



April 10, 2023

ATA Comp Fund and Alliant 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, 2022. 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, 2022.

These financial statements reflect the Consolidated Programs currently have accumulated total profits, net of distributions, of \$86,144,829 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 companies is \$157,708,802. In addition, the Consolidated Programs will distribute back \$22,540,978 beginning January 01, 2023 to respective active participating companies with their 2023 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, 2022 is \$17,141,043. With the conclusion of the 2022 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, MaryAnn Brown, Will Moses, Patrick Monahan, Ray Hodge, and Jason Brown 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

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.
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Mike Limbaugh

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Owner, White Oak Transportation, Inc.
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CEO, P & S Transportation, Inc. □
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CEO, J&M Tank Lines, Inc.
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Will Bruser

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Tommy Neely

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Chris Hornady, Vice Chairman

ATA Comp Fund Trustee and AIR Board Director
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Clayton, AL 36016
Term: July 2022 – July 2023 □
(334) 775-1200



BALANCE SHEET

December 31, 2022

ASSETS

Assets:

Cash and Cash Equivalents	\$	8,081,338.80
Prepaid Expenses and Deposits		359,744.78
Accounts Receivable (net of allowance)		16,836,074.18
Certificates of Deposit and Investments		133,522,228.96
Deferred Tax Asset (net of liability)		3,637,088.61
Building and Fixed Assets (net of depreciation)		1,647,838.32

Total Assets \$ 164,084,313.65

LIABILITIES, RESERVES AND MEMBERS' EQUITY

Liabilities:

Accounts Payable and Escrow	\$	6,179,927.30
Unearned Premium and Contributions		1,503,375.31

Total Liabilities \$ 7,683,302.61

Reserves:

Reserve for Aggregate Losses	\$	11,483,682.60
Actuarial Reserves for Claim Losses		67,036,904.89

Total Reserves 78,520,587.49

Members' Equity:

Investments Unrealized Gain/(Loss)	(\$	8,264,405.67)
All Years Accumulated Dividends		86,144,829.22

Total Members' Equity 77,880,423.55

Total Liabilities, Reserves and Members' Equity \$ 164,084,313.65



CONSOLIDATED STATEMENT OF INCOME AND DEDUCTIONS

For the Twelve Months Ending December 31, 2022

ACF Contribution Income		\$ 42,114,454.30
AIR Premium		21,785,386.95
ACF / AIR Investment Income and Gain/(Loss)		(1,735,757.86)
ACF / AIR Other Income and Fees		<u>1,443,037.10</u>
		\$ 63,607,120.49
Claim Losses:		
ACF / AIR Incurred Losses (net)	<u>\$ 23,687,879.28</u>	
Total Claims Losses		\$ 23,687,879.28
Operating Expenses:		
ACF / AIR Administrative Expenses	\$ 6,817,905.99	
AIR Administration Service Fees	4,986,487.88	
ACF Brokerage Expenses	2,854,404.37	
ACF Claims Service Fees	1,705,490.98	
ACF Excess Insurance	3,625,144.81	
ACF / AIR Professional Services	1,604,415.09	
ACF / AIR Royalty Fees	<u>837,013.42</u>	
Total Operating Expenses		<u>22,430,862.54</u>
		<u>\$ 46,118,741.82</u>
		\$ 17,488,378.67
Provision for Income Taxes		<u>347,335.42</u>
		\$ 17,141,043.25
		<u>226,712,587.72</u>
Excess Income Before Retrospective Dividends Distribution		\$ 243,853,630.97
Retrospective Dividends Distributed to Members		<u>157,708,801.75</u>
Excess Income Held for Future Retrospective Dividends		<u>\$ 86,144,829.22</u>