



FORESTRY MUTUAL NEWS

Newsletter of the Forestry Mutual Insurance Company

Vol. 6, Issue 2

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FROM THE PRESIDENT'S DESK...

Once again we have entered into a soft market for commercial lines of insurance. With the cost of nearly everything a policyholder has to purchase rising in costs, the one thing that has gone down in price is commercial insurance. It is truly a buyer's market.

However, I would caution all of our policyholders with the saying, "buyer beware." I've been in this business for over 25 years and every four or five years, a soft market hits despite market conditions.

For example, inland marine coverage got down to only a couple of markets four years ago. If you had a recent loss, you had even fewer options. For those with multiple losses, there was no market.

Today, there are several carriers for inland marine and some loggers are getting a combined rate of less than \$2.00. It doesn't take a rocket scientist to do the math.

These rates are not sustainable, leaving those companies that are truly here to serve the forest products industry holding the bag for the next several years.

The same is true for workers compensation. How can the rates for insurance drop in the face of rising medical costs,

including prescription costs that have experienced double digit increases. In today's health care, patients are encouraged to schedule more rehabilitation visits after an incident more than ever.

At a recent workers compensation seminar sponsored by NCCI, numbers showed that the traditional cost of a claim was about 65% wages and 35% medical. Now, these numbers have inverted due to the rising cost of medical treatment.

In light of these facts and figures, it does not make sense that there would be deals to be made in workers compensation coverage. But these artificial soft markets are created when larger insurance carriers buy up other business to invest in the stock market.

While others will look for the opportunity to make a buck, Forestry Mutual remains committed to providing the best safety training programs and coverage for its policyholders. It is a niche we have been filling for the past 35 plus years. We thank you for your business.

Sincerely,

Keith S. Biggs



Keith Biggs

NO STANDING STILL AT NOLES

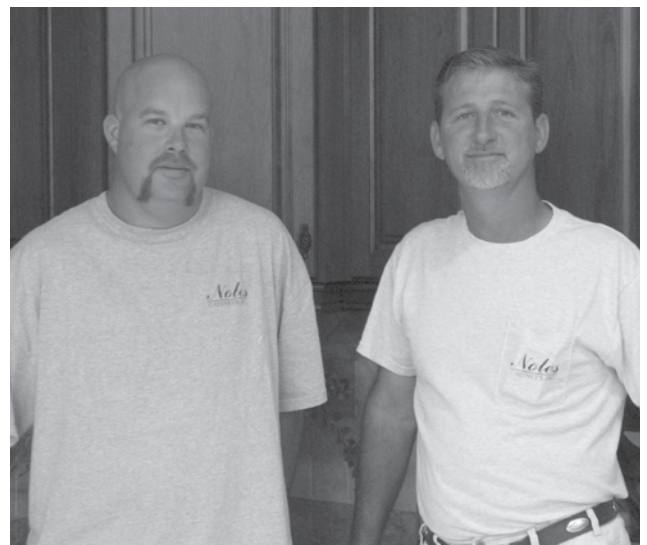
Hall of Fame pitcher Satchel Paige is credited with saying, "Don't look back. Something might be gaining on you."

After spending some time with Doug Noles, President and owner of Noles Cabinets, Inc., you get the feeling that he is on the same page with Satchel when it comes to his family owned business located in Fuquay-Varina, North Carolina.

"You got to stay ahead of the times and your competition or you fall behind," stated Noles as he walks through his year-old facility that covers some 18,500 square feet and features a state of the art show room. Noles Cabinets was started in 1979 by Noles' parents, Robert and Jackie.

"He built them. She stained them. He finished them and they both installed them," explained Doug who was in el-

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(l-r) Noles Cabinets Vice President Shane Haddock and Noles Cabinet President Doug Noles pose for a photo in the company's new showroom. Noles Cabinets won Forestry Mutual's 2006 Manufacturer of the Year Award.



