



FORESTRY MUTUAL NEWS

Newsletter of the Forestry Mutual Insurance Company

Vol. 7, Issue 4

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FROM THE PRESIDENT'S DESK...

I hope everyone is enjoying this holiday season. As I travel across the states and speak with members of the forest products industry, I can honestly say this is the toughest economic time I have ever seen in my career.

Maybe the sole bright spot during these tough economic times is that all commercial lines of insurance have been priced favorably for the consumer. With the stock market changing everyday, I feel that the reinsurance market will harden during next year and with that will result in some rate increases. This soft market has also encouraged more carriers into the market on a short term basis.

In 2008, our losses were acceptable, but there is always room for improvement. We are still having too many truck accidents and employees getting hurt felling trees. Our current loss ratio is 43%, which is a reasonable ratio for a company focused on the forest products industry.

As most folks realize, the stock market continues to struggle, meaning companies and entities that invest a portion of their assets in the market have seen this portion shrink. Fortunately in our case, most of Forestry Mutual's investments are in bonds. The company has roughly five million dollars in the stock market, which

represents less than 13% of the company's holdings.

As we move into 2009, Forestry Mutual will shift its claims office for our Virginia policyholders. These claims will now be handled by Aegis Administrators, who is located in our office and handles the majority of claims for our company. This change will start on January 1. There will be more information about this change sent to our Virginia policyholders.

We hope everyone has a satisfying and safe holiday season. If you have any questions, please do not hesitate to call me at (919) 880-1006. On behalf of the entire staff at Forestry Mutual, we appreciate your business and loyalty.



Forestry Mutual President Keith Biggs

Sincerely,

Keith Biggs
Forestry Mutual President

FORESTRY MUTUAL'S LOCKLEAR EARNS NATIONAL RECOGNITION

By the time the program approached the awards portion at the American Logger's Council National Meeting, Jimmie Locklear was settled into his seat enjoying the atmosphere, taking it all in. It was not until ALC President Ezell Castleberry mentioned the word "TEAM" did Locklear's ears perk up.

Locklear, a logging program coordinator for Forestry Mutual Insurance Company since 1990, had no idea that he was in line for one of the two President's Award for Distinguished Service that were handed out in 2008.

"It was a complete surprise to me," stated Locklear. "I was just sitting there and then I heard the word, TEAM, and I knew something was going on."

The American Loggers Council, which has over 50,000 members in 29 states, selects the recipients for its Distinguished Service Awards through a vote of the ALC board of Directors. Interestingly, North Carolina is not represented on this board so Locklear's contributions clearly were recognized by his peers both within and outside of

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(l-r) Keith Biggs, Randy Mickey and Jimmie Locklear pose for a photo during a visit to Mickey's logging job.

THE SAWSHOP

by Bryan Wagner
Chainsaw Trainer for
Forestry Mutual



LOGGING IN COLD WEATHER

Loggers are a tough breed of people. Being able to work comfortably in bad conditions can insure our safety and profitability. Having grown up cutting timber in the northeast, cold weather was just part of the game. For nearly twenty winters, I cut timber in sub-zero temperatures. A properly dressed and conditioned timber-cutter can be very effective in the cold temperatures. In my case, I didn't have a choice, if I didn't cut, I didn't get paid! Below are some tips that can help maintain profitability and comfort during our winter logging activities.



Modern logging equipment is equipped with many creature comfort options. It is usually "nice and toasty" in the cab of logging equipment during the winter. What if the machine breaks down or the operator is forced to be in the harsh elements? Are you properly dressed to work in the cold and wet conditions?

The opposite is true for timber-cutters and toppers. High physical demand is the norm for saw-hands. Perspiration caused by physical demand must be wicked away from the skin to remain dry. Wet or damp clothing allows the cold to set in. Basic cold weather gear should include from head to toe:

1. The head is a major area for heat loss in the human body. Hard hats are mandatory on the logging job. Hard hat liners can be added to retain body heat and protect the ears from the elements. Chain saw operator's helmet system has earmuffs built in; they provide protection from extreme conditions.
2. For the neck area, a turtleneck or a choker can retain body heat created in the chest area. Do not wear scarves; they can be entangled in moving parts such as fans, belts and PTO shafts.
3. A first layer of long underwear should retain the body's core temperature. Synthetic material, capable of wicking moisture away from the skin is preferred. Cotton material tends to absorb moisture and stays wet, encouraging cold. Layered clothing allows heat retention and lets perspiration travel away from the skin, keeping the body dry.
4. The hands are another major area for heat loss. Extreme cold can cause frostbite to unprotected skin. Avoid touching metal objects with bare hands in extreme cold conditions. Lined or insulated leather gloves are a good choice for mechanized equipment operators. Timber-cutters have the choice of protective gloves or mitts. Chainsaw mitts are favored for warmth and can be worn with liners for extra warmth.
5. The final area to be protected is the feet. Heavy duty insulated boots are recommended. Good traction is important in mud, snow and ice; choose the right sole to insure your safety. Avoid tight fitting boots, they can restrict blood flow and limit the amount of trapped air used for insulation. The outside covering of boots can be made from rubber, leather, or synthetics; the key is to keep the feet dry. A good moisture wicking sock is recommended. If the boots are wet after the day's work, dry them. Keep the boots free from mud. Boot dryers are available from logging supply houses and sporting good stores.

