



December 2, 2019, Issue 50

2600 N. Central Expressway, Suite 800
Richardson, TX 75080
www.acig.com
(972) 702-9004

ACIG

news

INSIDE THIS ISSUE

- 3 ACIG's Financial Report
- 4 ACIG's Investment Portfolio
- 5 ACIG's "SWAT Team" Action Profile
- 6 SWAT Investigations
- 6 ACIG's History with Associated General Contractors (AGC)
- 7 Performance Excellence Peer Group (PEPG)
- 8 ACIG Contractors in the News
- 9 ACIG News and Notables
- 10 ACIG Thought Leadership
- 11 ACIG Education and Networking Calendar
- 12 Final Thoughts

The Crane Has Been Perfect Since 515 B.C.

It is hard to overestimate the influence of ancient Greek society on architecture. Buildings like the Temple of Poseidon, the Temple of Artemis and the Parthenon of Athens, have astonished visitors for thousands of years. The Greeks were able to build the column-packed structures and more with the help of one of their most productive inventions; the crane.

It is widely accepted that cranes were first used as a tool in 515 B.C. The foremost discovery of the Greeks in building technology is the crane. No previous civilizations are known to have used it, and it has remained central to building construction without remarkable changes for nearly 25 centuries – because it was perfect.

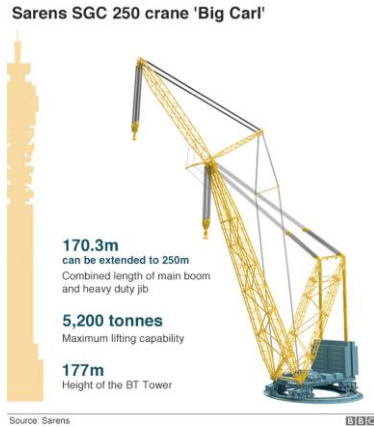
The heyday of the crane in ancient times came during the Roman Empire, when construction activity soared and buildings reached enormous dimensions. The simplest Roman crane consisted of a single beam jib, a winch, rope and a block containing three (3) pulleys. Producing a mechanical advantage of 3:1, it allowed a single man to raise 150 KG. The crane components were constructed from wood.

As time progressed, the wooden crane members were replaced with iron and steel, which allowed heavier loads to be lifted. The first mechanical cranes employed steam-power and this evolved into the use of other power sources, gas engines, hydraulics, etc.

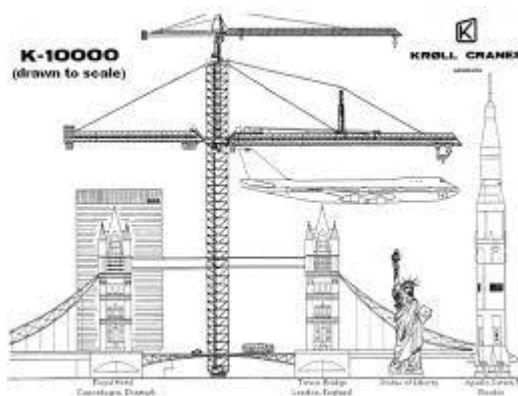
Cranes come in a variety of sizes and lifting applications. Today, the UNIC URW-094 mini crane is the smallest and lightest mini crane in the world. It weighs just 1,000 KG, but is still capable of lifting 995 KG, so it is perfect to use in confined spaces. It utilizes a radio remote control system for operation.



Big Carl is the world's largest land-based crane. It is in use at the Hinkley Point Nuclear Power Plant project in the U.K. It will lift over 700 of the heaviest pre-fabricated components. It can operate at a height of 820 feet; it has a radius reach of 900 feet and can lift 5,200 tonnes.



One of the world's tallest tower cranes is the Kroll K-10000. Standing over 400 feet tall with a 260-foot jib reach, it can lift 120 tonnes at a radius of 265 feet.



The world's largest airport is under construction in Istanbul. It is utilizing 58 EC-H series Liebherr tower cranes. The \$11.7 billion airport will have four terminals, six runways, 16 taxiways, 165 bridges and span 29.5 square miles.



