SILBA

Self Insured Lumber Businesses Association, Inc.

THE QUALITY WORKERS COMPENSATION SOLUTION FOR MASSACHUSETTS LUMBER BUSINESSES

2012

Annual Report To the Members

February, 2014

Members of
Self Insured Lumber Businesses Association, Inc.

Dear SILBA Members:

I thank you for the opportunity to introduce the 2012 Annual Report to the members of Self Insured Lumber Businesses Association, Inc. (SILBA), marking SILBA's twentieth-first year serving lumber businesses in Massachusetts.

2012 Financial Results

In 2012 SILBA generated a calendar year loss of -$270,057, or -11.1% of 2012 calendar year earned premium, compared to calendar year earnings of $235,313 or 9.9% in 2011.

Calendar year net earned premium increased by approximately $59,000 in 2012 to $2.43 million, while membership decreased during the year by three to 73, with two members selling their business and one being cancelled due to non-payment of premium. The increase in premium was related to a decrease in return premium on prior year's audits.

SILBA's loss ratio increased from 86% in 2011 to 104.1% in 2012. The 2012 calendar year results include a net increase of $740,000 relating to development in prior year claims, a large part of which related to the 2010 fund year (although several years were impacted) , as compared to a net decrease of $118,000 of prior years' reserves included in the 2011 calendar year results.

On a nominal basis, SILBA's underwriting expenses decreased 2.1% from the previous year (dropping from $506,000 to $495,000) and also decreased in proportion to premium, at 20.3% of premium in 2012 compared to 21.3% in 2011 due to the slightly higher premium base in 2012.

The net effect of the calendar year results was a combined ratio (losses plus expenses as a percent of premium) of 124.5% compared to 107.3% in 2011. Investment income earned in 2012 of $326,000 offset a portion of this operating loss, resulting in an operating loss of -$270,057 or -11.1% of 2012 net premium, compared with member dividends earned of $235,313 or 9.9% in 2011.

SILBA's Balance Sheet

At December 31, 2012, SILBA held $6.4 million in total assets, approximately 98% of which were invested in highly-rated debt securities, in accordance with state regulations, or held in cash and short-term investments. This base of invested assets provides SILBA with a consistent stream of investment income that supplements the members' dividend pool. As noted above, in 2012 the group earned approximately $326,000 in net investment income.

One of SILBA's largest liabilities, at $3.17 million or 48.9% of total liabilities, is "Distributions due to members", representing dividends earned and held for future distribution to SILBA members. These dividends payable represent the group's "surplus", corresponding to a premium to "surplus" ratio of .77 to 1.

SILBA also held $3.3 million in reserves to pay the estimated future costs of claims incurred to date. These reserves include $1.62 million of adjusters' reserves on reported losses for all fund years, and another $1.64 million of net actuarial or contingent reserves established to fund potential ultimate losses. This equates to approximately $1.01 of contingent reserve held for every $1 of adjusters' reserves.

Since inception of the program in 1992, SILBA members have earned almost $24.9 million in dividends, an average earned dividend of 30.1% per year. At year-end 2012, dividend distributions to members to date totaled more than $21.7 million, and an additional $728,000 was distributed to SILBA members in February of 2013.

Safety – The Responsibility Continues

Despite the challenges of a difficult economy in recent years, I hope that we all have come to realize that we need to increase our focus on safety. Safety efforts do affect the bottom line, of each of our companies and of our Group.

The one thing we can not lose sight of is the responsibility to provide a safe and healthy workplace for employees. To fulfill this responsibility, we need to be constantly working on enhancements and improvements to our safety efforts.

SILBA's commitment to safety began many years ago, at its formation. As each new member joined SILBA, they committed to addressing safety by recognizing and reducing the unsafe acts and conditions present in the workplace.

SILBA members have also instituted company safety committee meetings, conducted safety audits and discussed safety during 5 minute safety talks on a regular basis. Some members have found one-on-one safety talks to be beneficial, some are working on 5 minute job observations, and some are working on multiple ways to incorporate safety in daily activities. No matter how it is done, the important thing is that positive steps are taken to improve safety activities **daily** in order to be effective.

All levels of management need to provide employees with a consistent and clear message that safety is critical in the day to day operation of the organization. It is everyone's responsibility, from the **owner** to the **yard employee,** from the **inside salesperson** to the **truck driver, all must** work safely and help others work safely during the day.

Creating a positive safety culture <u>does</u> happen **on purpose**. It is necessary for each of us to understand what makes a positive safety culture- how it can be built and maintained through staff training and daily actions. This approach should be linked to your other organizational strategies and objectives.

For a positive safety culture to be successful, it needs to be embraced and led from the top. It needs to be practiced by the CEO and senior managers every day. Our behavior as owners and managers is directly related to positive or negative safety performance throughout the organization. We demonstrate by example to all employees what actions will be rewarded, tolerated or, if need be, punished. This is a powerful influence on the actions and behaviors employees will initiate and maintain.

As you go about your work, consider the following:

- Do we sometimes compromise on safety?
- Is safety important all of the time?
- Do I do or say something about safety every day?

Everyone should "own" safety, so find ways to involve your employees.

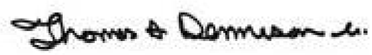
There are known actions that are critical in the development of a positive safety culture.

1. Communication of company values;
2. Demonstrated leadership and commitment to safety daily;
3. Clear expectations regarding safe work behavior;
4. A personalized approach to safety with each employee;
5. Demonstration of positive safety attitudes;
6. Ownership of safety responsibility and accountability;
7. Increased risk awareness and daily emphasis on preventative behaviors;
8. Improved understanding and effective implementation of positive safety management systems;
9. A system of monitoring, reviewing and reflecting on personal effectiveness as respects safety.

Many of these can be implemented with little or no cost to your organization **but to be effective they should be done consistently, even daily**. Having meaningful safety conversations with employees is one key to heightening their safety awareness. Daily proactive identification and controlling of hazards and risk exposure are cornerstones of a productive safety culture.

We all have a moral obligation to be safe everyday, and to help our coworkers work safely. In the world of safety, we are our brother's keeper. Our employees are our most important asset – they are the ones who, day in and day out, make us profitable, so take care of them – show them that you take safety to heart.

Very truly yours,



Thomas A. Dennison, Jr.
President

SELF INSURED LUMBER BUSINESSES ASSOCIATION, INC.

2012 ANNUAL REPORT

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Prepared by Meadowbrook TPA Associates
Program Manager for
SELF INSURED LUMBER BUSINESSES ASSOCIATION, INC.

SELF INSURED LUMBER BUSINESSES ASSOCIATION, INC.

SAFETY FOCUS

THE SILBA MISSION STATEMENT:

The mission of Self Insured Lumber Businesses Association, Inc. is to be the highest quality and most cost-effective workers compensation alternative available to Massachusetts lumber businesses.

SAFETY FOCUS:

For over 20 years SILBA has taken safety seriously. SILBA members know that when each member strives to maintain a safe workplace, all members derive benefits.