SAFETY ALERT

by J.J. Lemire
Director of Loss Control
for Forestry Mutual

BEAT THE HEAT

Those working in the forest products industry must be vigilant in the summer as with high humidity and heat can pose serious health issues. Heat-related illnesses can start with heat cramps. Heat cramps are painful muscle spasms caused by loss of electrolytes from heavy sweating. The next stage of heat-related illness may not be far away. Heat exhaustion and heat stroke develop from prolonged exposure to heat. If employees develop any of these conditions, immediately get them out of the heat so they can rest.

Heat stroke is the most dangerous heat related disorder there is and it is a medical emergency. A heat stroke does not have to be caused by exercise or exertion. High temperatures, lack of body fluids and overexposure to the elements can all bring about a heat stroke. A heat stroke is a fast acting, dangerous killer. Anyone exhibiting the signs and symptoms of heat stroke should be rushed to the nearest hospital or clinic.

Understanding the signs of heat-related illnesses could protect you and others from heat stroke. Train employees to watch out for each other and familiarize them with the symptoms of heat illnesses.

- Red flushed skin
- Seizures
- Headache
- Rapid pulse
- Unconsciousness
- An internal body temperature of 106-degrees or higher
- A person that is suffering heat stroke does not sweat

Next, train the employees on how to respond if someone develops heat exhaustion or heat stroke.

Heat exhaustion: Lay the employee down in a cool area with his or her legs raised. Remove excessive layers of clothing. Give up to one liter of water. Do not give anything to drink if the employee vomits. Cool the worker with cold, wet cloths and a fan.

Heat stroke: Call for medical help immediately. While you wait for help to arrive, move the employee to a cool place, remove clothing down to underwear and apply ice packs at the neck, armpits and groin. Cover the employee with wet towels or cloths or spray him or her with cool water and fan the employee to quickly evaporate the dampness on the skin.

The easiest way to avoid heat stroke and other heat disorders is to keep your body well hydrated. This means drinking plenty of water before, during and after exposure to the elements. Sports drinks are a good choice if you are working in hot conditions, but water works fine, too. Avoid caffeinated drinks as they tend to make you thirst more.

Work in areas that there is plenty of airspace that will allow your body to naturally cool itself. Resting in a shaded, open area will help your body rid itself of heat through sweating.

Light colored, loose fitting clothing will aid your body in breathing and cooling itself down naturally. Tight clothing restricts the cooling process and dark colors absorb the sun's light and heat.

Heat related illnesses and heat strokes are preventable. Most doctors recommend consuming eight or more glasses of water a day during normal weather conditions and twice that during high-heat periods. ■

Noles Cabinets...*(from page 1)*

ementary school when his folks embarked on their business venture.

"Of course, it was a family business so I worked sweeping floors," stated Noles. "I built my first cabinet when I was 13 and I have been doing it ever since."

Noles credits the decision to move from the traditional face-frame style cabinet to building the extremely popular European style cabinets early in the 1990's as one of the reasons for his company's current success.

"Your true European cabinet takes the face frame out of the equation - which saves you in materials, labor and finishing," explained Noles.

Noles out sources all of his doors through the Conestoga Company, meaning he can focus on production without worrying about stockpiling the raw materials for door construction.

And count Doug's dad, Robert, as one of those folks Doug encouraged to be ready to change with the times.

"My dad told me that there is no way you can buy doors as cheap as you can make them," stated Doug. "But in reality, without the manpower and the equipment, I can buy doors pre-finished cheaper than he could buy the materials and build them. He said it would never work, but it has."

Relying on a supplier such as Conestoga allows Noles to provide more product options and a quick turnaround for the more than 50 builders that the company currently supplies on a regular basis. Noles estimates that his company produces enough cabinets to complete 27-30 homes a month, servicing builders from Wilmington to Virginia.

Doug and his wife, Jennifer, took over the business in 2000.

Noles' forward looking business approach is also evident in his new facility and the equipment that makes it hum. The company's equipment is updated every six or seven years and features the latest

computer technology.

While Noles is focused on staying ahead of the curve, his values are very old fashion - values that were learned while graduating from 'Noles Cabinets College.'

His first building assignments from his dad centered around counter tops and pesky laminate. Tired of being cut by laminate, the younger Noles nagged his dad to give him a more worthy opponent.

