SILBA

Self Insured Lumber Businesses Association, Inc.

THE QUALITY WORKERS COMPENSATION SOLUTION FOR MASSACHUSETTS LUMBER BUSINESSES

2014

Annual Report To the Members

SELF INSURED LUMBER BUSINESSES ASSOCIATION, INC.

February, 2016

Members of
Self Insured Lumber Businesses Association, Inc.

Dear SILBA Members:

I am pleased and privileged to introduce the 2014 Annual Report to the members of Self Insured Lumber Businesses Association, Inc. (SILBA). 2014 marked SILBA's 23rd year of serving lumber businesses in Massachusetts.

2014 Financial Results

In 2014 SILBA generated a calendar year gain of $661,261, or 21% of 2014 calendar year net earned premium. This compares to a calendar year loss of -$141,779, or -5.3% in 2013.

Calendar year net earned premium increased by approximately $453,400 or 16.9% in 2014 to $3.14 million. The increase in premium resulted from a combination of an increase in average experience mod and ARAP factors in 2014 which had the effect of increasing premium about 3%, an increase in estimated payrolls, which were about 7.0% higher in 2014 than in 2013, and in increase in additional premium generated from the prior year's payroll audit of approximately $182,000, or another 6.8%.

SILBA's loss ratio improved from 89.9% in 2013 to 64% in 2014. The 2014 calendar year loss ratio includes a net release of prior year reserves of $346,000 relating to overall favorable development in prior year claims. This compares to a net decrease in prior year claims for calendar year 2013 of approximately $29,000. The loss ratio decrease is also due to higher earned premiums in 2014, as well as a decrease in loss frequency compared with 2013.

On a nominal basis, SILBA's underwriting expenses increased $17,700 from $600,800 in 2013 to $618,400. As a percentage of premium, SILBA's underwriting expenses decreased about 11.7%, from 22.3% in 2013 to 19.7% in 2014. The decrease in the percentage of premium is due to the higher premium base in 2014 plus the higher additional premium from payroll audit, which decreases the impact of fixed costs and other expenses which are not based on final net premium.

The net effect of the calendar year results was an improved combined ratio (losses plus expenses as a percent of premium) of 83.7% compared to 112.2% in 2013. Investment income earned in 2014 of $148,000 contributed to the operating gain of $661,261 or 21% of 2014 net premium.

SILBA's Balance Sheet

At December 31, 2014, SILBA held $6.25 million in total assets, about 98.5% 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 2014 net investment income earned increased the members' dividend pools by more than $148,000.

One of SILBA's largest liabilities, at $2.5 million or 40.6% 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 1.24 to 1.

At $3.4 million, SILBA's largest liability is its "Reserve for losses and loss adjustment expenses", reserves held to pay the <u>estimated</u> future costs of claims incurred to date. These reserves include $1.31 million of adjusters' reserves on reported losses for all fund years, and another $2.09 million of net actuarial or contingent reserves established to fund potential ultimate losses. This equates to approximately $1.60 of contingent reserve held for every $1 of adjusters' reserves.

Since inception of the program in 1992, SILBA members have earned nearly $25.4 million in dividends, an average earned dividend of 28.4% per year. At year-end 2014, dividend distributions to members to date totaled more than $22.8 million.

THE SAFETY OPPORTUNITY: Small Steps = Big Impacts

Since its inception, SILBA has been committed to creating and maintaining safe workplaces for our employees. We expect our management teams and employees alike to embrace safe procedures, and to maintain a positive attitude toward working safely every day. We all know and understand that our behavior as owners and managers is directly related to the commitment that our people have toward safety and to our positive or negative results throughout our organization.

If we, as a group and as individual member companies, continue to take the steps necessary to improve and enhance our safety efforts, it will lead to the kind of positive operational change and increased safety awareness which will keep our folks safer and will create the potential for greater savings and dividends. To that end, we will continue to explore creative methods for communicating our safety message. One size does not fit all. Some organizations do well with formalized safety committees and regularly scheduled meetings; others prefer daily or weekly informal safety talks. The bottom line is - DO whatever it takes to keep the message alive and well.

To create a culture of safety, each and every employee needs to understand that safety is EVERYONE'S responsibility, every day. Employees sometimes believe that it is the company owner who is responsible for safety. While you set the tone, all employees should feel that they have OWNERSHIP of safety. Find ways to get them involved and vested in the process.

It's all about shared RESPONSIBILITY. We all know that succeeding in life is about taking on challenges and responsibilities.   We become responsible adults, having been shaped by our parents and society's rules and guidelines. This carries over into our work life as well. At work we need to shoulder such responsibilities as meeting deadlines, paying the bills, maintaining the buildings and equipment, and fulfilling our customers' orders so as to meet their high expectations. Safety on the job – a safe workplace, safe behaviors - is one more vital responsibility that everyone needs to accept and own. As owners and managers, our job is to effectively communicate to our employees, supervisors, and managers that safety is important to all aspects of the business, including the overall success of the business. It is never too late to talk about safety, and to OWN it.