SAFETY ACTIVITIES:

SILBA has significant resources available to help members achieve the goal of having an injury-free workplace. SILBA's safety professionals at Meadowbrook TPA Associates tailor safety services to fit each member's needs. Individual services include on-site safety surveys; attendance and presentations at members' safety committee meetings, and dissemination of safety related literature.

In addition to materials disseminated on site, SILBA members receive quarterly safety via email, as well as periodic safety alerts when a serious condition is noted, or a serious claim has occurred. As an example, a safety alert was sent during the recent arctic weather giving members tips about working in cold weather and avoiding slips & falls during the winter. Safety Blasts are also developed and communicated to members on a regular basis. These safety blasts can be used by members to supplement in-house safety meetings and for 5 minute safety talks. Members find these blasts helpful in raising the level of safety awareness for their employees.

Accident reports are reviewed by SILBA's safety professionals on a daily basis, and accident investigations are conducted when serious injury occurs. The information gathered at that time is used to determine the root cause of the injury and to develop action items to help the member prevent future loss. The information is also shared with other members so that they too may prevent a similar injury from occurring at their own locations.

Topics for safety workshops, safety articles and safety trainings focus on conditions and practices noted during on-site surveys at member locations and on information obtained from accident investigations. These topics have included such concerns as electrical, chemical, and machinery hazards, slips/falls, and manual material handling.

CLAIM AND LOSS CONTROL COMMITTEE MEETINGS:

The SILBA Claim and Loss Control Committee meets quarterly and is comprised of SILBA members and Meadowbrook Claims and Safety professionals. The meetings provide an opportunity to discuss claims that have occurred in the previous quarter, including the results of any accident investigations that were completed, and to analyze claim trends. Recent safety activities are also shared.

All members are invited and encouraged to participate in these quarterly meetings. The meetings provide an excellent opportunity to acquire knowledge of current safety and claims information. There is also a Round Table segment where members share activities and information about things that have, and have not, worked well at their locations. It is a great forum to discuss problems and solutions to safety issues and identify industry “best practices”.

SAFETY WORKSHOPS:

In addition to the Claim and Loss Control meetings, a Spring Safety Day is held in April. SILBA has hosted some excellent speakers in the past, including Physicians, Nurses, Attorneys, Occupational and Physical Therapists, as well as representatives from the Massachusetts Department of Labor and OSHA. SILBA has also had safety product vendors provide demonstrations of such products as safety eyewear, hand protection, footwear and winter ice melt products.

There are 3 safety workshops offered to SILBA members in the Fall, scheduled in regional settings for the convenience of the members. Recent workshops have dealt with:

- Safe Lifting Techniques
- Good Hiring Practices
- Health and Wellness Topics
- Return to Work Programs
- Near Misses/ Accident Investigations

MEETINGS WITH MEMBER PRINCIPALS:

In May of 2012 it became clear that the Group was experiencing an adverse loss trend in Fund Years 2010 and 2011. At the recommendation of Meadowbrook and SILBA’s Claim and Loss Control Committee, a series of meetings were scheduled at locations across Massachusetts. Member principals were asked to attend the meeting which would be most convenient for them.. By virtue of these meetings the Group ensured that the ownership and senior management of all members were aware of the negative loss trend, were also aware of the financial impact of that trend upon their businesses individually and the group collectively, and were reminded of the important steps members could and should take from a safety and claims management standpoint to move loss results in a much more positive direction. These meetings were well attended and were well received.

OTHER RESOURCES:

The SILBA Website is another outstanding resource for members. The website was launched a little over a year ago and contains SILBA specific and industry information, along with links to other sites such as OSHA, CDC, and trucking safety sites. Safety articles are posted regularly and the site is updated frequently. The website also has an archive of past Safety newsletters and Safety Blasts. Members can also report claims and request certificates of insurance through the website. Please remember to check out the website and visit it frequently at www.silba-wc.com.

GOALS: 2014-2015:

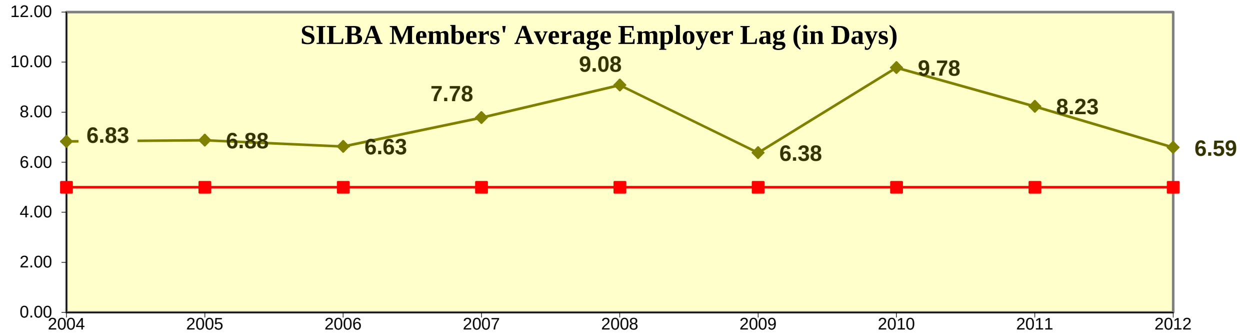
Going forward, SILBA members need to consistently focus on:

- Making safety a high and conspicuous priority for upper management, ensuring that supervisors are held accountable to address and control hazards and to implement daily safety activities;
- Making employees responsible for focusing on the job at hand, and working safely every day;
- Providing education and training to employees to bring about improvements in their safety performance;
- Being alert for unsafe behaviors present in the workplace and developing a plan to eliminate and/ or control these behaviors.

Keys to SILBA Claims Management

The focus for claims management remains on three key areas: early reporting of claims, providing temporary modified duty, and post-offer/pre-employment physicals. As with safety efforts, members must take responsibility to fulfill their roles in each of these areas to ensure strong communication between the member, their injured employee and Meadowbrook claims which is vital to improving upon past results. To continue to achieve the success upon which SILBA has been built, good claims management requires a commitment from every member.

1) Report All Claims Early. SILBA regularly monitors the employers' lag time, defined as the number of days between the date an incident occurs and the date it is reported to the claims adjuster.



Members' efforts in reporting their claims on a timely basis improved in 2012, as the average lag time decreased by over 1.5 days from 8.23 to 6.59. While that still is not meeting SILBA's benchmark of 5 days, it represents a significant improvement over the prior 2 years The average lag time for Lost Time claims at 6.96 days was higher than the average lag time for Medical Only claims at 6.46 days. Similarly, the median lag time for all claims was 3 days, which represents another improvement over 2011, while again, the median for Lost Time claims was greater than Medical Only claims at 4 days. SILBA members are showing improvement in their reporting efforts, but on-going focus needs to continue in this area.

