March 13, 2020

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 one month ended January 31, 2020. These financial statements reflect the Fund currently has accumulated total profits, net of distributions, of $52,812,143 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 $118,061,696.

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 Actuarial firm recently completed their midyear loss reserve analysis update as part of our premium contribution rate study report and have adjusted reserves based on the downward development trend of losses over the most recent 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 one month ended January 31, 2020 is $1,606,647. 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 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 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

<table>
<thead>
<tr>
<th>Name</th>
<th>Title</th>
<th>Company/Contact Details</th>
</tr>
</thead>
</table>
| Phil DeSimone       | Chairman           | CEO, Action Resources, Inc.  
204 20th Street North  
Birmingham, AL 35203  
Term: April 2018 – April 2021  
(205) 380-0543  Fax: (205) 271-4479 |
| Susan Kirkpatrick   | Vice-Chairman      | Fund Member Trustee  
Exec. Vice President/CFO, Buddy Moore Trucking, Inc.  
P.O. Box 10047  
Birmingham, AL 35202  
Term: April 2017 – April 2020  
(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 |
| Scott Smith         | Fund Member Trustee| CEO, P & S Transportation, Inc.  
P.O. Box 8250  
Ensley, AL 35218  
Term: April 2017 – April 2020  
(205) 942-6226  Fax: (205) 942-6311 |
| 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 2019 – July 2020  
(205) 925-1977  Fax: (205) 380-8997 |
| Tom McLeod          | Ex-Officio Trustee | CEO, McLeod Software Corp.  
P.O. Box 43200  
Birmingham, AL 35243  
Term: July 2019 – July 2020  
(205) 823-5100  Fax: (205) 823-0000 |

Note: The term of each Trustee is marked as either April 2017 – April 2020, April 2018 – April 2021, or July 2019 – July 2020.
BALANCE SHEET
January 31, 2020

ASSETS

Assets:
- Cash $16,049,008.66
- Prepaid Expenses and Deposits 1,831,762.65
- Accounts Receivable (net of allowance) 33,050,687.31
- Certificates of Deposit and Investments 115,677,513.86
- Deferred Tax Asset (net of liability) 1,248,607.78
- Building and Fixed Assets (net of depreciation) 1,727,322.04

Total Assets $169,584,902.30

LIABILITIES, RESERVES AND MEMBERS' EQUITY

Liabilities:
- Accounts Payable and Escrow $15,327,743.22
- Unearned Contributions 15,950,757.62

Total Liabilities $31,278,500.84

Reserves:
- Reserves for Aggregate Losses $11,483,682.60
- Actuarial Reserves for Claim Losses 71,765,817.68

Total Reserves 83,249,500.28

Members' Equity:
- Unrealized Gain/(Loss) on Investments $2,244,757.69
- Retrospective Refund to Members 52,812,143.49

Total Members’ Equity 55,056,901.18

Total Liabilities, Reserves and Members' Equity $169,584,902.30
# CONSOLIDATED STATEMENT OF INCOME AND DEDUCTIONS

For the One Month Ended January 31, 2020

<table>
<thead>
<tr>
<th>Income:</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Coverage Contributions</td>
<td>$3,490,648.96</td>
</tr>
<tr>
<td>Cross Border Premium</td>
<td>1,506,460.61</td>
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<tr>
<td>Investments and Gain/(Loss) on Sale</td>
<td>467,069.57</td>
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<tr>
<td>Other</td>
<td>29,312.34</td>
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<tr>
<td><strong>Total Income</strong></td>
<td>$5,493,491.48</td>
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</table>

<table>
<thead>
<tr>
<th>Deductions:</th>
<th></th>
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</thead>
<tbody>
<tr>
<td>Claim Losses:</td>
<td></td>
</tr>
<tr>
<td>Incurred Losses (net of reinsurance)</td>
<td>$2,564,733.71</td>
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<tr>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total Claim Losses</strong></td>
<td>$2,564,733.71</td>
</tr>
<tr>
<td>Operating Expenses:</td>
<td></td>
</tr>
<tr>
<td>Administrative</td>
<td>$274,542.57</td>
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<tr>
<td>Cross Border Admin. Fees</td>
<td>375,138.63</td>
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<tr>
<td>Brokerage Expenses</td>
<td>209,024.87</td>
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<tr>
<td>Claims Service Fee</td>
<td>108,250.00</td>
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<tr>
<td>Excess Loss Insurance</td>
<td>166,451.29</td>
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<tr>
<td>Professional Services</td>
<td>129,343.24</td>
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<tr>
<td>Royalties</td>
<td>57,777.29</td>
</tr>
</tbody>
</table>

| **Total Operating Expenses**        | $1,320,527.89 |

| Total Deductions                    | $3,885,261.60 |

| Excess Income Before Income Taxes   | $1,608,229.88 |

| Provision for Income Taxes (deferred)| $1,583.34 |

| Excess Income                       | $1,606,646.54 |

| Prior Years’ Excess Income          | 169,267,192.90 |

| Excess Income Before Retrospective Refund Distribution | $170,873,839.44 |

| Retrospective Refund Distributed to Members          | 118,061,695.95 |

| Excess Income Held for Future Retrospective Refund   | $52,812,143.49 |