



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

November 8, 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 third 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, appearing to read 'Jon E. Stewart'.

Jon E. Stewart
President & CEO

Enclosures

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

ASSETS

Long term bonds	\$ 991,812,740
Common and preferred stocks	81,739,837
Cash and short-term investments	25,644,207
Real estate	4,025,000
Other invested assets	15,365,040
Receivable for securities	1,450,822
Investment income due and accrued	8,112,422
Premiums in course of collection	25,519,029
Premiums deferred and not yet due	41,601,059
Non-admitted premiums receivable	(14,237,299)
Policy deductibles receivable	7,272
Reinsurance recoverable	24,118
Reinsurance deposits	1,770,000
Electronic data processing equipment, net of depreciation	<u>255,835</u>

TOTAL ASSETS **\$ 1,183,090,082**

LIABILITIES AND POLICYHOLDER EQUITY

Loss reserves	\$ 608,550,524
Loss adjustment expense reserves	52,603,290
Commissions payable	13,703,936
Other expenses payable	5,707,045
Unearned premiums	68,725,342
Ceded reinsurance premiums payable	(1,612,194)
Funds withheld under reinsurance treaties	1,834,677
Amounts withheld or retained for others	11,778,071
Unallocated cash	(12,203)
Provision for reinsurance	119,695
Payable for securities	5,941,850
Retroactive reinsurance reserves assumed	30,179,616
Funds withheld on retroactive reinsurance ceded	0
Liability for projected pension benefits	0
Liability for projected retiree health insurance	<u>0</u>

TOTAL LIABILITIES **797,519,649**

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

Net income / (loss)	14,991,658
Unrealized capital gain / (loss)	10,023,013
Change in non-admitted assets	(2,464,490)
Change in provision for reinsurance	0
Change in projected pension benefits	0
Change in projected retiree health insurance	<u>0</u>

POLICYHOLDER EQUITY (ending) **385,570,433**

TOTAL LIABILITIES AND POLICYHOLDER EQUITY **\$ 1,183,090,082**

KENTUCKY EMPLOYERS' MUTUAL INSURANCE AUTHORITY
Statement of Income
for the nine months ended September 30, 2024
Statutory Basis of Accounting

Net premiums earned	\$	115,129,393
Deductions		
Losses incurred		45,337,358
Loss expenses incurred		21,630,512
Underwriting expenses incurred		27,602,425
Total deductions		<u>94,570,295</u>
Net underwriting gain / (loss)		20,559,098
Net investment income earned		28,847,951
Net realized investment gains / (losses)		(15,534,199)
Net periodic pension and postretirement benefit cost		(2,726,797)
Bad debts and other income / (expenses)		(1,490,201)
Retroactive reinsurance gain / (loss)		<u>3,233,141</u>
Net income / (loss) before policyholder dividends		32,888,993
Dividends to policyholders		<u>(17,897,335)</u>
NET INCOME / (LOSS) AFTER POLICYHOLDER DIVIDENDS	\$	<u><u>14,991,658</u></u>

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

POLICYHOLDER EQUITY (beginning)	\$ 363,020,252
Net income / (loss)	14,991,658
Unrealized capital gain / (loss)	10,023,013
(Increase) / decrease in non-admitted portion of furniture, fixtures, EDP equipment and software	(264,567)
(Increase) / decrease in uncollected premiums and agents' balances over 90 days past due	(4,915,633)
(Increase) / decrease in prepaid pension and retiree health insurance plans	2,726,797
(Increase) / decrease in other non-admitted assets	(11,087)
Change in provision for reinsurance	0
Change in projected liabilities for pension and retiree health insurance plans	<u>0</u>
POLICYHOLDER EQUITY (ending)	\$ <u>385,570,433</u>