



**Fund Year 2023  
Annual Report Meeting  
June 20, 2024**

***FutureComp®***

# TABLE OF CONTENTS

	<b>PAGE</b>
<b>1</b> FUND YEAR 2023 IN REVIEW - EXECUTIVE SUMMARIES.....	<b>3-5</b>
<b>2</b> MINUTES – ANNUAL MEETING JUNE 15, 2023.....	<b>6-10</b>
<b>3</b> FUND YEAR 2023 MEMBERSHIP LISTING.....	<b>11-12</b>
<b>4</b> FUND YEAR 2023 TRUSTEES / COMMITTEES & SPONSOR.....	<b>13-15</b>
<b>5</b> REPORT OF CERTIFIED PUBLIC ACCOUNTANT.....	<b>16-24</b>
○ SHORES, TAGMAN, BUTLER & COMPANY, P.A.	
<b>6</b> REPORT OF INVESTMENT ADVISOR.....	<b>25-34</b>
○ OPUS INVESTMENT MANAGEMENT	
<b>7</b> REPORT OF ACTUARY.....	<b>35-39</b>
○ WILLIS TOWERS WATSON	
<b>8</b> FUND YEAR 2023 CLAIMS OVERVIEW SUMMARY.....	<b>40-42</b>
<b>9</b> FUND YEAR 2023 SAFETY & LOSS CONTROL REVIEW.....	<b>43-54</b>
<b>10</b> YOUR SERVICE TEAM.....	<b>55-57</b>

- 1 -

**EXECUTIVE SUMMARIES – FUND YEAR 2023 IN REVIEW**



June 20, 2024

Dear SILBA Members,

"The days go slow, but the years go fast." Anonymous

This seems to be the circumstance for most of us these days. Planning and preparation is as important as ever. Days turn into months, and months into years in the blink of an eye. I recently collaborated with our Yard Foreman to develop a Benchmark Calendar. This living document lays out inventory cycle counts, 5-minute safety talks, driver ride along, IFTA paperwork, Safety meeting preparation and meeting schedule. This valuable tool will not only hold him to task but serve to measure progress in our processes throughout the year.

Company acquisitions have changed the landscape of our industry in recent years. The MRLDA has made adjustments to the membership requirements to grow the pool of prospects. This provides growth potential for SILBA depending on how those new business are coded. Please reach out to Ryan Foye at [ryan.foye@usi.com](mailto:ryan.foye@usi.com) if you have a new company that may be a good fit for our group. We hope to add responsible contributors to our self-insurance group.

SILBA is excited to announce that we are able to return over 400k in dividends to present and past members this year. This is a direct relationship with the safe practices and forward thinking of our membership. Our CLCC (Claims & Loss Control Committee) continue to work with membership to reduce the frequency and severity of the claims we see. The groups loss ratio stands at 46% with an average experience MOD of 1.02. SILBA continues the year with 47 members, written premium over 4 million and a growing payroll over 200K. This continues to demonstrate the actions of all have a direct influence on the direction of our organization.

Your Board of Trustees coupled with the ongoing effort made by our FutureComp team has managed to reduce our total open claims to 53. This is not possible without a tremendous amount of determination behind the scenes. FutureComp is reaching out to your employees, scheduling visits, following up with employer concerns, working with legal counsel, coordinating with medical professionals and reviewing RTW (Return To Work) options in effort to reduce lost time. The importance of communication with the injured employee can not be overstated. Please consider worth-while, light-duty RTW positions. Communication and light duty options prove most effective in getting employees back to work in their full capacity more often.

[Mike Hutchinson]

Thank you for your contributions to SILBA and your continued support.

Sincerely,

Jason Thacker  
President



June 20,2024

Dear SILBA Members:

As your Administrator, we want to thank the Group's business partners, the Board of Trustees, and all of you. We value our relationship and all your efforts, making SILBA successful each year.

In Fund Year 2023, Members continued to work through the workforce issues while continuing to maintain a safe environment. There was an increased amount of activity by members in 2023 on efforts to provide more safety training and improving their safety culture.

From a financial perspective, as of December 31, 2023, the Group's premium was \$4 million, covering over \$203 million in payroll. Overall, the Group experienced a decrease in both claim frequency and severity in 2023. The year ended with an overall loss ratio of 46%, a slight increase from the previous year. However, 51% of the membership had a 0% loss ratio in 2023!

As you review the Fund Year 2023 Annual Report, we welcome your input on how we can continue to collaborate with you to improve what we do for you, and your fellow SILBA Members.

Sincerely,

A handwritten signature in blue ink, appearing to read "Todd", is positioned above the printed name of Todd R. Johnson.

Todd R. Johnson JD, AIC, ARM, ARM-P  
Administrator

A handwritten signature in blue ink, appearing to read "Katherine I. Camire", is positioned above the printed name of Katherine I. Camire.

Katherine I. Camire  
Administrator

- 2 -

**MINUTES - JUNE 15, 2023**



**2022 Fund Year Annual Meeting**  
**Thursday, June 15, 2023**  
**Holiday Inn & Convention Center, Dedham, MA**

The meeting began at 11:30 a.m.

**Board Members Present:** Wayne Moriarty, Jay Torrissi, Debra Torres, Dave Perry, Brenda Primiano, Jason Thacker, Linda Lyons, and John Mahoney

**Board Members Absent:** Christina Delgado

**Members Present:** See sign in sheet – based on the number of members and proxies in hand (10), a quorum was met.

**Other Attendees:** Kathy Camire, Todd Johnson, Maria Sullivan, Cheryl McCarthy, Dan McCarthy, Zachary Collins, Tony Vigna, and Ryan Foye, of FutureComp; Mike Rose of Opus Investments; and Larry Shores of Shores, Tagman and Butler

**Welcome/Introductions:** Jason Thacker, SILBA President, welcomed all attendees to the meeting. He thanked Deb Torres for all her work as the past president. He also emphasized all the work that the CLCC has been doing and encouraged members to participate in the committee. Jason also mentioned that the board is always looking for new board members and that anyone who might be interested should reach out to any board member or to Kathy Camire.

**Approval of Minutes:** Referring to the Annual Meeting Minutes from June 23, 2022, Jason asked for a motion to approve the minutes as presented.

**A motion was made to approve the minutes as presented. The motion was seconded and approved unanimously by the membership.**

**Administrator's Report:** Todd Johnson, Administrator thanked all the 2022 Board of Trustees, Committee Members, and Future Comp Team members. He then provided an overview of the 2022 year indicating that there were 49 members in 2022 and the group

covered 177,921,844 in payroll exposure. Wrote \$3,994,368 in premium. The average experience mod was 1.04 and the loss ratio for the group was 35%.

Kathy Camire, Administrator reviewed the claim type history from 2018 through 2022, total incurred from 2018 through 2022 and all open claims by year as of December 31, 2022.

Dan McCarthy, Senior Loss Control Consultant thanked all the Claims and Loss Control Committee Members and reviewed the group's accident frequency and severity by type for the years 2018-2022. He also reviewed all the items that have been completed during the year and what the goals are for the upcoming year.

**CPA Audit Report:**

Larry Shores of Shores, Tagman, Butler & Company, provided an overview of the audited financials. The financials are reported on a statutory basis and the admitted assets increased. They looked at all internal controls and nothing was found. They found no deficiencies and issued a clean audit report.

**Investment Report:**

Mike Rose of OPUS reviewed the Group's portfolio indicating that the group currently holds \$5,715,387 in investments with unrealized loss of (\$603,088). All are conservative investments due to requirements by the Division of Insurance; no equities are invested in by the group.

**Actuary Report:**

Emilie Dubois of Willis Towers provided the membership with an overview of the group's largest liability, the reserves. SILBA's discounted net and undiscounted gross reserves are carried at the actuarial estimate. She explained the specific risk factors that Willis Towers considers for the group and how those affect the reserves. The change in estimated ultimate losses for policy years 2021 and prior have shown a very slight increase. The group's ultimate loss ratio for 2012-2016 was good but 2017-2018 was rough. Starting in 2019 and through 2022 SILBA has had lower ultimate loss ratios.

**Vote to Approve Report:**

***John Mahoney made a motion to accept the Annual Report as presented, in its entirety. The motion was seconded by Brenda Primiano and approved unanimously by all those present.***

**Annual Election:**

David Perry, Clerk nominated the following three trustees for election for term through the stated terms:

Jay Torrisi (2026), Bruce Chapin (2026) and Brenda Primiano (2025)



He asked if there were any other nominations; there were none brought forward. Nominations were closed.

***The membership unanimously voted for the nominated trustees to serve until the year noted.***

**Dividends:**

Kathy Camire explained the calculation of dividends and how the tough years affect that calculation. She announced that the dividend checks would be handed out or mailed and total close to \$500,000.

Todd John explained the effect that the state rates decreasing has on the group and the insured marketplace.

**Adjournment:**

***There being no other business, the meeting was adjourned at 12:40 pm.***

Respectfully Submitted,  
Kathy Camire  
Administrator

## SILBA Annual Meeting 6/15/2023 Attendees

Company Name	Attendee
Atlantic Plywood Corporation	Wayne Moriarty & Bruce Chapin
Belletetes, Inc.	David Belletete
Biss Lumber Company, Inc.	Warren Biss
Brockway-Smith Company	Linda Lyons
Chace Building Supply, Inc.	Don Chace
Concord Lumber Corporation	David Perry
Fairview Millwork, Inc.	John Mahoney
Hingham Lumber Company, Inc.	Nancy Roach & Brenda Prmiano
Howe Lumber Company, Inc.	Jason Thacker & Adam Robbins
Jackson Lumber & Millwork Company, Inc.	Jay Torrisi
Johnson Lumber Company	Trisha Johnson
Keiver Willard Lumber Corp	Tom Slater
Kelly Fradet Lumber Co., Inc.	Marilyn Bourbeau
Koopman Lumber Co., Inc.	Ashley Alves
North Atlantic Corporation DBA Horner Millwork	Scott Costa & Eric Castro & Deb Torres
Ryan Seamless Gutter Systems	Frank Ryan
Yankee Pine Corporation	Jon D. Rausch

### FutureComp

Kathy Camire  
 Todd Johnson  
 Maria Sullivan  
 Cheryl McCarthy  
 Dan McCarthy  
 Zachary Collins  
 Tony Vigna  
 Ryan Foye  
 Sherry Shevlin  
 Stefania Dalton

### OPUS Investments

Mike Rose

### Shores, Tagman & Butler

Larry Shores

- 3 -

**FUND YEAR 2023 MEMBERSHIP**

# FUND YEAR 2023 – MEMBERSHIP

**ANDERSON & McQUAID Co., INC.**  
CAMBRIDGE, MA

**ARLINGTON COAL & LUMBER Co.**  
ARLINGTON, MA

**ATLANTIC PLYWOOD CORPORATION**  
WOBBURN, MA

**ATTLEBOROUGH-REHOBOTH  
BUILDING**  
REHOBOTH, MA

**BELLETETES, INC.**  
JAFFREY, NH

**BISS LUMBER COMPANY, INC.**  
TAUNTON, MA

**BROCKWAY-SMITH COMPANY**  
ANDOVER, MA

**BUCKSWORTH ENTERPRISES, INC.**  
BERKLEY, MA

**BUILDING CENTER, INC OF GLOUCESTER**  
GLOUCESTER, MA

**BURNETT & MOYNIHAN, INC.**  
REVERE, MA

**CHACE BUILDING SUPPLY, INC.**  
FOXBORO, MA

**CHAIRTOWN LUMBER COMPANY**  
GARDNER, MA

**CHELMSFORD LUMBER COMPANY, INC.**  
CHELMSFORD, MA

**CONCORD LUMBER CORPORATION**  
LITTLETON, MA

**COOPERATIVE RESERVE SUPPLY INC**  
BILLERICA, MA

**DARTMOUTH BUILDING SUPPLY INC.**  
NORTH DARTMOUTH, MA

**DENISON-CANNON COMPANY INC.**  
N. BILLERICA, MA

**DETTINGER LUMBER Co., INC.**  
PITTSFIELD, MA

**DOHERTY LUMBER Co., INC.**  
**DBA DBS LUMBER COMPANY**  
NORWELL, MA

**E.C. COTTLE, INC.**  
VINEYARD HAVEN, MA

**F.D. STERRITT LUMBER Co.**  
WATERTOWN, MA

**FAIRVIEW MILLWORK, INC.**  
BRIDGEWATER, MA

**FALMOUTH LUMBER, INC.**  
E. FALMOUTH, MA

**GERRITYSTONE, INC.**  
WILMINGTON, MA

**GILBERT & COLE BUILDING PRODUCTS, INC.**  
MARBLEHEAD, MA

**HINGHAM LUMBER COMPANY, INC.**  
COHASSET, MA

**HOWE LUMBER COMPANY, INC.**  
EAST BROOKFIELD, MA

**ISLAND LUMBER COMPANY, INC.**  
NANTUCKET, MA

**JACKSON LUMBER & MILLWORK COMPANY, INC.**  
LAWRENCE, MA

**JOHN FOSTER LUMBER Co., INC.**  
**DBA PINE PRODUCT**  
MARSHFIELD, MA

**JOHNSON LUMBER COMPANY**  
SALISBURY, MA

**KEIVER WILLARD LUMBER CORP**  
NEWBURYPORT, MA

**KELLY FRADET LUMBER Co., INC.**  
EAST LONGMEADOW, MA

**KOOPMAN LUMBER Co., INC.**  
WHITINSVILLE, MA

**MOORE LUMBER & HARDWARE, INC.**  
AYER, MA

**MOYNIHAN-NORTH READING LUMBER /  
MOYNIHAN LUMBER OF BEVERLY, INC.**  
NORTH READING, MA

**NORTH ATLANTIC CORPORATION**  
**DBA HORNER MILLWORK**  
SOMERSET, MA

**PLYWOOD SUPPLY AND LUMBER, INC.**  
WALTHAM, MA

**RYAN SEAMLESS GUTTER SYSTEMS**  
WESTWOOD, MA

**SQUIER & COMPANY, INC. / SQUIRE LUMBER &  
HARDWARE**  
MONSON, MA

**ST. DENIS PRODUCTS, INC.**  
**DBA LUMBER CENTER**  
WESTFIELD, MA

**SUDBURY LUMBER Co., INC.**  
SUDBURY, MA

**TAYLOR LUMBER & HARDWARE Co, INC.**  
MARSHFIELD, MA

**TIMBERLINE ENTERPRISES LLC**  
GLOUCESTER, MA

**WARREN TRASK COMPANY**  
LAKEVILLE, MA

**WILMINGTON BUILDERS SUPPLY Co.**  
WILMINGTON, MA

**YANKEE PINE CORPORATION**  
ROWLEY, MA

- 4 -

**FUND YEAR 2023 BOARD OF TRUSTEES  
COMMITTEE MEMBERS  
SPONSORING ORGANIZATION**

## **FUND YEAR 2023**

### **BOARD OF TRUSTEES**

#### **OFFICERS**

			<b>TERM</b>
PRESIDENT:	JASON THACKER	HOWE LUMBER	<b>2024</b>
TREASURER:	JAY TORRISI	JACKSON LUMBER & MILLWORK COMPANY	<b>2026</b>
CLERK:	DAVID PERRY	CONCORD LUMBER CORPORATION	<b>2024</b>