Our success as a workers compensation self insurance group is directly related to the priority we assign to employee safety and the amount of time and effort we are committed to investing in it. Beyond any purely financial considerations, it is always our first priority to keep our number one asset- our employees- safe at work, every day.

Safety is in our hands. Our employees' safety is in our hands. Our success is in our hands.

Let's all make it a point to practice safety every day and keep it ingrained in everything we do.

Very truly yours,

Linda Lyons
President

SELF INSURED LUMBER BUSINESSES ASSOCIATION, INC.

2014 ANNUAL REPORT

CONTENTS

SAFETY FOCUS	**1**
OPERATING REPORT	**7**
FINANCIAL STATEMENTS	**11**
MEMBER LISTING	**27**
OFFICERS AND TRUSTEES	**28**

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:

Safety is a state of mind, a culture. Safety is an owner, supervisor and individual responsibility. When each member takes responsibility and is accountable for maintaining a safe workplace, everyone benefits. This is the safety focus that SILBA members have collectively adopted for more than 23 years.

SAFETY ACTIVITIES:

Annually, SILBA and their team of safety and claim professionals from Meadowbrook, work to assist members in achieving their goal of creating and maintaining safe workplaces through safety services that are made-to-order for the individual member's needs, including: on-site safety surveys, training, onsite claim reviews, attendance and presentations at members' safety committee meetings, and sharing of pertinent safety literature and resources.

The SILBA safety professionals review accident reports daily and accident investigations are conducted when a serious injury occurs. The root cause(s) is determined and an action plan is developed to help the member prevent future loss. Information is shared with the other members in the interest of safety and for preventing similar injuries. The information obtained from accident reports, investigations and on-site visits is used to determine topics for the Safety Day events, used for safety articles in the quarterly newsletters and included in monthly safety blasts. Past topics have included: Executive Safety Training, Safe Lifting, Controlling Slips, Trips and Falls, Job Safety Analysis, Forklift Safety, New/Revised Hazard Communication Standard, Electrical Safety, and The Aging Workforce.

As noted, members receive quarterly safety newsletters and periodic Safety Alerts and Safety Blasts. These are excellent to use with your employees for 5 minute safety talks, safety meeting materials, etc., and then to post on your safety bulletin boards or email out to all of your employees.. All of this and other valuable safety information is posted to SILBA's website, www.silba-wc.com, for member's convenient access.

CLAIM AND LOSS CONTROL COMMITTEE MEETINGS:

The SILBA Claim and Loss Control Committee, comprised of both SILBA Members and Meadowbrook's Claim and Safety professionals, meets on a quarterly basis. The committee discusses claims and results of accident investigations from the prior quarter as well as members' safety action plans to address areas of concerns. Updates are provided on current safety visits, and national and state hot topics and trends are discussed. During the Round Table segment, members share their own safety activities. This forum encourages the discussion of best practices and successes, which has been extremely beneficial to all. **All members are invited and encouraged to participate in these quarterly committee meetings.**

SPRING SAFETY DAY AND FALL SAFETY WORKSHOPS:

SILBA held its Spring Safety Day in May, with excellent speakers discussing "The Mechanics of Aging", "Massachusetts Hoisting Regulation and Training Update", and "Legal Perspective on Dealing with an Aging Workforce/Employment Practices".

For 2014 it was decided that in place of the 3 workshops held in the past we would hold a Fall Safety Day which took place in October. The Fall Safety Day topics were "Preventing Neck and Shoulder and Arm Injuries", "The role that Nurse Case Managers Play", and "Defensive Driving".

OTHER RESOURCES:

SILBA's website (www.silba-wc.com) provides a wealth of information for members to use in their safety efforts. This is another great safety tool for SILBA members, as the website is frequently updated with pertinent, useful information. Meeting dates and links to other safety sites are included for easy reference, and there is an archive of past safety newsletters, and safety blasts. Members can also report an accident and request certificates of insurance through the website.

Additional safety resources are available to SILBA members through Meadowbrook's safety portal, Safetysurance (www.safetysurance@meadowbrook.com), where members are able to download and print or share electronically a large variety of industry-specific safety information such as Safety Brochures, Safety Talks and Meeting Topics, Safety Posters and Checklists, and Safety Plans and Programs. Live Streaming Training Videos are also available.

GOALS: 2016:

As we look to 2016, SILBA members will focus on:

- How we can provide a safer workplace for our **more experienced** employees
- Assuring that all persons in authority- **top management and supervisors**- make safety a priority every day;
- Making all management-level and supervisory personnel **responsible and accountable** for the safety of all their direct reports/departments;
- Holding employees **personally responsible and accountable** for working safely every day, and ensuring that they understand the **need** to work safely;
- Providing education and training to all employees so that they are equipped and continually reminded to do their jobs in the safest way possible; and
- Eliminating unsafe behaviors in the workplace by **using** an effective **disciplinary** program to deal with this issue.

