



# ACIG news

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## June 1, 2020 Renewal Report

ACIG had a very strong June 1, 2020 renewal. CNA is now providing our workers compensation reinsurance and fronting program. ACIG is still retaining the first \$7MM with CNA providing unlimited statutory coverage. In those rare instances when we need a fronted policy, CNA will issue the policies which are reinsured by ACIG. Under this new arrangement, ACIG will be handling the claims, which allows us to provide a seamless claims experience. We achieved a \$440,000 premium reduction along with a two-year commitment with CNA.

The following exhibit displays our estimated premiums by line of business.

### Projected Standard Premiums 6/1/20-21 Renewal

	Projected Standard Premiums (in 000's)
<b>Core</b>	
Workers Compensation	52,311
General Liability	86,211
Financial Guaranty	43,435
Auto Liability	13,193
<b>Total Core</b>	<b>\$195,150</b>
<b>CCIP</b>	
Workers Compensation	9,858
General Liability	31,959
<b>Total CCIP</b>	<b>\$ 41,817</b>
<b>Grand Total</b>	<b>\$236,967</b>

Utilizing American Contractors Risk Purchasing Group (ACRPG), we act as the Program Manager for non-captive business. Currently, we have two (2) programs.

1. **Group Contractors Professional and Pollution Liability** – We aggressively marketed the program and the new primary insurer is Berkley while AXA XL retained the excess limits. We achieved significant reductions in rates and premiums while expanding the limits and coverage. Limits are \$50,000,000/\$150,000,000 providing true balance sheet protection. Twenty-six (26) Members participate with annual premiums of \$6,484,916.
2. **Group Cyber** – In spite of a challenging market, we were able to expand our limits to \$100,000,000/\$100,000,000. We utilized six (6) underwriters in providing these limits. Thirty-four (34) Members participate with annual premiums of \$879,431.

In spite of COVID-19's impact on our operations, we were successful in meeting our objective of delivering all our state-side policies before the effective date. We have a great team of dedicated professionals supporting our Members.

## The Impact of COVID-19 on ACIG

On March 13, 2020, ACIG formed its Crisis Response Team (CRT) to act as an integrated nerve center in responding to the challenges presented by the novel COVID-19 virus. In the early stages of the pandemic, we met twice daily to respond to the news that was constantly changing. We used these sessions to develop and rollout our remote work protocols. Within a matter of days, we were up and running due to our investments in building out our digital capabilities over the past 2-3 years.

Currently, we have our 20 of our 95 employees working from our Richardson office which is comprised of our senior leadership team and select support staff. The rest of our team is working remote. We have written ACIG's COVID-19 Office Reintegration Plan and will begin to bring more of our team back to the office at the appropriate time. Click [here](#) to review the plan.

As of this date, we have received one COVID-19 workers compensation claim, which was denied due to lack of support that the employee contracted the virus at work. Several states have amended their workers compensation laws by adding or amending their presumption standards.

Presumptions are mechanisms in workers compensation law used to switch the burden of proof in claims. Instead of the injured worker needing to prove the injury occurred in the course and scope of their employment, these presumptions state that the illness or injury is presumed to have occurred while on the job. Some presumption laws were already in place but mainly applied to firefighters and first responders who filed claims related to heart and lung diseases and sometimes cancer where exposure could have occurred on the job.

In spite of the challenges in shifting to a largely remote work force, we were able to accomplish the following items:

1. Negotiated a new workers compensation reinsurance and fronting program with CNA.
2. Conducted over thirty (30) COVID-19 safety/quality town hall virtual meetings.
3. Presented and finalized all of our current Members' insurance programs.
4. Issued all stateside policies prior to the effective date of coverage.
5. Successfully completed our prospective Member due diligence protocols for four (4) new Members.
  - a. The PENTA Building Group, LLC – 6/1/2020
  - b. Rogers-O'Brien Construction Company, LLC – 7/1/2020
  - c. The Fishel Company (Team Fishel) – 8/1/2020
  - d. Angel Brothers Enterprises, Ltd. – 10/1/2020



## ACIG Financial Report June 30, 2020

### *Balance Sheet Profile (000's)*

ACIG reported total assets of \$578,260 as of June 30, 2020 versus assets of \$560,307 reported at December 31, 2019. ACIG's shareholders' equity was \$199,283 versus \$199,512 at December 31, 2019. ACIG's investments and capital were adversely affected by the pandemic sell-off during the quarter ended March 31, but investments and capital largely recovered during the second quarter.

