



2023  
**Annual  
Results**

**AEU**





# A Letter from our CEO

At AEU, our commitment to building strong relationships with our members and brokers remains at the core of everything we do. Our team deeply appreciates your trust and partnership, which drive us to continually improve our services and support your safety programs and operations.

In 2023, we pushed forward on several fronts. While we have much to celebrate, I also want to highlight some trending safety challenges, specifically those involving pedestrians and forklift interaction, confined spaces, access and egress into tanks on ships, and the practice of overhead welding.

Each of the recent incidents we've seen highlights the importance of implementing effective programs to prevent these types of injuries from occurring. Our Loss Control team has found innovative ways to work with members to address these trends, ensuring our members have access to the best resources and methods to prevent future incidents.

- To mitigate risks associated with **forklifts and other powered industrial trucks**, we've implemented comprehensive supervisory training programs and reinforced key safety practices through our toolbox talks. This ensures both pedestrians and operators are equipped with the knowledge to maintain a safe working environment.
- Our on-site loss control meetings, supervisory incident prevention training programs, and

hosting of Shipyard Competent Person classes continue to positively impact awareness of **confined space hazards**.

- We've focused on preventing **fall injuries during tank access and egress** by developing ladder safety protocols, focusing on guardrails and emphasizing adequate lighting at critical points.
- Additionally, our Loss Control team created detailed job hazard analyses for tasks like **overhead welding**, which we've shared with members to enhance their safety measures.

Looking ahead, we remain dedicated to supporting your safety program with the personalized guidance our team is known for. We're continually exploring new training methods that will keep workers safe and productive.

Beyond safety, this year has been marked by several noteworthy achievements. You can read more about milestones and initiatives from 2023 on pages 19-22.

**Here are some highlights:**

- We were recognized as one of the top places to work in Alabama for the fifth consecutive year, reflecting our commitment to creating a culture where our team members can thrive.
- We pivoted AEU LEAD to offer leadership training exclusively to ALMA members at no additional cost, which has been well received.

- We saw a record year of subrogation recoveries and exposure savings, reaching nearly \$5M.
- We advocated on Capitol Hill for legislation that protects our industry and members.
- We enhanced provider access and internal nurse case management by adding 306 medical provider clinics and hiring a bilingual nurse case manager, which reduced attorney representation and saved on translation expenses. Additionally, our nurse case managers cut medical equipment costs by 16%, even as industry prices increased.

We are excited about the opportunities ahead and look forward to another year of growth, safety, and success.



*Adele Hapworth*

**Adele Hapworth**  
Chief Executive Officer  
The American Equity Underwriters, Inc.





## About the Longshore Act

**The Longshore and Harbor Workers' Compensation Act (Longshore Act)** is a federal law that provides for the payment of compensation, medical care, and vocational rehabilitation services to employees disabled from on-the-job injuries that occur on or near<sup>1</sup> the navigable waters of the United States.

The Longshore Act also provides for payment of survivor benefits to dependents if the work injury causes, or contributes to, the employee's death. These benefits are typically paid by the self-insured employer or by a private insurance company on the employer's behalf. The term "injury" includes occupational diseases, hearing loss, and illnesses arising out of employment.

The Longshore Act covers employees in traditional maritime occupations such as longshore workers, ship-repairers, shipbuilders or ship-breakers, and harbor construction workers. The injuries must occur on the navigable waters of the United States or in the adjoining areas, including piers, docks, terminals, wharves, and those areas used in loading and unloading vessels. Non-maritime employees may also be covered if they perform their work on navigable water and their injuries occur there.

The Longshore Act also extends to include other types of employment. Employees covered by these extensions are entitled to the same benefits, and their claims are handled in the same way as Longshore Act claims. The following are the extensions of the Longshore Act: the Defense Base Act, the Outer Continental Shelf Lands Act, and the Non-Appropriated Fund Instrumentalities Act.<sup>2</sup>

**For more information about the Longshore Act, visit our blog at [longshoreinsider.com](https://longshoreinsider.com). The *Longshore Insider* contains hundreds of articles written by industry experts at AEU, covering topics such as coverage nuances, interesting court cases, claims handling guidance, frequently asked questions, and more.**

<sup>1</sup> More specifically, adjoining areas customarily used in the loading, unloading, repairing, or building of a vessel.

<sup>2</sup> Source: U.S. Department of Labor website (dol.gov)



**For 27 years, we've partnered with waterfront employers to reduce their costs and have more control over their long-term success.**

- Underwriters creatively tailor insurance programs and team with insurance brokers to meet each member's needs, ensuring the rates they are awarded accurately reflect their individual performance.
- Claims specialists work closely with members to achieve the best possible outcome, with a focus on resolving claims quickly and cost-effectively while ensuring optimal care for the injured worker.
- Loss control managers partner with members to ensure the success of their safety program and provide resources to empower them to control losses.
- ALMA members have the opportunity to benefit from exclusive value-added services and resources unique to AEU.

### About the American Longshore Mutual Association, Ltd.

Since 1997, ALMA has been authorized by the U.S. Department of Labor to provide coverage for the liabilities of its members under the United States Longshore and Harbor Workers' Compensation Act (USL&H). ALMA can also provide employers' liability protection (including incidental maritime employers' liability) to its members.



## Program Overview

**With decades of experience in the maritime industry and a strong commitment to our members, AEU is the leading provider of USL&H to waterfront employers of all sizes.**

### Available Coverages

- United States Longshore and Harbor Workers' Compensation Act (ALMA)
- Outer Continental Shelf Lands Act
- Maritime Employers' Liability
- Defense Base Act
- State Act program in conjunction with above coverages

### Plans Include

- First dollar
- Single or multi-year programs
- Loss-sensitive plans
- Deductible
- Excess over qualified self-insurance

### Requirements

A minimum of 10% of the insured's payroll must be USL&H exposure (unless incidental-only)

### Minimum Premium

\$10,000

### USL&H Target Classes

- Ship Builders
- Ship Repairers
- Stevedores
- Terminal Operators
- Barge Repairers
- Marine Construction
- Steamship Agents
- Yacht Builders
- Coal Docks
- Offshore Industries

### State Act Target Classes

- Boat Building & Repair
- Marinas
- Machine Shops
- Warehousing
- Welders & Pipefitters
- Electricians
- Painters
- Communications Repair
- Engine Repair
- Heating & A/C Contractors
- Refrigeration Repair
- Architects & Engineers
- Fire Extinguisher Servicing
- Carpentry (no roofing or residential construction)
- Labor Providers with long-term placements

## Program Partners

AEU is also a program administrator for two State Act workers' compensation programs and one MEL (maritime employers' liability) program, with \$16.8 million in combined premium.

### State Act

AEU provides State Act workers' compensation through two national carriers – Great American Insurance Group and PMA Companies – as a complement to USL&H coverage placed with ALMA.

### Maritime Employers' Liability

AEU also has a binding authority with Great American Insurance Group to provide MEL coverage to ALMA members.





## ALMA Premium Contributions by Class of Business

Class Code	Contribution	% of Book
Ship Repair or Conversion	\$49,987,319	25.4%
Stevedoring	\$38,022,012	19.3%
Shipbuilding	\$28,649,837	14.5%
Construction/Building/Installation	\$17,780,973	9.0%
Boatbuilding or Repair	\$17,148,236	8.7%
General Marine	\$11,894,832	6.0%
Oil & Gas	\$9,327,263	4.7%
Diving	\$6,883,134	3.5%
Machinery or Equipment	\$5,888,006	3.0%
Steamship Agents	\$3,825,531	1.9%
Freight Handling	\$3,314,162	1.7%
Welding	\$2,306,515	1.2%
Painting	\$2,109,135	1.1%

Total Premium Contribution  
**\$197,136,955**  
▲ 9.7%

Total Members  
**1,867**  
▲ 10.9%

Total USL&H Payroll  
**\$3,365,679,417**  
▲ 15.0%

Member Retention Rate  
**97.3%**  
▼ 0.5%

Premium Returned for  
Favorable Claims Performance  
**\$16,676,731**

Subrogation Recoveries  
and Exposure Savings  
**\$4,928,659**

“

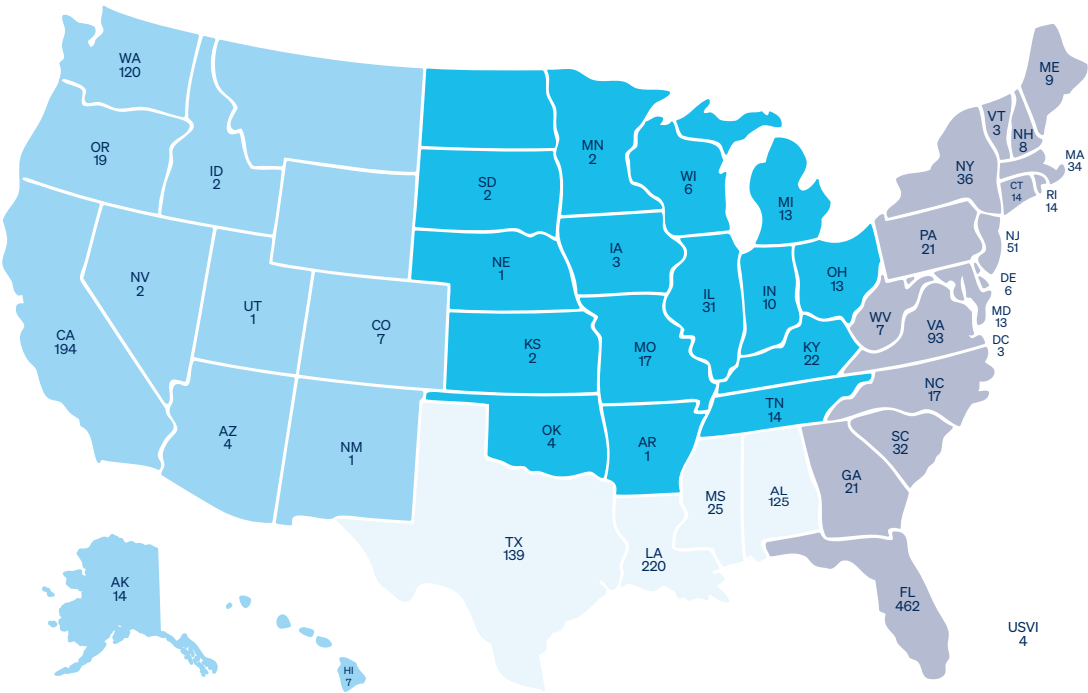
The team members at AEU are more like friends and family rather than business partners. They listen to what we say and truly understand our needs and meet them every time. They are always looking for ways to improve how they support their members and make things even more efficient. Most of all, they genuinely care about the injured workers and go over and above to take care of them.