As we look at the new technology age, there will be some exciting improvements in the way we build buildings and structures, but the crane will still be one of the most important tools ever invented.



ACIG Financial Report September 30, 2019

Balance Sheet Profile (000's)

ACIG reported total assets of \$550,554 as of September 30, 2019 versus assets of \$498,518 reported at December 31, 2018. ACIG's shareholders' equity increased to \$192,407 as a result of strong investment performance (versus \$174,722 at December 31, 2018). ACIG adopted ASU 2016-01 effective January 1, 2019 and, as a result, holding gains for common stocks of \$8,695 (pretax) for the nine months were recognized in income (versus recognition in prior years as net unrealized gains, a component of shareholders' equity). Effective January 1, 2019, ACIG reclassified \$9,145 (net of tax) of holding gains on common stocks from "net unrealized gains" to beginning retained earnings. The net unrealized appreciation for fixed income securities increased \$9,889 (net of tax) for the nine months.

Operating Results for the Nine Months Ended September 30, 2019 (000's)

ACIG reported pretax income of \$52,752 for the nine months ended September 30, 2019 before policyholder dividends and other return premiums of \$35,752 and related bonuses of \$6,260. ACIG accrued premium refunds of \$35,752 payable to the ACIG insureds pursuant to our capital management strategy versus budgeted transactions of \$30,130. Pretax income was \$10,740, \$7,370 more than budgeted as a result of recognizing \$8,695 of holding gains for common stocks. ACIG reported net income of \$8,675 for the nine months ended September 30, 2019 versus budgeted net income of \$2,954.



ACIG's Investment Portfolio

Asset Allocation as of September 30, 2019

	Market Value	Percent of Total
Insurance Reserves Portfolio	\$ 324,500,556	62.1%
<i>Reserve Liabilities</i>	\$ 324,500,556	
BlackRock	\$ 289,221,129	
State Deposits	\$ 34,850,288	
Pending Transfer to Capital Portfolio	\$ 429,139	
Capital Portfolio	\$ 198,138,282	37.9%
Equities		
Dodge & Cox (Global)	\$ 9,920,263	1.9%
Vanguard PRIMECAP	\$ 40,795,803	7.8%
Vanguard – International Growth	\$ 9,054,587	1.7%
Wellington Global Perspectives	\$ 6,385,442	1.2%
Angeles GEO Fund Insurance Company	\$ 27,129,290	5.2%
Angeles GEO Fund Limited	\$ 6,138,736	1.2%
Absolute Return		
AIA Absolute Return Fund	\$ 26,524,932	5.1%
Fixed Income		
Western – Absolute Return	\$ 15,441,069	3.0%
T. Rowe Price High Yield Fund	\$ 6,058,735	1.2%
Angeles DIF Fund	\$ 35,799,618	6.8%
Crescent High Income	\$ 15,318,947	2.9%
Pending Transfer from Reserves Portfolio	\$ -429,139	-0.1%
TOTAL INVESTMENTS	\$ 522,638,838	100%

*“\$522,638,838
in total investments”*



ACIG’s “SWAT Team” Action Profile

The SWAT team concept was created to identify (a) the group of people who should respond immediately to catastrophic and/or potentially large claims and (b) the swift actions to be taken early on in the claims investigation and management process to get control of the facts and set the strategy to be followed in the defense of these types of claims.

The SWAT team is activated immediately upon Member notice to ACIG of an incident which meets the “Rule of Ten” criteria.

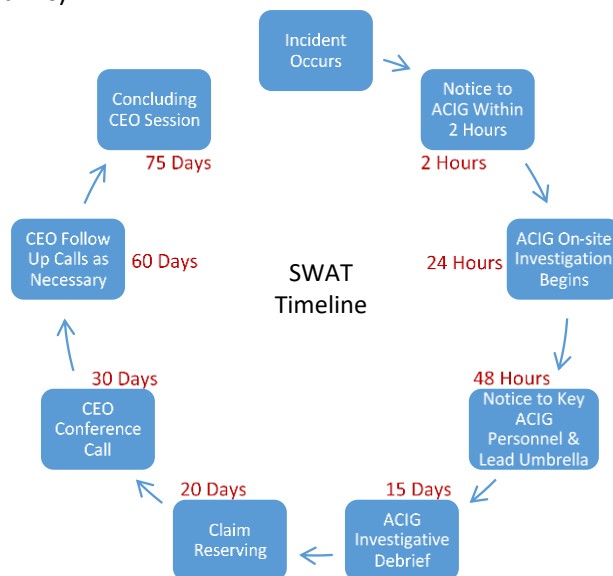
The SWAT team is composed of:

