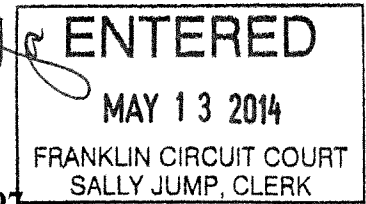


COMMONWEALTH OF KENTUCKY
FRANKLIN CIRCUIT COURT
DIVISION II

CIVIL ACTION No. 13-CI-01282
CONSOLIDATED WITH 13-CI-01296 and 13-CI-01297



**SHARON P. CLARK, in her official capacity as
COMMISSIONER, KENTUCKY DEPARTMENT
OF INSURANCE**

PETITIONER

vs.

**KENTUCKY LEAGUE OF CITIES INSURANCE
SERVICES ASSOCIATION;
KENTUCKY LEAGUE OF CITIES, INC., et al.**

RESPONDENTS

ORDER ADOPTING WORKERS' COMPENSATION ASSESSMENT PLAN

Sharon P. Clark, Commissioner of Insurance for the Commonwealth of Kentucky (the "Rehabilitator"), is the duly appointed Rehabilitator of the Kentucky School Boards Insurance Workers' Compensation Self-Insurance Fund ("the Fund"). KRS 304.33-160(5) authorizes the Rehabilitator to enter into plans for the reorganization, conversion, consolidation, reinsurance, merger, or other transformation of the Fund.

A hearing was convened on March 12th and 13th, 2014 at which the Rehabilitator and the Kentucky School Board Insurance Fund Board ("KSBIT") presented proposed assessment plans to cure the deficit of the Fund. Each party was given an opportunity to educate the Court on the best methodology to employ to remedy the present deficit.

The Court has considered the assessment plans presented by the Rehabilitator and by KSBIT, and has considered the Statements of Position filed by the various fund members thereto.

IT IS ORDERED, ADJUDGED AND DECREED that:

1. The Rehabilitator's plan to enter into a LPT Agreement with KEMI is in the best interests of the Fund's policyholders, injured worker claimants, and the public.

2. The LPT Agreement, as presented at the March 12th and 13th, 2014 hearing, was properly prepared in accordance with KRS 304.33-160(5), which authorizes plans for reorganization, conversion, consolidation, reinsurance, merger, or other transformation of an insurer.

3. The Court approves the LPT Agreement and has determined and orders that all terms and conditions set forth therein are fair, reasonable, and in the best interest of the Fund's policyholders, injured worker claimants, and the public. The terms and conditions of the Plan and LPT Agreement are incorporated herein by reference.

4. The Court approves the LPT Agreement and the terms and conditions thereof, including, *inter alia*:

(a) the transfer to KEMI of the workers' compensation Portfolio (as defined in the LPT Agreement) free and clear of all liens, claims and encumbrances of any kind, including all binders, contracts, certificates, and other obligations of the workers' compensation coverage issued by the Fund to its members prior to June 30, 2013 and identified in the LPT Agreement, together with the liability to pay all losses covered by the contracts of coverage to all Fund members as it may be limited by the LPT Agreement;

(b) the transfer and assignment to KEMI of all rights and interests of KSBIT and the Fund in all excess insurance policies and policies of reinsurance, irrespective of any restrictions or limitations contained in the excess insurance policies and policies of reinsurance respecting assignment or transfer thereof;

(c) the transfer of all accounting, actuarial and financial records, contract records, litigation files, claim files, other files, images, data, correspondence, books, documents and information of KSBIT and the Fund related to contracts of coverage, transferred claims, and excess insurance policies and policies of reinsurance;

(d) the payment to KEMI of \$35,000,000 (the "Transfer Payment") as contemplated by the LPT Agreement; and,

(e) the execution and delivery by the Rehabilitator and, as applicable, members of the Fund, of the Security Agreement, Memorandum of Understanding, and Installment Payment Agreements as contemplated by the LPT Agreement, including the granting

of the security interests and liens by the Rehabilitator and Fund securing the payment of the Transfer Payment and other obligations under the LPT Agreement to KEMI and the other terms and conditions of thereof. (Of this security agreement, the Court exempts out the \$8,000,000 alleged loan proceeds that have been bifurcated.)

5. The Court authorizes the Rehabilitator to execute and deliver the LPT Agreement, consummate the transactions contemplated by the LPT Agreement, and perform its obligations under the LPT Agreement, including execution and delivery of the additional agreements and documents contemplated thereby or that the Rehabilitator deems appropriate in connection therewith, the Rehabilitator being authorized to waive any conditions of the Rehabilitator's obligations and to take for itself and on behalf of the Fund such further actions as the Rehabilitator deems appropriate.

6. Following execution and delivery of the LPT Agreement by the Rehabilitator and KEMI, the Rehabilitator, the Fund, and KSBIT shall be bound to the terms and conditions of the LPT Agreement and the Rehabilitator shall perform its obligations thereunder, and KEMI shall not assume any liabilities or obligations of the Fund or KSBIT other than the "Assumed Liabilities" identified in the LPT Agreement and the Fund, and KSBIT shall retain all their other liabilities as contemplated by the LPT Agreement.

7. Pursuant to the Fund's Self-Insurance Agreements with its members, and pursuant to KRS 304.50-055 and KRS 304.50-135, the Rehabilitator is to assess the Fund's members an aggregate amount necessary to pay the Transfer Payment to KEMI and to satisfy other liabilities and obligations of the Fund as the Rehabilitator deems appropriate. The final assessment will be determined by DOI applying the appropriate SFA and arriving at an amount that will complete the LPT.