**Agnes Neilson**  
Risk and Insurance Manager  
Wallenius Wilhelmsen Logistics Americas, LLC

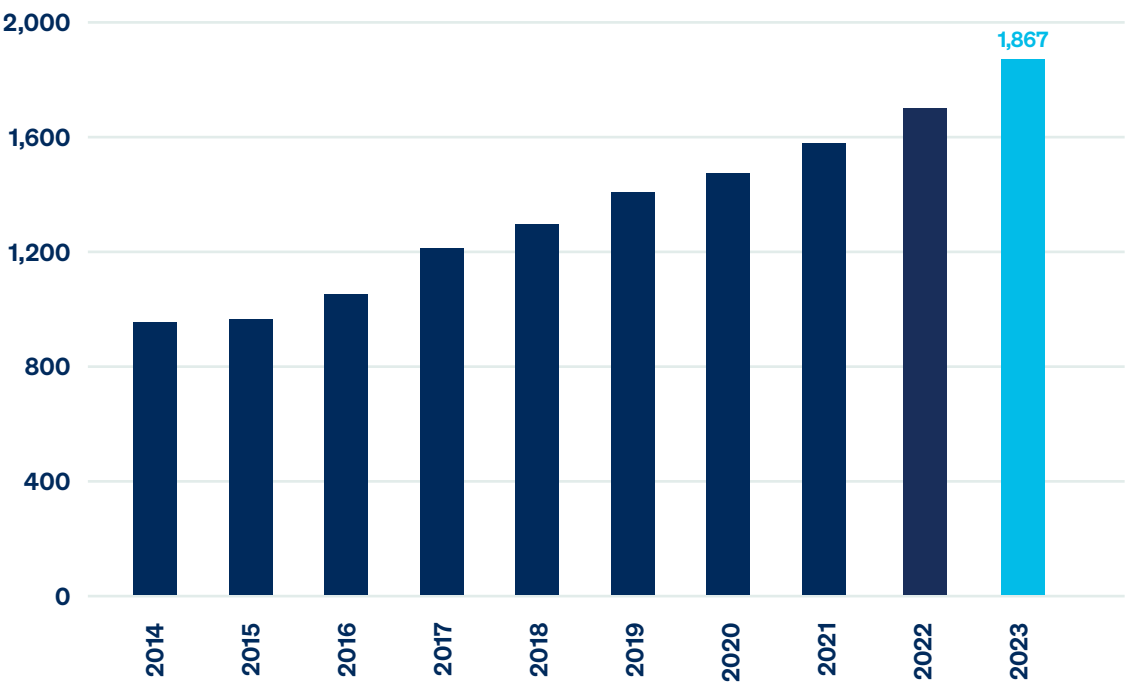




## ALMA Members by State



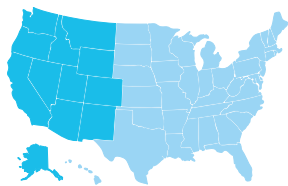
## Member Count History





# Regional Detail

## West Coast



State	Members	Payroll
Alaska	14	\$7,407,886
Arizona	4	\$791,999
California	194	\$308,050,198
Colorado	7	\$6,553,351
Hawaii	7	\$24,113,558
Idaho	2	\$335,720
Nevada	2	\$4,067,696
Oregon	19	\$40,232,546
Utah	1	\$43,828
Washington	120	\$229,668,719

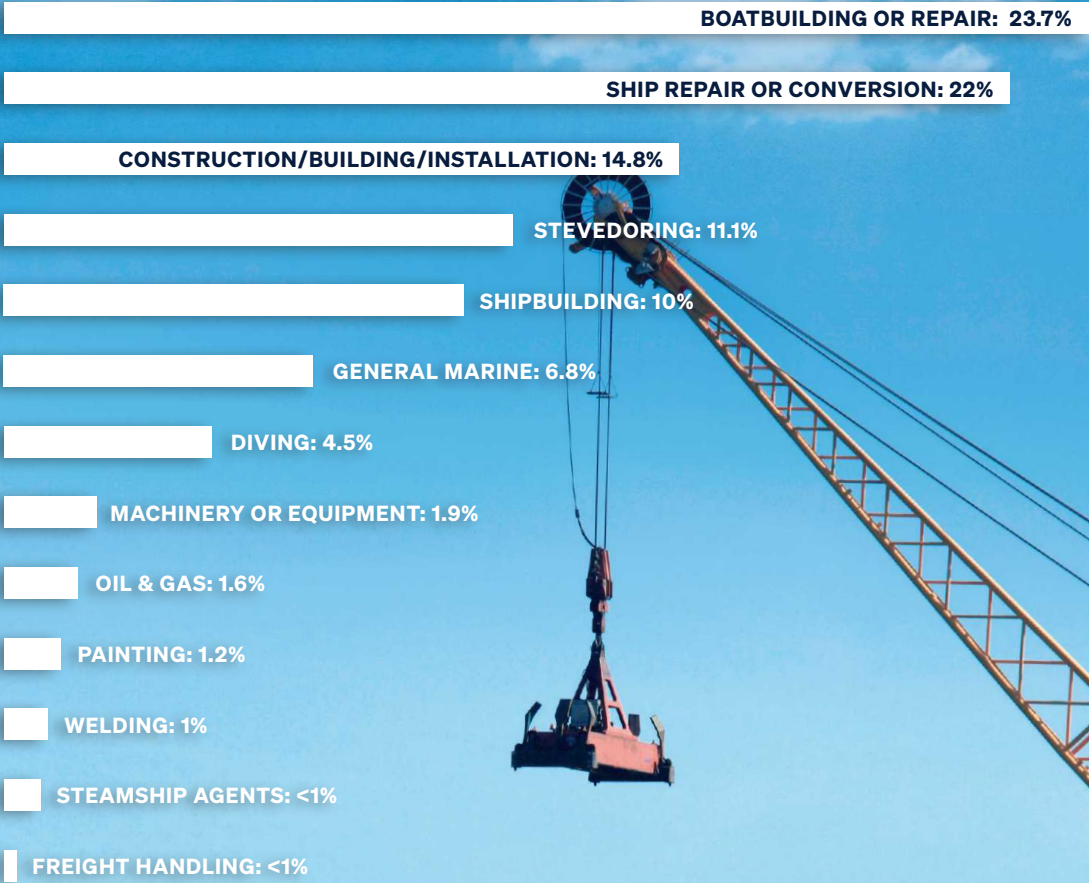
### By the Numbers

Total Payroll  
**\$621,265,501**  
▼ 6.5%

Total Members  
**370**  
▲ 14.2%

Total Premium Contribution  
**\$47,380,963**  
▼ 3.7%

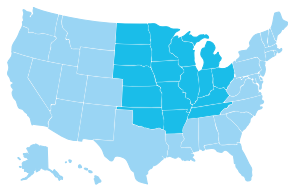
### West Coast Payroll By Class of Business





