

|| SOUNDINGS

A Message from the CEO



Hello Everyone,

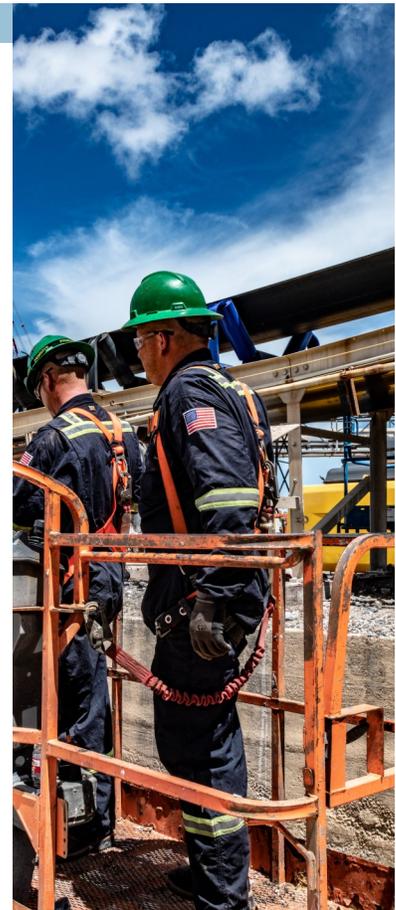
Normally at this time of year, we would have been coming off of another fantastic event in a wonderful location to share our General Meeting updates and news with you all; thankfully we are able to leverage technology to continue to interact with you and provide these vital updates, while maintaining the safety of our employees and all of you. I am hopeful that as the vaccine continues to roll out nationwide, that we will

hopefully be able to resume in person meetings soon, as I truly believe this is an integral part of keeping our relationships strong. Due to potential travel restrictions between the United States and Canada we have made the decision to explore other options outside of our scheduled location in Banff. There is a high probability that we will be holding the AGM here in the U.S. Notification will be distributed once a final decision has been made.

We have started off the Membership Year with very strong financial performance and are encouraged by the turnaround we are seeing, as well as the new Members we have been able to bring on board. We continue to closely monitor claims, as the longer-term impacts of COVID-19 are still a question for all of us. Despite the promising financial performance, we have unfortunately had a difficult start to the year from a safety perspective, having already experienced four fatalities across the Membership. We need to all be committed to continually improving safety at our workplaces and I encourage you to engage with our Safety Team for any help in this arena.

In the coming week we will be sending out our General Meeting documents for your review; these will be available through our brand-new website which is now live. I encourage you to browse both the GM materials and our new site and provide us with any feedback you may have. Thank you as always for your continued partnership!

Richard W. Wood, President and CEO



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Signal Welcomes New Member, Continental Maritime of San Diego, LLC!



With effect from February 1, 2021 the Managers are pleased to welcome Continental Maritime of San Diego, LLC to the Association. CMSD operates a diversified shipyard in San Diego and is a certified Master Ship Repair Contractor for the U.S. Navy. They have performed hundreds of ship repairs for the Navy and Military Sealift Command. CMSD does repair on all types of major surface vessels and all types of amphibious ships including auxiliary ships. Typical work also includes repairs and alterations to a wide range of Combatant, Hull, Mechanical and Electrical, and Habitability Systems.



Signal Welcomes New Board Member, Jim Kennedy!



Jim Kennedy is an experienced property/casualty insurance veteran with a proven track record of leading teams to success. Jim's background includes more than 47 years in the property/casualty insurance business, working with companies of many styles (mutual and stock, single-state and countrywide, national and international), as well as spending time as an independent agent. His accomplishments include expanding operations geographically, implementing new automation systems, executing successful acquisitions, developing long-term corporate strategy, expanding into new states, building a sustainable positive culture, and creating an underwriting profit mentality. He retired at year-end 2015 into a role as a consultant and board member, with extensive experience in serving and leading key board committees: audit, investment, compensation and governance. Jim will join Signal as an Independent Director to the Board effective February 4, 2021.

Signal Actuarial Team: Working to help Members

Submitted by: Jennifer Charlonne, SVP, Actuarial & Risk Management, Signal Administration, Inc.



