



September 17, 2021

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 Seven Months ended July 31, 2021. These financial statements reflect the Consolidated Programs currently have accumulated total profits, net of distributions, of \$78,752,830 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 \$127,842,651.

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 Seven Months ended July 31, 2021 is \$14,073,681. 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, Michael Smith, Victor Whatley and Will Moses 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**
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, **Vice Chairman**
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, Truckworx, Inc.
2220 Finley Boulevard
Birmingham, AL 35234 □
Term: July 2020 – July 2021 □
(205) 326-6170 Fax: (205) 909-4024



BALANCE SHEET

July 31, 2021

ASSETS

Assets:

Cash and Cash Equivalents	\$ 5,029,841.68
Prepaid Expenses and Deposits	5,295,140.94
Accounts Receivable (net of allowance)	48,472,582.20
Certificates of Deposit and Investments	127,687,632.81
Deferred Tax Asset (net of liability)	414,775.30
Building and Fixed Assets (net of deprec)	<u>1,719,683.52</u>

Total Assets	<u><u>\$ 188,619,656.45</u></u>
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LIABILITIES, RESERVES AND MEMBERS' EQUITY

Liabilities:

Accounts Payable and Escrow	\$ 9,264,650.62
Unearned Contributions	<u>8,078,645.59</u>

Total Liabilities	\$ 17,343,296.21
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Reserves:

Reserve for Aggregate Losses	\$ 11,483,682.60
Actuarial Reserves for Claim Losses	<u>76,477,620.75</u>

Total Reserves	87,961,303.35
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Members' Equity:

Investments Unreal Gain/(Loss)	4,562,227.31
Prior Years Accum. Dividends	<u>78,752,829.58</u>

Total Members' Equity	<u>83,315,056.89</u>
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Total Liabilities, Reserves & Members' Equity	<u><u>\$ 188,619,656.45</u></u>
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CONSOLIDATED STATEMENT OF INVOICE AND DEDUCTIONS

For the Seven Months Ending July 31, 2021

Income:		
Coverage Contributions		\$ 26,373,704.56
Cross Border Premium		9,351,779.87
Investment Income and Gain/(Loss)		4,631,011.71
Other Income and Fees		382,710.39
Total Income		<u>\$ 40,739,206.53</u>
Deductions:		
Claim Losses:		
Incurred Losses (net of reinsurance)	\$ 17,261,705.02	<u>17,261,705.02</u>
Total Claims Losses		\$ 17,261,705.02
Operating Expenses:		
Administrative	\$ 2,202,847.63	
Cross Border Admin. Fees	2,345,731.46	
Brokerage Expenses	1,323,017.85	
Claims Service Fees	753,381.06	
Excess Loss Insurance	1,318,332.18	
Professional Services	883,140.78	
Royalty Fees	481,305.08	
Total Operating Expenses		<u>9,307,756.04</u>
Total Deductions		<u>\$ 26,569,461.06</u>
Excess Income Before Income Taxes		\$ 14,169,745.47
Provision for Income Taxes		<u>96,064.75</u>
Excess Income		\$ 14,073,680.72
Prior Years' Excess Income		<u>192,521,799.84</u>
Excess Income Before Retrospective Refund Distribution		\$ 206,595,480.56
Retrospective Refund Distributed to Members		<u>127,842,650.98</u>
Excess Income Held for Future Retrospective Refund		<u>\$ 78,752,829.58</u>