



July 20, 2017, Issue 42

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

# ACIG

## news

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### June 1, 2017 Renewal

Payrolls are estimated to be \$2,549,016,531 for the June 1, 2017-18 policy period. This compares with \$2,331,580,931 of projected payrolls for the June 1, 2016-17 policy period.

The projected premiums for the June 1, 2017-18 renewal are shown below.

	<u>June 1, 2017-18</u>
Projected core business - Workers compensation	\$ 70,068,113
General liability – Subject layer	54,693,423
Retro excess layer	27,790,649
Subcontractor default – Subject layer	17,696,341
Automobile liability – Subject layer	4,773,980
Retro excess layer	4,529,671
Subtotal - core business	<u>179,552,177</u>
Projected CCIP business - Workers compensation	8,419,867
General liability – Subject layer	10,933,602
Retro excess layer	7,032,553
Subtotal - CCIP business	<u>26,386,022</u>
Grand total	<u>\$ 205,938,199</u>

A summary of premiums projected for the pooled layer of risk (and included above) follows:

	<u>June 1, 2017-18</u>
Projected core business - Workers compensation	\$ 16,395,938
General liability	27,790,649
Automobile liability –	4,529,671
Subtotal - core business	<u>48,716,258</u>
Projected CCIP business - Workers compensation	1,754,759
General liability	7,032,553
Subtotal - CCIP business	<u>8,787,312</u>
Grand total	<u>\$ 57,503,571</u>

We appreciate your strong and continued support of the ACIG Program.

## ACIG Financial Report June 30, 2017

### *Balance Sheet Profile*

ACIG reported total assets of \$503,811,000, an all-time high, as of June 30, 2017 versus assets of \$447,019,000 reported at December 31, 2016. ACIG's shareholders' equity was \$176,694,000, also an all-time high (versus \$165,733,000 at December 31, 2016). ACIG posted net unrealized gains on investments (net of tax) of \$28,525,000 at June 30, 2017, an increase of \$9,908,000 from December 31, 2016, which accounted for a substantial portion of the capital growth.

### *Operating Results for the Six Months Ended June 30, 2017*

ACIG reported pretax income of \$30,644,000 for the six months ended June 30, 2017 before policyholder dividends and other return premiums of \$25,243,000 and related bonuses of \$4,420,000. ACIG accrued premium refunds of \$25,243,000 payable to the ACIG insureds pursuant to our capital management strategy versus budgeted transactions of \$20,679,000. ACIG reported net income of \$1,053,000 for the six months ended June 30, 2017 versus budgeted net income of \$1,787,000.

ACIG has exceeded its goal for capital growth in 2017, primarily as a result of excellent returns on ACIG's investments. ACIG has increased policyholder dividends and other return premiums to restrain capital growth.

## Serious Injury and Fatality (SIF) Committee

Our SIF Committee has been charged with developing a precursor tool that is aligned with our three construction industry segments.

In addition, they will provide input and direction on the best method for communication and implementation with our Members.

ACIG's Safety Consultant will be working with our Members to complete our new Serious Injury and Fatality Prevention Survey.



#### Member Executives

Chairman, Wayne Drinkward, CEO Hoffman  
Dale Eichten, President, Pankow  
Bill Duguay, E.V.P., Abrams  
Mike Moran, President, Cajun