#### **TRUSTEES**

BRUCE CHAPIN	ATLANTIC PLYWOOD	<b>2026</b>
DEBRA D. TORRES	NORTH ATLANTIC CORPORATION	<b>2024</b>
CHRISTINA DELGADO	DARTMOUTH BUILDING SUPPLY	<b>2025</b>
LINDA LYONS	BROCKWAY-SMITH COMPANY	<b>2025</b>
BRENDA PRIMIANO	HINGHAM LUMBER COMPANY	<b>2025</b>

### **EXECUTIVE COMMITTEE MEMBERS**

#### **AUDIT / FINANCE & INVESTMENT COMMITTEE**

JAY TORRISI, CHAIR                      JACKSON LUMBER & MILLWORK COMPANY

#### **NOMINATION COMMITTEE**

DAVID PERRY                              CONCORD LUMBER CORPORATION

#### **UNDERWRITING COMMITTEE**

DEBRA D TORRES                      NORTH ATLANTIC CORPORATION

### **SPONSORING ASSOCIATION**

NORTHEASTERN RETAIL LUMBER ASSOCIATION  
ASSOCIATION REPRESENTATIVE – DAVID GLUCK, REGIONAL DIRECTOR

## FUND YEAR 2023

### CLAIMS & LOSS CONTROL COMMITTEE MEMBERS

MEMBER COMPANY	COMMITTEE MEMBER
ATLANTIC PLYWOOD CORPORATION	BRUCE CHAPIN**{B}
BROCKWAY-SMITH COMPANY	LINDA LYONS**{B} JUSTIN WELLS DAN CHRISTOPHER
BUILDING CENTER OF GLOUCESTER	RYAN WOUNDY
CONCORD LUMBER CORPORATION	DAVID PERRY**{B} LEAH SMITH
DB&S LUMBER COMPANY	TIFFANY WESSLING
DARTMOUTH LUMBER	PATRICK MACCINI
EC COTTLE	ED SMILEY
FD STERRITT LUMBER	MICHELE FRAZEE
FAIRVIEW MILLWORKS	JOHN MAHONEY **{B}
HINGHAM LUMBER	NANCY ROACH PETER BROWN JOHN SILIPIGNO
HOWE LUMBER	<b>ADAM ROBBINS, SAFETY CO-CHAIR</b> JASON THACKER**{B}
JACKSON LUMBER	JAY TORRISI **{B}
JOHN FOSTER LUMBER	ROBERT NERGER
KEIVER-WILLARD LUMBER COMPANY	TOM SLATER
KOOPMAN LUMBER COMPANY	SHEILA TODD ASHLEY RACICOT-ALVES ASHLEY MACCAY
MOYNIHAN LUMBER COMPANY	MICHAEL McNEIL MIKE RYGIEL
NORTH ATLANTIC CORPORATION	DEBRA D TORRES **{B} <b>BARBARA LAFERRIERE, SAFETY CO-CHAIR</b>
NORTHEAST TREATERS	ROBERT COLLETTE

**\*\*Also a Board of Trustee Member**

- 5 -

**REPORT OF CERTIFIED PUBLIC ACCOUNTANT**





Shores, Tagman, Butler & Company, P.A.

CERTIFIED PUBLIC ACCOUNTANTS

**Board of Trustees  
Self Insured Lumber Businesses Association, Inc.**

We have completed our audits of Self Insured Lumber Businesses Association, Inc. (the "Group"), as of December 31, 2023 and 2022 and for the years then ended. We have issued an unmodified opinion on the audited statutory basis financial statements. The audited statutory basis financial statements have been delivered to the Board of Trustees under separate cover.

Attached is a summary of certain financial statement information related to Self Insured Lumber Businesses Association, Inc., and the disclosures we are required to share with the Board of Trustees related to our 2023 and 2022 audits. We look forward to reviewing this information with you at the Board of Trustees meeting.

May 28, 2024

*Shores, Tagman, Butler & Company, P.A.*

## Self Insured Lumber Businesses Association, Inc.

## CONDENSED STATEMENTS OF FINANCIAL POSITION - STATUTORY BASIS

	December 31,	
	2023	2022
<b>ADMITTED ASSETS</b>		
Cash and invested assets	\$ 7,717,723	\$ 7,786,511
Other assets	41,151	80,386
Total admitted assets	\$ <u>7,758,874</u>	\$ <u>7,866,897</u>
<b>LIABILITIES &amp; POLICYHOLDERS' SURPLUS</b>		
Unpaid losses and loss adjustment expenses	\$ 5,203,657	\$ 5,472,829
Policyholders' dividends	1,505,363	1,172,217
Other liabilities	1,049,854	1,221,851
Total liabilities	7,758,874	7,866,897
Policyholders' surplus	--	--
Total liabilities and policyholders' surplus	\$ <u>7,758,874</u>	\$ <u>7,866,897</u>

## CONDENSED STATEMENTS OF OPERATIONS - STATUTORY BASIS

	Years Ended December 31,	
	2023	2022
Premiums earned, net of excess insurance	\$ 3,630,523	\$ 3,818,075
Supplemental premiums	142,803	570,622
	<u>3,773,326</u>	<u>4,388,697</u>
Losses and loss expenses incurred, net of excess insurance	( 2,801,526)	( 3,044,494)
Other underwriting expenses incurred	( 638,147)	( 693,499)
	<u>( 3,439,673)</u>	<u>( 3,737,993)</u>
Underwriting gain	333,653	650,704
Net investment income and other income	<u>245,359</u>	<u>192,323</u>
Net income before dividends to policyholders and before Federal income taxes	579,012	843,027
Dividends to policyholders	( 570,851)	( 872,602)
Net income (loss) after dividends and before Federal income taxes	8,161	( 29,575 )
Federal income taxes	<u>8,161</u>	<u>( 12,392)</u>
Net income (loss)	\$ <u>--</u>	\$ <u>( 41,967)</u>

## Self Insured Lumber Businesses Association, Inc.

## INVESTMENT SECURITIES

December 31, 2023 and 2022

The amortized cost and the estimated fair value of investment in bonds are summarized as follows:

	December 31, 2023			
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value
U.S. Treasury securities	\$ 2,015,662	\$ 2,932	\$ ( 60,278)	\$ 1,958,316
U.S. Agency securities	49,486	--	( 1,312)	48,174
Municipal bonds	1,192,571	9,157	( 94,459)	1,107,269
Corporate Bonds	2,932,834	9,296	( 183,004)	2,759,126
	<u>\$ 6,190,553</u>	<u>\$ 21,385</u>	<u>\$ ( 339,053)</u>	<u>\$ 5,872,885</u>

	December 31, 2022			
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value
U.S. Treasury securities	\$ 2,091,878	\$ 1,071	\$ ( 86,796)	\$ 2,006,153
U.S. Agency securities	49,413	--	( 2,049)	47,364
Municipal bonds	989,019	74	( 129,846)	859,247
Corporate bonds	2,849,430	3,013	( 253,506)	2,598,937
	<u>\$ 5,979,740</u>	<u>\$ 4,158</u>	<u>\$ ( 472,197)</u>	<u>\$ 5,511,701</u>

## Self Insured Lumber Businesses Association, Inc.

## LOSSES AND LOSS ADJUSTMENT EXPENSES

December 31, 2023 and 2022

The following table provides a reconciliation of the beginning and ending reserve balances for losses and loss adjustment expenses (LAE), net of discounts and excess insurance, for the years then ended:

	December 31,	
	2023	2022
	(In thousands)	
Reserve for unpaid losses and loss adjustment expenses, beginning of year	\$ 5,473	\$ 5,541
Incurring losses and loss adjustment expenses:		
Provision for insured events of the current year	3,058	2,838
Provision for insured events of the prior years	( 256)	206
	<u>2,802</u>	<u>3,044</u>
Losses and loss adjustment expenses paid:		
Current year	992	838
Prior years	<u>2,079</u>	<u>2,274</u>
	<u>3,071</u>	<u>3,112</u>
Reserves for unpaid losses and loss adjustment expenses, end of year	\$ <u>5,204</u>	\$ <u>5,473</u>

As indicated above, the estimate of prior year losses incurred has (decreased)/increased by approximately \$256,000 and \$206,000 during the years ended December 31, 2023 and 2022, respectively, due to the Group's actual settlement of losses and related loss adjustment expenses for amounts different than previously projected.

**Self Insured Lumber Businesses Association, Inc.**

**REQUIRED COMMUNICATIONS**

**Statement on Auditing Standards No. 115 Communication with Audit Committees, and other professional standards require the auditor to provide the Board of Trustees with additional information about the scope and results of the audit that may assist the Board of Trustees in overseeing the Group’s financial reporting and disclosure process. Below we have summarized the required communications. This report to the Board of Trustees is intended solely for the information and use of the Board of Trustees, and management of the Group, and is not intended to be, and should not be, used by anyone other than these specified parties.**

<u><b>AREA</b></u>	<u><b>COMMENTS</b></u>
<b>Auditors’ Responsibilities under Auditing Standards Generally Accepted in the United States (GAAS)</b>	
The financial statements are the responsibility of management. Our audits were designed in accordance with GAAS, which provides for reasonable, rather than absolute, assurance that the financial statements are free of material misstatement. As part of our audit, we obtained an understanding of internal control sufficient to plan our audit and to determine the nature, timing and extent of testing performed.	We have issued an unqualified statutory opinion on the 2023 and 2022 financial statements of Self Insured Lumber Businesses Association, Inc. (the “Group”). We noted no material weaknesses in internal control as defined by SAS No. 115, <i>Communication of Internal Control Matters Noted in an Audit</i> .
<b>Significant Accounting Policies and Certain Other Financial Statement Disclosures</b>	
Initial selection of and changes in significant accounting policies or their application and new accounting and reporting standards during the year must be reported.	None

**Self Insured Lumber Businesses Association, Inc.**

**REQUIRED COMMUNICATIONS - CONTINUED**

<u><b>AREA</b></u>	<u><b>COMMENTS</b></u>
<b>Management Judgments and Accounting Estimates</b>	<p>We have reviewed management's judgments related to these estimates and believe that they are appropriately documented and reasonable in light of known circumstances. Examples of some of the more significant estimates and judgments addressed in the conduct of our audits are as follows:</p>
<p>The preparation of financial statements requires the use of accounting estimates. Certain estimates are particularly sensitive due to their significance to the financial statements and the possibility that future events may differ significantly from management's expectations.</p>	<p>The reserves for losses and loss adjustment expenses are estimated using individual case-bases evaluations, statistical analyses and substantial management judgment. With the assistance of the actuary, we reviewed the major assumptions and significant estimates for the Group's business and believe that reserves are reasonable. With assistance from the actuary, we reviewed the assumptions and estimates used to establish reserves.</p>
	<p>We believe that the resulting reserve balances are reasonable and adequate based on information currently available and that the level of conservatism related to reserves is relatively consistent with the prior years.</p>
	<p>The Group's federal income tax returns are subject to examination by taxing authorities. Because the application of tax laws and regulations to many types of transactions is susceptible to varying interpretations, amounts reported in the financial statements could be revised at a later date upon final determination by taxing authorities. Although the tax treatments reflected in the financial statements are believed to be supported by substantial authority, material adjustments could result if some treatments are successfully challenged by taxing authorities.</p>
<b>Significant Audit Adjustments</b>	<p>One audit adjustment was made as follows: 1) to record net earnings of the Group as payable to members at year end.</p>
<b>Other Information in Documents Containing Audited Financial Statements</b>	None
<b>Disagreements with Management on Financial Accounting and Reporting Matters</b>	None

**Self Insured Lumber Businesses Association, Inc.**

**REQUIRED COMMUNICATIONS - CONTINUED**

<u>AREA</u>	<u>COMMENTS</u>
<b>Major Issues Discussed with Management Prior to Retention</b>	None
<b>Consultation with Other Accountants</b>	None
<b>Difficulties Encountered in Performing the Audit</b>	None
<b>Irregularities and Illegal Acts</b>	None
<b>Material Weaknesses in Internal Controls</b>	None
<b>Independence</b>	
Under Independence Standards Board Standard No. 1, Independence Discussions with Audit Committees, we are required to perform, at least annually, the procedures outlined below for the Audit Committee or Board of Trustees of a Group subject to the rules of the Securities and Exchange Commission (SEC). While the Group is not subject to SEC rules, we believe that it is appropriate to discuss these matters with the Board of Trustees.	
1. Disclose in writing, all relationships between, Tagman, Butler & Company, P.A., and the Group and its related entities that, in our professional judgment, might reasonably be thought to bear on independence;	We are not aware of any relationships between Shores, Tagman, Butler & Company, P.A., and the Group that, in our professional judgment, might reasonably be thought to bear on our independence.
2. Confirm in writing that, in our professional judgment, we are independent of the Group within the meaning of the Securities Acts; and	We confirm that, in our professional judgment, we are independent of the Group within the meaning of the applicable published rules and regulations of the Securities and Exchange Commission, the pronouncements of the Independence Standards Board, and under Rule 101 of the American Institute of Certified Public Accountants' Code of Professional Conduct, its interpretations and rulings.
3. Discuss our independence with the Board of Trustees.	We will discuss with the Board of Trustees the matters addressed above.
<b>Other Matters that the Auditor Believes Should be Brought to the Attention of the Board of Trustees</b>	There are no other matters that we believe should be brought to the attention of the Board of Trustees at this time.

