

**COMMONWEALTH OF KENTUCKY
FRANKLIN CIRCUIT COURT DIVISION II
CASE NO. 13-CI-1282**

CONSOLIDATED WITH 13-CI-1296 AND 13-CI-1297

**KENTUCKY LEAGUE OF CITIES
INSURANCE SERVICES ASSOCIATION
AND
KENTUCKY LEAGUE OF CITIES, INC.**

PLAINTIFF

V. ORDER APPROVING REFUND AND DISBURSEMENT

**KENTUCKY DEPARTMENT OF INSURANCE
And NANCY G. ATKINS, in her official capacity
As COMMISSIONER and as REHABILITATOR
FOR THE KENTUCKY SCHOOL BOARDS
INSURANCE TRUST WORKERS' COMPENSATION
SELF-INSURANCE FUND AND PROPERTY &
LIABILITY SELF-INSURANCE FUND**

DEFENDANT

This matter is before the Court on the Joint Motion of the Rehabilitator and Kentucky Employers' Mutual Insurance ("KEMI") for the refund of \$4,772,135.00 to the Kentucky School Boards Insurance Trust Workers' Compensation Fund ("KSBIT") and the distribution of that amount to KSBIT members. The Court, having reviewed the matter and applicable law, now finds as follows:

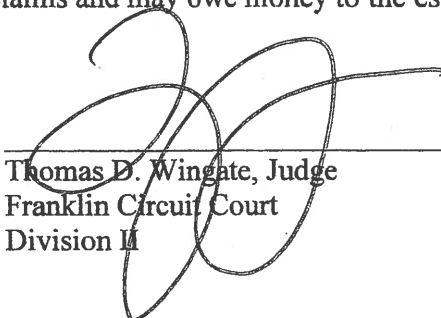
In November 2014, this Court approved a Loss Portfolio Transfer between KSBIT and KEMI. The terms of that transfer included a provision that KEMI will return to the Rehabilitator (for the use and benefit of the Members), the amount by which the Transfer Payment received by KEMI under this Agreement exceeds the Portfolio Cost and Expenses. KEMI, relying on the work of its actuary, has determined that it is appropriate that it refund the amount of \$4,772,135 to KSBIT for the benefit of its members. The Rehabilitator, in turn, desires to distribute the refund amount to KSBIT members in proportion to their pro rata share of the 2014 Assessment

and in accordance with the prior orders of this court regarding distributions to members. The Court finds this transaction is in the best interests of KSBIT and its members. Accordingly, it is hereby Ordered as follows:

1. KEMI is authorized to refund, and the Rehabilitator is authorized to accept, the sum of \$4,772,135.00. This amount is not subject to return to KEMI from KSBIT or its members.

2. Because the amount is not subject to return to KEMI, the Rehabilitator is authorized to disburse the refund, as well as an additional \$227,865.00 in available funds, for a total of \$5,000,000.00 to KSBIT members in proportion to their pro rata share of the 2014 Assessment and in accordance with the prior orders of this Court regarding distributions to members and as specifically set forth in **Exhibit B** to the Joint Motion, except KLCIS, having previously settled its claims and subject to previous order of this court, shall receive no distribution. Furthermore, distributions shall not be made to Assessed Members that are insolvent or Assessed Members that have disputed claims and may owe money to the estate.

So ORDERED this 13 day of March, 2019.



Thomas D. Wingate, Judge
Franklin Circuit Court
Division II

CLERK'S CERTIFICATE OF SERVICE

This is to certify that on the 13 day of March, 2019, true and accurate copies of the foregoing were served via U.S. Mail on the parties listed below:

Timothy C. Feld
Kentucky Employers' Mutual Insurance
250 West Main Street, Suite 900
Lexington, KY 40507

Perry M. Bentley
STOLL KEENON OGDEN PLLC
300 West Vine Street, Suite 2100
Lexington, KY 40507-1801

Paul C. Harnice
Sarah J. Bishop
STOLL KEENON OGDEN PLLC
201 West Main Street, Suite A
P.O. Box 5130
Frankfort, KY 40602

Hon. Michael A. Owsley
Hon. Sarah Payne-Jarboe
English, Lucas, Priest & Owsley, LLP
1101 College Street
PO Box 770
Bowling Green, KY 42102
mowsley@elpolaw.com

Hon. W. Craig Robertson
Wyatt Tarrant & Combs, LLP
250 West Main Street
Suite 1600
Lexington, KY 40507
wrobertson@wyattfirm.com

Hon. Rob Watson
McBrayer McGinnis Leslie & Kirkland,
PLLC
9300 Shelbyville Road, Suite 210
Louisville, KY 40222

Hon. Robert A. Morrin
Morris Law Office
134 west Main Street
Richmond, KY 40475

Carmine G. Iaccarino
PUBLIC PROTECTION CABINET
Office of Legal Services
656 Chamberlin Avenue, Suite B
Frankfort, KY 40601

Hon. Janet A. Craig
Hon. Gregory P. Parsons
Hon. Anne E. Gorham
Stites & Harbison, PLLC
250 West Main Street,
Suite 2300
Lexington, KY 40507
jcraig@stites.com

Hon. Michael R. Wilson
Kentucky Department of Insurance
General Counsel
PO Box 517
Frankfort, KY 40602
Michaelr.wilson@ky.gov

Hon. Mindy Barfield
Dinsmore & Shohl, LLP
250 west Main Street, Suite 1400
Lexington, K 40507
Mindy.barfield@dinsmore.com

Hon. Charles D. Cole
333 West Vine Street, Ste 1400
Lexington, KY 40507
ccole@sturgillturner.com

Amy Feldman by LS
Clerk, Franklin Circuit

118121.155263/7892944.1

