Capacity	\$ 2,148	XXX	XXX

NOTES TO FINANCIAL STATEMENTS

	1	2	3
	Total 2+3	General Account	Protected Cell Accounts
2. Prior Year-end			
(a) Membership Stock - Class A	\$ -	\$ -	\$ -
(b) Membership Stock - Class B	\$ 1,668,859	\$ 1,668,859	\$ -
(c) Activity Stock	\$ -	\$ -	\$ -
(d) Excess Stock	\$ 41	\$ 41	\$ -
(e) Aggregate Total (a+b+c+d)	<u>\$ 1,668,900</u>	<u>\$ 1,668,900</u>	<u>\$ -</u>
(f) Actual or Estimated Borrowing Capacity	\$ 2,035	XXX	XXX

b. Membership Stock (Class A and B) Eligible and Not Eligible for Redemption

	1	2	Eligible for Redemption			
			3	4	5	6
	Current Year Total (2+3+4+5+6)	Not Eligible for Redemption	Less Than 6 Months	6 Months to Less Than 1 Year	1 to Less Than 3 Years	3 to 5 Years
Membership Stock						
1. Class A	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2. Class B	\$ 1,767,452	\$ 1,767,452	\$ -	\$ -	\$ -	\$ -

(3) Collateral Pledged to FHLB

a. Amount Pledged as of Reporting Date

None.

b. Maximum Amount Pledged During Reporting Period

None.

(4) Borrowing from FHLB

a. Amount as of Reporting Date

None.

b. Maximum Amount During Reporting Period (Current Year)

None.

c. FHLB - Prepayment Obligations

None.

NOTE 12 Retirement Plans, Deferred Compensation, Postemployment Benefits and Compensated Absences and Other Postretirement Benefit Plans

A. Defined Benefit Pension Plan and Postretirement Benefit Plan

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 401(h) 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. In 2020, KEMI expects to contribute \$74,000 per pay period to the defined benefit pension plan and \$10,000 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:

	Pension Benefits		Postretirement Benefits		Special or Contractual Benefits Per SSAP No. 11	
	2020	2019	2020	2019	2020	2019
(4) Components of net periodic benefit cost						
a. Service cost	\$ 782,555	\$ 1,150,654	\$ 195,669	\$ 229,854	\$ -	\$ -
b. Interest cost	\$ 868,704	\$ 1,273,449	\$ 123,115	\$ 168,974	\$ -	\$ -
c. Expected return on plan assets	\$ (837,978)	\$ (1,068,923)	\$ (142,781)	\$ (197,127)	\$ -	\$ -
d. Transition asset or obligation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
e. Gains and losses	\$ 118,245	\$ -	\$ (62,763)	\$ (126,373)	\$ -	\$ -
f. Prior service cost or credit	\$ 2,201,454	\$ 2,935,272	\$ 280,485	\$ 373,980	\$ -	\$ -
g. Gain or loss recognized due to a settlement or curtailment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
h. Total net periodic benefit cost	<u>\$ 3,132,980</u>	<u>\$ 4,290,452</u>	<u>\$ 393,725</u>	<u>\$ 449,308</u>	<u>\$ -</u>	<u>\$ -</u>

B. Pension Plan and Postretirement Benefit Plan Investment Strategies

No significant changes during the year.

C. Fair Value Measurements of Plan Assets

No significant changes during the year.

D. Rate of Return Assumptions

No significant changes during the year.

NOTES TO FINANCIAL STATEMENTS

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. 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 and access to the 401(h) retiree health premium subsidy is provided for participants hired prior to July 1, 2016 who were previously members of KRS (see Note 12A). Participants are fully vested after 60 months of service.

KEMI also established a 457(b) plan effective July 1, 2016 for which it is the plan sponsor and to which all employees may elect to contribute additional elective deferrals. Through December 31, 2019, employees who were previously members of KRS (see Note 12A) were eligible to receive matching employer funds of 50% of their elective deferrals, up to a maximum match of 3%. This matching contribution was suspended effective January 1, 2020.

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, Shareholders' Dividend Restrictions and Quasi-Reorganizations

(1) Outstanding Shares

Not applicable.

(2) Dividend Rate of Preferred Stock

Not applicable.

(3) Stockholder Dividend Restrictions

Not applicable.

(4) Stockholder Dividends Paid

Not applicable.

(5) Ordinary Stockholder Dividends That May Be Paid

Not applicable.

(6) Restrictions on Unassigned Funds

Not applicable.

(7) Mutual Surplus Advances

Not applicable.

(8) Company Stock Held for Special Purposes

Not applicable.

(9) Changes in Special Surplus Funds

Not applicable.

(10) Changes in Unassigned Funds

The portion of unassigned funds (surplus) represented or reduced by cumulative unrealized gains and losses was \$ 3,435,404

(11) Surplus Debentures or Similar Obligations

Not applicable.

(12) Impact of Restatement Due to Prior Quasi-Reorganizations

Not applicable.

(13) Effective Date(s) of Prior Quasi-Reorganizations

Not applicable.

NOTE 14 Liabilities, Contingencies and Assessments

A. Contingent Commitments

Not applicable.

NOTES TO FINANCIAL STATEMENTS

B. Guarantee Fund and Other Assessments

Not applicable.

C. Gain Contingencies

Not applicable.

D. Claims Related Extra Contractual Obligations 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 Operating Leases

(1) KEMI leases space for its main office under a noncancellable operating lease which expires December 31, 2029; however, the lease contains an early cancellation provision effective December 31, 2024 with six months written notice. The agreement also includes an option to extend the lease for an additional 60 months following its expiration on December 31, 2029. In addition to its home office, KEMI leases space for a satellite office under a noncancellable operating lease which expires May 31, 2022.

(2) Future Aggregate Minimum Lease Commitments

No significant changes during the year.

(3) Sale-Leaseback Arrangements

Not applicable.

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

(1) Face or Contract Amounts

Not applicable.

(2) Nature and Terms

Not applicable.

(3) Exposure to Credit-Related Losses

Not applicable.

(4) Collateral Policy

Not applicable.

NOTE 17 Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities

A. Transfers of Receivables Reported as Sales

Not applicable.

B. Transfer and Servicing of Financial Assets

Not applicable.

C. Wash Sales

Not applicable.

NOTE 18 Gain or Loss to the Reporting Entity from Uninsured Plans and the Uninsured Portion of Partially Insured Plans

A. Administrative Services Only (ASO) Plans

Not applicable.

B. Administrative Services Contracts (ASC) Plans

Not applicable.

C. Medicare or Similarly Structured Cost Based Reimbursement Contracts

Not applicable.

NOTES TO FINANCIAL STATEMENTS

NOTE 19 Direct Premium 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

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.