Our industry requires forest products year round, sometimes 24-7. Being able to work comfortably in the cold will insure our safety and productivity. Stay warm and dry, be safe. ■

HANDS THAT LAST A LIFETIME

by Jimmy McCraney, Manufacturing
Safety Trainer for Forestry Mutual

Let's take a minute to talk about your hands. How would your life be affected if you lost a finger? How about if you lost your thumb? No problem you say? Try using any tool effectively without your thumb. What if you lost a hand or both hands? I know of one person's grandfather who lost both of his hands and forearms in a sawmill accident. While he was a remarkable and successful man, there were many things that people with two good hands take for granted that took him years to master. Like eating with a fork, (he refused to use prosthetics), or tossing the football around with your grandson. What would you do if you lost your hands? Think about it. It probably would not be what you are doing right now.

Accidents do not just happen. They are caused by not paying attention and by not thinking of what can go wrong before it does go wrong. I am sure that you can think of instances in your own life where you or somebody you know or love was injured because of these simple reasons. The grandfather who lost his hands as a young man did so because he did not properly shut down a machine (Lockout/Tag Out) before he tried to dislodge a piece of lumber. You may be shaking your head and thinking that you would never do such a thing. But how many times a day do you do something that could result in an accident to yourself or those around you? Someone somewhere suffers an injury every single day, every single hour and possibly every minute.

The sawmill, logging, and other wood manufacturing industries are especially prone to hand injuries. There are rough materials to handle, objects to be stacked and stored, tools to be utilized, equipment to be operated. All pose special risks to hand injury. To come up with a list on how to protect your hands in each and every situation would be impossible. The list would be never ending. Each new advance in machinery technology also advances the opportunities for people to damage their hands.

People usually approach the task "at hand" in one of two ways: they either don't think of safety before they jump into the task or they think that they "won't" or "can't" hurt themselves. Do the smart thing; before you begin a project, pick up a tool, start a piece of equipment, think of the accident that CAN and WILL happen unless you think it through. Apply the "what if" criteria of safety to what you are doing:

What if...the knife slips while I am stripping this wire -- will I cut myself?

What if...the screw driver slips off this stubborn screw -- will I puncture my hand?

What if...I take off that guard before locking out equipment -- could I lose a finger?

What if...I incorrectly use this chain saw -- could I cut off a hand?

What if...I don't wait for internal machine parts to coast down -- could I lose both hands?

Keep your mind on safety --- protect your hands. Think the job through before starting. Having done the job a thousand times encourages complacency and makes you more at risk to injury. Make yourself and others knowledgeable of equipment, machinery, and tools that create potential hand hazards. Be the person that encourages safety, looks for workplace hazards, and makes sure they are corrected. You came to work with two hands ready to get the job done -- protect them throughout the day and return them home safely. Protect your hands and they will take care of you for a lifetime! ■

2009 CAROLINA LOG'N DEMO
SEPTEMBER 26, 2009
SITE TO BE DETERMINED

Locklear Earns National Award...*(from page 1)*

the Tar Heel State.

Locklear credits his work with the TEAM program as the key to his selection.

"He has without a doubt proven himself to be truly concerned with the safety of our profession," stated Castleberry, President of the ALC when presented Locklear with his award. "He has been instrumental in putting a rare group of people in the same room, discussing in a civil manner, the need to look at improving safety and fire detection and suppression systems on our equipment. In fact the group is known as TEAM."

The concept of TEAM, which is short for Timber Equipment Application Management, was conceived by Forestry Mutual Keith Biggs and his staff. Forestry Mutual field representatives work closely with their policyholders, providing hands-on training and safety guidance on a regular basis.

Through this contact, a recurring theme was emerging – the cost for equipment insurance was going through the canopy. Several companies were just dropping their coverage of forestry equipment all together.

"We were hearing stories of equipment rates jumping even on loggers who had never filed a claim," stated Forestry Mutual President Keith Biggs. "Companies were just reacting to national numbers – particularly claims for total loss based on fire. We really weren't sure how we could help, but we thought a collaboration of several different groups might be able to offer some solutions."

In 2001, Biggs appointed Locklear as the chair of this newly formed group and extended invitations to insurance carriers, equipment manufacturers, loggers, insurance inspectors and others to come to Raleigh and discuss the issue.

"I picked Jimmie to chair this committee because we wanted it to be an open and inviting type of working group," stated Biggs. "Anyone who has ever met Jimmie knows that he has the ability to talk, and make people feel comfortable. He was a natural fit."

Locklear, a native of Robeson County in North Carolina, came to Forestry Mutual in 1990 after spending much of his life in the

woods as a logger. His dad, Sam, was a career logger.

