

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
JUNE 30, 2022**

PROPERTY AND CASUALTY

2022



PROPERTY AND CASUALTY COMPANIES - ASSOCIATION EDITION

QUARTERLY STATEMENT

AS OF JUNE 30, 2022

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 Joe Francis Childers Jr. # Holly McCoy - Johnson Joseph John Koester James William Link Michael Eugene Plummer # Gerina Diana Whethers Farrell Bruce Williams # 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 JUNE 30, 2022 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	960,761,672		960,761,672	956,675,348
2. Stocks:				
2.1 Preferred stocks	1,230,000		1,230,000	
2.2 Common stocks	55,634,068		55,634,068	61,195,858
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 (\$11,871,274), cash equivalents (\$7,629,134) and short-term investments (\$)	19,500,408		19,500,408	24,680,831
6. Contract loans (including \$ premium notes)				
7. Derivatives				
8. Other invested assets	10,302,926		10,302,926	5,601,153
9. Receivables for securities	511,260		511,260	641,066
10. Securities lending reinvested collateral assets				
11. Aggregate write-ins for invested assets				
12. Subtotals, cash and invested assets (Lines 1 to 11)	1,051,965,334		1,051,965,334	1,052,819,256
13. Title plants less \$ charged off (for Title insurers only)				
14. Investment income due and accrued	6,774,169		6,774,169	6,257,069
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection	23,504,243	7,618,244	15,885,999	7,513,894
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$3,205,213 earned but unbilled premiums)	19,607,972	732,318	18,875,654	33,679,868
15.3 Accrued retrospective premiums (\$) and contracts subject to redetermination (\$)				
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers	79,498		79,498	62,355
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	91,852	806	91,046	58,036
21. Furniture and equipment, including health care delivery assets (\$)	275,674	275,674		
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	320,115	320,115		
25. Aggregate write-ins for other than invested assets	7,258,257	7,256,650	1,607	
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	1,110,627,114	16,203,807	1,094,423,307	1,101,140,478
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts				
28. Total (Lines 26 and 27)	1,110,627,114	16,203,807	1,094,423,307	1,101,140,478
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. Policy Deductibles Receivable	1,607		1,607	
2502. TPA Advances	116,679	116,679		
2503. Prepaid Pension Benefits	5,574,106	5,574,106		
2598. Summary of remaining write-ins for Line 25 from overflow page	1,565,865	1,565,865		
2599. Totals (Lines 2501 through 2503 plus 2598)(Line 25 above)	7,258,257	7,256,650	1,607	

STATEMENT AS OF JUNE 30, 2022 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 \$ 38,997,489)	607,155,569	603,443,536
2. Reinsurance payable on paid losses and loss adjustment expenses		
3. Loss adjustment expenses	52,706,365	53,129,762
4. Commissions payable, contingent commissions and other similar charges	11,856,131	11,545,625
5. Other expenses (excluding taxes, licenses and fees)	4,772,059	5,565,186
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 \$ 221,555 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)	52,698,931	59,450,931
10. Advance premium		
11. Dividends declared and unpaid:		
11.1 Stockholders		
11.2 Policyholders		
12. Ceded reinsurance premiums payable (net of ceding commissions)	(1,271,809)	963,598
13. Funds held by company under reinsurance treaties	1,400,385	1,418,805
14. Amounts withheld or retained by company for account of others	9,465,575	9,856,337
15. Remittances and items not allocated	728,096	801,813
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		
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	40,755,519	44,194,045
26. Total liabilities excluding protected cell liabilities (Lines 1 through 25)	780,266,821	790,369,638
27. Protected cell liabilities		
28. Total liabilities (Lines 26 and 27)	780,266,821	790,369,638
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)	314,156,486	310,770,840
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)	314,156,486	310,770,840
38. Totals (Page 2, Line 28, Col. 3)	1,094,423,307	1,101,140,478
DETAILS OF WRITE-INS		
2501. Retroactive Reinsurance Reserves Assumed	19,509,848	22,177,250
2502. Excess Loss Portfolio Funds to be Returned	2,240,363	2,611,093
2503. Retroactive Reinsurance Reserve Ceded	(18,761,989)	(17,062,629)
2598. Summary of remaining write-ins for Line 25 from overflow page	37,767,297	36,468,331
2599. Totals (Lines 2501 through 2503 plus 2598)(Line 25 above)	40,755,519	44,194,045
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 AS OF JUNE 30, 2022 OF THE KENTUCKY EMPLOYERS' MUTUAL INSURANCE AUTHORITY

