



2024

ANNUAL REPORT

Members are jointly and severally liable for their proportionate share of obligations for the group and will be assessed on an individual and proportionate share basis for any deficit created by the group. Dividends are not guaranteed.

2024

ANNUAL REPORT

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Letter From CEO



I like to look forward and try to predict what obstacles lie ahead and come up with solutions to them. However, once in a while, it is good to look back and remember where we started, the obstacles we overcame, and the successes along the way.

I came to TBG in November of 2002 and was the fourth employee hired. We were a small entity at that time and really just an idea with no guarantee of success. The premium level was \$5.6 million with little insurance experience. The next three years changed the future as we wrote \$10,000,000 of new business each of those years and finished 2006 at \$36.5 million in premium.

I was named CEO in 2007, and the following are the highlights since that time:

- Staff was reduced from 25 to 17, which reduced overhead.
- The Great Recession hit in late 2008, which was a depression in the construction industry. Our premiums dropped to \$21 million, and claim payments skyrocketed.
- Member Distribution Payable hit a low point in 2011 at \$308,000.
- In 2011, TBG entered into a Loss Portfolio Transfer (LPT) for the years 2000 to 2007, capping claims for those years and increasing MDP by \$800,000.
- TBG continued its LPT strategy, transferring all claim liabilities for the 2000 to 2022 Fund Years, eliminating the joint and several liabilities for our members in those years.
- In 2017, dividends were reinstated, and ten years after the 2011 low point, the MDP grew to \$77 million in 2021. Since reinstating, the dividends have averaged about 20% of the total premium.
- In 2017, the fund entered into an agreement with Sentry Insurance Company to write exposures our Members had in other states.
- In 2020, we created a single-purpose captive – TBG IC, Inc., which will pay up to the policy limits if there is a deficit in a Fund Year. This is another safeguard against an assessment.
- In 2020, TBG Safety Services, Inc. – a 501(c)(6) non-profit – was formed to create a funding source to continue the ability to offer cutting-edge safety program/equipment to our Members.

As TBG stabilized, we were able to consider how we could give back to the Minnesota trades in a way other than paying dividends. In 2017, one of the issues we heard from our Members was how difficult it was to find employees. We decided to form the TBG Education Foundation to encourage students to consider the trades as a career. To date, the Foundation has given over \$586,000 in scholarships and “Tools for Schools,” with the majority of those dollars being matched by industry associations!

Looking back, TBG has developed the best WC program for the construction industry of Minnesota. Not only is it the best value for our Members’ premium dollar, but its contributions to help grow the workforce are both evidence of our commitment to the construction industry of Minnesota!

Sincerely,

A handwritten signature in black ink that reads "Stu Thompson". The signature is written in a cursive, flowing style.

Stu Thompson

Letter From COO



Reflecting on my first two years at The Builders Group I want to start by echoing what I stated in my article last year. My goals at TBG are two-fold:

- 1 Explore opportunities to elevate the organization in the areas of strategic planning, brand recognition and employee retention; and**
- 2 Don't make changes just for change's sake because TBG is in excellent shape.**

In 2024 the more things change . . .

- The number of Members that carry cross-border coverage increased by over 10%.
- TBG's Board of Directors approved a plan to remodel and expand our space in Eagan increasing our daily training capacity from 100 people to nearly 150 people. It also includes an expansion that can be used as a small event space for members, agents and association events, and can be flexed to provide more safety training capacity.
- TBG Safety Services deployed some of the annual \$180 Safety Services Association Dues paid by our Members to purchase a Ford Transit van which has been outfitted with a jib crane, Tommy Gate, roof top ladder system and many other tools so that we can take our safety training capabilities on the road and reach more members.
- We hired a new marketing company that has a specialization in self-insured funds like TBG to bring a new dynamic to our branding and communications to both our Members and agent sales force (follow us on LinkedIn).
- After using a third-party administrator for claims administration for years TBG brought its entire Claims department in-house in February. Same great team, same great service, but now they wear the TBG shield!