#### Member Safety Professionals

Dave Murphy, Pepper  
Dennis Barlow, Goodfellow  
Clay West, BMWC

#### ACIG Staff Support

Mike O'Neill  
Rob Berryman  
Greg Driscoll  
Mackenzie Lofland



## ACIG's Investment Portfolio

### Asset Allocation as of June 30, 2017

	Market Value	Percent of Total
<b>Insurance Reserves Portfolio</b>	\$ 259,884,166	54%
<i>Reserve Liabilities</i>	\$ 275,946,000	
BlackRock	\$ 225,784,892	
State Deposits	\$ 34,099,274	
<b>Capital Portfolio</b>	\$ 221,223,110	46.0%
<b>Equities</b>		
Dodge & Cox (Global)	\$ 10,541,919	2.2%
Vanguard Primecap	\$ 32,225,259	6.7%
Wellington Global Perspectives	\$ 10,561,335	2.2%
Vanguard – International Growth	\$ 11,472,488	2.4%
Angeles Global Equity Opportunities	\$ 23,075,988	4.8%
<b>Absolute Return</b>		
Angeles Absolute Return Fund	\$ 19,725,141	4.1%
<b>Convertibles</b>		
Zazove	\$ 26,982,400	5.6%
Allianz	\$ 17,020,704	3.5%
<b>Fixed Income</b>		
Western – Absolute Return	\$ 18,731,616	3.9%
T. Rowe Price High Yield Fund	\$ 7,278,912	1.5%
PIMCO – Income Fund	\$ 23,282,140	4.8%
Crescent High Income	\$ 12,170,489	2.5%
<b>Real Assets</b>		
Harvest MLP Income Fund	\$ 8,154,717	1.7%
<b>TOTAL INVESTMENTS</b>	\$ 481,107,275	100%
<b>Shareholders' Equity (as of 06/30/17)</b>	\$ 176,694,000	

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*“\$481,107,275  
in total investments”*

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## Work Zone Safety

A recent Associated General Contractors of America (AGC) study found that 44% of highway contractors have experienced a vehicle crash in an active work zone. The study reported that 11% of those construction work site accidents resulted in worker fatalities and 25% left workers injured.

The AGC has launched a national advertising campaign to increase public awareness on the importance of slowing down and staying alert to the hazards while driving through a construction work zone.

Enforcement in Action – Overland Park, Kansas – police, numbering two dozen, worked to write 130 tickets and arrest 3 people during a three-hour period in the construction work zone on I-435 between I-35 and Nall Avenue. Clarkson Construction is working on this project with up to 75 workers at that site. Clarkson's Bob Fry, appearing on local television, said, "Cars have made it over the barrier before, close to where we're working, it's a big concern for us."

The fastest speeder was clocked at 95 miles per hour. He received an \$800 ticket (40 miles over x \$10), doubled for work zone.

## Wagman "Goes Orange" to Support National Work Zone Safety

Wagman demonstrated their support for the 18<sup>th</sup> Annual National Work Zone Awareness Week from April 3-7, 2017. Employees were encouraged to "go orange" to help raise awareness and bring national attention to motorists and work zone safety. Wagman also coordinated a social media campaign to further increase awareness.

Mike Glezer, CEO, added "While driving through work zones, we are asking drivers to pay attention to signage and remain patient and alert. Keeping our people safe is a priority every day."



## Gallup Q12 Survey Results

“Engagement” isn’t just a buzzword. It fuels results. ACIG selected the Gallup Organization to administer and tabulate its Q12 survey to measure employee engagement. Gallup has administered the Q12 survey to over 25 million workers in 125 different countries. Here are the highlights of our survey results:

- 96% Participation Rate
- 4.17 Mean Score – Ranked us in the top 85% of all companies conducting the survey.

### High Scores:

- 99 Percentile – Materials and equipment.
- 95 Percentile – Know what’s expected.
- 93 Percentile – Opportunity to learn and grow.
- 91 Percentile – Development.
- 90 Percentile – Overall satisfaction.

We are developing an action plan to address our lowest scores. ACIG is committed to continuous improvement in all areas of our operations.

[Click here](#) for ACIG’s Q12 infographic.

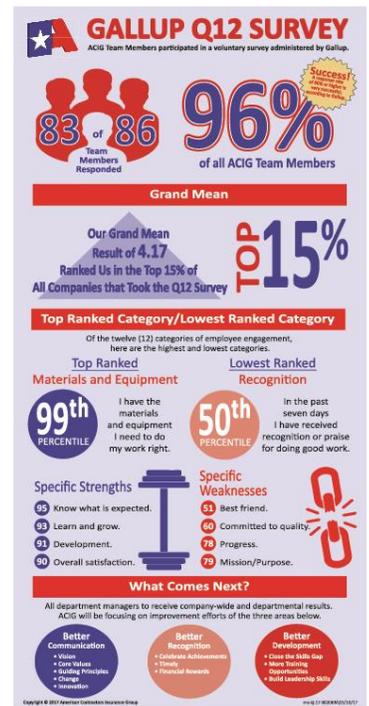
## WC Medical Cost Containment Results

ACIG has contracted with CorVel and DeFiniti to review workers compensation medical bills to verify they are in compliance with the statutory guidelines.