STATEMENT OF INCOME

	1 Current Year to Date	2 Prior Year to Date	3 Prior Year Ended December 31
UNDERWRITING INCOME			
1. Premiums earned:			
1.1 Direct (written \$ 60,827,473)	67,995,254	61,935,429	129,240,426
1.2 Assumed (written \$ 2,443,497)	2,585,156	2,141,681	4,641,044
1.3 Ceded (written \$ 2,999,320)	3,314,073	2,959,857	6,034,790
1.4 Net (written \$ 60,271,650)	67,266,337	61,117,253	127,846,680
DEDUCTIONS:			
2. Losses incurred (current accident year \$ 44,110,419):			
2.1 Direct	40,932,421	34,630,923	75,472,780
2.2 Assumed	2,250,171	2,016,406	5,496,503
2.3 Ceded	2,358,116	1,886,374	4,953,184
2.4 Net	40,824,476	34,760,955	76,016,099
3. Loss adjustment expenses incurred	12,560,764	12,459,326	24,263,071
4. Other underwriting expenses incurred	15,066,483	14,596,707	31,856,781
5. Aggregate write-ins for underwriting deductions			
6. Total underwriting deductions (Lines 2 through 5)	68,451,723	61,816,988	132,135,951
7. Net income of protected cells			
8. Net underwriting gain or (loss) (Line 1 minus Line 6 + Line 7)	(1,185,386)	(699,735)	(4,289,271)
INVESTMENT INCOME			
9. Net investment income earned	14,272,193	15,602,184	25,308,711
10. Net realized capital gains (losses) less capital gains tax of \$	1,339,490	5,299,703	9,280,654
11. Net investment gain (loss) (Lines 9 + 10)	15,611,683	20,901,887	34,589,365
OTHER INCOME			
12. Net gain or (loss) from agents' or premium balances charged off (amount recovered \$ 26,705 amount charged off \$ 353,470)	(326,765)	(580,417)	(1,110,550)
13. Finance and service charges not included in premiums	740	540	1,080
14. Aggregate write-ins for miscellaneous income	(952,116)	(1,261,402)	(2,562,437)
15. Total other income (Lines 12 through 14)	(1,278,141)	(1,841,279)	(3,671,907)
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15)	13,148,156	18,360,873	26,628,187
17. Dividends to policyholders			8,390,828
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)	13,148,156	18,360,873	18,237,359
19. Federal and foreign income taxes incurred			
20. Net income (Line 18 minus Line 19)(to Line 22)	13,148,156	18,360,873	18,237,359
CAPITAL AND SURPLUS ACCOUNT			
21. Surplus as regards policyholders, December 31 prior year	310,770,840	283,404,169	283,404,169
22. Net income (from Line 20)	13,148,156	18,360,873	18,237,359
23. Net transfers (to) from Protected Cell accounts			
24. Change in net unrealized capital gains (losses) less capital gains tax of \$	(11,985,693)	366,233	3,523,290
25. Change in net unrealized foreign exchange capital gain (loss)			
26. Change in net deferred income tax			
27. Change in nonadmitted assets	755,547	(625,787)	443,269
28. Change in provision for reinsurance			0
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	1,467,636	3,467,636	5,162,753
38. Change in surplus as regards policyholders (Lines 22 through 37)	3,385,646	21,568,955	27,366,671
39. Surplus as regards policyholders, as of statement date (Lines 21 plus 38)	314,156,486	304,973,124	310,770,840
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	(944,095)	(1,252,520)	(2,524,673)
1402. Net Periodic Retiree Health Insurance Cost	(8,021)	(8,882)	(37,764)
1403.			
1498. Summary of remaining write-ins for Line 14 from overflow page			
1499. Totals (Lines 1401 through 1403 plus 1498)(Line 14 above)	(952,116)	(1,261,402)	(2,562,437)
3701. Change in Projected Pension Benefits	1,467,636	3,467,636	5,162,753
3702.			
3703.			
3798. Summary of remaining write-ins for Line 37 from overflow page			
3799. Totals (Lines 3701 through 3703 plus 3798)(Line 37 above)	1,467,636	3,467,636	5,162,753

STATEMENT AS OF JUNE 30, 2022 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	64,507,817	63,285,884	130,897,449
2. Net investment income	14,788,422	18,106,024	30,387,977
3. Miscellaneous income	(1,278,141)	(1,841,279)	(3,671,907)
4. Total (Lines 1 to 3)	78,018,098	79,550,629	157,613,519
5. Benefit and loss related payments	37,129,585	35,836,780	72,606,989
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts			
7. Commissions, expenses paid and aggregate write-ins for deductions	28,461,664	26,262,491	54,054,551
8. Dividends paid to policyholders			8,390,828
9. Federal and foreign income taxes paid (recovered) net of \$ tax on capital gains (losses)			
10. Total (Lines 5 through 9)	65,591,249	62,099,271	135,052,368
11. Net cash from operations (Line 4 minus Line 10)	12,426,849	17,451,358	22,561,151
Cash from Investments			
12. Proceeds from investments sold, matured or repaid:			
12.1 Bonds	107,155,886	108,806,047	208,542,816
12.2 Stocks	8,517,280	30,313,679	37,998,686
12.3 Mortgage loans			
12.4 Real estate			
12.5 Other invested assets		10,764	113,456
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments			66
12.7 Miscellaneous proceeds	129,806	1,366,288	
12.8 Total investment proceeds (Lines 12.1 to 12.7)	115,802,972	140,496,778	246,655,024
13. Cost of investments acquired (long-term only):			
13.1 Bonds	115,062,991	116,470,670	209,341,074
13.2 Stocks	10,952,062	15,598,971	28,812,064
13.3 Mortgage loans			
13.4 Real estate			
13.5 Other invested assets	4,701,773	1,291,726	2,446,344
13.6 Miscellaneous applications			1,791,066
13.7 Total investments acquired (Lines 13.1 to 13.6)	130,716,826	133,361,367	242,390,548
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)	(14,913,854)	7,135,411	4,264,476
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)	(2,693,418)	(1,375,825)	(21,682,074)
17. Net cash from financing and miscellaneous sources (Line 16.1 through Line 16.4 minus Line 16.5 plus Line 16.6)	(2,693,418)	(1,375,825)	(21,682,074)
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)	(5,180,423)	23,210,944	5,143,553
19. Cash, cash equivalents and short-term investments:			
19.1 Beginning of year	24,680,831	19,537,278	19,537,278
19.2 End of period (Line 18 plus Line 19.1)	19,500,408	42,748,222	24,680,831

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

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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 #	2022	2021
NET INCOME					
(1) State Basis (Page 4, Line 20, Columns 1 & 2)	XXX	XXX	XXX	\$ 13,148,156	\$ 18,237,359
(2) State Prescribed Practices that are an increase/(decrease) from NAIC SAP:					
(3) State Permitted Practices that are an increase/(decrease) from NAIC SAP:					
(4) NAIC SAP (1-2-3=4)	XXX	XXX	XXX	<u>\$ 13,148,156</u>	<u>\$ 18,237,359</u>
SURPLUS					
(5) State Basis (Page 3, Line 37, Columns 1 & 2)	XXX	XXX	XXX	\$ 314,156,486	\$ 310,770,840
(6) State Prescribed Practices that are an increase/(decrease) from NAIC SAP:					
(7) State Permitted Practices that are an increase/(decrease) from NAIC SAP:					
(8) NAIC SAP (5-6-7=8)	XXX	XXX	XXX	<u>\$ 314,156,486</u>	<u>\$ 310,770,840</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 Policies

(2) Investment grade bonds not backed by other loans are stated at amortized cost using the interest method. Non-investment grade bonds with NAIC designations of 3 through 6, if any, are stated at the lower of amortized cost or fair value. 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.

D. Subcomponents and Calculation of Adjusted Surplus and Total Admitted Goodwill

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.

NOTES TO FINANCIAL STATEMENTS

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.

B. Debt Restructuring

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 at the end of the period.
- (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. At the end of the period, 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 at the end of the period, 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	\$ 22,136,025
2. 12 Months or Longer	\$ 4,886,140

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

1. Less than 12 Months	\$ 243,514,434
2. 12 Months or Longer	\$ 26,982,611

- (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

No significant changes during the year.

K. Low Income Housing Tax Credits (LIHTC)

Not applicable.

L. Restricted Assets

No significant changes during the year.