The more they stay the same!

- The number of construction industry workers we cover increased again from 35,000 in 2023 to 38,000 in 2024. This figure constitutes nearly 30% of construction workforce in Minnesota.
- TBG's Board of Directors declared a dividend of \$8,600,000, being paid out in early May of 2025 to qualifying Members. This is the 9th consecutive year of dividend payments!
- TBG's cumulative, annual payrolls set a record-high for the 8th straight year, coming in at just under \$1.7 billion in 2024.
- We completed another Loss Portfolio Transfer, this time for the 2021 and 2022 fund years. This means our liabilities for the 2000-2022 fund years are capped, protecting our Members from assessments.
- The TBG Safety Services team again provided training for nearly 8,000 workers in 2024.

Ensuring stability is the bedrock of The Builders Group and we plan to follow that gameplan into 2025 and beyond! Thanks to all of our Members and Agent Partners for your faith in The Builders Group. It means the world to us.

Sincerely,

A handwritten signature in black ink that reads "Jon Schindel". The signature is stylized with a large "J" and "S".

Jon Schindel

2024 at a Glance

\$1.69 Billion

A new high water mark in member reported payroll.

\$8.3 Million

Member dividend paid in 2024.

7,910

TBG Member employees trained in 2024.

10 Years

Consecutively posting over a billion in reported payroll.

18%

Members elected other state's coverage.

\$46.8 Million

Premium earned in 2024.

\$82.4 Million

Member Distribution Payable Fund.

97%

Member retention rate.

\$85K

Raised during the 2024 Education Foundation Golf Outing.

666

Number of Minnesota construction companies insured by TBG.

28%

Percentage of employees in the Minnesota construction industry that we insure.

10

Number of Minnesota construction trade associations we financially support.

\$146K

TBG contribution to our construction trade association partners.

\$39K

TBG Education Foundation matching dollars contributed to association-based scholarships.

40

Number of association events attended by TBG.

Safety Services Report 2024

2024 was a year of progress, partnership and safety at TBG. Across job sites and offices, we got to help Members make meaningful strides to strengthen their safety efforts.

Whether it be the hundreds of job site visits, Member specific trainings, assistance with selecting appropriate safety equipment (and helping fund it through OSHA grants), or supporting pre-planning efforts for challenging jobs, the TBG SSA team is focused on safety so that our Members' employees go home to their families every day.

2024 Highlights

Training and activity numbers

Between the 5,700+ employee and association partners our team trained, the additional 2,100 trainings conducted via our free online video resources, and nearly 1,100 meetings, job site visits, etc. conducted in 2024, we are proud to be a significant part of the amazing achievements made by our Members. We also welcomed nearly 2,000 people for training at our facility which is just one of the countless benefits to partnering with TBG and SSA.

TBG Safety Grant Program

Excitingly, we rolled out TBG's own safety equipment grant program stemming from the successful MN OSHA Consultation's grant program. We helped support 17 Members with their successful pursuit of an MN OSHA Safety grant and contributed over \$27,000 to further offset the cost of purchasing safety equipment.

We continued offering interactive OSHA 10 training at a significantly reduced cost compared to others, with the added benefit of two free registrations per Member each year—thanks to the Safety Service Association.

Additionally, we continued to partner with industry leaders to provide leadership training via the Buddy to Boss courses, guidance for first aid/CPR training, provide outreach training to local associations and schools such as Dunwoody College of Technology and Kenyon - Wanamingo HS who are educating the next generation of students getting into the trades. We are thankful for the role we have been able to take in promoting safety throughout the Minnesota construction industry.

Looking Forward to 2025

- Early in 2025, we will deploy our fully outfitted SSA safety van affording us the ability to bring our hands-on training resources on the road. From toolbox talks to annual training, this innovative resource will create an interactive training experience anywhere in MN!
- We are excited to leverage the latest in AI technology paired with camera vision to perform real-time ergonomic hazard assessments. Tapping into this technology will allow our SSA team to identify at-risk postures and suggest solutions to reduce sprain and strain injuries.
- Finally, the continuation of our TBG SSA grant program, OSHA 10 training, development of a competent person fall protection course, expanding services for air monitoring and environmental testing, continued partnership with Tom Esch and the Buddy to Boss Leadership program, support of local first responders through their use of our industry-leading hands-on training facility, etc. will help set TBG and our Members up for success.