This year’s results are consistent with previous years’ audits.

Bills Submitted	Billed Charges	Paid Bills	Savings	% Savings
10,589	\$14,000,926	\$4,516,928	\$9,503,995	68%

WC Medical Cost Containment continues to develop real, meaningful savings for our Members.



## New and Improved Lessons Learned Bulletin

We're excited to launch our new and improved Lessons Learned Bulletin. Based on Member feedback and input, we developed a one-page streamlined format.

Please [click here](#)\* for our thirty-seventh (37) edition of Lessons Learned, *Pneumatic Nail Gun Risk for Our Members*.

ACIG Lessons Learned are based upon blinded Member events and issued only to ACIG Members.

\*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 [sp.support@acig.com](mailto:sp.support@acig.com)

## SWAT Report

For the June 1, 2016-17 policy year, we conducted six (6) SWAT investigations.

Three (3) were fatality investigations involving Member employees:

- 06/15/2016     Fall from Height
- 11/16/2016     Front-end Loader Rollover
- 02/09/2017     Backed over by a 3<sup>rd</sup> Party Truck

Three (3) were non-fatality SWATs:

- 06/22/2016     Quadriplegia Operating JLG Equipment
- 06/22/2016     Subcontractor Employee Multiple Fractures – Fall Down Elevator Shaft
- 08/12/2016     Burns and Multiple Fractures



## ACIG News and Notables

**Carl W. Heinlein**, ACIG is proud to announce that Carl W. Heinlein has been elected to serve as Director at Large of the American Society of Safety Engineers (ASSE). ASSE has a global community of over 37,000 Occupational and Safety Professionals advancing the safety profession.

### Biography

**Carl W. Heinlein, CSP, OHST, STS-C, ARM, CPEA, CRIS, CSHM**, joined American Contractors Insurance Group in 2002, where he contributes to the successful safety initiatives of multiple construction clients. Prior to this, he worked as Director of Construction Services for FDR and Associates and the National Safety & Health Director for the Associated General Contractors of America.

Carl holds an MS in Safety Management, a BS in Business Administration, and a minor in Marketing from West Virginia University. In addition, he has obtained the ARM, CPEA, CRIS, CSHM, CSP, OHST and STSC credentials. He has been in the EHS profession for approximately 25 years and is a noted national speaker at conferences and author/contributor to books and publications.

Carl volunteers his time as a member of the NIOSH and NORA Construction Sectors and serves on the editorial advisory board for EHS magazine. He is the current Chair of the West Virginia University's Safety Management Graduate Program Visiting Committee, and a Board Director to AHMP. He has also served as the President of BCSP.

Carl is a recipient of the Distinguished Service to Safety Award by the National Safety Council and a Fellow from the AIHA.

Carl is a Delegate for the American Society of Safety Engineers and the National Safety Council. He is an active member with the American Industrial Hygiene Association and the Associated General Contractors of America. He is a past Delegate of the International Safety and Health Practitioners Organization. He is an exemplary community leader, organizing his township's 5K and assisting with the Habitat for Humanity, Rotary International, and Special Olympics.

**Mike O'Neill** will represent ACIG and the captive insurance industry as a member of Swiss Re's Client Advisory Council.





**William J. Dunn** – We are pleased to announce that William J. Dunn has joined ACIG as our Vice President of Claims. Ron Arthur will be retiring on January 31, 2018 and will be actively involved in Bill's assimilation and transition.

He is an accomplished insurance claims executive with a proven track record of 25+ years of Property and Casualty claims handling and management. He served as senior litigation counsel for AEGIS Insurance Services, Inc., a captive insurance company serving the U.S. Electric and Gas Utility Industry.