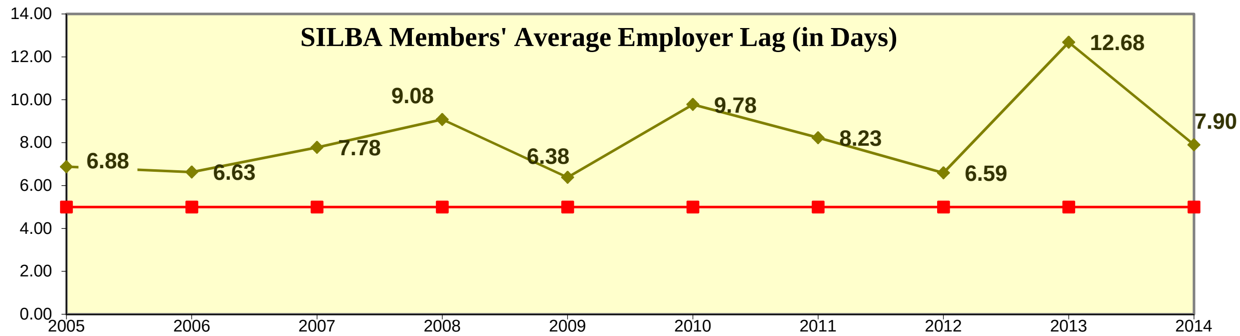
Concerns with the safety issues surrounding "The Aging Workforce" will remain a focus of SILBA as well. There are some easy things that all members can do to address some of the physical aspects of aging in the workplace:

- **Rotate employees** to different tasks often
- **Improve lighting**, better task lighting, better parking lot lighting
- **Better Ice and Snow handling procedures**
- **Subsidizing orthopedic footwear** and traction footwear outside in winter weather
- **Safe and better designed workspaces**
- **Temperature controls**; minimizing/limiting exposures to extreme hot and cold temperatures
- Looking for ways to **integrate wellness into the workers comp** arena.

Keys to SILBA Claims Management

The focus for claims management continues to remain on three key areas: early reporting of claims, providing temporary modified duty, and post-offer/pre-employment physicals. The Workers Compensation system in Massachusetts provides a unique set of challenges in claims management, but SILBA's members need to continue to focus on the areas they can control, which will set the stage for future positive performance.

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.



SILBA members showed a marked improvement in terms of timely reporting from 2013 to 2014 as the average Lag Time went from **12.68 days to 7.90 days**. While this still does not meet SILBA's goal of reporting all claims within 5 days, it is trending in the right direction. The median Lag Time was 4 days and is a good indication that most claims are being reported timely. However, those that are not reported timely can have a negative impact not only on the Lag Time numbers, but claim costs as well. There were 40 claims reported more than 10 days from the date of injury, down from 55 in 2013. Of these 40 claims, 10 were Lost Time and 30 were Medical Only claims.

The average Lag Time for Lost Time claims only was **8.5 days**, with the median being **3 days**. This indicates that most of the Lost Time claims are being reported timely. However, the 10 claims reported greater than 10 days from the date of injury substantially impacts the overall Lag Time results. It is also noteworthy that only 4 of the 10 were due to late reporting by the injured worker. A stronger focus needs to be placed on reporting all injuries timely, so we can ensure that timely and appropriate treatment is being made available to the injured worker and the focus is on what they can do versus what they cannot do in terms of a work capacity.

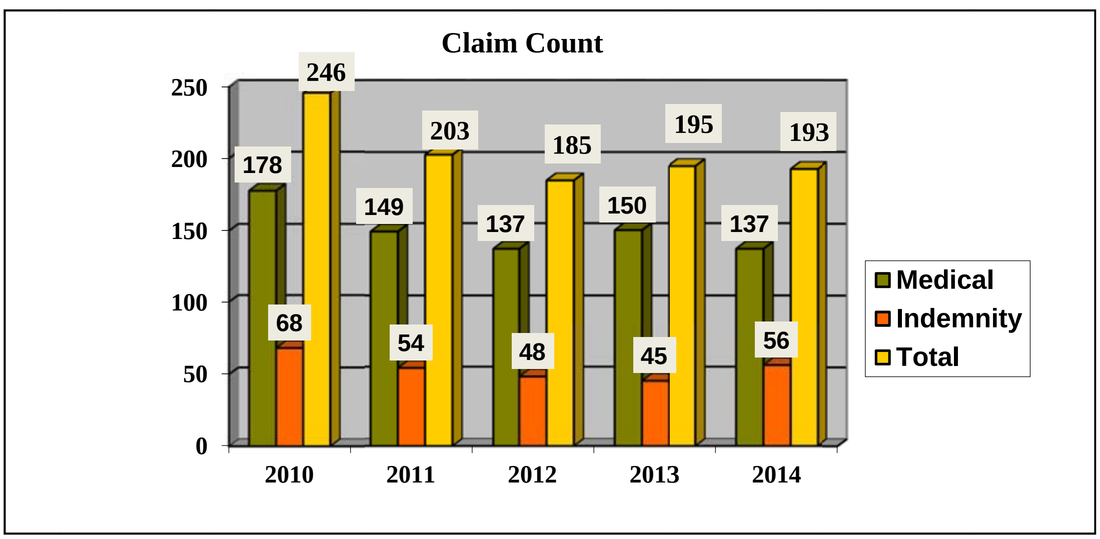
2) Provide Temporary Modified Duty. The most effective means of mitigating future exposure on claims is by providing temporary modified or transitional duty. Changing the mindset of the injured worker to focus on what they can do, not what they cannot, has a profound impact on their recovery. Not only does it reduce the indemnity (lost time) exposure, but it engages the employee and often motivates them to return to their regular position. This has a further positive impact on the company, lessening the burden placed on the injured worker's peers who have to make up for their absence.