IT IS THUS FURTHER ORDERED, ADJUDGED AND DECREED that:

8. KSBIT's Assessment Plan, as described in the Petition and as presented at the March 12th and 13th, 2014 hearing, is fair and equitable and does not discriminate between the Fund's members. Accordingly, the Court approves the Assessment Plan that begins assessments with the year 1990, which includes the KEMI transfer and excludes repayment of the surplus notes.

9. The Rehabilitator is to levy the assessment against the members of the Fund as contemplated by the KSBIT Assessment Plan with modification to wit; to permit the financing of the assessment payable by individual school districts as contemplated by the LPT Agreement, the form of Installment Payment Agreement attached to the LPT Agreement being hereby authorized and approved; and, to pursue diligently the collection of all assessment payments hereby authorized and directed by the Assessment Plan. If the actual collections of the assessment contemplated by the Assessment Plan are insufficient to satisfy in full the Transfer Payment and all liabilities of the Fund, including administrative expenses to administer the Fund, the Rehabilitator shall, subject to the oversight of this Court, levy additional assessments on the members of the Fund in order to satisfy the Transfer Payment and other liabilities of the Fund. The administrative costs proposed by KSBIT are speculative. Therefore, the administrative costs proposed by the Rehabilitator are approved.

10. If any assessed member of the Fund is more than seven (7) days past due on any payment of the assessment, the Rehabilitator is to commence collection of such past due installment payment pursuant to KRS 304.50-055 and KRS 160.160(5) by the intercept of any payment due to such member from the Commonwealth of Kentucky (the "Intercept").

11. The Intercept is a lawful and proper mechanism to ensure payment of the Fund's members' assessment liabilities and to ensure payment of the assessment to the Rehabilitator and

payment of the Transfer Payment to KEMI. In furtherance thereof, all instrumentalities of the Commonwealth involved in the allocation or delivery of payments due to a member of the Fund, including the Kentucky Department of Education and the Kentucky Finance and Administration Cabinet, are directed to effectuate the Intercept and remit the same to the Rehabilitator.

12. Upon receipt of funds from such Intercept, the Rehabilitator is to deposit the funds into a deposit account(s) (the "Account(s)") established pursuant to the LPT Agreement, and thereafter remit such funds to KEMI as contemplated by the LPT Agreement and its related agreements.

13. The Rehabilitator is authorized to execute and deliver the Security Agreement (the "Security Agreement") as contemplated by the LPT Agreement. Upon execution and delivery of the Security Agreement, the filing of a financing statement with the Kentucky Secretary of State, and entering into a control agreement (the "Control Agreement"), as contemplated by the LPT Agreement with the depository and KEMI, KEMI shall have a valid and enforceable first and prior security interest and lien under applicable Kentucky law in the collateral described in the Security Agreement, including the assessment receivable and all future assessment receivables of the Fund, the Installment Payment Agreements, the Account(s) and all proceeds thereof, to secure payment of the Transfer Payment and the Rehabilitator's and the Fund's other obligations under the LPT Agreement.

14. If the Fund becomes subject to any liquidation proceeding under Subtitle 33 of KRS Chapter 304, the Transfer Payment will be deemed an administrative cost and expense of, and secured claim against, the Fund.

15. The Workers' Compensation Funding Commission's special funding assessment pursuant to KRS 342.122 shall apply to the assessment and be paid by the Rehabilitator to the

Workers' Compensation Funding Commission as required by law, but the Transfer Payment paid to KEMI under the LPT Agreement, shall not be subject to such special funding assessment and neither KEMI nor the Fund shall owe any special funding assessment on the Transfer Payment.

16. The Rehabilitator is authorized to execute and deliver the Security Agreement (the "Security Agreement") as contemplated by the LPT Agreement. Upon execution and delivery of the Security Agreement, the filing of a financing statement with the Kentucky Secretary of State, and entering into a control agreement (the "Control Agreement"), as contemplated by the LPT Agreement with the depository and KEMI, KEMI shall have a valid and enforceable first and prior security interest and lien under applicable Kentucky law in the collateral described in the Security Agreement, including the assessment receivable and all future assessment receivables of the Fund, the Installment Payment Agreements, the Account(s) and all proceeds thereof, to secure payment of the Transfer Payment and the Rehabilitator's and the Fund's other obligations under the LPT Agreement.

17. If the Fund becomes subject to any liquidation proceeding under Subtitle 33 of KRS Chapter 304, the Transfer Payment will be deemed an administrative cost and expense of, and secured claim against, the Fund.

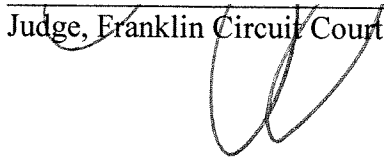
18. The Workers' Compensation Funding Commission's special funding assessment pursuant to KRS 342.122 shall apply to the assessment and be paid by the Rehabilitator to the Workers' Compensation Funding Commission as required by law, but the Transfer Payment paid to KEMI under the LPT Agreement, shall not be subject to such special funding assessment and neither KEMI nor the Fund shall owe any special funding assessment on the Transfer Payment.

19. The KSBIT Board is directed to deliver to the Rehabilitator and Deputy Rehabilitator all relevant financial and membership documents in order to expedite the levying of assessments.