(1) Fair Value Measurements at Reporting Date

Description for each class of asset or liability	(Level 1)	(Level 2)	(Level 3)	Net Asset Value (NAV)	Total
a. Assets at fair value					
Long-term bonds	\$ -	\$ 9,617,916	\$ -	\$ -	\$ 9,617,916
Common stocks	\$ 53,229,014	\$ -	\$ -	\$ -	\$ 53,229,014
Real estate held for sale	\$ -	\$ 4,025,000	\$ -	\$ -	\$ 4,025,000
Cash	\$ 19,522,765	\$ -	\$ -	\$ -	\$ 19,522,765
Cash equivalents	\$ 18,718,961	\$ -	\$ -	\$ -	\$ 18,718,961
Total assets at fair value/NAV	\$ 91,470,740	\$ 13,642,916	\$ -	\$ -	\$ 105,113,656

Description for each class of asset or liability	(Level 1)	(Level 2)	(Level 3)	Net Asset Value (NAV)	Total
b. Liabilities at fair value					
None	\$ -	\$ -	\$ -	\$ -	\$ -
Total liabilities at fair value	\$ -	\$ -	\$ -	\$ -	\$ -

(2) Fair Value Measurements in (Level 3) of the Fair Value Hierarchy

Not applicable.

(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

KEMI held fourteen corporate bonds rated NAIC 3 that were carried at fair value and categorized within Level 2 of the fair value hierarchy at September 30, 2020. This compares to thirty-four at June 30, 2020, forty-six at March 31, 2020, and four at December 31, 2019 (see Note 21A for a discussion of the impact of COVID-19 on the US economy and financial markets). 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. Aggregate fair value for all financial instruments and the level within the fair value hierarchy in which the fair value measurements in their entirety fall.

Type of Financial Instrument	Aggregate Fair Value	Admitted Assets	(Level 1)	(Level 2)	(Level 3)	Net Asset Value (NAV)	Not Practicable (Carrying Value)
Long-term bonds	\$ 1,017,535,720	\$ 958,067,409	\$ -	\$ 1,017,535,720	\$ -	\$ -	\$ -
Common stocks	\$ 53,229,014	\$ 53,229,014	\$ 53,229,014	\$ -	\$ -	\$ -	\$ -
Real estate	\$ 4,025,000	\$ 4,025,000	\$ -	\$ 4,025,000	\$ -	\$ -	\$ -
Other invested assets	\$ 866,220	\$ 866,220	\$ -	\$ -	\$ 866,220	\$ -	\$ -
Cash	\$ 19,522,765	\$ 19,522,765	\$ 19,522,765	\$ -	\$ -	\$ -	\$ -
Cash equivalents	\$ 18,718,961	\$ 18,718,961	\$ 18,718,961	\$ -	\$ -	\$ -	\$ -
Payable for securities	\$ (3,100,000)	\$ (3,100,000)	\$ (3,100,000)	\$ -	\$ -	\$ -	\$ -

D. Not Practicable to Estimate Fair Value

Not applicable.

E. Financial Instruments Carried at Net Asset Value

Not applicable.

NOTES TO FINANCIAL STATEMENTS

NOTE 21 Other Items

A. Unusual or Infrequent Items

In March 2020, the World Health Organization declared the worldwide outbreak of novel coronavirus disease 2019 (COVID-19) a global pandemic. Although the spread of COVID-19 throughout the United States has negatively impacted the US economy and financial markets, substantial recoveries have occurred during the second and third quarters of 2020. As of September 30, 2020, KEMI's net unrealized gains on common stocks improved to \$4.2 million, as compared to net unrealized losses of \$5.1 million at March 31, 2020. The market value of KEMI's bond portfolio exceeds book adjusted carrying value by \$59.5 million as of September 30, 2020 (see Note 20C). Management expects the market value of its investment holdings to continue recovering throughout the remainder of 2020 and into 2021, as more COVID-19 prevention and treatment options become available.

B. Troubled Debt Restructuring for Debtors

Not applicable.

C. Other Disclosures

Not applicable.

D. Business Interruption Insurance Recoveries

Not applicable.

E. State Transferable and Non-transferable Tax Credits

Not applicable.

F. Subprime Mortgage Related Risk Exposure

(1) Subprime Mortgage Exposure

KEMI does not engage in mortgage lending activities. However, KEMI does have risk exposure to subprime mortgages in the form of investments in fixed income securities collateralized by mortgage loans. 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 holdings were considered subprime. KEMI mitigates its subprime-mortgage-related risk by adhering to conservative investment strategies and by actively monitoring investment performance.

(2) Direct exposure through investments in subprime mortgage loans.

Not applicable.

(3) Direct exposure through other investments.

No significant changes during the year.

(4) Underwriting exposure to subprime mortgage risk through Mortgage Guaranty or Financial Guaranty insurance coverage.

Not applicable.

G. Insurance-Linked Securities (ILS) Contracts

Not applicable.

H. Cash Surrender Value of Life Insurance Where Reporting Entity is Owner and Beneficiary or Otherwise Controls Policy

Not applicable.

NOTE 22 Events Subsequent

Subsequent events have been evaluated through the date this statutory statement was available to be issued. On October 13, 2020, KEMI's Board of Directors declared a policyholder dividend of approximately \$8.1 million to 2017 policyholders with a total loss ratio less than 65%. KEMI expects to pay this dividend in November 2020. There were no other events occurring subsequent to quarter end that merit recognition or disclosure in these financial statements.

NOTE 23 Reinsurance

A. Unsecured Reinsurance Recoverables

No significant changes during the year.

B. Reinsurance Recoverable in Dispute

None.

C. Reinsurance Assumed and Ceded and Protected Cells

No significant changes during the year.

D. Uncollectible Reinsurance

None of KEMI's reinsurance recoverables are deemed to be uncollectable, other than certain immaterial amounts in the KSBIT loss portfolio transfer. An allowance for doubtful reinsurance recoveries has been established on the books of KSBIT for such amounts. See Note 23F.

E. Commutation of Reinsurance

No reinsurance contracts have been commuted during the year.

NOTES TO FINANCIAL STATEMENTS

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. Final installments under the guaranteed receivables program were received in October 2020. As a result of efficient claims handling practices, actuarially determined claim liabilities are expected to be less than originally projected. Therefore, KEMI returned \$9.5 million of transferred reserves to the Rehabilitator in 2019 and 2020, and expects to return another \$6.75 million to the Rehabilitator in the fourth quarter of 2020. As of September 30, 2020, KSBIT's cash balance was \$16,233,728, assessments receivable were \$349,678, excess assessments to be returned to the Rehabilitator were \$6,750,000, and net loss and loss adjustment expense reserves were \$9,833,406. KSBIT reserves for unpaid losses and loss adjustment expenses are not discounted. 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. Through December 31, 2019, the Funding Commission imposed and collected quarterly assessments in a manner consistent with past practice and remitted those assessments to KEMI. Assessments ceased effective January 1, 2020, as both parties agree that all claim liabilities are fully funded. Based on current actuarial reserve studies, KEMI expects to have excess funds that will be distributed in a manner determined by the Kentucky Legislature. As of September 30, 2020, KCWPF's cash and invested assets totaled \$41,928,520, transition funds receivable from the Funding Commission were \$447,005, excess assessments to be returned were \$21,778,029, and net loss and loss adjustment expense reserves were \$20,597,496. KCWPF reserves for unpaid losses and loss adjustment expenses are not discounted. 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.

Effective December 31, 2019, KEMI entered into an agreement for adverse development cover with two unaffiliated reinsurers, Swiss Reinsurance America Corporation (67.5%) and Hannover Ruck SE (22.5%); KEMI retained 10% of this coverage. The 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 2014 through 2019. In exchange for a total premium of \$30.5 million, KEMI obtained \$75 million of additional protection against unfavorable development for those accident years. The agreement provides for a Funds Withheld balance and includes a provision wherein KEMI may share in the reinsurer's ultimate profit, if any. Inception to date activity is included in the following table as retroactive reinsurance ceded.

