

Minutes of the Meeting
of the Membership
of the
Alabama Trucking Association
Workers' Compensation Self Insurance Fund

April 27, 2019

A business meeting consisting of the Members of the Alabama Trucking Association Workers' Compensation Self Insurance Fund (hereinafter the Fund) was called to order by the Chairman, Scott Smith, at 9:34 a.m.

At that time, Chairman, Scott Smith introduced to the membership the presenters seated at the head table. Those individuals in attendance to present were Steve Williams of Carr Riggs & Ingram, Fenn Church as Chairman of the Alabama Trucking Association, Todd Hager as the Fund's Director of Claims, Don Boatright as the Fund's Chief Operating Officer and Kimble Coaker, the Fund's Chief Executive Officer.

Chairman Smith informed the Membership in attendance that, as stipulated in the bylaws, Fund members may participate in the decision process of a meeting by means of voting either in person or by proxy. He announced that proxies were mailed out to all Fund members on April 8, 2019, and responses were received in the Fund's office up until 5:00 p.m., April 23, 2019. At that time, they were verified as legal proxy documents and tabulated for meeting quorum requirements and voting on stated business there that day. He then confirmed with Fund CEO, Kimble Coaker, that a quorum was present for the meeting.

Chairman Smith then stated that the first order of business was the approval of the proposed agenda for the 2019 Annual Membership Meeting. A copy of the agenda had been previously mailed out and a copy was included in the handouts distributed on the tables throughout the room. He asked everyone to review the proposed agenda and if there were no questions, he asked for a motion to approve the agenda as presented. A motion was made, seconded, and approved by the Fund Membership.

The next item on the agenda was the approval of the minutes from the previous 2018 Annual Membership Meeting held on April 28, 2018, which had been previously mailed out and a copy was included in the handouts. Chairman Smith asked everyone to review the minutes and if there were no questions, he asked for a motion to approve the minutes as presented. A motion was made, seconded, and approved by the Fund Membership.

ATA Fund COO, Don Boatright, gave an operations report including a review of the various programs and initiatives worked on by the Fund management team over the 2018 year. Mr. Boatright reported on the Fund's rebranding and the website launch; social media launch; Insurity Workers' CompXpress management system, partnerships with Midlands Management, ProSight Specialty and Safety National; loss control safety videos; risk management services, and technology plans within the office. He reported to the membership the agents/brokers attending the Alabama Trucking Association Convention and thanked them for their participation. He spoke about the most recent staff hires and the staff designations that had been earned over the past year. Mr. Boatright concluded his presentation by introducing the ATA team members who attended the Convention and Annual Membership Meeting.

Next, Todd Hager, the Fund's Director of Claims, gave the 2019 Risk Management report. He began with reporting why companies purchase workers' compensation insurance and how a person's life can be changed forever by a work related injury. He went on to explain the Fund's behavior-based risk management model. He spoke on the value of the Fund's claims management and the claims teams at York

Risk Services Group and CCMSI. He was the best combined group of adjusting professionals he had seen in his twenty-five year professional career. He concluded his presentation by returning the meeting back over to Mr. Smith.