On behalf of our entire staff at TBG and our Safety Services team, we are grateful for what we have built in partnership with our Members. You make our efforts possible through your commitment to safety. We are thrilled to provide safety support to our Members, who continue to seek improvements so that every worker gets home safely at the end of each workday.



Adam Tripp
Director of Safety Services



Safety Success Spotlight

Strengthening Safety Culture Through Partnership: Axel H. Ohman & TBG

MEMBER SINCE 2003

INDUSTRY Commercial Concrete & Masonry Construction

LOCATION Minneapolis, Minnesota

In 2023, long-time TBG Member, Axel H. Ohman, Inc. – a respected union contractor in Minnesota’s commercial concrete and masonry space – looked to strengthen its jobsite safety culture. A TBG Member since 2003, the company had always made safety a priority, but leadership recognized there was room to grow.

“We were implementing safety practices before, but they weren’t as extensive as what we’re doing now,” shared Peter Peschel, Owner of Axel H. Ohman. “We had a lot of room to improve, and we wanted to take some steps forward.”

To help Axel H. Ohman enhance its safety culture, our Safety Services Team recommended that the company form a formal safety committee.

Launched in September 2023, the committee meets bi-monthly at TBG’s safety facility, where our team helps lead discussions, build agendas, and ensure both leadership and field voices are represented.

Today, the committee is more than a meeting – it’s a platform for engagement and employee involvement.

“It’s given everyone a voice and made it easier to bring people together around safety,” said Rick Deutsch, Estimator/Project Manager at Axel H. Ohman.

Since forming the committee, Axel H. Ohman has cut its annual claims in half – dropping from 16 in 2023 to 8 in 2024.

Beyond the committee, we continue to support Axel H. Ohman with responsive jobsite visits, grant assistance for safety equipment, and expert safety guidance – from PPE questions to compliance support. “They’re just a phone call or email away if something comes up we’re unsure about,” said Rick.

For Axel H. Ohman, safety has always mattered. With TBG’s continued partnership, it’s now a deeper part of its culture – and a shared success.



OSHA Grants

Supporting Members Through MN OSHA Grants

Through our dedicated safety services, we help Members access Minnesota OSHA grant funding, unlocking valuable resources to enhance job site safety. These grants can help offset the cost of critical safety improvements, including updated equipment and advanced training. Our team provides hands-on support throughout the application process, making it easier for Members to secure funding and invest in safer, more productive worksites.

Need help with a grant? Reach out to your dedicated Safety Services Rep or Adam Tripp at atripp@tbgmn.com

"Recently, we decided to purchase a new table saw with a Minnesota grant. TBG is helping us absorb some of the actual dollar value of that saw. They're not just there for onsite safety—they actually help us monetarily to keep our folks safe. They're truly a partner."

- Penny Lindblom, Safety Director and Training Facilitator at Dorglass

Hear More From
Dorglass!



Education Foundation

Investing in the Future of Construction

TBG Education Foundation is committed to building the next generation of skilled tradespeople. With the construction industry facing a growing labor shortage, we work alongside businesses, educators and industry leaders to promote career opportunities in the trades and inspire the workforce of tomorrow. By uniting industry stakeholders, we’re shaping a thriving future for the building trades; because America needs builders, and TBG is here to help build them.