   SILBA has long required its members to provide temporary modified duty when an employee is injured. It has been proven to be the most effective means of controlling claim costs. There are a number of resources and tools available to assist with identifying modified duty opportunities, such as Job Fit Analyses (JFA) and transitional work functions, depending on the nature of the restrictions placed on the injured worker. By focusing on what they can do and making accommodations to bring them back to work timely and safely, this also helps to reassure the injured worker that they are an important member of the team and greatly assists in transitioning them back to their regular role as their condition improves.

3) Implement Post-Offer/Pre-Hire Physicals. The number of members within SILBA utilizing post-offer, pre-employment exams has increased significantly, and is something that benefits every member. Given the relatively low cost of the exam ($75 to $150), avoiding even one medical only claim would cover the cost of the exams for that member. Avoiding one claim involving surgery could save anywhere from $50,000 to $100,000 or more given the costs of medical treatment and lost wages. It is incumbent upon each SILBA member to make sure you are not hiring someone with a significant pre-existing condition that negatively impacts their ability to perform their essential job function. Making sure someone is able to safely and effectively perform the essential functions of the job is critical in hiring the right person for the job, not just filling the position.

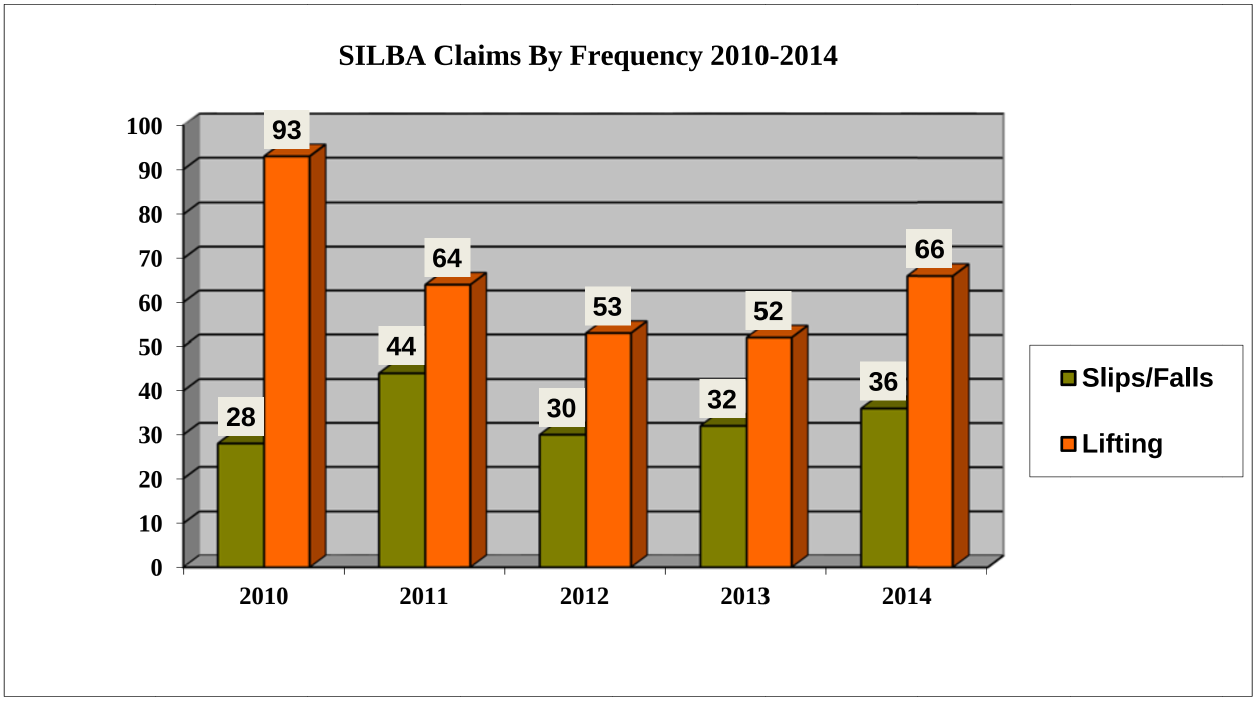
Claim Trending

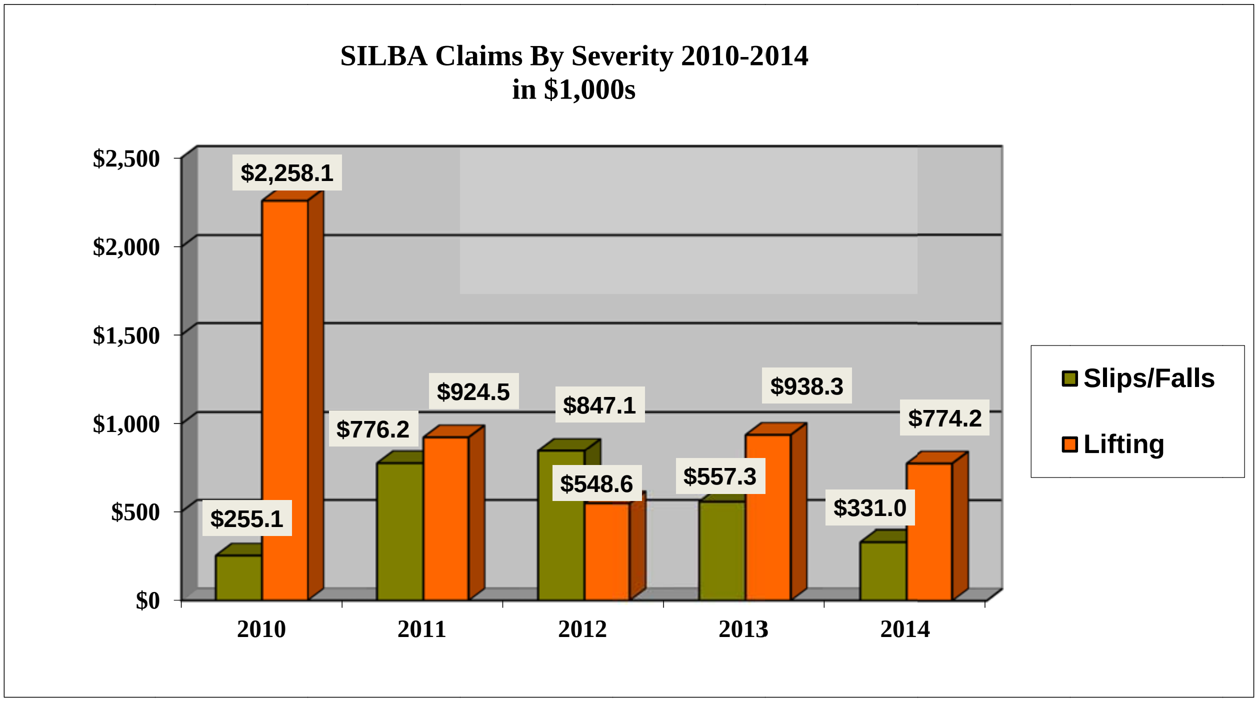
