

FORESTRY MUTUAL NEWS



Newsletter of the Forestry Mutual Insurance Company

Vol. 6, Issue 1

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FROM THE PRESIDENT'S DESK...

Looking back, 2007 was an up and down year. On the up side, we ended the year with an excellent 44% loss ratio. This puts the last three years between 40% and 45% at year end. One area that still is hurting us is adverse loss development from claims made in prior years. Our surplus went down from \$11.4 to \$10.2 at the end of 2007. The good news is that a large number of the open claims prior to 2004 were closed during 2007. With the increase in medical cost and prescription drugs, we are striving to close as many claims as possible as soon as we can to prevent some of these ever soaring costs.

Another area that you heard us talk about last year that affects all industry is trucking. We sustained more fatal truck injuries last year than in previous years. I have spoken with other carriers and they are experiencing the same results. Forestry Mutual is currently compiling some driver training material for our policyholders as well as looking to help sponsor a trucking video. One area that is immediate and that each policyholder can already be working on is drug testing your drivers. Forestry Mutual has established a consortium with the National Trucking Association to help its policyholders with this.

Wood Products Intermediaries, the agency that Forestry Mutual owns has now changed its

name. The new name for the agency is the FMIC Insurance Agency Inc. The agency has added a new marketing person to the agency but not so new to Forestry Mutual. Nick Carter, our South Carolina Field Representative, will be working for the agency now as a direct writer. Carter along with Jimmie Locklear and our agency manager, Eddie Campbell, will be striving to continue to build both the agency as well as Forestry Mutual.

Forestry Mutual is in the process of streamlining its billing process by installing the technology to accept credit card payments and scan checks.

As always we appreciate your loyalty and your business. Please do not hesitate to contact me if you have any suggestions or concerns.

Sincerely,

Keith S. Biggs



Forestry Mutual President Keith Biggs

MICKEY MANAGES A VETERAN CREW THROUGH MODERN TIMES

Early in his forestry career, Randy Mickey of R.R. Mickey Logging, was smitten with the idea of being a professional logger and his own boss. Roughly 27 years later, Mickey, one of North Carolina's top loggers, is not so sure he made the right career choice so many years ago.

"Now, I don't know if that was a good decision or not, but I enjoy what we are doing," stated the 56-year old Mickey with a smile.

Mickey, who primarily cuts for Canal Wood in the sandhills area, was born in Kernersville and after graduating from East Forsyth High School in 1969, he earned his associate's degree in Forestry from Wayne Community College.

Fresh from school, Mickey started his career with The Horner Waldorf Company in Roanoke Rapids. The focus of his job was primarily land acquisitions, which Mickey noted is quite the opposite trend of today's approach to

timberland ownership.

After a few years, Mickey took a procurement position with Weyerhaeuser. It was this experience that put him in more direct contact with loggers and sparked his interest in the profession. Catching on with Canal Wood in the late 1970's, Mickey was drawn into the sandhills area.

"When I started working with Weyerhaeuser, I started dealing some with loggers and then some more with Canal," stated Mickey. "I just got inter-



Randy Mickey is a veteran logger who owns and operates R.R. Logging in the North Carolina sandhills.



SAFETY ALERT

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

LOGGING CREW IN TRUCK WRECK

BACKGROUND

On a cool January morning, at approximately 6:35 a.m., three company employees were injured while riding in a company-owned crew truck. Weather was not a factor in this accident. The weather was clear and 27 degrees with visibility to 10 miles. Sunrise was at 7:20 AM. The driver of the 1997 Dodge Crew Truck had picked up two passengers and was driving west en route to their job site in eastern North Carolina.

According to the Highway Patrol report and an eyewitness to the accident, the empty log truck was stopped and had begun to back across the west bound lane onto a log deck. The crew cab truck struck the trailer just behind the raised landing gear of the trailer. The Highway Patrol report states that the driver of the log truck failed to see the oncoming vehicle and backed into the path of the crew truck. The log truck driver was charged with a "Safe Movement" violation. Estimated speed of impact was 55 mph and there were no skid marks at the accident scene. The log trailer did not have side marker lights or sufficient reflective markings and this made the trailer more difficult to see in the early morning hours.

PERSONAL CHARACTERISTICS

The crew truck driver was a 40-year old man with one-month experience behind the controls. He was considered fully trained and was a good employee with over 10 years working in the woods.

UNSAFE ACT

1. The truck driver backed his trailer into the path of a truck.
2. The log trailer did not have side marker lights or sufficient reflective markings.