- Member CEO (or other designated top management person)
- Member Division Manager
- Member Safety Director and/or Claims Manager
- Selected Defense Counsel
- ACIG Claims Consultant

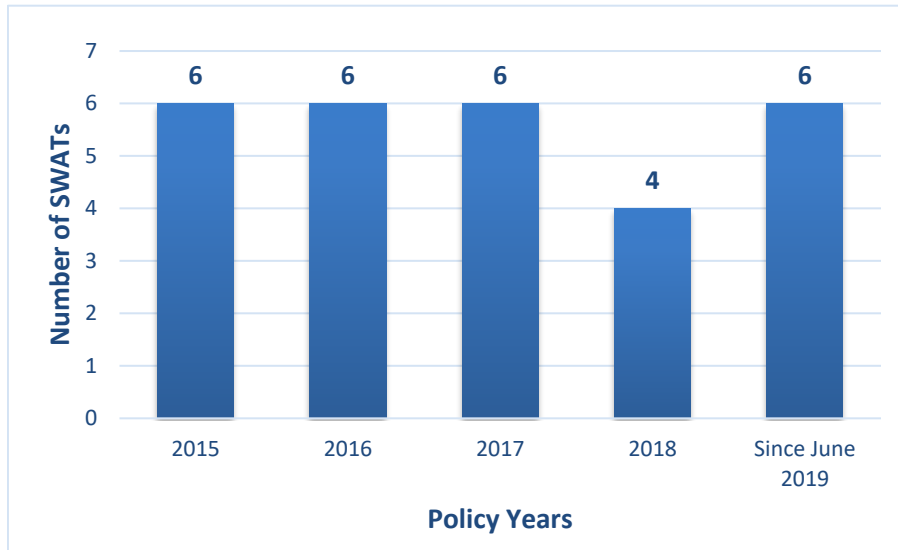
Immediate activation of the SWAT team is mandatory unless otherwise jointly agreed to by the Member CEO and ACIG’s CEO.

Rule of Ten

1. Death
2. Brain injury
3. Injury resulting in partial or total paralysis
4. Amputation or 100% loss of use of an upper or lower extremity
5. Injury resulting in blindness or partial blindness
6. Severe burn or severe scarring injury
7. Heart attack or stroke
8. Life-threatening bodily injury
9. Sudden and accidental pollutant discharge
10. Extensive property damage or business interruption (including construction defect claims)



SWAT Investigations



ACIG's History with the Associated General Contractors (AGC)

Before ACIG was formed in 1981, Bill McIntyre was actively involved with the Associated General Contractors of America as a consultant, author of risk management articles and member of the AGC Risk Management Committee. His activities led to risk management consulting projects for a number of AGC contractors. Many of Bill's consulting clients participated in the ACIG Captive Feasibility Project that led to the formation of ACIG. Here is a list of ACIG Members that have served as President of the Associated General Contractors of America:

H.C. "Tony" Heldenfels, Heldenfels Brothers Construction – 1982

Richard Pepper, The Pepper Companies, Inc. – 1983

James D. Pitcock, Williams Brothers Construction Co., Inc. – 1984

Verne Lindstrom, Kitchell Corporation – 1985

Howard Mock, The Jaynes Companies – 1997

Al Landes, Herzog Contracting Corp. – 2014

Paul Diederich, Industrial Builders – 2018

Robert C. "Bob" Lanham, Williams Brothers, will be installed as the President at the 2020 AGC annual convention in Las Vegas on March 12, 2020.