Next, Steve Williams, CPA, a Partner with the firm Carr, Riggs and Ingram, LLC was then called upon to present the Annual Audited Financial Statements of the Alabama Trucking Association Workers' Compensation Self Insurance Fund for the Year Ended December 31, 2018. Mr. Williams stated that a clean and unqualified opinion had been issued in their audit report of the Fund's financial statements. In their letter to the board of trustees, there were no reportable issues of any kind identified. He complimented the board of trustees and the Fund's management team for their efforts in operating a very successful program. He then focused his comments on the Fund's financial statements and stated that the Fund had assets totaling more than \$143.6 million as of December 31, 2018 as compared to \$135.4 million the yearend prior. The major components of the assets consisted of Cash and Investments of \$116.3 million, Receivables and Recoverable of \$23.1 million and Building and Fixed Assets of \$1.7 million. Liabilities and Unearned Income of \$4.9 million and Reserves for Claims Losses of \$79.7 million were the major components netted against these Assets resulting in Members Equity in the form of dividends payable of \$65.9 million. Income from Operations totaled \$64.8 million during 2018 which as compared to \$61.2 million from the previous year. Total expenses of \$33.5 million in the 2018 year was \$8.6 million less than the prior year's total. 2018 total expenses consisted of Claims Losses of \$17.8 million and Operating Expenses of \$15.7 million which were deducted from income resulting in Net Income in excess of Deductions of \$31.3 million. He went on to state that there are very few programs that he has seen that operate with the efficiency of the ATA Fund. The result of the focused efforts of the board and management team of the ATA Fund have generated dividends back to the membership of more than \$151.6 million since inception. He concluded by congratulating the board of trustees for an exceptional program. At that time, Chairman Smith thanked Mr. Williams for his presentation and stated that the audited financials had been previously approved by the board at its last meeting, and the same was needed of the Fund's Membership. Copies of the summarized financial statements had been previously mailed out and a copy was included in the handouts. If there were no questions, he asked for a motion to approve the audited financial statements as presented. A motion was made, seconded, and approved by the Fund Membership.

Chairman Smith then called on Board Trustee and ATA Chairman Fenn Church, who served as a member of the 2019 ATA Workers' Compensation Fund Nominating Committee to present the slate of nominees for consideration of election to the Fund's board of trustees. Mr. Church reported that a meeting of the Nominating Committee of the Alabama Trucking Association Workers' Compensation Self Insurance Fund was held on April 5, 2019. In compliance with the bylaws of the Fund, the Committee submits as nominees for consideration of election as Trustees for the term of April 2019 to April of 2022 the following:

Mr. Beau Wicks

Southeast Logistics, Inc.

Mr. Mike Limbaugh

White Oak Transportation, Inc.

Mr. Church, on behalf of the Nominating Committee, made a motion to approve and elect these nominees as presented. At that time, Chairman Smith asked for a second to the motion to approve and elect the nominees. A second was made and then a call for vote was requested. Following the recording of the votes made in person, and by proxy, Chairman Smith reported that the nominees were approved and elected by the Fund Membership. On behalf of the board of trustees, Chairman Smith extended his congratulations to all these newly elected board members.

Chairman Smith then called the Fund's CEO, Mr. Kimble Coaker, to the podium for a few comments. Mr. Coaker thanked all member companies for attending the Annual Membership Meeting and for their continued support and participation in the Fund. He was extremely pleased with the progress and successes that had occurred during the 2018 year. Successes came in many forms, but the most obvious was the increase in profits of \$12.3 million. He explained that of these profits, \$10 million was generated by the reduction and closure of claims from years prior to 2018 and new IRS discounting tax laws. What this represents is that the Fund and all its member companies were doing a tremendous job of working together to get our injured employees back to work, and preventing accidents and injuries from occurring. Most importantly, we are making tremendous strides to ensure that every mother, father, brother, sister, aunt or uncle are coming home to their family safely and uninjured. He concluded his presentation and proceeded to mention the addition of new team members that joined the Fund in 2018. He recognized all members of the ATA Fund Board and staff and thanked them for their efforts in successfully implementing the changes necessary in making the ATA Fund one of the most successful trucking programs in the nation. He was confident that the efforts being made by the board of trustees and team members in all aspects of operations of the Fund would continue to generate many more years of profitable and successful outcomes for member companies. He then called Chairman Smith back up to the podium to recognize and thank him for his service as the Chairman of the Fund for the past two years with a presentation of an ATA Fund Crystal Truck. Chairman Smith concluded this presentation with his closing comments and thanking everyone involved for their efforts in supporting him as Chairman.

At that time, Chairman Smith and Mr. Coaker conducted the grand prize drawing, and recognized the Fund member who was awarded the prize.

Chairman Smith then declared that there was no further business before the Membership, and he adjourned the 2019 Annual Meeting.

APPROVED

Scott Smith, Chairman

Kimble Coaker, Secretary

KC/KC
06/14/19