# Regional Detail

## Great Lakes & Inland Waterways

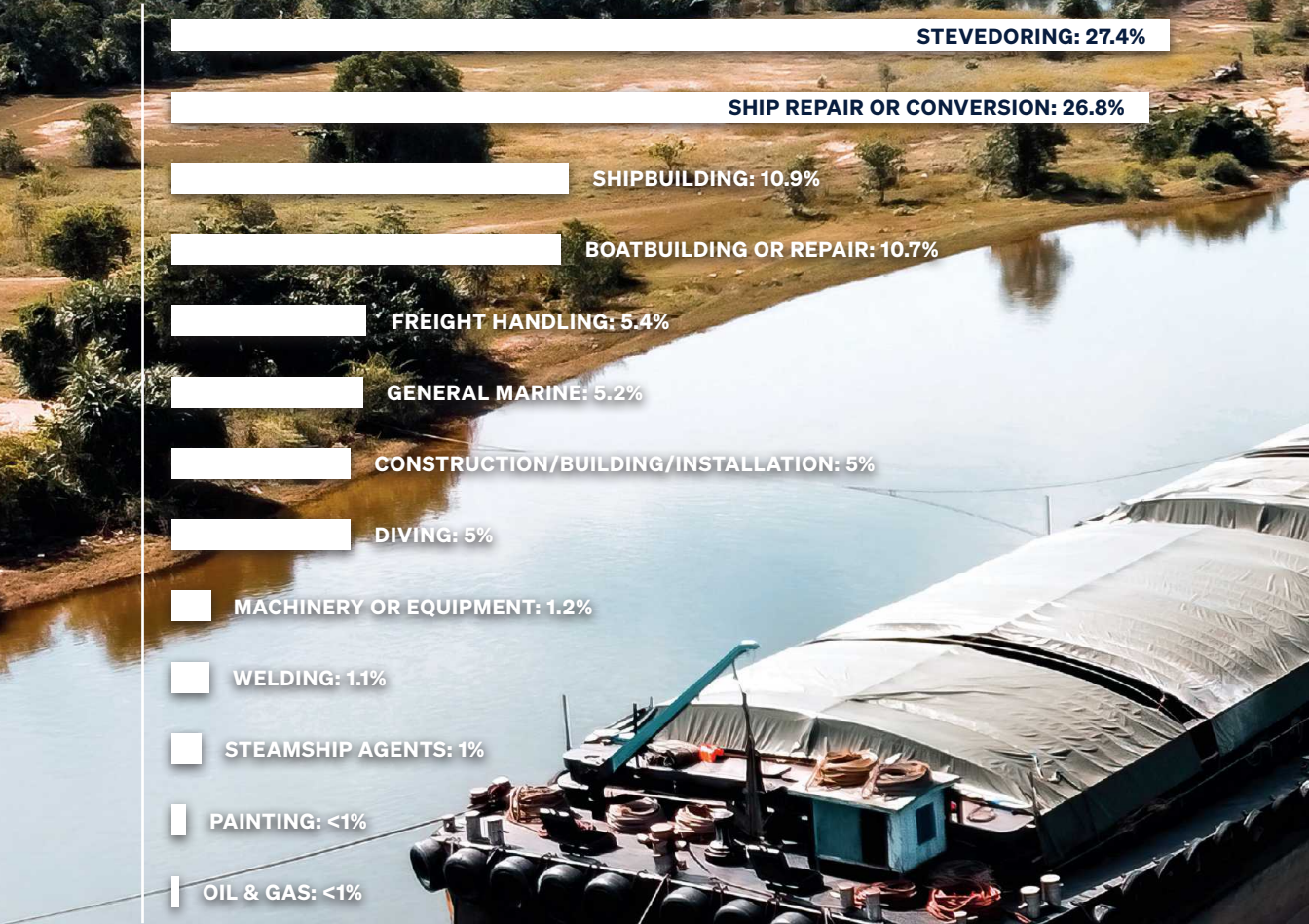


State	Members	Payroll
Illinois	31	\$31,407,251
Indiana	10	\$20,794,573
Iowa	3	\$1,288,912
Kansas	2	\$23,798,418
Kentucky	22	\$43,182,759
Michigan	13	\$28,479,187
Minnesota	2	\$1,134,350
Missouri	17	\$20,746,544
Nebraska	1	\$1,900,000
Ohio	13	\$19,004,890
Oklahoma	4	\$86,159
South Dakota	2	\$473,000
Tennessee	14	\$15,830,016
Wisconsin	6	\$8,586,994

### By the Numbers

Total Payroll	Total Members	Total Premium Contribution
\$216,713,053	140	\$13,221,771
▲ 9.5%	▼ 1.4%	▲ 5.7%

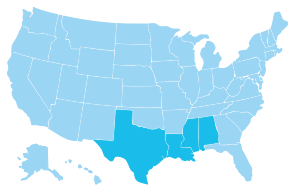
### Great Lakes & Inland Waterways Payroll By Class of Business





# Regional Detail

## Gulf Coast



State	Members	Payroll
Alabama	125	\$411,939,915
Louisiana	220	\$808,324,168
Mississippi	25	\$39,569,131
Texas	139	\$315,523,800

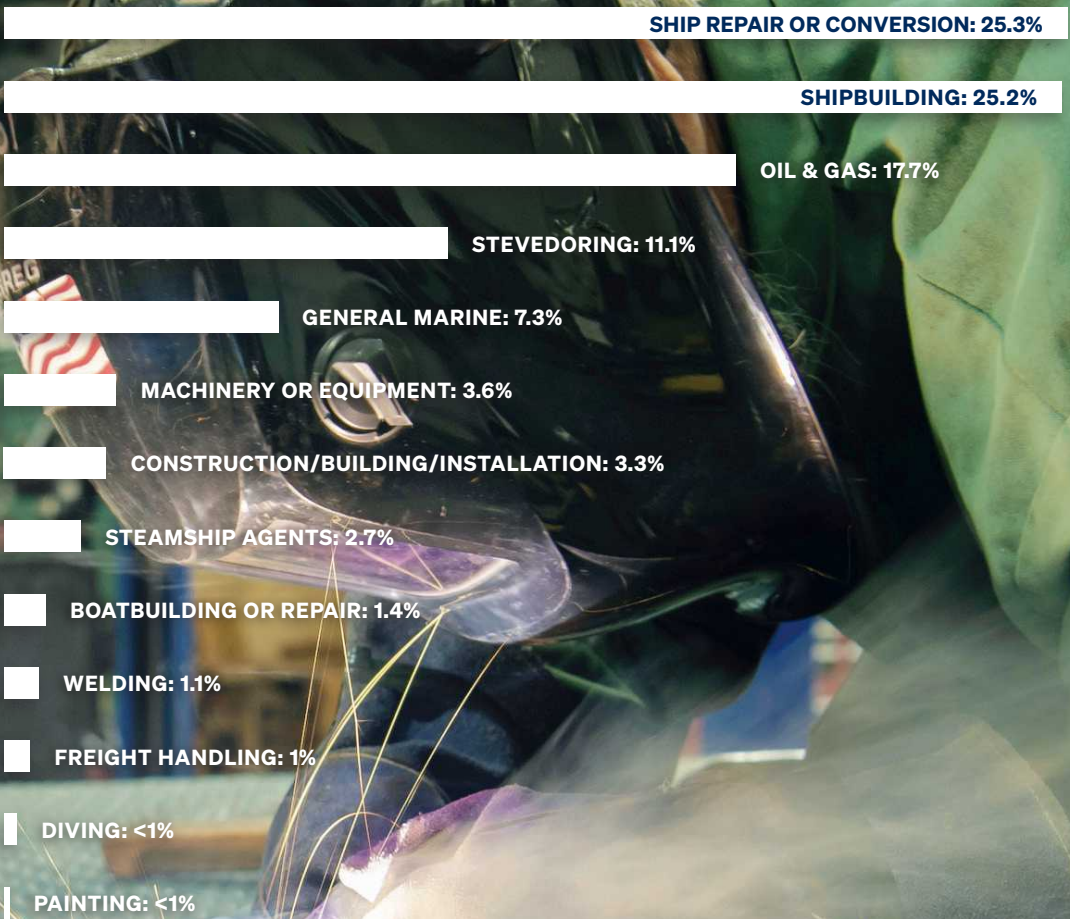
### By the Numbers

Total Payroll  
**\$1,575,357,014**  
▲ 24.5%

Total Members  
**509**  
▲ 7.2%

Total Premium Contribution  
**\$72,395,248**  
▲ 15.1%

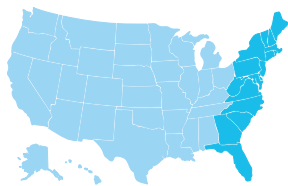
### Gulf Coast Payroll By Class of Business





# Regional Detail

## East Coast



State	Members	Payroll
Connecticut	14	\$10,952,570
Delaware	6	\$1,945,377
District of Columbia	3	\$11,210,560
Florida	462	\$264,403,851
Georgia	21	\$59,898,593
Maine	9	\$12,599,993
Maryland	13	\$23,802,292
Massachusetts	34	\$76,064,518
New Hampshire	8	\$7,452,327
New Jersey	51	\$123,158,412
New York	36	\$27,825,997
North Carolina	17	\$25,191,771
Pennsylvania	21	\$25,015,995
Rhode Island	14	\$11,074,703
South Carolina	32	\$83,525,479
U.S. Virgin Islands	3	\$2,994,468
Vermont	4	\$6,903,640
Virginia	93	\$171,514,622
West Virginia	7	\$6,808,681