NOTES TO FINANCIAL STATEMENTS

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	5	
2. Aggregate Amount of Investment Income	\$ 175,026	\$ -

R. Reporting Entity's Share of Cash Pool by Asset Type

Not applicable.

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—Derivative 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.

NOTES TO FINANCIAL STATEMENTS

G. Federal or Foreign Income Tax Loss Contingencies

Not applicable.

H. Repatriation Transition Tax (RTT)

Not applicable.

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. Significant Transactions and Changes in Terms of Intercompany Arrangements

Not applicable.

C. Transactions with Related Parties Who Are Not Reported on Schedule Y

Not applicable.

D. Amounts Due To or From Related Parties

Not applicable.

E. Management, Service Contracts and Cost Sharing Arrangements

Not applicable.

F. Guarantees or Contingencies for Related Parties

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. All SCA Investments

Not applicable.

N. Investment in Insurance SCAs

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.

NOTES TO FINANCIAL STATEMENTS

(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	\$ 880,912	\$ 880,912	
(c) Activity Stock	\$ -		
(d) Excess Stock	\$ 886,588	\$ 886,588	
(e) Aggregate Total (a+b+c+d)	<u>\$ 1,767,500</u>	<u>\$ 1,767,500</u>	<u>\$ -</u>
(f) Actual or estimated Borrowing Capacity	\$ 19,701,947	XXX	XXX
2. Prior Year-end			
(a) Membership Stock - Class A	\$ -		
(b) Membership Stock - Class B	\$ 1,093,134	\$ 1,093,134	
(c) Activity Stock	\$ -		
(d) Excess Stock	\$ 674,366	\$ 674,366	
(e) Aggregate Total (a+b+c+d)	<u>\$ 1,767,500</u>	<u>\$ 1,767,500</u>	<u>\$ -</u>
(f) Actual or estimated Borrowing Capacity	\$ 14,985,911	XXX	XXX

11B(2)a1(f) should be equal to or greater than 11B(4)a1(d)

11B(2)a2(f) should be equal to or greater than 11B(4)a2(d)

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

	1 Current Year Total (2+3+4+5+6)	2 Not Eligible for Redemption	Eligible for Redemption			
			3 Less Than 6 Months	4 6 Months to Less Than 1 Year	5 1 to Less Than 3 Years	6 3 to 5 Years
Membership Stock						
1. Class A	\$ -					
2. Class B	\$ 880,912	\$ 880,912				

11B(2)b1 Current Year Total (Column 1) should equal 11B(2)a1(a) Total (Column 1)

11B(2)b2 Current Year Total (Column 1) should equal 11B(2)a1(b) Total (Column 1)

(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

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 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 for 401(a) pension benefits and 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 2022, KEMI expects to contribute \$84,000 per pay period to the defined benefit pension plan. Employer contribution rates are evaluated as deemed necessary to ensure the financial soundness of the plan.

NOTES TO FINANCIAL STATEMENTS

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:

(4) Components of net periodic benefit cost

	Pension Benefits		Postretirement Benefits		Special or Contractual Benefits Per SSAP No. 11	
	2022	2021	2022	2021	2022	2021
a. Service cost	\$ 660,289	\$ 1,565,246	\$ 76,707	\$ 155,223		
b. Interest cost	\$ 587,923	\$ 1,053,470	\$ 41,868	\$ 79,765		
c. Expected return on plan assets	\$ (711,202)	\$ (1,287,436)	\$ (106,434)	\$ (210,644)		
d. Transition asset or obligation						
e. Gains and losses	\$ 244,401	\$ 778,180	\$ (74,353)	\$ (107,045)		
f. Prior service cost or credit	\$ 1,467,636	\$ 2,935,272	\$ 70,233	\$ 140,465		
g. Gain or loss recognized due to a settlement or curtailment						
h. Total net periodic benefit cost - current year	<u>\$ 2,249,047</u>	<u>\$ 5,044,732</u>	<u>\$ 8,021</u>	<u>\$ 57,764</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.

E. Defined Contribution Plan

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 are actively participating 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. KEMI does not provide matching funds to the 457(b) plan.

F. Multiemployer Plans

Not applicable.

G. Consolidated/Holding Company Plans

Not applicable.

H. Postemployment Benefits and Compensated Absences

KEMI has no obligations to current or former employees for benefits after their employment but before their retirement other than for compensation related to earned vacation pay. The liability for earned but unused vacation pay is accrued in KEMI's financial statements.

I. Impact of Medicare Modernization Act on Postretirement Benefits

Not applicable.

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

A. Outstanding Shares

Not applicable.

B. Dividend Rate of Preferred Stock

Not applicable.

C. Stockholder Dividend Restrictions

Not applicable.

D. Stockholder Dividends Paid

Not applicable.

E. Ordinary Stockholder Dividends That May Be Paid

Not applicable.

F. Restrictions on Unassigned Funds

Not applicable.

NOTES TO FINANCIAL STATEMENTS

G. Mutual Surplus Advances

Not applicable.

H. Company Stock Held for Special Purposes

Not applicable.

I. Changes in Special Surplus Funds

Not applicable.

J. Changes in Unassigned Funds

The portion of unassigned funds (surplus) represented or reduced by cumulative unrealized gains and losses is

\$ 40,065

K. Surplus Debentures or Similar Obligations

Not applicable.

L. Impact of Restatement Due to Prior Quasi-Reorganizations

Not applicable.

M. Effective Date(s) of Prior Quasi-Reorganizations

Not applicable.

NOTE 14 Liabilities, Contingencies and Assessments

A. Contingent Commitments

Not applicable.

B. Guaranty 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

No significant changes during the year.

B. Lessor Leases

Not applicable.

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

Not applicable.

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

A. Transfers of Receivables Reported as Sales

Not applicable.

B. Transfer and Servicing of Financial Assets

Not applicable.

NOTES TO FINANCIAL STATEMENTS

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.

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		\$ 27,054,691			\$ 27,054,691
Common stocks	\$ 55,634,068				\$ 55,634,068
Real estate held for sale		\$ 4,025,000			\$ 4,025,000
Cash	\$ 11,871,274				\$ 11,871,274
Cash equivalents	\$ 7,629,134				\$ 7,629,134
Total assets at fair value/NAV	\$ 75,134,476	\$ 31,079,691	\$ -	\$ -	\$ 106,214,167

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

None.

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

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

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

As of June 30, 2022, KEMI held ninety-six corporate bonds rated NAIC 3 or lower that were carried at fair value and categorized within Level 2 of the fair value hierarchy. Fair value was 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.