Retroactive Reinsurance Summary	Assumed	Ceded
a. Reserves Transferred:		
1. Initial Reserves	\$ (75,000,000)	\$ 32,000,000
2. Adjustments - Prior Year(s)	\$ (11,819,641)	\$ (6,069,904)
3. Adjustments - Current Year	\$ 32,423,914	\$ (1,049,922)
4. Current Total	<u>\$ (54,395,727)</u>	<u>\$ 24,880,174</u>
b. Consideration Paid or Received:		
1. Initial Consideration	\$ 75,000,000	\$ (67,450,000)
2. Adjustments - Prior Year(s)	\$ 11,819,641	\$ 35,500,000
3. Adjustments - Current Year	\$ (32,423,914)	\$ 23,130,000
4. Current Total	<u>\$ 54,395,727</u>	<u>\$ (8,820,000)</u>
c. Paid Losses Reimbursed or Recovered:		
1. Prior Year(s)	\$ (21,704,335)	\$ 6,069,904
2. Current Year	\$ (2,260,490)	\$ 1,049,922
3. Current Total	<u>\$ (23,964,825)</u>	<u>\$ 7,119,826</u>
d. Special Surplus from Retroactive Reinsurance:		
1. Initial Surplus Gain or Loss	\$ -	\$ (35,450,000)
2. Adjustments - Prior Year(s)	\$ -	\$ 8,000,000
3. Adjustments - Current Year	\$ -	\$ 27,450,000
4. Current Year Restricted Surplus	<u>\$ -</u>	<u>\$ -</u>
5. Cumulative Total Transferred to Unassigned Funds	<u>\$ -</u>	<u>\$ -</u>
e. All cedents and reinsurers involved in all transactions included in summary totals above:		
Company	Assumed	Ceded
Commissioner of Insurance of the Commonwealth of Kentucky, Rehabilitator of Kentucky School Boards Insurance Trust (KSBIT) Workers' Compensation Self Insurance Fund	\$ (18,705,540)	
Kentucky Workers' Compensation Funding Commission and Division of Workers' Compensation Funds, Department of Workers' Claims, Labor Cabinet, Commonwealth of Kentucky	\$ (35,690,187)	
Munich Reinsurance America, Inc. (NAIC Company Code 10227)		\$ 24,880,174
Swiss Reinsurance America Corporation (NAIC Company Code 25364)		\$ -
Hannover Ruck SE (NAIC Company Code AA-1340125)		\$ -
Total *	<u>\$ (54,395,727)</u>	<u>\$ 24,880,174</u>

* Total amounts must agree with totals in a.4 above. Include the NAIC Company Code or Alien Insurer Identification Number for each insurer listed.

NOTES TO FINANCIAL STATEMENTS

f. Total paid loss/LAE amounts recoverable (for authorized, unauthorized and certified reinsurers), any amounts more than 90 days overdue (for authorized, unauthorized and certified reinsurers), and for amounts recoverable the collateral held (for authorized, unauthorized and certified reinsurers) as respects amounts recoverable from unauthorized reinsurers:

1. Authorized Reinsurers

Company	Total Paid/Loss/LAE Recoverable	Recoverable Amounts Over 90 Days Past Due
Aetna Life & Casualty Co.	\$ 18,870	\$ 536
CNA / Continental Casualty Co.	\$ 351	\$ 255
Coregis Insurance Co. / Westport Insurance Corp.	\$ 11,378	\$ -
Harbor Insurance Co.	\$ 2,838	\$ -
Liberty Mutual Insurance	\$ 19,676	\$ -
Midwest Employers Casualty Co.	\$ 12,077	\$ 3,671
New York Marine & General Insurance Co.	\$ 223,370	\$ 7,165
Selective Insurance Co. of America	\$ 17,345	\$ -
TIG Insurance Co. / Transamerica Insurance Co.	\$ 19,201	\$ 838
Total	<u>\$ 325,106</u>	<u>\$ 12,466</u>

2. Unauthorized Reinsurers

Company	Total Paid/Loss/LAE Recoverables	Amount Over 90 Days Overdue	Collateral Held
None	\$ -	\$ -	\$ -
Total	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

3. Certified Reinsurers

Company	Total Paid/Loss/LAE Recoverables	Amount Over 90 Days Overdue	Collateral Held
None	\$ -	\$ -	\$ -
Total	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

A. Method Used to Estimate

Not applicable.

B. Method Used to Record

Not applicable.

C. Amount and Percent of Net Retrospective Premiums

Not applicable.

D. Medical Loss Ratio Rebates

Not applicable.

E. Nonadmitted Accrued Retrospective Premiums

Not applicable.

F. Risk Sharing Provisions of the Affordable Care Act (ACA)

(1) Did the reporting entity write accident and health insurance premium which is subject to the Affordable Care Act risk sharing provisions (YES/NO)?

Yes [] No [X]

(2)-(5) 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.

NOTES TO FINANCIAL STATEMENTS

Gross case reserves for incurred losses and loss adjustment expenses attributable to insured events of prior years have increased by \$28,364,613. Of this increase, \$27,440,624 is attributable to accident years 2016-2019 and is the result of additional claims being reported for those accident years, as well as 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. Such 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 decreased by \$7,689,253.

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

There were no significant changes made to the methodologies and assumptions utilized to calculate the liability versus the prior year.

NOTE 26 Intercompany Pooling Arrangements

Not applicable.

NOTE 27 Structured Settlements

Not applicable.

NOTE 28 Health Care Receivables

A. Pharmaceutical Rebate Receivables

Not applicable.

B. Risk-Sharing 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 Discount

No significant changes during the year.

B. Nontabular Discount

None.

C. Changes in Discount Assumptions

None.

NOTE 33 Asbestos/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.

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 [] No [X]
- 2.2 If yes, date of change:
- 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? Yes [] No [X]
If yes, complete Schedule Y, Parts 1 and 1A.
- 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? Yes [] No [X]
If yes, complete and file the merger history data file with the NAIC.
- 4.2 If yes, provide the name of the 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? Yes [] No [] N/A [X]
If yes, attach an explanation.
- 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 by 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 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

STATEMENT AS OF SEPTEMBER 30, 2020 OF THE KENTUCKY EMPLOYERS' MUTUAL INSURANCE AUTHORITY
GENERAL INTERROGATORIES

- 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).

