## ORGANIZATION CHART CONSTRUCTION INDUSTRY SHAREHOLDERS

### American Contractors Insurance Group Ltd. (Bermuda corp.)

- Owned by U.S. construction industry members
- Writes 1st \$1,000,000 layer of certain workers compensation and liability deductible reimbursement coverages
- Writes subcontractor and supplier default insurance coverages
- Cedes all risk to ACIG Insurance Company and retains no business on a net basis

#### American Contractors Insurance Company Risk Retention Group (Texas corp.)

- Acts as primary carrier for all general liability coverages (up to \$10,000,000) and automobile liability coverages (up to \$5,000,000)
- Cedes all net retained risk to ACIG Insurance Company and retains no business on a net basis

#### American Contractors Risk Purchasing Group, Inc. (non-profit Texas corp.)

- Owned by U.S. construction industry members
- Acts as a purchasing co-op for placing group professional/pollution/cyber liability coverages for Members (managed by ACIG Insurance Agency, Inc.)

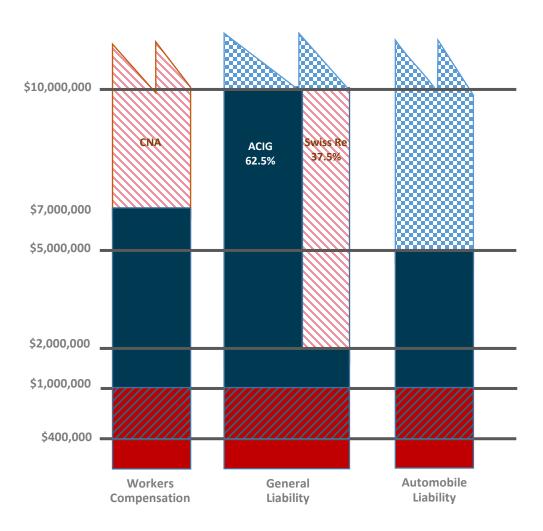
### ACIG Insurance Company (Illinois corp.)

- Acts as primary carrier for workers compensation coverages in 50 jurisdictions (for full statutory coverage)
- Assumes all retained risk ceded by ACIG and ACICRRG (up to amount retained by these companies)
- Retains workers compensation coverages up to \$7,000,000
- Cedes all workers compensation excess risk above \$7,000,000 to CNA
- Cedes excess risk to Swiss Re for general liability coverage (37.5% of \$8 million x \$2 million)

### ACIG Insurance Agency, Inc. (Texas corp.)

• Coordinates customer service

### **ACIG RETENTION AND REINSURANCE STRUCTURE**



- Third-Party Excess/Umbrella
- Neinsured Layer
- Shared Risk Layer (Pooled)
- Accountability Layer (Pooled)
- Retro Subject Layer

# ACIG SAFETY DIVISION KEY STRATEGIES FOR REDUCING LOSSES

While ACIG does not attempt to apply the "cookie cutter" approach in helping Members reduce their losses, there are some high-impact techniques that produce excellent results on a routine basis. Listed below are the top seven activities that we typically employ with new Members:

#### **Initial Risk Assessment**

A thorough review of all operations is conducted to identify the potential for losses in all lines of coverage. This review includes interviews with key management personnel as well as a review of written programs and actual field practices.

#### **Risk Management Boot Camp**

Within the first 90 days of Membership, the ACIG Service Team will meet with top management of the new Member to review the elements of the ACIG program. Another key aspect of this meeting is the development of an action plan for the first year.

#### Risk Management Guidance Team ("RMGT")

In order to monitor progress on the action items and other improvement initiatives, a team of management personnel is assembled and charged with the responsibility for oversight. Typical members of this group include the CEO, Operations Manager, CFO, Risk Manager, Safety Director, Claims Manager, ACIG personnel and the Broker.

#### **Benchmarking and Goal Setting**

In order to measure progress and to strive for continuous improvement, it is critical to establish annual goals and objectives. These goals should be compared to the performances of other Members in the ACIG program as opposed to industry averages as reported by the Bureau of Labor Standards (BLS). These are driven by a combination of leading indicators and lagging indicators.

#### **Quarterly Progress Reviews**

The RMGT should meet quarterly to review progress and performance benchmarks as well as the status of any open claims. These sessions should be highly publicized in order to send a message about the importance of the Risk Management program.

#### "Taking It to the Field"

In this activity, key Member personnel and the ACIG service team meet with mid-level managers and review the ACIG program. Typical attendees for these sessions include division managers, project managers, and superintendents. The objective of this session is to take the program to the personnel that are on the front line on a daily basis and can have the greatest impact on results.

#### **Annual Strategic Planning Sessions**

In conjunction with ACIG personnel, the RMGT should meet annually to evaluate progress toward goals and to validate the key initiatives that are planned for the coming year. These sessions also provide an excellent forum for the development of recognition programs and awards for the attainment of goals and objectives.

#### **PROFESSIONAL SERVICE PROVIDERS**

The overall direction of ACIG is provided by the Board of Directors and committees of directors which regularly meet. The 12-member Executive Committee provides strategic vision and operating direction. The Investment Committee has five members and provides direction on investment of ACIG's assets. The Compensation Committee has four members and provides direction on the compensation of ACIG's employees. The Audit Committee has four members and provides financial support to ACIG's Executive Committee.

#### **Actuaries**

Willis Towers Watson – Dallas, Texas

#### **Independent Auditors**

BDO USA, LLP - Dallas, Texas

#### **Investment Consultant**

Angeles Investment Advisors – Santa Monica, California

#### **Investment Managers**

Angeles Investment Advisors – Santa Monica, California BlackRock Financial Management – New York, New York Harding Loevner – Chicago, Illinois Vanguard Group – Valley Forge, Pennsylvania

#### **U.S. Counsel**

Law Office of Stephen K. Yungblut, PLLC - Dallas, Texas

#### **Bermuda Counsel**

Ocorian – Hamilton, Bermuda

#### **Banks**

The Bank of N.T. Butterfield & Son Ltd. – Hamilton, Bermuda The Northern Trust Company – Chicago, Illinois

#### **Tax Advisors**

Foley & Lardner LLP – Dallas, Texas