20. The Court retains jurisdiction to issue such further orders as it may deem appropriate.

Dated: 5/13/2014

**Signature on file with
original document**



Judge, Franklin Circuit Court

CERTIFICATE OF SERVICE

13th I hereby certify that a true and correct copy of the foregoing Order was mailed, this day of May, 2014, to the following:

Janet A. Craig, Esq.
Gregory P. Parsons, Esq.
Stites & Harbison, PLLC
250 West Main Street
Suite 2300
Lexington, KY 40507-1758

Justin D. Clark, Esq.
Stoll Keenon Ogden PLLC
2000 PNC Plaza
500 West Jefferson Street
Louisville, Kentucky 40202

Paul C. Harnice, Esq.
Stoll Keenon Ogden PLLC
201 West Main Street, Suite A
Frankfort, Kentucky 40601

Michael A. Owsley, Esq.
Sarah Payne-Jarboe, Esq.
English, Lucas, Priest & Owsley, LLP
1101 College Street
P.O. Box 770
Bowling Green, KY 42102-0770

Peter F. Ervin, Esq.
La Tasha Buckner, Esq.
Public Protection Cabinet
Office of Legal Services
Capitol Tower Plaza
500 Mero Street, 5th Floor
Frankfort, Kentucky 40601

Shaun T. Orme, Esq.
General Counsel
Kentucky Department of Insurance
215 West Main St.
Frankfort, KY 40601

Sam P. Burchett, Esq.
302 W. High Street
Lexington, KY 40507

W. Craig Robertson, Esq.
Wyatt, Tarrant & Combs
250 West Main St., Ste. 1600
Lexington, KY 40507

Mindy Barfield, Esq.
Kyle Melloan, Esq.
Dinsmore & Shohl, LLP
250 West Main St., Ste. 1400
Lexington, KY 40507

**Signature on file with
original document**

✓ Sally Jump, Franklin County Circuit Court Clerk

Kentucky School Boards Insurance Trust
 Workers' Compensation Trust
 Estimated Assessment Amounts

Member Number	Member	Loss Ratio	KSBIT		DOI Plan		KSBIT		DOI Plan		KSBIT Methodology With KEMI Transfer With Repayment of Surplus Note	KSBIT Methodology With KEMI Transfer With Repayment of Surplus Note
			With KEMI Transfer Without Repayment of Surplus Note	Without Repayment of Surplus Note	With KEMI Transfer Without Repayment of Surplus Note	Without Repayment of Surplus Note	With KEMI Transfer With Repayment of Surplus Note	With KEMI Transfer With Repayment of Surplus Note				
1000	ADAIR COUNTY BOARD OF EDUCATION	64.7%	133,380	92,392	159,542	Not Provided*	151,664					151,664
1001	ALLEN COUNTY BOARD OF EDUCATION	61.1%	101,439	102,680	120,802	Not Provided*	114,984					114,984
1002	ANCHORAGE IND. BOARD OF EDUCATION	30.9%	37,543	46,233	44,808	Not Provided*	42,623					42,623
1003	ANDERSON COUNTY BOARD OF EDUCATION	88.9%	110,990	73,487	132,653	Not Provided*	126,132					126,132
1004	ASHLAND IND. BOARD OF EDUCATION	100.4%	130,613	120,575	156,770	Not Provided*	148,880					148,880
1005	AUGUSTA IND. BOARD OF EDUCATION	43.0%	9,346	8,523	11,099	Not Provided*	10,573					10,573
1007	BALLARD COUNTY BOARD OF EDUCATION	100.4%	151,579	212,288	181,101	Not Provided*	172,216					172,216
1008	BARBOURVILLE IND. BOARD OF EDUCATION	27.4%	34,009	51,052	40,559	Not Provided*	38,589					38,589
1009	BARDSTOWN IND. BOARD OF EDUCATION	82.2%	85,573	88,643	102,628	Not Provided*	97,486					97,486
1010	BARREN COUNTY BOARD OF EDUCATION	63.1%	102,833	72,762	122,565	Not Provided*	116,633					116,633
