



**SELF-INSURED
WORKERS'
COMPENSATION
FUND**
a member owned program

FUND OVERVIEW

Presented on 10/20/22

FUND OVERVIEW:

Established: May 1, 1995 – All members renew on May 1

Current Premium: \$29,529,090

Current Members: 535

Average Premium: \$55,195

Total Payroll: Insuring over \$992 Million

FUND ADVANTAGES:

- 45% return of premium back to members
- OWNERSHIP – increased control and members involvement
- Governed by a Board of Trustees who are participants in the fund
- Industry-specific safety programs for the construction industry to help reduce injuries
- Excellent claims management with dedicated adjusters who know your industry and lower case loads
- Underwriting guidelines designed to screen out high risk applicants
- FREE online safety platform with hundreds of topics including access to legally reviewed human resources called HR360.
- ABCMIFund.org

PERFORMANCE:

Loss Ratio: 41% Average and currently at 6% since May 1, 2022

Total standard premium divided by total amount of paid and reserved losses.

Retention: 98% of members

Profit Return:

- Profit return includes surplus premium not used to pay for claims and overhead expenses plus investment income.
- Return amounts are applied as a credit on the member's renewal policy which is shown as a "credit for good performance." Members receiving 25% or more will be invoiced \$100 to renew.

Return Amounts: See enclosed ABC Fund Return History

\$104,080,799 since inception

\$14,722,378 returned in 2022

Return Percentages:

45% since inception

55% the most recent five years

ASSOCIATIONS:

Endorsement:

- Endorsed by HBA of Michigan, will focus on the well-established residential contractors domiciled in Michigan. See Eligibility Guidelines.
- The ABC Fund will provide the same benefits and cost savings currently being offered to eligible members of the Associated Builders and Contractors of Michigan and the three ABC Chapters.

Association Membership:

- New fund members are required to join ABC for commercial contractors and HBA for residential builders and contractors. This is determined by underwriting who will work with the submitting agent and the information provided on the supplemental application.
- Current ABC Fund members who joined the fund prior to the HBA endorsement are not eligible to transfer their association membership from ABC to HBA.

DISTRIBUTION:

- Represented by an appointed agent network as determined by RPS Regency.
- Selective in who we work with as the agency must be proponents of self-insured group funds.
- Additional agents most likely will be added in certain areas. The fund will be careful not to disrupt our current agent network or the perception that they no longer have franchise value.

MARKETING:

- Marketing team to support, research, identify and target eligible members
- Promote to both the prospective contractor and appointed agents through various channels
- Work with appointed agents on marketing campaigns
- Provide customized pieces to associations for their marketing efforts
- Attend and sponsor HBA of Michigan events that are attended by decision makers.
- Advertise in select publications

REPORTING:

- Monthly reporting will be provided to HBA of Michigan who will communicate to the HBA chapters.
- Process for members who do not pay their HBA membership. After HBA exhausts all efforts, the ABC Fund will give the members 10 days to make due payment before placing them in a 20-day notices of cancellation with the State.

MAIN CONTACTS: 800.686.6640

Dawn Simmon 517.664.2754 Dawn_Simmon@RPSins.com

Sharon Novasel 517.664.2733 Sharon_Novasel@RPSins.com

ABC Fund Return History - as of Spring 2022

5/1/95	5/1/96	5/1/97	5/1/98	5/1/99	5/1/00	5/1/01	5/1/02	5/1/03	5/1/04	5/1/05	5/1/06	5/1/07	5/1/08	5/1/09	5/1/10	5/1/11	5/1/12	5/1/13	5/1/14	5/1/15	5/1/16	5/1/17	5/1/18	5/1/19	5/1/20
60%	27%	26%	10%	28%	75%	35%	19%	53%	17%	40%	38%	38%	49%	41%	32%	47%	38%	51%	63%	45%	38%	47%	37%	35%	20%
Estim. Remaining:	60%	27%	26%	10%	28%	75%	35%	19%	53%	17%	40%	38%	49%	41%	33%	48%	39%	55%	67%	53%	54%	62%	45%	60%	52%
Estim. Total:	60%	27%	26%	10%	28%	75%	35%	19%	53%	17%	40%	38%	49%	41%	33%	48%	39%	55%	67%	53%	54%	62%	45%	60%	52%

