



March 6, 2026

ATA Comp Fund and Alliance Interstate Risk
Member Companies and Policyholders

Dear Ladies and Gentlemen:

Enclosed you will find a copy of the Summarized Audited Consolidated Financial Statements of the Alabama Trucking Association Workers' Compensation Fund and Alliance Interstate Risk Service (Consolidated Programs) for the year ended December 31, 2025. 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 Consolidated Programs as of December 31, 2025.

These financial statements reflect the Consolidated Programs currently have accumulated total profits, net of distributions, of \$77,186,996 set aside for future retrospective dividend credits to be refunded to active participating companies as directed by State Regulatory Requirements. Since inception of the Consolidated Programs, the total amount of retrospective dividend credits previously distributed back to participating companies is \$222,587,054. In addition, the Consolidated Programs will distribute back \$22,805,135 beginning January 01, 2026 to respective active participating companies with their 2026 calendar year renewals.

This report includes the overall operations of both 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 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 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 both programs. The combined overall operating profit for the year ended December 31, 2025 is \$18,895,996. With the conclusion of the 2025 calendar year, the Boards of both programs are pleased to report that we have continued our long standing profitable operating performance. The Boards wish to emphasize that their primary goals remain to protect the financial integrity of the Consolidated Programs while returning profits 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. Suzy Baker, our Director of Claims, 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, Victor Whatley, our Regional Risk Manager, as well as our Risk Management Consultants, Candy Woodruff, Ray Hodge, Jason Brown, Adam Tallmon and Wesley Peebles 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 other companies in both our 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

Mike Limbaugh, Chairman
ATA Comp Fund Trustee and AIR Board Director
Owner, White Oak Transportation, Inc.
P.O. Box 876
Decatur, AL 35602
Term: April 2025 – April 2028
(877) 948-3625

Jay Cox
ATA Comp Fund Trustee and AIR Board Director
CFO, Gulf Distributing Holdings, LLC
3378 Moffett Road
Mobile, AL 36607
Term: April 2025 – April 2028
(251) 476-9600

Susan Kirkpatrick
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 2023 – April 2026
(205) 949-3201

Scott Smith
ATA Comp Fund Trustee and AIR Board Director
CEO, P & S Transportation, Inc.
P. O. Box 8250
Ensley, AL 35218
Term: April 2023 – April 2026
(205) 296-9588

Mark Colson
Ex-Officio ATA Comp Fund Trustee and AIR Board Director
President and CEO, AL Trucking Association
P. O. Box 2339
Montgomery, AL 36102-2339
Term: July 2025 – July 2026
(334) 834-3983

Daniel Wright
Ex-Officio ATA Comp Fund Trustee and AIR Board Director
President, Wright Transportation, Inc.
2333 Dauphin Island Parkway
Mobile, AL 36605
Term: July 2025 – July 2026
(251) 432-6390

Fenn Church, Vice-Chairman
ATA Comp Fund Trustee and AIR Board Director
President/CEO, Church Transportation & Logistics, Inc.
P. O. Box 65
Birmingham, AL 35201
Term: September 2024 – April 2027
(205) 925-1977

Steve Hewitt
ATA Comp Fund Trustee and AIR Board Director
Chief Risk Officer, R.E. Garrison Trucking, Inc.
1103 County Road 1194
Vinemont, AL 35179
Term: April 2024 – April 2027
(2566) 255-5500

Drew Linn
ATA Comp Fund Trustee and AIR Board Director
President, Southland International Trucks, Inc.
P. O. Box 578
Birmingham, AL 35201-0578
Term: September 2024 – April 2027
(205) 942-6226

Harold Sumerford, Jr.
ATA Comp Fund Trustee and AIR Board Director
CEO, J&M Tank Lines, Inc.
1100 Corporate Parkway
Birmingham, AL 35242
Term: September 2024 – April 2027
(205) 876-1901

Joe Black
Ex-Officio ATA Comp Fund Trustee and AIR Board Director
Sales Manager, McGriff Tire Company, Inc.
86 Walnut Street NW
Cullman, AL 35055
Term: July 2025 – July 2026
(256) 739-0780

Scott Smith
Ex-Officio ATA Comp Fund Trustee and AIR Board Director
CEO, P & S Transportation, Inc.
P. O. Box 8250
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Term: April 2023 – April 2026
(205) 296-9588



BALANCE SHEET

December 31, 2025

ASSETS

Assets:

Cash and Cash Equivalents	\$ 6,801,916.21
Prepaid Expenses and Deposits	1,105,897.21
Accounts Receivable (net of allowance)	14,538,937.51
Certificates of Deposit and Investments	153,180,070.77
Deferred Tax Asset (net of liability)	2,571,495.99
Building and Fixed Assets (net of depreciation)	<u>1,982,560.15</u>

Total Assets \$ 180,180,877.84

LIABILITIES, RESERVES AND MEMBERS' EQUITY

Liabilities:

Accounts Payable and Escrow	\$ 9,756,484.90
Unearned Premium and Contributions	<u>2,452,874.42</u>

Total Liabilities \$ 12,209,359.32

Reserves:

Reserve for Aggregate Losses	\$ 10,179,125.61
Actuarial Reserves for Claim Losses	<u>65,712,789.40</u>

Total Reserves 75,891,915.01

Members' Equity:

Investments Unrealized Gain/(Loss)	\$ 8,392,607.30
Retained Earnings and Paid In Capital	6,500,000.00
All Years Accumulated Dividends	<u>77,186,996.21</u>

Total Members' Equity 92,079,603.51

Total Liabilities, Reserves and Members' Equity \$ 180,180,877.84



CONSOLIDATED STATEMENT OF INCOME AND DEDUCTIONS

For the Twelve Months Ending December 31, 2025

Income:

ACF Contribution Income	\$ 33,827,974.33
AIR Premium	33,743,472.59
AIRS Excess Loss / Reinsurance Premium	2,804,205.65
ACF / AIR Investment Income and Gain/(Loss)	7,276,637.01
ACF / AIR Other Income and Fees	<u>10,483.60</u>

Total Income \$ 77,662,773.18

Deductions:

Claim Losses:

ACF / AIR Incurred Losses (net)	<u>\$ 29,378,887.20</u>
Total Claims Losses	\$ 29,378,887.20

Operating Expenses:

ACF / AIR Administrative Expenses	\$ 9,950,979.96
AIR Administration Service Fees	9,315,635.56
ACF Brokerage Expenses	1,329,285.31
ACF Claims Service Fees	1,968,043.58
ACF Excess Insurance	3,481,695.75
ACF / AIR Professional Services	1,674,885.07
ACF / AIR Royalty Fees	<u>1,179,773.36</u>

Total Operating Expenses 28,900,298.59

Total Deductions \$ 58,279,185.79

Excess Income Before Income Taxes \$ 19,383,587.39

Provision for Income Taxes 487,590.92

Excess Income \$ 18,895,996.47

Prior Years' Excess Income 287,378,053.98

Excess Income Before Retrospective Dividends Distribution \$ 306,274,050.45

Retained Earnings and Paid-in Capital 6,500,000.00

Retrospective Dividends Distributed to Members 222,587,054.24

Excess Income Held for Future Retrospective Dividends \$ 77,186,996.21