1011	BATH COUNTY BOARD OF EDUCATION	59.0%	248,791	156,462	248,791	Not Provided*	248,791					248,791
1012	BEECHWOOD IND. BOARD OF EDUCATION	50.6%	29,651	34,668	35,472	Not Provided*	33,719					33,719
1013	BELL COUNTY BOARD OF EDUCATION	123.0%	368,089	339,335	441,559	Not Provided*	419,404					419,404
1014	BELLEVEUE IND. BOARD OF EDUCATION	132.6%	27,729	37,594	33,222	Not Provided*	31,567					31,567
1015	BEREA IND. BOARD OF EDUCATION	97.8%	43,807	51,759	52,576	Not Provided*	49,931					49,931
1017	BOONE COUNTY BOARD OF EDUCATION	63.9%	1,126,214	1,579,896	1,340,725	Not Provided*	1,276,279					1,276,279
1018	BOURBON COUNTY BOARD OF EDUCATION	57.3%	167,344	297,769	199,980	Not Provided*	190,157					190,157
1019	BOWLING GREEN IND. BOARD OF EDUCATION	68.4%	73,123	47,056	87,056	Not Provided*	82,870					82,870
1020	BOYD COUNTY BOARD OF EDUCATION	62.2%	125,648	116,884	149,553	Not Provided*	142,372					142,372
1021	BOYLE COUNTY BOARD OF EDUCATION	71.2%	198,588	229,591	237,692	Not Provided*	225,912					225,912
1022	BRACKEN COUNTY BOARD OF EDUCATION	42.9%	54,390	58,873	64,937	Not Provided*	61,764					61,764
1023	BREATHITT COUNTY BOARD OF EDUCATION	97.4%	352,353	473,195	421,495	Not Provided*	400,673					400,673
1024	BRECKINRIDGE COUNTY BOARD OF EDUCATION	67.2%	71,418	56,192	85,522	Not Provided*	81,273					81,273
1025	BULLITT COUNTY BOARD OF EDUCATION	87.5%	597,071	812,342	713,259	Not Provided*	678,292					678,292
1026	BURGIN IND. BOARD OF EDUCATION	80.3%	17,604	6,373	21,102	Not Provided*	20,048					20,048
1027	BUTLER COUNTY BOARD OF EDUCATION	79.1%	91,908	58,245	109,576	Not Provided*	104,264					104,264
1028	CALDWELL COUNTY BOARD OF EDUCATION	61.0%	66,912	35,900	80,057	Not Provided*	76,098					76,098
1029	CALLOWAY COUNTY BOARD OF EDUCATION	67.5%	244,638	346,974	291,897	Not Provided*	277,683					277,683
1030	CAMPBELL COUNTY BOARD OF EDUCATION	75.6%	66,948	28,041	79,870	Not Provided*	75,984					75,984
1031	CAMPBELLSVILLE IND. BOARD OF EDUCATION	47.5%	77,157	122,331	92,236	Not Provided*	87,696					87,696
1032	CARLISLE COUNTY BOARD OF EDUCATION	73.0%	140,353	317,758	168,788	Not Provided*	160,204					160,204
1033	CARROLL COUNTY BOARD OF EDUCATION	50.5%	95,551	137,754	113,678	Not Provided*	108,234					108,234
1034	CARTER COUNTY BOARD OF EDUCATION	113.5%	115,551	-	138,407	Not Provided*	131,520					131,520
1035	CASEY COUNTY BOARD OF EDUCATION	105.8%	139,045	108,745	166,563	Not Provided*	158,271					158,271
1037	CAVERNA IND. BOARD OF EDUCATION	26.2%	46,611	66,180	55,610	Not Provided*	52,903					52,903
1038	CENTRAL KENTUCKY	14.9%	1,091	1,083	1,297	Not Provided*	1,235					1,235
1040	CHRISTIAN COUNTY BOARD OF EDUCATION	66.5%	231,659	202,250	276,662	Not Provided*	263,120					263,120
1041	CLARK COUNTY BOARD OF EDUCATION	97.5%	112,890	26,898	134,869	Not Provided*	128,254					128,254
1042	CLAY COUNTY BOARD OF EDUCATION	95.7%	363,155	357,715	433,447	Not Provided*	412,302					412,302
1043	CLINTON COUNTY BOARD OF EDUCATION	63.3%	40,937	17,905	48,848	Not Provided*	46,468					46,468

