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American Trucking and Transportation
Insurance Company Risk Retention Group

October 16, 2006

David Hershey
Executive Director
National Accounting & Finance Council
2200 Mill Road
Alexandria, Virginia 22314-4677

Subject: American Trucking and Transportation Insurance Company, a Risk Retention Group

Dear Mr. Hershey:

Congratulations on another successful NAFC conference. I am very pleased to provide you with the following general summary of the alternative liability insurance program we offer at American Trucking and Transportation Insurance Company, a Risk Retention Group. We feel very strongly that ATTIC, RRG is a viable, long-term alternative to the traditional insurance market which adds to the profitability of its membership. You are welcome to provide this letter to the NAFC membership through your website. In addition, your members can visit our website – www.atticlink.com – for more detailed information.

ATTIC, RRG was created in 2002 after a call from several mid-size trucking companies for an alternative to the volatile traditional insurance market. With the economy slowing in early 2000 and immediately following the horrific events of September 11, 2001, the trucking industry saw unprecedented increases in liability premiums and collateral requirements. To limit the impact of these increases, many trucking entities took even larger deductibles and in many cases lowered their policy limits. For trucking companies with excellent risk management programs and good loss performance a viable alternative had to be created.

ATTIC, RRG is a group captive formed in September 2002 under the Federal Liability Risk Retention Act. As a captive we insure only the liability risks of our member trucking companies. We offer a reinsurance supported commercial auto policy with limits up to \$5 million, a general liability policy with limits of \$1M/\$2M and a cargo liability policy with limits up to \$500,000. As a risk retention group we can issue policies in 45 states (NY, FL, NV, HI and AK the only exceptions) while being domiciled in Montana.

Our program is ideal for non-hazmat, mid-size trucking companies (300+ units) who have large deductible programs, well-established and successful loss control programs, and excellent historical loss performance. Companies meeting these criteria have consistently generated insurance surplus for traditional insurance carriers. As members of ATTIC, RRG they retain their surplus within the insurance company they own.

Because ATTIC, RRG underwrites each insured based on their own historical loss performance and maintains low administrative overhead, our premiums at renewal are very competitive with the traditional market. Our distinct advantage comes from the surplus that is

retained by our insureds. The profits of each policy increase the equity ownership of our members resulting in “net” premiums paid by our members that are easily the lowest premiums in the market.

Our insureds are the sole owners of ATTIC, RRG. Each insured becomes a shareholder at their initial renewal and holds a seat on our Board of Directors. Because our insureds are shareholders in ATTIC, RRG they have a vested interest in their own success. As such, they have elected to require collateral for their deductible obligations only when their losses exceed certain levels. Our current members have no deductible collateral.

We believe that ATTIC, RRG’s claims management is second-to-none. Because we have the same interest as our insureds in managing the liability associated with truck accidents we make better, more informed decisions. We have an excellent claims management staff with over two decades of truck accident experience and a nationwide network of independent adjusters and defense counsel serving the needs of our insureds.

In addition, our members deduct their insurance premiums as current expenses for tax purposes while the profits generated by the performance of each insurance policy increases the surplus of ATTIC, RRG creating equity growth without current tax implications.

Finally, ATTIC, RRG’s mission is to improve the bottom lines of our trucking company members. We have successfully done so with our liability insurance program. As Michael Card mentioned at the NAFC conference, our membership pushes each other to improve their safety and loss control programs. Improvements in safety will lead to lower claims and lower premiums. In addition, we now provide our members with significant savings in their fuel purchases through a cooperative arrangement of our membership. We will have a tire purchasing cooperative within the next few months and plan to capitalize on our joint purchasing power to extend the savings to parts, trucks and trailers.

I extend an invitation to any of your members to call me to discuss our program in further detail. Thank you for the opportunity to tell you about ATTIC, RRG.

Sincerely,



Ken Crippen
President & CEO