



# Workers Compensation Self Insurance Fund

P.O. Box 241605, Montgomery, AL 36124-1605

April 9, 2011

Alabama Trucking Association  
Workers' Compensation Fund Members

Dear Ladies and Gentlemen:

Enclosed you will find a copy of the Summarized Financial Statements of the Alabama Trucking Association Workers' Compensation Fund for the three months ended March 31, 2011. These financial statements reflect the Fund has accumulated total profits, net of distributions, of \$13,958,439 set aside for future retrospective credits to be refunded as directed by State Requirements of the Alabama Department of Industrial Relations. The total amount of retrospective credits previously distributed back to participating members, since inception of the Fund, is \$44,901,395, which includes a distribution of \$5,684,077 on January 1, 2011 to respective participating members with their 2011 calendar year renewals.

This report includes the overall operations of the Fund which consists of both our Alabama and Cross Border programs. 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 maximum conservative levels during the interim 2011 calendar year until year-end when they can be adjusted as determined by the Fund's independent Actuarial firm. As part of their year-end Actuarial analysis, they would determine the amounts of loss reserves required to pay IBNR losses resulting in the corresponding adjustment to IBNR loss reserves and Claims loss expense. In our reserving practices, the Board of Trustees maintains a very conservative approach so that the Fund is protected from the effects of irregular occurring claims losses. Even after having posted these higher IBNR reserves for losses, the combined overall operating profit for the three months ended March 31, 2011 is \$956,856. The Board of Trustees is pleased to report this operating performance.

In closing, we always wish to take the opportunity to reinforce our loss control emphasis where we believe the best approach to curbing increases in your company's operating expenses is to strive to maximize your company's emphasis on loss control. To support you in obtaining this goal, we have four loss control engineers working in the field, and our website ([www.atacompfund.org](http://www.atacompfund.org)) dedicated to assisting our participating member companies in their loss control and safety program efforts. We encourage you to take advantage of these resources at no cost to you, and to remember to always **Work Safe / Work Smart**.

We hope this information will assist you in evaluating the strength and quality of our program.

Respectfully,

A handwritten signature in black ink that reads "Kimble E. Coaker". The signature is written in a cursive, slightly slanted style.

Kimble E. Coaker, CPA  
CEO and Administrator

Enclosures



## BOARD OF TRUSTEES

**Bruce MacDonald, Chairman**  
Fund Member Trustee  
President, Transport Refrigeration Sales & Service  
500 Daniel Payne Drive  
Birmingham, AL 35214  
Term: April 2009 – April 2012  
(205) 328-7278  
Fax: (205) 328-6769

**Ken Adams**  
Fund Member Trustee  
CEO, Southern Cal Transport, Inc.  
148 41<sup>st</sup> Avenue West  
Birmingham, AL 35207  
Term: April 2010 – April 2013  
(205) 323-0004  
Fax: (205) 323-0003

**Scott Smith**  
Fund Member Trustee  
Vice President, P & S Transportation, Inc.  
P. O. Box 8250  
Ensley, AL 35218  
Term: April 2008 – April 2011  
(205) 296-9588  
Fax: (205) 326-8901

**Nick Tolleson**  
Fund Member Trustee  
CEO/Co-Chairman, White Oak Transportation, Inc.  
2205 Hwy 20 W  
Decatur, AL 35602  
Term: April 2009 – April 2012  
(256) 432-0405  
Fax: (256) 432-0445

**Frank Filgo**  
Ex-Officio  
President and CEO, AL Trucking Association  
P. O. Box 2339  
Montgomery, AL 36102-2339  
Term: July 2010 – July 2011  
(334) 834-3983  
Fax: (334) 262-6504

**Skip Williams**  
Ex-Officio  
CEO, J-L Transportation  
2301 24<sup>th</sup> Avenue North  
Birmingham, AL 35234  
Term: July 2010 – July 2011  
(205) 321-4140  
Fax: (205) 321-4188

**Drew Linn, Vice-Chairman**  
Fund Member Trustee  
President, Southland International Trucks, Inc.  
P. O. Box 578  
Birmingham, AL 35201-0578  
Term: April 2009 – April 2012  
(205) 942-6226  
Fax: (205) 942-6311

**Carl Carson**  
Fund Member Trustee  
President, Carl Carson Truck Center, Inc.  
P. O. Box 320680  
Birmingham, AL 35232-0680  
Term: April 2008– April 2011  
(205) 592-9966  
Fax: (205) 592-8005