Kentucky School Boards Insurance Trust
 Workers' Compensation Trust
 Estimated Assessment Amounts

Member Number	Member	Loss Ratio	KSBIT Methodology		DOI Plan		KSBIT Methodology		DOI Plan		KSBIT Methodology With KEMI Transfer With Repayment of Surplus Note	KSBIT Methodology With KEMI Transfer With Repayment of Surplus Note
			Without Repayment of Surplus Note	With KEMI Transfer Without Repayment of Surplus Note	Without Repayment of Surplus Note	With KEMI Transfer With Repayment of Surplus Note	Without Repayment of Surplus Note	With KEMI Transfer With Repayment of Surplus Note				
1044	CLOVERPORT IND. BOARD OF EDUCATION	7.7%	18,192	24,637	18,603	21,603	24,637	21,603	Not Provided*	20,580		
1045	CORBIN IND. BOARD OF EDUCATION	89.8%	179,855	226,957	215,096	215,096	226,957	215,096	Not Provided*	204,485		
1046	COVINGTON IND. BOARD OF EDUCATION	74.5%	142,810	61,274	170,392	170,392	61,274	170,392	Not Provided*	162,096		
1047	CRITTENDEN COUNTY BOARD OF EDUCATION	119.5%	59,868	76,049	71,992	71,992	76,049	71,992	Not Provided*	68,332		
1048	CUMBERLAND COUNTY BOARD OF EDUCATION	50.4%	52,968	79,052	63,301	63,301	79,052	63,301	Not Provided*	60,191		
1049	DANVILLE IND. BOARD OF EDUCATION	34.8%	49,266	47,346	58,536	58,536	47,346	58,536	Not Provided*	55,754		
1050	DAVIES COUNTY BOARD OF EDUCATION	69.1%	154,510	88,231	183,863	183,863	88,231	183,863	Not Provided*	175,046		
1051	DAWSON SPRINGS IND. BOARD OF EDUCATION	162.7%	43,887	52,272	50,440	50,440	52,272	50,440	Not Provided*	50,077		
1052	DAYTON IND. BOARD OF EDUCATION	71.8%	40,516	33,333	48,264	48,264	33,333	48,264	Not Provided*	45,935		
1053	EAST BERNSTADT IND. BOARD OF EDUCATION	127.7%	132,402	290,294	132,402	132,402	290,294	132,402	Not Provided*	132,402		
1054	EDMONSON COUNTY BOARD OF EDUCATION	152.3%	79,377	61,308	95,385	95,385	61,308	95,385	Not Provided*	90,554		
1055	ELIZABETHTOWN IND. BOARD OF EDUCATION	46.4%	96,972	107,875	115,657	115,657	107,875	115,657	Not Provided*	110,039		
1056	ELLIOTT COUNTY BOARD OF EDUCATION	71.4%	147,567	187,753	176,947	176,947	187,753	176,947	Not Provided*	168,089		
1057	EMINENCE IND. BOARD OF EDUCATION	28.0%	30,155	43,311	35,945	35,945	43,311	35,945	Not Provided*	34,205		
1058	ERLANGER-ELSMERE IND. BOARD OF EDUCATION	55.9%	42,100	33,643	50,146	50,146	33,643	50,146	Not Provided*	47,728		
1059	ESTILL COUNTY BOARD OF EDUCATION	73.1%	228,756	362,857	273,362	273,362	362,857	273,362	Not Provided*	259,936		
1060	FAIRVIEW IND. BOARD OF EDUCATION	91.8%	70,814	71,918	84,947	84,947	71,918	84,947	Not Provided*	80,665		
1061	FAYETTE COUNTY BOARD OF EDUCATION	69.0%	1,667,758	2,958,366	1,984,386	1,984,386	2,958,366	1,984,386	Not Provided*	1,889,286		
1062	FLEMING COUNTY BOARD OF EDUCATION	65.3%	187,747	222,806	224,585	224,585	222,806	224,585	Not Provided*	213,491		
1063	FLOYD COUNTY BOARD OF EDUCATION	119.5%	368,970	-	441,488	441,488	-	441,488	Not Provided*	419,647		
1064	FT. THOMAS IND. BOARD OF EDUCATION	21.8%	89,441	86,122	106,579	106,579	86,122	106,579	Not Provided*	101,428		
1065	FRANKFORT IND. BOARD OF EDUCATION	86.4%	154,886	192,684	185,957	185,957	192,684	185,957	Not Provided*	176,584		
1066	FRANKLIN COUNTY BOARD OF EDUCATION	70.8%	268,244	304,265	320,212	320,212	304,265	320,212	Not Provided*	304,578		
1067	FULTON COUNTY BOARD OF EDUCATION	69.0%	83,350	98,032	99,805	99,805	98,032	99,805	Not Provided*	94,847		
1068	FULTON IND. BOARD OF EDUCATION	20.8%	38,246	52,050	45,622	45,622	52,050	45,622	Not Provided*	43,404		
1069	GALLATIN COUNTY BOARD OF EDUCATION	55.6%	103,209	182,048	123,213	123,213	182,048	123,213	Not Provided*	117,195		
1070	GARRARD COUNTY BOARD OF EDUCATION	64.3%	141,178	186,117	168,533	168,533	186,117	168,533	Not Provided*	160,303		
1071	GLASGOW IND. BOARD OF EDUCATION	99.9%	73,314	70,866	87,851	87,851	70,866	87,851	Not Provided*	83,469		
1072	GRANT COUNTY BOARD OF EDUCATION	74.3%	56,141	7,859	67,200	67,200	7,859	67,200	Not Provided*	63,869		
1073	GRAVES COUNTY BOARD OF EDUCATION	69.0%	323,467	443,262	386,965	386,965	443,262	386,965	Not Provided*	367,842		
1074	GRAYSON COUNTY BOARD OF EDUCATION	56.7%	120,558	106,218	143,996	143,996	106,218	143,996	Not Provided*	136,943		
1075	GREEN COUNTY BOARD OF EDUCATION	97.9%	160,614	140,858	192,229	192,229	140,858	192,229	Not Provided*	182,706		
1076	GREEN RIVER REGIONAL EDUCATION COOP.	44.0%	3,959	6,158	4,733	4,733	6,158	4,733	Not Provided*	4,500		
1077	GREENUP COUNTY BOARD OF EDUCATION	92.6%	321,886	397,109	386,556	386,556	397,109	386,556	Not Provided*	367,045		
1078	GREENVILLE IND. BOARD OF EDUCATION	0.0%	-	-	-	-	-	-	Not Provided*	-		
1079	HANCOCK COUNTY BOARD OF EDUCATION	99.1%	208,082	278,185	249,835	249,835	278,185	249,835	Not Provided*	237,239		
1080	HARDIN COUNTY BOARD OF EDUCATION	80.4%	490,999	466,214	585,306	585,306	466,214	585,306	Not Provided*	556,964		
1081	HARLAN IND. BOARD OF EDUCATION	217.6%	178,726	240,066	178,726	178,726	240,066	178,726	Not Provided*	178,726		
1082	HARLAN COUNTY BOARD OF EDUCATION	150.9%	293,718	78,450	352,630	352,630	78,450	352,630	Not Provided*	334,859		
1083	HARRISON COUNTY BOARD OF EDUCATION	51.2%	92,123	94,307	110,155	110,155	94,307	110,155	Not Provided*	104,726		
1084	HARRODSBURG IND. BOARD OF EDUCATION	72.9%	53,838	64,253	64,697	64,697	64,253	64,697	Not Provided*	61,420		

Kentucky School Boards Insurance Trust
 Workers' Compensation Trust
 Estimated Assessment Amounts