## Self Insured Lumber Businesses Association, Inc.

## SCHEDULE A

December 31, 2023 and 2022

To estimate the reserves for losses and loss adjustment expenses, the Group utilizes the services of an independent actuarial firm. For the years ended December 31, 2023 and 2022, the Group booked to the independent actuary's best estimate.

The table below shows the Group's case reserves and incurred but not reported losses on an undiscounted basis.

	December 31,	
	2023	2022
	(gross of discount, in thousands)	
Net case reserves	\$ 2,323	\$ 2,428
Net incurred but not reported losses	<u>3,651</u>	<u>3,860</u>
Total net unpaid losses and loss adjustment expenses	\$ <u>5,974</u>	\$ <u>6,288</u>



- 6 -

**REPORT OF INVESTMENT ADVISOR**



Investments in harmony with you<sup>SM</sup>

## Self-Insured Lumber Business Association, Inc. (SILBA) Annual Meeting June 20, 2024

December 31, 2023

# Investment Objective and Guidelines

## INVESTMENT OBJECTIVES

- Preservation of capital.
- Maximization of investment income given liability, liquidity and other operating constraints.
- Outperform the Bloomberg US Intermediate Government/Credit Index (Benchmark) over a full market cycle.
- Realized gain and loss position to be net neutral at year-end.

## INVESTMENT GUIDELINES

- The portfolio may be invested in the following sectors of the fixed income market; U.S. Treasuries, Agencies, local authority, or corporate bonds as permitted in Section 63 of Chapter 175 of the Massachusetts General Laws.
- The portfolio may be invested in securities rated investment grade by the major rating agencies: Moody's, Standard & Poor's, or Fitch, at the time of purchase; or issued or guaranteed by the U.S. Government or its agencies or instrumentalities at the time of purchase.
- The duration shall be maintained within a band of plus or minus 25% of the benchmark's duration.
- No more than 5% of the portfolio (at the time of purchase) may be invested in a single issuer (excluding obligations of the U.S. Government, its agencies, and instrumentalities).
- Zero-coupon bonds may not represent more than 5% of the portfolio market value.
- Cash will be managed as a sector of the long-term portfolio. Short-term securities must be rated a minimum of A1/P1 by the major rating agencies.
- Securities must be dollar-denominated.
- Realized losses are restricted to no more than \$5,000 per transaction without prior approval from the investment committee

# Portfolio Summary

## CLIENT

Self-Insured Lumber Business Association, Inc.  
(SILBA)

## PORTFOLIOS INCLUDED

SILBA - Fixed Income

## PRIMARY BENCHMARK

Bloomberg US Aggregate Government & Credit -  
Intermediate

## ACCOUNTING BASIS

STAT

## RELATIONSHIP START DATE

January 1, 2020

## DATA AS OF

December 31, 2023

## CHANGE IN MARKET VALUE FROM (01/01/2023)

Beginning Market Value	<b>\$5,715,387</b>
Net Contributions/Withdrawals	\$0
Income	\$177,818
Net Realized Gain/Loss	-\$27
Unrealized Gain/Loss	\$150,341
Ending Market Value	<b>\$6,043,520</b>

## YOUR TEAM

Michael Rose, Vice President, Portfolio Management

Jacquelyn Weber, Portfolio Manager

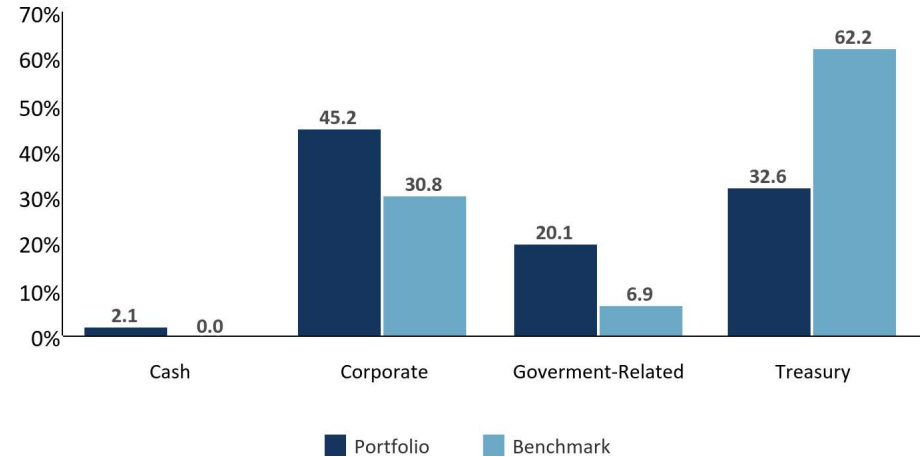
Karen Wambach, Senior Portfolio Administrator

# Portfolio Positioning Fixed Income

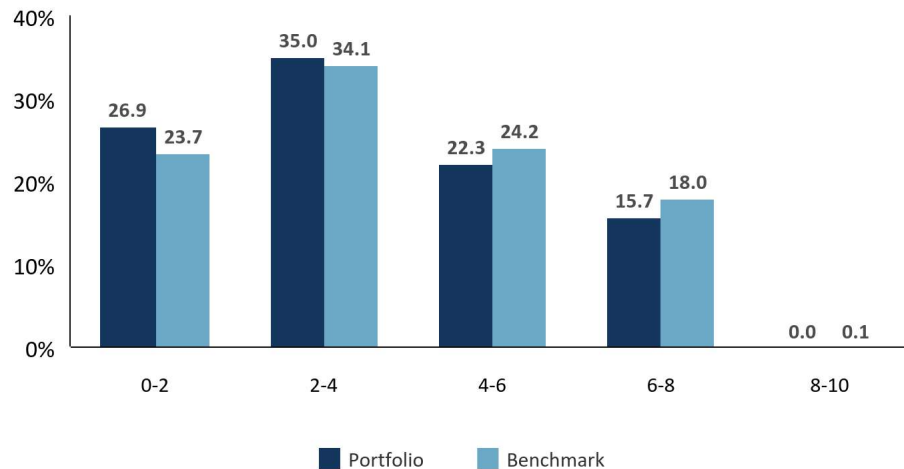
## PORTFOLIO CHARACTERISTICS

	VALUE
Market Value + Accrued	\$6,043,519.81
Market Value	\$6,002,686.05
Book Value	\$6,320,349.13
Unrealized Gain/Loss	-\$317,663.08
Accrued Total	\$40,833.76
Yield	4.62
Book Yield	2.97
Effective Duration	3.45
Effective Convexity	0.18
Average Credit Rating	AA-

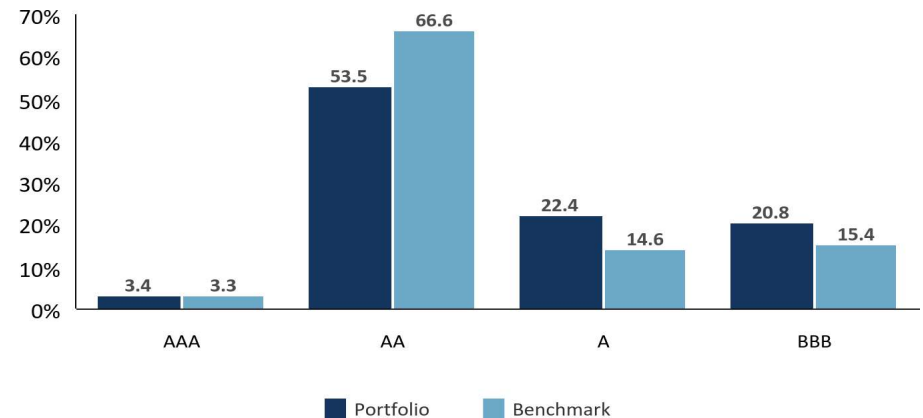
## INDUSTRY SECTOR



## DURATION EXPOSURE



## CREDIT RATING EXPOSURE



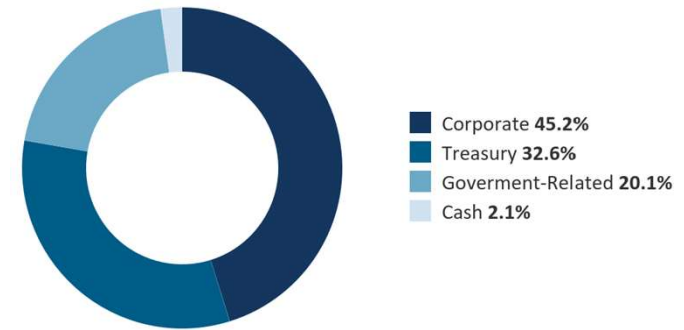
Source: Opus, FactSet  
 Benchmark- Bloomberg US Aggregate Government & Credit - Intermediate  
 Note: Percentages shown may not sum to total due to rounding.

# Portfolio Overview

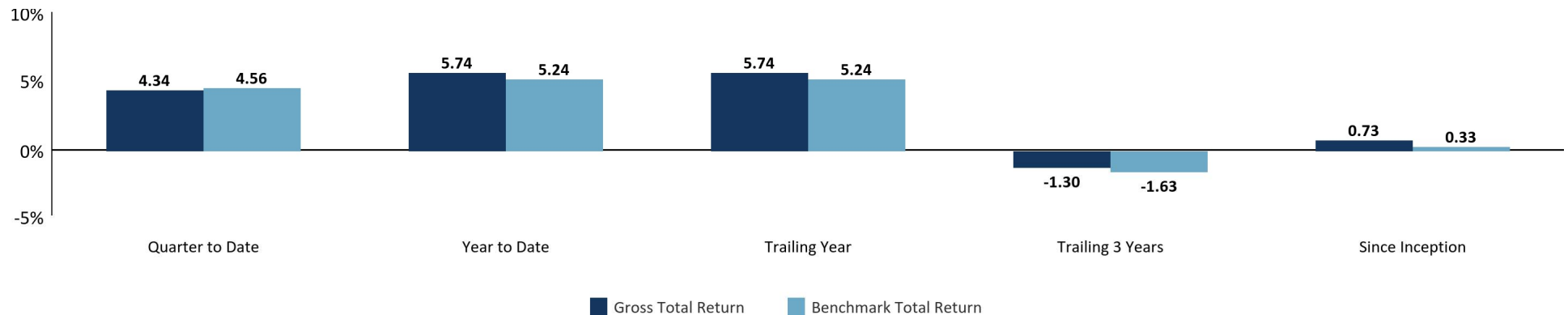
## PORTFOLIO CHARACTERISTICS

	VALUE
Market Value + Accrued	\$6,043,519.81
Book Value	\$6,320,349.13
Unrealized Gain/Loss	-\$317,663.08
Accrued Total	\$40,833.76
Distinct Securities	159

## ASSET ALLOCATION



## TOTAL RETURNS/HISTORICAL PERFORMANCE



The performance returns for your account throughout this report are gross returns (unless noted), presented before management and any custodial fees, but after all trading expenses. Past performance is not an indicator of future results. Please refer to the important performance disclosures at the end of this presentation.

Since Inception Performance in this presentation reflects the Opus inception date of the portfolio represented. Individual portfolios may have been added/restructured at different times so may not coincide with the start of the relationship with Opus Investment Management.