**Rusty Sprouse**  
Fund Member Trustee  
CFO, B & G Supply Company, Inc.  
P. O. Box 748  
Albertville, AL 35950  
Term: April 2008 – April 2011  
(256) 878-2928  
Fax: (256) 878-1527

**Beau Wicks**  
Fund Member Trustee  
President, Southeast Logistics  
P. O. Box 1309  
Tuscaloosa, AL 35403  
Term: April 2010 – April 2013  
(205) 759-1818  
Fax: (205) 349-3104

**Gail Cooper**  
Ex-Officio  
CEO, Boyd Bros. Transportation, Inc.  
3275 Highway 30  
Clayton, AL 36016  
Term: July 2010 – July 2011  
(334) 775-1400  
Fax: (334) 775-9310

**Bill Ward**  
Ex-Officio  
President/Owner, Ward International Trucks, LLC  
P. O. Box 5375  
Mobile, AL 36605  
Term: July 2010 – July 2011  
(251) 433-5616  
Fax: (251) 433-5617



# Workers Compensation Self Insurance Fund

P.O. Box 241605, Montgomery, AL 36124-1605

## BALANCE SHEET

March 31, 2011

### ASSETS

|   |                         |
|---|-------------------------|
| Assets:   |                         |
| Cash  | \$ 4,901,152.00         |
| Prepaid Expenses and Deposits                   | 556,518.65              |
| Accounts Receivable (net of allowance)          | 2,299,735.30            |
| Certificates of Deposit and Investments         | 56,251,551.33           |
| Deferred Tax Asset (net of liability)           | 120,488.07              |
| Building and Fixed Assets (net of depreciation) | <u>1,332,826.92</u>     |
| Total Assets                                    | <u>\$ 65,462,272.27</u> |

### LIABILITIES, RESERVES AND MEMBERS' EQUITY

|   |                         |
|---|-------------------------|
| Liabilities:                                    |                         |
| Accounts Payable and Escrow                     | \$ 1,059,521.61         |
| Unearned Contributions                          | <u>7,485,235.10</u>     |
| Total Liabilities                               | 8,544,756.71            |
| Reserves:                                       |                         |
| Reserves for Aggregate Losses                   | \$ 4,831,191.00         |
| Actuarial Reserves for Claim Losses             | <u>37,749,976.85</u>    |
| Total Reserves                                  | 42,581,167.85           |
| Members' Equity:                                |                         |
| Unrealized Gain/(Loss) on Investments           | \$ 377,908.83           |
| Retrospective Refund to Members                 | <u>13,958,438.88</u>    |
| Total Members' Equity                           | <u>14,336,347.71</u>    |
| Total Liabilities, Reserves and Members' Equity | <u>\$ 65,462,272.27</u> |



CONSOLIDATED STATEMENT OF INCOME AND DEDUCTIONS  
For the Three Months Ended March 31, 2011

|  |                   |                         |
|--|-------------------|-------------------------|
| Income:  |                   |                         |
| Contributions  |                   | \$ 6,683,499.00         |
| Cross Border Premium                                   |                   | 1,117,829.76            |
| Investments and Gain/(Loss) on Sale                    |                   | 876,524.86              |
| Other  |                   | <u>26,335.53</u>        |
| Total Income   |                   | 8,704,189.15            |
| Deductions:  |                   |                         |
| Claim Losses (net of reinsurance)                      | \$ 5,783,926.77   |                         |
| Total Claim Losses                                     |                   | 5,783,926.77            |
| Operating Expenses:                                    |                   |                         |
| Administrative   | \$ 425,078.48     |                         |
| Cross Border Admin. Fees                               | 346,527.24        |                         |
| Brokerage Expenses                                     | 411,769.31        |                         |
| Claims Service Fee                                     | 300,757.46        |                         |
| Excess Loss Insurance                                  | 223,269.02        |                         |
| Professional Services                                  | 145,727.51        |                         |
| Royalties  | <u>110,277.73</u> |                         |
| Total Operating Expenses                               |                   | <u>1,963,406.75</u>     |
| Total Deductions                                       |                   | <u>7,747,333.52</u>     |
| Excess Income Before Income Taxes                      |                   | 956,855.63              |
| Provision for Income Taxes (deferred)                  |                   | <u>0.00</u>             |
| Excess Income  |                   | 956,855.63              |
| Prior Years' Excess Income                             |                   | <u>57,902,977.75</u>    |
| Excess Income Before Retrospective Refund Distribution |                   | 58,859,833.38           |
| Retrospective Refund Distributed to Members            |                   | <u>44,901,394.50</u>    |
| Excess Income Held for Future Retrospective Refund     |                   | <u>\$ 13,958,438.88</u> |