



FORESTRY MUTUAL NEWS

Newsletter of the Forestry Mutual Insurance Company

Vol. 8, Issue 4

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FROM THE PRESIDENT'S DESK...

On behalf of the entire staff at Forestry Mutual, I hope everyone has a happy and healthy holiday season. In spite of our economy, we have a lot to be thankful for, especially the loyalty of our policyholders. Even though we had 15% less premiums to operate with through the third quarter, Forestry Mutual was able to add to its reserve fund, which has a major influence on our company's insurance rating. Hopefully, the 2010 year will see improvements in the forest products industry, but in the meantime, the industry has been fortunate that all lines of commercial insurance have experienced a soft market.

In the big news department, we are extremely proud that our chairman, Michael Walters, has been appointed to the North Carolina State Senate. Michael surely will serve as a great resource for all the members of the General Assembly when they are discussing forestry issues, especially when it impacts the forest products industry.

In terms of our annual awards, we were once again honored to present two North Carolina businesses with the E.K. Pitman Safety Awards at the NCFAs Annual Meeting.

E.K. Pitman was the first chair of Forestry Mutual, serving from 1971-1984. He was a strong proponent of safety and the use of safety apparel. The safety awards reward businesses that show a genuine concern for the safety of their workers, going beyond the minimum safety requirements to ensure a safe and productive workplace.



(l-r) Bob Slocum, Senator Michael Walters, George Pace, Keith Biggs and Coy Baker pose for a photo after Walters was sworn in as a North Carolina State Senator in a special ceremony in November.

The Logger of the Year was awarded to Scott Broadway of SWB Logging. The Manufacturer of the Year Award went to Clement Williams of General Timber, Inc.

In another highlight, we presented the E.K. Pitman Safety Award to Victor Simmons as Virginia's Logger of the Year. I also was humbled to receive the 2009 President's Award from the Virginia Loggers Association (VLA). The VLA appreciated the support that our company has provided and helped to increase its membership.

We appreciate your business and ask that you call me directly with any questions at (919) 880-1006.

Sincerely,

Keith S. Biggs

COREY COUNTING ON RESOURCE

Billy Corey has been in the woods long enough to know the ups and downs of the logging profession so you won't see this 40-plus year logger panicking amid an epic economic downturn. Now, Corey is not exactly doing cartwheels, but he is keeping his cool during what he terms yet another transition period for his profession.

"You have to keep long term in the back of your mind when you are making short term decisions," stated Corey as he surveyed one of the two crews he oversees with his Tim-Con Wood Products Company.

And what keeps Corey confident about the future is the resource of pine and hardwood forests that he has grown up with as a native of eastern North Carolina.

"Our resource has been here forever," stated Corey. "That's the only constant thing. The only things that have not been constant are the mills and the uses. For us to sit here to think paper mills or whatever we are selling to today is going to be constant, we're fooling ourselves."

Corey, 62, started his career out of high school in the forestry department for Weyerhaeuser Company. He worked for Weyerhaeuser for 18 years, moving his way up the ranks. In his first few years he helped

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Billy Corey poses in front of a processing head that helps his crew be more efficient.

THE SAWSHOP

by Bryan Wagner
Chainsaw Trainer for
Forestry Mutual



THE TOP NEW YEARS RESOLUTION - SAFETY

With the coming of the New Year we always wonder what cards will be dealt during the year ahead. How will the forest industry be? What markets will I be able to take advantage of? These questions along with many others are pondered at New Years. One underlying factor must remain constant, SAFETY! A good New Years resolution would be to focus on the “Big Three” categories that carry the majority of risk on logging jobs.

OVER-HEAD HAZARDS

Without a doubt over head hazards present a major limb in logging risk. Catastrophic injuries and death are the result of this ever present risk on our jobs. To fight this risk we must be aware and LOOK UP!!

- Proper head PPE is mandatory on the logging job.
- Look Up and Out! Identify possible risk from above.
- Don't place your body under anything that could fall, this includes equipment.
- Maintain at least two tree lengths from any felling operation.
- Be visible!!! Wear high visible clothing.
- Use proper felling techniques.

MAINTAIN PROPER WORKING DISTANCES

The second big risk factor to conquer is working too close. Ground personnel and moving logging equipment can create extreme risk. Awareness is the key for avoiding a “too close” incident.