NOTES TO FINANCIAL STATEMENTS

- 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	\$ 879,418,049	\$ 960,761,672		\$ 879,418,049			
Preferred stocks	\$ 1,173,429	\$ 1,230,000	\$ 1,173,429				
Common stocks	\$ 55,634,068	\$ 55,634,068	\$ 55,634,068				
Real estate held for sale	\$ 4,025,000	\$ 4,025,000		\$ 4,025,000			
Cash	\$ 11,871,274	\$ 11,871,274	\$ 11,871,274				
Cash equivalents	\$ 7,629,134	\$ 7,629,134	\$ 7,629,134				
Other invested assets	\$ 10,302,926	\$ 10,302,926			\$ 10,302,926		
Receivable for securities	\$ 511,260	\$ 511,260	\$ 511,260				
Payable for securities	\$ -	\$ -	\$ -				

- D. Not Practicable to Estimate Fair Value

None.

- E. Financial Instruments Carried at Net Asset Value

Not applicable.

NOTE 21 Other Items

- A. Unusual or Infrequent Items

Not applicable.

- 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

No significant changes during the year.

- 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

Effective July 1, 2022, KEMI entered into two loss portfolio transfer agreements with the Commissioner of the Kentucky Department of Insurance and the Commissioner of the Kentucky Department of Workers' Claims. The first of these loss portfolio transfers relates to AIK Comp (AIK), a group self-insurance fund which was in rehabilitation with the Department of Insurance. KEMI received \$5,719,371 to take responsibility for managing certain remaining workers' compensation claims incurred prior to March 1, 1997. The second of these loss portfolio transfers relates to Kentucky Coal Producers (KCP), which was also a group self-insurance fund involved in rehabilitation proceedings. KEMI received \$14,073,195 to take responsibility for managing certain remaining workers' compensation claims incurred prior to November 30, 1991. KEMI did not take responsibility for KCP black lung claims as part of this agreement. Together, the two loss portfolios have approximately 250 open claims. At this time, KEMI is outsourcing the day to day processing of these claims and has commenced oversight of claims management.

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

NOTE 23 Reinsurance

- A. Unsecured Reinsurance Recoverables

KEMI had no unsecured aggregate reinsurance recoverables for paid and unpaid losses, loss adjustment expenses and unearned premiums from any individual reinsurer that exceeded 3% of policyholders' surplus at the end of the period.

- B. Reinsurance Recoverables in Dispute

KEMI had no reinsurance recoverables in dispute at the end of the period.

- C. Reinsurance Assumed and Ceded

No significant changes during the year.

- D. Uncollectible Reinsurance

None of KEMI's reinsurance recoverables are deemed to be uncollectible at the end of the period.

NOTES TO FINANCIAL STATEMENTS

E. Commutation of Reinsurance Reflected in Income and Expenses

None of KEMI's reinsurance contracts were commuted during the year.

F. Retroactive Reinsurance

Effective October 31, 2014, KEMI entered into a loss portfolio transfer agreement with the Commissioner of Insurance of the Commonwealth of Kentucky, Rehabilitator of Kentucky School Boards Insurance Trust (KSBIT) Workers' Compensation Self-Insurance Fund. Pursuant to this loss portfolio transfer, approximately \$35 million in workers' compensation claim liabilities for the period July 7, 1978 through June 30, 2013, were transferred to KEMI by KSBIT's Rehabilitator. In exchange for assuming responsibility for these claim liabilities and the handling thereof, KEMI received \$35 million in cash and guaranteed receivables. 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 \$16.3 million of transferred reserves back to the Rehabilitator in 2019 and 2020. As of June 30, 2022, KSBIT's cash balance was \$9,026,134, reinsurance receivables on paid losses and loss adjustment expenses were \$112,568, net reported loss and loss adjustment expense reserves were \$8,048,346 and net incurred but not reported (IBNR) loss and loss adjustment expense reserves were \$1,090,356. 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 continued to impose and collect quarterly assessments in a manner consistent with past practice and remitted those assessments to KEMI. Assessments ceased effective January 1, 2020, as both parties agreed that all claim liabilities were fully funded. Based on current actuarial reserve studies, claim liabilities are expected to be less than originally projected; therefore, in 2021, KEMI distributed \$20 million of excess reserves from KCWPF in a manner set forth by the Kentucky Legislature. Active coal operators in good standing with the Commonwealth of Kentucky received settlement distributions totaling \$9,020,611, and the Kentucky Coal Employers' Self-Insurance Guarantee Fund received settlement distributions totaling \$10,979,389. As of June 30, 2022, KCWPF's cash balance was \$12,724,077, excess assessments to be returned were \$2,240,363 and net loss and loss adjustment expense reserves were \$10,483,714. 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 the coverage. 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 2015 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 reinsurers' 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 Years	\$ 22,289,358	\$ (14,937,371)
3. Adjustments - Current Year	\$ 480,879	\$ 1,699,360
4. Current Total	<u>\$ (52,229,763)</u>	<u>\$ 18,761,989</u>
b. Consideration Paid or Received:		
1. Initial Consideration	\$ 75,000,000	\$ (67,450,000)
2. Adjustments - Prior Years	\$ (22,289,358)	\$ 58,630,000
3. Adjustments - Current Year	\$ (480,879)	\$ -
4. Current Total	<u>\$ 52,229,763</u>	<u>\$ (8,820,000)</u>
c. Paid Losses Reimbursed or Recovered:		
1. Prior Years	\$ (30,533,392)	\$ 14,937,371
2. Current Year	\$ (2,186,523)	\$ (1,699,360)
3. Current Total	<u>\$ (32,719,915)</u>	<u>\$ 13,238,011</u>
d. Special Surplus from Retroactive Reinsurance:		
1. Initial Surplus Gain or Loss	\$ -	\$ (35,450,000)
2. Adjustments - Prior Years	\$ -	\$ 35,450,000
3. Adjustments - Current Year	\$ -	\$ -
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 Amount	Ceded Amount
Commissioner of Insurance of the Commonwealth of Kentucky, Rehabilitator of Kentucky School Boards Insurance Trust (KSBIT) Workers' Compensation Self Insurance Fund	\$ (18,705,730)	
Kentucky Workers' Compensation Funding Commission and Division of Workers' Compensation Funds, Department of Workers' Claims, Labor Cabinet, Commonwealth of Kentucky	\$ (33,524,033)	
Munich Reinsurance America, Inc. (NAIC Company Code 10227)		\$ (18,761,989)
Swiss Reinsurance America Corporation (NAIC Company Code 25364)		\$ -
Hannover Ruck SE (NAIC Company Code AA-1340125)		\$ -
Total *	<u>\$ (52,229,763)</u>	<u>\$ (18,761,989)</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, reciprocal jurisdiction, unauthorized and certified reinsurers), any amounts more than 90 days overdue (for authorized, reciprocal jurisdiction, unauthorized and certified reinsurers), and for amounts recoverable the collateral held (for unauthorized and certified reinsurers) as respects amounts recoverable from unauthorized and certified reinsurers:

1. Authorized Reinsurers

Company	Total Paid/Loss/LAE Recoverable	Amounts Over 90 Days Overdue
Aetna Life & Casualty Co.	\$ 67,035	\$ 39,882
CNA / Continental Casualty Co.	\$ 2,867	\$ 2,565
Coregis Insurance Co. / Westport Insurance Corp.	\$ 10,953	\$ -
Harbor Insurance Co.	\$ 5,391	\$ -
Liberty Mutual Insurance	\$ 5,603	\$ -
Midwest Employers Casualty Co.	\$ 5,323	\$ 149
New York Marine & General Insurance Co.	\$ 2,802	\$ -
Selective Insurance Co. of America	\$ 6,352	\$ -
TIG Insurance Co. / Transamerica Insurance Co.	\$ 6,242	\$ -
Total	<u>\$ 112,568</u>	<u>\$ 42,596</u>

2. Unauthorized Reinsurers

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

3. Certified Reinsurers

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

4. Reciprocal Jurisdiction Reinsurers

Company	Total Paid/Loss/LAE Recoverable	Amounts Over 90 Days Overdue
None	\$ -	\$ -
Total	<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.

K. Reinsurance Credit on Contracts Covering Health Business

Not applicable.

NOTE 24 Retrospectively Rated Contracts & 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

(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.

NOTES TO FINANCIAL STATEMENTS

NOTE 25 Changes in Incurred Losses and Loss Adjustment Expenses

A. Changes Attributable to Insured Events of Prior Years

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

Gross case reserves for incurred losses and loss adjustment expenses attributable to insured events of prior years have increased by \$18,491,670. Of this increase, \$17,961,433 is attributable to accident years 2019-2021 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 \$3,562,049.

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

No significant changes during the year.

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.

STATEMENT AS OF JUNE 30, 2022 OF THE KENTUCKY EMPLOYERS' MUTUAL INSURANCE AUTHORITY
GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

GENERAL

- 1.1 Did the reporting entity experience any material transactions requiring the filing of Disclosure of Material Transactions with the State of Domicile, as required by the Model Act? Yes [] No [X]
- 1.2 If yes, has the report been filed with the domiciliary state? Yes [] No []
- 2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? Yes [X] No []
- 2.2 If yes, date of change: 02/08/2022
- 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]
- 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 JUNE 30, 2022 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 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
- 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
- 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
- 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
- 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
- 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
- 15.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? Yes No N/A
 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 JUNE 30, 2022 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 [] 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 []

- 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 [] 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 [] 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 [] 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 []

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 []

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 []

STATEMENT AS OF JUNE 30, 2022 OF THE KENTUCKY EMPLOYERS' MUTUAL INSURANCE AUTHORITY
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 Line of Business	2 Maximum Interest	3 Discount Rate	4 Unpaid Losses	5 Unpaid LAE	6 IBNR	7 TOTAL	8 Unpaid Losses	9 Unpaid LAE	10 IBNR	11 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 []

STATEMENT AS OF JUNE 30, 2022 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	60,827,473	55,925,730	35,258,960	35,732,183	632,051,642	620,931,913
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	60,827,473	55,925,730	35,258,960	35,732,183	632,051,642	620,931,913
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 JUNE 30, 2022 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				
2.1 Allied Lines				
2.2 Multiple peril crop				
2.3 Federal flood				
2.4 Private crop				
2.5 Private flood				
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				
13.1 Comprehensive (hospital and medical) individual				
13.2 Comprehensive (hospital and medical) group				
14. Credit accident and health				
15.1 Vision only				
15.2 Dental only				
15.3 Disability income				
15.4 Medicare supplement				
15.5 Medicaid Title XIX				
15.6 Medicare Title XVIII				
15.7 Long-term care				
15.8 Federal employees health benefits plan				
15.9 Other health				
16. Workers' compensation	67,995,254	40,932,421	60.2	55.9
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 Private passenger auto no-fault (personal injury protection)				
19.2 Other private passenger auto liability				
19.3 Commercial auto no-fault (personal injury protection)				
19.4 Other commercial auto liability				
21.1 Private passenger auto physical damage				
21.2 Commercial 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	67,995,254	40,932,421	60.2	55.9
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 JUNE 30, 2022 OF THE KENTUCKY EMPLOYERS' MUTUAL INSURANCE AUTHORITY

PART 2 - DIRECT PREMIUMS WRITTEN

Line of Business		1 Current Quarter	2 Current Year to Date	3 Prior Year Year to Date
1.	Fire			
2.1	Allied Lines			
2.2	Multiple peril crop			
2.3	Federal flood			
2.4	Private crop			
2.5	Private flood			
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			
13.1	Comprehensive (hospital and medical) individual			
13.2	Comprehensive (hospital and medical) group			
14.	Credit accident and health			
15.1	Vision only			
15.2	Dental only			
15.3	Disability income			
15.4	Medicare supplement			
15.5	Medicaid Title XIX			
15.6	Medicare Title XVIII			
15.7	Long-term care			
15.8	Federal employees health benefits plan			
15.9	Other health			
16.	Workers' compensation	27,618,270	60,827,473	55,925,730
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	Private passenger auto no-fault (personal injury protection)			
19.2	Other private passenger auto liability			
19.3	Commercial auto no-fault (personal injury protection)			
19.4	Other commercial auto liability			
21.1	Private passenger auto physical damage			
21.2	Commercial 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	27,618,270	60,827,473	55,925,730
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 JUNE 30, 2022 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)	2022 Loss and LAE Payments on Claims Reported as of Prior Year-End	2022 Loss and LAE Payments on Claims Unreported as of Prior Year-End	Total 2022 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. 2019 + Prior	314,974	202,328	517,302	18,837	61	18,898	298,725	853	199,603	499,181	2,588	(1,811)	777
2. 2020	13,622	42,618	56,239	6,363	69	6,432	13,978	327	36,620	50,924	6,719	(5,603)	1,117
3. Subtotals 2020 + Prior	328,596	244,945	573,541	25,200	130	25,330	312,703	1,180	236,223	550,105	9,307	(7,414)	1,894
4. 2021	15,822	67,210	83,032	9,825	314	10,139	10,745	373	56,319	67,438	4,749	(10,205)	(5,456)
5. Subtotals 2021 + Prior	344,417	312,156	656,573	35,025	443	35,468	323,448	1,553	292,542	617,543	14,056	(17,618)	(3,562)
6. 2022	XXX	XXX	XXX	XXX	14,628	14,628	XXX	16,345	25,974	42,319	XXX	XXX	XXX
7. Totals	344,417	312,156	656,573	35,025	15,071	50,097	323,448	17,898	318,516	659,862	14,056	(17,618)	(3,562)
8. Prior Year-End Surplus As Regards Policyholders	310,771										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. 4.1	2. (5.6)	3. (0.5)
													Col. 13, Line 7 As a % of Col. 1 Line 8
													4. (1.1)

STATEMENT AS OF JUNE 30, 2022 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.

