May 17, 2021

Alabama Trucking Association
Workers' Compensation Fund Member

Dear Ladies and Gentlemen:

Enclosed you will find a copy of the Summarized Audited Financial Statements of the Alabama Trucking Association Workers’ Compensation Fund for the year ended December 31, 2020. Our Auditors (Carr, Riggs and Ingram, LLC) conducted their audit in accordance with U.S. generally accepted auditing standards. Those standards require the Auditors to plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. Upon the completion of all necessary examinations of the evidence supporting the amounts included in these financial statements and assessing the accounting principles used and significant estimates made by management, the Auditors determined that their audit provided a reasonable basis for issuing their opinion. Their opinion concluded that these financial statements present fairly, in all material respects, the financial position of the Alabama Trucking Association Workers’ Compensation Self Insurance Fund as of December 31, 2020.

These financial statements reflect the Fund currently has accumulated total profits, net of distributions, of $74,038,270 set aside for future retrospective credits to be refunded to active participating Fund members as directed by State Requirements of the Alabama Department of Labor. Since inception of the Fund, the total amount of retrospective credits previously distributed back to participating members is $118,483,529. In addition, the Fund will distribute back $19,066,852 beginning January 01, 2021 to respective participating members with their 2021 calendar year renewals.

This report includes the overall operations of the Fund which consists of both our Alabama and Cross Border programs. The claims losses reflected in the Consolidated Statement of Income and Deductions includes loss reserves which are required to pay incurred but not reported (IBNR) losses. These IBNR loss reserves are established at levels recommended by the Fund’s independent Actuarial firm (Casualty Actuarial Consultants) and approved by the Board of Trustees. Our Actuaries recently completed their yearend loss reserve analysis update and have adjusted reserves based on the downward development trend of losses over our most recent years of operation. This trend is the direct result of aggressive and effective claims handling practices and our loss control and risk management practices within the Fund. The combined overall operating profit for the year ended December 31, 2020 is $22,840,099. With the conclusion of the 2020 calendar year, the Board of Trustees is pleased to report that we have continued our long standing profitable operating performance. The Board wishes to emphasize that its primary goals remain to protect the financial integrity of the Fund while returning profits to participating members.

In closing, we always wish to take the opportunity to remind you that the best approach to curb increases in your company’s operating expenses is to strive to maximize your company’s emphasis on your claims reporting and handling procedures along with your loss control and risk management practices. Your efforts in these areas will directly increase the bottom line of your company. Please take advantage of the opportunity to contact our team members. Suzy Baker, our Claim Manager, along with Todd Hager, our Chief Operating Officer, will assist you with any claims related questions you may have. Don Anchors, our Director of Safety and Risk Management, as well as our Risk Management Consultants, Will Moses, Michael Smith, Victor Whatley and Candy Woodruff will evaluate your company to develop a risk analysis plan and implement safety procedures and training that can immediately reduce the losses occurring within your company as we have done for many others in the ATA Comp Fund. We encourage you to contact us and take advantage of these resources at no cost to you and remember to always Work Safe / Work Smart.
BOARD OF TRUSTEES

Susan Kirkpatrick, Acting-Chairman  
Fund Member Trustee  
Exec. Vice President/CFO, Buddy Moore Trucking, Inc.  
P.O. Box 10047  
Birmingham, AL 35202  
Term: April 2020 – April 2023  
(205) 949-3201 Fax: (205) 949-2260

Mike Limbaugh  
Fund Member Trustee  
Owner, White Oak Transportation, Inc.  
P.O. Box 876  
Decatur, AL 35602  
Term: April 2019 – April 2022  
(877) 948-3625 Fax: (256) 432-0445

Bruce MacDonald  
Fund Member Trustee  
President, Transport Refrigeration Sales & Service  
500 Daniel Payne Drive  
Birmingham, AL 35214  
Term: April 2018 – April 2021  
(205) 328-7278 Fax: (205) 328-6769

Rusty Sprouse  
Fund Member Trustee  
CFO, B & G Supply, Inc.  
P. O. Box 748  
Albertville, AL 35950  
Term: April 2020 – April 2023  
(256) 878-2928 Fax: (256) 878-1527

Mark Colson  
Ex-Officio Trustee  
President and CEO, AL Trucking Association  
P. O. Box 2339  
Montgomery, AL 36102-2339  
Term: July 2020 – July 2021  
(334) 834-3983 Fax: (334) 262-6504

Tom McLeod  
Ex-Officio Trustee  
CEO, McLeod Software Corp.  
P. O. Box 43200  
Birmingham, AL 35243  
Term: July 2020 – July 2021  
(205) 823-5100 Fax: (205) 823-0000

Chris Hornady  
Fund Member Trustee  
CEO, Hornady Transportation, LLC  
P. O. Box 846  
Monroeville, AL 36461  
Term: April 2018 – April 2021  
(251) 575-4811 Fax: (251) 743-5219