"I told him that I wanted to build some cabinets," recalled Noles. "So he gave me six bathrooms and one laundry room. I built them and installed them. The builder actually called my dad and wanted to know who built them. He said, 'Doug' and she said, 'Let him build the rest of them from now on.' We have been working with them now for 30 years."

He smiles when he retells his story, but his point of pride really isn't in his wood working skills, but the fact that he still has a working relationship with that builder.

Noles Cabinets has 22 employees, but no specific sales staff. Noles believes his company's quality product, competitive pricing and excellent service provide all the necessary advertising in the building community to be competitive.

"Service is the big thing for our company," explained Noles. "If you don't have service, you are not going anywhere."

In addition to his work with builders, Noles deals almost exclusively with the Wurth Wood Group for his raw materials such as plywood, stain, door slides and edge banding.

"We have had a relationship with those guys for years," explained Noles. "We might be able to get it cheaper somewhere else if we really searched, but again, the service is the difference."

Noles puts the same emphasis on providing a safe and quality work environment for his employees.

Noles Cabinets was named Forestry Mutual's Manufactur-

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WORKPLACE SAFETY IS A TEAM EFFORT

by Jimmy McCraney, Manufacturing Safety Trainer for Forestry Mutual

The workforce of the 21st century is not only better off today than it was a century ago; it is also far better off from a safety perspective. In 1913, the Bureau of Labor Statistics (BLS) documented 23,000 industrial deaths among a workforce of 38 million people -- equivalent to a shocking 61 deaths per 100,000 workers. Recently, the BLS reported over 6,000 deaths, among a workforce of 134 million people, or fewer than 5 deaths per 100,000. Fewer, but still way too many.

These numbers demonstrate that we have made great strides in improving worker safety over the last century. The Department of Labor, manufacturing, as well as members of the logging industry as a whole, should be commended for its commitment to improving worker safety. But these improvements also demonstrate that the new century and a new workforce require a new approach to the safety requirements that are based on cooperation and prevention.

Getting employees, supervisors and management involved in your overall safety program is essential in the success your company will enjoy. The best worker safety and health protection occurs when everyone at the worksite shares responsibility for protection. For that to happen, all employees must know that they are helping to develop the program. Employees at all levels should be actively involved in finding and correcting safety and health problems. This does not mean the employer gives up responsibility and authority. OSHA places responsibility for worker protection against occupational hazards squarely on the employer.

For an effective safety and health management program, it is crucial that everyone in

the workplace or worksite understand his/her role in that program, the hazards and potential hazards that need to be prevented or controlled and the ways to protect themselves and others. You can implement such a program by:

- ❑ Ensuring that employees understand workplace hazards and their safeguards.
- ❑ Ensuring that supervisors understand their responsibility to: eliminate or safeguard against hazards, maintain physical protections and enforce safety rules and policies.
- ❑ Ensuring that managers understand their responsibilities to maintain a safe workplace

EMPLOYEES: At a minimum, employees must know the general safety and health rules of the worksite, specific workplace hazards and the safe work practices needed to help control exposure and the individual's role in all types of emergencies. You can achieve through initial job training, periodic safety and health training and emergency drills. Specialized training may be needed to teach skills required for specific job task. The OSHA regulations state the following: Ensure that all employees understand the hazards to which they may be exposed and how to prevent harm to themselves and others from exposure to these hazards, so that employees accept and follow established safety and health protections.

SUPERVISORS: Supervisors should be given specific training to help them understand their leadership role. They should be taught to look for hidden hazards in the workplace, to insist upon the maintenance of the physical protection in their areas, provide job specific train-

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THE SAWSHOP

by Bryan Wagner
Chainsaw Trainer for
Forestry Mutual



WORK SMARTER, NOT HARDER IN THE HEAT

In the past twenty years the forest industry has been blessed by mechanization. The amount of hard and demanding physical labor has been reduced greatly. The introduction of grapple skidders, feller-bunchers, buck saws and delimiters have reduced risk in the forest industry. Such equipment has also reduced the physical exertion of logging employees. The cabs of the newer logging equipment provide for a comfortable working environment, providing heaters and air conditioners.