INJURY

The driver suffered multiple injuries and was airlifted to a hospital. The passengers were transported by ambulance.

(continued on page 3)

WHAT'S IN A NAME?

In an effort to make a stronger name-recognition connection between Forestry Mutual Insurance Company (FMIC) and Wood Products Intermediaries among our policyholders and the general public, Wood Products will now be called FMIC Insurance Agency, Inc.

"While our name is changing, our commitment to providing top quality coverage and excellent customer service will not change," explained FMIC Insurance Agency Manager Eddie Campbell. "Current customers of FMIC Insurance Agency will be receiving additional information by mail. Check us out at www.forestrymutual.com and click FMIC Insurance Agency or Marketing link. Also, feel free to contact us at 866-755-0344 if you have any questions regarding this change. We look forward to serving your needs."

FMIC Insurance Agency supports the workers compensation provided by FMIC with other lines of insurance such as auto liability, general liability, logging equipment, property and umbrella. ■

WHY CPR AND FIRST AID TRAINING

By Jim McCraney, Forestry Mutual Safety Trainer

Suppose that you were at work one afternoon and came across a co-worker or possibly your boss that was unconscious. Would you know what to do? If there were a chance to save his/her life would you have the necessary training? You do not have much time to answer these questions, as the first few minutes are critical to an unconscious victim. Would you go for help or stay and try to save the life of someone you know?

If you were trained in CPR & First-Aid the answer to those questions would have come relatively easy. The straight forward answer to why a person should be trained in CPR is that brain death occurs within approximately six minutes of the heart stopping. The chance of a life-threatening emergency ending in premature death or extended period of injury can be reduced by more people trained in recognizing an emergency and knowing the steps to take. Studies by the American Red Cross show that 90% of people who use CPR, do so on someone they know.

Ten Reasons to take CPR or First-Aid training

1. After someone stops breathing, or the heart stops beating, he or she can survive for only four to six minutes before lack of oxygen results in brain damage or death. CPR can buy extra time for someone, by artificially circulating oxygen to the brain.
2. Over 70% of all cardiac and breathing emergencies occur in the home when a family member is present and available to help a victim.
3. Accidental injuries are the leading cause of death in children and send over 16 million to the emergency room each year.
4. Over 1.5 million heart attacks occur each year and approximately 350,000 of these victims die before ever reaching a hospital.
5. The American Heart Association (AHA) estimates that more than 200,000 lives could be saved each year if CPR is performed early enough.
6. Approximately seven million disabling injuries at home and work occur each year that may require CPR. Some include: Electric Shock, Heart Attacks, Drowning, Severe Allergic Reactions, Choking, Drug Overdose, and Suffocation.
7. The country's top killers are heart attacks and accidents, claiming a life every 34 seconds in the United States.
8. One in six men and one in eight women over the age of 45 have had a heart attack or stroke.
9. AHA records indicate that 45% of all heart attacks occur in people under age 65
10. Re-training and retention of CPR learning is a major requirement. Studies have shown that memory of CPR skills and knowledge tends to deteriorate as early as three months. ■



Mickey Manages A Veteran Crew...(from page 1)



(l-r) Randy Mickey, Charles McKnight, Luke Diggs and Wayne Suggs take a moment for a group photo. Crew members Scott James, Raymond Horne and Jamie Cooker were off-site.

ested in the logging end of it and decided that I would try it.”

In 1980, Mickey struck out on his own.

“I had one loader, one truck and one skidder and there were four of us in the woods,” stated Mickey when asked what his operations looked like in those days. “We did it all with chainsaws. It’s come a long way since we first started. It’s pretty much all mechanized now.”

Mickey has cut for several companies over the years, but he has worked closely with Canal for the past 15 years.

Through this arrangement, Mickey is dependent on Canal to keep his crew on the go, something that has not been a problem for this veteran crew that includes Chuck McNight, Luther Diggs, Wayne Suggs, Scott Jones, Jamie Cook and Raymond Horne. Most of these men have been with Mickey for at least seven years and some as long as 15 years.

“Canal buys the wood and contracts us to cut and haul it where they want it to go,” stated Mickey. “That’s one thing with working with a dealer versus a sawmill or a paper company directly. We have to be able to cut whatever they can buy. We do thinnings, clearcuts, hardwoods, pine; you sort of have to be able to adapt to switch from one to the other.”

In 2006, Mickey earned Forestry Mutual Insurance Company’s Logger of the Year for his safety record.