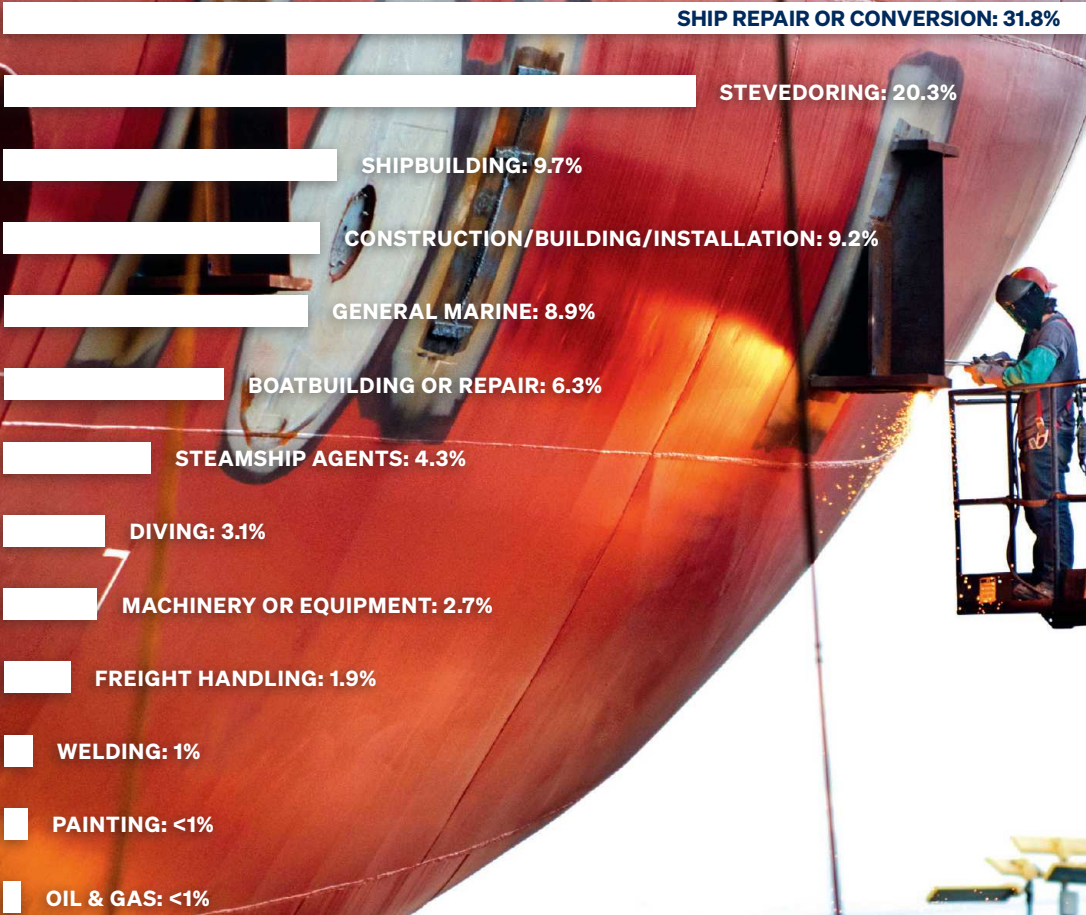
### By the Numbers

Total Payroll  
**\$952,343,849**  
▲ 19.2%

Total Members  
**848**  
▲ 14.3%

Total Premium Contribution  
**\$64,138,973**  
▲ 16.4%

### East Coast Payroll By Class of Business







## Highlights from 2023

### AEU once again recognized as a top workplace

We are excited to share that, for the fifth consecutive year, we have been recognized as one of the “Best Companies to Work For in Alabama” by *Business Alabama* and Best Companies Group. “Our success is built on mutual respect and teamwork,” said Adele Hapworth, CEO of AEU. “Being recognized as a top employer is a testament to our dedicated team and work environment where our team members feel valued and supported.”



### Largest-ever ALMA Conference in Dana Point

In July, we hosted the 2023 ALMA Conference in Dana Point, California, where we gathered with members, brokers, and their guests. The conference was our largest ever at 320 attendees. Each year, this event provides a valuable opportunity to strengthen our relationships and spend quality time with the AEU and ALMA family.

At the ALMA annual meeting, we highlighted significant achievements from the past year

**We were honored as a top workplace, hosted a record-breaking ALMA Conference, and pushed forward on major enhancements to audits, member onboarding, payment processing, and claims handling.**

and shared inspiring stories of collaboration among ALMA members. Our keynote speaker, Joe Theismann, former star quarterback of the Washington Redskins, provided insightful advice on helping others unlock their hidden potential for greatness. Additionally, we celebrated our AEU Safety Award winners, honoring them with custom footballs and recognizing their achievements among their peers.

### AEU LEAD now exclusive to ALMA members

For the past several years, AEU LEAD has operated on a fee-based model, available to both members and non-members for consulting services, workshops, and other engagements.

In March, we announced that AEU LEAD services would be exclusively available to ALMA members. Now, AEU LEAD focuses solely on helping ALMA members develop their supervisors' and managers' soft skills and leadership abilities, included as a benefit of ALMA membership.

AEU LEAD offers training through various formats, including podcasts, e-learning modules,

on-demand webinars, in-person workshops, and virtual workshops.

Feedback from ALMA members who have utilized AEU LEAD has been overwhelmingly positive. Interested members can discuss this with any AEU team member, who will then coordinate with the member's Managing Director to identify the most suitable AEU LEAD services.

### Record year for subrogation

Subrogation recovery can significantly help employers reduce workers' compensation claims costs by enabling insurers to recover costs from third parties responsible for employee injuries. Ultimately, it can lower workers' compensation claims costs and lower insurance premium rates.

In 2023, we achieved nearly \$5 million in subrogation recoveries and exposure savings combined.

### Continued expansion of provider partnerships and internal nurse case management

Last year, we made significant investments and improvements in our provider access and case management programs. We invested in a provider relations manager to enhance our members' access to quality healthcare providers. As a result,

Left to right: (1) Jimmy Burgin, AEU's Director of Loss Control, congratulates winners of the 2023 AEU Safety Award at a celebratory luncheon. (2) Mardi Gras goodie boxes are prepared to send to customers by AEU's marketing, loss control, accounting and underwriting teams. (3) Members of the AEU team gather at the AEU annual meeting and holiday party. (4) Joe White, director of AEU LEAD, speaks at the AEU National Forum.

## 2023 Claims by the Numbers

**1.12** was our claims closure rate  
A closure rate above 1 means we closed more claims than we opened.

**14%** reduction in opioid prescription spend

**29%** of the benefits paid were medical expenses  
Industry average is 48%<sup>1</sup>

**1.6%** of our medical spend was on prescriptions  
Industry average is 14%<sup>2</sup>

**4%** fewer claims requiring external nurse case managers due to expansion of internal team

<sup>1</sup> NCCI, "Inflation and Workers Compensation Medical Costs - Prescription Drugs" (March 2023)

<sup>2</sup> National Academy of Social Insurance, "Workers' Compensation: Benefits, Costs, and Coverage" (February 2024)





Team members who joined the AEU in 2023 line up on stage at the AEU annual meeting to collect their official hard hat.

we added 306 provider clinics in key locations for ALMA members, ensuring better healthcare options and improved service delivery.

Our internal nurse case manager program completed its second full year, continuing to benefit our members from a claims handling and cost savings perspective. We opened 77 more claims for Spanish-speaking workers in 2023 than in 2022. To support the needs of these injured workers, we hired a bilingual Spanish-speaking nurse case manager. This has led to a notable decrease in attorney representation for these claims, as the workers are receiving the necessary support and understanding directly from a nurse on the AEU team. This has also resulted in a \$71,613 year-over-year reduction in translation and interpretation expenses.

Our nurses have also been the driving force behind an effort to better manage and reduce costs for medical equipment. Their collective focus on this initiative resulted in a 16% year-over-year decrease in medical equipment expenses, even as industry prices continue to rise.

### AI-enhanced claims optimization

In March, we partnered with CLARA Analytics

to enhance our claims optimization using AI technology. Two CLARA tools, *Optics* and *Triage*, will help our Claims Specialists achieve better results more efficiently. The *Optics* module uses natural language processing to extract key information from medical records and legal documents, while the *Triage* module identifies high-risk claims for proactive resolution, leading to better medical outcomes, quicker returns to work, and reduced claim costs. These AI solutions integrate seamlessly into our claims management platform.

“Our collaboration with CLARA Analytics marks a significant step forward in our claims management approach,” said Will Scheffler, SVP, Director of Claims for AEU. “By incorporating these tools, we can enhance our efficiency, improve medical outcomes, and help resolve claims more quickly.”

### Championing legislative success for our industry

AEU Managing Director David Widener, who also chairs the Insurance Committee for the National Association of Waterfront Employers (NAWE), spoke to congressional offices during the NAWE On The Hill Summit in May 2023. His focus was on amending the Longshore Act for fair hearing loss claims.

At the NAWE Annual Meeting in October, David and two other Insurance Committee members were recognized for their outstanding efforts in helping to defeat legislation that would have expanded the U.S. Longshore and Harbor Workers' Compensation Act to cover COVID-19 cases, regardless of employment-related exposure. “This was a huge legislative victory for our industry that would not have been possible without [the committee],” said Robert Murray, president of NAWE.

AEU is proud to advocate for the maritime industry alongside NAWE, the Shipbuilders Council of America, and the American Waterways Operators.

### New initiatives underway to enhance audit efficiency and support

Understanding that audits can sometimes be daunting, we focused in 2023 on enhancing our audit experience. Our goal is to reduce the time and effort our members spend on audits with an efficient and member-centric approach. Here's what members can expect in the coming year:

- **Faster audits:** We're exploring ways to streamline communication and responsiveness to speed up the audit process.
- **Quicker dispute resolution:** We'll introduce measures for earlier notification of audit issues to minimize delays and adopt a proactive approach.
- **Improved vendor audits:** We are aligning third-party auditors more closely with our in-house processes to ensure a consistent experience.
- **Personalized support:** We'll increase direct engagement with our members to guide them through audit nuances and jurisdictional intricacies.
- **Technological advancements:** We're building an online audit portal for seamless reporting.

### Online payment portal added

In February, we launched a pay-as-you-go payment portal in partnership with SmartPay Solutions. The system aligns premiums with actual payroll amounts, improving budgeting and cash flow management for members. It offers automatic premium withdrawals for USL&H, MEL, and State Act policies while allowing members to keep their current payroll vendors. The nature of a pay-as-you-go payment plan also leads to a smoother audit process.

Members appreciate that the portal allows for self-reporting and payroll integration, ensuring accurate premium withdrawals. This investment demonstrates our commitment to providing flexible, efficient, and cost-effective services. All members will be transitioned to the payment portal upon renewal of their ALMA membership going forward.

### Building a culture of teamwork and appreciation

Happy employees lead to happy customers, and we continually seek ways to ensure our team feels motivated and valued. In 2023, we introduced Motivosity, a platform designed to enhance recognition and appreciation within our team.