While some members may wait until the injured worker loses more than the statutory waiting period of 5 days, late reporting such as this inhibits SILBA's claim adjusters' ability to positively impact the claim. All members must make every effort to report all claims on a timely basis. While late reporting may not seem significant at the time, it can lead to delays in treatment, extended periods of disability and employee dissatisfaction, which can ultimately lead to attorney involvement.

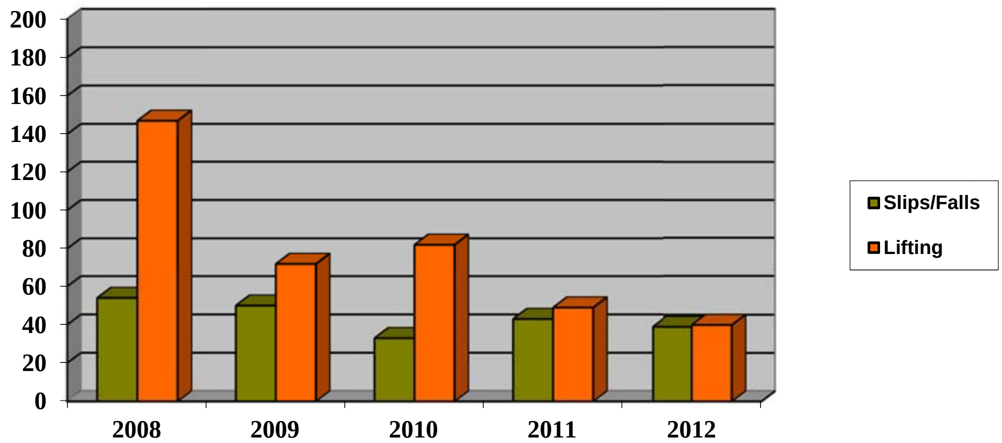
2) Provide Temporary Modified Duty. Through the increased focus and efforts of the Claim and Loss Control Committee, and with the support of the Board of Trustees, the increased use of temporary modified duty has been a key contributor to improved results. Too often when an injured worker is released to return to modified duty, members are reluctant to bring him or her back in a reduced or modified capacity. This decision serves to increase the cost of the claim for both the member and for SILBA. By contrast, successful use of temporary modified duty identified through Job Function Analyses (JFAs) and the efforts of the Meadowbrook safety professionals have led to significant reductions in claim dollars spent as well as reductions in reserves for ongoing disability. Although this is an encouraging trend, there is still room for improvement, and modified duty remains the most effective means of positively impacting a claim once an injury has occurred.

3) Implement Post-Offer/Pre-Hire Physicals. SILBA's ongoing efforts to encourage members to develop strong safety programs and to control claim costs are key to improving the financial results for the Group. An equally important responsibility for members, when hiring for a position, is to make sure they are hiring the **right** person for the job. Once someone is hired, the member and the Group could potentially be liable for any pre-existing injuries or conditions they may have. Through the use of post-offer/pre-employment physicals, as well as comprehensive and detailed job descriptions, members can ensure that the person being hired is physically capable of performing the essential functions of the job. The cost of these exams, which range from $65-$175 per exam, is relatively low in light of the fact that if even one lost time claim is avoided the exam pays for itself more than tenfold, in terms of the safety and well-being of your employees as well as the effect on your Workers Compensation premium and your potential future dividends.

Claim Trending

Analyzing our exposures and claim trends allows us to better assist our members in controlling their risks.

SILBA Claims By Frequency 2008-2012



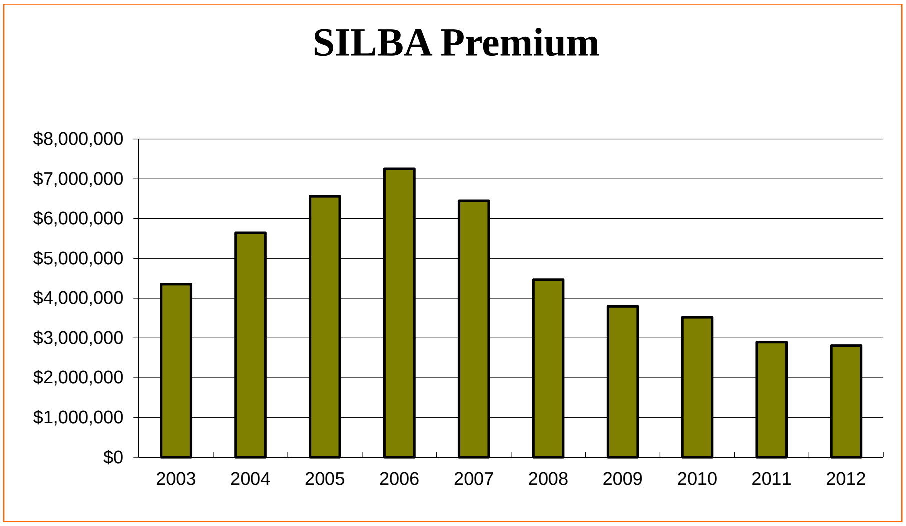
The number of all claims was reduced by 10% from 2011 to 2012, with a corresponding reduction in both slips/falls and lifting injuries. While safety focus needs to continue in these areas, attention also needs to be focused on other loss causes as there has been an increase in claims resulting from workers being struck by, or striking against, an object. While loss frequency overall is heading in the right direction, loss severity continues to be of concern as increased claim dollars being spent on fewer claims. Again, consistently heeding the three keys to pro-active claims management will help to positively impact these results.

Studies have shown that the amount of information retained by an individual increases every time it is presented to them, whether through reading or listening. As we endeavor to run our businesses as safely as possible, we need to **regularly** reinforce safety behaviors with everyone, from office staff to yard workers to drivers and everyone in between. While saving time may be important in completing any particular job task, it cannot be allowed to come at the expense of the safety of the person performing the task. Doing a task safely is doing it well and is the most effective means of preventing injury and controlling the resulting human and financial costs.

OPERATING REPORT

MEMBERSHIP AND PREMIUM

At year end 2012, SILBA had seventy-three members.



Members' 2012 fund year premium totaled $2.8 million, a 3% decrease from the prior year. This decrease in premium was despite a 2.5% increase in total Group payroll and was the result of a favorable drop in the Group's weighted average experience modification factor and ARAP factor.

DIVIDENDS EARNED

Dividends earned by the members are driven by both group results and individual performance. Members maximize savings for themselves and other members of the group by controlling their losses. Dividends are calculated as premiums paid in, less the cost of claims and all costs of running the Group, plus investment income. From program inception through December 31, 2012, SILBA members have paid in a total premium of $82.6 million dollars and earned dividends of $24.8 million, an average return of 30% over SILBA's twenty-one year history.

SILBA began to return dividends earned to its members in 1995, the earliest date allowed by Massachusetts laws and regulations. Through year-end 2012, $21.6 million of the $24.8 million of dividends earned had been returned to the members, including more than $1.9 million distributed to SILBA members in February of 2012. Additional distributions of over $728,000 in February 2013 bring total dividends distributed to $22.4 million. Dividends earned but not distributed are designated as "Distributions due to members" on SILBA's balance sheet.