On the other side of the coin, timber cutters and saw hands have a very physically demanding job. When the heat of the summer is thrown into this equation, fatigue is the result. Fatigue is a very serious risk that must be dealt with in our industry. It's human nature, a fatigued person will take a short-cut. Short-cuts in the logging woods can prove to be lethal. Fatigue affects the thought process. If we can limit or reduce fatigue levels, we end up with an alert, clear thinking timber cutter. To limit fatigue in the summer heat we must look at personal health and physical exertion. Above all, we must stay hydrated. 'Gas for the saw and water for me' is a saying that should be followed. Strenuous physical exertion may be reduced by working a little smarter, not harder.

TIPS FOR HOT WEATHER MANUAL LOGGING

- Drink plenty of water before, during and after exposure to the heat. Dark yellow colored urine is a sign of not enough water being consumed.
- Avoid caffeinated drinks - they tend to make you thirstier.
- Keep in the shade as much as possible.
- Wear light colored, loose fitting clothing.
- Doctors recommend at least eight glasses of water on a normal day, twice that should be consumed during high heat periods.
- Work smart, the brain can save a lot of foot steps, less foot steps, less fatigue.
- If at all possible do most of the manual felling during the early morning to avoid the heat of the day.
- If possible, toppers should be stationed in a shaded "safe zone" from the skidders.
- Limit the time your toppers are exposed to the direct sun. Make one trip out of the safe zone to top three or four drags, rather than running out to top single drags of wood.
- Timber cutters can cut their whole drag, before going down to top the timber. Limit your trips up and down the slope.

Ultimately, we have to work in the heat to feed our families and pay the bills. If we pay attention to keeping enough water at the job and take the time to think through a work plan, fatigue can be reduced.

A sharp and alert mind will conquer risk by employing a proper technique or a correct decision. Beat the summer heat by working smarter, not harder. ■

Workplace Safety is a Team Effort...*(from page 3)*

ing and when necessary take enforcement measures.

MANAGERS: All managers must understand their own responsibilities for safety and health. This probably will not require special classroom training; however, it will require effective communications with your supervisors and employees. Understanding, developing and implementing OSHA program requirements will raise managers' safety and health awareness.

Remember, the best worker safety and health protection occurs when everyone in the workplace shares responsibility for protection. For that to happen, all employees must know that they are helping to develop the program. The wise employer uses employees' unique knowledge and experience to help find problems and resolve them successfully.

Contact Forestry Mutual Insurance Company at (800-849-7788) or Jim McCraney at (704-301-2919). This training is free of charge to all policyholders and is especially designed to assist managers/supervisors to effectively carry out their safety and health responsibilities. ■

SAVE THE DATE CAROLINA LOG'N DEMO SEPT. 22, 2007 - CANDOR, NC



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Noles Cabinets...*(from page 2)*

ing Company of the Year in 2006.

"We try to keep up with everything that is new," explains Shane Haddock, the vice president at Noles Cabinets. "The new machines are a whole lot safer than what they used to be. With help of Chris Huff (Forestry Mutual agent), coming in every now and then and telling us things to look out for, it's pretty self-explanatory. Whenever a machine is broken, it is easy for the employee to figure out what he has to do first to make sure it is locked out properly."

Haddock came to Noles Cabinets in 2000 after operating his own interior trim company.

"He is a big part of our success," states Noles. "He's got the biggest job - as far as - dealing with builders, dealing with superintendents, making sure the install crews are there, making sure we are delivering

on time, making sure that all the parts are here, he's got his hands full every day."

Noles appreciates the efforts of all of his employees and his loyalty has been reciprocated.

"A lot of guys have been with us for several years," explained Noles. "Some of them have been with us over 17 years. We don't have a lot of turnover."

The number one challenge for Noles and Haddock is keep pace with its impressive list of builders. Not a bad problem to have, but for two service-oriented businessmen, it is a top priority and in the end, a worry.

"We are real loyal to the people we deal with," stated Noles. "That's hard to get from a lot of people these days, but we just feel like if we keep that relationship that things will go better." ■

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