Performance Excellence Peer Group (PEPG)

Our newest peer group is rapidly gaining strength and Members with each passing meeting. The group initially started as a seed group to test the concept, but after robust interest and value added takeaway's the group has opened to all ACIG Members who wish to participate. The group started with two Members (Graycor and Berglund) and has grown in the past two years to 19 Members, with four more planning to attend the sixth meeting in February 2020 at the Annual General and Best Practices Meeting.

The PEPG's purpose is to advance Construction Business Performance Excellence (Big Q) through continuous improvement, benchmarking and peer collaboration. The group will help explore how a company is accomplishing the organization's mission and key objectives in seven critical areas: Leadership, Strategy, Customers, Measurement/Analysis/Knowledge Management, Workforce Development, Operations and Results in Five Key Areas.

Attendees at the most recent meeting in Boston, MA explored questions and experience related to Operations Processes, Execution and Effectiveness.

- Processes: Organizational Structure – Work Processes and Supply Chain Management.
- Execution: Results – How do you monitor product performance and process effectiveness results?
- Effectiveness: Key Performance Indicators/Metrics, Work Process Improvement and Effective Management of Operations.

Previous meetings focused on: Leadership Development, Accountability and Improvement of Personal/Organizational Performance, Leadership around the Workforce, the Performance Excellence Journey of Each Company and Self-Assessment Scores.

To request attending the next meeting in February in Palm Springs, CA, please contact Larry Owen (972-687-9411 or larry.owen@acig.com) or Karl Weber (972-687-9401 or karl.weber@acig.com).



Bill Duguay



Tom Vaughn



Fred Berglund and Dave Wing



ACIG Contractors in the News

The National Maintenance Agreements Policy Committee (NMAPC) presented its prestigious Gold Star Award to **BMWC Constructors, Inc.** in recognition of completing 1,610,220 hours without an incident at a refinery project in Joliet, IL.



Associated Builders and Contractors (ABC) New Orleans/Bayou Chapter recognized **Cajun Industries Holdings, LLC** for its safety performance in five different categories.



Engineering News Record (ENR) released its Top 600 Specialty Constructors. The following ACIG Members were included on the listing:

- Murphy Corporation #82
- Danella Companies, Inc. #87
- Hill Mechanical Corp. #106

The Haskell Company took home three (3) Associated Builders and Contractor Eagle Awards for the following projects:



- The Church of Jesus Christ of Latter Day Saints; Barranquilla, Columbia
- Frisch Welcome Center, Jacksonville University; Jacksonville, FL
- Hale Koa Hotel Maile Tower Renovations; Honolulu, HI

The Hill Group is celebrating its 83rd anniversary.



Hoar Holdings, LLC has earned a designation as a Great Place to Work Certified Company.



Last year **Kitchell Corporation** began an initiative to honor its founder, Sam Kitchell, and engage in a very big way in the communities where it operates. Kitchell's Founder's Day takes place sometime around Sept. 11, which is National Day of Service and the day Sam Kitchell passed away in 2006. Kitchell job sites and offices from all over the country dispatch volunteers to work at charitable organizations in the communities where they operate. The organizations benefit from \$25 per volunteer hour contributions, and Kitchell employee-owners benefit intrinsically with camaraderie and teambuilding. In its inaugural year the company drew 255 volunteers and 1,013 hours, and \$17,000-plus in donations. This past year the effort drew 430 participants and nearly \$30,000 in community contributions. The Founder's Day image (a cartoon likeness of Sam Kitchell) has taken on iconic status with shirts, signs, stickers and even socks. A great byproduct of Founder's Day is unifying Kitchell's diverse workforce comprised of five very different operating companies.



[Click here](#) to view the Founder's Day 2019 YouTube video.





Nabholz Construction Corporation has acquired Continental Machinery Movers and opened a Nashville, TN office. This will expand their industrial projects capabilities.



The Pepper Companies, Inc. was named *Engineering News Record's* Midwest Contractor of the Year. The 1060 Project at Wrigley Field was chosen as the *ENR's* Midwest Best of Reconstruction Project.