Each month, AEU team members receive "AEU Bucks" (convertible to real dollars) to distribute to peers with notes of appreciation. Motivosity also features employee profiles, allowing team members to showcase their skills and interests, fostering connections and common ground.

“I love opening Motivosity and seeing all the notes of appreciation. It's my dose of positivity,” said Holly Chapman, Chief Financial Officer of AEU. “My favorite part is how easy it makes peer-to-peer recognition, so we can share the small gestures that make a big difference.”



# Work the Waterfront

At AEU, we work with hundreds of waterfront employers who consistently identify recruiting, training, and retaining skilled labor as their top challenges. To help address this, we launched the Work The Waterfront initiative in 2020 with a goal of raising awareness of the numerous job opportunities available along U.S. shorelines.

While the program generated significant interest, it also presented an unexpected challenge: we received numerous inquiries from job seekers interested in maritime careers but we lacked an efficient way of connecting them with hiring companies nationwide.

### Adapting to meet the needs of waterfront employers

During our 2023 ALMA Member Advisory Council meeting, we discussed this challenge and shared our ideas for enhancing the program. Council members appreciated the goals of Work The Waterfront but suggested simplifying our approach. They recommended focusing on directly connecting job seekers with employers.

Taking this feedback to heart, we introduced a Work The Waterfront job board in 2023. This platform allows job seekers to search for opportunities by location and job type, connecting them directly with hiring companies in their area.



[View the Work The Waterfront job board](#)



[List your company on the job board](#)



**WORK THE WATERFRONT**

We highlight the significance and availability of maritime jobs through digital advertising that drives traffic to the job board. Here are some metrics from our advertising campaign in 2023.

22

employers posted positions on the job board

35K

job seekers accessed the job board

117

locations with open positions posted on the job board

92K

clicks on Work The Waterfront ads

91K

visitors to workthewaterfront.com

3.5M

impressions on social media advertisements for the job board



“

Once we partnered with AEU, we never looked back. The personal approach AEU takes with every member, and the way they help us keep our costs down, is the key for us.

**Brian Henry**  
Safety Compliance Manager  
Donjon Marine Co., Inc.

## Industry Leadership

We're proud to have several team members currently serving on industry boards and committees. This representation reflects our team's dedication to advancing the industry and advocating for the needs of those we serve.

### **Earl Burak, Claims Supervisor**

Vice President, Longshore Claims Association

### **Leslie Castillo, SVP, Director of Marketing and Customer Experience**

Member, Communications Committee, Shipbuilders Council of America

### **Woody Collins, Senior Loss Control Manager**

Member, Safety Committee, Shipbuilders Council of America

### **Jason Lake, CSP, Senior Loss Control Manager**

Member, NFPA 306 Gas Hazards Technical Committee

### **Ryan Leveque, Claims Supervisor**

Board of Directors, Longshore Claims Association

### **Ray Ruiz, Senior Loss Control Manager**

Member, NIOSH/CDC National Occupational Research Agenda (NORA)

Transportation, Warehousing and Utilities Sector Council

Member, National Advisory Committee on Occupational Safety and Health (NACOSH), OSHA

### **Will Scheffler, SVP, Director of Claims**

Member, Client Advisory Board, Origami Risk

Board of Directors, Longshore Claims Association

Member, Advisory Board, Annual Longshore Conference

### **Rob Stuardi, Managing Director**

Ex-Officio Past Chairman, Partners Committee, Shipbuilders Council of America

### **Kayla Tortorich, SVP, Director of Claims Medical Management**

Member, Advisory Board, Ametros

### **Brad Whitney, Senior Loss Control Manager**

Member, NFPA Marine Chemist Qualification Board

### **David Widener, Managing Director**

Chair, Insurance Committee, National Association of Waterfront Employers



# Financial Highlights

Extracted from the Audited Financial Statements

For the year ended December 31 (expressed in United States Dollars)	2023	2022	2021	2020	2019
<b>Total Contributions</b>					
Premiums Earned	178,999,600	168,812,242	145,955,944	144,877,792	148,653,330
DOL Assessment	13,084,278	12,493,541	10,598,978	10,456,097	10,555,094
<b>Total Earned</b>	<b>192,083,878</b>	<b>181,305,783</b>	<b>156,554,922</b>	<b>155,333,889</b>	<b>159,208,424</b>
<b>Balance Sheet</b>					
Reinsurance Recoverable	1,458,600	1,564,003	1,754,837	2,021,922	2,286,555
Investments	374,436,774	328,597,736	321,319,837	319,825,589	313,360,004
Other Assets	60,080,956	55,000,622	53,361,613	46,547,748	49,106,272
Funds Withheld in Trust	5,804,353	6,967,175	4,073,557	3,259,445	3,981,387
Cash and Cash Equivalents	10,620,733	8,669,122	4,230,841	8,300,103	8,413,310
<b>Total Assets</b>	<b>452,401,416</b>	<b>400,798,658</b>	<b>384,740,685</b>	<b>379,954,807</b>	<b>377,147,528</b>
Other Liabilities	202,372,249	158,952,272	149,751,440	157,607,512	172,392,217
Reserves for Losses and Loss Expenses	217,408,366	221,241,524	202,640,650	189,307,823	178,267,123
<b>Total Liabilities</b>	<b>419,780,615</b>	<b>380,193,796</b>	<b>352,392,090</b>	<b>346,915,335</b>	<b>350,659,340</b>
Members' Equity	32,620,801	20,604,862	32,348,595	33,039,472	26,488,188
<b>Total Liabilities and Members' Equity</b>	<b>452,401,416</b>	<b>400,798,658</b>	<b>384,740,685</b>	<b>379,954,807</b>	<b>377,147,528</b>
<b>ALMA Investment Allocation</b>	<b>2023</b>	<b>2022</b>	<b>2021<sup>1</sup></b>	<b>2020</b>	<b>2019</b>
<b>Standard &amp; Poor's Rating</b>					
AAA to A-	316,349,004	287,647,374	261,017,393	262,070,330	278,930,201
BBB+ to BB-	63,892,123	47,917,537	64,376,001	61,009,362	38,405,151
B+ to CCC	-	-	-	5,342	6,039
R, (U,S) 3	-	-	-	-	-
	<b>380,241,127</b>	<b>335,564,911</b>	<b>325,393,394</b>	<b>323,085,034</b>	<b>317,341,391</b>

<sup>1</sup>ALMA transitioned to a US GAAP reporting standard effective January 1, 2022. Financial data presented for 2021 is restated to reflect the change in reporting standard for comparative purposes.





- |  |   |
|--|---|
| Anderson Diving, Inc.                      | Hughes Bros. Inc.                       |
| Austal USA, LLC                            | Manson Construction Co.                 |
| Bay Bridge Texas, LLC                      | Middle River Marine, LLC                |
| Blakeley BoatWorks                         | Northwest Sandblasting & Painting       |
| CemBulk Services                           | Pacific Fishermen Shipyard and Electric |
| Clam Equipment Mfg Co.                     | Prime Time Coatings, Inc.               |
| Conrad Shipyard                            | Rio Marine                              |
| Cooper/Ports America                       | Seven Seas International LLC            |
| Core Process Technologies                  | Southcoast Welding & Manufacturing      |
| Dakota Creek Industries, Inc.              | T&T Group of Companies                  |
| Delta Marine & Environmental Services, LLC | Titan Talent Development, LLC           |
| DHD Offshore Services, LLC                 | TMT Clam Dredgers, LLC                  |
| Donjon Marine Co., Inc.                    | Upper River Services, LLC               |
| Donjon Shipbuilding and Repair, LLC        | VLS Marine Services, LLC                |
| Evansville Marine Service, Inc.            | Walashek Industrial & Marine, Inc.      |
| First Marine LLC                           | Waterfront Services Co.                 |
| FRS Clipper                                | World Direct Shipping, LLC              |
| Gulf South Services Inc.                   |   |

## Working on the waterfront requires a commitment to safety.

As the leading USL&H provider, we take that commitment seriously. That's why each year we recognize our members with the strongest safety cultures in the business.



2023 AEU Safety Award winners gather in Charleston, South Carolina, at the AEU National Forum in April 2024. A celebratory luncheon for winners was held at the conclusion of the Forum.



# Member Spotlights

Dakota Creek Industries' yard in Anacortes, Washington, bustles with activity. In the drydock, a Washington State Ferry undergoes maintenance, ensuring it remains a reliable part of the region's transportation network. At the pier, the M/V Legacy Class Articulated Tug, known for its exceptional maneuverability and strength, stands alongside the Lindsey Foss Voith Tractor Tug, a powerhouse in the towing industry.







## Dakota Creek Industries

**When sprains and strains began to tick up, Dakota Creek Industries partnered with Vimocity for preventative exercises. A year later, those injuries are down over 60%.**

With all the pulling and lifting and bending and reaching that take place in a shipyard, Dakota Creek Industries (DCI) has always emphasized the importance of injury prevention through movement since its founding in northwest Washington in 1975.

For much of the past 10 years, that took the form of a stretch-and-flex program that encouraged employees to perform the same exercise routines, every day. Employees eventually grew tired of the daily repetition and started skipping the exercises. And strains and sprains began to track upward.

“DCI’s incurred costs due to soft-tissue injuries were around 75% or 80% of their total claims cost,” recalled Greg Oehling, Loss Control Manager at AEU. “We sat down together and tried to figure out ways to help them turn that around.”