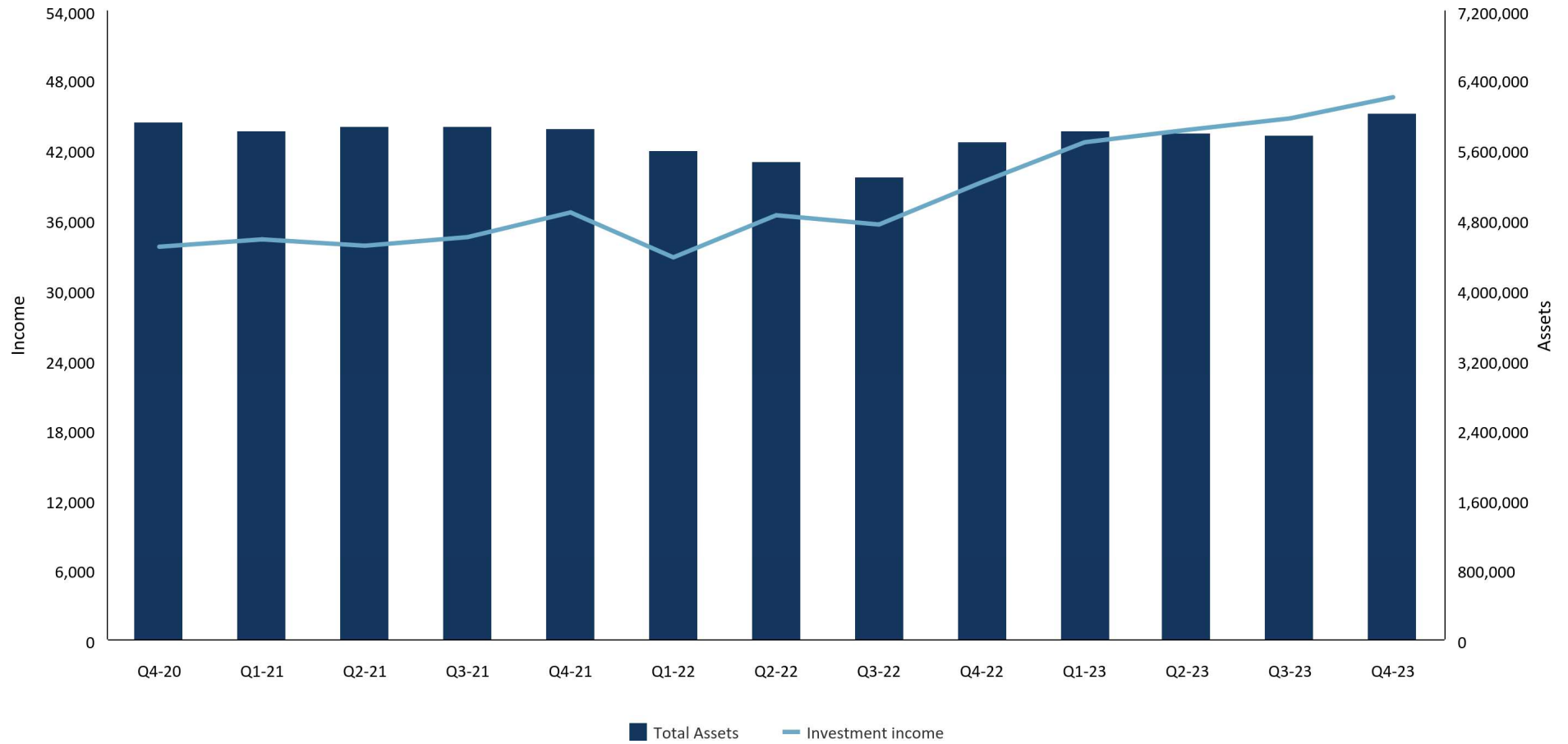
Source: Opus, Bloomberg

Benchmark- Bloomberg US Aggregate Government & Credit - Intermediate

Note: Percentages shown may not sum to total due to rounding.

# Income Summary

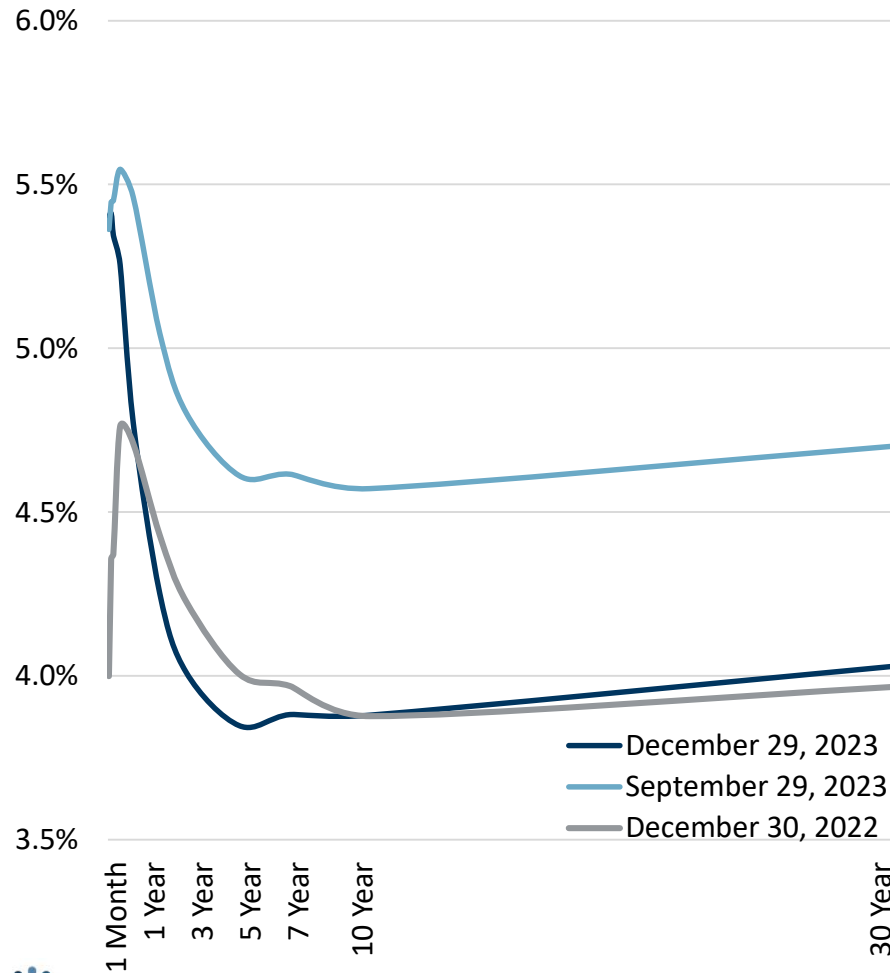
## TOTAL ASSETS VS INCOME



# Economic Outlook

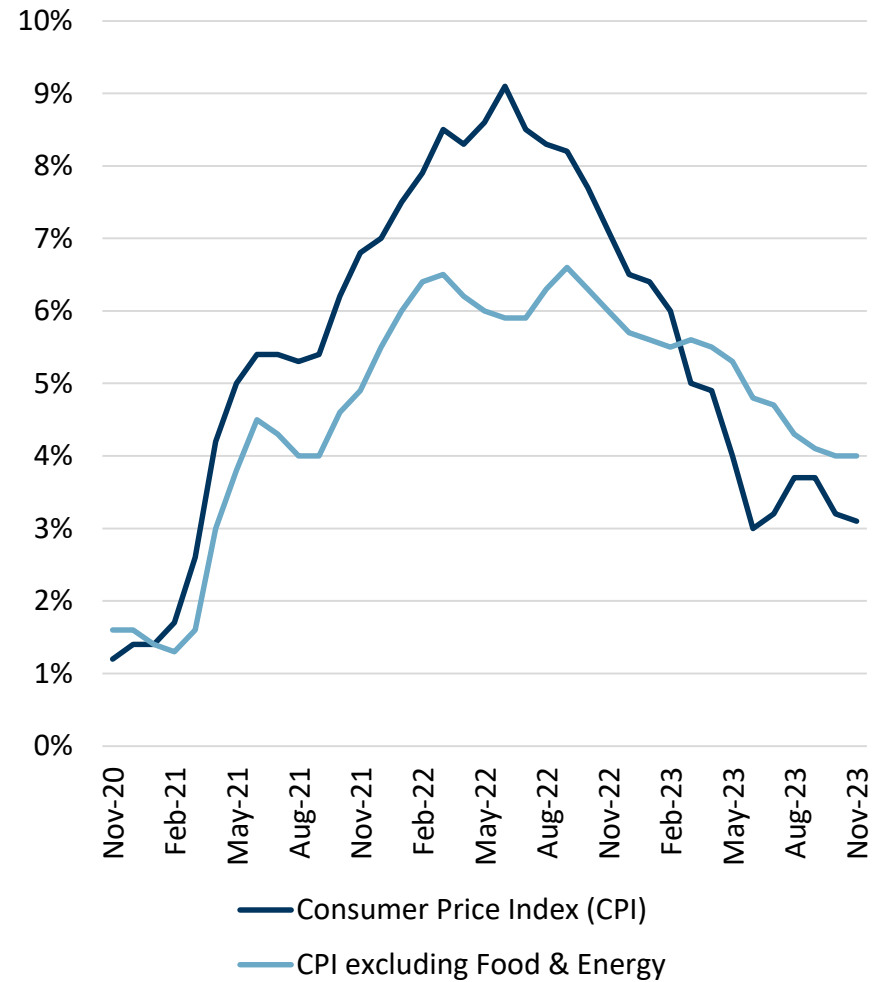
*Inflation has moderated, but given labor market strength, more progress may be needed prior to the first rate cut by the FOMC*

## U.S. Yield Curve



## Consumer Price Index (CPI)

Year-over-Year Change





# Economic Outlook

*Moderating economic data and a less aggressive FOMC make a “soft landing” more likely*

## FOMC hiking cycle may be at an end as their next move is widely expected to be a cut

- Core inflation continues to moderate but remains above the FOMC’s long-term target, while unemployment remains low
- FOMC sentiment seems to have shifted to a more dovish stance with projections of additional rate cuts in 2024
- Market participants are pricing in more aggressive rate cuts than the FOMC which could lead to continued volatility

## Consumers have been the ballast of the U.S. economy, though they are becoming more cautious

- Consumer spending has remained stronger than expected though consumers are becoming more price sensitive
- Consumer credit fundamentals suggest the current debt burden is manageable, although elevated interest rates make debt more costly
- Labor market strength persists with unemployment remaining near the 50-year low, however job openings are declining

## Strong market performance to end the year may already incorporate a soft landing

- The S&P 500 rose 11.7% during the fourth quarter, predominantly driven by a belief that the FOMC hiking cycle has peaked
- All-in corporate bond yields pushed to 15-year highs before falling precipitously late in the quarter; investment grade risk premiums also declined
- Other potential sources of volatility and geopolitical risk remain; such as U.S. election, Russian Ukrainian war, Israel Hamas conflict

© 2024. Opus Investment Management is a Registered Investment Adviser.

The information herein is general in nature and for discussion purposes only. It is not intended to supplement or replace the disclosures made in Part 2 of Opus Investment Management's ("Opus") Form ADV. A copy of our current written disclosure statement discussing our advisory services and fees is available for review upon request.

All investments are subject to risks. Past performance is not an indicator of future results. It should not be assumed that any of the securities transactions or holdings discussed were or will prove to be profitable, or that the investment recommendations or decisions we make in the future will be profitable or will equal the investment performance of the securities discussed herein. Bonds are subject to market, interest rate and credit risk; and are subject to availability and market conditions. Generally, the higher the interest rate the greater the risk. Bond values will decline as interest rates rise. Mortgage-backed and Asset-backed securities may be subject to prepayment risk. High yield bonds, also known as "junk bonds", are subject to additional risk such as increased risk of default. Equity securities such as common stocks and exchange-traded funds ("ETFs") are subject generally to market, market sector, market liquidity, issuer, and investment style risks, among other factors to varying degrees. Equity securities may rise and decline in value due to both real and perceived market and economic factors as well as general industry conditions. Fixed income (excluding Tax-Exempt Municipals) and Equity securities are subject to Federal taxes, they may also be subject to alternative minimum tax, state and local taxes (please consult your tax professional for further guidance). Asset allocation cannot assure a profit nor protect against a loss.

Any indices included in this report are for purposes of comparing your returns to the returns on a broad-based index of securities. Index returns do not reflect advisory fees, transaction cost and other expenses that the client would pay which would reduce the return. The indices assume reinvestment of dividends. You cannot directly invest in an index.

As noted, a client's actual investment return will be reduced by the separate account manager's fees, Opus's advisory fees, and/or any other fees as described in Part 2 of Form ADV of each separate account manager and Opus (which can be obtained upon request) as well as any other applicable expenses incurred during the management of the portfolio. As an example, an account with an initial \$10,000.00 investment on January 1, 2000 earning a recurring 1.25% quarterly gross return (5.09% annualized) and paying a 0.25% quarterly management fee (1.0% annualized fee) would have grown to \$12,820.37 on a gross of fees basis but only \$12,201.90 on a net of fees basis by December 31, 2004 (5 years).

All returns reflect the reinvestment of interest, dividends, and realized capital gains and losses.

This presentation reflects the opinion of Opus on the date written and is subject to change at any time without notice. Due to various factors, including changing market conditions, the content may no longer reflect our current opinions or positions. Any market observations and data provided are for informational purposes only. Where data is presented that is prepared by third parties, such information will be cited, and these sources have been deemed to be reliable. However, Opus does not warrant the accuracy of this information. Opus and any third parties listed herein are separate and unaffiliated and are not responsible for each other's policies, products or services.

The values presented in this presentation reflect the assumptions and methodologies of Opus following industry and regulatory standards. Management of portfolios is based on these values and assumptions. For clients that do not contract with Opus for accounting services, these values may not reflect accounting book of record.

Please refer to your custodial statements as an official record of your current Holdings and Transactions.

#### Opus Average Rating:

Opus uses an average rating that compares the three major rating agencies (Moody's, S&P, and Fitch), using the following:

- If all three agencies rate an issue the median rating is used.
- If two of the three agencies rate the issue the lower rating is used.
- If only one rating is available Opus uses that rating.

This aligns with the benchmark methodology and is similar to the methodology used by the NAIC. Opus assigns a numerical value for each rating category and uses principal value to calculate the weighted average of the portfolio.

#### Third-Party Content Disclaimer:

This report may contain information obtained from third parties, including ratings from credit ratings agencies such as Standard & Poor's. Reproduction of any information, data or material, including ratings ("Content") in any form is prohibited except with the prior written permission of the relevant party. Such party, its affiliates and suppliers ("Content Providers") do not guarantee the accuracy, adequacy, completeness, timeliness or availability of any Content and are not responsible for any errors or omissions (negligent or otherwise), regardless of the cause, or for the results obtained from the use of such Content. In no event shall Content Providers be liable for any damages, costs, expenses, legal fees, or losses (including lost income or lost profit and opportunity costs) in connection with any use of the Content. A reference to a particular investment or security, a rating or any observation concerning an investment that is part of the Content is not a recommendation to buy, sell or hold such investment or security, does not address the suitability of an investment or security and should not be relied on as investment advice. Credit ratings are statements of opinions and are not statements of fact.

