

April 15, 2010, Issue 17

12222 Merit Drive, Suite 1660
Dallas, TX 75251
www.acig.com
(972) 702-9004

ACIG news

Annual General Membership Meeting

ACIG held its Annual General Membership Meeting on Friday, February 19, 2010 at the Four Seasons Resort in Las Colinas, TX.

We held three concurrent meeting sessions: CEO Reporting Forum, CFO Reporting Forum and the Operating, Legal and Risk Management Working Group. These sessions bring together our members, their agents/brokers and ACIG staff to discuss strategic issues and to develop tactical plans.

In the afternoon, we conducted our Board of Directors meeting. The improvement in the investments market helped produce significant economic benefits for our members.

Pre-tax Income	\$ 5,919,000
Retro Return Premiums	62,055,000
Policyholder Dividends	<u>35,337,000</u>
Total (12 months)	\$103,311,000

ACIG's Investment Portfolio

Asset Allocation as of December 31, 2009

	Market Value as of 12/31/09	Percent of Total
Insurance Reserves Portfolio	\$ 181,799,997	60.8%
BlackRock	\$ 181,799,997	
Capital Portfolio	\$ 116,968,593	39.2%
Equities		
Dodge & Cox (U.S.)	\$ 8,014,489	2.7%
Primecap	\$ 15,268,519	5.1%
Wellington Global Perspectives	\$ 10,775,996	3.6%
Calamos Global Growth & Income	\$ 7,035,569	2.4%
Convertibles		
Zazove	\$ 20,564,741	6.9%
Calamos Global Growth & Income	\$ 8,651,378	2.9%

INSIDE THIS ISSUE

- 2 Investment Portfolio Performance
- 2 Best Practices Session
- 3 Project Lifesaver Report
- 4 ACIG Group Purchasing Power
- 4 ACIG/Zurich Strategic Alliance
- 5 NCCI Gives ACIG "All A's"
- 5 ACIG Member Unique Projects
- 6 ACIG Contractors in the News
- 7 Employee Spotlight
- 7 ACIG Meetings and Workshops
- 8 Concluding Thoughts

<hr/> <i>“\$298,768,590 in total investments”</i> <hr/>	Fixed Income		
	Western-Absolute Return	\$ 21,967,542	7.4%
	T. Rowe Price High Yield Fund	\$ 2,368,649	0.8%
	Payden GNMA Fund	\$ 17,757,755	5.9%
	Real Assets		
BlackRock TIPS	\$ 4,563,955	1.5%	
TOTAL ASSETS	\$ 298,768,590	100%	
Shareholders' Equity (as of 12/31/09)	\$ 111,965,000		

Investment Portfolio Performance

ACIG utilizes a diversified investment portfolio that complies with the investment guidelines set forth by our investment committee. For fiscal year 2009, ACIG investments returned 15.2%.

Best Practices Session

Our 2010 Best Practices Session was held on Thursday, February 18, 2010 at the Four Seasons Resort in Las Colinas, TX. Our Best Practices Steering Committee developed a robust agenda. Chris Duinick, committee chairman, opened the day and challenged the attendees to open their minds and participate freely in the exchange of new ideas, concepts and Best Practices. Ken Jacob, CEO, Cajun Industries, LLC, provided a look into their Risk Management Committee and reported that over the course of 52 meetings, they had successfully completed over 520 action items. Industry group breakout sessions were facilitated by our members with assistance by ACIG staff.

The special emphasis topics were presented in concurrent sessions. This year's topics were:

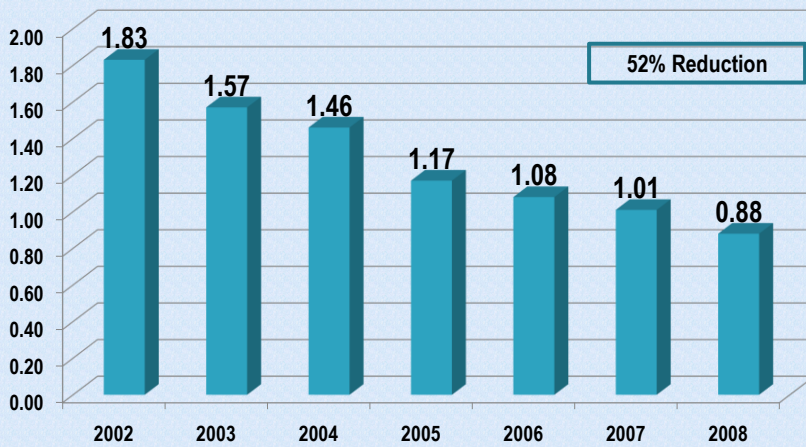
- ✓ Risk Management Best Practices for Joint Ventures
- ✓ WorkSTEPS – Essential Job Functions
- ✓ Safety Culture – Compliance vs. Commitment
- ✓ Electronic Document Management
- ✓ Management Safety Audits
- ✓ Wellness Programs

Special thanks to all of our presenters, members and ACIG staff for making our 2010 Best Practices Session a success.

