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NEWS RELEASE

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KLC Announces Further Board Action

Lexington, Ky. - In action taken today by the Kentucky League of Cities Executive Board and Kentucky League of Cities Insurance Services Board of Trustees, KLC will withdraw its response dated June 25, 2009, and return to its previous policy of voluntarily responding to requests from the *Lexington Herald-Leader*.

"Our intent to protect our insurance service programs has been greatly misunderstood to the detriment of the reputation of our organization," said Temple Juett, KLC General Counsel. "Our intent has and always will be to protect the proprietary nature of our business – in particular our insurance services – which were founded in the late '80s when cities could not obtain insurance anywhere and for any price. These services are particularly important to our smaller cities which so desperately seek and need the coverage, training, loss control and grants that we are able to provide."

Mayfield Mayor Arthur Byrn, chair of the KLCIS board said, "We have an extremely valuable and important insurance operation. While we are withdrawing our opposition to certain requests, we will continue to protect our proprietary interests as we compete in the marketplace everyday."

In addition, board members said even though KLC is already audited annually by external audit firms and every three years by the Department of Insurance, the organization will welcome state auditor Crit Luallen to review operations.

Richmond Mayor Connie Lawson, KLC president, said, "We have already begun working on the 28 recommendations issued by the State Auditor's office. Many were already in place and we are reviewing the remainder. While we believe we have a great organization, we know that we can be even better. We look forward to engaging in that process."

KLC Executive Director Sylvia Lovely said, "We look forward to the opportunity to bolster confidence in KLC. We are a great organization which we know provides the best services to Kentucky Cities. This process will make us even greater."



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