



250 West Main Street, Suite 900 Lexington, KY 40507-1724 859-425-7800 www.kemi.com

August 13, 2024

Mr. Mark Workman
Bacon Farmer Workman
Engineering & Testing
4545 Quail Hollow Drive
Paducah, KY 42001

Dear Mr. Workman:

KEMI continues to take pride in its financial stability and outlook for the future, and our second quarter 2024 financial statements support those positions. In accordance with KRS 342.821, we enclose some of our reports indicative of our growth and solid foundation.

We will continue to keep you apprised of our solvency position, which we expect to continue to be very positive.

Sincerely,

A handwritten signature in blue ink that reads "Jon E. Stewart". The signature is fluid and cursive, with the first letters of each word being capitalized and prominent.

Jon E. Stewart
President & CEO

Enclosures

KENTUCKY EMPLOYERS' MUTUAL INSURANCE AUTHORITY
Statement of Admitted Assets, Liabilities and Policyholder Equity
as of June 30, 2024
Statutory Basis of Accounting

ASSETS

Long term bonds	\$ 992,760,403
Common and preferred stocks	73,881,527
Cash and short-term investments	37,681,076
Real estate	4,025,000
Other invested assets	15,365,040
Receivable for securities	19,211
Investment income due and accrued	8,671,677
Premiums in course of collection	33,185,361
Premiums deferred and not yet due	26,352,039
Non-admitted premiums receivable	(14,054,545)
Policy deductibles receivable	7,702
Reinsurance recoverable	37,912
Reinsurance deposits	1,770,000
Electronic data processing equipment, net of depreciation	308,589

TOTAL ASSETS **\$ 1,180,010,992**

LIABILITIES AND POLICYHOLDER EQUITY

Loss reserves	\$ 619,256,406
Loss adjustment expense reserves	54,340,039
Commissions payable	13,844,705
Other expenses payable	5,283,906
Unearned premiums	57,145,214
Ceded reinsurance premiums payable	(1,743,022)
Funds withheld under reinsurance treaties	1,882,677
Amounts withheld or retained for others	12,567,705
Unallocated cash	742,562
Provision for reinsurance	119,695
Payable for securities	0
Retroactive reinsurance reserves assumed	30,868,079
Funds withheld on retroactive reinsurance ceded	0
Liability for projected pension benefits	0
Liability for projected retiree health insurance	0

TOTAL LIABILITIES **794,307,966**

POLICYHOLDER EQUITY (beginning) **363,020,252**

Net income / (loss)	23,209,209
Unrealized capital gain / (loss)	2,448,161
Change in non-admitted assets	(2,974,596)
Change in provision for reinsurance	0
Change in projected pension benefits	0
Change in projected retiree health insurance	0

POLICYHOLDER EQUITY (ending) **385,703,026**

TOTAL LIABILITIES AND POLICYHOLDER EQUITY **\$ 1,180,010,992**

KENTUCKY EMPLOYERS' MUTUAL INSURANCE AUTHORITY

Statement of Income

for the six months ended June 30, 2024

Statutory Basis of Accounting

Net premiums earned	\$ 76,195,145
Deductions	
Losses incurred	37,810,153
Loss expenses incurred	15,705,052
Underwriting expenses incurred	16,770,060
Total deductions	<u>70,285,265</u>
Net underwriting gain / (loss)	5,909,880
Net investment income earned	18,337,696
Net realized investment gains / (losses)	(1,529,770)
Net periodic pension and postretirement benefit cost	(1,798,431)
Bad debts and other income / (expenses)	(943,307)
Retroactive reinsurance gain / (loss)	<u>3,233,141</u>
Net income / (loss) before policyholder dividends	23,209,209
Dividends to policyholders	<u>0</u>
NET INCOME / (LOSS) AFTER POLICYHOLDER DIVIDENDS	\$ <u><u>23,209,209</u></u>

KENTUCKY EMPLOYERS' MUTUAL INSURANCE AUTHORITY
Statement of Solvency
for the six months ended June 30, 2024
Statutory Basis of Accounting

POLICYHOLDER EQUITY (beginning)	\$ 363,020,252
Net income / (loss)	23,209,209
Unrealized capital gain / (loss)	2,448,161
(Increase) / decrease in non-admitted portion of furniture, fixtures, EDP equipment and software	30,725
(Increase) / decrease in uncollected premiums and agents' balances over 90 days past due	(4,732,878)
(Increase) / decrease in prepaid pension and retiree health insurance plans	1,798,431
(Increase) / decrease in other non-admitted assets	(70,874)
Change in provision for reinsurance	0
Change in projected liabilities for pension and retiree health insurance plans	<u>0</u>
POLICYHOLDER EQUITY (ending)	\$ <u><u>385,703,026</u></u>