“Randy is willing to go the extra effort for the safety of his employees,” stated Forestry Mutual President Keith Biggs. “He

is one of the true professionals in this business.”

Mickey credits the mechanization of his crew and the normal due diligence for his safety record over the years.

“In the past, when we ran chainsaws, it was always hard. That’s where you had your turnover and that’s really the most dangerous job out there. Now, we don’t have to train somebody on such a regular basis to do that dangerous job. The mechanization has really made the big difference in the safety. We have safety meeting once a month and we remind them all to be safe.”

As a longtime logger and one-time procurement forester, Mickey has a unique perspective on the logging profession and the forest products industry in general have evolved over the years. It is clear to him that there are a lot more fingers in the pie, so to speak.

“There is so much competition in both fields, really,” stated Mickey. “There are a lot of people logging and there are a lot of people buying wood.”

In addition to increased competition, other factors such as labor costs, environmental protection and fuel costs have combined to put the squeeze on the logger.

“The last four or five years have been tough on everybody with the fuel and the other increases and people just seem to be slow to react to the increase that we have to absorb and trying to help us out with it,” stated Mickey. “At the end of the week, that money goes to other things than into your pocket.”

Labor and the costs associated
(continued on back page)

THE SAWSHOP

by Bryan Wagner
Chainsaw Trainer for
Forestry Mutual



LEAF OUT VISIBILITY REDUCED!

A logger’s vision and visibility are key factors to his safety in the woods. Visibility in the logging woods is generally good from November to the end of March. The month of April and into May brings a natural phenomena called leaf out. The deciduous forest blooms to new life with a fresh growth of new leaves. What was once a bright and open environment in the late fall and winter, with good visibility, has been transformed to a lush green environment with filtered light. This new canopy hides overhead hazards that are the leading cause for catastrophic injury and death in the forest industry. Please take the time to brief your crew on overhead hazards and the reduced visibility caused by leaf out.



- Use approved personal protective equipment (PPE) for head protection.
- Look and scan at least 50 feet ahead on your ground path of travel.
- Look and scan at least 100 feet ahead for all overhead hazards.
- Don’t place yourself under any object that can fall or move due to gravity or the loss of hydraulic pressure.
- Maintain at least two tree lengths from all felling operations.
- Be visible; wear high visibility safety colors.
- Maintain communication with anyone in the work area. Verify their location with frequent eye contact.
- Never walk into a work area with running or moving equipment until the equipment is stopped, engine cut-off and implements grounded.
- Stay at least 300 feet away from an operating sawhead buncher.

New life grows before our eyes in the spring logging woods. The reduced visibility caused by this new life could be responsible for taking a life. Look Up! Be alert, and enjoy the spring logging woods safely. ■

Logging Crew in Truck Wreck...(from page 2)

RECOMMENDATIONS

Make sure all trailers have the required reflective tape and side marker lights to provide visibility during hours of darkness.

Employers must train and educate employees on the dangers of early morning driving and to use caution on rural roads. ■

Mickey Manages A Veteran Crew...(from page 3)

with maintaining a benefits package in the face of soaring medical coverage is a challenge for any small business, but particularly tough for a company that is involved in the dangerous and demanding logging profession. Mickey does not have any family in the business, so he must look outside to find good employees. Judging by the tenure of his crew, he has had some success in this area. Including the contract truckers, seven of Mickey's crew of eight are in their mid-fifties, and Mickey is grateful to have a seasoned staff.

"You need people that are willing to put some interest in what you are doing," stated Mickey.

In addition, the professional logger has been asked to place even more emphasis than ever before on protecting environmental values detailed in the Sustainable Forestry Initiative (SFI) standards. This emphasis translates into real dollars and cents for Mickey. It's an effort and cost that Mickey would like to see recognized at the gates of the mills.

"If you are doing it right, it costs you a little more," stated Mickey. "I think the guys doing it the right way should be compensated for it."

In today's environment, Mickey is not too optimistic about the prospects for the next generation of loggers. He strives to keep his company going by being efficient, productive and professional.

"You have to keep your production up every day," stated Mickey. "That's where the mechanization has really helped us. The weather used to make a big difference and it still does in some places."

Over the years, Mickey and his crew have earned a reputation for being true professionals, leading to repeat business, which ultimately, is the source of his company's success and longevity.

"We always tried to do a good job for the people we are working for," stated Mickey. "We do a good clean good job and try to be professional in what we do - in the woods and up and down the road." ■

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