



April 11, 2023

ATA Comp Fund and Alliance Interstate Risk
Service Participating Companies

Dear Ladies and Gentlemen:

Enclosed you will find a copy of the Consolidated Summarized Financial Statements of the Alabama Trucking Association Workers' Compensation Fund and Alliance Interstate Risk Service (Consolidated Programs) for the Two Months ended February 28, 2023. These financial statements reflect the Consolidated Programs currently have accumulated total profits, net of distributions, of \$82,997,888 set aside for future retrospective dividend credits to be refunded to active participating companies as directed by Alabama State Regulatory Requirements. Since inception of the Consolidated Programs, the total amount of retrospective dividend credits previously distributed back to participating members is \$164,082,918.

This report includes the overall operations of the Consolidated Programs, and 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 our independent Actuarial firm (Casualty Actuarial Consultants) and approved by the Boards of each program. Our Actuaries recently completed their yearend loss reserve analysis update and have adjusted reserves based on the decreasing development trend of losses over the 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 both programs. The combined overall operating profit for the Two Months ended February 28, 2023 is \$3,223,543. The Boards of both programs are very pleased to report the Consolidated Programs continue to grow stronger and generate greater dividends payable back to our participating 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 to assist you in these efforts. 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, Candy Woodruff, MaryAnn Brown, Victor Whatley, Will Moses and Patrick Monahan 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 both programs. 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 MEMBERS

Susan Kirkpatrick, Chairman

ATA Comp Fund Trustee and AIR Board Director
Exec. Vice President/CFO, Buddy Moore Trucking, Inc.
P.O. Box 10047
Birmingham, AL 35202
Term: April 2020 – April 2023
(205) 949-3201

Fenn Church

ATA Comp Fund Trustee and AIR Board Director
President/CEO, Church Transportation & Logistics, Inc.
P. O. Box 65
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Term: September 2021 – April 2024
(205) 925-1977

Mike Limbaugh

ATA Comp Fund Trustee and AIR Board Director
Owner, White Oak Transportation, Inc.
P.O. Box 876
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Scott Smith

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CEO, P & S Transportation, Inc.
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Harold Sumerford, Jr.

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CEO, J&M Tank Lines, Inc.
1100 Corporate Parkway
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Will Bruser

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President, Truckworx, Inc.
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Tommy Neely

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Owner, Ross Neely Systems, Inc.
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Chris Hornady, Vice Chairman

ATA Comp Fund Trustee and AIR Board Director
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Jay Cox

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Mark Colson

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President and CEO, AL Trucking Association
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Chris Cooper

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Clayton, AL 36016
Term: July 2022 – July 2023
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BALANCE SHEET

February 28, 2023

ASSETS

Assets:

Cash and Cash Equivalents	\$ 11,340,702.66
Prepaid Expenses and Deposits	2,234,758.56
Accounts Receivable (net of allowance)	29,838,464.05
Certificates of Deposit and Investments	134,180,950.52
Deferred Tax Asset (net of liability)	3,637,088.61
Building and Fixed Assets (net of depreciation)	<u>1,842,730.58</u>

Total Assets \$ 183,074,694.98

LIABILITIES, RESERVES AND MEMBERS' EQUITY

Liabilities:

Accounts Payable and Escrow	\$ 16,810,344.44
Unearned Premium and Contributions	<u>11,766,670.60</u>

Total Liabilities \$ 28,577,015.04

Reserves:

Reserve for Aggregate Losses	\$ 11,483,682.60
Actuarial Reserves for Claim Losses	<u>67,167,113.57</u>

Total Reserves 78,650,796.17

Members' Equity:

Investments Unrealized Gain/(Loss)	(\$ 7,151,004.53)
All Years Accumulated Dividends	<u>82,997,888.30</u>

Total Members' Equity 75,846,883.77

Total Liabilities, Reserves and Members' Equity \$ 183,074,694.98



CONSOLIDATED STATEMENT OF INCOME AND DEDUCTIONS

For the Two Months Ending February 28, 2023

ACF Contribution Income		\$ 6,739,442.10
AIR Premium		4,197,507.03
ACF / AIR Investment Income and Gain/(Loss)		589,830.50
ACF / AIR Other Income and Fees		204,831.66
		<u>\$ 11,731,611.29</u>
Claim Losses:		
ACF / AIR Incurred Losses (net)	\$ 4,980,536.67	
		<u>\$ 4,980,536.67</u>
Operating Expenses:		
ACF / AIR Administrative Expenses	\$ 912,988.95	
AIR Administration Service Fees	1,068,629.43	
ACF Brokerage Expenses	402,256.29	
ACF Claims Service Fees	308,959.21	
ACF Excess Insurance	412,694.52	
ACF / AIR Professional Services	248,378.44	
ACF / AIR Royalty Fees	155,521.17	
		<u>3,509,428.01</u>
		<u>\$ 8,489,964.68</u>
		\$ 3,241,646.61
Provision for Income Taxes		<u>18,103.44</u>
		\$ 3,223,543.17
		<u>243,857,262.97</u>
Excess Income Before Retrospective Dividends Distribution		\$ 247,080,806.14
Retrospective Dividends Distributed to Members		<u>164,082,917.84</u>
Excess Income Held for Future Retrospective Dividends		<u>\$ 82,997,888.30</u>