"My dad went by two names – Logging Sam or Honest Sam – either way – he was tied to his job, and he loved it," stated Locklear.

After graduating from Fayetteville Technical in 1969, Locklear earned his civil engineer technical degree and spent five years working for the City of Winston-Salem. In 1974, the draw of the woods drew Locklear back to Robeson County to work with his dad.

For the next 15 years, Locklear logged at his father's side, which provided some of the training that would be instrumental in the TEAM concept. The Locklears were swamp loggers and as Jimmie explains, the equipment they employed was not always designed for their purposes.

"Most of the machines we used were designed to work on snow or in rice patties," stated Locklear. "So we often had to rebuild the machines before we ever used them. We even had an engineer from Canada visit one of our jobs to see one of our machines that we had redesigned. It ended up being added the new models that came out in the 80's."

The Locklears ran a crew of about 10 people and the terrain mandated that much of the felling be done manually. There was no ProLogger program, which was created in 1994 by the North Carolina Forestry Association.

"It was more like, here's the saw and there's the tree," stated Locklear.

Unfortunately, the Locklear's Company suffered two tragic accidents during their career – a logger death and a logger who was paralyzed over the lifetime of their business. Faced with the prospect of investing a large sum of money in equipment upgrades to solve safety and labor issues, the Locklears had to take a moment to reevaluate their company.

In 1988, Logging Sam decided he had enough of the woods and trying to make a profit in the face of equipment costs, labor issues and high insurance rates.

"We sat down one Sunday afternoon and discussed the future of the company," stated Jimmie. "He said he wanted to retire – so I said I would too."

(continued back cover)



SAFETY ALERT

by J.J. Lemire

Director of Loss Control
for Forestry Mutual

REPORTING REMINDERS FOR THE NEW YEAR

The following information is to assist policyholders in meeting their obligations for properly reporting your injuries to Forestry Mutual.

1. Any employee that is injured and is treated at a hospital emergency room must request that a drug and alcohol screen be done 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. Report claims promptly. North Carolina, South Carolina and Virginia at 800-849-7788.
 - b. Report claims of questionable legitimacy as soon as its legitimacy is suspected.
 - 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 for Reducing the Costs of Claims

One of the most basic ways to control the cost of your compensation claims, both minor and major 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 2008 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 2008, 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. ■

Locklear Earns National Award...*(from page 3)*

For a year, Locklear tried his hand at running his own trucking company but soon discovered the difficulties of earning a living in that field.

"Trucking was less profitable than logging," stated Locklear.

Turning to the company that he once was a policyholder of, Locklear was hired in 1990 for Forestry Mutual. As a field representative, Locklear got to maintain his connection to the field he loves so much – logging.

"I was raised a logger," stated Locklear. "I always look at things from a logger's perspective. You know what they say once a logger, always a logger. I am proud to be part of this group."

With his background and personality, Locklear took on the challenge of guiding TEAM as they set out to see if they could provide any solutions to the fire control issues. With a diverse group – engineers, loggers, and insurance field representatives – the group identified some basic issues in terms of fire prevention and fire suppression.

"We were really impressed with how engaged the equipment manufacturers were in these discussions," stated Biggs. "They listened to the stories and suggestions our loggers and field reps had to offer and came up with some concrete applications for their machines. Everyone checked their ego at the door – that's for sure."

In addition to a development of a specific fire safety course that was incorporated to the NCFAs ProLogger program, printed safety flyers and some fire safety stickers, the group proposed a special whole be placed in the grill of each machine in the exact spot where a fire extinguisher would be most effective in extinguishing an engine fire. The circle would be highlighted in red and in the case of fire would remove the need for a logger to lift the grill.

On a recent visit to Forestry Mutual's 2007 Logger of the Year, the Carpenter Brothers, James Carpenter was complimenting Tigercat for their ability to work in subtle improvements to their machines without any knowledge of TEAM's recommendations.

"Tigercat just seems to pay attention to the little things," stated James as he points to his skidder. "They got that little circle right there in the grill. If you have a fire, you take your fire extinguisher and that's the main point to hit."

Since TEAM was first formed, Locklear points out that several companies have provided supported for the program by sending engineers to the meetings. These companies include Caterpillar Franklin John Deere, Komatsu, Peterson Pacific and Tigercat

Keith Biggs, who was along for the visit, could not suppress the smile coming over his face, knowing that Forestry Mutual's TEAM concept, was now actually a reality for his policyholders in the field.

"To me," stated Locklear, "being involved with the TEAM program and being able to contribute to the safety of the logging profession – it is very rewarding. I appreciate that I have a boss like Keith, the staff and a board that supports my involvement with the program. I think we have made some real progress."

TEAM last met in October. The goal of the group is to build upon the initial success by developing a structure and operating budget. The group hopes to apply for grants and produce a new safety training DVD that will focusing on fire prevention. The group is also launching a website soon – www.loggingTEAM.org. Team will also be working closely with the FRA on future projects. ■



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