Drew Linn  
Fund Member Trustee  
President, Southland International Trucks, Inc.  
P. O. Box 578  
Birmingham, AL 35201-0578  
Term: April 2018 – April 2021  
(205) 942-6226 Fax: (205) 942-6311

Scott Smith  
Fund Member Trustee  
CEO, P & S Transportation, Inc.  
P. O. Box 8250  
Ensley, AL 35218  
Term: April 2020 – April 2023  
(205) 296-9588 Fax: (205) 326-8901

Beau Wicks  
Fund Member Trustee  
President, Southeast Logistics  
P. O. Box 1309  
Tuscaloosa, AL 35403  
Term: April 2019 – April 2022  
(205) 759-1818 Fax: (205) 349-3104

Fenn Church  
Ex-Officio Trustee  
President/CEO, Church Transportation & Logistics, Inc.  
P. O. Box 65  
Birmingham, AL 35201  
Term: July 2020 – July 2021  
(205) 925-1977 Fax: (205) 380-8997

Will Bruser  
Ex-Officio Trustee  
President, Truckerx, Inc.  
2220 Finley Boulevard  
Birmingham, AL 35234  
Term: July 2020 – July 2021  
(205) 326-6170 Fax: (205) 909-4024
# BALANCE SHEET

December 31, 2020

**ASSETS**

<table>
<thead>
<tr>
<th>Asset</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and Cash Equivalents</td>
<td>$3,779,691.12</td>
</tr>
<tr>
<td>Prepaid Expenses and Deposits</td>
<td>3,646,859.88</td>
</tr>
<tr>
<td>Accounts Receivable (net of allowance)</td>
<td>48,237,809.47</td>
</tr>
<tr>
<td>Certificates of Deposit and Investments</td>
<td>122,405,724.08</td>
</tr>
<tr>
<td>Deferred Tax Asset (net of liability)</td>
<td>414,775.30</td>
</tr>
<tr>
<td>Building and Fixed Assets (net of deprec)</td>
<td>1,605,689.22</td>
</tr>
</tbody>
</table>

**Total Assets** $180,090,549.07

**LIABILITIES, RESERVES AND MEMBERS' EQUITY**

<table>
<thead>
<tr>
<th>Liability</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounts Payable and Escrow</td>
<td>$12,624,337.44</td>
</tr>
<tr>
<td>Unearned Contributions</td>
<td>3,833,460.92</td>
</tr>
</tbody>
</table>

**Total Liabilities** $16,457,798.36

**Reserves:**

<table>
<thead>
<tr>
<th>Reserve</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reserve for Aggregate Losses</td>
<td>$11,483,682.60</td>
</tr>
<tr>
<td>Actuarial Reserves for Claim Losses</td>
<td>73,892,038.88</td>
</tr>
</tbody>
</table>

**Total Reserves** 85,375,721.48

**Members' Equity:**

<table>
<thead>
<tr>
<th>Investment</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investments Unreal Gain/(Loss)</td>
<td>4,218,759.72</td>
</tr>
<tr>
<td>Prior Years Accum. Dividends</td>
<td>74,038,269.51</td>
</tr>
</tbody>
</table>

**Total Members' Equity** 78,257,029.23

**Total Liabilities, Reserves & Members' Equity** $180,090,549.07
# CONSOLIDATED STATEMENT OF INVOICE AND DEDUCTIONS

For the Twelve Months Ending December 31, 2020

## Income:
- Coverage Contributions  $39,041,265.85
- Cross Border Premium  $16,610,515.23
- Investment Income and Gain/(Loss)  $6,168,321.38
- Other Income and Fees  $2,175,298.34

**Total Income**

$63,995,400.80

## Deductions:

### Claim Losses:
- Incurred Losses (net of reinsurance)  $24,731,792.05

**Total Claims Losses**

$24,731,792.05

## Operating Expenses:
- Administrative  $4,278,084.08
- Cross Border Admin. Fees  $4,518,783.61
- Brokerage Expenses  $2,334,488.44
- Claims Service Fees  $1,299,000.00
- Excess Loss Insurance  $2,038,578.21
- Professional Services  $1,327,497.69
- Royalty Fees  $578,104.63

**Total Operating Expenses**

16,374,536.66

## Total Deductions

$41,106,328.71

## Excess Income Before Income Taxes

$22,889,072.09

### Provision for Income Taxes

48,973.37

## Excess Income

$22,840,098.72

## Prior Years' Excess Income

169,681,700.03

### Excess Income Before Retrospective Refund Distribution

$192,521,798.75

### Retrospective Refund Distributed to Members

118,483,529.24

## Excess Income Held for Future Retrospective Refund

$74,038,269.51