Bill received his Bachelor of Science Degree in Computer Science from St. John's University, his Juris Doctorate from New York Law School and his Master's in Business Administration from Fairleigh Dickinson University in NJ and Wroxton College, Oxford, U.K.



**Julie-Michelle Davis**, Meeting Planner and **Chelsea Tyrie**, Senior Executive Assistant accepted the Mobile Maverick Award on behalf of ACIG at the annual Cvent Connect Conference.

The awards recognize professionals from top organizations, including Fortune 500 companies, who have used the Cvent platform to increase the attendance at their events, engage their attendees and increase their ROI. Selected from hundreds of submissions, the winners exemplify the best in the industry.

THE PLANNIE AWARDS

THE MOBILE MAVERICK

### Best Use of Mobile Event Technology

#### WINNER

#### ACIG Insurance Company

Let's face it. Mobile devices have become the center of our universe. Savvy event planners, however, have tapped into a phone's innate ability to engage audiences and are rapidly making mobile devices the centerpiece of their events. From following sessions to retrieving exhibitor leads, mobile technology is powering events more than ever before.



## ACIG Contractors in the News

**BMWC** was presented with the Industrial Project of the Year and Safety Achievement Award by the Construction Advancement Foundation for work done at NIPSO Unit 17/18 Dust Collection Project. The BMWC team completed the job with zero injuries and zero weld rejects.



**Cajun** completed a mega concrete pour at the SASOL Mega Project. The foundation pour required 1,085 tons of reinforced steel, 4,349 sq. ft. of formwork, 6,000 cubic yards of concrete, and six pump trucks. The pour was completed in ten (10) hours.



**Graycor Industries** won the Thomas J. Reynolds Award for Excellence in Construction. This prestigious safety award goes to contractors that exhibit outstanding efforts in preventing jobsite injuries. Graycor won in the largest category for having performed over 1 million hours without a DART case.



**hardison/downey construction inc.**, a Kitchell company, received the General Contractor of the Year Award from the Design Community at the 2017 IIDA Award Banquet.



**Saunders Construction, Inc.** has been awarded a 2017 Top Workplaces Honor by the Denver Post. In addition, Saunders has achieved national recognition for its training program that supports a culture of upward mobility.



**William Charles, Ltd.** is celebrating 125 years in business. Founded in 1892, this fifth generation family-owned company is a leader in heavy civil construction, railroad construction, asphalt paving, general contracting, environmental construction and remediation and electrical contracting.



## ACIG Thought Leadership

Our team of insurance, risk management, safety, quality and claims professionals have written three (3) Lessons Learned Bulletins since April 1, 2017.

*“Slip and Falls from Vehicles and Equipment”* written by Geoff Schrader, Claims Consultant. Click [here](#)\* to read his Claims Lessons Learned Bulletin.

*“Highway Interchange Fly-Over Pier Caps Damaged”* written by Karl Weber, Quality Consultant. Click [here](#)\* to read his Lessons Learned Bulletin.

*“Pneumatic Nail Gun Incident”* written by Greg Driscoll, Safety Consultant. 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](mailto:spSupport@ACIG.com).

## ACIG Education and Networking Calendar

Event	Location	Dates
<b>2017</b>		
Safety/Claims Workshop	Portland, OR	September 12-14
Autumn Risk Management Workshop and Executive Committee	Bluffton, SC	October 26-28
<b>2018</b>		
ACIG Best Practices	San Diego, CA	February 14-17
ACIG Annual Membership Meeting	San Diego, CA	February 14-17



## Concluding Thoughts

The Associated General Contractors of America (AGC) partnered with the Myers-Lawson School of Construction at Virginia Tech to prepare a comprehensive study of every construction fatality over a three (3) year period.

Some findings from their analysis:

- Falls from ladders or other structural elements account for 1/3 of U.S. construction fatalities.
- Direct construction employees accounted for 80% of construction fatalities, contract workers 20%.
- Most construction fatalities occurred at noon, the deadliest hour.
- Hispanic workers are not disproportionately the victim of construction fatalities. They represent 24% of the national workforce and account for 25% of all construction fatalities.

Please click [here](#) for a link to the complete report.

Be safe out there.



President & CEO

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