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: \$

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: \$
13. Amount of real estate and mortgages held in short-term investments: \$
- 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	\$	\$
14.22 Preferred Stock	\$	\$
14.23 Common Stock	\$	\$
14.24 Short-Term Investments	\$	\$
14.25 Mortgage Loans on Real Estate	\$	\$
14.26 All Other	\$	\$
14.27 Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Lines 14.21 to 14.26)	\$	\$
14.28 Total Investment in Parent included in Lines 14.21 to 14.26 above	\$	\$

- 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 [] N/A [X]
 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 the current statement date:
- 16.1 Total fair value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2. \$
- 16.2 Total book adjusted/carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2. \$
- 16.3 Total payable for securities lending reported on the liability page. \$

STATEMENT AS OF SEPTEMBER 30, 2020 OF THE KENTUCKY EMPLOYERS' MUTUAL INSURANCE AUTHORITY
GENERAL INTERROGATORIES

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 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 invested 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 invested 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:

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 of 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]

21. By assigning FE to a Schedule BA non-registered private fund, the reporting entity is certifying the following elements of each self-designated FE fund:
a. The shares were purchased prior to January 1, 2019.
b. The reporting entity is holding capital commensurate with the NAIC Designation reported for the security.
c. The security had a public credit rating(s) with annual surveillance assigned by an NAIC CRP in its legal capacity as an NRSRO prior to January 1, 2019.
d. The fund only or predominantly holds bonds in its portfolio.
e. The current reported NAIC Designation was derived from the public credit rating(s) with annual surveillance assigned by an NAIC CRP in its legal capacity as an NRSRO.
f. The public credit rating(s) with annual surveillance assigned by an NAIC CRP has not lapsed.
Has the reporting entity assigned FE to Schedule BA non-registered private funds that complied with the above criteria? Yes [] No [X]

GENERAL INTERROGATORIES

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:

			TOTAL DISCOUNT				DISCOUNT TAKEN DURING PERIOD			
1	2	3	4	5	6	7	8	9	10	11
Line of Business	Maximum Interest	Discount Rate	Unpaid Losses	Unpaid LAE	IBNR	TOTAL	Unpaid Losses	Unpaid LAE	IBNR	TOTAL
TOTAL										

5. Operating Percentages:

5.1 A&H loss percent %

5.2 A&H cost containment percent %

5.3 A&H expense percent excluding cost containment expenses %

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 \$.....

6.3 Do you act as an administrator for health savings accounts? Yes [] No [X]

6.4 If yes, please provide the balance of the funds administered as of the reporting date \$.....

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 []

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
NONE						

STATEMENT AS OF SEPTEMBER 30, 2020 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. AlabamaAL	N						
2. AlaskaAK	N						
3. ArizonaAZ	N						
4. ArkansasAR	N						
5. CaliforniaCA	N						
6. ColoradoCO	N						
7. ConnecticutCT	N						
8. DelawareDE	N						
9. District of ColumbiaDC	N						
10. FloridaFL	N						
11. GeorgiaGA	N						
12. HawaiiHI	N						
13. IdahoID	N						
14. IllinoisIL	N						
15. IndianaIN	N						
16. IowaIA	N						
17. KansasKS	N						
18. KentuckyKY	L	95,873,062	121,422,660	59,791,879	56,932,185	629,791,843	629,546,614
19. LouisianaLA	N						
20. MaineME	N						
21. MarylandMD	N						
22. MassachusettsMA	N						
23. MichiganMI	N						
24. MinnesotaMN	N						
25. MississippiMS	N						
26. MissouriMO	N						
27. MontanaMT	N						
28. NebraskaNE	N						
29. NevadaNV	N						
30. New HampshireNH	N						
31. New JerseyNJ	N						
32. New MexicoNM	N						
33. New YorkNY	N						
34. North CarolinaNC	N						
35. North DakotaND	N						
36. OhioOH	N						
37. OklahomaOK	N						
38. OregonOR	N						
39. PennsylvaniaPA	N						
40. Rhode IslandRI	N						
41. South CarolinaSC	N						
42. South DakotaSD	N						
43. TennesseeTN	N						
44. TexasTX	N						
45. UtahUT	N						
46. VermontVT	N						
47. VirginiaVA	N						
48. WashingtonWA	N						
49. West VirginiaWV	N						
50. WisconsinWI	N						
51. WyomingWY	N						
52. American SamoaAS	N						
53. GuamGU	N						
54. Puerto RicoPR	N						
55. U.S. Virgin IslandsVI	N						
56. Northern Mariana IslandsMP	N						
57. CanadaCAN	N						
58. Aggregate Other Alien OT	XXX						
59. Totals	XXX	95,873,062	121,422,660	59,791,879	56,932,185	629,791,843	629,546,614
DETAILS OF WRITE-INS							
58001.	XXX						
58002.	XXX						
58003.	XXX						
58998. Summary of remaining write-ins for Line 58 from overflow page	XXX						
58999. Totals (Lines 58001 through 58003 plus 58998)(Line 58 above)	XXX						

(a) Active Status Counts:

- L - Licensed or Chartered - Licensed Insurance carrier or domiciled RRG1
- E - Eligible - Reporting entities eligible or approved to write surplus lines in the state (other than their state of domicile - see DSLI)
- D - Domestic Surplus Lines Insurer (DSLII) - Reporting entities authorized to write surplus lines in the state of domicile
- R - Registered - Non-domiciled RRGs
- Q - Qualified - Qualified or accredited reinsurer
- N - None of the above - Not allowed to write business in the state56

Schedule Y - Part 1

NONE

Schedule Y - Part 1A - Detail of Insurance Holding Company System

NONE

Schedule Y - Part 1A - Explanations

NONE

STATEMENT AS OF SEPTEMBER 30, 2020 OF THE KENTUCKY EMPLOYERS' MUTUAL INSURANCE AUTHORITY

PART 1 - LOSS EXPERIENCE

Line 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				
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	100,919,679	55,077,975	54.6	65.4
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	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				
35. Totals	100,919,679	55,077,975	54.6	65.4
DETAILS OF WRITE-INS				
3401.				
3402.				
3403.				
3498. Summary of remaining write-ins for Line 34 from overflow page				
3499. Totals (Lines 3401 through 3403 plus 3498)(Line 34 above)				

PART 2 - DIRECT PREMIUMS WRITTEN

Line 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	42,613,174	95,873,062	121,422,660
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			
35. Totals	42,613,174	95,873,062	121,422,660
DETAILS OF WRITE-INS			
3401.			
3402.			
3403.			
3498. Summary of remaining write-ins for Line 34 from overflow page			
3499. Totals (Lines 3401 through 3403 plus 3498)(Line 34 above)			

STATEMENT AS OF SEPTEMBER 30, 2020 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)	2020 Loss and LAE Payments on Claims Reported as of Prior Year-End	2020 Loss and LAE Payments on Claims Unreported as of Prior Year-End	Total 2020 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. 2017 + Prior	309,922	193,708	503,630	25,344	103	25,447	290,403	635	187,169	478,207	5,825	(5,801)	24
2. 2018	24,455	40,388	64,844	11,116	122	11,238	17,842	509	33,200	51,551	4,502	(6,557)	(2,055)
3. Subtotals 2018 + Prior	334,377	234,096	568,474	36,460	225	36,685	308,245	1,144	220,369	529,758	10,327	(12,359)	(2,031)
4. 2019	20,775	76,086	96,860	17,883	855	18,737	15,511	1,555	55,398	72,465	12,619	(18,278)	(5,658)
5. Subtotals 2019 + Prior	355,152	310,182	665,334	54,343	1,080	55,422	323,756	2,699	275,767	602,222	22,947	(30,636)	(7,689)
6. 2020	XXX	XXX	XXX	XXX	21,356	21,356	XXX	11,729	46,219	57,948	XXX	XXX	XXX
7. Totals	355,152	310,182	665,334	54,343	22,436	76,779	323,756	14,428	321,986	660,171	22,947	(30,636)	(7,689)
8. Prior Year-End Surplus As Regards Policyholders	261,725										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. 6.5	2. (9.9)	3. (1.2)
													Col. 13, Line 7 As a % of Col. 1 Line 8
													4. (2.9)

STATEMENT AS OF SEPTEMBER 30, 2020 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.