Two **Phillips Infrastructure Holdings, Inc.** projects were recognized by *Engineering News Record's* 2019 Southeast Best Projects:

- Catawba Rain Water Reservoir Expansion Project
- Central Pasco County Beneficial Water Reuse Project



Wagman Heavy Civil, Inc. was presented with a 2019 Excellence Award for their York Academy Upper School Project.

ACIG News and Notables

2019 IRMI Construction Risk Conference Presenters



James Shay, Executive Vice President Risk Services, “IRMI Boot Camp – Building a Firm Foundation in Construction Risk Management”



Rob Berryman, Safety Consultant, “IRMI Boot Camp – Building a Firm Foundation in Construction Risk Management” and “A Comprehensive Approach to Preventing Serious Injuries and Fatalities”



Rene Pinson was promoted to Vice President of Claims. She previously served as our In-House General Counsel for 3 ½ years.



Karl Weber was promoted to Senior Quality Consultant. He celebrated his six-year work anniversary in August.



Mike Dickerson joined ACIG as a Safety Consultant. He brings over 12 years of experience, most recently with Whiting-Turner, a large General Contractor.



ACIG Thought Leadership

Our team of insurance, risk management, safety, quality and claims professionals have written six (6) Lessons Learned Bulletins, newsletters and white papers since August 15, 2019.

“Using Aircraft Services for Construction Projects: Risk Transfer and Insurance Considerations,” written by Mary Kilany, Associate Counsel. [Click here](#)* to read her white paper.



“Poor Materials Securement Creates SIF Exposure,” written by Rob Berryman, Safety Consultant. [Click here](#)* to read his Lessons Learned Bulletin.



“Quality News Network (QNN),” September 2019, written by the ACIG Quality team. [Click here](#)* to read the newsletter.

“Edge-of-Slab Firesafing: The Best Intentions but a Costly Assumption,” written by Collin Sutt, Quality Consultant. [Click here](#)* to read his Lessons Learned Bulletin.



“Life-Saving Commitments Newsletter,” October 2019, written by the ACIG Safety team. [Click here](#)* to read the newsletter.

“Carbon Monoxide Poisoning from Indirect Gas Fired Heaters,” written by Mike Ruefer. [Click here](#)* to read his Lessons Learned Bulletin.



**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.



ACIG Education and Networking Calendar

2020

ACIGU	ACIG University January 29-31, 2020 Grand Hyatt DFW Airport Dallas, Texas
AGM	Annual Meeting, Best Practices and Executive Committee February 26-29, 2020 La Quinta Resort & Club Palm Springs, CA
VCF	Vail Contractors Forum March 12-14, 2020 Four Seasons Vail Vail, Colorado
CCIP	CCIP Sponsor Meeting March 18-19, 2020 Westin Kierland Scottsdale, Arizona
LCF	In-House Legal Counsel Forum April 6-7, 2020 Grand Hyatt DFW Airport Dallas, Texas
ECM	Executive Committee Meeting <i>(By Invitation Only)</i> April 22-25, 2020 The Dolder Grand Zurich, Switzerland
BQS	Builders Quality Summit June 10-12, 2020 La Cantera Resort San Antonio, Texas
SCW	Safety/Claims Workshop September 16-18, 2020 Loews Vanderbilt Hotel Nashville, Tennessee
ARMW	Autumn Risk Management Workshop, CCIP Sponsor Meeting and Executive Committee October 14-17, 2020 Fairmont Pacific Rim Hotel Vancouver, British Columbia



Final Thoughts

Tower cranes are powerful tools used in constructing buildings and other structures. However, they do present an extraordinary degree of risk during their operations from falling loads and objects.

The most critical risks involving cranes are present in the assembly and dismantlement of the crane. Most recently, a tower crane collapsed in Seattle while it was being dismantled. It collapsed and killed four, including the two erectors and two people in their vehicles. In 2012, a crane collapsed on the University of Texas-Dallas campus, two erectors were killed in that crane collapse.

In both of these tragic crane accidents, investigators pointed to human error as a major contributing factor. The ironworkers dismantling the crane had loosened or removed the pins that connect the sections to the crane mast prematurely.



Let's be safe out there.

A handwritten signature in black ink, appearing to read "Michael A. Kei".

President & CEO