GROUP EXPENSES

From an expense perspective, SILBA's Board of Trustees remains focused on safety, on actively managing claims and mitigating claim costs when injuries do occur, and on controlling the overall costs of the program in order to maximize the dividends it returns to its members.

SILBA's largest expense is the cost of its claims. Losses and loss adjustment expenses incurred include both amounts paid and reserves held to pay the estimated ultimate costs of open claims.

Losses and Loss Adjustment Expenses Incurred

	Fund Year Premium	Losses Incurred	Losses Incurred as a % of Premium
2003 Fund Year	$4,353	$2,691	61.8%
2004 Fund Year	$5,644	$2,671	47.3%
2005 Fund Year	$6,561	$3,492	53.2%
2006 Fund Year	$7,252	$3,844	53.0%
2007 Fund Year	$6,446	$3,308	51.3%
2008 Fund Year	$4,464	$2,430	54.4%
2009 Fund Year	$3,795	$1,372	36.2%
2010 Fund Year	$3,521	$3,103	88.1%
2011 Fund Year	$2,897	$2,261	78.1%
2012 Fund Year	$2,810	$1,793	63.8%

To help ensure ongoing profitability the SILBA Board of Trustees and Claim and Loss Control Committee have continually focused their efforts and allocated resources to safety and to the highest quality claim and loss control services for the Group's members.

SILBA also maintains high quality excess insurance coverage for the protection of the Group and its members. Excess insurance caps the Group's potential claim costs on both an individual (specific) claim as well as an aggregate (total cost of all claims for the year) basis. Other operating costs include costs for administration, claims management, loss control services, and other day to day operating costs.

Operating Costs as a Percentage of Premium

	Excess Insurance	Other Operating	Total Costs
2003 Fund Year	9.9%	15.7%	25.6%
2004 Fund Year	12.9%	15.0%	27.9%
2005 Fund Year	11.5%	13.8%	25.3%
2006 Fund Year	10.3%	13.5%	23.8%
2007 Fund Year	9.7%	14.4%	24.2%
2008 Fund Year	10.4%	16.3%	26.7%
2009 Fund Year	10.9%	17.7%	28.6%
2010 Fund Year	10.6%	18.4%	29.0%
2011 Fund Year	12.1%	18.6%	30.7%
2012 Fund Year	12.1%	20.1%	32.2%

Premium dollars are used to pay claims and all operating costs of the program. When these premium dollars, combined with investment income exceed program costs, the members' dividend pool is funded. Conversely, if funds are inadequate to cover all costs, additional amounts may need to be collected. Historically, with members' commitment and dedication to maintaining a safe workplace, to working closely with SILBA's claim adjusters, and to bringing injured workers back into the workplace as quickly as it is safe to do so, SILBA's results have been such that the total costs to run the program have ultimately been less than the premium dollars collected. Since 2010 with low workers compensation rates and higher claim costs, the group's financial results and related profit margins have been negatively impacted. Remaining committed to safety and claim mitigation strategies is more important now than ever.

FINANCIAL HIGHLIGHTS

At December 31, 2012 SILBA's assets totaled $6.4 million, 98.3% of which were in the form of cash and invested assets, on which SILBA earns investment income to supplement its dividend pool. In 2012, invested assets yielded $325,984 of net investment gain.

	Cash and Invested Assets	Total Assets	Percentage to Total
2003 Fund Year	$6,655	$7,147	93.1%
2004 Fund Year	$7,376	$7,716	95.6%
2005 Fund Year	$9,166	$9,535	96.1%
2006 Fund Year	$11,823	$11,991	98.6%
2007 Fund Year	$12,869	$13,571	94.8%
2008 Fund Year	$12,509	$12,801	97.7%
2009 Fund Year	$12,083	$12,432	97.2%
2010 Fund Year	$9,946	$10,156	97.9%
2011 Fund Year	$8,049	$8,210	98.0%
2012 Fund Year	$6,370	$6,478	98.3%

Assets are invested in highly rated fixed income securities:

Valued at December 31, 2012:	Amortized Cost	Market Value
Corporate Securities	$2,168,591	$2,409,349
US Government Agency Securities	$2,259,308	$2,373,846
Mortgage-backed securities	$1,331,594	$1,366,297
Subtotal	$5,759,493	$6,149,492
Cash & Cash Equivalents	$610,591	$610,591
Total	$6,370,084	$6,760,083

The majority of SILBA's liabilities were distributions due to members (dividends payable) and reserves for losses and loss adjustment expenses.

Dividends and Reserves (in 000's) as a Percentage of Total Liabilities

	Distributions due to Members	Reserves For Losses and LAE	Total Dividends and Reserves	Total Liabilities	Percentage to Total
2003 Fund Year	$1,846	$4,938	$6,784	$7,147	94.9%
2004 Fund Year	$1,905	$5,362	$7,267	$7,716	94.2%
2005 Fund Year	$2,508	$6,379	$8,887	$9,535	93.2%
2006 Fund Year	$5,093	$6,554	$11,647	$11,991	97.1%
2007 Fund Year	$7,602	$5,618	$13,220	$13,571	97.4%
2008 Fund Year	$8,130	$4,448	$12,577	$12,801	98.3%
2009 Fund Year	$8,096	$4,166	$12,262	$12,432	98.6%
2010 Fund Year	$6,905	$3,090	$9,995	$10,156	98.4%
2011 Fund Year	$5,402	$2,778	$8,180	$8,210	99.6%
2012 Fund Year	$3,167	$3,261	$6,428	$6,478	99.2%

Distributions due to members, at almost $3.2 million at year end 2012, represent dividends earned by members and held for future distribution. These distributions payable are the equivalent of the Group's surplus. With $2.43 million of net calendar year premium earned, SILBA's premium to "surplus" ratio in 2012 was .77 to 1.

Reserves for losses and loss adjustment expenses are held to pay claims and claim-related expenses. The adequacy of reserves is reviewed annually and certified by an independent actuarial firm. Reserves include case reserves, which are the claim adjusters' estimates of the future amounts necessary to resolve open claims, and actuarial or bulk reserves. Bulk reserves provide for the following contingencies:

- That the adjuster's estimates may understate the ultimate cost of a claim (that is, an injury could prove to be more severe, and benefits more costly, than is known at the time of the adjuster's estimate);
- That an injury which occurred before year-end has yet to be reported;
- That a previously closed claim is reopened.

In 2012, reserves held were comprised of $1.63 million of case reserves and $1.64 million of bulk reserves (net of reserve discounts), approximately $1.01 of bulk reserve for each $1 of case reserve.