The Signal Actuarial team consists of four individuals supporting Members by advising business partners across all functions, including Safety, Underwriting, Claims, IT, Operations, Legal, Finance, Reinsurance, and Sage. Through our constant communication with our business partners, we

receive feedback on our Members and external business environment to help us make guided decisions for our Members and Board of Directors.

We are involved in many projects and provide robust analysis that impact the Membership; as an example, we assist in the pricing of the Advance Call at Renewal and the resulting Supplementary call as both are key data points for the Membership. Along with pricing, we work with Finance to ensure the financial balance sheet reflects an adequate estimate of future liabilities, as well as generating a Statement of Actuarial Opinion which confirms that the Association's balance sheet reserves cover all unpaid loss and loss expense obligations. In addition, we work with a Risk Committee evaluating the capital adequacy of the balance sheet called VORSA. This stands for Voluntary Own Risk and Solvency Assessment which identifies and assesses material risks, assesses capital to cover the identified risks on a forward-looking basis, provides a risk management framework to monitor and control risk, and can be integrated into decision making.

Claim, exposure, and third party data is critical to our work. We use data to identify both internal and external loss trends. We analyze if claims are increasing or decreasing in both volume and cost. Safety uses this data in dialogue with our Members to help isolate trends and help course correct. We have also developed a Safety Dashboard with stock reports helping them to drill down on the claim experience, a key data point in Member conversations .

Considering all we do touch, the Actuarial team is well positioned to help Signal with their growth and continue to deliver valuable pricing, loss, and reserve analytics - today and for tomorrow as well .

Key Focus Areas

LOSS PROVISION

Assessing the total cost of our liabilities on the balance sheet and Membership I&E, which is used to develop the Supplementary Calls



TREND ANALYSIS

Analysis of loss trends both in Signal Membership and Industry data, including changes in claim frequency and severity



CAPITAL MODELING (VORSA)

Determining the indicated capital required on the balance sheet, considering investment strategies, long-tail nature of WC, large losses, inflation, catastrophe, loss trends and pricing



LONG TERM CLAIM ANALYSIS

Collaborating with the claims team to identify claims that are predictable and stable, further assessing the associated costs including life expectancy and cost of living adjustments



RENEWAL & NEW BUSINESS ANALYSIS

In conjunction with Underwriting, develop the ALR based on loss, trend and exposure analysis



DATA & ANALYTICS

Building a statistical model to provide another perspective of the case reserves to help triage the claim to the appropriate specialist



SAFETY DASHBOARD

Develop a suite of stock reports for the Safety Team to assist in meetings with Members



BENCHMARK REPORTING

Support Member requests for comparative insights on their business, helping them to benchmark against the industry, region or size



How to Measure What Matters

Submitted by: Larry Gutierrez, QHSE Director, Gulf Stream Marine

In the digital age, there is no shortage of data and metrics available to EHS professionals, business leaders, and others in their organizations. However, when inundated with information, it can be a challenge to decide what metrics are meaningful and actionable to your organization and valuable to track and drive performance improvement. By asking the right questions you can zero in on the key metrics and data that will steer your business to operational excellence and foster a culture of continuous improvement.



Gathering, evaluating, and acting on data is critical to identifying and mitigating risk. Unfortunately, too many businesses simply look at lagging data such as incident (accident) rates which provides very limited utility in improving performance. Rather, organizations should focus on leading indicator metrics that are proven to enhance performance and engages all levels of employees in ensuring

safety. Given today's proliferation of data and the many cost effective digital analytical tools designed to pull insights, it has never been simpler to develop a process to effectively manage data and analytics. Incorrectly focusing on metrics that are less meaningful can have a serious impact, leading operational management to make ill-informed decisions or allocate resources ineffectually, adversely affecting their business and their overall safety culture.

Given the significant upside to measuring the right metrics, it is imperative for companies to reconsider what matters to their business and how best to measure metrics to facilitate an environment of continuous improvement. With new types of data easily accessible for analysis through safety management systems, AI or analytics software, organizations now have a real opportunity to understand their safety performance much more deeply than ever before. Best of all, this type of data and metrics are available with minimal effort but provide invaluable positive impact. After all, operational excellence is not just about producing results; good process metrics and routines are important pillars that can help you understand how good results are produced.