- Proper PPE is to be worn at all times.
- High visibility clothing is essential. If I can see you, I won't hurt you!!
- Maintain at least two tree lengths from any felling operation.
- Maintain proper distance from skidding activities. Toppers should use shield trees whenever possible.
- Machine operators should never enter a “safe zone” provided for ground personnel.
- All employees must be aware of “blind spots” on the logging equipment.
- Be especially cautious in and around the deck area, it's a busy place!

SLIPS/TRIPS/FALLS

Slips, trips and falls plague our industry. While this section may seem a silly to high light, let me assure this type of incident is no joke! Very serious injuries occur frequently in and around a logging operation. Being alert and aware can save a serious injury from a slip, trip or a fall.

- Always use the 3-point of contact technique while mounting and dismounting equipment.
- Keep platforms, steps and handles free from grease, oil and other foreign material.
- Maintain a firm grip while entering or exiting a machine.
- Proper footwear with good ankle support is mandatory. (No sneakers)
- Be focused! Keep your mind on the business at hand!
- Avoid climbing or walking on felled trees or limbs.
- Stay on the “uphill” side of felled timber and limbs.
- When not cutting, make sure the chain brake is engaged. ■

WORKERS COMPENSATION - IT'S YOUR BENEFIT

by Brandon Reavis, Forestry Mutual

Servicing the forest industry as we do, we often find ourselves interacting with a wide variety of employers and entity types. Increasingly common are employers who are incorporated in some capacity, but there are plenty of loggers out there who operate under an informal partnership or as individuals (sole proprietors). Each entity type has its own benefit, be it from a tax standpoint or to legally separate ones personal and business assets. A common thread between all these different entity and employers types however is the benefit of our Workers Compensation Laws.

Workers compensation laws have been on the books for more than a hundred years in most states, with the concept of employer liability dating back hundreds of years before that. Although compensation laws vary by state, the uniform protection is this: A benefit is prescribed for employees injured on the job, while in turn employers subject to a workers compensation law are protected from civil liability arising from that injury or disease.

The second part of that statement is what confuses most employers. The first part is rather clear – employee is injured while on the job, he is provided a benefit (medical, lost time, etc.) as directed by law. The benefit to the employer is somewhat more complex. Workers compensation is often referred to as “sole remedy”, meaning that the benefit the employee receives under the workers compensation system is the maximum allowable. In other words, if an employee is injured on your job he/she cannot turn around and attempt to collect anything additional from the employer. The workers compensation benefit is their “sole remedy”.

It is important at this point to keep in mind that workers compensation as a statute applies to everyone – regardless of entity type (corporation, sole-proprietor, partner, etc.) or the total number of employees. The scope of that responsibility is normally satisfied by providing a workers compensation insurance policy. It is equally important to keep in mind that dealing with an employer's requirement to provide a policy and the obligation to provide benefits are completely separate. Several states have a minimum employee provision that triggers the requirement to provide insurance, be it two, three, four or five employees. This does not mean that an employer who has less than the minimum is in the clear, they are still responsible for providing a workers compensation benefit to an injured employee. The only difference is they are not in violation by not satisfying that benefit with a workers compensation insurance policy.

Although rare, some states have provisions that allow employees to waive their right to protection under the workers compensation statute. If it is in fact legal (which most waivers are found to be worthless) the waiver would prevent an employee from filing a claim against that employer for a job related injury. Although this would seem like a win-win for the employer, nothing could be farther from the truth. Waiving an employee's benefit has a parallel effect of waiving the employer's protection from civil liability. The employee is now free to pursue the employer in civil court, welcoming in claims for pain and suffering, loss of use and other factors that would not be applicable in a statutory workers compensation settlement. Moving outside the workers compensation system has other disadvantages as well.

Keeping in mind that all employees/employers are normally eligible for benefit, it is advisable to make sure anyone working for your firm is covered. This would apply not only to employees but to contractors as well. Contractor arrangements can be difficult and a contractor relationship does not always absolve the firm of liability. It is certainly possible for an uninsured contractor to file a claim against an employer, regardless of their actual relationship. Courts have historically “gone up the ladder” in these cases, moving upwards until they hit the first insurance policy in

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Corey Counting on Resource...(from page 1)

construct many of the logging roads that now weave their way through Weyerhaeuser lands that he still logs on occasion. Corey advanced in the company to the position of production manager. Ironically, an economic downturn is what prompted Corey to step out on his own.

"Weyerhaeuser went through two downsizes," stated Corey. "As the layoffs started coming, the first time, they were given real good packages. Well, as time went on, the service packages got smaller and smaller, after about the second layoff, I realized I wasn't getting any younger, and that if I was ever going to venture out on my own, I need to go on and do it."