Reserves represent estimates of claim costs, and the risk exists that the reserves could prove to be insufficient to cover the ultimate cost of the claims. In 2012, SILBA's losses and loss adjustment expenses incurred included an increase of $740,117 of prior years' reserves resulting from subsequent unfavorable loss development, as compared to 2011 when $117,952 of prior years' reserves were released. When reserves are subsequently increased, the overall dividend pool is decreased, while releasing reserves increases the related fund year dividend pools

Feeley & Driscoll, P.C.
Certified Public Accountants / Business Consultants

Board of Trustees
Self Insured Lumber Businesses Association, Inc.
Andover, Massachusetts

Independent Auditor's Report

We have audited the accompanying financial statements of Self Insured Lumber Businesses Association, Inc., which comprise the balance sheets - statutory basis as of December 31, 2012 and 2011, and the related statutory statements of operations and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial reporting provisions of the Division of Insurance of the Commonwealth of Massachusetts. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to error or fraud.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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Independent Auditor's Report - Continued

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the balance sheets - statutory basis of Self Insured Lumber Businesses Association, Inc. as of December 31, 2012 and 2011, and the results of its operations for the years then ended, in accordance with the financial reporting provisions of the Division of Insurance of the Commonwealth of Massachusetts as described in Notes 2, 3 and 9.

Basis of Accounting

We draw attention to Notes 2, 3 and 9 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the basis of the financial reporting provisions of the Division of Insurance of the Commonwealth of Massachusetts, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to comply with the requirements of the Division of Insurance of the Commonwealth of Massachusetts. Our opinion is not modified with respect to that matter.

Risk of Change in Estimate

As discussed in the notes to the financial statements, the reserve for unpaid losses and loss adjustment expenses reflected in the accompanying financial statements is based upon an evaluation by the Group's independent actuary. Management believes that this estimate is reasonable. However, changes in this estimate may occur from year to year which can be material in relation to the financial statements taken as a whole. No assurance can be given that the actual losses will not be more or less than the current estimate.

Restriction on Use

This report is intended solely for the information and use of the board of directors and management of Self Insured Lumber Businesses Association, Inc. and the Division of Insurance of the Commonwealth of Massachusetts and is not intended to be and should not be used by anyone other than these specified parties.

Feeley & Driscoll, P.C

May 20, 2013

SELF INSURED LUMBER BUSINESSES ASSOCIATION, INC

Balance Sheets - Statutory Basis

December 31, 2012 and 2011

	2012	2011
Admitted assets:		
Cash and cash equivalents	$ 610,591	$ 677,483
Bonds	5,759,493	7,371,817
Reinsurance recoverable	41,548	30,218
Accrued interest income	61,632	72,704
Other assets	4,847	58,004
Total admitted assets	$ 6,478,111	$ 8,210,226
Liabilities:		
Reserve for losses and loss adjustment expenses, net	$ 3,261,131	$ 2,777,727
Accounts payable and accrued expenses	123,225	119,267
Distributions due to members	3,167,554	5,402,203
Policyholders' deficit	(73,799)	(88,971)
Total liabilities	$ 6,478,111	$ 8,210,226

See accompanying notes to financial statements - statutory basis.

SELF INSURED LUMBER BUSINESSES ASSOCIATION, INC

Statements of Operations - Statutory Basis

For the years ended December 31, 2012 and 2011

	2012	2011
Premiums earned, net	$ 2,432,923	$ 2,373,574
Losses and loss adjustment expenses incurred	2,533,426	2,040,304
Other underwriting expenses incurred	495,082	505,685
Total underwriting expenses	3,028,508	2,545,989
Net underwriting loss	(595,585)	(172,415)
Net investment income	172,516	248,260
Net realized investment gains	153,468	159,924
Net investment gain	325,984	408,184
(Loss) income before assessment from (distributions to) members and income taxes	(269,601)	235,769
Assessments from (distributions to) members	270,057	(235,313)
Income before income tax expense	456	456
Income tax expense	456	456
Net income	$ -	$ -
Policyholders' (deficit) surplus - beginning of year	$ (88,971)	$ 24,541
(Decrease) increase in non-admitted assets	15,172	(113,512)
Policyholders' deficit - end of year	$ (73,799)	$ (88,971)

See accompanying notes to financial statements - statutory basis.

SELF INSURED LUMBER BUSINESSES ASSOCIATION, INC

Statements of Cash Flows - Statutory Basis

For the years ended December 31, 2012 and 2011

	2012	2011
Cash flows from operating activities:		
Premiums collected	$ 2,435,541	$ 2,283,117
Losses and loss adjustment expenses paid, net of reinsurance	(2,061,352)	(2,346,045)
Other underwriting expenses paid	(491,580)	(522,999)
Net investment income	217,827	319,813
Distributions to members	(1,964,592)	(1,738,500)
Net cash used in operating activities	(1,864,156)	(2,004,614)
Cash flows from investing activities:		
Proceeds from sales or maturities of bonds	3,127,484	4,393,415
Purchase of bonds	(1,395,931)	(2,200,995)
Net cash provided by investing activities	1,731,553	2,192,420
Cash flows from financing activities:		
Contributed surplus applied	128,684	(105,986)
Other cash applied	(62,973)	91,788
Net cash provided by (used in) financing activities	65,711	(14,198)
Net (decrease) increase in cash and cash equivalents	(66,892)	173,608
Cash and cash equivalents at beginning of year	677,483	503,875
Cash and cash equivalents at end of year	$ 610,591	$ 677,483

See accompanying notes to financial statements - statutory basis.

SELF INSURED LUMBER BUSINESSES ASSOCIATION, INC.

Notes to Financial Statements - Statutory Basis

December 31, 2012 and 2011

Note 1 - Organization

Self Insured Lumber Businesses Association, Inc. (the Group) was organized as a workers' compensation self-insurance group on January 1, 1993 under Massachusetts General Law, Chapter 152. The Group is comprised of Massachusetts lumber businesses (the members) who have entered into agreements to pool their liabilities for workers' compensation benefits and employers' liability in Massachusetts. The Group is governed by the Board of Trustees, all of whom were elected by and represent the members. The day-to-day operations are administered by a third party administrator who is paid a management fee.

Note 2 - Summary of Significant Accounting Policies

The accompanying financial statements have been prepared on the basis of accounting practices prescribed or permitted by the Division of Insurance of the Commonwealth of Massachusetts. Statutory accounting practices vary from accounting principles generally accepted in the United States of America. Significant variances from accounting principles generally accepted in the United States of America (GAAP) include, but are not limited to, the following:

Policy Acquisition Costs - Under statutory accounting practices, the cost of acquiring and renewing business (principally commissions) is charged to operations as premiums are written. Under GAAP, such amounts are deferred to the extent recoverable and charged to operations ratably over the periods covered by the related insurance contracts.

Reserve for Unpaid Losses and Loss Adjustment Expenses - Under statutory accounting practices, the reserve for unpaid losses and loss adjustment expenses is discounted for the time value of money utilizing a rate and payout pattern prescribed by the Internal Revenue Service for federal income tax purposes. Under GAAP, the discount for reserves on unpaid losses and loss adjustment expenses is computed based upon the Group's anticipated payout pattern using a discount rate determined by management to approximate the Group's investment yield during the payout period.