Learning from the past and identifying trends will allow SILBA members to focus on the key areas for future performance.



Overall claim counts have declined over the last 5 years, partly due to the economy, but also as a result of the continued focus on Safety and Accident Prevention. While there was a slight decrease in the number of claims from 2013 to 2014, there were 11 more Lost Time claims in 2014, representing an increase in severity. This is a trend we do not want to continue into 2015 as it represented the most Lost Time claims since 2010.

Given the nature of the businesses within SILBA, the two most significant exposures are Slips/Trips/Falls and Lifting/Pushing/Pulling incidents. These are the two areas needing the most attention when it comes to Safety and Accident Prevention efforts. Once again, there was an increase in the number of each type of cause of injury from 2013 to 2014 – 12.5% in the number of Slips/Trips/Falls and 27% in the number of Lifting/Pushing/Pulling injuries.





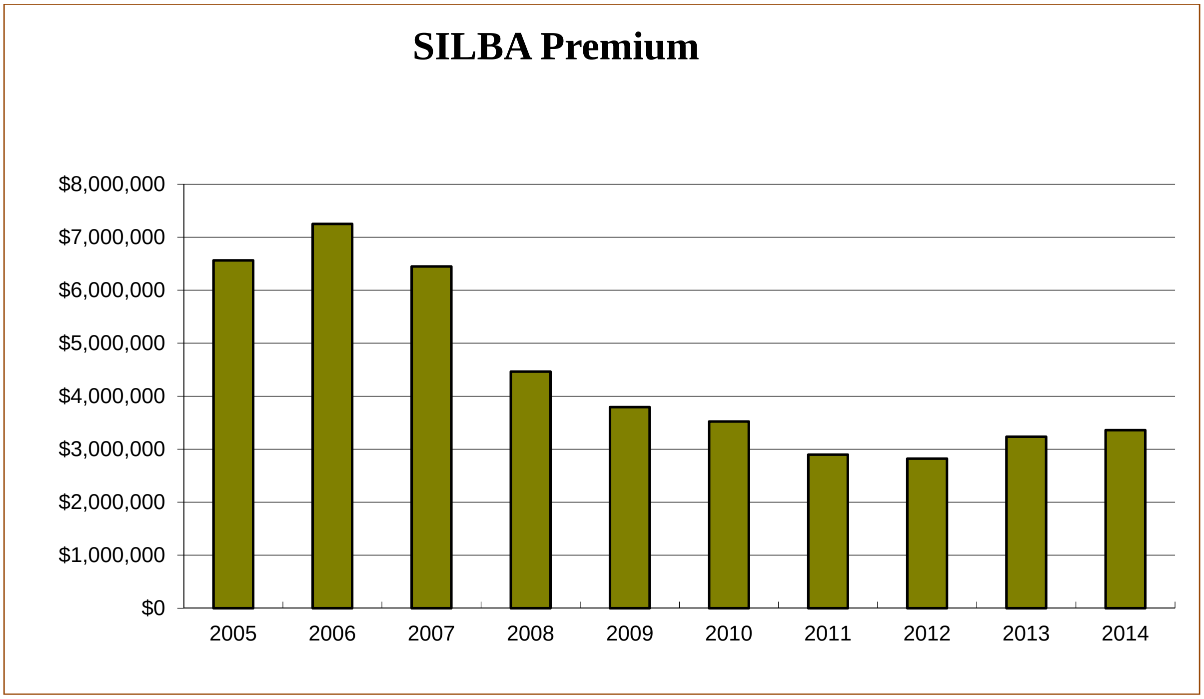
Frequency and severity often go hand in hand, as the more incidents there are, the greater the odds are for a more severe incident as evidenced above. 2012 was an anomaly as it was the only year in the past 5 in which there were fewer incidents involving Slips/Trips/Falls, but the total incurred was greater than that for Lifting/Pushing/Pulling injuries. By focusing on reducing injuries overall, and more specifically in these two categories, not only can the frequency be reduced, but the chances for a more severe injury will also be reduced. Each member must challenge themselves as to how they are going to proactively prevent injuries from occurring, especially in these two categories.