Project Lifesaver Report

This loss reduction initiative was started in 2003, with the goal of reducing the frequency and severity of losses. Through our members' hard work and determination, we have been able to achieve a high level of success in reducing losses.

Project Lifesaver Workers Compensation – PLS Rate Per 200,000 Manhours

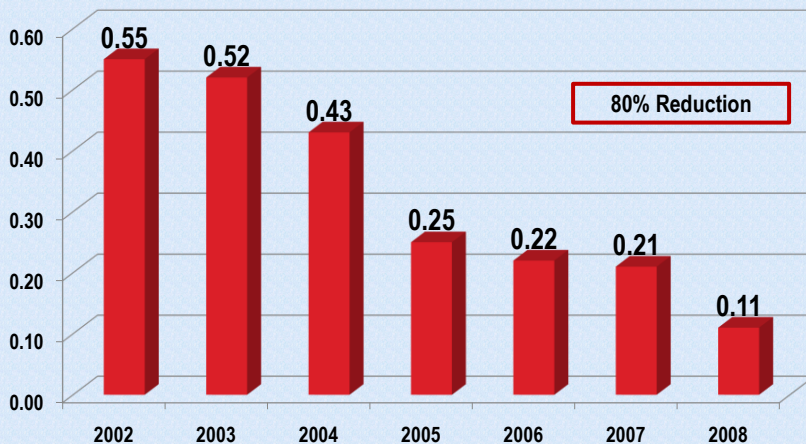


© American Contractors Insurance Group, Inc.



“A 52% reduction for workers compensation”

Project Lifesaver General Liability – PLS Rate Per 200,000 Manhours



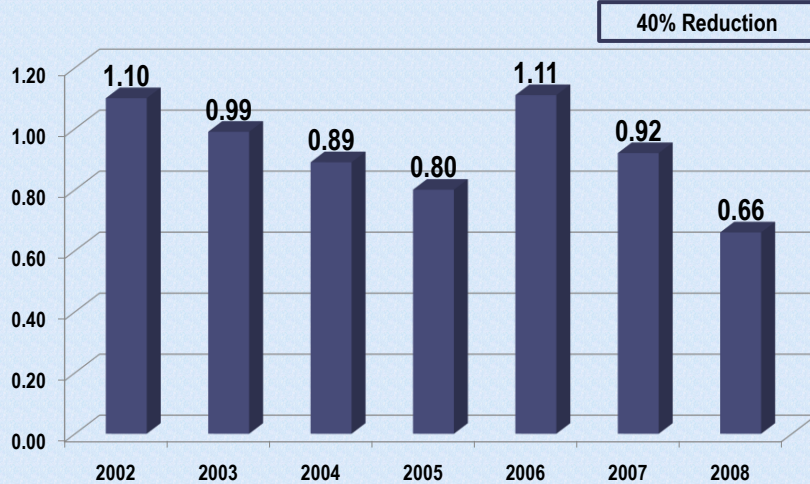
© American Contractors Insurance Group, Inc.



“General Liability losses have been reduced by 80%”

“2008 results showed a dramatic improvement”

**Project Lifesaver
Auto Liability – PLS Rate Per 100 Units**



© American Contractors Insurance Group, Inc.



ACIG Group Purchasing Power

One of the elements of ACIG’s mission statement is to “utilize our group purchasing power.”

Our group professional/pollution liability program is perhaps our most visible example of using the collective size and clout of our members to negotiate best of class coverage and preferred pricing.

ACIG has worked with a handful of selected suppliers and vendors to negotiate group purchasing discounts on certain products and services. Follow this link [ACIG’s Group Purchasing Programs](#) to find out more.

ACIG/Zurich Strategic Alliance

AZ Program Bound Projects

CCIP Projects	439
CCIP Construction Values	6,580,712,000
CCIP Estimated Premiums	147,911,532
Smallest Project	\$1,798
Largest Project	\$420,000,000

The AZ Program continues to produce very positive underwriting results. The AZ Program Management Committee meeting was held on March 4th in Chicago, Illinois, followed by our Alliance Report Session with Zurich.

NCCI Gives ACIG “All A’s”

ACIG Insurance Company is signatory to the National Council on Compensation Insurance (NCCI) affiliation agreement, which outlines our data reporting responsibilities. Information submitted includes:

- Financial Data – Timeliness and Quality
- Unit Statistical Data – Used in the Modifier
- Policy Data – Timeliness of Policy Issuance
- Detailed Claim Information – Timeliness and Quality

ACIG Insurance Company earned an “A” in each category.

ACIG Member Unique Projects

Paseo Corridor Constructors is a joint venture of Clarkson Construction Company, Massman Construction Co. and Kiewit Construction. The project was designed by Parsons Transportation Group and TranSystems.