About the Author: Larry Gutierrez is the QHSE Director for Gulf Stream Marine, Inc. in Houston, Texas and has been with the company for over 20 years. Along with the QHSE Director position Larry is also a past member of the company's board of directors. During his 27-year career in the Occupational Safety and Health field he has received several awards for his dedication to accident prevention and risk mitigation. Most recently he was honored with both the Safety Professional of the Year Award and the Harald Halpin Safety Excellence Award by Signal Mutual. Larry has also served on the SMIA Safety Committee for the past 5 years and is the current chair. Larry attended both the University of Houston and Columbia Southern University while advancing his studies. Larry has been a long-standing member of the American Society of Safety Engineers.

Signal Safety Spotlight: Operationalizing Safety

Submitted by: Doug Hirsch, Senior Safety Manager, Signal Administration, Inc.

How did your daily Ops meeting go today? Did your team work-out the scheduling dilemma? Did the cranes get moved last night for today's critical lift? Did you finalize the crew used to run the operation? Was your Safety Manager in the meeting? How well are you integrating safety into your Ops meetings?

For a maritime company to improve their bottom line, they must be efficient, productive, client focused and heavily rely on key personnel to guide the way. The result is, the company runs like a finely tuned engine. Without safety, the engine mis-fires and the unexpected can occur. When company safety processes become operationalized the impact on efficient productivity, safety effectiveness and the bottom line is felt the most.

What does 'operationalizing safety' mean in your operations? It means that same team of leaders that are affecting high production and high quality, also become accountable for the safety of those they manage. Each Leader wants to get their work done efficiently and timely. To do that they need to have their people, equipment and processes in place, and that must include operating safely. Incorporating safety inside operations does not detract from the 'production duties', it enhances performance, drives efficiency and strengthens the safety culture. When safety is integrated into operations the results are fewer injuries, less down-time and an improved company culture.

Operationalizing EHS puts the responsibilities for worker safety in the hands of the people that are in the field with them every day. Company Supervision is responsible for every person in the field. Shouldn't they also be accountable for making sure they get the job done without injury, environmental impact, or damage to equipment? That is Operationalizing Safety. The Safety team remains a critical link in providing backing, knowledge and resources for operational success.

How do you know operationalizing safety works? History tells us that most companies measure safety performance by their failures...typically an annual count of worker injuries. However, in operations a company doesn't measure itself on its failures, they measure their successes and wins. Tracking the integration of safety within operations before an incident occurs can prevent the injuries or incidents from taking place. The preferred way to measure this is through the use of an EHS Safety Information Management System (SIMS). A SIMS tracks, measures and benchmarks activities that can directly mitigate the potential of injuries or mishaps. Activities vary between companies, but can be vessel inspections and corrective actions, training of skill and safe work elements, effective JHA meetings, employee participation, leadership engagement as examples. An EHS system 'watches' the advancement of safety improvements, directing a company along its path of continuous improvement.

Operationalizing safety by putting the accountabilities where the work is, and mentored by the safety team will reduce injuries, improve processes, employee & leadership engagement. Giving the company nothing but positive gains towards its goals and objectives.



Understanding the Cause Behind “Repeat Safety Offenders”

Submitted by: Roman Williams, Delphinus Engineering, Inc.

Through a strong company safety culture and employees’ personal commitment to working safely, most workers go through their entire careers without suffering a job-related injury. That’s the great news! The bad news is that too many workers still get injured, and a few tend to suffer injuries repeatedly. So, what can be done about the repeat offender to change their behaviors?

A vital step in reducing the likelihood of the same employee repeatedly injuring themselves is understanding if that employee is working in an at-risk manner that makes an injury more likely to arise. A few typical (and likely) reasons might be: (People Based Safety: The Source by E. Scott Geller).