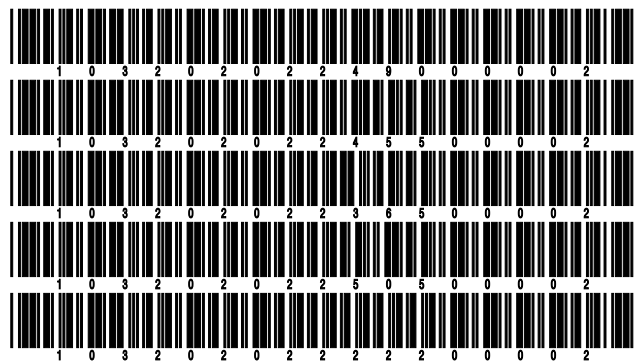
	Response
1. Will the Trusteed Surplus Statement be filed with the state of domicile and the NAIC with this statement?	NO
2. Will Supplement A to Schedule T (Medical Professional Liability Supplement) be filed with this statement?	NO
3. Will the Medicare Part D Coverage Supplement be filed with the state 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
AUGUST FILING	
5. Will the regulator-only (non-public) Communication of Internal Control Related Matters Noted in Audit be filed with the state of domicile and electronically with the NAIC (as a regulator-only non-public document) by August 1? The response for 1st and 3rd quarters should be N/A. A NO response resulting with a bar code is only appropriate in the 2nd quarter.	NO

Explanations:

1. Not required
2. Not required
3. Not required
4. Not required
5. None

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]
5. Communication of Internal Control Related Matters Noted in Audit (2nd Quarter Only) [Document Identifier 222]



STATEMENT AS OF JUNE 30, 2022 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 Retiree Health Insurance	1,565,865	1,565,865		
2597. Summary of remaining write-ins for Line 25 from overflow page	1,565,865	1,565,865		

Additional Write-ins for Liabilities Line 25

	1 Current Statement Date	2 December 31, Prior Year
2504. Funds Withheld on Retroactive Reinsurance Ceded	28,957,555	26,190,953
2505. Liability for Projected Pension Benefits	8,809,742	10,277,378
2597. Summary of remaining write-ins for Line 25 from overflow page	37,767,297	36,468,331

STATEMENT AS OF JUNE 30, 2022 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	4,025,000
2. Cost of acquired:		
2.1 Actual cost at time of acquisition		
2.2 Additional investment made after acquisition		
3. Current year change in encumbrances		
4. Total gain (loss) on disposals		
5. Deduct amounts received on disposals		
6. Total foreign exchange change in book/adjusted carrying value		
7. Deduct current year's other than temporary impairment recognized		
8. Deduct current year's depreciation		
9. Book/adjusted carrying value at 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 points and commitment fees		
9. Total foreign exchange change in book value/recorded investment excluding accrued interest		
10. Deduct current year's other than temporary impairment recognized		
11. Book value/recorded investment excluding accrued interest at end of current period (Lines 1+2+3+4+5+6-7-8+9-10)		
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	5,601,153	3,154,809
2. Cost of acquired:		
2.1 Actual cost at time of acquisition		
2.2 Additional investment made after acquisition	4,701,773	2,446,344
3. Capitalized deferred interest and other		
4. Accrual of discount		
5. Unrealized valuation increase (decrease)		
6. Total gain (loss) on disposals		113,456
7. Deduct amounts received on disposals		113,456
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)	10,302,926	5,601,153
12. Deduct total nonadmitted amounts		
13. Statement value at end of current period (Line 11 minus Line 12)	10,302,926	5,601,153

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	1,017,871,206	1,015,944,212
2. Cost of bonds and stocks acquired	126,015,053	238,153,138
3. Accrual of discount	234,096	321,227
4. Unrealized valuation increase (decrease)	(11,985,693)	3,523,290
5. Total gain (loss) on disposals	1,339,490	9,507,054
6. Deduct consideration for bonds and stocks disposed of	115,848,192	247,605,902
7. Deduct amortization of premium	175,246	2,696,292
8. Total foreign exchange change in book/adjusted carrying value		
9. Deduct current year's other than temporary impairment recognized		339,922
10. Total investment income recognized as a result of prepayment penalties and/or acceleration fees	175,026	1,064,400
11. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9+10)	1,017,625,740	1,017,871,206
12. Deduct total nonadmitted amounts		
13. Statement value at end of current period (Line 11 minus Line 12)	1,017,625,740	1,017,871,206

STATEMENT AS OF JUNE 30, 2022 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)	696,593,038	15,151,118	23,057,358	(2,813,236)	696,593,038	685,873,562		709,331,372
2. NAIC 2 (a)	243,364,380	2,955,000	3,732,452	4,579,593	243,364,380	247,166,521		216,904,094
3. NAIC 3 (a)	29,990,157	1,204,356	292,926	(4,788,076)	29,990,157	26,113,511		30,439,882
4. NAIC 4 (a)	964,837			643,241	964,837	1,608,078		
5. NAIC 5 (a)								
6. NAIC 6 (a)								
7. Total Bonds	970,912,412	19,310,474	27,082,736	(2,378,478)	970,912,412	960,761,672		956,675,348
PREFERRED STOCK								
8. NAIC 1	410,000	820,000			410,000	1,230,000		
9. NAIC 2								
10. NAIC 3								
11. NAIC 4								
12. NAIC 5								
13. NAIC 6								
14. Total Preferred Stock	410,000	820,000			410,000	1,230,000		
15. Total Bonds and Preferred Stock	971,322,412	20,130,474	27,082,736	(2,378,478)	971,322,412	961,991,672		956,675,348