Project Background

The kclCON project will reconstruct/rehabilitate about four miles of Interstate 29/35 from just north of Route 210 (Armour Road) in North Kansas City, Clay County, continuing south over the Missouri River into the northeast corner of the downtown Kansas City, Mo., freeway loop. The project includes improving outdated interchanges and the construction of an iconic river bridge to replace the existing Paseo Bridge that was originally constructed in 1952-54. The new structure will be named the Christopher S. Bond Bridge. An average of 102,000 vehicles travel this corridor each day - many as part of their daily commute, others traveling to points within the corridor, and others still making a longer journey to and from locations beyond the greater Kansas City area.



New ACIG Member

ACIG welcomes **Shimmick Construction Co., Inc.** Established in 1990, Shimmick Construction Company, Inc. became our 40th Member on February 28, 2010. Based in Oakland, California they are an Excavation and Heavy Contractor with operations in Southern and Northern California. Shimmick is currently ranked #311 on the ENR top 400 list. In the ENR Specialty Contractor rankings, they are listed as #4 in Dams and Reservoirs, #4 in Drinking Water Supply, #9 in Water Supply and #16 in Rail. Their mission is: *"Building the People and Projects that Improve America's Infrastructure."*

ACIG Contractors in the News

SpawGlass, along with owner Texas A&M University and architect O'Connell Robertson, earned first place recognition with a National Eagle Award for Excellence in Construction for their work on the Texas A&M University McFerrin Athletic Center project in College Station, TX. The approximately 190,000-sf project features ingenious design and construction techniques as well as a number of technological advancements that are new to the NCAA scene. The unique center includes two immediately adjacent, fabric-tensioned athletic facilities including the 115,000-sf Frosty Gilliam Indoor Track Stadium and a 75,000-sf indoor football practice facility. The track is the first venue to feature the indoor application of Mondotrack SX – the latest rubber track formulation from Mondo that was launched for the 2008 Olympics in Beijing, and is one of only a few facilities in the world to utilize a hydraulically banked running track.

Cajun Industries, LLC was awarded two safety awards by the U.S. Army Corps of Engineers. The Boomtown to Hero Pump Station Floodwalls, WBV01 and 02 worked over 600,000 manhours with zero lost time accidents.

Ajax Paving Industries, Inc. celebrated its annual safety day on March 18, 2010. Ajax has achieved over 1,600,000 manhours with zero lost time accidents.

TxDOT won the National Honor from the American Association of State Highway and Transportation Officials (AASHTO) for the reconstruction of the Katy Freeway in Houston, TX. **Williams Brothers Construction Co., Inc.** was a member of the TxDOT team that completed the \$2.8BB mega project ahead of schedule and within budget.

Employee Spotlight

Each quarter we feature one of our ACIG team members.

Employee Name: Julia Woods

Position at ACIG: Accounting Systems Manager

Years of Service: 5

Family Members: Husband, Michael Woods, step-daughter, Adelyn

Pets: 5 dogs (Pepper, Peanut, Petey, Shelby and Sophie)

Hometown: Murphy, TX

First Paying Job: Bagging groceries

Dream Car: Tesla Roadster Sport

Favorite Pastime: Spending time with family/friends/dogs, reading, yoga

Favorite Movies: The Wizard of Oz and anything with Robert DeNiro

Most Recent Book Read: The Guernsey Literary & Potato Peel Pie Society

iPod Favorites/Favorite Songs: Imagine by John Lennon, and everything by The Beatles

Dream Vacation: A month-long tour of Australia

People at Your Fantasy Dinner: Warren Buffett, Eleanor Roosevelt, John Lennon, Robert DeNiro and Lucille Ball

ACIG Meetings and Workshops

Date	Meeting	Place
April 20-22, 2010	Safety/Claims Workshop	Chicago, IL
September 21-23, 2010	Safety/Claims Workshop	Kansas City, MO
October 28-29, 2010	Risk Management Workshop	Laguna Beach, CA
November Date to be determined	In-House Legal Counsel Forum	Dallas, TX
January Date to be determined	ACIG University	Dallas, TX

Concluding Thoughts – Meetings’ Deliver Value in Challenging Times

In an era of social networking, video conferencing and webinars, and during this time of harsh economic challenges, it is prudent to question the relevance and value of holding in-person meetings.

These are extraordinary times and we know it’s not business as usual for anyone hosting a major construction industry event. That is why ACIG carefully reviews all aspects of our meetings to ensure we provide dynamic, substantial and beneficial programs.

We understand that it’s harder than ever to get away from the office and to invest time and resources required for in-person meetings. We see firsthand the intimate collaboration, detailed strategy and rigorous dialogue produced at these in-person events that simply do not occur using other forms of communication.

ACIG greatly appreciates our members’ participation and willingness to come together to address the issues of today and tomorrow. If you would like to express your thoughts on ACIG’s meetings, workshops and seminars, please contact me at (972) 687-9431.

All the best,



President