Learning from near-miss incidents can identify training needs - we should not wait for an injury to occur before focusing on future prevention. If and when an injury does occur, we must learn from the past to determine the root cause of the injury and what could have been done to prevent it. SILBA and Meadowbrook afford the members many resources and tools to achieve improved results. Taking advantage of all of these tools will continue to strengthen members' own individual company results as well as those of SILBA overall and will help to ensure the group's continued success.

OPERATING REPORT

MEMBERSHIP AND PREMIUM

At year end 2014, SILBA had sixty-five members.



Members' 2014 fund year premium totaled $3.36 million, a 3.8% increase from the prior year's audited premium. This increase in premium was driven by an increase in the group's average experience modification and ARAP factors and higher overall payrolls.

DIVIDENDS EARNED

Dividends earned by the members are based on 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, 2014, SILBA members have paid in a total premium of $89.2 million dollars and earned dividends of $25.4 million, an average return of 28.4% over SILBA's history.

SILBA began to return dividends earned to its members in 1995, the earliest date allowed by Massachusetts laws and regulations. Through year-end 2014, $22.8 million of the $25.4 million of dividends earned had been returned to the members, including more than $422,000 distributed to SILBA members in February of 2014. 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	Fund Year Premium	Losses Incurred	Losses Incurred as a % of Premium
2005	$6,561	$3,470	52.9%
2006	$7,252	$3,787	52.2%
2007	$6,446	$3,246	50.4%
2008	$4,464	$2,316	51.9%
2009	$3,795	$1,271	33.5%
2010	$3,520	$3,512	99.8%
2011	$2,897	$2,121	73.2%
2012	$2,823	$1,742	61.7%
2013	$3,237	$2,274	70.3%
2014	$3,359	$2,357	70.2%

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

Fund Year	Excess Insurance	Other Operating	Total Costs
2005	11.5%	13.8%	25.3%
2006	10.3%	13.5%	23.8%
2007	9.7%	14.4%	24.2%
2008	10.4%	16.3%	26.7%
2009	10.9%	17.7%	28.6%
2010	10.6%	18.4%	29.0%
2011	12.1%	18.6%	30.7%
2012	12.1%	21.7%	33.8%
2013	12.0%	17.5%	29.5%
2014	11.5%	17.0%	28.4%

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, 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, remaining committed to safety and claim mitigation strategies is more important than ever.

FINANCIAL HIGHLIGHTS

At December 31, 2014 SILBA's assets totaled $6.25 million, 98.5% of which were in the form of cash and invested assets, on which SILBA earns investment income to supplement its dividend pool. In 2014, invested assets yielded $148,290 of net investment income.

Cash and Invested Assets (in 000's) as a Percentage of Total Assets

	Cash and Invested Assets	Total Assets	Percentage to Total
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%
2013 Fund Year	$6,305	$6,468	97.5%
2014 Fund Year	$6,156	$6,250	98.5%

Assets are invested in highly rated fixed income securities:

Valued at December 31, 2014:	**Amortized Cost**	**Market Value**
Corporate Securities	$2,076,296	$2,199,593
US Government Agency Securities	$2,605,927	$2,626,414
Mortgage-backed securities	$821,855	$834,192
Subtotal	$5,504,078	$5,660,199
Cash & Cash Equivalents	$651,909	$651,909
Total	$6,155,987	$6,312,108

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**
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%
2013 Fund Year	$2,298	$3,968	$6,265	$6,468	96.9%
2014 Fund Year	$2,537	$3,400	$5,937	$6,250	95.0%

Distributions due to members, at over $2.5 million at year end 2014, represent dividends earned by members and held for future distribution. These distributions payable are the equivalent of the Group's surplus. With $3.14 million of net calendar year premium earned, SILBA's premium to "surplus" ratio in 2014 was 1.24 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 2014, reserves held were comprised of $1.31 million of case reserves and $2.09 million of bulk reserves (net of reserve discounts), approximately $1.60 of bulk reserve for each $1 of case reserve.

