



November 9, 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 Ten Months ended October 31, 2023. These financial statements reflect the Consolidated Programs currently have accumulated total profits, net of distributions, of \$86,708,666 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 \$177,400,188.

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 Ten Months ended October 31, 2023 is \$20,251,591. 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 □
Birmingham, AL 35201 □
Term: September 2021 – April 2024 □
(205) 925-1977

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 2021 – April 2024 □
(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 2021 – April 2024 □
(205) 876-1901

Chris Cooper

Ex-Officio ATA Comp Fund Trustee and AIR Board Director
CEO, Boyd Brothers Transportation, Inc.
3275 Highway 30
Clayton, AL 36016
Term: July 2023 – July 2024 □
(334) 775-1200

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 2023 – July 2024 □
(256) 739-0780

Mike Limbaugh, Vice Chairman

ATA Comp Fund Trustee and AIR Board Director
Owner, White Oak Transportation, Inc.
P.O. Box 876
Decatur, AL 35602
Term: April 2022 – April 2025
(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 2022 – April 2025
(251) 476-9600

Scott Smith

ATA Comp Fund Trustee and AIR Board Director
CEO, P & S Transportation, Inc. □
P. O. Box 8250
Ensley, AL 35218
Term: April 2020 – April 2023
(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 2023 – July 2024
(334) 834-3983

Tommy Neely

Ex-Officio ATA Comp Fund Trustee and AIR Board Director
Owner, Ross Neely Systems, Inc.
P. O. Box 12345
Birmingham, AL 35202
Term: July 2023 – July 2024 □
(205) 798-1137



BALANCE SHEET

October 31, 2023

ASSETS

Assets:

Cash and Cash Equivalents	\$ 10,163,011.14
Prepaid Expenses and Deposits	1,288,932.49
Accounts Receivable (net of allowance)	19,879,904.22
Certificates of Deposit and Investments	135,856,830.96
Deferred Tax Asset (net of liability)	3,637,088.61
Building and Fixed Assets (net of depreciation)	<u>2,151,238.68</u>

Total Assets \$ 172,977,006.10

LIABILITIES, RESERVES AND MEMBERS' EQUITY

Liabilities:

Accounts Payable and Escrow	\$ 8,894,876.98
Unearned Premium and Contributions	<u>7,160,431.94</u>

Total Liabilities \$ 16,055,308.92

Reserves:

Reserve for Aggregate Losses	\$ 11,483,682.60
Actuarial Reserves for Claim Losses	<u>70,832,722.18</u>

Total Reserves 82,316,404.78

Members' Equity:

Investments Unrealized Gain/(Loss)	(\$ 12,103,373.91)
All Years Accumulated Dividends	<u>86,708,666.31</u>

Total Members' Equity 74,605,292.40

Total Liabilities, Reserves and Members' Equity \$ 172,977,006.10



CONSOLIDATED STATEMENT OF INCOME AND DEDUCTIONS

For the Ten Months Ending October 31, 2023

ACF Contribution Income		\$ 37,122,203.90
AIR Premium		24,113,976.08
ACF / AIR Investment Income and Gain/(Loss)		4,516,295.63
ACF / AIR Other Income and Fees		<u>1,222,438.05</u>
		<u>\$ 66,974,913.66</u>
Claim Losses:		
ACF / AIR Incurred Losses (net)	<u>\$ 25,785,561.82</u>	
Total Claims Losses		\$ 25,785,561.82
Operating Expenses:		
ACF / AIR Administrative Expenses	\$ 5,522,809.27	
AIR Administration Service Fees	6,347,355.16	
ACF Brokerage Expenses	2,360,760.27	
ACF Claims Service Fees	1,534,329.68	
ACF Excess Insurance	2,877,992.01	
ACF / AIR Professional Services	1,260,767.57	
ACF / AIR Royalty Fees	<u>897,821.66</u>	
Total Operating Expenses		<u>20,801,835.62</u>
		<u>\$ 46,587,397.44</u>
		\$ 20,387,516.22
Provision for Income Taxes		<u>135,925.08</u>
		\$ 20,251,591.14
		<u>243,857,262.97</u>
Excess Income Before Retrospective Dividends Distribution		\$ 264,108,854.11
Retrospective Dividends Distributed to Members		<u>177,400,187.80</u>
Excess Income Held for Future Retrospective Dividends		<u><u>\$ 86,708,666.31</u></u>