Member Number	Member	Loss Ratio	KSBIT Methodology		DOI Plan		KSBIT Methodology		DOI Plan		KSBIT Methodology With KEMI Transfer DOI Numbers Without Repayment of Surplus Note
			With KEMI Transfer Without Repayment of Surplus Note	Without Repayment of Surplus Note	With KEMI Transfer Without Repayment of Surplus Note	Without Repayment of Surplus Note	With KEMI Transfer With Repayment of Surplus Note*	Without Repayment of Surplus Note	With KEMI Transfer With Repayment of Surplus Note*		
1085	HART COUNTY BOARD OF EDUCATION	39.8%	159,074	202,092	190,014	Not Provided*	83,177	180,703	Not Provided*	180,703	
1086	HAZARD IND. BOARD OF EDUCATION	134.2%	69,343	54,585	83,177	Not Provided*	83,177	79,005	Not Provided*	79,005	
1087	HENDERSON COUNTY BOARD OF EDUCATION	84.4%	209,346	143,566	249,623	Not Provided*	249,623	237,512	Not Provided*	237,512	
1088	HENRY COUNTY BOARD OF EDUCATION	92.1%	189,244	183,581	227,070	Not Provided*	227,070	215,662	Not Provided*	215,662	
1089	HICKMAN COUNTY BOARD OF EDUCATION	40.6%	56,338	57,305	67,140	Not Provided*	67,140	63,893	Not Provided*	63,893	
1090	HOPKINS COUNTY BOARD OF EDUCATION	104.7%	313,462	169,083	375,988	Not Provided*	375,988	357,135	Not Provided*	357,135	
1091	JACKSON COUNTY BOARD OF EDUCATION	95.4%	182,650	180,411	218,861	Not Provided*	218,861	207,947	Not Provided*	207,947	
1092	JACKSON IND. BOARD OF EDUCATION	44.6%	27,101	34,210	32,351	Not Provided*	32,351	30,771	Not Provided*	30,771	
1094	JEFFERSON COUNTY BOARD OF EDUCATION	0.0%	-	-	-	Not Provided*	-	-	Not Provided*	-	
1095	JENKINS IND. BOARD OF EDUCATION	60.0%	166,804	119,735	200,717	Not Provided*	200,717	190,476	Not Provided*	190,476	
1096	JESSAMINE COUNTY BOARD OF EDUCATION	62.6%	82,920	23,246	98,982	Not Provided*	98,982	94,150	Not Provided*	94,150	
1097	JOHNSON COUNTY BOARD OF EDUCATION	105.5%	152,369	61,037	182,460	Not Provided*	182,460	173,394	Not Provided*	173,394	
1098	KENTON COUNTY BOARD OF EDUCATION	83.4%	393,162	637,755	468,062	Not Provided*	468,062	445,559	Not Provided*	445,559	
1099	KENTUCKY EDUCATIONAL DEV. CORP	182.0%	50,706	101,326	50,706	Not Provided*	50,706	50,706	Not Provided*	50,706	
1100	KENTUCKY SCHOOL BOARDS ASSOCIATION	13.4%	26,597	35,317	31,633	Not Provided*	31,633	30,121	Not Provided*	30,121	
1105	KENTUCKY VALLEY EDUCATION COOP.	8.2%	11,521	13,698	13,689	Not Provided*	13,689	13,038	Not Provided*	13,038	
1106	KNOTT COUNTY BOARD OF EDUCATION	109.5%	469,837	445,678	561,874	Not Provided*	561,874	534,161	Not Provided*	534,161	
1107	KNOX COUNTY BOARD OF EDUCATION	83.2%	289,698	259,205	346,086	Not Provided*	346,086	329,116	Not Provided*	329,116	
1108	LARUE COUNTY BOARD OF EDUCATION	39.0%	37,681	26,854	44,853	Not Provided*	44,853	42,699	Not Provided*	42,699	
1109	LAUREL COUNTY BOARD OF EDUCATION	83.5%	569,793	755,314	680,849	Not Provided*	680,849	647,423	Not Provided*	647,423	
1110	LAWRENCE COUNTY BOARD OF EDUCATION	114.7%	216,071	303,850	249,623	Not Provided*	249,623	246,406	Not Provided*	246,406	
1111	LEE COUNTY BOARD OF EDUCATION	90.9%	231,313	283,022	277,939	Not Provided*	277,939	263,889	Not Provided*	263,889	
1112	LESLIE COUNTY BOARD OF EDUCATION	123.8%	226,487	321,111	271,367	Not Provided*	271,367	257,841	Not Provided*	257,841	
1113	LETCHER COUNTY BOARD OF EDUCATION	108.8%	539,223	517,647	644,433	Not Provided*	644,433	612,764	Not Provided*	612,764	
1114	LEWIS COUNTY BOARD OF EDUCATION	83.7%	307,042	454,088	369,048	Not Provided*	369,048	350,333	Not Provided*	350,333	
1115	LINCOLN COUNTY BOARD OF EDUCATION	78.6%	342,247	411,130	410,279	Not Provided*	410,279	389,771	Not Provided*	389,771	
1116	LIVINGSTON COUNTY BOARD OF EDUCATION	66.9%	93,188	135,945	111,587	Not Provided*	111,587	106,043	Not Provided*	106,043	
1117	LOGAN COUNTY BOARD OF EDUCATION	83.6%	69,545	20,530	83,263	Not Provided*	83,263	79,130	Not Provided*	79,130	
1118	LUDLOW IND. BOARD OF EDUCATION	102.9%	31,155	27,858	37,296	Not Provided*	37,296	35,446	Not Provided*	35,446	
1119	LYNCH BOARD OF EDUCATION	0.0%	-	-	-	Not Provided*	-	-	Not Provided*	-	
1120	LYON COUNTY BOARD OF EDUCATION	100.8%	40,832	50,906	49,017	Not Provided*	49,017	46,548	Not Provided*	46,548	
1121	MADISON COUNTY BOARD OF EDUCATION	67.3%	547,067	968,300	650,998	Not Provided*	650,998	619,781	Not Provided*	619,781	
1122	MAGOFFIN COUNTY BOARD OF EDUCATION	129.5%	449,569	363,271	539,622	Not Provided*	539,622	512,459	Not Provided*	512,459	
1123	MARION COUNTY BOARD OF EDUCATION	45.2%	273,290	364,113	325,593	Not Provided*	325,593	309,874	Not Provided*	309,874	
1124	MARSHALL COUNTY BOARD OF EDUCATION	76.2%	193,388	192,158	231,346	Not Provided*	231,346	219,915	Not Provided*	219,915	
1125	MARTIN COUNTY BOARD OF EDUCATION	73.3%	357,787	386,493	427,546	Not Provided*	427,546	406,549	Not Provided*	406,549	
1126	MASON COUNTY BOARD OF EDUCATION	98.1%	160,407	96,386	192,561	Not Provided*	192,561	182,862	Not Provided*	182,862	
1127	MAYFIELD IND. BOARD OF EDUCATION	72.6%	199,196	305,843	239,326	Not Provided*	239,326	227,216	Not Provided*	227,216	
1128	MAYSVILLE INDEPENDENT BOARD OF EDUCATION	0.0%	404	-	480	Not Provided*	480	487	Not Provided*	487	
1129	MCCRACKEN COUNTY BOARD OF EDUCATION	44.6%	107,928	52,118	128,543	Not Provided*	128,543	122,348	Not Provided*	122,348	
1130	MCCREARY COUNTY BOARD OF EDUCATION	91.8%	460,296	543,405	551,738	Not Provided*	551,738	524,174	Not Provided*	524,174	