Reserves represent <u>estimates</u> of claim costs, and the risk exists that the reserves could prove to be insufficient to cover the ultimate cost of the claims. In 2014, SILBA's losses and loss adjustment expenses incurred included a <u>decrease</u> of $346,009 of prior years' reserves resulting from subsequent favorable loss development. In 2013 prior years' reserves were <u>decreased</u> $28,814 due to favorable loss development. When reserves are increased in subsequent years, the related fund year's dividend pool is decrease. Releasing, or decreasing, reserves <u>increases</u> the related fund years' dividend pools.

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

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

Independent Auditor's Report

We have audited the accompanying financial statements - statutory basis, of Self Insured Lumber Businesses Association, Inc., which comprise the balance sheets - statutory basis as of December 31, 2014 and 2013, 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 prescribed or permitted by 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.

200 Portland Street • Boston, Massachusetts 02114-1709 • (617) 742-7788
154 Broad Street • Nashua, New Hampshire 03061-3158 • (603) 889-0444
www.fdcpa.com • Fax: (617) 742-0210

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, 2014 and 2013, 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 prescribed or permitted by 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.

Boston, Massachusetts
June 16, 2015

SELF INSURED LUMBER BUSINESSES ASSOCIATION, INC.

Balance Sheets - Statutory Basis

December 31, 2014 and 2013

	2014	2013
Admitted assets:		
Cash and cash equivalents	$ 651,909	$ 1,082,049
Bonds	5,504,079	5,223,013
Reinsurance recoverable	39,449	42,719
Accrued interest income	44,305	44,595
Other assets	10,569	76,092
Total admitted assets	$ 6,250,311	$ 6,468,468
Liabilities:		
Reserve for losses and loss adjustment expenses, net	$ 3,400,048	$ 3,967,691
Accounts payable and accrued expenses	273,083	166,676
Distributions due to members	2,537,239	2,297,557
Policyholders' surplus	39,941	36,544
Total liabilities	$ 6,250,311	$ 6,468,468

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, 2014 and 2013

	2014	2013
Premiums earned, net	$ 3,142,638	$ 2,689,226
Losses and loss adjustment expenses incurred	2,010,779	2,417,295
Other underwriting expenses incurred	618,432	600,759
Total underwriting expenses	2,629,211	3,018,054
Net underwriting gain (loss)	513,427	(328,828)
Net investment gain	130,664	124,864
Net realized investment gains	17,626	62,641
Net investment income	148,290	187,505
Income (loss) before distributions to (assessments from) members and income taxes	661,717	(141,323)
(Distributions to) assessments from members	(661,261)	141,779
Income before income tax expense	456	456
Income tax expense	456	456
Net income	$ -	$ -
Policyholders’ surplus (deficit) - beginning of year	$ 36,544	$ (73,799)
Decrease in non-admitted assets	3,397	110,343
Policyholders’ surplus - end of year	$ 39,941	$ 36,544

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, 2014 and 2013

	2014	2013
Cash flows from operating activities:		
Premiums collected	$ 3,151,820	$ 2,692,510
Losses and loss adjustment expenses paid, net of reinsurance	(2,575,152)	(1,711,903)
Other underwriting expenses paid	(527,268)	(572,611)
Net investment income	154,032	168,135
Distributions to members	(421,579)	(728,218)
Net cash used in operating activities	(218,147)	(152,087)
Cash flows from investing activities:		
Proceeds from sales or maturities of bonds	1,041,389	2,135,174
Purchase of bonds	(1,327,906)	(1,562,290)
Net cash (used in) provided by investing activities	(286,517)	572,884
Cash flows from financing activities:		
Contributed surplus applied	-	95,171
Other cash provided (applied)	74,524	(44,510)
Net cash provided by financing activities	74,524	50,661
Net (decrease) increase in cash and cash equivalents	(430,140)	471,458
Cash and cash equivalents at beginning of year	1,082,049	610,591
Cash and cash equivalents at end of year	$ 651,909	$ 1,082,049

See accompanying notes to financial statements - statutory basis.

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:

<u>Policy Acquisition Costs</u> - 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.

<u>Reserve for Unpaid Losses and Loss Adjustment Expenses</u> - 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.

<u>Reinsurance Balances</u> - 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.

<u>Valuation of Bonds</u> - 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 non-admitted 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 June 16, 2015, 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:

Premiums receivable over 90 days old: If a member's premium is more than ninety (90) days overdue, in lieu of "non-admitting" the balance, it may be offset against declared but unpaid dividends. However, a monthly penalty equal to the average earnings on investments, plus at least one percent (1%), must be charged to the member. Under NAIC SAP, such premium receivable balances would be non-admitted.