### *Operating Results for the Year Ended December 31, 2019 (000's)*

ACIG reported pretax income of \$27,012 for the six months ended June 30, 2020 before policyholder dividends and other return premiums of \$25,958 and related bonuses of \$4,545. ACIG accrued premium refunds of \$25,958 payable to the ACIG insureds pursuant to our capital management strategy versus budgeted transactions of \$21,460. Profit distributions were made in excess of earnings to reduce ACIG's capital. ACIG has a capital target of \$188,500 versus actual capital of \$199,283. ACIG reported a net loss of \$2,602 for the six months ended June 30, 2020 versus budgeted net income of \$2,959.

## ACIG Welcomes The PENTA Building Group, LLC



PENTA made the decision to become an ACIG Member effective June 1, 2020. ACIG virtually held The Meet the Partners session on May 27, 2020, and representing the membership were Stan Pepper, Greg Schmidt and Bill McIntyre. With the addition of PENTA, they are ACIG's 37th active premium paying Member.

PENTA was founded on April 3<sup>rd</sup>, 2000 by Jeff Ehret (current CEO), Ken Alber (current Principal) and Blake Anderson, and they have offices in Las Vegas, Reno, Phoenix, Los Angeles and Palm Springs. They specialize in commercial projects and also perform construction management services, design/build and project management for their clients. PENTA's projects include a variety of business segments, including hospitality/entertainment, gaming, education, healthcare, Native American, industrial, public works, distribution, retail and commercial. Impressive projects include Las Vegas' T-Mobile Arena and teaming up with Pankow to construct Metropolis R3, a 56-story high-rise residential tower in downtown Los Angeles.

PENTA consistently receives recognition for their accomplishments with awards such as ENR Southwest Contractor of the Year, AGC/Nevada Contractors Association's Safety Contractor of the Year and AGC National's AGC in the Community Award. With PENTA's commitment to safety, their people-focused culture and dedication to improve the quality of life in local communities, they will make a great addition to ACIG's membership.



## ACIG Welcomes Rogers-O'Brien Construction Company, LLC

Rogers-O'Brien Construction made the decision to become an ACIG Member effective July 1, 2020. ACIG virtually held The Meet the Partners session on June 24, 2020, and representing the membership were Matt Gray, Greg Williams, Tom Vaughn and Bill McIntyre. With the addition of Rogers-O'Brien Construction, they are our 38th active premium-paying member.



**Rogers-O'Brien**  
CONSTRUCTION

Rogers-O'Brien was formed by childhood friends Steve Rogers and Pat O'Brien in 1969. They were awarded their first project with a contact value of \$11,000. The single stall truck wash station was completed in four months and launched Rogers-O'Brien. They are ranked as the 169th largest contractor by *ENR*.

An early adopter of the design/build method of project delivery, they leverage their in-house engineers and architects along with their construction resources. Rogers-O'Brien is a recognized leader in deploying construction technology on its projects. In 2011, they made the transition from paper drawings to iPads in the field, reducing expenses while improving productivity and quality on its projects.

They have a very diverse commercial construction resume including corporate, retail, industrial, interiors, mixed use, K-12, higher education, worship, healthcare, and senior living. They have operations in Dallas, Austin, Houston and San Antonio. They have highly effective safety and quality programs and will make a great addition to ACIG's membership.