When Corey decided to strike out on his own, he and his wife of 42 years, Sharon, sat down at the dinner table to decide on what they would name their new venture. Daughter Connie, who was 9, and son Timmy, who was 6, joined in on the debate. Billy did not want to just name his company, Billy Corey Logging because that is what every one else was doing – which is a common theme with Corey – he is not going to follow the crowd.

"My little girl said, 'Well name it after me daddy' and my son said, 'Oh no, daddy, name it after me.'" So my wife said, why don't you name it after both of them," explained Corey.

Billy and Sharon moved the names around until they settled on Tim-Con Wood Products, a name that Corey chose to keep his options open as his company grew.

"We were just trying to step it up from the logging to wood products," stated Corey. "As it turns out, it has worked out good because we buy land, we sell various wood products and we are now looking into going into the mulch business."

When Corey first started his company, he had two employees besides himself, but he learned early on that he was going to expand his crew if he was going to make it.

"We started with three guys – one skidder operator, one cutter and I ran the loader myself," explained Corey. "I realized within a week that my ability to run the loader and run the job was not going to get it done. So, Charles Simpson come to work for me and he has been working with me ever since."

Within a few years, Corey added two more members to his crew, Johnny Carter and Gary McCray. Simpson, Carter and McCray have been with Corey ever since.

"These three guys are the long timers," stated Corey with a smile. "They have been here ever since we have been here, just about."

In addition, Corey has several crew members who have been with his company for 10 plus years. In those early days, Corey started his career as an independent company, buying stumpage and shopping it to various markets.

"I started cutting as an outside producer – that means you are on your own," stated Corey. "You buy your own stumpage and then you sell it to Weyerhaeuser or anybody else you can sell it to."

As indicated in the selection of his company name, Corey has always sought to unique. Corey believes that if you go to other logging jobs to see what everybody else is doing to get your business plan; you are probably heading down the wrong track.

"We always found that we do better with the niche market than we do with the open market," stated Corey who tries to be an innovator in his field. "With the wide open market, everybody does it."

Corey's desire to carve his niche market moved his company from a chipping operation into a swamp logging operation when he discovered that while working the wet grounds may be more of a challenge; it also presented an opportunity with more rewards and less competition.

Over the years, Corey has dabbled in all facets of the timber resource profession – Tim-Con Lumber, Tim-Con Trucking and Tim-Con Wood Products. These days, Corey's focus is Tim-Con Wood Products which provides jobs for 21 employees. And while he has seen a lot in his 44 years in the business, Corey is content to provide guidance from the top for his company.

"My role is the guy that signs the check on all the big purchases," stated

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ANNUAL REMINDERS

CLAIMS REPORTING

The following information is to assist policyholders to meet their obligation for properly reporting your injuries to Forestry Mutual.



J.J. Lemire

1. Any employee that is injured and is treated at a hospital emergency room must have a drug and alcohol screen completed by the treating facility. It is the policyholder's responsibility to order the drug and alcohol screen from the treating facility. If the policyholder cannot obtain a drug and alcohol screen, you must at the time of treatment immediately contact the Mutual's claims department (800-849-7788) and request their intervention. If in any case the employer fails to fulfill this requirement the Mutual may deny coverage of the claim.
 - a. Call 1-800-849-7788 to report claims promptly or use the state appropriate forms on our website - www.forestrymutual.com Click on the claims box on the left side.
 - b. If you feel a claim is not legitimate, report your suspicions as soon as possible.
 - c. If you have any questions regarding the status of a claim, reporting a claim, completing a form or the validity of a claim, please contact the claims department immediately.
2. It is imperative that the policyholder immediately notifies the claims department when a claimant returns to work. Also, any change that you feel may affect the claimant's status, such as termination of employment, knowledge of another job, etc., should be reported immediately.

TECHNIQUES TO REDUCE CLAIMS COSTS

The best way to control the cost of both your minor or major compensation claim is to avoid the emergency room when possible. We encourage all policyholders to establish themselves with a local general practitioner and orthopedic group with the understanding that when feasible, all injured employees will be directed to one of these doctors first as opposed to the emergency room.