### Preventing injuries before they occur

AEU held a Regional Forum in Seattle where the founder and CEO of Vimocity showed how Vimocity’s programs can prevent soft-tissue injuries

and Musculoskeletal Disorders (MSDs) before they occur, while simultaneously building a more resilient workforce and improving safety performance. Vimocity works with companies in maritime, energy, utility and other industries to combine the best of sports medicine and movement science to reduce common and costly injuries.

Management at the family-owned DCI attended the Regional Forum and saw the benefits of AEU’s suggestion to partner with Vimocity. In April 2023 the company implemented its *DCI Moves* program to promote body maintenance and a safe approach to everyday job tasks.

All of DCI’s 170 employees are provided with massage rollers, massage balls, and access to Vimocity’s mobile and web platform. There, they can find guided movement routines, preventative knowledge, and participate in challenges. Family members of employees also have access to the platform. TVs throughout DCI’s campus have Vimocity programming to help reach employees without smartphones.



“Vimocity puts out 5-minute daily videos that go through different movements and motions,” said Justin Jaffray, Safety Manager at DCI. “Prior to each shift, every employee uses rollers and a ball to do these different stretches in order to get our bodies in the most optimal conditions to go out and do our work properly and safely.”

### Variety of options keeps workers engaged

The app and web portal have videos that target specific areas of need. For example, if a worker has back soreness from frequent lifting, they can access videos that walk them through proper lifting techniques and follow along to guided movements specifically designed to relieve back tension. The depth and variety of movement routines that Vimocity offers keep workers engaged with the content, Jaffray said, noting that employees’ daily participation rate is 89%.

“Having all those different videos for separate target areas, in addition to our daily 5-minute video, is a huge benefit,” he said. “The other thing that’s great is that employees can access Vimocity from home, and it’s free to their family members too.”

In just under a year, the results speak for themselves: Strains and sprain injuries at DCI are

down 61%, with similarly significant reductions in missed work days and restricted work days. An employee survey revealed that 83% of DCI’s workers said they experienced a reduction in muscle joint pain since participating in Vimocity.

### A little movement goes a long way

The impressive numbers don’t surprise Oehling, who said DCI’s management, including Jaffray and his team, have been fully committed to supporting Vimocity’s success. They’re hopeful that other ALMA members will adopt Vimocity.

If any ALMA members need convincing, Oehling suggests they try the exercise that Vimocity CEO Kevin Rindal asks his seminar audiences to do: “He asks everyone to lean over and try to touch their toes, and of course we’re all groaning,” Oehling said. “Then he leads us in five minutes of stretching and rolling out our muscles, and he tells us to try to touch our toes again. Now everyone can do it, including me. It’s pretty amazing what stretching can do, and that will make you a believer.”

### To learn more:

[dakotacreek.com](http://dakotacreek.com)  
[vimocity.com](http://vimocity.com)







## Delta Marine Industries, Inc.

**At Delta Marine, a consistent return-to-work program has helped reduce claims costs while boosting morale by easing team members back into their jobs after an injury.**

Delta Marine has always stood for innovation.

Brothers Jack and Ivor Jones founded the Seattle-based company in 1967 with the goal of creating fiberglass commercial fishing vessels to withstand demanding waters better than aging wooden boats. For 25 years, the brothers did just that, earning a reputation for their reliably seaworthy and innovative commercial vessels.

Delta Marine pivoted in the 1980s to a new focus: luxury pleasure yachts. With its team of in-house engineers, Delta Marine specializes in building high-end custom vessels between 100 and 250 feet long at its sprawling 25-acre campus that includes a high bay assembly building, paint booth capable of accommodating large yachts, modern warehouse, three refit bays, offices and shop spaces to support all shipyard trades.

### Getting back to work quickly and safely

Besides innovation, a constant at Delta Marine over the past six decades has been its commitment to employees. Many of Delta Marine's over 200 workers have been at the

family-owned and -operated company for more than 20, 30 or 40 years and are very much considered part of the family themselves.

That means, when one of them sustains an injury on the job, the Delta Marine team rallies to get them back to building boats as quickly and as safely as possible through its return-to-work program.

"If someone in your family gets hurt, you're not going to kick them to the curb. You're going to try to help them get healthy and get back to work," said Jason Jurgensen, Delta Marine's Human Resource Manager. "That's been my goal since coming here 10 years ago: Let's find ways to get people back to work as soon as they're ready so we can keep building these beautiful boats together."

### A proud partnership with AEU

Coming from a workers' compensation background, Jurgensen said AEU was integral in bringing him up to speed on everything from longshore loss control to claims to OSHA regulations when he joined Delta Marine.



Jurgensen also turns to AEU's team, library of resources, and safety trainings to help strengthen and fine-tune Delta Marine's return-to-work program.

When there is a workplace injury, Delta Marine makes sure the worker receives immediate treatment and provides them with a packet of information, including an incident report, insurance and billing contacts, and Jurgensen's cell number and email address if the worker or medical staff have any questions. The packet also includes information about Delta Marine's opportunities for modified or light duty.

"As soon as they're ready, we have a conversation about any lifting or movement or other restrictions they may have, and we try to get them into something as close as possible to their normal jobs," Jurgensen said.

In the case of a carpenter with a knee injury, that may mean giving them tasks they can complete while seated, their equipment within reach.

"Sometimes we may need to think outside the box, to see what transferable skills someone may have," Jurgensen said. "Maybe a carpenter is unable to perform carpentry tasks, but he used to paint before he became a carpenter, so he can help out the paint team until he's fully back on his feet."

### Good for employer and employee

Jurgensen said studies have shown that a worker's chances of returning to the workforce decline about 10% every month they are off work with an injury, leaving them less than a 1% chance after a year of coming back to the job they were injured at or any gainful employment. "We're not going to let that happen," he said. "We're not going to let anyone get left behind because of an injury."

While Delta Marine's strong return-to-work program has reduced claims costs, ultimately bringing down the company's insurance premiums, it also has proved beneficial for employee morale and workplace culture.

"In the unfortunate event that someone gets injured, they know that Delta is going to take care of them, that their bills are going to be paid, and that they are going to be able to come back to work as quickly as they can," Jurgensen said. "To have the comfort of knowing they're not going to lose out on their job, that's a huge mental health relief for a worker going through this process."

**To learn more about Delta Marine:**  
deltamarine.com







## Enstructure

Throughout 2023, Enstructure worked closely with AEU to decrease claims and unify safety protocols across its integrated and growing network of terminals and logistics infrastructure.

Since its founding in 2016 by co-CEOs Philippe De Montigny and Matthew Satnick, Enstructure has successfully navigated through significant growth, from a single operation to a highly diversified network of marine and rail terminals, warehouses, truck fleets, and other assets along the East Coast, Gulf Coast and inland rivers.

Today, its operations in nine states comprise about 3,000 employees, 21 bulk terminals and logistics solutions, including over 6 million square feet of industrial warehouse space with 40 million cubic feet of cold storage.

As Enstructure grew, it acquired companies with their own safety teams, practices and programs. De Montigny and Satnick recognized the importance of bringing together those different units and protocols through one cohesive and consistent safety strategy. In late 2022, they hired Jim Bailey as Enstructure's first Corporate Safety Director, who turned to AEU to help execute his safety vision.

"Right out of the gate, we knew we wanted to increase our collaboration with AEU to accelerate the process of unifying our safety procedures at

all of our terminals, bringing us together under one safety culture and really driving the business forward in a more safety-conscious way," Bailey said.

### Career development opportunities for supervisors

One way Enstructure has partnered with AEU is by offering AEU LEAD's Leadership Development Program to Enstructure's frontline managers who are seeking professional growth opportunities. A series of 26 microlearning modules, the program can be completed in five-minute increments that fit into a busy workday.

"It's perfect for supervisors and superintendents who don't have a lot of time to spend in training environments," Bailey said. "Five minutes a day at lunchtime, and next thing you know, in several weeks you've come out with better leadership skills and the soft skills you need to motivate safe behavior on the job."

By the end of 2024, more than 100 Enstructure managers will have completed the program.



### Learning from loss control specialists

In addition to trainings, Bailey worked with AEU's Loss Control team to design a system of inspections, both announced and unannounced, that have rolled out to all of Enstructure's terminals.

"AEU's Loss Control team has also really helped us learn from the experience of other ALMA members so we understand not only what's going on with our claims but what trends they're seeing," Bailey said. "That allows us to focus our attention on specific improvement opportunities and adjust our programs in order to attain the broader safety culture change that we're engaged with now."

The 2023 results are beyond promising: Enstructure saw a significant decrease in both the frequency and severity of claims, and a 300% increase in leading safety indicators like safety meetings, inspections and reporting.

"Enstructure is growing fast, and it's impressive how they always keep safety front and center across its diverse operations," said John Bloess, Senior Loss Control Manager at AEU.

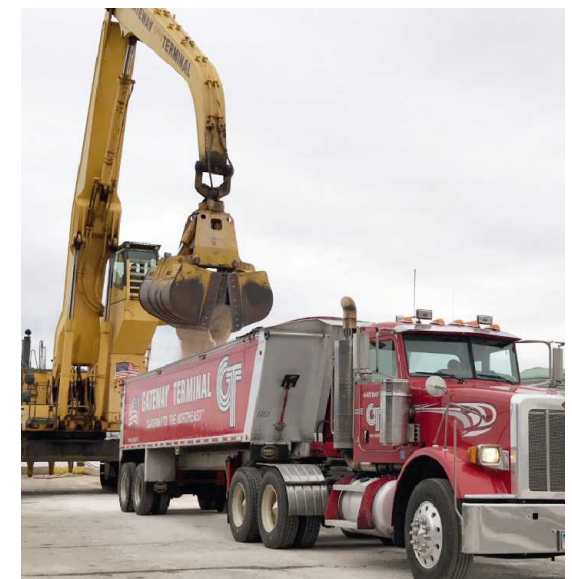
### 'Safety has a seat at the table'

"The numbers don't lie," said Tim Dunne, Managing Director at AEU. "It's been fun to be part of this group and see the effects and positive, tangible results."