Learn More About
TBG Education
Foundation



PROMOTE
THE INDUSTRY



EDUCATE A
NEW GENERATION



BUILD
TOMORROW

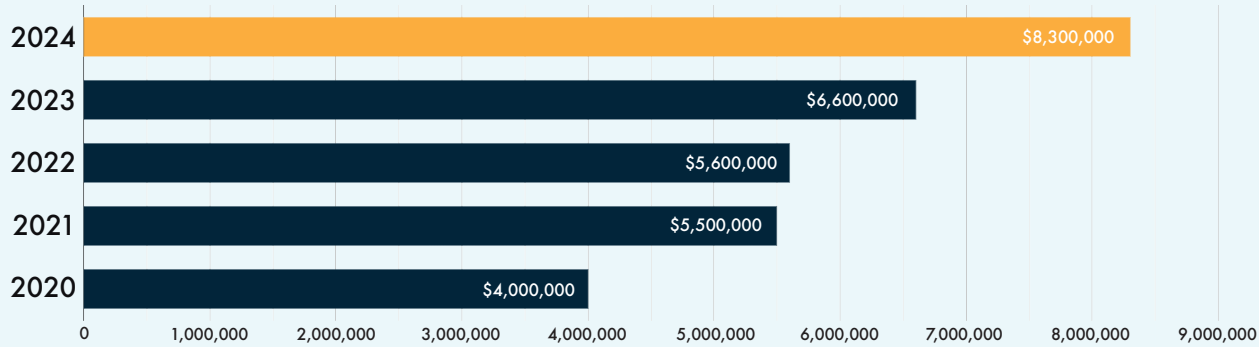
TBG Presents Platinum Agencies

TBG's Platinum Agencies represent the highest standard of partnership and performance. These agencies have consistently demonstrated their trust in our mission and their commitment to helping Minnesota's construction industry work safer, smarter and more successfully. We're proud to recognize their leadership and deeply grateful for the role they play in helping us build stronger, together.

