



FORESTRY MUTUAL NEWS

Newsletter of the Forestry Mutual Insurance Company

Vol. 9, Issue 1

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FROM THE PRESIDENT'S DESK...

Survival in today's economy is no easy task. Since this company's founding, we have preached that working smarter and safer are two steps that every company can take to help its bottom line. We are extremely proud to announce that for the first time in several years, we did not suffer a trucking fatality nor were there any in-woods fatalities. This is a great achievement among our policyholders. Our loss ratio for 2009 was an impressive 39%.

At the conclusion of each year, Forestry Mutual reconciles its books. On the downside, our premium revenue was below last year's figure due to slowdown in the economy. On the positive side, we did attract 100 new accounts and the company's investment income did increase over projections. We also were able to settle some projected losses due to previous claims for lesser amounts than first budgeted. On the whole, our reserve fund grew to nearly \$13 million. This reserve fund is one of the main factors in determining the insurance rating our company receives each year. The continued climb in our reserve and drop in claims will help our company's profile with state regulators.

I would like to personally thank all of our policyholders for your focus on safety issues over

the past year. Our staff is committed to providing the best safety instruction and materials to our accounts. I am proud of our account representatives. I would encourage each of our policyholders to take advantage of our hands-on approach to teaching safety. These guys know what they are doing and will be happy to help you achieve safety results that will help your bottom line.



Keith Biggs

Our company continues to grow in terms of accounts and territory, but we pride ourselves on our aggressive, personalized approach to safety training for our companies, big or small. Please call me at (919) 880-1006 if you have any questions or issues with your account.

Sincerely,
Keith S. Biggs

CONTROLLING EMERGENCY SITUATIONS

by Jimmy McCraney, Forestry Mutual

Would you know what to do if an emergency occurred while you were on the job? Do you know what actions to take if a co-worker is seriously injured, a facility or equipment fire occurred, or someone has a heart attack? Are you prepared to react? Emergency situations are a reality in the workplace as well as everyday life. Too many lives are lost and property is damaged because no one was prepared to properly react when immediate decisions and actions were required.

A good start in learning how to respond to an emergency is through certification in Basic First Aid and CPR (Cardio Pulmonary Resuscitation). These courses provide important information and skills needed to assist a victim. But even more important than the first aid skills gained, they teach how to respond to an emergency. Programs offered by many organizations teach people about the kind of situations or conditions that might precipitate an emergency. Knowing what to

look for and how to react could save the life of a co-worker or family member.

All wood manufacturing and logging companies should have an emergency action plan. Review it periodically, and be aware of what steps to follow when calling for emergency help. Know the course of action to take if an emergency situation occurred at your facility or location. Understanding this process will improve your safety awareness and possibly save lives.

Safety awareness may be gained through regular safety meetings, safety training or your own personal interest in safety & health. This awareness will increase your ability to respond if, some day in the future, you are a bystander in an emergency. This is particularly important in the logging and wood manufacturing industries as there are many serious hazards associated with the equipment/machinery that are used. To

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THE SAWSHOP

by Bryan Wagner
Chainsaw Trainer for
Forestry Mutual



THE BIG PICTURE - BODY POSITION

Timber harvesting across the nation is diversified. Generally, terrain and timber type dictate what type of system is to be used to harvest the wood, from being fully mechanized with no one on the ground, to a manual operation on steep terrain where trees are hand felled and removed with a cable skidder. Developing training and education for such a diverse work force seems difficult. However, if we look at the “Big Picture” things get a little easier as reducing risk is the ultimate goal. So let us discuss body positioning, which plays a huge role in reducing the risk on ANY logging job. Simply put, if the body isn’t in a bad place, it won’t be injured there.

A large part of the training on a manual job focuses around the chainsaw. Extreme risk is present during the felling and topping phase of these operations. To combat the risk associated with these activities, plans are taught as part of the Five-Part Felling Plan. Here is a quick refresher!

1. Check for all overhead hazards. What’s up there that could hurt me?
2. Determine the side lean of the tree. The weighted side of the tree is the bad side. Do you limit your exposure on the bad side of the tree?
3. Escape!! Your escape shall be a 45 degree angle away from the direction of fall. Get as far away from the falling stem as possible. Keep your eyes to the sky!
4. Determine your hinge thickness. The hinge is your steering wheel while the tree falls.
5. Decide what type of back-cut you will use. The controlled-release back-cut is preferred since the tree isn’t moving while being cut.