S&P Ratings are licensed by Standard and Poor's Financial Services, LLC. - [www.standardandpoors.com](http://www.standardandpoors.com) Moody's Ratings are licensed by Moody's Investors Service, Inc. - [www.moodys.com](http://www.moodys.com) CUSIP, US ISIN and related data is licensed by CUSIP Global Services - [www.cusip.com](http://www.cusip.com) Analytic data excerpts may be provided by FactSet - [www.factset.com](http://www.factset.com) Analytic data excerpts may be provided by Bloomberg, LLP - [www.bloomberg.com](http://www.bloomberg.com)

Bloomberg Index Services Limited. BLOOMBERG® is a trademark and service mark of Bloomberg Finance L.P. and its affiliates (collectively "Bloomberg"). Bloomberg or Bloomberg's licensors own all proprietary rights in the Bloomberg Indices. Neither Bloomberg nor Bloomberg's licensors approves or endorses this material, or guarantees the accuracy or completeness of any information herein, or makes any warranty, express or implied, as to the results to be obtained therefrom and, to the maximum extent allowed by law, neither shall have any liability or responsibility for injury or damages arising in connection therewith.



- 7 -

**REPORT OF ACTUARY**

### ***SILBA Unpaid Loss and LAE as of December 31, 2023 – Executive Summary***

WTW was retained by the Self-Insured Lumber Businesses Association, Inc. (SILBA or the Group) to prepare an actuarial analysis of SILBA's unpaid loss and loss adjustment expense (LAE) using information evaluated as of December 31, 2023.

This report was prepared for the internal use of SILBA, its members and its third-party program administrator, USI Insurance Solutions LLC, to present our findings with respect to this analysis. It is our understanding that SILBA management will consider and have considered the findings of this report for the purpose of establishing unpaid loss and LAE estimates for internal and external financial reporting. This report is not intended or necessarily suitable for any other purpose.

This executive summary provides a high-level overview of our full report on SILBA's unpaid loss and LAE as of December 31, 2023 (dated April 23, 2024). That report contains detailed descriptions of our methodologies, assumptions and judgments and should be reviewed for a complete understanding of this analysis.

In this report, we provide an actuarial central estimate of SILBA's unpaid loss and LAE as of December 31, 2023. This actuarial central estimate is intended to represent an expected value over a range of reasonably foreseeable outcomes. It was arrived at through evaluation of the results of various actuarial methods applied to SILBA's experience. As such, the derivation of the estimate does not reflect extreme events which are believed to have a remote possibility of occurring.

For the purpose of this report, the accounting date of December 31, 2023 is the date used to separate paid and unpaid claim amounts in the Group's financial statements. Transactions through the valuation date of December 31, 2023 are included in the data used in our analysis. No account has been taken in the projections of developments subsequent to the review date of April 12, 2024.

### **DISTRIBUTION**

We have prepared this executive summary solely for SILBA's internal use. It is intended for use by persons technically competent in the areas covered and with the necessary background information. No further distribution of this report or reference, either oral or written, to WTW, our analysis or findings related to this report may be made without our prior written consent.

### **SUMMARY OF KEY FINDINGS**

Based on our analysis of SILBA's experience as of December 31, 2023 and subject to the considerations set forth in the *Reliances and Limitations* section, we have reached the following conclusions.

- 1. Unpaid Loss and LAE as of December 31, 2023** – A comparison of our estimates to the amounts carried in SILBA's financial statements is summarized in the table that follows.

Unpaid Loss and LAE as of December 31, 2023 (\$000s)		
	Indicated	Carried
Gross Loss & LAE Liabilities	\$5,982	\$5,980
Ceded Unpaid Loss and LAE	63	63
Net Loss & LAE Liabilities	5,919	5,917
Discounted Net Loss & LAE Liabilities	\$5,149	\$5,146

Recorded reserves in the financial statements are consistent with the indicated on both a nominal gross basis (i.e., before amounts ceded to external insurers are removed) and a discounted net basis. As a result, we provided a “reasonable” Statement of Actuarial Opinion to regulators. Please note that the amounts above include both loss (i.e., payments to claimants) and LAE (i.e., payments related to claim handling and claim settlement, including attorney fees and the costs of claims adjusting).

**2. Group-Specific Risk Factors** - In our evaluation, we considered the following risk factors that increase the uncertainty inherent in SILBA’s loss and LAE reserves:

- The per-occurrence retentions, especially for the more recent policy years, (i.e., \$600,000 - \$700,000 since policy year 2014) are high relative to the average ultimate per-occurrence severity level (i.e., the average claim size, which is under \$20,000)
- The exposures are concentrated with respect to coverage (workers compensation), state (Massachusetts) and industry sector (building materials supply). Workers compensation is a long-tailed line of coverage subject to considerable uncertainties, and the concentration risk in that line of business is heightened by the potential for legislative or judicial changes that could have a small impact to the insurance industry but a large impact to SILBA.
- The Group writes a small volume of business, which can make the results more volatile
- The Group’s exposure to inflation, for which the risk of an acceleration is heightened by recent observed increases in inflation for certain goods and services and the resulting potential for spillover effects into wages and medical costs

**3. Risk of Material Adverse Deviation** – The 2023 Annual Statement Instructions – Property Casualty promulgated by the National Association of Insurance Commissioners (NAIC) require the opining actuary to evaluate whether there are significant risks and uncertainties associated with the subject entity’s loss and LAE reserves that could result in material adverse deviation of the held reserves. We have defined material to be \$226,000 (15% of the sum of declared and unpaid policyholder dividends and surplus as of December 31, 2023).

Based on our analysis, we believe such risks and uncertainties that could result in \$226,000 of unfavorable reserve development are present as of December 31, 2023. Specifically, the combination of the relatively high per-occurrence retentions and the small volume of business written makes it reasonably possible that the amounts booked in the financial statements could differ from the actual amounts paid out in the future by \$226,000. The inflation risk contributes to the possibility as well.

The absence of other risks and uncertainties from this listing does not imply that additional factors will not be identified in the future as having been a significant influence on the Group’s reserves.

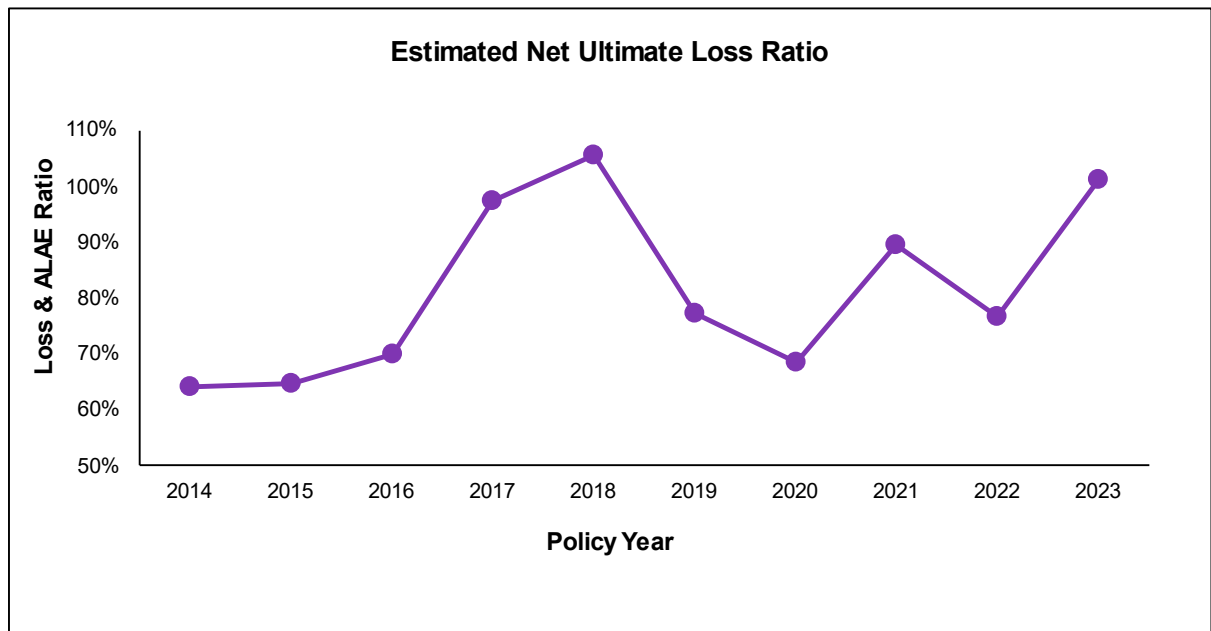
**4. Estimates for Policy Years 2022 and Prior** – Overall our December 31, 2023 estimates of ultimate losses incurred for coverage years 1992 through 2022 are below the December 31, 2022 estimates on a net basis. With the exceptions of policy years 2020 and 2022, which increased slightly from the prior report, all periods were stable or experienced better than expected development.

**Change in Net Ultimate Losses by Policy Year  
Coverage Years 1992 through 2022 (\$000s)**

Policy Year	Estimated Net Ultimate Losses as of 12/31/2022	Estimated Net Ultimate Losses as of 12/31/2023	Dollar Change	Percentage Change
2016 and Prior	\$50,842	\$50,737	(\$105)	-0.2%
2017	3,475	3,460	(15)	-0.4%
2018	3,965	3,965	0	0.0%
2019	3,150	2,950	(200)	-6.3%
2020	2,650	2,700	50	1.9%
2021	3,543	3,368	(175)	-4.9%
2022	<u>2,950</u>	<u>3,000</u>	<u>50</u>	<u>1.7%</u>
<b>Total</b>	<b>\$70,576</b>	<b>\$70,181</b>	<b>(\$395)</b>	<b>-0.6%</b>

Our gross loss estimates (not shown) decreased 0.5% from our prior analysis.

5. **Loss Ratios** – Our estimated loss ratios, which show the percentage of premium that is spent on losses, can be seen on a net of reinsurance basis in the graph that follows.



Results for the Group have trended upward in recent years after a decline for periods 2019 and 2020, with all ratios since 2014 exceeding 60%. The increase for the loss ratio for period 2023 is due to the combination of a higher volume of reported and paid losses at 12 months maturity and the lower rates promulgated by the rating bureau.

Self-Insured Lumber Businesses Association, Inc.  
Unpaid Loss and LAE as of December 31, 2023  
May 29, 2024

Page 4 of 4

## RELIANCES AND LIMITATIONS

The *Reliances and Limitations* section from our April 23, 2024 report applies to this analysis.

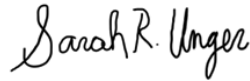
\* \* \* \* \*

The lead author of this report, Emilie R. Dubois, is a member of the American Academy of Actuaries and meets its qualification standards to render the actuarial opinion contained herein.

Sincerely,



Emilie R. Dubois, FCAS, MAAA  
617.638.3834  
emilie.dubois@wtwco.com



Sarah Unger  
615.872.3202  
sarah.unger@wtwco.com

\\INT\CR\BINA\RACORP\_CLIENT\US\INSURANCE SERVICES - 1001443\2023\20231231\_LIAB\_3416674\_3416675\03\_WORK\04\_PRESENTATION\ISILBA 123123 EXECUTIVE SUMMARY\_F.DOCX