## ACIG Welcomes Team Fishel

Team Fishel made the decision to become an ACIG Member effective August 1, 2020. On July 9<sup>th</sup>, we conducted the Meet the Partners session. Bill and I were in Columbus, Ohio, while three executive committee members joined us via our GoToMeeting platform. Representing the Membership were Bill McIntyre, Jim Danella, Kevin Small and Jim Swanson. Team Fishel attendees were John Phillips, President/CEO, Paul Riewe, CFO and Ken Katz, Vice President. We will be writing their Workers Compensation, Auto and General Liability Insurance. Team Fishel will be our 39th active premium-paying Member. We worked closely with their broker, McGriff, who made the initial introduction.



Ken Fishel founded the company in 1936 in Columbus, Ohio. He was committed to providing the customer a high quality job at a fair price. Their shared core values are: Be Accident Free, Honor our Commitments, Promote Team Fishel, Be the Solution, Commit to High Performance, Fund the Cash Profit Sharing Plan and Remain Union Free. Team Fishel's Guiding Principles are "Respect, Honesty, Integrity, Commitment, Honor and Trust."

They provide engineering, construction services, network installation and commercial security services. Team Fishel serves the electric, natural gas, telecom and broadband communications industry. Currently they have a workforce of 2,600 working from their area office locations in 28 states.

In their 84 years of operations, they have developed a very strong resume of high profile projects along with very effective safety and quality programs. Team Fishel will make a great addition to ACIG's Membership.





## In Memoriam Thomas B. Schueck

*March 22, 1941 – March 3, 2020*

“Tom Schueck was a force to be reckoned with — both in business and in life. A titan of the steel industry, he approached every day with determination, melding blue-collar work ethic with innovative ideas to transform a fledging small business into one of Arkansas’s largest companies. But above all, he was a public servant and philanthropist whose generous spirit helped countless Arkansans in their pursuit of the American dream. No matter where he was, Tom captivated others with his larger-than-life personality, sarcastic wit and intellect, and he will be sorely missed by his wife, children, grandchildren and all who knew him,” Patrick Schueck said.

“Early this morning, the state of Arkansas lost a true leader in business and public service. Tom Schueck created jobs in Arkansas. He helped build the steel industry in our state. He was devoted to his family. He was a diligent and effective Chairman of the Arkansas State Highway Commission. His blunt talk and his wry sense of humor will be missed,” Asa Hutchinson, Governor, State of Arkansas, said in a statement.

Tom generously shared Lexicon’s profits with personnel and routinely helped employees and their families in need. In addition, he and the Schueck Family Foundation have been long-time supporters of the University of Arkansas for Medical Sciences, Arkansas Children’s, Baptist Health Foundation, St. Vincent’s Foundation, Indiana University Cancer Research, UAMS Winthrop P. Rockefeller Cancer Institute, Moog Center for Deaf in St. Louis, University of Arkansas Foundation, UA Little Rock Donaghey College of Engineering and Information Technology, University of Arkansas Clinton School of Public Service, Razorback Foundation, Heifer International, AEDC Foundation, Clinton Foundation, John F. Kennedy Center for the Performing Arts, P.A.R.K., Single Parent Scholarship Fund of Pulaski County, Watershed Human and Development Agency, Our House, and many others.

Tom was blessed with a devoted wife of 53 years, Marge; a daughter, Jennifer S. McCarty, and her husband, Mark, of Little Rock; a son, Patrick T. Schueck, of Little Rock; five wonderful grandchildren, Caroline McCarty, Harrison McCarty, Mason Schueck, Ava Schueck, and Hayden Schueck, all of Little Rock; and a sister, Pat Ahrens, of North Port, Florida.



## CCIP Report

Twelve of our Members are utilizing Contractor Controlled Insurance Programs (CCIPs) to insure their operations, the project owners, and their enrolled subcontractors. This is accomplished by sponsoring a Project Specific or Rolling Contractor Controlled Insurance Program.

On both Rolling CCIP and the Project Specific CCIPs, the Member has the option of including the Workers Compensation in addition to the General Liability and Umbrella/Excess Liability.

CCIP Program to date information as of May 31, 2020:

Total Projects	2,450
Total Construction Value	<u>\$25,202,024,349</u>
<b>ACIG Premiums</b>	
Workers Compensation	\$115,019,774
General Liability	<u>\$256,665,265</u>
<b>Subtotal</b>	\$371,685,039
Umbrella/Excess	<u>\$124,198,535</u>
<b>Total</b>	<u>\$495,883,574</u>

Our CCIP program underwriting results shows a 30.4% loss ratio, compared to 34.8% for our Core Program.

