May 9, 2018

Alabama Trucking Association
Workers’ Compensation Fund Members

Dear Ladies and Gentlemen:

Enclosed you will find a copy of the Summarized Financial Statements of the Alabama Trucking Association Workers’ Compensation Fund for the four months ended April 30, 2018. These financial statements reflect the Fund currently has accumulated total profits, net of distributions, of $39,067,882 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 $85,776,161.

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 are finalizing our yearend Loss Reserve Analysis Report and have adjusted reserves based on the downward development trend of losses over the previous three years. 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 four months ended April 30, 2018 is $4,411,128. The Board of Trustees is very pleased to report the ATA Fund continues to grow stronger and generate greater dividends payable back to our member companies.

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. Todd Hager, our Director of Claims, will assist you with any claims related questions you may have. Don Anchors, our Director of Safety and Loss Control, as well as our Loss Control Consultants, 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 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.

We hope this information will assist you in evaluating the strength and quality of our program. Our program is designed to assist you in reducing your losses, increasing your driver retention and increasing your bottom line profits.

Respectfully,

Kimble E. Coaker, CPA
CEO and Administrator

Enclosures
BOARD OF TRUSTEES

Scott Smith, Chairman
Fund Member Trustee
Vice President, P & S Transportation, Inc.
P. O. Box 8250
Ensley, AL 35218
Term: April 2017 – April 2020
(205) 296-9588 Fax: (205) 326-8901

Phil DeSimone, Vice-Chairman
Fund Member Trustee
CEO, Action Resources, Inc.
204 20th Street North
Birmingham, AL 35203
Term: April 2015 – April 2018
(205) 271-4460 Fax: (205) 271-4479

Joe Booker
Fund Member Trustee
President, Hornady Transportation, LLC
Inc.
P. O. Box 846
Monroeville, AL 36461
Term: April 2015 – April 2018
(251) 575-4811 Fax: (251) 743-5219

Susan Kirkpatrick
Fund Member Trustee
Exec. Vice President/CFO, Buddy Moore Trucking,
P. O. Box 10047
Birmingham, AL 35202
Term: April 2015 – April 2018
(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 2016 – April 2019
(877) 948-3625 Fax: (256) 432-0445

Drew Linn
Fund Member Trustee
President, Southland International Trucks, Inc.
P. O. Box 578
Birmingham, AL 35201-0578
Term: April 2015 – April 2018
(205) 942-6226 Fax: (205) 942-6311

Bruce MacDonald
Fund Member Trustee
President, Transport Refrigeration Sales & Service
500 Daniel Payne Drive
Birmingham, AL 35214
Term: April 2015 – April 2018
(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 2017 – April 2020
(256) 878-2928 Fax: (256) 878-1527

Beau Wicks
Fund Member Trustee
President, Southeast Logistics
P. O. Box 1309
Tuscaloosa, AL 35403
Term: April 2016 – April 2019
(205) 759-1818 Fax: (205) 349-3104

Frank Filgo
Ex-Officio Trustee
President and CEO, AL Trucking Association
P. O. Box 2339
Montgomery, AL 36102-2339
Term: July 2017 – July 2018
(334) 834-3983 Fax: (334) 262-6504

Gary Bond
Ex-Officio Trustee
Senior Vice President, National Bank of Commerce
813 Shades Creek Parkway
Birmingham, AL 35209
Term: July 2017 – July 2018
(205) 422-7111 Fax: (205) 402-0988

Terry Kilpatrick
Ex-Officio Trustee
President, Billy Barnes Enterprises, Inc.
1626 Hwy 21 South
Frisco City, AL 36445
Term: July 2017 – July 2018
(251) 267-3153 Fax: (251) 267-4117

Fenn Church
Ex-Officio Trustee
President/CEO, Church Transportation & Logistics, Inc.
P. O. Box 65
Birmingham, AL 35201
Term: July 2017 – July 2018
(205) 925-1977 Fax: (205) 380-8997
BALANCE SHEET
April 30, 2018

ASSETS

Assets:
Cash $ 6,217,835.84
Prepaid Expenses and Deposits 1,522,806.19
Accounts Receivable (net of allowance) 29,449,454.42
Certificates of Deposit and Investments 107,087,208.88
Deferred Tax Asset (net of liability) 681,256.13
Building and Fixed Assets (net of depreciation) 1,611,746.78

Total Assets $146,570,308.24

LIABILITIES, RESERVES AND MEMBERS' EQUITY

Liabilities:
Accounts Payable and Escrow $ 3,076,123.47
Unearned Contributions 18,585,482.12

Total Liabilities $ 21,661,605.59

Reserves:
Reserves for Aggregate Losses $ 11,617,863.68
Actuarial Reserves for Claim Losses 80,653,762.10

Total Reserves 92,271,625.78

Members' Equity:
Unrealized Gain/(Loss) on Investments $ (6,430,804.76)
Retrospective Refund to Members 39,067,881.63

Total Members' Equity 32,637,076.87

Total Liabilities, Reserves and Members' Equity $146,570,308.24

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**CONSOLIDATED STATEMENT OF INCOME AND DEDUCTIONS**

*For the Four Months Ended April 30, 2018*

Income:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Coverage Contributions</td>
<td>$13,689,190.00</td>
</tr>
<tr>
<td>Cross Border Premium</td>
<td>5,441,742.12</td>
</tr>
<tr>
<td>Investments and Gain/(Loss) on Sale</td>
<td>2,268,934.13</td>
</tr>
<tr>
<td>Other</td>
<td>139,909.98</td>
</tr>
<tr>
<td><strong>Total Income</strong></td>
<td><strong>$21,539,776.23</strong></td>
</tr>
</tbody>
</table>

Deductions:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Claim Losses:</td>
<td></td>
</tr>
<tr>
<td>Incurred Losses (net of reinsurance)</td>
<td><strong>$12,000,510.63</strong></td>
</tr>
<tr>
<td><strong>Total Claim Losses</strong></td>
<td><strong>$12,000,510.63</strong></td>
</tr>
<tr>
<td>Operating Expenses:</td>
<td></td>
</tr>
<tr>
<td>Administrative</td>
<td>$995,284.96</td>
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<tr>
<td>Cross Border Admin. Fees</td>
<td>1,431,258.86</td>
</tr>
<tr>
<td>Brokerage Expenses</td>
<td>882,208.08</td>
</tr>
<tr>
<td>Claims Service Fee</td>
<td>415,519.00</td>
</tr>
<tr>
<td>Excess Loss Insurance</td>
<td>664,687.08</td>
</tr>
<tr>
<td>Professional Services</td>
<td>506,668.21</td>
</tr>
<tr>
<td>Royalties</td>
<td>226,177.64</td>
</tr>
<tr>
<td><strong>Total Operating Expenses</strong></td>
<td><strong>5,121,803.83</strong></td>
</tr>
</tbody>
</table>

**Total Deductions**                                **$17,122,314.46**

Excess Income Before Income Taxes                   **$4,417,461.77**

Provision for Income Taxes (deferred)               **6,333.33**

Excess Income                                      **$4,411,128.44**

Prior Years’ Excess Income                         **120,432,914.39**

Excess Income Before Retrospective Refund Distribution **$124,844,042.83**

Retrospective Refund Distributed to Members         **85,776,161.20**

Excess Income Held for Future Retrospective Refund  **$39,067,881.63**