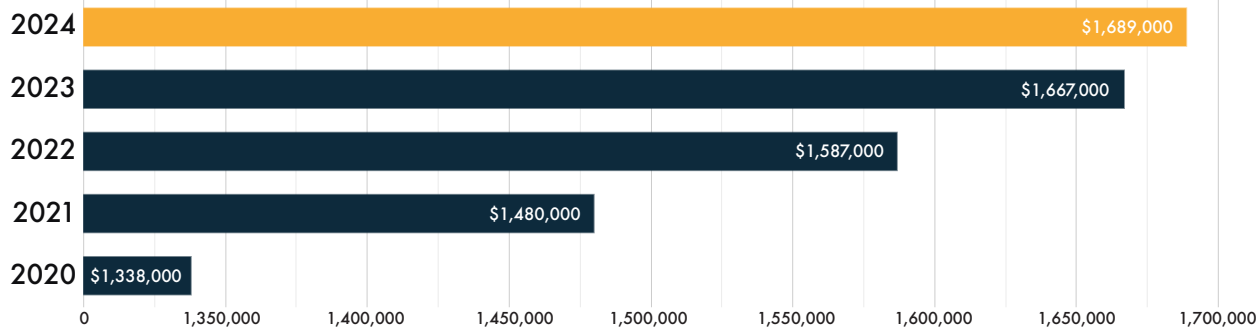


5 Year Summary

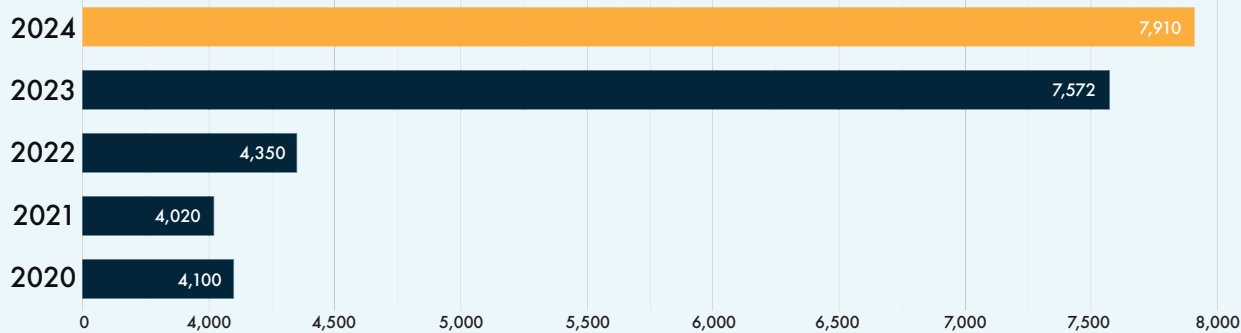
Dividend Paid



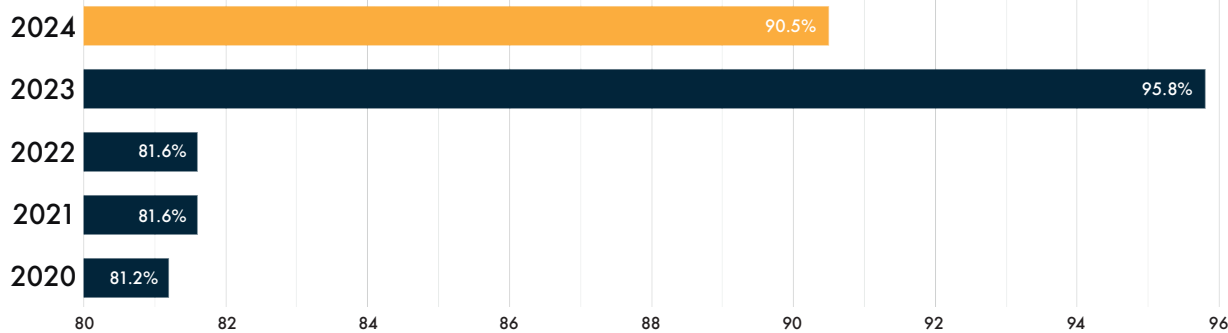
Member Reported Payroll



Employees Trained via TBG Resources



Combined Ratio by Year



Consolidated Financial Statements

THE BUILDERS GROUP
BALANCE SHEET | December 31, 2024 and 2023

ASSETS	2024	2023
Cash and Cash Equivalents	\$ 19,259,314	\$ 16,700,634
Certificates of Deposit	29,066,639	25,149,232
Investment in Securities	69,339,916	68,936,167
Investment in Real Estate	412,000	1,800,000
Investment in Annuity	1,031,146	970,689
Investment in Note Receivable	8,879,397	8,355,646
Total Cash and Invested Assets	127,988,412	121,912,368
Premium Receivables	\$ 4,011,118	\$ 3,796,068
Other Receivables	100,614	102,669
Accrued Interest Receivable	594,416	507,717
Reinsurance Recoverable	804,676	2,190,331
Fixed Assets	3,388,615	4,782,998
Goodwill	1,559,706	1,799,661
Prepaid Expenses and Other Assets	4,189,525	3,008,791
Total Other Assets	14,648,671	16,188,235
Total Assets	142,637,083	138,100,603

LIABILITIES		
Unpaid Loss and Loss Adjustments	\$ 30,768,341	\$ 40,995,625
Member Distribution Payable	82,443,573	77,103,259
Security Deposits	9,771,924	10,183,826
Special Compensation Fund Reserve	4,256,100	4,504,002
Loss Portfolio Transfer Premium Payable	10,656,449	-
Note Payable	-	273,340
Reinsurance Premiums Payable	2,706	41,880
Premiums Payable to Members	632,841	-
Accounts Payable and Accrued Liabilities	4,105,148	4,998,670
Total Liabilities	142,637,083	138,100,603

*The financial statements above are taken from the independent auditor's reports.