Reinsurance Balances - Under statutory accounting practices, reinsurance balances related to unpaid losses and loss adjustment expenses are presented as a reduction to the reserves. Under GAAP, such amounts are presented as reinsurance recoverables, and the loss reserves are gross of any such recoverables.

Valuation of Bonds - Under statutory accounting practices, the bonds owned by the Group are generally valued at amortized cost. Under GAAP, such debt securities are designated at purchase as held to-maturity, trading or available-for-sale. Held-to-maturity debt securities are reported at amortized cost; the remaining debt securities are reported at fair value, with unrealized gains and losses reported in operations for those designated as trading and as a separate component of equity for those designated as available-for-sale.

Note 2 - Summary of Significant Accounting Policies - Continued

Cash and Cash Equivalents - Cash and cash equivalents include those items with an original maturity of one (1) year or less at the date of acquisition for purposes of the statutory basis financial statements. However, under GAAP, cash and cash equivalents include those items with an original maturity of three (3) months or less at the time of acquisition. Cash equivalents consist of various money market accounts and have been valued at cost.

Statement of Cash Flows - Under statutory accounting practices, a reconciliation to the indirect method of cash flows is not presented. This would be required under GAAP.

Unearned Premium Reserves - Unearned premium reserves, if any, are reduced by ceded unearned premiums. However, under GAAP, these amounts would be recorded as a prepayment.

Non-admitted Assets - Under statutory accounting practices, certain assets are considered non-admitted assets. As such, they are excluded from the balance sheets - statutory basis. Changes to non-admitted assets are recorded directly in policyholders' surplus. Common examples of non-admitted assets include premiums receivable over ninety (90) days old, certain prepaid expenses, certain fixed assets and certain deferred tax charges.

Earned Premiums - Earned premiums as reflected herein are based upon estimated payrolls as submitted by the insured employers. The Group conducts annual payroll audits of the payroll records of insured members. Any premium changes resulting from these payroll audits are recognized during the year of the payroll audit. Under GAAP, an estimate of earned but unbilled premiums expected to result from payroll audits would be recorded.

Premiums are established annually based on Massachusetts workers' compensation rates and adjusted for individual experience. Premium rates are intended to be sufficient to cover all operating costs, and to maintain and continue the Group in full force and effect. The Group's practice is to make additional premium assessments of any member whose case-incurred losses and allocable expenses exceed the original premiums charged for a fund year or in the event that sufficient funds are not available for the sound financial operation of the Group.

Premiums are recorded as earned on a pro rata basis over the term of individual policies. Premiums earned are reported net of premiums ceded.

Premiums Receivable - Premiums receivable over ninety (90) days past due are considered nonadmitted assets. Under GAAP, an allowance for amounts deemed uncollectible would be established through a charge to earnings.

Note 2 - Summary of Significant Accounting Policies - Continued

Distributions to Members - The Group typically has declared distributions payable to members equivalent to income before provision for distributions to members. The Board of Trustees will determine the timing of these distributions. In accordance with Massachusetts self-insurance group regulations, the Group will not begin to distribute this balance until twenty-four (24) months after the end of the fund year in which the distribution is declared, at which point, twenty-five percent (25%) of the calculated amount may be distributed. Thereafter, up to thirty-three percent (33%), fifty percent (50%) and one-hundred percent (100%) of the recalculated distributions may be distributed in each of the successive twelve (12)-month periods.

Realized Gains and Losses on the Sale of Bonds - Gains and losses resulting from the sale of bonds are determined using the specific-identification method. Premiums paid and discounts taken on the purchase of bonds are amortized and recognized in investment income using the effective interest method over the period to maturity.

Bonds - Bonds are carried at amortized cost, adjusted for accrual of discount or amortization of premium. For disclosure purposes, fair values for debt securities are based on quoted market prices, where available. For debt securities not actively traded, fair values are estimated using values obtained from independent pricing services, or, in the case of private placements, are estimated by discounting the expected future cash flows using current market rates applicable to the coupon rate, credit and maturity of the bonds.

Loan-backed debt securities are valued at amortized cost using the interest method, including anticipated prepayments. Prepayment assumptions are internal estimates based on the current interest rate and economic environment. The retrospective method is used to value all loan-backed debt securities.

Management Estimates - The preparation of financial statements in conformity with statutory accounting practices requires management to make estimates and assumptions that affect the reported amounts in the balance sheet - statutory basis and statements of operations - statutory basis, as well as the disclosure of contingent liabilities. Actual results could differ from these estimates.

Subsequent Events - Management has evaluated events and transactions subsequent to the balance sheet date for potential recognition or disclosure in the financial statements through May 20, 2013, which is the date the financial statements were available for issuance.

Note 3 - Statutory Accounting Practices

The financial statements of the Group are presented on the basis of accounting practices prescribed or permitted by the Commonwealth of Massachusetts Division of Insurance (the Division). The Division recognizes only statutory accounting practices prescribed or permitted by the state of Massachusetts for determining and reporting the financial condition and solvency of an insurance company under Massachusetts Insurance laws and regulations. The National Association of Insurance Commissioners' *Accounting Practices and Procedures Manual* (NAIC SAP) has been adopted as a component of prescribed or permitted practices by the Commonwealth of Massachusetts, along with certain prescribed accounting practices specifically related to self-insurance groups that differ from those found in NAIC SAP.

Those differences include the following:

Earned but Unbilled Premiums: Estimated earned but unbilled premiums based on premium audits are not recorded unless an audit has been completed indicating that additional premiums will be billed within the following thirty (30) days. Under NAIC SAP, an estimate of earned but unbilled premiums expected to result from payroll audits, less ten percent (10%) non-admitted, would be recorded.

Discounting of Loss Reserves: Loss reserves are discounted at rates currently used by the Internal Revenue Service. Under NAIC SAP, discounting of loss reserves is not permitted, except for tabular reserves under IRS guidelines.

Income Taxes: The Group is not required to record deferred tax assets and deferred tax liabilities on its financial statements.

Note 4 - Excess Insurance Coverage

The Group has purchased excess insurance for protection against unusually high losses. Specific excess insurance protects against large individual losses. Aggregate excess protects against a high overall level of losses. For each accident that is in excess of a specific retention, the coverage takes effect subject to the limits as imposed by the various contracts.

The following table summarizes the reinsurance activity for the years ended December 31:

	Premiums Earned		Reserve for Losses and Loss Adjustment Expenses		Loss and Loss Adjustment Expenses Incurred	
	2012	2011	2012	2011	2012	2011
Direct	$ 2,743,519	$ 2,701,408	$ 3,272,293	$ 2,786,488	$ 2,537,388	$ 2,231,372
Ceded	(310,596)	(327,834)	(11,162)	(8,761)	(3,962)	(191,068)
Net	$ 2,432,923	$ 2,373,574	$ 3,261,131	$ 2,777,727	$ 2,533,426	$ 2,040,304

Note 4 - Excess Insurance Coverage - Continued

Excess insurance contracts do not relieve the Group from its obligations to its members. Failure of excess insurers to honor their obligations could result in losses to the Group. Accordingly, the Group evaluates the financial condition of its excess insurer to minimize exposure to significant losses from insolvency.