## SWAT Results

For the policy year June 1, 2019 to 2020 we conducted eight (8) SWAT investigations.

Five (5) of the SWAT investigations were triggered by an employee or subcontractor’s death.

- Motor Vehicle Accident 1
- Fall from Height 1
- Crushing, Caught In Between 2
- Struck by Equipment 1
- 5





## Mike Crawford Named 2020 President of The Beavers

Michael Crawford, Chief Executive Office of Sukut Construction LLC was installed as the 2020 President of The Beavers at the 63<sup>rd</sup> Annual Golden Beaver Awards Dinner. Sukut is one of the largest earth-moving contractors in Southern California.

Under Mike's leadership, the company has been honored with more than 30 top industry awards, including "Contractor of the Year" and "Best Place to Work." Sukut joined ACIG in 2005 and Mike has served on our Executive Committee.



# THE BEAVERS

A HEAVY ENGINEERING CONSTRUCTION ASSOCIATION



## ACIG Contractors in the News

Twenty three (23) ACIG Members were included on the 2020 Engineering News Record list of the Top 400 Contractors.

*(in alphabetical order)*

<b>Member</b>	<b>Rank</b>
Berglund Construction Company	338
BMW Constructors, Inc.	266
Cajun Industries Holdings, LLC	205
Danis Building Construction Company	233
Goodfellow Bros. LLC	118
Graycor Inc.	128
The Haskell Company	86
Hoar Holdings, LLC	106
Hoffman Construction Corporation	38
The Jaynes Companies	367
Kitchell Corporation	177
LeChase Construction Services, LLC	112
Nabholz Construction Corporation	103
Charles Pankow Builders, Ltd., A California LP	156
The PENTA Building Group, LLC	109
The Pepper Companies, Inc.	73
Phillips Infrastructure Holdings, Inc.	213
Saunders Construction, Inc.	179
Sellen Construction Co., Inc.	219
SpawGlass Employee Holding Company	136
Sukut Construction, LLC	316
Wagman Heavy Civil, Inc.	385
Williams Brothers Construction Co., Inc.	163

**Clarkson Construction Company** is celebrating its 140-year anniversary. In 1880, G.G. (George Clarkson) founded the Grading Contractor that grew into Clarkson Construction. He used the muscles of men, mules and horses to clear and excavate home sites. Now in its sixth generation, family owned Clarkson sets the standard using 21<sup>st</sup> century technology.



**Danella Companies, Inc.** supports the National Work Zone Awareness week, "Safe Work Zones For All." In 2018, there were a staggering 784 work zone fatalities. Of those deaths, 124 were construction workers. Wear High-Vis orange to honor those who have been killed in work zones and to show your support of roadway safety.



Engineering News Record (ENR) did a feature article on **The Haskell Company** in its June 5, 2020 issue. Click [here](#) for a link to the article.



**KS Industries, LP** is celebrating its 60<sup>th</sup> anniversary.







## ACIG News and Notables

### Bermuda's Captive Hall of Fame

ACIG, Ltd. will be inducted into Bermuda's Captive Hall of Fame at the 2020 Bermuda Captive Insurance Conference to be held September 9-11, 2020 at the Fairmont Southampton Hotel.

The Hall of Fame was created in 2016 to highlight captive entities with a long-standing commitment to the Bermuda market. The accolade is given to those that have completed 25 years of business on the island. ACIG, Ltd. commenced business in 1981.

*"Our Captive Hall of Fame not only is a tribute to companies that have made a significant contribution to the island's economy, community, and reputation, but also reflects the evolution of Bermuda's globally significant insurance market," said Mike Parrish, conference chair. "It's a testament to the spirit of innovation that is the foundation of this industry."*

Bermuda is the largest captive domicile with over 715 captives, developing over \$54BB of gross annual premiums.