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 insurance 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	
	2014	2013	2014	2013	2014	2013
Direct	$ 3,552,063	$ 3,054,946	$ 3,431,022	$ 4,001,155	$ 2,013,598	$ 2,418,469
Ceded	(409,425)	(365,720)	(30,974)	(33,464)	(2,819)	(1,174)
Net	$ 3,142,638	$ 2,689,226	$ 3,400,048	$ 3,967,691	$ 2,010,779	$ 2,417,295

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, 2014			
	Amortized Cost	Unrealized Gains	Unrealized Losses	Fair Value
U.S. government securities	$ 2,605,927	$ 27,886	$ (7,399)	$ 2,626,414
Corporate securities	2,076,296	124,821	(1,524)	2,199,593
Mortgage backed securities	821,856	15,993	(3,657)	834,192
	$ 5,504,079	$ 168,700	$ (12,580)	$ 5,660,199

Note 5 - Bonds - Continued

	December 31, 2013			
	Amortized Cost	Unrealized Gains	Unrealized Losses	Fair Value
U.S. government securities	$ 2,179,633	$ 24,089	$ (32,174)	$ 2,171,548
Corporate securities	1,975,723	146,106	(6,627)	2,115,202
Mortgage backed securities	1,067,657	15,310	(12,758)	1,070,209
	$ 5,223,013	$ 185,505	$ (51,559)	$ 5,356,959

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.

	December 31, 2014		December 31, 2013	
	Amortized Cost	Fair Value	Amortized Cost	Fair Value
Due in one year or less	$ 509,972	$ 512,036	$ 247,477	$ 250,687
Due in one year through five years	3,143,996	3,235,438	3,217,706	3,317,901
Due after five years through ten years	1,850,111	1,912,725	1,757,830	1,788,371
	$ 5,504,079	$ 5,660,199	$ 5,223,013	$ 5,356,959

Proceeds from sales or maturities of bonds during 2014 and 2013 were $1,041,389 and $2,135,174, respectively. Gross gains of $21,604 and $67,168 were realized during 2014 and 2013, respectively. There were $3,978 and $4,527 of gross realized losses in 2014 and 2013, 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 $2,530,000 and $2,500,000 on an undiscounted basis as of December 31, 2014 and 2013, 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, 2014 and 2013, the Group experienced a net decrease 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 deducted from losses and loss adjustment expenses in 2014 and 2013.

For the years ended December 31, 2014 and 2013, 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 $440,308 and $570,676 at December 31, 2014 and 2013, respectively.

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

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

	2014	2013
Reserve for losses and loss adjustment expenses, beginning of year	$ 3,967,691	$ 3,261,131
Incurred losses and loss adjustment expense:		
Provision for insured events of the current year	2,356,788	2,446,109
Provision for insured events of prior years	(346,009)	(28,814)
Total incurred losses and loss adjustment expenses	2,010,779	2,417,295
Losses and loss adjustment expense payments related to:		
Current year	745,017	538,219
Prior years	1,833,405	1,172,516
Total losses and loss adjustment expense payments	2,578,422	1,710,735
Reserves for losses and loss adjustment expenses, end of year	$ 3,400,048	$ 3,967,691

Note 7 - Management Fees

The Group has entered into a management agreement, expiring December 31, 2015, 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 $480,000 and $430,000 for the years ended December 31, 2014 and 2013, 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 (IRS) 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 2012 through the current year remain open for examination by federal and state tax authorities. The Group was audited by the IRS for tax years 2010 and 2011. The IRS challenged the deductibility of the policyholders' dividends on the accrual basis and suggested that this should be on the cash basis. The Group received a final resolution from the IRS indicating no change.

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 $319,000 and $291,000 at December 31, 2014 and 2013, respectively (see Note 12). An escrow account, which includes approximately $300,000 in certificates of deposit, is pledged to the Massachusetts Division of Insurance as a security deposit pursuant to Section 211CMR67.08(2)(9d) at December 31, 2014 and 2013. At December 31, 2014, the Group was not in compliance with security requirements. However subsequent to year-end, the Group increased the amount held in escrow to be in compliance with the statutory requirement.

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, 2014 and 2013, the Group was required to provide security amounting to $319,000 and $291,000, respectively (see Note 10).

Liquidity - The Group is required to provide security to the extent 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 be rated by at least two (2) 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, 2014 and 2013, 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, which was applied per depositor, per insured bank for each account ownership category. As of December 31, 2014, the Group has $458,018 in excess of FDIC limits.

Premiums with one (1) member accounted for approximately fifteen percent (15%) and ten percent (10%) of the Group's premiums as of December 31, 2014 and 2013, respectively.

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
Chelmsford Lumber
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.
Ryan Seamless Gutter Systems, Inc.
Shepley Wood Products
Squier & Company, Inc.
St. Denis Products, Inc./Lumber Center
Sudbury Lumber
Taylor Lumber & Oil Co. Inc.
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, 2016.

SELF INSURED LUMBER BUSINESSES ASSOCIATION, INC.

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, 2014.