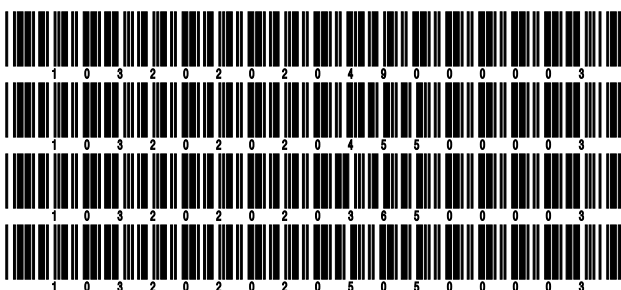
	Response
1. Will the Trusteed Surplus Statement be filed with the state of domicile and the NAIC with this statement?	NO
2. Will Supplement A to Schedule T (Medical Professional Liability Supplement) be filed with this statement?	NO
3. Will the Medicare Part D Coverage Supplement be filed with the state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

Explanations:

1. Not required
2. Not required
3. Not required
4. Not required

Bar Codes:

1. Trusteed Surplus Statement [Document Identifier 490]
2. Supplement A to Schedule T [Document Identifier 455]
3. Medicare Part D Coverage Supplement [Document Identifier 365]
4. Director and Officer Supplement [Document Identifier 505]



STATEMENT AS OF SEPTEMBER 30, 2020 OF THE KENTUCKY EMPLOYERS' MUTUAL INSURANCE AUTHORITY
OVERFLOW PAGE FOR WRITE-INS

Additional Write-ins for Assets Line 25

	Current Statement Date			4 December 31 Prior Year Net Admitted Assets
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	
2504. Prepaid Pension Benefits	7,574,507	7,574,507		
2505. Prepaid Retiree Health Insurance	1,672,891	1,672,891		
2597. Summary of remaining write-ins for Line 25 from overflow page	9,247,398	9,247,398		

Additional Write-ins for Liabilities Line 25

	1 Current Statement Date	2 December 31, Prior Year
2504. Liability for Projected Pension Benefits	8,872,394	11,073,848
2505. Liability for Projected Retiree Health Insurance	188,069	468,554
2506. Excess Loss Portfolio Funds to be Returned	28,528,029	
2597. Summary of remaining write-ins for Line 25 from overflow page	37,588,492	11,542,402

STATEMENT AS OF SEPTEMBER 30, 2020 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	4,025,000	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		995,818
8. Deduct current year's depreciation		
9. Book/adjusted carrying value at the end of current period (Lines 1+2+3+4-5+6-7-8)	4,025,000	4,025,000
10. Deduct total nonadmitted amounts		
11. Statement value at end of current period (Line 9 minus Line 10)	4,025,000	4,025,000

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		
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 premium 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)		
12. Total valuation allowance		
13. Subtotal (Line 11 plus Line 12)		
14. Deduct total nonadmitted amounts		
15. Statement value at end of current period (Line 13 minus Line 14)		

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
2. Cost of acquired:		
2.1 Actual cost at time of acquisition	866,220	
2.2 Additional investment made after acquisition		673,950
3. Capitalized deferred interest and other		
4. Accrual of discount		
5. Unrealized valuation increase (decrease)		
6. Total gain (loss) on disposals	381,093	4,365,832
7. Deduct amounts received on disposals	381,093	18,122,683
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)	866,220	
12. Deduct total nonadmitted amounts		
13. Statement value at end of current period (Line 11 minus Line 12)	866,220	

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	995,921,355	908,721,647
2. Cost of bonds and stocks acquired	191,535,222	322,389,709
3. Accrual of discount	127,933	393,068
4. Unrealized valuation increase (decrease)	(4,316,069)	11,292,033
5. Total gain (loss) on disposals	1,848,108	8,726,424
6. Deduct consideration for bonds and stocks disposed of	171,222,441	253,635,723
7. Deduct amortization of premium	2,794,279	2,163,794
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	196,594	197,991
11. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9+10)	1,011,296,423	995,921,355
12. Deduct total nonadmitted amounts		
13. Statement value at end of current period (Line 11 minus Line 12)	1,011,296,423	995,921,355

STATEMENT AS OF SEPTEMBER 30, 2020 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)	707,713,607	46,577,781	36,291,130	(8,854,171)	723,631,096	707,713,607	709,146,088	741,201,087
2. NAIC 2 (a)	206,640,061	10,694,445	10,909,562	7,494,297	191,190,594	206,640,061	213,919,242	170,248,115
3. NAIC 3 (a)	33,938,841	4,010,500	4,042,081	1,094,820	28,875,493	33,938,841	35,002,080	29,281,984
4. NAIC 4 (a)	1,388,460		1,500,000	111,540		1,388,460		
5. NAIC 5 (a)								
6. NAIC 6 (a)								
7. Total Bonds	949,680,969	61,282,726	52,742,773	(153,514)	943,697,183	949,680,969	958,067,409	940,731,186
PREFERRED STOCK								
8. NAIC 1								
9. NAIC 2								
10. NAIC 3								
11. NAIC 4								
12. NAIC 5								
13. NAIC 6								
14. Total Preferred Stock								
15. Total Bonds and Preferred Stock	949,680,969	61,282,726	52,742,773	(153,514)	943,697,183	949,680,969	958,067,409	940,731,186

(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 \$; NAIC 2 \$; NAIC 3 \$ NAIC 4 \$; NAIC 5 \$; NAIC 6 \$

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Schedule DA - Part 1 - Short-Term Investments

N O N E

Schedule DA - Verification - Short-Term Investments

N O N E

Schedule DB - Part A - Verification - Options, Caps, Floors, Collars, Swaps and Forwards

N O N E

Schedule DB - Part B - Verification - Futures Contracts

N O N E

Schedule DB - Part C - Section 1 - Replication (Synthetic Asset) Transactions (RSATs) Open

N O N E

Schedule DB-Part C-Section 2-Reconciliation of Replication (Synthetic Asset) Transactions Open

N O N E

Schedule DB - Verification - Book/Adjusted Carrying Value, Fair Value and Potential Exposure of
Derivatives

N O N E

SCHEDULE E - PART 2 - VERIFICATION

(Cash Equivalents)

	1	2
	Year To Date	Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year	11,343,039	21,421,380
2. Cost of cash equivalents acquired	154,394,167	228,074,303
3. Accrual of discount		
4. Unrealized valuation increase (decrease)		
5. Total gain (loss) on disposals		
6. Deduct consideration received on disposals	147,018,244	238,152,644
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)	18,718,961	11,343,039
11. Deduct total nonadmitted amounts		
12. Statement value at end of current period (Line 10 minus Line 11)	18,718,961	11,343,039