- Behavior – The problem could be as simple as the worker demonstrating unsafe safety behavior, such as ignoring safety rules or rushing to get the job done. A worker who regularly takes shortcuts, or who puts speed ahead of safety, is likely to get injured more frequently. This puts both the employee and those around him at risk.
- Reporting – Is the worker the only one repeatedly injured, or just the only worker who consistently reports injuries? This needs to be investigated. If there is a widespread problem with under-reporting injuries or near misses, then additional training may be needed. Unless employees communicate compliance and unsafe conditions, management cannot implement corrective actions that thereafter mitigate an incident from occurring. Don’t forget to get upper management involved in the investigation process, as they need to make clear their expectation that employee concerns be raised and addressed in a timely manner.
- Physical problems – Is the worker compensating for a physical problem by working with poor posture or other means that could lead to injury? Are the supervisors encouraging the workers to perform morning stretching exercises prior to the start of the shift to warm up those soft tissues. Use of the morning stretching exercises enables the foreman to engage employees about working safely and potentially identify the occasional worker who “shows up” to work already injured from a non-work-related injury. Also, the foreman, in speaking with his team during the pre-shift safety talk, can assure that everyone’s minds and bodies are ready for the workday...if not, then action can be instituted to get the team ready before they are released to work.
- Training – Has the worker been trained and have you verified that the worker clearly understood the training? Is the supervisor enforcing the training and safety expectations as he/she walks the site and speaks with the team?
- Supervision – Supervisors are often the pacesetters for their workers. If the supervisor has a history of injuries or disregard for safety or places a huge emphasis on production, this may be part of the worker’s problem.
- Performance – Is the worker having problems in other areas besides safety? When I was a USMC Drill Instructor at Parris Island, SC. I would instruct my Drill Instructors that each recruit had more on their mind than what we were drilling, so the recruits would make a vain attempt to tune you out. The point is employees must have their brains engaged and focused before they go to work. If the worker is distracted by personal issues, an accident is much more likely to occur. Is the workers quality suffering? Attendance? If it’s more than just safety, then you might want to get other areas of the company involved, like HR, in helping to remedy the situation.

Understanding the Cause Behind “Repeat Safety Offenders” (cont’d.)

Find a solution:

- Naturally, the way you address a repeat issue will vary depending on the root cause(s). In many cases, retraining will be a part of your approach. This training should vary from the original training. If the prior training did not work for the repeat safety offenders, they may need training specifically geared toward them. They need to be shown what specifically they are doing that is unsafe or behaviors they need change to avoid causing injury.
- Discipline may be necessary for those that violate safety rules or continuously fail to address their at-risk behaviors. Consistency in discipline application is critical and important.

One example of what worked for Delphinus Engineering, Inc.: (Involved Safety Meeting Activities, ISMA, Matthew A. Forck).

- Activity: Shake the Can
- Estimated time: 10 minutes
- Materials needed: One Pepsi or Diet Pepsi in aluminum can, it works best if you can bring in one for each person.
- The ISMA:
 - Shake the Pepsi or Diet Pepsi and then ask for a volunteer to open it (if each person in the audience has a can, have them shake their own can). Obviously, no one will open it because they will get splashed with soda if they do. After a few minutes of having fun with the audience, shake your can again then holding the can upright, turn it in your hands end over end (360-degrees) slowly. This one revolution or turn should take between 4 to 5 seconds. Then pop the top. The soda will not explode: the turning action will relieve the pressure within the can.
- The takeaway:
 - In general, we don’t act unless we can be sure of the outcome and we wouldn’t open a soda can unless we were sure it wouldn’t get us wet. Yet in our jobs, we cut corners or take risks. When we cut a corner, it is like shaking a can and opening the top, it is going to explode. If we work each job safe, we know that there is no way we can get hurt.
 - We won’t take a chance in getting wet with soda, but we take a risk of losing an arm, eye, or life to an at-risk act. Re-evaluate each task and do the job the safe way.
 - Point out that working unsafely can result in the employee being injured. But it can also affect his/her families forever, or another employee and their family if they are injured by a co-worker’s unsafe act. Stop and think. Who is at risk for your unsafe action? Take the time to ensure work can be done safely and then safely perform your task.... Not just for you but for those around you or waiting at home.