**ACIG** is proud to announce the following promotions:



- **Mary Kilany** has been promoted to General Counsel, previously she served as Associate Counsel. Mary joined ACIG in 2019.
- **Alida Marraccino** has been promoted to Workers Compensation Claims Consultant, previously she served as Workers Compensation Adjuster. Alida joined ACIG in 2003.
- **Phil Oglesby** has been promoted to Claims Manager, previously he served as Senior Claims Consultant. Phil joined ACIG in 2010.
- **Austin Cary** has been promoted to Compliance Controller, previously he served as Compliance Account Manager. Austin joined ACIG in 2017.
- **Bonnie Patterson**, our long-time Human Resource Manager has retired. Bonnie joined ACIG in 1987. Over the years she provided outstanding service to ACIG employees.
- **Emily Martineau** has joined ACIG as Human Resource Manager, she has many years of human resource experience.
- **Mackenzie Lofland** has been promoted to Safety Coordinator, previously she served as a Technical Safety Assistant. Mackenzie joined ACIG in 2015.



## ACIG Thought Leadership

Our team of insurance, risk management, safety, quality and claims professionals have written six (6) Lessons Learned Bulletins and newsletters since March 15, 2020.

“Undermined Bridge Drill Shaft,” written by Larry Owen, Manager – Quality Division. [Click here](#)\* to read his Lessons Learned Bulletin.

“Life-Saving Commitments Newsletter,” March 2020, written by the ACIG Safety team. [Click here](#)\* to read the newsletter.

“Loading and Unloading Concrete Barrier Walls,” written by Carl Heinlein, Senior Safety Consultant. [Click here](#)\* to read his Lessons Learned Bulletin.

“304L Stainless Steel Thread tolerance Issues with Fabricated Piping,” written by Collin Sutt, Quality Consultant. [Click here](#)\* to read his Lessons Learned Bulletin.

“Quality News Network,” June 2020, written by the ACIG Quality team. [Click here](#)\* to read the newsletter.

“Life-Saving Commitments Newsletter,” July 2020, written by the ACIG Safety team. [Click here](#)\* to read the newsletter.

*\*Please use your ACIG provided login to access the link to ACIG’s SharePoint system. Your login is specific to your company and is shared by your staff companywide. ACIG has previously provided this information to your company’s gatekeeper.*

*If you have any login questions, you may contact [spSupport@ACIG.com](mailto:spSupport@ACIG.com).*



## ACIG Education and Networking Calendar

### 2020

SCW

**Safety/Claims Workshop**  
TBD – Virtual

ARMW

**Autumn Risk Management Workshop, CCIP Sponsor Meeting  
and Executive Committee**  
TBD – Virtual

### 2021

ACIGU

**ACIG University**  
January 2021  
Grand Hyatt DFW Airport  
Dallas, Texas

AGM

**Annual Meeting, Best Practices and Executive Committee**  
February 24-27, 2021  
Four Seasons Las Vegas  
Las Vegas, NV

VCF

**Vail Contractors Forum**  
March 2021  
Four Seasons Vail  
Vail, Colorado

CCIP

**CCIP Sponsor Meeting**  
March 2021  
Scottsdale, Arizona

LCF

**In-House Legal Counsel Forum**  
April 2021  
Grand Hyatt DFW Airport  
Dallas, Texas

ECM

**Executive Committee Meeting**  
*(By Invitation Only)*  
April 21-24, 2021  
Rosewood Bermuda  
Bermuda

BQS

**Builders Quality Summit**  
TBD

SCW

**Safety/Claims Workshop**  
September 2021  
San Diego, CA

ARMW

**Autumn Risk Management Workshop, CCIP Sponsor Meeting  
and Executive Committee**  
October 20-23, 2021  
Four Seasons Chicago  
Chicago, IL



## Final Thoughts

Navigating the COVID-19 crisis is like running a “marathon in a minefield.” It is certainly not a sprint and the road ahead is not smooth or even predictable. It is a true test of leadership, which has required us to adopt new workflows and increase communications with our team members.



Chief Executive Officer