OSHA RECORD KEEPING REQUIREMENTS

This information is provided to assist you in complying with the annual OSHA requirement for employers to post a summary of the total number of job-related injuries and illnesses that occurred during the previous calendar year. Summaries must be posted from February 1 to April 30, 2009. However, employers need only post the Summary (OSHA Form 300A), not the OSHA 300 Log. Make sure the summary is complete. It must list the total numbers of job-related injuries and illnesses that occurred in 2009 and were logged on the OSHA 300 form. Include the employment information about annual average number of employees and total hours worked during the calendar year. If you had no recordable injuries or illnesses in 2009, you still must post the form with zeros on the total line. In order for employees to view the OSHA 300A Summary, post it in a common area such as a break room or on a bulletin board or wherever you post other important notices to employees. Also, a reminder that employers with 10 or fewer employees, and employers in certain industry groups, are normally exempt from federal OSHA injury and illness record keeping and posting requirements. ■

Workers Compensation...(from page 2)

determining who will pay a claim. Making sure your contractors have their own insurance keeps that claim from becoming yours.

Workers compensation laws in any state serve a definitive purpose, to protect employers and employees alike. Beyond any consideration as to whether or not the owners, officers or partners are covered under a policy, core protection for your business and your employees is critical. Questions about your workers compensation needs should always be directed to your insurance professional and in some cases an attorney. Knowing the facts regarding your workers compensation liability can be the difference between protection and financial peril. ■

Corey...(from page 3)

Corey with a laugh and smile, “and I am trying to get out of doing that.”

Corey’s son, Tim, who had a role in the naming of the company, is now one of the company’s leaders. The elder Corey recognizes and appreciates his son’s ability to manage the crews and deal with the day-to-day personnel issues.

“We work together real good as a team,” stated Corey.

Corey’s daughter, Connie, the other player in the Tim-Con name game, chose to go to college and now works as a vice president with BBT in the human relations department.

Corey was named Forestry Mutual’s 2008 Logger of the Year for his safety record. The award is named after E.K. Pitman, who was the first chair of Forestry Mutual, serving in that role from 1971-1984. He was a strong proponent of safety and the use of safety apparel and he was no stranger to Billy Corey. In fact, Corey credits Pitman as one of the first to impress the importance of safety in the workplace when Pitman was with Weyerhaeuser and working with Corey as an independent logger.

“I give all the credit to Weyerhaeuser and all the people like Ed Pitman and others that followed him that were so persistent on being safe,” explained Corey. “Those managers used to tell us time and time again that they wanted us to come to work and go back home the same way you came. That has sort of been our philosophy too – we want people to come to work, work hard, go home tired, but not hurt.”

In addition to the emphasis on safety through education, Corey also credits the equipment manufacturers with upgrading the safety features of their machines.

“The first time I ever saw doors put on a skidder,” explained Corey, “I thought it was the stupidest thing I had ever seen in my life, and now we have air conditioned cabs - so we have come a long ways.”

With a keen eye on his bottom line, Corey also looks to equipment manufacturers to help him be more efficient and open the door to new markets. He won’t buy new equipment just to have something new – he wants improvement to justify the purchase.

“I learned real early on without an increase in productivity or a de-

crease in costs in maintenance, what’s the need in buying a new piece of equipment?” explained Corey.

As he surveys the job before him on this particular day, he points out equipment purchases that were based on improved production and cost savings. The first is a processing head on a loader that has opened a new market for his company through its accuracy.

“Every time I have been to this job and I see that processor work – I can see it making me money – and that’s the reason why we bought it,” explained Corey.

Corey has been running his own company now for 24 years, focusing on logging with a minor trucking division on the side. He enjoys his current role with company – senior advisor – and has set no date for his retirement party.

“My theory has always been if you are doing what you enjoy and you can make a living at it, then you are not working,” stated Corey. So, I have always enjoyed what I am doing so why would you quit.”

Corey maintains a busy schedule both on and off the job. He likes to have a lot on his plate. He is the Chairman of the Board of the County Commissioners in Washington County, the Chairman of the Board for the NC Professional Loggers Association and is active in several other organizations both inside and outside of the forest products industry. When pressed to name his biggest achievement, Corey smiles as he repeats one of his favorite sayings.

“We have not been broke and tired at the same time,” stated Corey as he explains that he has used that line time and time again in various conversations over the years. “But with the economy changing the past few years, it has almost made me liar two or three times.”

Corey may not be able to detail what markets will emerge from this current economy, but he is confident that markets will emerge for the timber that has grown for generations in eastern North Carolina.

“We are going through one of those cycles now with the change,” explained Corey. “I am optimistic, looking back in time, every sawmill, every mom and pop sawmill, that has ever been in existence since the first man took an axe to a tree till today, has gotten better. For me to think this is the end of logging would be foolish.”



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