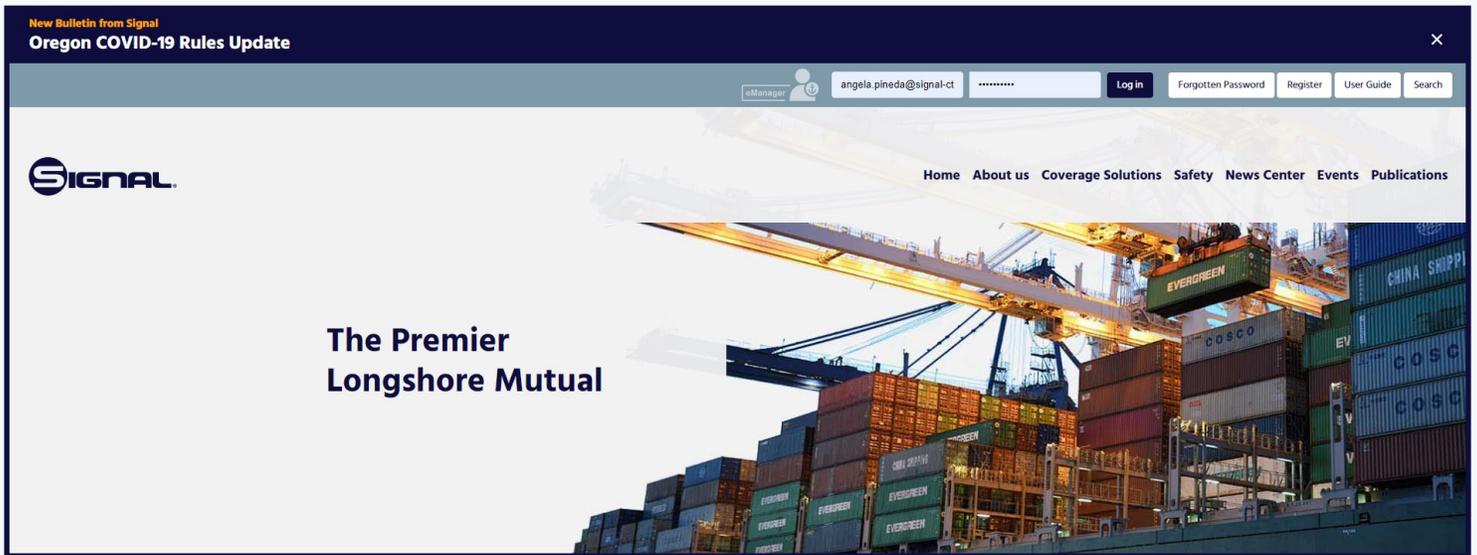
About the Author: Roman Williams is the Corporate Environmental Safety and Health Manager for Delphinus Engineering, inc. He is a retired U.S. Marine Desert Storm and Iraq Veteran and has been in the EHS Field for over 18 years with experience as a Certified Safety Professional and Certified Risk Manager. He is currently the Chairman of the Port of San Diego Environmental Committee and an active member of the Safety Committee. Roman is also an Internationally ranked Chess Player. His most recent hobby is making Bonsai trees for family and friends.

Signal Launches New Website!

Submitted by: Michelle Cleary, Marketing & Communications Manager, Signal Administration, Inc.



We are excited to announce that our new website (www.signalmutual.com) is up and running as of February 26, 2021! We invite you all to take a look and hope you that you find the updated look and feel easy to navigate. We welcome any feedback you may have as well! Feel free to send any feedback you may have to Michelle Cleary, Michelle.Cleary@signal-ct.com.



Upcoming Event Information

Signal General Meeting 2021



An announcement with instructions on how to view the GM presentation on the Signal website will be distributed in the coming weeks.

Please direct inquiries/questions to Angela Pineda
Angela.Pineda@signal-ct.com.

Signal Maritime Conference 2021

October 25 - 27, 2021

Hilton Norfolk The Main, Norfolk, VA

Save the Date! More details to come!

Please direct inquiries/questions to Angela Pineda
Angela.Pineda@signal-ct.com



Signal Annual General Meeting 2021

August 5 - 7, 2021

Fairmont Banff Springs, Banff, AB, Canada

*Due to current Covid-19 travel restrictions we are currently searching for potential backup venues in the States.
More details to come!*

Please direct inquiries/questions to Angela Pineda
Angela.Pineda@signal-ct.com