REVENUES

	2024	2023
Premium Earned	\$ 46,833,791	\$ 49,582,136
Investment Income	3,786,961	4,330,839
Realized Gains (losses) on Investments	235,435	813,564
Other Income	1,400,086	1,484,899
	<u>52,256,273</u>	<u>56,211,438</u>

CHANGE IN FAIR VALUE OF EQUITY SECURITIES

Increase (decrease) in fair value of equity securities	\$ 2,922,676	\$ 3,238,168
(Increase) decrease in the accrual of excess earnings as distributable to participants	(2,922,676)	(3,238,168)
	-	-

EXPENSES

Losses and Loss Adjustments	\$ 23,918,196	\$ 33,109,708
Special Compensation Fund	926,635	1,093,584
Commissions	3,848,333	3,922,150
Reinsurance	2,027,213	1,794,124
Depreciation	631,591	582,985
Salary & Benefits Expense	5,267,421	4,322,378
General & Administrative Expenses	6,074,719	5,394,415
	<u>42,694,107</u>	<u>50,219,344</u>

(Increase) Decrease in Member Distributions	\$ (9,562,166)	\$ (5,992,095)
Provision for Income (Tax) Benefit	-	-
Net Income (Loss)	-	-

*The financial statements above are taken from the independent auditor's reports.

Member Testimonials



"TBG provides really personalized service to workers's comp. You know the people you are dealing with, they're in your community and the claims are handled in a way that I think is beneficial to the employer and beneficial to the employee to get them back to work as soon as possible."

John Lloyd, Vice President, Lloyd's Construction Services



"The benefit and value of TBG is immense. Their knowledge and their ability to respond to us when I need them is invaluable."

Penny Lindblom, Safety Director and Training Facilitator, Dorglass

DORGLASS, INC.

"TBG has helped us develop our safety culture and really tailor it to specifically what we do and our needs."

Rick Deutsch, Estimator/Project Manager, Axel H. Ohman



Agent Testimonials



"TBG is dedicated to results. We had a 55-year-old Union bricklayer hurt his back and he needed surgery. The speed of how he was taken care of through TBG's relationship with Minnesota Occupational Health and Summit Orthopedic had him back to work full-time within 6 months. That's unheard of – a great success story not only for the employer but also for the employee because then he's back making his normal wages."

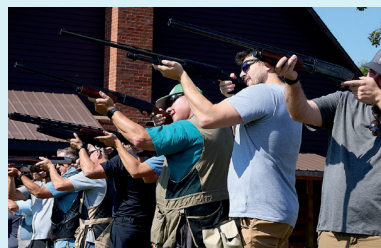
Mark Kraemer, Senior Vice President, USI Insurance Services



"I have one client in particular who, before joining TBG, had marginal results at best. At the time, their modification factor was 1.21. They wanted to do a better job with safety. Within five years of joining TBG, the client's modification factor dropped to .90. Their rates fell by over 25%, and they started building up potential dividends in their account. The real game changer? TBG's safety team. They didn't just provide insurance – they helped build a real safety culture."

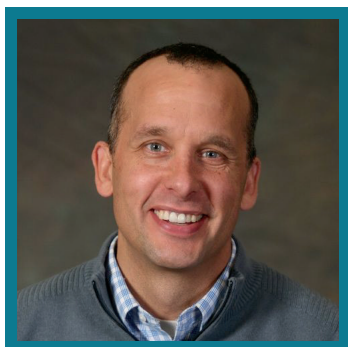
Ben Brunn, Territory Manager at Choice Insurance Agency







TBG Board of Directors



Sterling Black DIRECTOR
LS Black Constructors | CEO



Tom Corrigan BOARD CHAIR
Midwest Fence and Manufacturing | President



Ben Edwards DIRECTOR
Edwards/LaPlant Construction | President



John Lloyd SECRETARY
Lloyd's Construction Services | VP



Blake Palmer DIRECTOR
Pro Drywall and Painting Inc. | President



Lowell Pratt DIRECTOR
Pratt Homes | President



Brandon Romsdahl DIRECTOR
Romsdahl Companies | Owner



Kris Scherer VICE CHAIR
Scherer Bros. | CFO



Curt Swanson TREASURER
Swanson Homes | President



Your Safety Partner in Building Better

TBG exists to support Minnesota's construction industry through tailored workers' compensation solutions, expert safety support and strong partnerships that put Members first.

