



EVPFA REPORT

Dr. Eric N. Monday
Executive Vice President for Finance and
Administration



Agenda

- Active Letters of Credit
- UK Employee Retirement Plans Due Diligence Update
- Land Swap Update



Active Letters of Credit



Active Letters of Credit

- Active Letters of Credit as of June 22, 2018:

Letter of Credit Amount	Insurer	Date
\$100,000	Safety National	October 7, 2014
\$277,800	Old Republic	October 29, 2015
\$237,200	Old Republic	September 14, 2016
\$200,000	Old Republic	September 11, 2017

- These Letters of Credit are necessary to obtain Workers' Compensation insurance coverage for Eastern State Hospital employees, who are employed by Central Kentucky Management Services
 - The Kentucky Department of Workers' Claims views Eastern State Hospital employees as “leased employees” and requires insurance be purchased



UK Employee Retirement Plans Due Diligence Update



Retirement Plan Historical Review

- UK has a long history of proactive, cost-effective steps in the best interest of UK
 - Example: in 2013, UK hired retirement plan consultants to help manage its plan, document reasons for decisions made, help with investment line-ups, manage vendors, reduce fees, advise on regulations, etc. UK was ahead of the “game.”
- Lawsuits against 401(k) plans resulted in the U.S. Supreme Court affirming in 2015 that those managing employers' retirement plans -
- plan fiduciaries -- have an ongoing duty to monitor investments and fees and remove bad options.
 - Higher education plans became the next target, especially private institutions with Employee Retirement Income Security Act (ERISA) plans
- UK Plan is a non-ERISA plan, yet we consider best ERISA practices



Next Steps

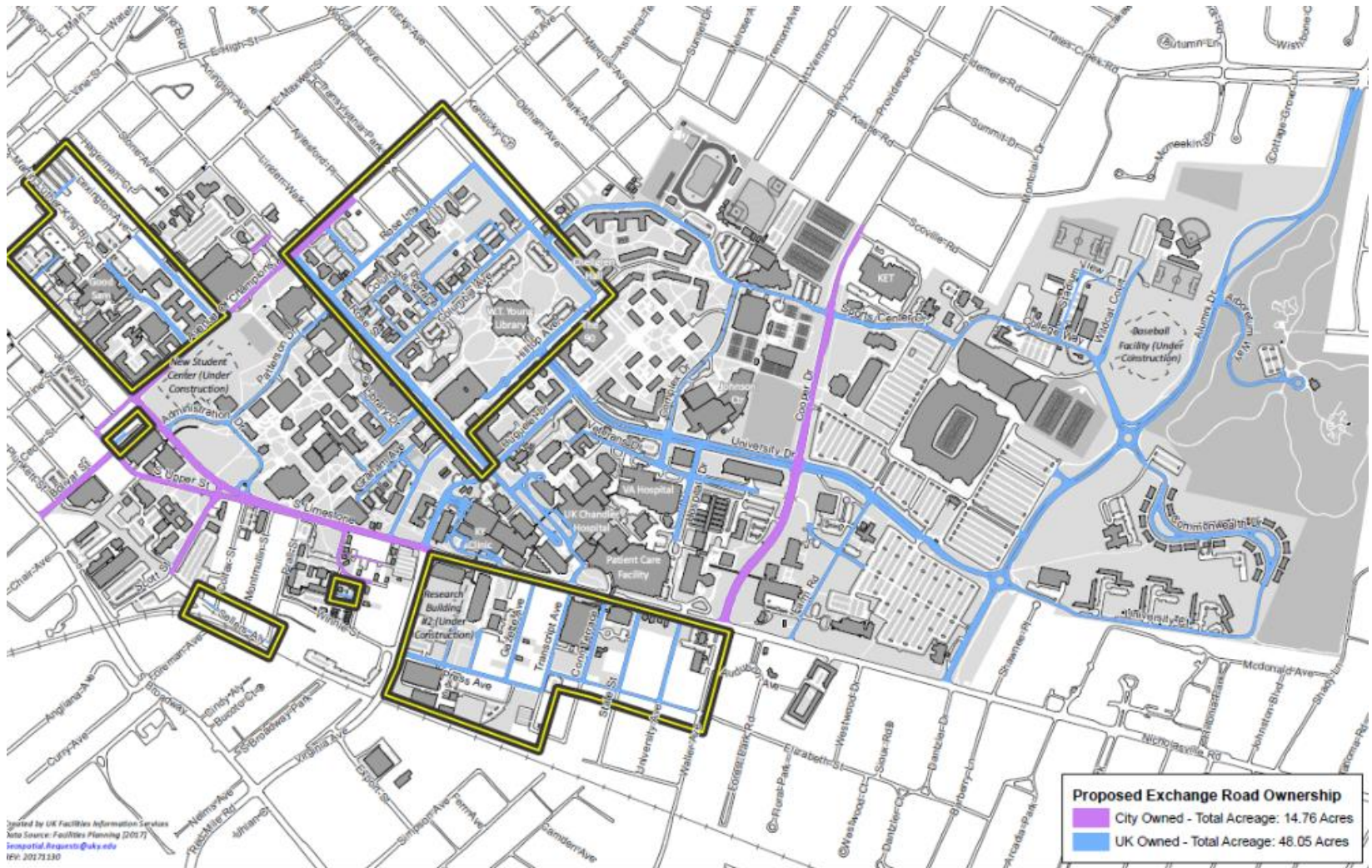
- Conduct Request for Proposal for Retirement Plan Vendors
 - Proactive Step
 - Ensures UK and employees have the best retirement plan options
 - Could lower already competitive participant fees (28 basis points on average)
 - Best-in-class investment line-up options
- Make No Changes to the Retirement Match



Land Swap Update



Map of Future Ownership





Question & Answer



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