Past 5 year return estimate: **55%**

Average return estimate, all fund years: **45%**

Profit Return History

Spring 1998	\$ 200,000
Spring 1999	\$ 393,725
Spring 2000	\$ 725,000
Spring 2001	\$ 503,000
Spring 2002	\$ 630,000
Spring 2003	\$ 1,060,001
Spring 2004	\$ 1,156,199
Spring 2005	\$ 1,082,710
Spring 2006	\$ 1,865,281
Spring 2007	\$ 1,174,467
Spring 2008	\$ 1,770,000
Spring 2009	\$ 1,850,000
Spring 2010	\$ 2,351,982
Spring 2011	\$ 2,480,000
Spring 2012	\$ 2,740,000
Spring 2013	\$ 2,880,000
Spring 2014	\$ 2,005,000
Spring 2015	\$ 3,550,000
Spring 2016	\$ 5,699,206
Spring 2017	\$ 7,400,000
Spring 2018	\$ 10,050,000
Spring 2019	\$ 10,526,000
Spring 2020	\$ 12,688,787
Spring 2021	\$ 14,576,863
Spring 2022	\$ 14,722,578
	\$ 104,080,789



ABC Fund Now Endorsed by the Home Builders Association of Michigan

Effective immediately, the Associated Builders and Contractors of Michigan Self Insured Workers' Compensation Fund (ABC Fund) is now approved to write residential contractors and builders and is endorsed by the Home Builders Association of Michigan (HBA).

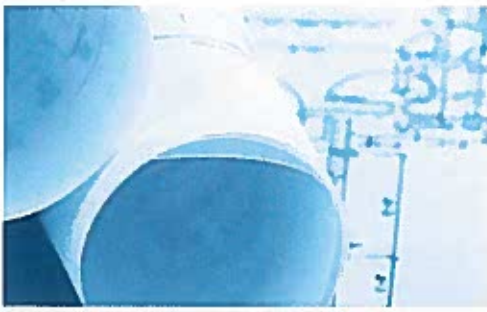
This market expansion will focus on the well-established residential contractors domiciled in Michigan. The ABC Fund will provide the same benefits and cost savings currently being offered to eligible members of Associated Builders and Contractors of Michigan.

HBA of Michigan contractor member eligibility guidelines:

- Have an excellent track record of low claims
- Perform more than 50% of their work in residential building as determined by revenue and current and past project lists. Contractors with more than 50% of gross revenue in the commercial sector may be considered under an ABC Chapter membership
- \$15,000 minimum premium is required
- Minimum of three (3) years in business
- Residential drywall, framing, and roofing contractors are not eligible in addition to other high exposure operations
- Current ABC Fund members who joined the fund prior to the HBA endorsement are not eligible to transfer their association membership from ABC to HBA

Established in 1995, the ABC Fund continues to provide the most cost-effective solution for workers' compensation costs with over \$104 million returned back to members. This represents a 45% average return since inception. As a member-owned program it currently represents more than 535 contractors and over \$29 million in premium. Member retention continues to be over 98%.

The submission process remains the same. Contact your underwriter for the HBA supplemental application or with any questions.



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abcmifund.org

Inception Year: 1995
Renewal Date: May 1
Association: ABC MI & HBA
TPA: Comprehensive Risk Services
Excess Carrier: Safety National Corp.
Average Profit Return: 45%



Eligibility Requirements

- Wide range of construction classes and suppliers.
- Have been in the construction industry for five years and under the same ownership for three years.
- Prior industry experience is also considered for newer operations.
- Must be or become a member of an ABC MI Chapter or Home Builders Association of MI.
- Must show positive net equity on balance sheet

HBA of MI Contractor Member Eligibility Requirements

- Perform more than 50% of their work in residential building as determined by revenue and current and past project lists. Supplemental Application required.
- \$15,000 minimum premium.
- Residential drywall, framing, and roofing contractors are not eligible in addition to other high exposure operations stated below.
- Current ABC Fund members who joined the Fund prior to the HBA endorsement are not eligible to transfer their association membership from ABC to HBA.

Prohibited Operations

The ABC Fund considers businesses falling within the following descriptions unacceptable:

- Poor loss record.
- Operations outside of Michigan.
- Insuring other entities owned by the corporation that are not construction-type risks.
- High risk exposures: Licensed asbestos abatement contractors, demolition contractors, roofers, steel erectors, bridge contractors, general contractors with no construction employees, asbestos removal services.

Benefits to Fund Members

- Competitive, up-front pricing
- User-friendly payroll audit to accurately reflect job classifications
- Attention paid to claim costs to protect against waste and fraud
- Online claims reporting
- Prompt, personal attention to your claims
- Board of Trustees comprised of Fund members
- Safety education resources available for employee safety training
- Newsletters and member report cards to keep you informed of your performance
- Members receive surplus premium back — MILLIONS returned!

Fund Administrator



To learn more about the Fund contact:

RPS Regency

800.686.6640

extension 2754 | abcmifund.org

1690 Watertower Place | East Lansing, MI 48823