As Enstructure looks toward continued growth, Bailey said he's proud that the company's safety is on the right path and that others can see it.

"Safety has a seat at the table for business development as well," he said. "We were in front of a very large company a few weeks ago, and we got to tell our safety story, and it really is a great story to tell. We've put a lot of work into it, and now we've got to work on sustaining those successes."

To learn more about Enstructure:  
enstructure.com







## Steiner Construction

**Steiner Construction stands as a beacon of excellence in maritime construction, displaying values of sustainability and safety throughout every project in its shipyard.**

Steiner Construction's 20th year in business was a busy one. Fresh off a move to a new, 24-acre shipyard in Bayou La Batre, Alabama — three times the size of its previous yard just down the bayou — the company that specializes in inland river push boats continued to deliver top-of-the-line towboats, barges, fishing vessels and more to prominent clients across the country in 2023.

Two of those clients were fellow ALMA members Evansville Marine Service, Inc. and American Commercial Barge Line (ACBL), who partnered with Steiner Construction on the build of three state-of-the-art towboats, all delivered in 2023 and currently in use.

### Designed with power and comfort in mind

For Evansville Marine, headquartered in Evansville, Indiana, Steiner Construction completed back-to-back builds on two 88-by-34-foot twin-screw boats. The *M/V Robert R. Aldrich* and the *M/V Angela M. Aldrich*, named after Evansville Marine's husband-and-wife co-owners, have 2,520 horsepower from Mitsubishi diesel engines, the highest HP vessels in the company's fleet.

The towboats that Steiner Construction built for Evansville Marine boast more than just power. Putting an emphasis on comfort and sustainability, Steiner

Construction collaborated with Kern Martin Services to install blackout curtains, fully equipped kitchens, enhanced insulation, Spanish cedar trim, electrical outlets and TVs aboard both boats for a working environment that is safe, comfortable and efficient.

"Building a boat is akin to constructing a house; you start with a plan, yet changes are inevitable and that can be challenging for everyone involved," Robert Aldrich said. "The Steiner Construction team demonstrated an exceptional ability to accommodate these changes with ease. From the beginning, their goal was to build a boat that would fully satisfy us, and they achieved that not just once, but twice."

### Innovative Tier 4 engines for lower emissions

For ACBL, headquartered in Jeffersonville, Indiana, Steiner Construction built the *M/V Michael J. Kennelly*, a first-of-its-kind towboat with a retractable wheelhouse coupled with Tier 4 engines. The Mitsubishi engines, which produce a total of 2,520 horsepower, use selective catalytic reduction (SCR) to meet Tier 4 nitrogen oxide emission standards, leading to lower emissions and easier maintenance and repairs. The boat is named after ACBL's Liquid Division senior vice president, a longtime maritime industry leader who helped

come up with the idea of a retractable pilothouse and Tier 4 engines.

"That boat is a real source of pride for us as it sets a new standard for emission efficiency in push boats," said Russell T. "Bubba" Steiner, who founded Steiner Construction in 2003 and remains president and owner. "ACBL and others' embrace of eco-friendly vessels marks a significant step toward a more sustainable future for the push boat industry."

"Investing in our future is a key part of ACBL's strategy. We are proud to introduce the world's first Mitsubishi Tier 4 engines used in the maritime industry," added ACBL CEO Mike Ellis. "The addition of the *M/V Michael J. Kennelly* represents our commitment to providing innovative marine transportation solutions while minimizing our impact on the environment. We thank our partners at Steiner Construction for bringing this boat to life."

### A commitment to 'safety that permeates'

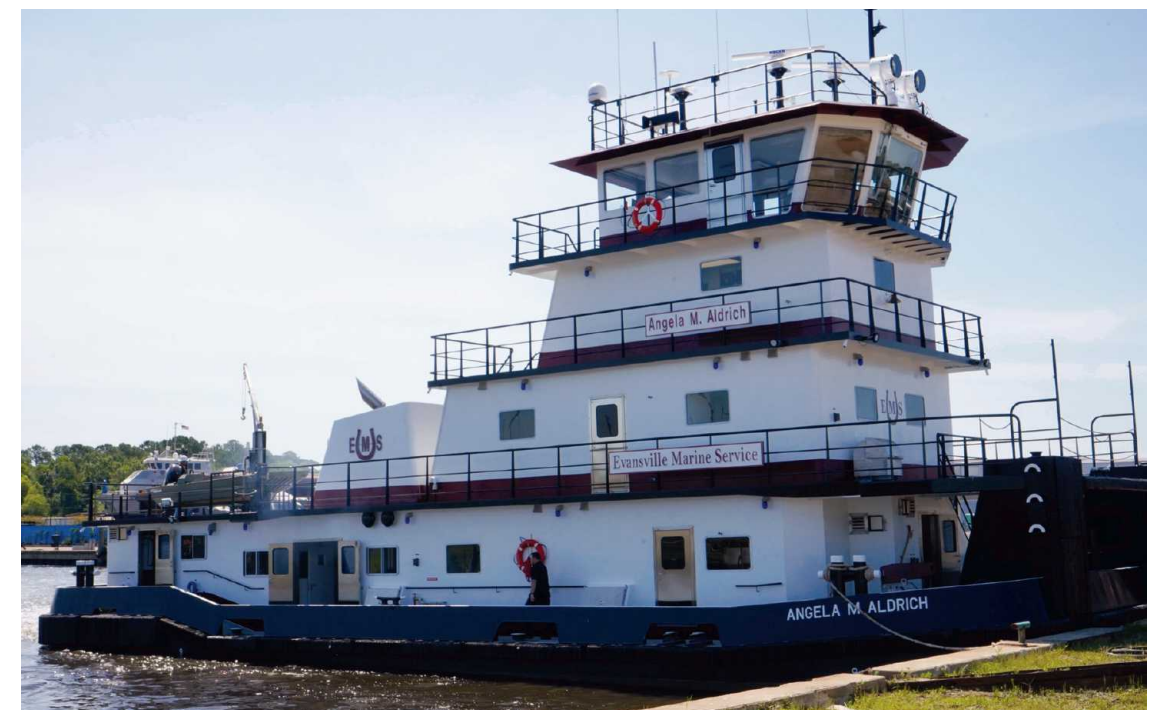
With over 150 dedicated employees working at its modern shipyard, Steiner Construction recognizes

that safety is paramount. Rigorous safety training is incorporated into new employee onboarding as well as ongoing programs for all employees. "Steiner Construction consistently prioritizes safety," said Bobby Anderson, Senior Loss Control Manager at AEU. "Their management team shows real commitment to having an effective safety program, which translates to a workforce that actively promotes a safe working environment."

The company's two in-house safety managers conduct daily meetings, in addition to OSHA reporting, monthly safety inspections, online training and a robust safety data management system.

"Our partnership with AEU supports us in creating a culture of safety that permeates all aspects of our operations," Steiner said. "It also gives us a peace of mind in knowing that, if incidents do occur, we and our employees are covered."

To learn more about Steiner Construction: [steinermarine.com](http://steinermarine.com)







“

In 20+ years of being in this industry, I've never had a partner like AEU before. They really make the effort for the next step in communication and support. AEU's offerings and trainings, in addition to bringing other members together to cross-train and visit each other's facilities, has been a significant boost over the past seven years of our partnership.

**Richard Gautier**  
Regional Director of Loss Control  
Blakeley BoatWorks

## ALMA Member Advisory Council

The ALMA Member Advisory Council serves as a voice for the entire ALMA membership, helping AEU align products and services with member needs.

At their annual meeting in 2023, the Council discussed a number of topics including their experience with AEU services, as well as challenges they face around leadership training and building a safety culture. The Council also discussed training needs of ALMA members and ways to improve engagement in a safety program.



### 2023 Council Members

**Agnes Neilson**

Wallenius Wilhelmsen Logistics  
Americas, LLC

**Beth Gibbons**

Chesapeake Shipbuilding

**Scott LaGrange**

The Quality Companies, LLC

**Jason Strait**

First Marine, LLC

**John Heckel**

Manson Construction

**Karen Shoot**

J.B. Marine

**Kyle Hartley**

Integrity Staffing Services

**Laura Machado**

Marine Group Boat Works, LLC

**Scott Perry**

Core Industries, Inc.