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Bryan Wagner is Forestry Mutual’s Chain Saw Trainer. Here he is demonstrating proper felling technique during a ProLogger field session.

ACCOUNTABILITY BASICS

by Greg Plumley, Forestry Mutual

Lately, you have heard quite a bit in reference to the fatalities in the local logging industry that have taken place within the past few years. These fatalities are due to a variety of reasons ranging from truck accidents, skidder rollover, electrocution, to manual felling and we could go on. I would like to discuss the root cause for most, if not all, of the fatalities - Accountability!! That’s right! Fatality investigations reveal that in most incidents employees chose not to follow the instructions of his or her boss/supervisor or to follow the training they have received. In addition, in most cases the boss/supervisor decided against taking disciplinary action because they felt uncomfortable since most employees may be family members or the employee has worked with them so long that they might as well be family. After talking with owners of operations dealing with a fatality they stated, for the most part, that they really do not quite know how to hold a person accountable. So, let us talk about what accountability is and the process of holding an employee (whether family or not) accountable.

If you really think about it you will realize that your organization is built around the people who work for you. The strength of your company is in it’s people, working together and with a common purpose. While equipment, methods and procedures are important and you constantly strive to improve them, your most valuable assets are loyal and capable people.

Training and developing employees to obtain the full benefit of their talents and abilities while also providing them with opportunities for growth and development can not be achieved without accountability.

How can employee skills ownership be translated to skills accountability? There are two answers: 1) set skills requirements, and 2) establish a clear communications process. Underlying the establishment of skills accountability is the need to set requirements and establish a baseline.

Here is an example of the process of holding employees accountable:

1. Through the hiring process, has it been determined that the employee can do the job? This industry is not for everybody. It takes a special person to be able to answer to all the demands asked of them.
2. Determine that this employee is a good fit for the job and a good fit with the other crew members. (One bad apple does spoil the whole bunch!)
3. Communicate to employee what job is to be performed and what the process of the job is.
4. Allow the employee to repeat back to you the process of the job. This gives the trainer a chance to correct any misunderstandings.
5. Demonstrate the job to the employee.
6. Allow the employee to demonstrate the job in front of you. This allows the trainer to give feedback on job performance.
7. DOCUMENT-DOCUMENT-DOCUMENT-DOCUMENT. Oh-Yeah... did I mention documentation! Here is where most employers drop the ball. This is the most important part of the process because it is proof that quality training has been performed and the employee has demonstrated proficiency in their responsibilities.
8. Follow-up ~ a set period of time that the employer or trainer revisits the processes of the job with the employee to determine if any deficiencies in performance are occurring. Oh-Yeah... did I mention documentation! It is also important to document the follow-up training.

Accountability is the glue that holds an organization together and helps

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REDUCING INSURANCE COST WITH MVR'S

by Brandon Reavis, Forestry Mutual

When we talk about insurance coverage, during Forestry Mutual's training sessions, we always say; "If you have claims, your insurance cost will go up." That's why our training keys on preventing claims and this is the critical part of loss control. There are other factors to consider in lowering your insurance premium. In personal automobile insurance, when you get points on your license, it usually means your premium will go up. This same principal applies to your commercial coverage as well.

The primary factor in your auto liability rate is your loss history. When we submit a request to an insurance carrier for a quote, we have to send a variety of information, including a motor vehicle record (MVR) for each driver. The underwriter will review the contents of each MVR to determine if the driver meets the guidelines as an acceptable driver. Depending on the items listed on the MVR, the underwriter can apply additional credits to your auto rate. However, if the MVR raises issues with the underwriter, it can make your rate higher. Let's look at what some of these issues may be.

If your drivers' MVR lists citations for vehicle equipment violations, such as worn tires or brakes, it raises concern with the underwriter. It can be interpreted as a lack of maintenance by the owner. Additionally, if the driver of a poorly maintained vehicle is required to make an evasive move in a driving incident, it is more likely an accident will occur. These indicators can make your insurance premium higher. The use of pre-trip inspection of vehicles may catch some equipment problem before you are cited and fined for it. Written maintenance records will help track the vehicle maintenance history and keep repairs up to date. They also act as documentation if you ever have to prove you have completed required maintenance.

The MVR also indicates driver tendencies. Do your drivers have clean records or are they just barely acceptable to your insurance carrier? This definitely has an impact on any credits you may get on your liability rate. You should do routine MVR checks on drivers during the year – not just at renewal of your insurance. A driver may have been cited on a violation that will make him an unacceptable driver at renewal. You will know this before renewal and have time to replace the driver if needed. There are groups that can provide MVRs to you, or you might make arrangements with your agent to obtain these, if you have the proper release from the driver.