Schedule A - Part 2 - Real Estate Acquired and Additions Made

N O N E

Schedule A - Part 3 - Real Estate Disposed

N O N E

Schedule B - Part 2 - Mortgage Loans Acquired and Additions Made

N O N E

Schedule B - Part 3 - Mortgage Loans Disposed, Transferred or Repaid

N O N E

STATEMENT AS OF SEPTEMBER 30, 2020 OF THE KENTUCKY EMPLOYERS' MUTUAL INSURANCE AUTHORITY

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	3 Location		5 Name of Vendor or General Partner	6 NAIC Designation and Administrative Symbol	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
		City	State									
000000-00-0	ELMTREE U.S. NET LEASE FUND IV, L.P.	WILMINGTON	DE	ELMTREE U.S. NET LEASE FUND IV, G.P. LLC	Z	09/09/2020		866,220			19,133,780	4.552
1999999. Joint Venture Interests - Common Stock - Unaffiliated								866,220			19,133,780	XXX
4899999. Total - Unaffiliated								866,220			19,133,780	XXX
4999999. Total - Affiliated												XXX
5099999 - Totals								866,220			19,133,780	XXX

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	3 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	9 Change in Book/Adjusted Carrying Value						15 Book/Adjusted Carrying Value Less Encumbrances on Disposal	16 Consid-eration	17 Foreign Exchange Gain (Loss) on Disposal	18 Realized Gain (Loss) on Disposal	19 Total Gain (Loss) on Disposal	20 Invest-ment Income	
		City	State					9 Unrealized Valuation Increase (De-crease)	10 Current Year's (Depre-ciation) or (Amorti-zation)/ Accretion	11 Current Year's Other Than Temporary Impair-ment Recog-nized	12 Capital-ized Deferred Interest and Other	13 Total Change in Book/ Adjusted Carrying Value (9+10-11+12)	14 Total Foreign Exchange Change in Book/ Adjusted Carrying Value							
000000-00-0	ELMTREE U.S. NET LEASE FUND III, L.P.	WILMINGTON	DE	FINAL DISTRIBUTION	09/20/2016	12/20/2019								381,093		381,093	381,093			
1999999. Joint Venture Interests - Common Stock - Unaffiliated															381,093		381,093	381,093		
4899999. Total - Unaffiliated															381,093		381,093	381,093		
4999999. Total - Affiliated																				
5099999 - Totals															381,093		381,093	381,093		

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STATEMENT AS OF SEPTEMBER 30, 2020 OF THE KENTUCKY EMPLOYERS' MUTUAL INSURANCE AUTHORITY

SCHEDULE D - PART 3

Show All Long-Term Bonds and Stock Acquired During the Current Quarter

1 CUSIP Identification	2 Description	3 Foreign	4 Date Acquired	5 Name of Vendor	6 Number of Shares of Stock	7 Actual Cost	8 Par Value	9 Paid for Accrued Interest and Dividends	10 NAIC Designation and Administrative Symbol
21987D-AE-4	CORPORACION FINANCIERA DE DESARROLLO SA	C	09/17/2020	HSBC SECURITIES (USA) FXD INC		554,362	555,000		2FE
1099999. Subtotal - Bonds - All Other Governments						554,362	555,000		XXX
605581-NF-0	MISSISSIPPI ST		07/24/2020	WELLS FARGO BANK, N.A./SIG		1,003,322	1,000,000		1FE
1799999. Subtotal - Bonds - U.S. States, Territories and Possessions						1,003,322	1,000,000		XXX
13077D-MS-8	CALIFORNIA ST UNIV REV		08/27/2020	GOLDMAN, SACHS & CO.		775,000	775,000		1FE
167593-S7-8	CHICAGO ILL O HARE INTL ARPT REV		09/25/2020	U.S. Bank		1,125,000	1,125,000		1FE
16772P-CM-6	CHICAGO ILL TRAN AUTH SALES TAX RCPTS RE		08/28/2020	GOLDMAN, SACHS & CO.		450,000	450,000		1FE
31334Y-PV-3	FH 0A2236 - RMBS		07/24/2020	WELLS FARGO SECURITIES LLC		4,239,091	3,999,732	8,999	1
313349-3V-5	FH 0B3512 - RMBS		09/28/2020	BONY/TORONTO DOMINION SECURITI		3,163,711	3,000,000	6,042	1
31400E-P6-3	FN CA6744 - RMBS		08/14/2020	U.S. Bank		2,652,674	2,497,277	3,330	1
3140X6-3C-3	FN FM3494 - RMBS		08/13/2020	CREDIT SUISSE SECURITIES (USA)		2,637,712	2,497,981	2,776	1
3140X7-5G-0	FN FM4446 - RMBS		09/28/2020	JP MORGAN SECURITIES LLC		3,109,219	3,000,000	4,833	1
3140X7-EV-7	FN FM3747 - RMBS		07/24/2020	JP MORGAN SECURITIES LLC		4,208,438	4,000,000	7,500	1
341271-AD-6	FLORIDA ST BRD ADMIN FIN CORP REV		09/03/2020	MERRILL LYNCH PIERCE FENNER SMITH INC		1,800,000	1,800,000		1FE
3199999. Subtotal - Bonds - U.S. Special Revenues						24,160,845	23,144,991	33,480	XXX
03028P-K*-6	American Transmission company LLC		07/09/2020	Unknown		1,000,000	1,000,000		1
66363F-AW-7	NAC AVIATION 29 DESIGNATED ACTIVITY COMP		09/18/2020	CORPORATE ACTION		1,500,000	1,534,390	4,524	2
008513-AA-1	AGREE LP		08/12/2020	WELLS FARGO SECURITIES LLC		524,617	525,000		2FE
013822-AE-1	ALCOA NEDERLAND HOLDING BV	C	07/08/2020	Various		1,002,275	1,000,000		3FE
105699-AA-0	BRAVO 20NQM1 A1 - CMO/RMBS		08/25/2020	BARCLAYS CAPITAL INC.		459,995	460,000	796	1FE
115236-AC-5	BROWN & BROWN INC		09/18/2020	Various		1,506,212	1,500,000		2FE
12062R-AA-8	BHLD 201 A1 - CMO/RMBS		06/30/2020	Various		251,792	250,000	.72	1FE
125523-AH-3	CIGNA CORP		09/04/2020	WELLS FARGO SECURITIES LLC		3,114,046	2,600,000	45,500	2FE
12563L-AN-7	CLIF 2020-1 A - ABS		08/27/2020	MLPFS INC FIXED INCOME		666,693	667,000		1FE
126650-DM-9	CVS HEALTH CORP		08/12/2020	BARCLAYS CAPITAL INC.		1,994,400	2,000,000		2FE
12807C-AA-1	CAI 2020-1 A - ABS	C	09/01/2020	WELLS FARGO SECURITIES LLC		1,109,749	1,110,000		1FE
191241-AJ-7	COCA-COLA FEMSA SAB DE CV	C	08/26/2020	Morgan Stanley		498,020	500,000		1FE
29449W-AB-3	EQUITABLE FINANCIAL LIFE GLOBAL FUNDING		08/25/2020	DEUTSCHE BANK SECURITIES, INC.		987,703	990,000		1FE
302445-AE-1	FLIR SYSTEMS INC		07/20/2020	MLPFS INC FIXED INCOME		474,083	475,000		2FE
34490E-AC-8	NFL TRUST 20-X1		08/20/2020	Unknown		1,250,000	1,250,000		1
36168Q-AK-0	GFL ENVIRONMENTAL INC	C	08/18/2020	BARCLAYS CAPITAL INC.		1,003,375	1,000,000		3FE
375558-BX-0	GILEAD SCIENCES INC		09/23/2020	BARCLAYS CAPITAL INC.		624,456	625,000		1FE
450319-CF-3	JTC MIDWEST LLC		07/15/2020	Not Provided		299,817	300,000	183	1
45031U-CJ-8	ISTAR INC		08/18/2020	MLPFS INC FIXED INCOME		1,000,000	1,000,000		3FE
46591H-AN-0	CAOCLN 201 B - ABS		08/27/2020	JP MORGAN SECURITIES LLC		475,000	475,000		1FE
46653J-BK-6	JPMIT 205 A13 - CMO/RMBS		07/21/2020	JP MORGAN SECURITIES LLC		1,723,219	1,671,000	4,038	1FE
47837R-AA-8	JOHNSON CONTROLS INTERNATIONAL PLC	C	09/08/2020	MLPFS INC FIXED INCOME		498,445	500,000		2FE
512807-AV-0	LAM RESEARCH CORP		08/28/2020	RBC CAPITAL MARKETS, LLC		2,072,820	2,000,000	12,244	1FE
75907Q-AA-6	RMIT 201 A - ABS		09/15/2020	CREDIT SUISSE SECURITIES (USA)		749,960	750,000		1FE
78403D-AP-5	SBATOW 201 2C - RMBS		07/08/2020	BARCLAYS CAPITAL INC.		360,000	360,000		1FE
784054-AC-2	SOFET 201 A3 - ABS		08/11/2020	MLPFS INC FIXED INCOME		599,952	600,000		1FE
81618T-AC-4	OFFICE PROPERTIES INCOME TRUST		09/17/2020	MLPFS INC FIXED INCOME		2,028,280	2,000,000	13,250	2FE
838518-F8-2	SOUTH JERSEY INDUSTRIES, INC.		07/30/2020	Unknown		1,100,000	1,100,000		2
872480-AA-6	TIF 201 A - RMBS		08/17/2020	WELLS FARGO SECURITIES LLC		239,896	240,000		1FE
87724R-AJ-1	TAYLOR MORRISON COMMUNITIES INC		07/08/2020	CITIGROUP GLOBAL MARKETS INC.		1,004,850	1,000,000		3FE
88315L-AE-8	TMCL 2020-1 A - ABS	C	08/04/2020	RBC CAPITAL MARKETS, LLC		179,970	180,000		1FE
89680H-AA-0	TOF 2020-1 A - ABS		08/25/2020	RBC CAPITAL MARKETS, LLC		2,289,573	2,290,000		1FE
92203F-AT-5	The Vanguard Group Series F Senior Note		08/19/2020	Not Provided		1,000,000	1,000,000		1
92212K-AB-2	VDC 201 A1 - RMBS		09/22/2020	KEYBANC CAPITAL MARKETS INC		1,975,000	1,975,000		1FE
3899999. Subtotal - Bonds - Industrial and Miscellaneous (Unaffiliated)						35,564,198	34,927,390	80,607	XXX
8399997. Total - Bonds - Part 3						61,282,726	59,627,381	114,087	XXX
8399998. Total - Bonds - Part 5						XXX	XXX	XXX	XXX
8399999. Total - Bonds						61,282,726	59,627,381	114,087	XXX
8999997. Total - Preferred Stocks - Part 3							XXX		XXX
8999998. Total - Preferred Stocks - Part 5						XXX	XXX	XXX	XXX
8999999. Total - Preferred Stocks							XXX		XXX
00206F-10-2	AT&T ORD		09/08/2020	GOLDMAN, SACHS & CO.	4,277,000	125,459			
009158-10-6	AIR PRODUCTS AND CHEMICALS ORD		09/08/2020	BARCLAYS CAPITAL INC./LE	3,884,000	1,148,075			
020002-10-1	ALLSTATE ORD		09/08/2020	GOLDMAN, SACHS & CO.	1,275,000	117,172			