- 8 -

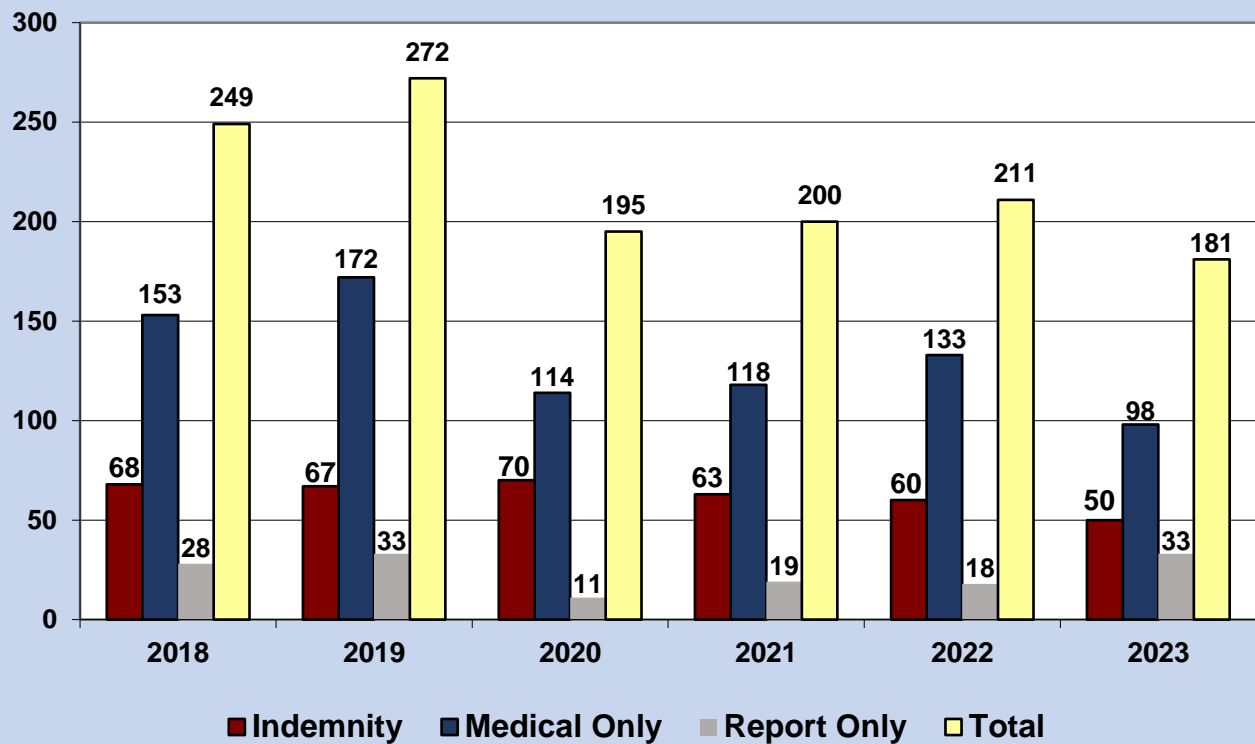
**2023 CLAIMS OVERVIEW SUMMARY**



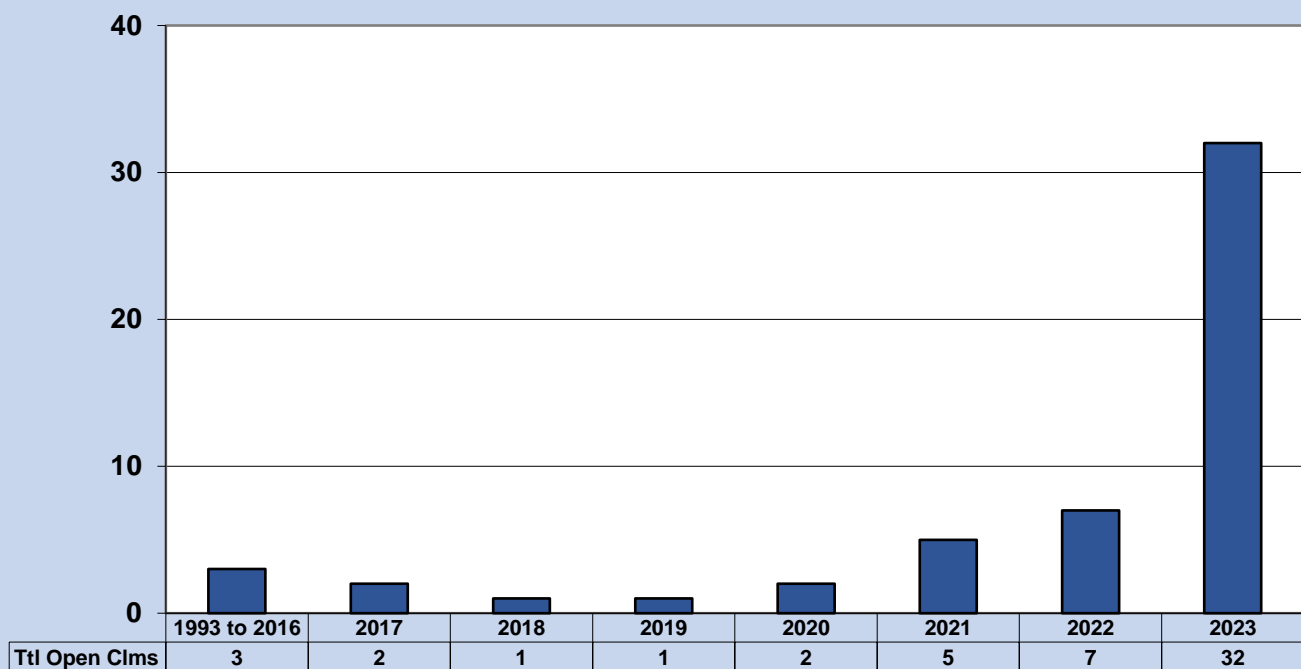
## SILBA Fund Year 2023 Annual Report

### Claims Overview as of December 31, 2023

**Claim Type History 2018 - 2023**  
\*as of 12/31/23

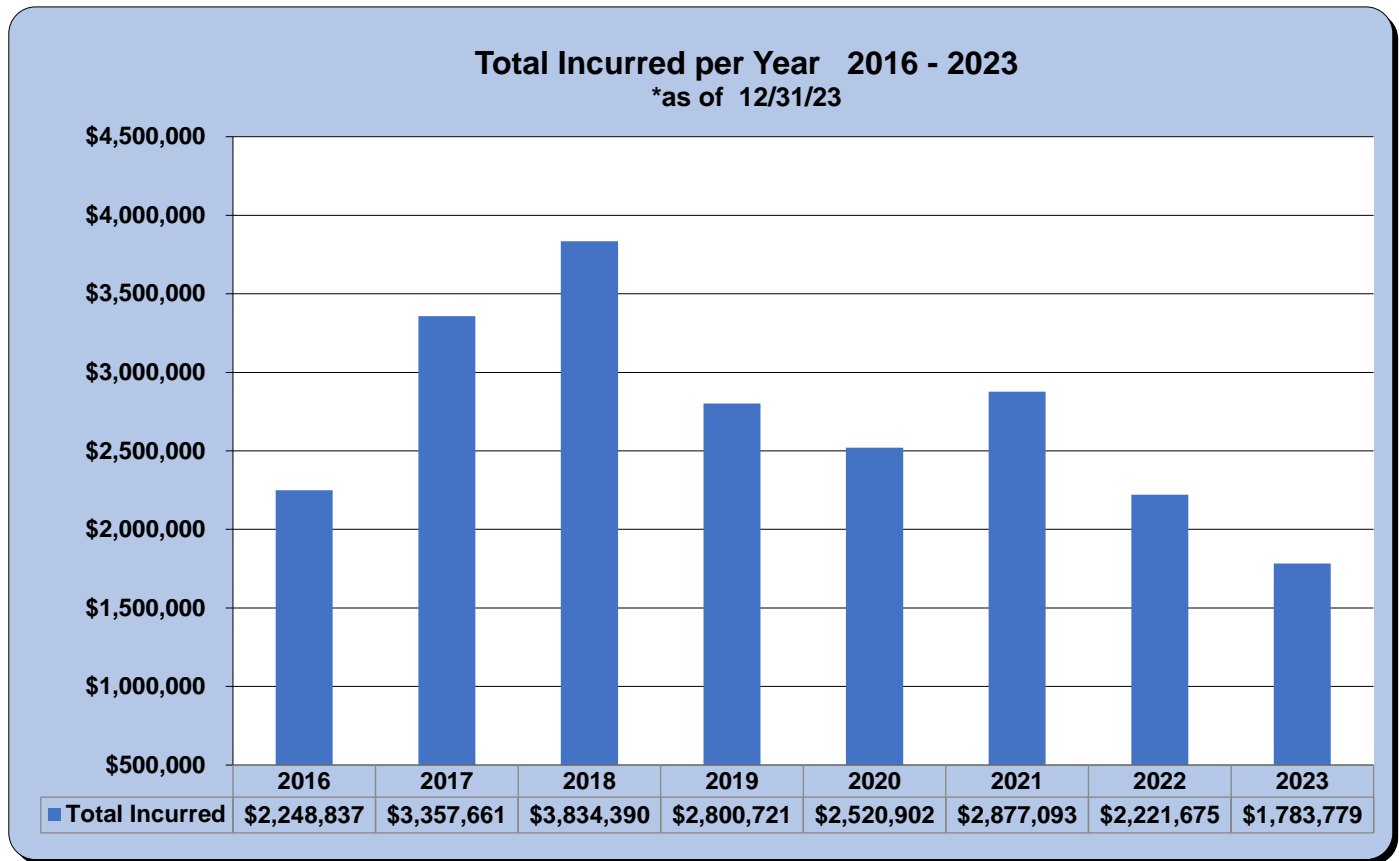


**Total Open Claims By Year**  
\*as of 12/31/23  
Total = 53



## SILBA Fund Year 2023 Annual Report

### Claims Overview as of December 31, 2023



A total of 181 claims were reported in 2023, resulting in a total incurred cost of \$1,783,779. Reported claims are down 12% compared to the amount reported in 2022. Medical only claims and lost claims are down from the 2022 fund year. Report only claims increased from the 2022 reported amount.

When comparing the total incurred costs to the same period in the 2022 year, they were up by 26%.

The Group has minimal claims open for the years 1993 to 2020 (9). As of December 31, 2023, 98% of all 2021 claims (200) have been closed and 97% of all 2022 claims (211) have been closed. Total open claims for all fund years as of December 31, 2023, was 53.

- 9 -

**2023 SAFETY COMMITTEE & LOSS CONTROL REVIEW**



---

## BOARD OF DIRECTORS LOSS CONTROL ANNUAL STATUS REPORTS 2023

---

**Presented to:**



**Reporting Period  
January 1, 2019 through December 31, 2023**

**Prepared by;  
Dan McCarthy and Zach Collins  
Senior Loss Control Consultants**

**Presented:  
June 20, 2024**

***Administrator***

***FutureComp®***

## Table of Contents

<b>Section</b>	<b>Page Number</b>
Executive Summary:.....	3
Introduction .....	4
Frequency & Severity by Type of Claim.....	4
Loss Program Overview .....	5
Claim Status Overview .....	7
Frequency & Severity Trends by Injury Causation.....	8
Conclusions.....	9

## Executive Summary:

- The SIG is managing its membership exceptionally well, this healthy mix of Members/Organizations helps to balance/offset the impact that shock losses have on the Group's loss ratios! SILBA continues to maintain significantly lower loss frequency, severity, and ratios. SILBA's 47 Active Member's 2023 Loss Ratio is 46%, & SILBA's 57 Past & Active Member's 5-Year Loss Ratio stands at 58%
- Since January 1, 2019, the SIG's loss ratio has decreased 22%! Furthermore, the loss ratio decreased 5% when comparing 2023 to 2022, continuing the downward trending!
- As of December 31, 2023: 74% (33 Members) of the 47 Active Members have 2023 Loss Ratios less than 60%! Additionally, 75% (43 Members) of the 57 Past and Active Members have 5-Year loss ratios less than 60%! Outstanding Results!!
- Since January 1, 2019: SILBA's average # of claims reported each year is 212 claims, and averages approximately \$2.44 million total annual incurred loss dollars per year. In 2023, the Group has reported 181 claims with just over \$1.78 million in total incurred lost dollars.
- From January 1, 2019 through December 31, 2023 SILBA has observed approximately a 34% (91 claims) decrease in # of annual reported claims and just over a 36% (\$1.02mil) decrease in annually incurred loss dollars.
- 70% of all claim costs were incurred from either a Strain or Injury or a Fall, Slip, or Trip. The most common incidents continue to be Strain or Injury (39%), & Struck or Injured By (17%), Fall, Slip, or Trip (17%), accounting for 73% of all incidents.
- Majority of all Strain or Injury incidents continue to occur during the 1<sup>st</sup> & 2<sup>nd</sup> Quarters. Accounting for 53% (218 claims) of the total 414 Strain or Injury incidents, & 21% of all 1059 claims reported over the past 5 fund years.
- SILBA's worst performing Quarter over the past five fund years is Quarter 1, which accounts for 26% (280) of all 1059 claims reported since January 1, 2019, & 35% (\$4.28mil.) of all \$12.21 incurred loss dollars. As would be expected with the increased Fall, Slip, or Trip l & Sprain or Injury exposures during winter months.
- Reducing frequency/severity of Musculoskeletal injuries, particularly ones related to Slip/Trip/Falls and Strains/Sprains will be the primary focus of FutureComp's Loss Control efforts. Musculoskeletal injuries can have the potential of a long-drawn-out expensive workers' compensation claim. These trends continue to be consistent with previous reports and it is imperative we reduce our exposure. [We continue to recommend the mitigation techniques outlined in the linked PDF for addressing these loss trends.](#)
- These numbers are indicative of the importance of "Return to Work/Alternative/Light Duty Programs" and reducing the dollar amount associated with indemnity claims. Which includes but are not limited to reductions in: legacy/indemnity costs, turnaround time for closing out claims, total incurred costs per injury, time to return employees to part/full time work, employee burnout, etc. By improving our written programs, increasing our training, and strengthening our members' safety culture, FutureComp is confident we can reduce the loss dollars associated with SILBA's indemnity claims.

## Introduction

This Annual Report is a review of loss control data from January 1, 2019 through December 31, 2023. Unless otherwise noted, the data and statistics that comprise this report are valued as of December 31, 2023.

The goal of our partnership (SILBA, FutureComp, and the Loss Control Department) is to identify loss trends, focus on those loss trends, implement controls, and achieve the greatest results.

## Frequency & Severity by Type of Claim

**Figure 1:** **SILBA - Frequency By Claim Type Breakdown:**  
**January 1, 2019 - December 31, 2023**

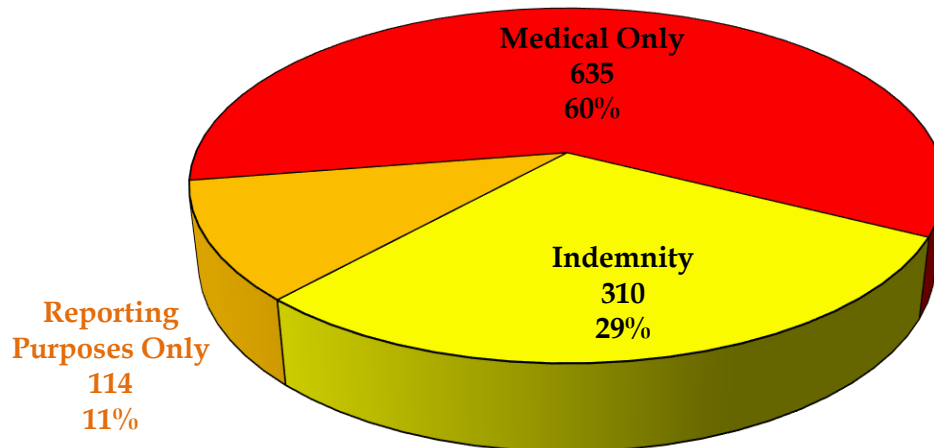


Figure 1 illustrates the SIG's overall WC claim frequency trends broken down by claim type during the past five fund years (2019-2023).

Of the 1059 claims, 635 are "medical only" - no loss time, or alternative duty, 310 are indemnity claims - hospitalization, loss time, and/or alternative duties, and 114 are "report only" - no medical treatment of any kind.