There are no nonaffiliated, unsecured, and aggregate reinsurance recoverables for paid and unpaid losses, including incurred but not reported losses, unpaid loss adjustment expenses, and unearned premiums that exceed three percent (3%) of the Group's undistributed dividends.

Note 5 - Bonds

Bonds are stated at amortized cost and consist of the following:

	December 31, 2012			
	Amortized Cost	Unrealized Gains	Unrealized Losses	Fair Value
U.S. government securities	$ 2,259,308	$ 115,135	$ (597)	$ 2,373,846
Corporate securities	2,168,591	240,785	(27)	2,409,349
Mortgage backed securities	1,331,594	34,826	(123)	1,366,297
	$ 5,759,493	$ 390,746	$ (747)	$ 6,149,492

	December 31, 2011			
	Amortized Cost	Unrealized Gains	Unrealized Losses	Fair Value
Corporate securities	$ 2,974,520	$ 242,070	$ (9,981)	$ 3,206,609
U.S. government securities	2,375,950	168,197	(961)	2,543,186
Mortgage backed securities	2,021,347	82,191	(372)	2,103,166
	$ 7,371,817	$ 492,458	$ (11,314)	$ 7,852,961

The amortized cost and estimated fair value of bonds, by contractual maturity, are shown below. In some instances, actual maturities may differ from contractual maturities, because borrowers may have the right to call or prepay obligations with or without call or prepayment penalties.

Note 5 - Bonds - Continued

	December 31, 2012		December 31, 2011	
	Amortized Cost	Fair Value	Amortized Cost	Fair Value
Due in one year or less	$ 1,064,825	$ 1,071,939	$ 602,346	$ 609,207
Due in one year through five years	2,706,937	2,877,306	3,741,156	3,940,421
Due after five years through ten years	1,987,731	2,200,247	3,023,319	3,298,018
Due after ten years	-	-	4,996	5,315
	$ 5,759,493	$ 6,149,492	$ 7,371,817	$ 7,852,961

Proceeds from sales or maturities of bonds during 2012 and 2011 were $3,127,484 and $4,393,415, respectively. Gross gains of $154,811 and $163,307 were realized during 2012 and 2011, respectively. There were $1,343 and $3,383 of gross realized losses in 2012 and 2011, respectively.

Note 6 - Reserve for Unpaid Losses and Loss Adjustment Expenses

The reserve for unpaid losses and loss adjustment expenses is based upon an evaluation of the Group's losses as prepared by the Group's independent actuary. This evaluation of the Group's losses is a significant estimate which is subject to change. These changes can be material in relation to the financial statements taken as a whole. The reserve for unpaid losses and loss adjustment expenses includes an estimated provision for incurred but not reported losses (IBNR) as well as reported losses. The IBNR provision totaled approximately $2,200,000 and $1,900,000 on an undiscounted basis as of December 31, 2012 and 2011, respectively.

Any increases or decreases in ultimate incurred losses on a net basis as compared to the prior year will result in a direct increase or decrease in the current year's net earnings. During the years ended December 31, 2012 and 2011, the Group experienced a net increase and net decrease, respectively, in the estimate of ultimate incurred losses and loss adjustment expenses and change in reserve discount for prior years as a result of claim development. These amounts have been charged and deducted to losses and loss adjustment expenses in 2012 and 2011, respectively.

Note 6 - Reserve for Unpaid Losses and Loss Adjustment Expenses - Continued

For the years ended December 31, 2012 and 2011, the reserve for unpaid losses and loss adjustment expenses has been discounted to its net present value in the accompanying financial statements. The reserves have been discounted utilizing interest rates and payout patterns based upon nationwide losses, both of which were promulgated by the Internal Revenue Service. The unpaid losses and loss adjustment expenses were discounted $531,735 and $442,777 at December 31, 2012 and 2011, respectively.

The following table sets forth a reconciliation of beginning and ending discounted reserves for losses and loss adjustment expenses for the year ended December 31:

	2012	2011
Reserve for losses and loss adjustment expenses, beginning of year	$ 2,777,727	$ 3,090,370
Incurred losses and loss adjustment expense:		
Provision for insured events of the current year	1,793,309	2,158,256
Provision for insured events of prior years	740,117	(117,952)
Total incurred losses and loss adjustment expenses	2,533,426	2,040,304
Losses and loss adjustment expense payments related to:		
Current year	514,094	781,620
Prior years	1,535,928	1,571,327
Total losses and loss adjustment expense payments	2,050,022	2,352,947
Reserves for losses and loss adjustment expenses, end of year	$ 3,261,131	$ 2,777,727

Note 7 - Management Fees

The Group has entered into a management agreement, expiring December 31, 2012, with the Administrator under which the Administrator provides various services including loss control, claims management, marketing, accounting and general administration. The administrator also receives a commission for obtaining excess insurance coverages for the Group. The Group incurred management fees and commission expense of approximately $383,000 and $434,000 for the years ended December 31, 2012 and 2011, respectively.

Note 8 - Income Taxes

Under applicable provisions of the Internal Revenue Code, the Group is liable for income taxes on earnings not ultimately distributed by the Board of Trustees. The Group files with the Internal Revenue Service as a property and casualty insurance company under the provisions of Subchapter L of the Internal Revenue Code.

The Group recognizes tax benefits only in the event that a position is more likely than not to be sustained upon examination by the applicable taxing authority. Tax years from 2009 through the current year remain open for examination by federal and state tax authorities. The Group is currently being audited by the IRS for tax years 2010 and 2011. The IRS is challenging the deductibility of the policyholders' dividends on the accrual basis and has suggested that this should be on the cash basis. The Group has not received a final adjustment from the IRS but intends to rigorously defend their position.

Note 9 - Prescribed or Permitted Statutory Accounting Practices

The Group is domiciled in Massachusetts and prepares its statutory financial statements in accordance with accounting principles and practices prescribed or permitted by the Division of Insurance of the Commonwealth of Massachusetts. Prescribed statutory accounting practices include state laws, regulations and general administrative rules, as well as a variety of publications of the NAIC. Permitted statutory accounting practices encompass all accounting practices that are not prescribed. Such practices differ from state to state, may differ from company to company within a state, and may change in the future.

Note 10 - Deposit with Massachusetts Division of Insurance and Restricted Cash

The Group is required to provide security amounting to $277,000 and $285,000 at December 31, 2012 and 2011, respectively (see Note 12). An escrow account, which includes approximately $300,000 and $300,000 in certificates of deposit and bonds, is pledged to the Massachusetts Division of Insurance as a security deposit pursuant to Section 211CMR67.08(2)(9d) at December 31, 2012 and 2011, respectively. The pledged security exceeds the amount of security required by the state.

