



Press Release

For Immediate Release

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Great Year for The Special Trades Contracting and Construction Trust

Cicero, New York - The 2008 year has come to an end. It was a great year for The Special Trades Trust. Partnering with insurance brokers, we continue to bring competitive workers' compensation costs with outstanding claim, loss control, and premium audit services to the construction industry. Here are some of the financial highlights of how The Special Trades Trust is doing and the benefits to the independent contractor.

- Today we serve roughly 900 ST trust members. The Special Trades is the largest construction trust operating in the state of New York.
- The unaudited results for the '08 trust year are very favorable
- The '07 trust year produced an "equity ratio" of 102.9 percent and the '08 trust year will be well in excess of the old ratio. The standard set by the WC Board is 100 percent of regulatory assets, we anticipate being in excess of Board required funding standards.
- The trust has a policy of conservatively estimating claim liabilities. This has resulted in a decrease in claim liabilities of almost \$6.5 million covering the past 12 years of the trust's operations. These savings will be recognized in the final audited '08 statement.
- On the asset side of the statement we again have taken a very conservative approach in our investment strategies. This policy has helped us increase our asset base by millions during the past trust year – despite recent economic troubles.
- Our claim and loss control services are of the highest quality. This allows our members to generally have lower loss costs than is the norm of the industry. The proof of this is that our members' average experience modification is .94. Our trust is populated with like minded business people who understand the value of controlling claim costs.
- Our specialization in the construction industry gives us great depth of knowledge in the business. The result for members is that our appetite for all contractors is very consistent from year to year in both acceptability of risk and standards of pricing.
- This consistency allows us to maintain consistent pricing levels. This helps you as a contractor because your WC costs will be similar from one job to the next. You can bid jobs knowing your costs will not shift dramatically.

There is a great deal of misguided negativity regarding trusts in the marketplace today. It is most often driven by one broker trying to take advantage of another broker in the heat of the sales



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process. Without doubt, some trusts have had serious financial problems. The Special Trades Trust is significantly different. We have impeccable financial results because we conservatively manage the trust. We have been around for well over ten years and expect to be providing the same quality services to our members for the next ten years and beyond.

The Special Trades Contracting and Construction Trust is a self-funded workers' compensation trust offered by NYCM to New York Business in the construction industry – such as contractors, plumbers, electricians, painters, carpenters, masons, excavators, heating and air conditioning, landscapers, and more – to help control the costs of workers' compensation while also providing first class services such as safety, claims management, and nurse case management services.

Over the past four years NYCM and The Special Trades Trust have positioned itself as a leader in all classes of construction for workers' compensation. Changes have been made to the daily business practices to maintain “fully funded status,” and The Trust has established a long term relationship with Lloyd's of London to cover excess insurance.