The MVR is a major tool used by insurance underwriters to determine the kind of risk that they are assuming. It shows them both owner and driver attitudes toward safety. This can be a major factor in your insurance cost and oversight on your part to control driver and maintenance issues will help reduce your premium. If you need assistance with this or other problems you encounter, contact Forestry Mutual or your local agent. ■



PELLET PLANT HEADS TO GREENSVILLE

In our last issue, we profiled logger Billy Corey, who despite our current economic situation, still saw the positives in the forest products industry in North Carolina. At the time of the interview, it had been announced that International Paper was closing its Franklin operation and many loggers in the area were concerned who they would be able to supply in the future.

As it turns out, other folks were watching the developments in Franklin as well. Wood Fuel Developers, which is a startup renewable fuels company, will invest \$18.7 million to build a plant on a 26-acre site in Greenville, Virginia. Wood Fuel Developers initially had considered buying an existing plant in Georgia and selling wood pellets in international markets. But company officials turned their attention to domestic markets when they realized the cost and supply of wood pellets were holding back demand for wood-pellet stoves. Wood Fuel Developers expects to break ground on the new plant in late April and begin production by December. It will hire 39 employees during the next 36 months. ■

Controlling Emergency Situations...(continued from page 1)
increase your safety awareness and assist in controlling emergency situations you should be able to answer the following:

- How and who do you notify in an emergency?
- Are you mentally prepared to react responsibly?
- Should you stay with the injured person, phone or run for help?
- If you are not First Aid/CPR certified, do you know who in your crew or the company is?
- Are there hazards (chemical, electrical, fire, etc.) and the scene needs to be secured?
- Do you know the chain of command? Who's in charge during an emergency?

You come to work everyday prepared for the task at hand and knowledgeable on how to handle production problems. Being mentally aware is also your best preparation for a potential emergency situation. Analyze beforehand what to do if one of your coworkers is injured, and if that injury is life threatening. Know how to protect yourself, your coworkers and the company in case of an emergency situation. Chances are, during a crisis, you won't have much time to plan the best possible action—so make those decisions ahead of time. If an emergency does occur and you have properly prepared yourself mentally - you will control the situation. ■

Accountability Basics...(continued from page 2)

owners define critical roles and responsibilities. It is the underlying theme of an organization's daily activities and is a big part of an organization's success and reputation.

Accountability is a determination not to accept mediocre results. It is self-motivation. It is acceptance of personal responsibility - real, sustained accountability has to come from within the individual doing the work.

It is the boss/supervisor's responsibility to create that accountability. Let us remember that accountability is a method in which you are trying to create a behavioral change not a termination vehicle. Although termination might be an end results in the process.

My definition of management is this: Getting things done through people efficiently and completely. Without a trained workforce and a workforce that is held accountable, you might have a revolving door in and out of your business. Retaining employees will always be a task.

The bottom line is that accountability is a management tool that when put in place and used consistently can help to reduce future losses and maintain costs through controlling injuries, claims and employee turnover. ■

Body Position...(from page 2)

After this refresher, did you realize that 4 of the 5 parts of the felling plan directly relate to the body's position? The limbing and topping plan works in the same manner. By abiding to these step by step plans, great risk is avoided.

Safety issues impacting both mechanized and manual operations must include safe working distances. Again, this is a body position subject! If the body isn't there, it won't be injured there!

- No one is allowed within two tree lengths of any felling operation.
- Proper distance is to be observed around skidding activities.
- Skidders shall not enter the safe zone of ground personnel.
- High visibility clothing shall be worn.
- Be aware of blind spots on mobile logging equipment.

Body position is very important at the deck or landing area. Remember, this is a very busy place! There are a lot of activities happening in a limited space area.

- Never walk under anything that could fall on you, this includes equipment and processed timber.
- Avoid walking on log piles. Don't place yourself near something that could roll on you.
- Drivers should exit the truck before loading. Drivers should remain in a safe area until the truck is loaded.
- Avoid pinch points. A major pinch point is between the loader and the log truck. Pull away from the loader before strapping down.
- Never stand in-line to a buck saw. The buck saw shall be set pointing away from people and equipment.

By looking at the Big Picture a huge amount of risk can be avoided with any harvesting system. Very simply put, keep the body in a safe position. Be safe out there! ■



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