**Figure 2:** **SILBA - Severity By Claim Type Breakdown:**  
**January 1, 2019 - December 31, 2023**

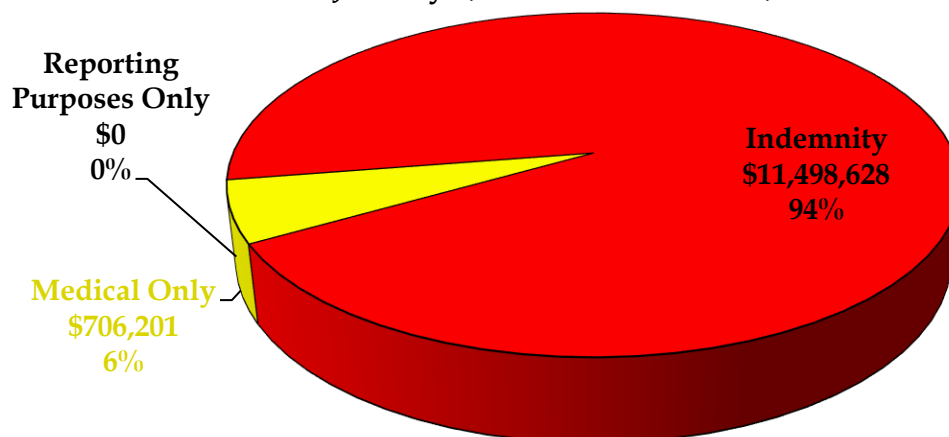


Figure 2 illustrates the SIG's overall WC claim severity trends broken down by claim type during the past five fund years (2019-2023).

Since January 1, 2019, the SIG has a total of \$12.21million in Incurred Loss Dollars. Indemnity claims, as would be expected, account for 94% (\$11.50 million). *\*Claim status has a big impact on how these numbers could develop which is illustrated in Figures 6 & 7.*

These numbers are indicative of the importance of “Return to Work/Alternative/Light Duty Programs” and reducing the dollar amount associated with indemnity claims. Which includes but are not limited to reductions in: legacy/indemnity costs, turnaround time for closing out claims, total incurred costs per injury, time to return employees to part/full time work, employee burnout, etc. By improving our written programs, increasing our training, and strengthening our members’ safety culture, FutureComp is confident we can reduce the loss dollars associated with SILBA’s indemnity claims.

These trends are in line with workers’ compensation trends observed in previous five fund years.

### Loss Program Overview

**Figure 3: SILBA - Annual Loss Ratio Trending:  
January 1, 2019 - December 31, 2023**

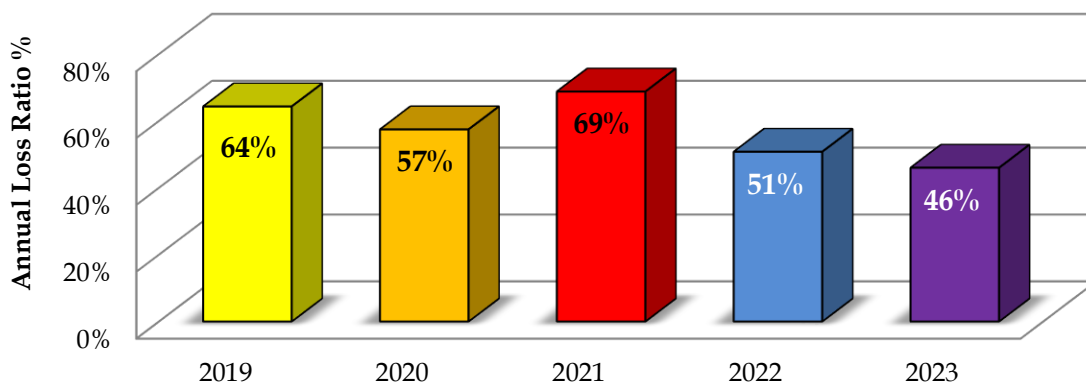


Figure 3 illustrates the SIG’s annual Loss Ratio trending of the SIG over the past five fund years (2019-2023). A Loss Ratio represents your total premium divided by your loss dollars.

SILBA has made great strides over the last couple of years. FutureComp/SILBA’s Board is very pleased to see the SIG reach a 2023 annual loss ratio much lower than the industry standard of 60% or less. An admirable feat for any SIG to achieve! *\*Please keep in mind the 2023 claims are still green, and the loss ratio has the potential to fluctuate, FutureComp is still extremely pleased with the 2023 loss ratio valued as of 12-31-23.*

Highlights of 2023 as of December 31, 2023:

- As of December 31, 2023, the SILBA’s 5-Year loss ratio stands at 58%.
- As of December 31, 2023: 74% (33 Members) of the 47 Active Members have 2023 Loss Ratios less than 60%!
- 75% (43 Members) of the 57 Past and Active Members have 5-Year loss ratios less than 60%! Outstanding Results!!
- 51% (24 Members) of the SIG have 0% Loss Ratios in the 2023 fund year.
- 26% (15 Members) of the SIG have 0% 5-Year Loss Ratios (2019-2023).



**Figure 4: SILBA - Annual Claim Frequency Trending:  
January 1, 2019 - December 31, 2023**

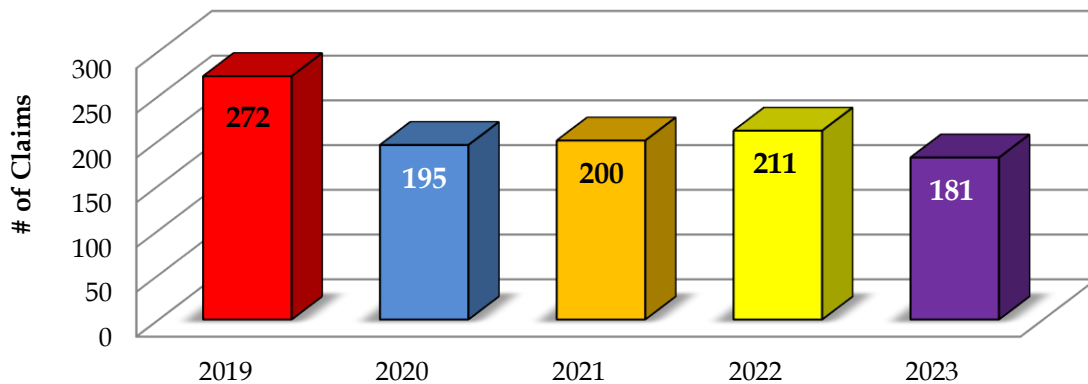


Figure 4 illustrates overall annual claims frequency trending of the SIG during the past five fund years (2019-2023).

Experiencing a plateauing trend in annual claims in the previous four fund years (2020-2023), with an average # of 197 claims per year.

- Since 2019, claims frequency decreased 34% (91 claims) compared to 2023's.
- Over the past five fund years (2019-2023) SILBA averaged 212 claims annually, a 5% decrease from (2018-2022) 224 claim 5-year annual average.
- The total # claims reported are spread evenly throughout the year (Q1 - 280, Q2 - 276, & Q3 - 275), with a dip in Q4 -223 which correlates with the seasonal decrease in member operations and employment sizes.

**Figure 5: SILBA - Annual Claim Severity Trending:  
January 1, 2019 - December 31, 2023**

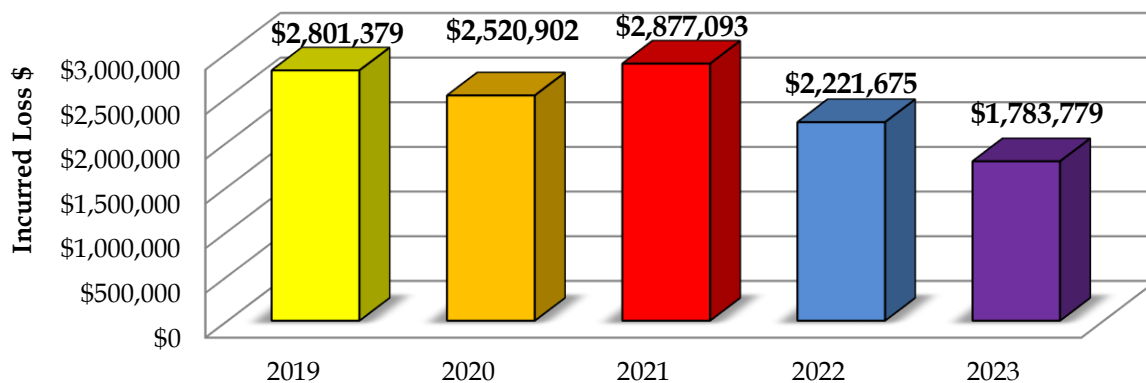


Figure 5 illustrates overall annual WC claims severity trending of the SIG during the past five fund years (2019-2023).

2023 annual totals and incurred loss dollars trends are very similar to 2022 's, FutureComp expects that SILBA & Members can manage the claims that are currently open from 2023 and maintain this positive trending. Furthermore, annual totals continue to remain significantly lower than pre-pandemic years. *\*Keeping in mind the older the fund year the more mature the claims.* Overall, 2023 was a positive year for SILBA!

- Over the past five fund years (2019-2023) SILBA averaged \$2.44mil incurred loss dollars annually, a 7% decrease from (2018-2022) \$2.62mil 5-year annual average.
- From January 1, 2019 through December 31, 2023 SILBA has observed approx. a 36% (\$1.02mil) decrease in annually incurred loss dollars.
- The SIG is managing its membership exceptionally well, this healthy mix of Members/Organizations helps to balance/offset the impact that shock losses have on the Group's loss ratios! As of December 31, 2023,
  - The average cost per claim over the past 5 fund years stands at \$11.5k
  - The 57 Past & Active Members averaged a total of approx. \$214k incurred loss dollars per member over the past five fund years (2019-2023).

### Claim Status Overview

**Figure 6:**

#### **SILBA - Claim Status Breakdown: January 1, 2019 - December 31, 2023**

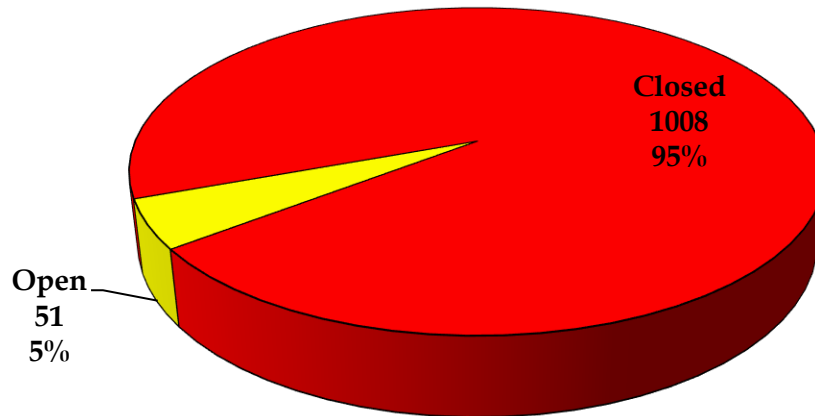


Figure 6 illustrates overall performance of the SIG's ability to resolve open WC claims during the past five fund years (2019-2023).

**Figure 7:**

#### **SILBA - Claim Paid Vs. Reserves: January 1, 2019 - December 31, 2023**

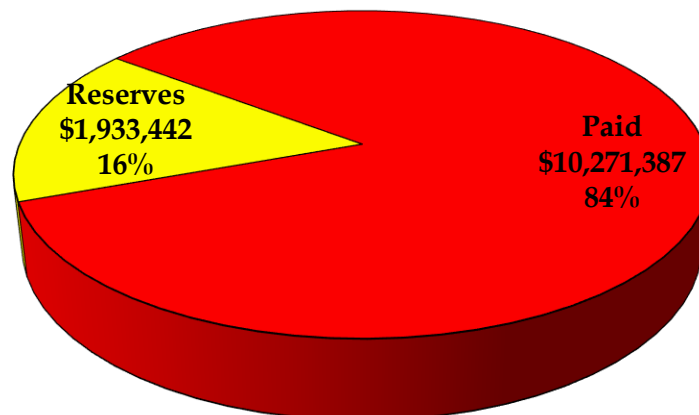


Figure 7 illustrates overall WC claim cost resolution/settlement performance of the SIG during the past five fund years (2019-2023).

The Pie charts above is a testament to the hard work of the Members, Claims and Nurse Case Management Teams.

As depicted in **Figure 7**, approx. 1/6 (\$1.93mil) of all incurred loss dollars over the past five fund years are being held in reserves. This means that there could still be opportunities to reduce the 5-year total incurred loss dollars by a substantial amount. Something that SILBA as a whole has been very successful at achieving historically.

### Frequency & Severity Trends by Injury Causation

**Figure 8:** **SILBA - Claim Frequency Trending:**  
**# of Incidents By Injury Causation Since January 1, 2019**

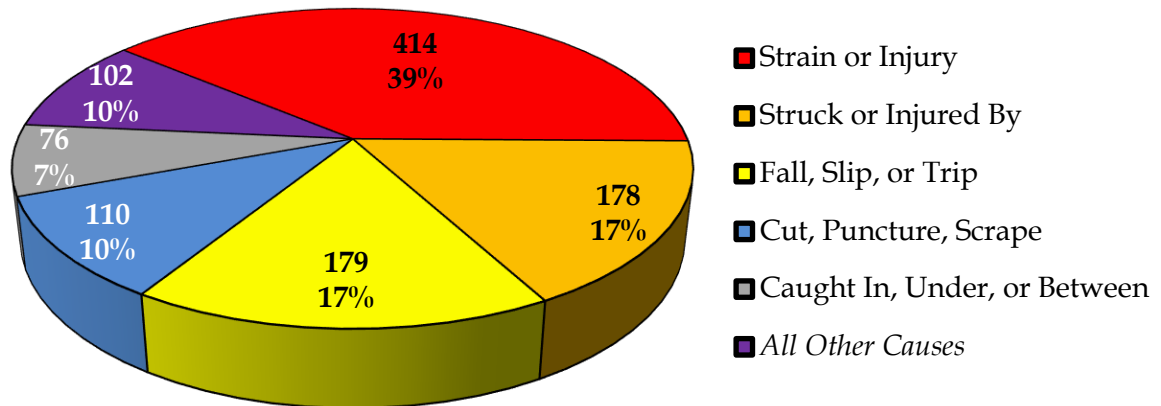


Figure 8 illustrates the SIG's overall WC claims frequency performance broken down by injury cause during the past five fund years (2019-2023).