(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	15,166,565	7,391,088
2. Cost of cash equivalents acquired	83,610,013	234,824,515
3. Accrual of discount		
4. Unrealized valuation increase (decrease)		
5. Total gain (loss) on disposals		66
6. Deduct consideration received on disposals	91,147,444	227,049,104
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)	7,629,134	15,166,565
11. Deduct total nonadmitted amounts		
12. Statement value at end of current period (Line 10 minus Line 11)	7,629,134	15,166,565

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 JUNE 30, 2022 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	Location		5 Name of Vendor or General Partner	6 NAIC Designation, NAIC Designation Modifier and SVO 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
		3 City	4 State									
000000-00-0	ELMTREE U.S. NET LEASE FUND IV-A, L.P.	WILMINGTON	DE	ELMTREE FUND IV G.P., L.L.C.		09/03/2020			3,408,980		9,097,074	7.200
	1999999. Joint Venture Interests - Common Stock - Unaffiliated								3,408,980		9,097,074	XXX
	4899999. Total - Unaffiliated								3,408,980		9,097,074	XXX
	4999999. Total - Affiliated											XXX
5099999 - Totals									3,408,980		9,097,074	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	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	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
		3 City	4 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 Recogn-ized	12 Capital-ized Deferred Interest and Other	13 Total Change in Book/ Adjusted Carrying Value (9+10-11+12)						
NONE																		
5099999 - Totals																		

STATEMENT AS OF JUNE 30, 2022 OF THE KENTUCKY EMPLOYERS' MUTUAL INSURANCE AUTHORITY

SCHEDULE D - PART 3

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

1	2	3	4	5	6	7	8	9	10
CUSIP Identification	Description	Foreign	Date Acquired	Name of Vendor	Number of Shares of Stock	Actual Cost	Par Value	Paid for Accrued Interest and Dividends	NAIC Designation, NAIC Designation Modifier and SVO Administrative Symbol
12737#-AC-5	CSFV Core II		04/01/2022	U.S. Bank		500,000	500,000		2, Z
E1000*-AA-1	ACCIONA ENERGIA FINANCIACION FILIALES, S	C	04/26/2022	U.S. Bank		445,000	445,000		2, Z
G77410-AA-8	SVF II FINCO (CAYMAN) LP	C	06/01/2022	Unknown		2,000,000	2,000,000		2, Z
092533-B*-8	BLACKROCK CAPITAL INVESTMENT CORPORATION		06/21/2022	U.S. Bank		2,000,000	2,000,000		2, Z
85253#-AL-5	STAG INDUSTRIAL OPERATING PARTNERSHIP		06/28/2022	Unknown		575,000	575,000		2, Z
02772A-AA-7	AMERICAN NATIONAL GROUP, INC.		06/06/2022	BMO CAPITAL MARKETS CORP		2,000,000	2,000,000		2, B FE
04019F-AG-2	ARES 65 C - CDO	C	04/27/2022	GOLDMAN SACHS & CO.		500,000	500,000		2, Z
05682*-AE-4	BAIN CAPITAL HOLDINGS, LP		04/07/2022	Unknown		1,495,000	1,495,000		2, Z
08182R-AC-7	BSP XIX B - CDO	C	04/12/2022	J.P. MORGAN SECURITIES LLC		499,250	500,000	2,677	1, C FE
08861Y-AA-4	BHG 2021-A A - ABS		04/18/2022	Direct		0	0		1, C FE
12571K-AE-9	C1FC 223 C - CDO	C	04/05/2022	BARCLAYS CAPITAL INC.		500,000	500,000		2, Z
26885B-AM-2	EOM MIDSTREAM PARTNERS LP		05/31/2022	BOFA SECURITIES, INC		140,000	140,000		3, C FE
38138L-AL-2	GLM 7R AR - CDO	C	05/12/2022	J.P. MORGAN SECURITIES LLC		485,000	500,000	770	1, A FE
381756-AC-1	GOLUB CAPITAL PARTNERS PRIVATE CREDIT TR		04/21/2022	U.S. Bank		955,000	955,000		2, B PL
428102-AE-7	HESS MIDSTREAM OPERATIONS LP		05/02/2022	RBC CAPITAL MARKETS, LLC		1,099,356	1,090,000	9,093	3, A FE
428102-AF-4	HESS MIDSTREAM OPERATIONS LP		04/05/2022	J.P. MORGAN SECURITIES LLC		55,000	55,000		3, B FE
46149M-AC-0	INVCO 2021-2 B - CDO	C	04/12/2022	BOFA SECURITIES, INC		496,000	500,000	2,199	1, C FE
536210-BD-7	LION INDUSTRIAL PROPERTIES LP		06/21/2022	U.S. Bank		1,000,000	1,000,000		1, Z
54054P-AC-0	LOGN3 III B - CDO	C	04/13/2022	BARCLAYS CAPITAL INC.		500,000	500,000		1, Z
55822B-AE-5	MDPK 52 B - CDO	C	04/29/2022	J.P. MORGAN SECURITIES LLC		490,625	500,000	418	1, Z
62877C-AA-1	NAC AVIATION 29 DESIGNATED ACTIVITY COMP	C	06/01/2022	EXCHANGE		665,243	760,182		2, Z
67115V-AE-2	OAKC 11 C - CDO	C	04/14/2022	BARCLAYS CAPITAL INC.		500,000	500,000		2, Z
913318-AC-5	UNPPK 1 A2 - CDO	C	04/12/2022	BNP PARIBAS SEC CORP/BOND		500,000	500,000		2, Z
G1969#-AH-9	BALFOUR BEATTY PLC	C	06/28/2022	Unknown		2,000,000	2,000,000		2, Z
1109999999. Subtotal - Bonds - Industrial and Miscellaneous (Unaffiliated)						19,310,474	19,515,182	15,157	XXX
2509999997. Total - Bonds - Part 3						19,310,474	19,515,182	15,157	XXX
2509999998. Total - Bonds - Part 5						XXX	XXX	XXX	XXX
2509999999. Total - Bonds						19,310,474	19,515,182	15,157	XXX
143106-2*-2	CTAC SERIES A 3.66 3/7/2027		05/25/2022	Unknown	32,800.00	820,000	0.00		1, G PL
4029999999. Subtotal - Preferred Stocks - Industrial and Miscellaneous (Unaffiliated) Redeemable Preferred						820,000	XXX		XXX
4509999997. Total - Preferred Stocks - Part 3						820,000	XXX		XXX
4509999998. Total - Preferred Stocks - Part 5						XXX	XXX	XXX	XXX
4509999999. Total - Preferred Stocks						820,000	XXX		XXX
002824-10-0	ABBOTT LABORATORIES ORD		06/02/2022	BARCLAYS CAP INC -NY	151,000	17,581			
00287Y-10-9	ABBVIE ORD		06/02/2022	BARCLAYS CAP INC -NY	7,677,000	1,117,701			
03076C-10-6	AMERIPRISE FINANCE ORD		06/02/2022	BARCLAYS CAP INC -NY	163,000	44,656			
060505-10-4	BANK OF AMERICA ORD		06/02/2022	BARCLAYS CAP INC -NY	3,826,000	139,726			
086516-10-1	BEST BUY ORD		06/02/2022	BARCLAYS CAP INC -NY	2,553,000	205,529			
09247X-10-1	BLACKROCK ORD		06/02/2022	BARCLAYS CAP INC -NY	133,000	90,398			
125720-10-5	CME GROUP CL A ORD		06/02/2022	BARCLAYS CAP INC -NY	747,000	152,113			
17275R-10-2	CISCO SYSTEMS ORD		06/02/2022	GOLDMAN SACHS & CO.	4,228,000	192,192			
20030N-10-1	COMCAST CL A ORD		06/02/2022	BARCLAYS CAP INC -NY	630,000	27,459			
277432-10-0	EASTMAN CHEMICAL ORD		06/02/2022	GOLDMAN SACHS & CO.	1,170,000	129,738			
369550-10-8	GENERAL DYNAMICS ORD		06/02/2022	GOLDMAN SACHS & CO.	59,000	13,410			
437076-10-2	HOME DEPOT ORD		06/02/2022	GOLDMAN SACHS & CO.	246,000	74,288			
452308-10-9	ILLINOIS TOOL ORD		06/02/2022	GOLDMAN SACHS & CO.	52,000	10,781			
458140-10-0	INTEL ORD		06/02/2022	GOLDMAN SACHS & CO.	1,795,000	79,908			
46625H-10-0	JPMORGAN CHASE ORD		06/02/2022	GOLDMAN SACHS & CO.	342,000	44,721			
693475-10-5	PNC FINANCIAL SERVICES GROUP ORD		06/02/2022	INSTINET, LLC	539,000	93,991			
742718-10-9	PROCTER & GAMBLE ORD		06/02/2022	INSTINET, LLC	190,000	27,695			
747525-10-3	QUALCOMM ORD		06/02/2022	INSTINET, LLC	1,179,000	170,543			
75513E-10-1	RAYTHEON TECHNOLOGIES ORD		06/02/2022	INSTINET, LLC	364,000	34,795			
87612E-10-6	TARGET ORD		06/02/2022	INSTINET, LLC	2,019,000	322,173			
902494-10-3	TYSON FOODS CL A ORD		06/02/2022	INSTINET, LLC	570,000	49,806			