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Member Number	Member	Loss Ratio	KSBIT Methodology		DOI Plan		KSBIT Methodology		DOI Plan		KSBIT Methodology	
			Without Repayment of Surplus Note	With KEMI Transfer	Without Repayment of Surplus Note	With KEMI Transfer	Without Repayment of Surplus Note	With KEMI Transfer	Without Repayment of Surplus Note	With KEMI Transfer	Without Repayment of Surplus Note	With KEMI Transfer
1131	MCLEAN COUNTY BOARD OF EDUCATION	56.4%	155,650	211,541	186,462	Not Provided*	177,177					
1132	MEADE COUNTY BOARD OF EDUCATION	69.8%	359,408	602,574	431,000	Not Provided*	409,415					
1133	MENIFEE COUNTY BOARD OF EDUCATION	80.2%	49,609	12,841	59,594	Not Provided*	56,581					
1134	MERCER COUNTY BOARD OF EDUCATION	88.1%	253,998	353,529	303,847	Not Provided*	288,835					
1135	METCALFE COUNTY BOARD OF EDUCATION	69.5%	78,636	47,064	94,377	Not Provided*	89,629					
1136	MIDDLESBORO IND. BOARD OF EDUCATION	57.1%	143,552	220,373	171,916	Not Provided*	163,370					
1137	MONROE COUNTY BOARD OF EDUCATION	82.6%	126,949	138,232	152,002	Not Provided*	144,454					
1138	MONTGOMERY COUNTY BOARD OF EDUCATION	102.1%	765,458	806,641	765,458	Not Provided*	765,458					
1139	MONTECELLO IND. BOARD OF EDUCATION	65.0%	124,815	155,612	150,097	Not Provided*	142,464					
1140	MORGAN COUNTY BOARD OF EDUCATION	114.6%	347,652	400,214	418,179	Not Provided*	396,885					
1141	MUHLENBERG COUNTY BOARD OF EDUCATION	31.0%	10,360	19,913	12,302	Not Provided*	11,719					
1142	MURRAY IND. BOARD OF EDUCATION	87.7%	49,222	45,511	58,994	Not Provided*	56,049					
1143	NELSON COUNTY BOARD OF EDUCATION	81.0%	175,507	158,758	210,056	Not Provided*	199,649					
1144	NEWPORT IND. BOARD OF EDUCATION	83.1%	138,270	121,765	165,777	Not Provided*	157,485					
1145	NICHOLAS COUNTY BOARD OF EDUCATION	43.5%	96,191	130,908	114,722	Not Provided*	109,150					
1146	NORTHERN KY COOP. EDUCATIONAL SERVICES	42.0%	15,934	19,357	19,068	Not Provided*	18,124					
1147	OHIO COUNTY BOARD OF EDUCATION	96.9%	389,415	468,653	466,558	Not Provided*	443,309					
1148	OHIO VALLEY EDUCATIONAL COOP.	28.5%	39,377	51,720	47,059	Not Provided*	44,746					
1149	OLDHAM COUNTY BOARD OF EDUCATION	56.0%	82,884	827	98,881	Not Provided*	94,070					
1151	OWEN COUNTY BOARD OF EDUCATION	65.4%	124,870	165,104	149,701	Not Provided*	142,215					
1152	OWENSBORO IND. BOARD OF EDUCATION	94.3%	196,658	200,002	234,955	Not Provided*	223,429					
1153	OWSLEY COUNTY BOARD OF EDUCATION	50.2%	77,034	104,246	92,028	Not Provided*	87,515					
1154	PADUCAH IND. BOARD OF EDUCATION	132.6%	211,961	107,533	253,874	Not Provided*	241,245					
1155	PAINTSVILLE IND. BOARD OF EDUCATION	89.4%	83,695	125,474	100,264	Not Provided*	95,271					
1156	PARIS IND. BOARD OF EDUCATION	120.0%	152,354	202,353	183,298	Not Provided*	173,955					
1157	PENDLETON COUNTY BOARD OF EDUCATION	81.1%	68,713	51,545	82,341	Not Provided*	78,233					
1158	PERRY COUNTY BOARD OF EDUCATION	118.4%	249,818	91,369	300,117	Not Provided*	284,939					
1159	PIKE COUNTY BOARD OF EDUCATION	146.4%	602,975	-	722,806	Not Provided*	686,684					
1160	PIKEVILLE IND. BOARD OF EDUCATION	130.7%	156,110	150,081	187,795	Not Provided*	178,228					
1161	PINEVILLE IND. BOARD OF EDUCATION	174.3%	81,795	104,309	81,795	Not Provided*	81,795					
1162	POWELL COUNTY BOARD OF EDUCATION	112.2%	173,270	178,957	208,192	Not Provided*	197,653					
1163	PROVIDENCE IND. BOARD OF EDUCATION	96.6%	36,431	36,160	43,781	Not Provided*	41,563					
1164	PULASKI COUNTY BOARD OF EDUCATION	68.3%	249,738	267,010	298,844	Not Provided*	284,053					
1165	RACELAND-WORTHINGTON IND. BOARD OF EDUCATION	127.4%	244,722	273,984	244,722	Not Provided*	244,722					
1166	RICHMOND INDEPENDENT BOARD OF EDUCATION	0.0%	-	-	-	Not Provided*	-					
1168	ROBERTSON COUNTY BOARD OF EDUCATION	21.4%	21,157	29,905	25,144	Not Provided*	23,947					
1169	ROCKCASTLE COUNTY BOARD OF EDUCATION	96.9%	90,148	107,063	107,738	Not Provided*	102,444					
1170	ROWAN COUNTY BOARD OF EDUCATION	79.2%	343,344	507,356	409,740	Not Provided*	389,768					
1171	RUSSELL COUNTY BOARD OF EDUCATION	0.0%	-	-	-	Not Provided*	-					
1172	RUSSELL INDEPENDENT BOARD OF EDUCATION	83.5%	166,837	201,845	199,448	Not Provided*	189,631					
1173	RUSSELLVILLE IND. BOARD OF EDUCATION	81.2%	47,535	26,958	56,814	Not Provided*	54,021					

