

**MINUTES OF A MEETING
KENTUCKY WORKERS' COMPENSATION FUNDING COMMISSION
BOARD OF DIRECTORS**

January 25, 2023

Opening of Meeting:

1. A regular meeting of the Board of Directors, Kentucky Workers' Compensation Funding Commission was held, both in person and by remote video conference, on January 25, 2023, Frankfort, Kentucky. Madam Chair Judy Long called the meeting to order.
2. Ms. Angela Calloway announced the meeting will be recorded in accordance with Kentucky Revised Statute 61.835.
3. Madam Chair Long verified the press notice and asked for a roll call.

Directors Present:

4. Judy Long, Self-Insured Employers Representative
Scott Wilhoit, Designee for Secretary Jamie Link, Education & Labor Cabinet
Ryan Barrow, Designee for Secretary Holly M. Johnson, Finance & Administration Cabinet
Angelica Sanchez Vega, Designee for Secretary Jeff Noel, Cabinet for Economic Development
Allyson Smith, Designee for Tim Feld, Insurance Advisory Organization Representative
Brenda Collins, Commercially Insured Employers Representative

Others Present:

5. Lisa King, Executive Director, KWCFC
Olivia Orrender, Audit Review Manager, KWCFC
Kim Hay, Director, Fiscal Operations, KWCFC
Marcus Roland, General Counsel, KWCFC
Angela Calloway, Fiscal Services Officer, KWCFC
Tyler Paske, Insurance Compliance Auditor, KWCFC
Ryan Robinson, Insurance Compliance Auditor, KWCFC
Lisa Fernandez, Fiscal Auditor, KWCFC
David Rogan, Director of Portfolio Management, Conning Inc.
Ed O'Daniel, Attorney

Approval of Minutes:

6. Ms. Angelica Sanchez Vega made a motion to approve the November 16, 2022 Regular Meeting Minutes. Mr. Ryan Barrow seconded the motion. Motion carried.

Investment Report: David Rogan, Conning, Inc. (report on file for referral)

7. Mr. David Rogan presented an update on the investment portfolio. He discussed the current economic and future capital market outlook through December 31, 2022. He also presented the Portfolio Reports and Analysis and portfolio detail for the Self-Insurance Fund through December 31, 2022.
8. Ms. Lisa King made the Board aware of Senate Bill 205 and its passage. Mr. Ryan Barrow explained how the Finance and Administration Cabinet is responding. Mr. David Rogan summarized the effect of the statutory provisions on the Commission's investments.
9. Mr. Scott Wilhoit made the motion to accept the Investment Report as presented to the Board. Mr. Ryan Barrow seconded the motion. Motion carried.

Financial Report: Kim Hay (report on file for referral)

10. Mr. Kim Hay reviewed the year-to-date budget versus actual expenses for KWCFC, the year-to-date internal financial statements, and fiscal year-to-date interagency transfers made by KWCFC for the period ending December 31, 2022.
11. Mr. Scott Wilhoit discussed Professional Employer Organizations (PEO) and will update the Board when his analysis is completed.
12. Ms. Angelica Sanchez Vega made the motion to accept the financial reports as presented to the Board. Mr. Ryan Barrow seconded the motion. Motion carried.

Audit & Collections Update: Lisa King (report on file for referral)

13. Ms. Lisa King presented an update on the number of audits ongoing and completed.
14. Mr. Scott Wilhoit made the motion to accept the Audit and Collections report as presented. Ms. Brenda Collins seconded the motion. Motion carried.

Executive Session:

15. No Executive Session required.

Executive Director Update

16. Ms. Lisa King reported that last year the Board gave staff authority to update the Commission's regulation as it relates to deductibles and a few other areas.

17. She stated the Commission has only one regulation (803 KAR) and is in the process of amending the regulation to clarify and make transparent some items that the Commission does with the industry. These are minor updates regarding penalty and interest, form updates where the CWP fund closed and staff guidelines.

18. Ms. King added the Commission had industry meetings with some of the top writers of workers' comp in the state. She stated several of the large companies were invited and those sessions went well. She shared a draft of the regulation and received no opposition. The Commission is ready to move forward with the regulation.

New Business:

19. No new business.

Adjournment:

20. Mr. Ryan Barrow made a motion to adjourn. Ms. Angelica Sanchez Vega seconded the motion. Motion carried.


Board Chair