

**KENTUCKY EMPLOYERS' MUTUAL INSURANCE AUTHORITY**  
**Statement of Admitted Assets, Liabilities and Policyholder Equity**  
**as of September 30, 2020**  
**Statutory Basis of Accounting**

**ASSETS**

Long-term bonds	\$ 958,067,409
Common stocks	53,229,014
Cash and short-term investments	38,241,726
Real estate	4,025,000
Other invested assets	866,220
Receivable for securities	0
Investment income due and accrued	6,726,057
Premiums in course of collection	15,274,632
Premiums deferred and not yet due	34,402,240
Policy deductibles receivable	3,479
Non-admitted premiums receivable	(7,827,535)
Reinsurance recoverable	72,009
Reinsurance deposits	750,000
Receivables for retroactive reinsurance reserves assumed	796,683
Electronic data processing equipment, net of depreciation	38,749

**TOTAL ASSETS** **\$ 1,104,665,683**

**LIABILITIES AND POLICYHOLDER EQUITY**

Loss reserves	\$ 607,560,269
Loss adjustment expense reserves	52,610,237
Commissions payable	11,005,088
Other expenses payable	4,839,396
Unearned premiums	61,856,112
Ceded reinsurance premiums payable	(1,190,565)
Funds withheld under reinsurance treaties	866,153
Amounts withheld or retained for others	9,477,520
Unallocated cash	543,719
Provision for reinsurance	0
Payable for securities	3,100,000
Retroactive reinsurance reserves assumed	30,430,902
Retroactive reinsurance assumed - excess funds to be returned	28,528,029
Retroactive reinsurance reserves ceded	(24,880,174)
Funds withheld on retroactive reinsurance ceded	31,413,916
Liability for projected pension benefits	8,872,394
Liability for projected retiree health insurance	188,069

**TOTAL LIABILITIES** **\$ 825,221,065**

**POLICYHOLDER EQUITY (beginning)** **261,724,563**

Net income / (loss)	17,873,535
Unrealized capital gain / (loss)	(4,316,069)
Change in non-admitted assets	1,680,650
Change in provision for reinsurance	0
Change in projected pension benefits	2,201,454
Change in projected retiree health insurance	280,485

**POLICYHOLDER EQUITY (ending)** **279,444,618**

**TOTAL LIABILITIES AND POLICYHOLDER EQUITY** **\$ 1,104,665,683**

**KENTUCKY EMPLOYERS' MUTUAL INSURANCE AUTHORITY**  
**Statement of Income**  
**for the nine months ended September 30, 2020**  
**Statutory Basis of Accounting**

<b>Net premiums earned</b>	<b>\$ 99,441,207</b>
<b>Deductions</b>	
Losses incurred	55,656,675
Loss expenses incurred	15,958,753
Underwriting expenses incurred	22,809,103
<b>Total deductions</b>	<u><b>94,424,531</b></u>
<b>Net underwriting gain / (loss)</b>	<b>5,016,676</b>
Net investment income earned	19,287,926
Net realized investment gains / (losses)	2,229,201
Net periodic pension and postretirement benefit cost	(1,930,705)
Retroactive reinsurance ceded expense	(4,320,000)
Bad debts and other income / (expenses)	<u>(2,409,563)</u>
<b>NET INCOME / (LOSS)</b>	<b>\$ <u><u>17,873,535</u></u></b>

**KENTUCKY EMPLOYERS' MUTUAL INSURANCE AUTHORITY**  
**Statement of Solvency**  
**for the nine months ended September 30, 2020**  
**Statutory Basis of Accounting**

<b>POLICYHOLDER EQUITY (beginning)</b>	<b>\$ 261,724,563</b>
Net income / (loss)	17,873,535
Unrealized capital gain / (loss)	(4,316,069)
(Increase) / decrease in non-admitted portion of furniture, fixtures, EDP equipment and software	(471,015)
(Increase) / decrease in uncollected premiums and agents' balances over 90 days past due	179,318
(Increase) / decrease in prepaid pension and retiree health insurance plans	1,930,705
(Increase) / decrease in other non-admitted assets	41,642
Change in provision for reinsurance	0
Change in projected liabilities for pension and retiree health insurance plans	<u>2,481,939</u>
<b>POLICYHOLDER EQUITY (ending)</b>	<b>\$ <u><u>279,444,618</u></u></b>