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Member Number	Member	Loss Ratio	KSBIT		DOI Plan		KSBIT		DOI Plan		KSBIT	
			Methodology Without Repayment of Surplus Note	Methodology With Repayment of Surplus Note	With KEMI Transfer Without Repayment of Surplus Note	With KEMI Transfer With Repayment of Surplus Note	Methodology Without Repayment of Surplus Note	Methodology With Repayment of Surplus Note	With KEMI Transfer Without Repayment of Surplus Note	With KEMI Transfer With Repayment of Surplus Note		
1174	SCIENCE HILL IND. BOARD OF EDUCATION	60.9%	39,323	35,722	47,099	Not Provided*	44,756					
1175	SCOTT COUNTY BOARD OF EDUCATION	65.8%	270,679	385,642	321,832	Not Provided*	306,474					
1176	SHELBY COUNTY BOARD OF EDUCATION	51.8%	180,018	211,402	214,307	Not Provided*	204,006					
1177	SILVER GROVE IND. BOARD OF EDUCATION	40.5%	19,823	29,552	23,705	Not Provided*	22,536					
1178	SIMPSON COUNTY BOARD OF EDUCATION	88.5%	125,018	105,534	149,248	Not Provided*	141,958					
1179	SOMERSET IND. BOARD OF EDUCATION	121.9%	24,326	5,611	29,049	Not Provided*	27,628					
1181	SOUTHGATE IND. BOARD OF EDUCATION	4.5%	3,655	3,070	4,340	Not Provided*	4,135					
1182	SPENCER COUNTY BOARD OF EDUCATION	77.4%	231,744	420,445	277,595	Not Provided*	263,778					
1183	TAYLOR COUNTY BOARD OF EDUCATION	67.1%	178,976	183,450	214,428	Not Provided*	203,744					
1184	TODD COUNTY BOARD OF EDUCATION	69.3%	184,144	237,889	220,499	Not Provided*	209,545					
1185	TRIGG COUNTY BOARD OF EDUCATION	76.3%	139,604	189,753	166,829	Not Provided*	158,634					
1186	TRIMBLE COUNTY BOARD OF EDUCATION	221.4%	84,327	74,716	89,542	Not Provided*	89,542					
1187	UNION COUNTY BOARD OF EDUCATION	141.1%	222,791	313,102	222,791	Not Provided*	222,791					
1189	WALTON-VERONA IND. BOARD OF EDUCATION	76.6%	38,596	34,802	46,239	Not Provided*	43,936					
1190	WARREN COUNTY BOARD OF EDUCATION	65.3%	378,422	366,340	450,160	Not Provided*	428,616					
1191	WASHINGTON COUNTY BOARD OF EDUCATION	81.6%	138,927	206,544	166,666	Not Provided*	158,301					
1192	WAYNE COUNTY BOARD OF EDUCATION	87.0%	396,052	440,708	474,204	Not Provided*	450,658					
1193	WEBSTER COUNTY BOARD OF EDUCATION	73.8%	55,805	37,004	66,463	Not Provided*	63,261					
1194	WEST KENTUCKY EDUCATIONAL COOP.	26.1%	15,390	25,924	18,287	Not Provided*	17,417					
1196	WEST POINT IND. BOARD OF EDUCATION	51.2%	28,128	33,927	33,797	Not Provided*	32,087					
1197	WHITLEY COUNTY BOARD OF EDUCATION	83.3%	432,446	540,305	517,109	Not Provided*	491,618					
1199	WILLIAMSBURG IND. BOARD OF EDUCATION	47.0%	49,076	71,080	58,328	Not Provided*	55,551					
1200	WILLIAMSTOWN IND. BOARD OF EDUCATION	35.1%	45,750	63,997	54,550	Not Provided*	51,904					
1201	WOLFE COUNTY BOARD OF EDUCATION	80.7%	53,730	23,822	64,382	Not Provided*	61,172					
1202	WOODFORD COUNTY BOARD OF EDUCATION	79.8%	195,255	237,429	233,418	Not Provided*	221,929					
1203	THORN HILL CENTER FOUNDATION, INC.	0.0%	-	2,216	-	Not Provided*	-					
4000	ASSOC. OF IND. KY CLG. & UNI.	0.0%	-	-	-	Not Provided*	-					
4001	ALICE LLOYD COLLEGE	0.0%	-	-	-	Not Provided*	-					
4004	BELLARMINE UNIVERSITY	0.0%	-	-	-	Not Provided*	-					
4005	BEREA COLLEGE	0.0%	-	-	-	Not Provided*	-					
4007	CAMPBELLSVILLE UNIVERSITY	70.3%	2,022	2,412	2,401	Not Provided*	2,287					
4010	UNIVERSITY OF THE CUMBERLANDS	0.0%	-	-	-	Not Provided*	-					
4020	KENTUCKY WESLEYAN COLLEGE	0.0%	-	-	-	Not Provided*	-					
4026	UNIVERSITY OF LOUISVILLE	0.0%	-	-	-	Not Provided*	-					
4027	MID-CONTINENT UNIVERSITY	0.0%	-	-	-	Not Provided*	-					
4028	MIDWAY COLLEGE	0.0%	-	-	-	Not Provided*	-					
Grand Total			31,904,164	35,999,665	37,749,564		35,999,666					

* The Rehabilitator has said that the assessments will increase pro rata with inclusion of the repayment of the notes.