**Steve Cumella**

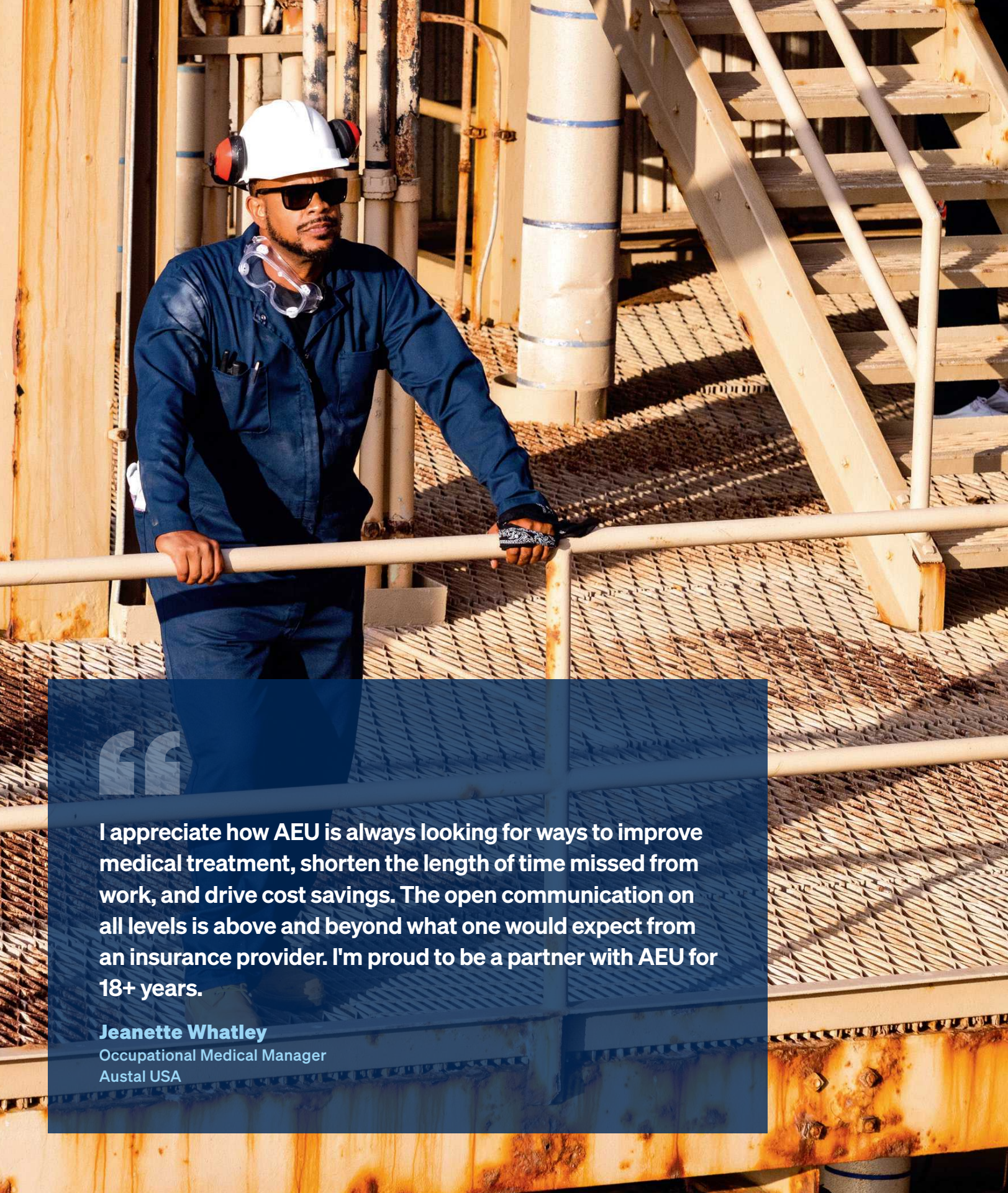
MOBRO Marine, Inc.

**Steven Renn**

Watco Companies, LLC

New Council members are inducted on January 1 of each year. This is a list of ALMA member representatives who served on the Council during the 2023 calendar year.





I appreciate how AEU is always looking for ways to improve medical treatment, shorten the length of time missed from work, and drive cost savings. The open communication on all levels is above and beyond what one would expect from an insurance provider. I'm proud to be a partner with AEU for 18+ years.

**Jeanette Whatley**  
Occupational Medical Manager  
Austal USA

## Loss Control Advisory Council

The Loss Control Advisory Council is a team of top safety experts from ALMA's membership.

Like the ALMA Member Advisory Council, which advises AEU on products and services that best serve the ALMA membership, the Loss Control Advisory Council works together to discuss solutions to challenges as well as emerging technologies and resources to improve safety programs across ALMA.

The Council met quarterly in 2023 to provide feedback on AEU's loss control services, discuss new safety resources being developed by AEU, and outline common struggles or roadblocks to maintaining an effective safety culture.

### 2023 Council Members

**Ken Creel**

Mare Island Dry Dock, LLC

**Gary Davis**

Peebles Industries, Inc.

**Doug Hosszu**

Upper River Services, LLC

**Tim Kinsella**

Manson Construction

**Bo Ristic**

Morrison

**Cliff Roberts**

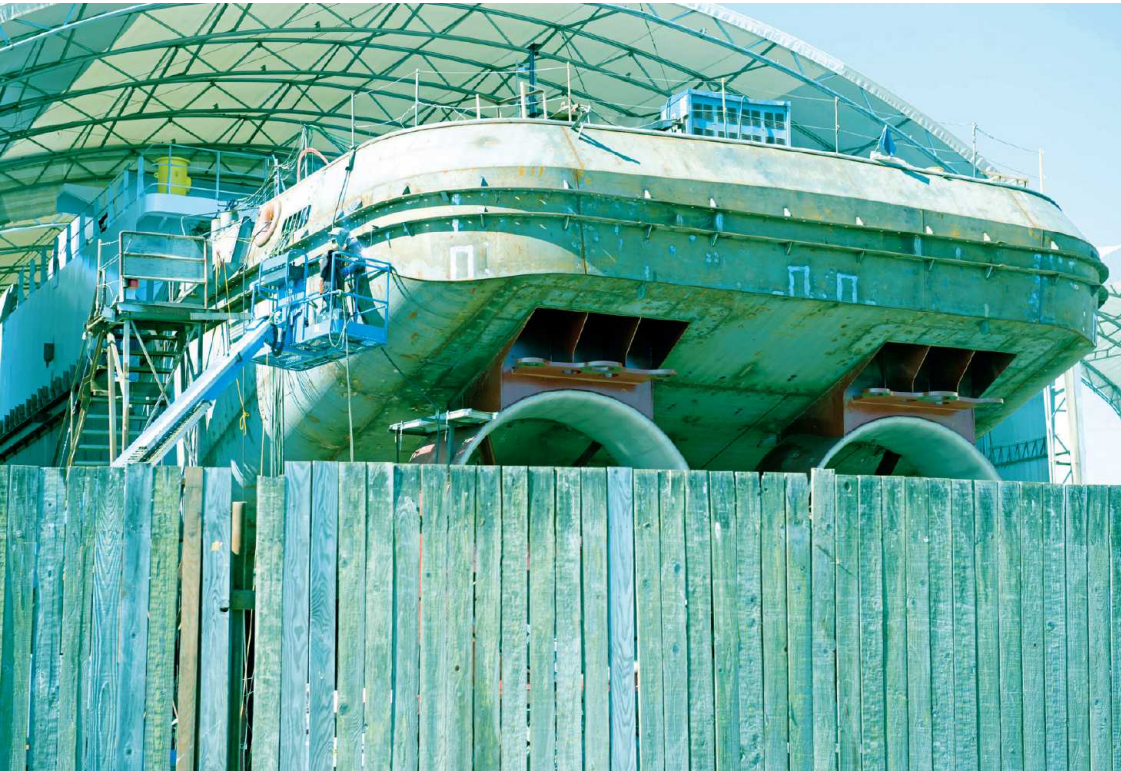
Conrad Industries, Inc.

**Tim Sheppard**

The Cooper Group

New Council members are inducted on January 1 of each year. This is a list of ALMA member representatives who served on the Loss Control Advisory Council during the 2023 calendar year.





## ALMA Board of Directors

**Michael A. Adams, Jr.**

The American Equity Underwriters, Inc.

**David L. Brock**

The Cooper Group of Companies, Inc.

**James D. Burgin**

The American Equity Underwriters, Inc.

**Daniel T. Conrad**

Conrad Industries, Inc.

**David J. Doyle, JP**

Conyers Corporate Services (Bermuda) Limited  
(Retired)

**Elizabeth A.C. Durrant**

BF&M Insurance Group (Retired)

**L. Duncan Greenwood**

The Hiller Companies

**Matthew B. Guard**

McCabe, Hamilton & Renny Co., Ltd.

**Adele S. Hapworth**

The American Equity Underwriters, Inc.

**John A. Martone, Jr.**

The American Equity Underwriters, Inc.

## Program Affiliates

**Program Manager**

The American Equity Underwriters Management, Ltd.  
Clarendon House, 2 Church Street  
Hamilton, HM 11, Bermuda

**Principal Representative**

Artex Risk Solutions (Bermuda) Limited  
Wessex House, 3rd Floor, 45 Reid Street  
Hamilton, HM 12, Bermuda

**Registered Office**

Conyers Corporate Services (Bermuda) Limited  
Clarendon House, 2 Church Street  
Hamilton, HM 11, Bermuda

**Auditor**

KPMG  
Crown House, 4 Par-la-ville Road  
Hamilton, HM 08, Bermuda

**Loss Reserve Specialist and Approved Actuary**

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7000 Executive Center Drive, Suite 312  
Brentwood, TN 37027

**Trustee**

U.S. Bank NA  
800 Nicollet Mall  
Minneapolis, MN 55402

**Investment Manager**

Sage Advisory Services, Ltd. Co.  
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Building 1, Suite 100  
Austin, TX 78735

**Investment Consultant**

Raymond James  
21 West I-65 Service Road North  
Mobile, AL 36608







# Office Locations

## Corporate Office

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Mobile, Alabama 36602

## Locations

- 3850 N. Causeway Boulevard, Suite 1600  
Metairie, Louisiana 70002
- 1500 Market Street, Suite 2401, West Tower  
Philadelphia, Pennsylvania 19102
- 600 University Street, Suite 2100  
Seattle, Washington 98101

# Digital Presence



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AEU

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