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STATEMENT AS OF SEPTEMBER 30, 2020 OF THE KENTUCKY EMPLOYERS' MUTUAL INSURANCE AUTHORITY

SCHEDULE D - PART 3

Show All Long-Term Bonds and Stock Acquired During the Current Quarter

1 CUSIP Identification	2 Description	3 Foreign	4 Date Acquired	5 Name of Vendor	6 Number of Shares of Stock	7 Actual Cost	8 Par Value	9 Paid for Accrued Interest and Dividends	10 NAIC Designation and Administrative Symbol
032654-10-5	ANALOG DEVICES ORD		.09/08/2020	BARCLAYS CAPITAL INC./LE	9,870,000	1,128,526			
09247X-10-1	BLACKROCK ORD		.09/08/2020	GOLDMAN, SACHS & CO.	3,000	1,663			
110122-10-8	BRISTOL MYERS SQUIBB ORD		.09/08/2020	GOLDMAN, SACHS & CO.	1,186,000	69,453			
14149Y-10-8	CARDINAL HEALTH ORD		.09/08/2020	GOLDMAN, SACHS & CO.	3,495,000	172,729			
17275R-10-2	CISCO SYSTEMS ORD		.09/08/2020	GOLDMAN, SACHS & CO.	5,731,000	230,594			
19416Z-10-3	COLGATE PALMOLIVE ORD		.09/08/2020	GOLDMAN, SACHS & CO.	27,000	2,049			
369550-10-8	GENERAL DYNAMICS ORD		.09/08/2020	GOLDMAN, SACHS & CO.	259,000	38,273			
375558-10-3	GILEAD SCIENCES ORD		.09/08/2020	GOLDMAN, SACHS & CO.	3,634,000	233,828			
40434L-10-5	HP ORD		.09/08/2020	BARCLAYS CAPITAL INC./LE	60,282,000	1,174,685			
45B140-10-0	INTEL ORD		.09/08/2020	GOLDMAN, SACHS & CO.	5,922,000	292,445			
46625H-10-0	JPMORGAN CHASE ORD		.09/08/2020	GOLDMAN, SACHS & CO.	59,000	5,916			
478160-10-4	JOHNSON & JOHNSON ORD		.09/08/2020	GOLDMAN, SACHS & CO.	514,000	75,899			
539830-10-9	LOCKHEED MARTIN ORD		.09/08/2020	GOLDMAN, SACHS & CO.	220,000	83,970			
58933Y-10-5	MERCK & CO ORD		.09/08/2020	GOLDMAN, SACHS & CO.	171,000	14,250			
609207-10-5	MONDELEZ INTERNATIONAL CL A ORD		.09/08/2020	BARCLAYS CAPITAL INC./LE	20,028,000	1,136,367			
681919-10-6	OMNICOM GROUP ORD		.09/08/2020	GOLDMAN, SACHS & CO.	1,651,000	89,072			
693475-10-5	PNC FINANCIAL SERVICES GROUP ORD		.09/08/2020	GOLDMAN, SACHS & CO.	744,000	82,135			
704326-10-7	PAYCHEX ORD		.09/08/2020	GOLDMAN, SACHS & CO.	244,000	18,218			
713448-10-8	PEPSICO ORD		.09/08/2020	GOLDMAN, SACHS & CO.	114,000	15,460			
717081-10-3	PFIZER ORD		.09/08/2020	GOLDMAN, SACHS & CO.	3,498,000	125,684			
855244-10-9	STARBUCKS ORD		.09/08/2020	INSTINET	11,947,000	1,030,655			
88579Y-10-1	3M ORD		.09/08/2020	GOLDMAN, SACHS & CO.	63,000	10,314			
92343V-10-4	VERIZON COMMUNICATIONS ORD		.09/08/2020	GOLDMAN, SACHS & CO.	276,000	16,572			
9099999. Subtotal - Common Stocks - Industrial and Miscellaneous (Unaffiliated) Publicly Traded						7,439,464	XXX		XXX
9799997. Total - Common Stocks - Part 3						7,439,464	XXX		XXX
9799998. Total - Common Stocks - Part 5							XXX	XXX	XXX
9799999. Total - Common Stocks						7,439,464	XXX		XXX
9899999. Total - Preferred and Common Stocks						7,439,464	XXX		XXX
9999999 - Totals						68,722,190	XXX	114,087	XXX