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STATEMENT AS OF JUNE 30, 2022 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, NAIC Designation Modifier and SVO Admini- strative Symbol
907818-10-8	UNION PACIFIC ORD		.06/02/2022	INSTINET, LLC	488,000	109,213			
911312-10-6	UNITED PARCEL SERVICE CL B ORD		.06/02/2022	INSTINET, LLC	757,000	138,390			
501999999. Subtotal - Common Stocks - Industrial and Miscellaneous (Unaffiliated) Publicly Traded						3,286,806	XXX		XXX
NACAVD-AC-9	NAC AVIATION 29 DESIGNATED ACTIVITY COMP		.06/01/2022	EXCHANGE	12,838,320	436,503			
502999999. Subtotal - Common Stocks - Industrial and Miscellaneous (Unaffiliated) Other						436,503	XXX		XXX
598999997. Total - Common Stocks - Part 3						3,723,309	XXX		XXX
598999998. Total - Common Stocks - Part 5						XXX	XXX	XXX	XXX
598999999. Total - Common Stocks						3,723,309	XXX		XXX
599999999. Total - Preferred and Common Stocks						4,543,309	XXX		XXX
600999999 - Totals						23,853,783	XXX	15,157	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 JUNE 30, 2022 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		0.000			2,774,911	7,506,337	11,760,311	XXX
0199998. Deposits in ... 3 depositories that do not exceed the allowable limit in any one depository (See instructions) - Open Depositories	XXX	XXX	15		96,479	97,134	110,882	XXX
0199999. Totals - Open Depositories	XXX	XXX	15		2,871,390	7,603,472	11,871,193	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	15		2,871,390	7,603,472	11,871,193	XXX
0499999. Cash in Company's Office	XXX	XXX	XXX	XXX	86	79	81	XXX
0599999. Total - Cash	XXX	XXX	15		2,871,476	7,603,550	11,871,274	XXX

STATEMENT AS OF JUNE 30, 2022 OF THE KENTUCKY EMPLOYERS' MUTUAL INSURANCE AUTHORITY

SCHEDULE E - PART 2 - CASH EQUIVALENTS

Show Investments Owned End of Current Quarter

1 CUSIP	2 Description	3 Code	4 Date Acquired	5 Rate of Interest	6 Maturity Date	7 Book/Adjusted Carrying Value	8 Amount of Interest Due and Accrued	9 Amount Received During Year
0109999999	Total - U.S. Government Bonds							
0309999999	Total - All Other Government Bonds							
0509999999	Total - U.S. States, Territories and Possessions Bonds							
0709999999	Total - U.S. Political Subdivisions Bonds							
0909999999	Total - U.S. Special Revenues Bonds							
1109999999	Total - Industrial and Miscellaneous (Unaffiliated) Bonds							
1309999999	Total - Hybrid Securities							
1509999999	Total - Parent, Subsidiaries and Affiliates Bonds							
1909999999	Subtotal - Unaffiliated Bank Loans							
2419999999	Total - Issuer Obligations							
2429999999	Total - Residential Mortgage-Backed Securities							
2439999999	Total - Commercial Mortgage-Backed Securities							
2449999999	Total - Other Loan-Backed and Structured Securities							
2459999999	Total - SVO Identified Funds							
2469999999	Total - Affiliated Bank Loans							
2479999999	Total - Unaffiliated Bank Loans							
2509999999	Total Bonds							
31846V-56-7	FIRST AMER:GVT OBLG Z		06/30/2022	1.270		7,629,134	5,514	1,099
8309999999	Subtotal - All Other Money Market Mutual Funds					7,629,134	5,514	1,099
8609999999	Total Cash Equivalents					7,629,134	5,514	1,099