Note 11 - Member Indemnification

The Group has entered into an agreement with each participating employer to provide risk management services, workers' compensation and employers' liability coverages for the participating employers. The agreement includes a provision that each member is jointly and severally liable for the workers' compensation and employers' liability obligations of the Group and its members which were incurred during the period of time that the participating employer was a member of the Group. Accordingly, any claims or expenses after the Group has exhausted reserves and reinsurance shall be the financial responsibility of the members.

Note 12 - Statutory Requirements

Among other requirements outlined in the Commonwealth of Massachusetts Self-Insurance Group regulations, the minimum financial requirements are as follows:

Security: The Group is required to provide to the Commissioner of Insurance of the Commonwealth of Massachusetts security equal to the greater of ten percent (10%) of the Group's standard premium, or $100,000. At December 31, 2012 and 2011, the Group was required to provide security amounting to $277,000 and $285,000, respectively (see Note 10).

Liquidity: The Group is required to provide security to the extent of undiscounted loss reserves and unearned premiums exceed liquid assets. The Group was not required to provide security because undiscounted loss reserves and unearned premiums did not exceed liquid assets.

Net Worth: The net worth of all the members of the Group combined is required to exceed the greater of four hundred percent (400%) of the Group's standard premium, or $1,000,000.

Reinsurance/Excess Insurance: The Group is required to obtain specific excess reinsurance coverage of at least $5,000,000 per occurrence and aggregate excess insurance attaching at one hundred five percent (105%) of standard premium.

The retention limit for the Group's excess reinsurance coverage shall not be more than thirty percent (30%) of the net premium of the Group. Reinsurers shall be licensed, admitted or otherwise authorized to transact insurance or reinsurance in the Commonwealth of Massachusetts and at least be rated by two of the following rating agencies: A.M. Best & Company (A-), Fitch (AA), Moody's Investors Services (AA2) and Standard & Poor's Corporation (A).

As of December 31, 2012 and 2011, the Group was in compliance with all statutory financial requirements, or received waivers via permitted practices as noted herein.

Note 13 - Concentrations

The majority of the insured members who participate in the Group are lumber businesses exclusively in the Commonwealth of Massachusetts. The Group does not insure any other members outside of Massachusetts.

The Group has a potential concentration of credit risk in that it maintains deposits with financial institutions in excess of amounts insured by the Federal Deposit Insurance Corporation (FDIC). The maximum deposit insurance amount was $250,000 for interest bearing accounts, which was applied per depositor, per insured bank for each account ownership category. Noninterest-bearing accounts were provided unlimited insurance coverage through December 31, 2012. As of December 31, 2012, the Group had $341,516 in excess of FDIC limits. Effective January 1, 2013, noninterest-bearing accounts will no longer be insured separately from depositors' other accounts at the same bank. Instead, noninterest-bearing accounts will be added to any of a depositor's other accounts in the applicable ownership category, and the aggregate balance insured up to the amount of $250,000, per depositor at each bank.

Premiums with two (2) members accounted for approximately twenty-two percent (22%) of the Group's premiums as of December 31, 2011.

SELF INSURED LUMBER BUSINESSES ASSOCIATION, INC.

Member Listing

Anderson & McQuaid Company, Inc.
Arlington Coal & Lumber Co.
Atlantic Plywood Corporation
Attleborough-Rehoboth Building Supply, Inc.
Belletetes, Inc.
Biss Lumber Company, Inc.
Boston Cedar, Inc.
Braintree Lumber Co., Inc.
Brockway-Smith Company
Bucksworth Enterprises, Inc.
Building Center, Inc. of Gloucester
Burnett & Moynihan, Inc.
Cape Cod Lumber
Chace Building Supply
Chairtown Lumber Company
Concord Lumber Corp.
Cooperative Reserve Supply, Inc.
Curtis-Newton Corp.
Denison - Cannon Co.
Dettinger Lumber Co. Inc.
Devon Lumber
Doherty Lumber Co./DBS Lumber Co.
Dorchester Door & Window
E.C. Cottle, Inc. & E.C. Cottle Corp.
E.G. Barker Lumber Co. Inc.
Edwin L. Morse Co., Inc.
F.D. Sterritt Lumber Co.
Fairhaven Lumber Company
Fairview Millwork Inc. & Value Millwork Inc.
Falmouth Lumber, Inc.
Franklin Lumber Co.
Friend Building Center of Burlington Inc.
Gilbert & Cole Building Products Inc.
Gilfoy Distributing Company, Inc.
H.N. Hinckley & Sons, Inc.
Hingham Lumber Company Inc.
Horner Millwork Corp./Design Door Openings, Inc.
Howe Lumber Company Inc.
Island Lumber Company, Inc.
Jackson Lumber & Millwork Co. Inc.
John Foster Lumber Co., Inc./Pine Products
Johnson Lumber Co.
Keiver Willard Lumber Corp.
Kelly Fradet Lumber Co. Inc.
Koopman Lumber Co., Inc.
Maki Corporation
Moore Lumber & Hardware, Inc.
Moynihan-N. Reading Lumber Inc. & Moynihan Lumber of Beverly
Mozzone Lumber Company, Inc.
Nickerson Lumber Company LLC
North Atlantic Corporation
Northeast Treaters, Inc.
Plywood Supply and Lumber, Inc.
RB Negus Lumber Company
R.S. Lamson & Sons
Ryan Seamless Gutter Systems, Inc.
Shepley Wood Products
Squier & Company, Inc.
St. Denis Products, Inc./Lumber Center
Sudbury Lumber
Taylor Lumber & Oil Co. Inc./Harmony Realty Trust
Warren Trask Company
Wholesale Doors, Inc.
Wilmington Builders Supply Co.
Wood Lumber Company
Yankee Pine Corporation

Includes all active members of the Self Insured Lumber Businesses Association (SILBA) as of February 1, 2014.

SELF INSURED LUMBER BUSINESSES ASSOCIATION, INC.

Officers

Thomas A. Dennison, Jr., President
Lona Lamson, Treasurer
Irving D. Humphrey, III, Clerk

Trustees

Donald Chace	Thomas A. Dennison, Jr.	Irving D. Humphrey, III
Lona Lamson	Linda Lyons	Wayne Moriarty
Robert Naughton	David Perry	Jay Torrisi

Claim & Loss Control Committee

Steve Sager, Chairperson	Frank Chalmers	Craig Miles
John Howell	Cliff Lord	Tom Slater
Linda Lyons	Michael McNeil	Ryan Woundy
Briana Plum	John Prizio	

Professional Management

Meadowbrook / TPA Associates - Program Management,
Claim Management, and Loss Control Services
Safety National Casualty Corporation - Excess Insurance
Feeley & Driscoll, P.C. – Financial Audit
Towers Watson Company – Actuary
Ropes & Gray - Legal Counsel
Standish Mellon Asset Management - Investment Management

The above listing is as of December 31, 2012.