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STATEMENT AS OF SEPTEMBER 30, 2020 OF THE KENTUCKY EMPLOYERS' MUTUAL INSURANCE AUTHORITY

SCHEDULE D - PART 4

Show All Long-Term Bonds and Stock Sold, Redeemed or Otherwise Disposed of During the 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-foreign	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 Book/Adjusted Carrying Value (11 + 12 - 13)	Total Foreign Exchange Change in Book /Adjusted Carrying Value	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 Administrative Symbol	
902973-30-4	US BANCORP ORD		09/08/2020	BARCLAYS CAPITAL INC./LE	30,482.000	1,124,389		1,432,364	1,207,382	(173,323)			(173,323)		1,432,364		(307,975)	(307,975)	31,022			
907818-10-8	UNION PACIFIC ORD		09/08/2020	GOLDMAN, SACHS & CO.	317.000	60,066		53,722							53,722		6,344	6,344	307			
911312-10-6	UNITED PARCEL SERVICE CL B ORD		09/08/2020	GOLDMAN, SACHS & CO.	3,661.000	576,916		405,053	428,557	(23,504)			(23,504)		405,053		171,863	171,863	11,093			
918204-10-8	VF ORD		09/08/2020	GOLDMAN, SACHS & CO.	2,330.000	159,744		179,941	232,208	(52,267)			(52,267)		179,941		(20,196)	(20,196)	2,237			
9099999	Subtotal - Common Stocks - Industrial and Miscellaneous (Unaffiliated) Publicly Traded					6,984,097	XXX	7,003,314	5,679,909	(695,434)			(695,434)		7,003,314		(19,216)	(19,216)	160,009	XXX	XXX	
9799997	Total - Common Stocks - Part 4					6,984,097	XXX	7,003,314	5,679,909	(695,434)			(695,434)		7,003,314		(19,216)	(19,216)	160,009	XXX	XXX	
9799998	Total - Common Stocks - Part 5					XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
9799999	Total - Common Stocks					6,984,097	XXX	7,003,314	5,679,909	(695,434)			(695,434)		7,003,314		(19,216)	(19,216)	160,009	XXX	XXX	
9899999	Total - Preferred and Common Stocks					6,984,097	XXX	7,003,314	5,679,909	(695,434)			(695,434)		7,003,314		(19,216)	(19,216)	160,009	XXX	XXX	
9999999	Totals					60,890,483	XXX	60,532,188	54,150,780	(695,434)	(682,041)		(1,377,475)		59,746,086		1,060,193	1,060,193	1,577,271	XXX	XXX	

Schedule DB - Part A - Section 1 - Options, Caps, Floors, Collars, Swaps and Forwards Open

N O N E

Schedule DB - Part B - Section 1 - Futures Contracts Open

N O N E

Schedule DB - Part B - Section 1B - Brokers with whom cash deposits have been made

N O N E

Schedule DB - Part D - Section 1 - Counterparty Exposure for Derivative Instruments Open

N O N E

Schedule DB - Part D-Section 2 - Collateral for Derivative Instruments Open - Pledged By

N O N E

Schedule DB - Part D-Section 2 - Collateral for Derivative Instruments Open - Pledged To

N O N E

Schedule DB - Part E - Derivatives Hedging Variable Annuity Guarantees

N O N E

Schedule DL - Part 1 - Reinvested Collateral Assets Owned

N O N E

Schedule DL - Part 2 - Reinvested Collateral Assets Owned

N O N E

STATEMENT AS OF SEPTEMBER 30, 2020 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 of 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	
JPMorgan Chase Bank Lexington KY		0.180	7,060		25,592,857	24,440,104	19,475,438	XXX
0199998. Deposits in ... 3 depositories that do not exceed the allowable limit in any one depository (See instructions) - Open Depositories	XXX	XXX	2		37,282	37,993	47,250	XXX
0199999. Totals - Open Depositories	XXX	XXX	7,062		25,630,139	24,478,097	19,522,688	XXX
0299998. Deposits in ... depositories that do not exceed the allowable limit in any one depository (See instructions) - Suspended Depositories	XXX	XXX						XXX
0299999. Totals - Suspended Depositories	XXX	XXX						XXX
0399999. Total Cash on Deposit	XXX	XXX	7,062		25,630,139	24,478,097	19,522,688	XXX
0499999. Cash in Company's Office	XXX	XXX	XXX	XXX	73	73	77	XXX
0599999. Total - Cash	XXX	XXX	7,062		25,630,212	24,478,170	19,522,765	XXX

STATEMENT AS OF SEPTEMBER 30, 2020 OF THE KENTUCKY EMPLOYERS' MUTUAL INSURANCE AUTHORITY

SCHEDULE E - PART 2 - CASH EQUIVALENTS

Show Investments Owned End of Current Quarter

1	2	3	4	5	6	7	8	9
CUSIP	Description	Code	Date Acquired	Rate of Interest	Maturity Date	Book/Adjusted Carrying Value	Amount of Interest Due and Accrued	Amount Received During Year
0599999	Total - U.S. Government Bonds							
1099999	Total - All Other Government Bonds							
1799999	Total - U.S. States, Territories and Possessions Bonds							
2499999	Total - U.S. Political Subdivisions Bonds							
3199999	Total - U.S. Special Revenues Bonds							
3899999	Total - Industrial and Miscellaneous (Unaffiliated) Bonds							
4899999	Total - Hybrid Securities							
5599999	Total - Parent, Subsidiaries and Affiliates Bonds							
6099999	Subtotal - SVO Identified Funds							
6599999	Subtotal - Unaffiliated Bank Loans							
7699999	Total - Issuer Obligations							
7799999	Total - Residential Mortgage-Backed Securities							
7899999	Total - Commercial Mortgage-Backed Securities							
7999999	Total - Other Loan-Backed and Structured Securities							
8099999	Total - SVO Identified Funds							
8199999	Total - Affiliated Bank Loans							
8299999	Total - Unaffiliated Bank Loans							
8399999	Total Bonds							
31846V-56-7	FIRST AMER:GVT OBLG Z		.09/30/2020	0.040		18,718,961	855	2,604
8699999	Subtotal - All Other Money Market Mutual Funds					18,718,961	855	2,604
8899999	Total Cash Equivalents					18,718,961	855	2,604