A deeper dive into the data/charts above indicate the following. Since January 1, 2019:

- The most common incidents continue to be Strain or Injury (39%), & Struck or Injured By (17%), Fall, Slip, or Trip (17%), accounting for 73% of all incidents.
- Majority of all Strain or Injury incidents continue to occur during the 1<sup>st</sup> & 2<sup>nd</sup> Quarters.
  - o Accounting for 53% (218 claims) of the total 414 Strain or Injury incidents, &
  - o 21% of all 1059 claims reported over the past 5 fund years.

**Figure 9:** **SILBA - Claim Severity Trending:**  
**# of Incidents By Injury Causation Since January 1, 2019**

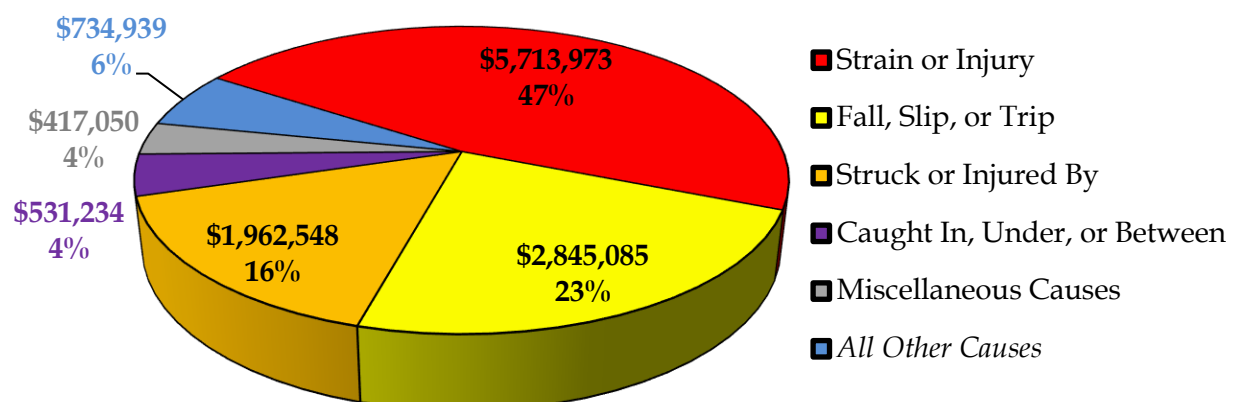


Figure 9 illustrates the SIG's overall WC claims severity performance broken down by injury cause during the past five fund years (2019-2023).

Struck Or Injured By Injuries account for 16% of the loss dollars incurred over the past five fund years 2019-2023, a staggering 9% (\$1.01mil) increase when compared to 2018-2022 five-year total. Interestingly the total number of Struck Or Injured claims is the same. We will monitor this trend during the 2024 fund year to determine the causation of the spike as well as manage the claims costs.

Reducing frequency/severity of Musculoskeletal injuries, particularly ones related to Slip/Trip/Falls and Strains/Sprains will be the primary focus of FutureComp's Loss Control efforts. Musculoskeletal injuries can be one or both acute (rapid onset) and/or chronic (long lasting) with the potential of a long-drawn-out expensive workers' compensation claim. These trends continue to be consistent with previous reports and it is imperative we reduce our exposure. [We continue to recommend the mitigation techniques outlined by Daniel McCarthy during his member engagements.](#)

As of December 31, 2023:

- 16 claims incurred loss dollars greater than \$30,000 in 2023, accounting for just over 78% (\$1.38million) of incurred loss dollars for the two-year total:
  - One - Caught In, Under, or Between = \$34k, One - Cut, Puncture, Scrape = \$49k, Two - Fall, Slip, Trip = \$180k, Eight - Strains or Injury = \$416k, and the remaining were Four - Struck or Injured By = \$705k

## Conclusions

Our goal within FutureComp is to continue to provide services that were established and rolled out while working closely with you, the CLCC Members as well as to hopefully get more creative (*focusing on supervisor safety responsibilities*) in addressing those loss trends that are ultimately driving the results of the Group.

### **Recent Loss Control Projects:**

#### Workshops and Training:

- **Topics Completed in 2023:**
  - Risk assessment and Supervisors Leading by Example, June 15<sup>th</sup>, 2023
  - Managing an effect safety committee meeting, November 15<sup>th</sup>, 2023
- **Forklift Safety Blast with QR CODE** - Forklift Safety-Do You See What I See- **released January 2024.** We will continue to include QR codes with videos on a case-by-case basis.
- **EXPRESS Grant.** - Options/information sent to all members
- **Chace Building Supply-** Safety Committee Kickoff- Assisting with reintroducing a formal safety committee process- Conducted Managing an Effect Safety Committee training.
  - Forklift Risk Awareness workshops completed.
- **Hingham Lumber-** Assisting with revision/development of formal **Hazard Communication Program** and a formal **Job Hazard analysis Program.**

- Future visits are scheduled to assist with employee HAZ COM training.
- **Anderson & McQuaid Co., Inc**- Conducted Ergonomic Evaluation and full facility risk assessment.
  - 3 Forklift Risk Awareness workshops completed last week.
- **Bucksworth Enterprises, Inc.**- Conducted Fall Prevention Evaluation and full facility risk assessment.
- **North Atlantic Corporation**- *Supervisor Safety responsibilities/Leading by Example ~* Risk Assessment workshops for all supervisors and managers.
- **GerrityStone**- PHASE #2- Continuing Comprehensive Safety Program Evaluation/Gap analysis for manufacturing departments.
- **Howe Lumber**- Assistance in revising Emergency Eyewash Procedures
- **Koopman lumber**- Second RA workshop completed for all supervisors and managers.
  - **Risk assessment complete at new store**- Location Pembroke Mass.
- Conducted Hands on Risk Assessment workshops at the following members:
  - Howe Lumber
  - Dartmouth Building Supply
  - Koopman Lumber
  - Hingham Lumber
  - GerrityStone
  - North Atlantic Corp.
  - Johnson Lumber
  - Yankee Pine
  - Sudbury Lumber
  - BROSCO-Brockway-Smith- No longer a member
  - BLISS Lumber
  - Arlington Coal and Lumber
  - Bucksworth Enterprises, Inc.
  - Anderson & McQuaid Co., Inc
  - Timberline Enterprises- RA visit completed.
  - Sudbury Lumber- Ra visit completed. Follow up visit scheduled.
- Completed accident investigation workshop at last CLCC meeting- Nov. 2022.
- Revised Safety Blast Program to include **industry best practices**.
- Conducted formal accident investigation at Gerritystone, Inc.

- Completed 4 Forklift Safety hands on workshops at BROSCO- Brockway-Smith- No longer a member.
- RMC- Risk Management tutorial in Aug. at CLCC- and for several SILBA members.
- Conducted several client specific training courses both in person and virtual.
- Conducted industrial ergonomic evaluation, North Atlantic Corp.
- **Future Comp Safety Webinars-** Two FutureComp Loss Control Sponsored webinars conducted 2023/2024:
  - Reasonable suspicion training
  - Return to work program/ Best Practices
  - Heat related illness prevention.
  - OSHA Recordkeeping requirements
    - Several SILBA members attended. Recordings available for SILBA members.

It is noticeably clear that the majority of SILBA's members are incorporating safety into their daily operations. This is keeping your workers' compensation trends consistent from year to year, as your safety partner FutureComp is pleased with this trend.

If there are any questions, concerns, or comments about this communication, please contact me,

Dan McCarthy  
 Loss Control Manager  
 FutureComp  
 Cell: 508-570-1449 / Email: daniel.mccarthy@usi.com

- 10 -

**YOUR SERVICE TEAM**



## SELF-INSURED LUMBER BUSINESSES ASSOCIATION/ SERVICE TEAM LISTING

<u>ADMINISTRATIVE TEAM</u>	
<b>Katherine I. Camire, Administrator</b> <b>Account Executive - FutureComp</b> Tel: 603-665-6121 Email: <a href="mailto:Kathy.Camire@usi.com">Kathy.Camire@usi.com</a>	<b>Todd R. Johnson, Administrator</b> <b>President</b> Tel: 781.376.2682 Email: <a href="mailto:Todd.Johnson@usi.com">Todd.Johnson@usi.com</a>
<b>Stefania Dalton, Administrative Assistant</b> Tel: 413-750-4216 Email: <a href="mailto:Stefania.Dalton@usi.com">Stefania.Dalton@usi.com</a>	
<u>FINANCE</u>	
<b>Maria Sullivan, Finance Director</b> Tel: 413-750-4257 / Fax: 413-739-9330 Email: <a href="mailto:Maria.Sullivan@usi.com">Maria.Sullivan@usi.com</a>	<b>Seth Pratt, Senior Accountant</b> Tel: 603-665-6001 Email: <a href="mailto:Seth.Pratt@usi.com">Seth.Pratt@usi.com</a>
<u>UNDERWRITING</u>	
<b>Sherry Shevlin, Underwriter</b> Tel: 413-750-4208 / Fax: 610-537-2379 Email: <a href="mailto:Sherry.Shevlin@usi.com">Sherry.Shevlin@usi.com</a> *	
* Certificate of Insurance Requests: <a href="mailto:FutureCompCertRequest@usi.com">FutureCompCertRequest@usi.com</a>	
<u>CLAIMS &amp; CASE MANAGEMENT TEAM</u>	
<b>Cheryl McCarthy, Lost-Time Claims Specialist</b> Tel: 781-939-2026 / Fax: 610-537-1905 Email: <a href="mailto:Cheryl.McCarthy@usi.com">Cheryl.McCarthy@usi.com</a>	<b>Jennifer Kirsch, Medical Only Claim Adjuster</b> Tel: 603-665-6114 / Fax: 610-537-9933 Email: <a href="mailto:Jennifer.Kirsch@usi.com">Jennifer.Kirsch@usi.com</a>
<b>Tony Vigna, AIC, TPA Claims Team Lead</b> Tel: 781 376 2610 / Fax: 610-537-4080 Email: <a href="mailto:Anthony.Vigna@usi.com">Anthony.Vigna@usi.com</a>	<b>Steve Grahn, Vice-President Claims</b> Tel: 413-750-4250 / Fax: 413-739-9330 Email: <a href="mailto:Steve.Grahn@usi.com">Steve.Grahn@usi.com</a>
<b>Margery Thompson RN-BC, BSN, CCM</b> <b>Nurse Case Manager</b> Tel: 207-239-3329 / Fax: 610-362-8689 Email: <a href="mailto:Margery.Thompson@usi.com">Margery.Thompson@usi.com</a>	<b>Kimberly Ferris, RN, CCM,</b> <b>Vice President Medical Case Management</b> Tel: 413-750-4213 / Fax: 610-537-2729 Email: <a href="mailto:Kimberly.Ferris@usi.com">Kimberly.Ferris@usi.com</a>
<b>Kathy Leone RN CCM, Nurse Case Manager</b> Tel: 413-750-4229     Fax: 610-537-9490 Email: <a href="mailto:Kathy.Leone@usi.com">Kathy.Leone@usi.com</a>	<b>Lisa Small, RN, CCM, Nurse Case Manager</b> Tel: 207-239-3314 / Fax: 610-537-2074 Email: <a href="mailto:Lisa.Small@usi.com">Lisa.Small@usi.com</a>
* Loss Run Requests: <a href="mailto:FutureComp-WCSupport@usi.com">FutureComp-WCSupport@usi.com</a>	
<b>Sonja Cruz, Technical Services Associate</b> Tel: 413-750-4321 / Fax: 413-739-9330 Email: <a href="mailto:Sonja.Cruz@usi.com">Sonja.Cruz@usi.com</a>	<b>Hilary Lyons Technical Services Associate</b> Tel: 413-750-4278 / Fax: 413-739-9330 Email: <a href="mailto:Hilary.Lyons@usi.com">Hilary.Lyons@usi.com</a>
<b>Sarah Depergola, VP MIS Systems Reporting</b> Tel: 413-750-4273 / Fax: 413-739-9330 Email: <a href="mailto:Sarah.Depergola@usi.com">Sarah.Depergola@usi.com</a>	
<u>LOSS CONTROL &amp; SAFETY</u>	
<b>Dan McCarthy, CPEA, Loss Control VP / Team Leader</b> Tel: 508-570-1449 Email: <a href="mailto:Daniel.McCarthy@usi.com">Daniel.McCarthy@usi.com</a>	
<u>MARKETING</u>	
<b>Ryan Foye, Vice President FutureComp</b> Tel: 781-376-2622 / Cell: 603-315-4872 Email: <a href="mailto:Ryan.Foye@usi.com">Ryan.Foye@usi.com</a>	



**FUND YEAR 2023**  
**PROFESSIONAL SERVICES**

**ACCOUNTANT:**

SHORES TAGMAN BUTLER & COMPANY, PA  
ORLANDO, FLORIDA  
LARRY SHORES

**ACTUARY:**

WILLIS TOWERS WATSON  
BOSTON, MASSACHUSETTS  
EMILIE DUBOIS, FCAS, MAAA

**ASSET MANAGEMENT:**

OPUS INVESTMENT MANAGEMENT  
WORCESTER, MASSACHUSETTS  
MICHAEL ROSE AND JACQUELYN WEBER

**LEGAL COUNSEL:**

TENTINDO KENDALL CANNIFF & KEEFE LLP  
CHARLESTOWN, MASSACHUSETTS  
ATTORNEY THOMAS WIELGUS