



FORESTRY MUTUAL NEWS

Newsletter of the Forestry Mutual Insurance Company

Vol. 7, Issue 1

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FROM THE PRESIDENT'S DESK...

Forestry Mutual just finished our annual statement for 2007, completing another strong year. Our surplus increased to over \$10.4 million. With the soft market still continuing, we are fortunate to have a loyal base of policyholders who have kept our retention very high. Our policyholders understand the depth of our training programs and how they boost production while reducing injuries in the workplace.

We have added Greg Plumley as our new eastern Virginia field representative, and he will be based in the Petersburg area. We have also hired Philip Sligh as our new South Carolina field representative. He will be based in Newberry.

The National Council of Compensation Insurance (NCCI) has announced some classification revisions for South Carolina and Virginia.

Virginia has adopted a new classification effective April 1, 2008. The class code will be 2701 log hauling. In Virginia, a logger had to have a separate entity to be able to use a trucking rate. Now the trucking has its own classification and can be separated without having a separate entity. In terms of our rates, effective April 1, 2008, the 2702 logging rate will be \$16.65. The 2701 trucking rate will be \$7.62. As you can see there is a substantial difference in the rates.

South Carolina has adopted the same 2701 classification as well as a 2709 mechanized logging rate. However, neither the rates nor the effective

date has been established yet.

The North Carolina Rate Bureau, an independent agency, has elected to remove the class code 2706 and replace it with the 2702 which is recognized by NCCI. North Carolina has also adopted the 2709 mechanized logging rate that was established by the NCCI. These will become effective on policies issued on or after July 1, 2008. It appears that the mechanized

rate will be applied in conjunction with the 2702 class. The 2709 will only apply to the operators of the skidders and mechanical felling devices that do not leave the enclosed cab to perform their duties. According to the scopes manual, it will not apply to loader operators or chipper operators. The rates for 2709 will be the same as 2702 initially until the data is developed.

FMIC Agency increased its premiums written by around \$200 thousand during the soft market in 2007. We expect it to continue to grow our book of business and is always exploring new carriers for your other lines of coverage.

We appreciate your business and please call me if you have any questions.

Sincerely,

Kurt S. Biggo



A COUPLE OF AWFUL QUITTERS

What makes Carpenter Brothers Logging, namely Mark and James, so good is that they are awful quitters. You see – they have dropped the chain saw for the last time, put the equipment up for sale and turned their backs on the woods on two different occasions in their 20-year partnership – only to be coaxed back into the logging profession.

“I guess it’s the challenge of it,” stated Mark Carpenter, 42, the senior member of this three-brother team and the second oldest brother in the family tree that includes five brothers and two sisters. “We’ve been in it long enough now to kind of get good at it.”

The initial idea to start a logging company came from Joel Carpenter, who is the third oldest boy in the family.

“Let’s go logging!” explains James Carpenter, 38, about when his brothers first approached him about this new venture back in 1988.

(continued on page 2)



The Carpenter Brothers Logging Crew on top of one of their Tigercats: (l-r) Barry Peguese, James Carpenter, Amos Carpenter and Mark Carpenter.

THE SAWSHOP

by Bryan Wagner
Chainsaw Trainer for
Forestry Mutual



DON'T GET SPRUNG IN THE SPRING

Loss control professionals use a variety of tools to monitor the health and safety of specific occupations. The Total Case Incident Rate (TCIR) is a tool used to study the total number of reported claims and the good news is the TCIR for logging has been declining for the past ten years. This good news is over shadowed by the constant increase of medical treatment and care. Without a doubt, mechanization, training and education have played a major role in lowering the TCIR. A Claims Analysis can be used to see where the incidents are actually happening. In-depth claims analysis discovers trends. Trends are described as a reoccurring incident or act. When a trend is discovered, training and education, tools we use to reduce risk, must be implemented. The key to reducing injury rates is to reduce risk.

The current trend in our industry is timber-cutters and toppers have experienced an increase in broken left legs. In the shin area, the tibia and fibula are the bones that are being affected. Why the left leg? The left leg is usually the "lead" leg in the sawing stance. Further study shows that the injuries are coming from both mechanized and manual crews. Experience and skill level have no direct bearing on these claims. In order to reduce these extremely painful injuries, we must use training and education as tools to reduce the risk of injury. Employers are urged to fully train new employees, regardless of past "experience". Remember, an accident is an UN-planned event.

Similar to the manual felling plan, topping and limbing has a five-part plan also.

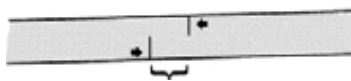
1. Check and search for overhead hazards.
2. Check for spring poles.
3. Check for forward stem load. Forward load creates back pressure.
4. Check for side load on stem or limbs.
5. Check for butt position. An elevated tree butt creates load to the stem.

Body position is very important during the limbing process. Proper body position will be determined by using the limbing plan. As with the felling plan, the body should remain on the "good side" of the stem or limb. If you limb on the right side of the tree, use the stem to keep your body away from the loaded limbs.

Use limb-locks and top-locks when load or pressure is detected. The "locking" cuts are basically off-set cuts that create a "step" or a shoulder. The step blocks the tensioned limb or stem from releasing its pressure. The first cut of a limb-lock or top-lock is made in compressed wood; the final cut is made on the tensioned wood. A good rule of thumb during limbing is to make the top cut first. Use a lock if the wood starts to bind on the saw bar. The second or bottom cut of the lock should be placed off-set to the butt side of the first cut. When the up-cut goes past the down-cut, the lock is completed. The cut will separate when pulled or moved by equipment.

Top Lock

Limb Lock



Please take time to review tension wood issues with your crew. Tension release happens in a split second and the results can be catastrophic. Training is available free of charge to Forestry Mutual Policyholders. Call 1-800-849-7788 for more information. ■

Carpenter Brothers Logging...*(from page 1)*

The partnership started when Joel, Mark and James took to the woods with a loader and skidder.

"We got out here and we just butted heads the whole time," explained Mark on his relationship with Joel.

Faced with inner turmoil and the rough going in the woods, the Carpenters called it quits. The two brothers began working for their uncle as they finalized the deal for the two pieces of equipment.

"We were out there on the job and I was running the cutter and he (James) was on the skidder," explained Mark Carpenter. "I told James, 'You know, the cutter makes all the difference in the world.'"

It rekindled their interest in logging – this time as a duo partnership. The Carpenters new partnership enjoyed success in those early years, providing opportunities for other family members to join the team. Howard Carpenter joined his sons' partnership as a saw man and yes, Joel, was welcomed back a second time, but it didn't last long.

Mark explains that while his dad was trying to pull a quality tree out, Joel was more of the opinion that the tree wasn't worth the time.

"Dad said, 'Look it here – These woods ain't big enough for me and you,'" retells Mark with a smile on his face. "One of us has got to go. It wasn't long before Joel was gone again."

In the early 1990's, the Carpenters faced another turning point when their skidder's engine blew up. Faced with life without a skidder, the Carpenters again retired from the profession – for a few months anyway. They managed to gather enough money for a new skidder engine and got back into the woods.

"We decided we would try it again," stated James. "Every time we wanted to get out – when it actually come down to doing it – we just never could do it."

Having cut for different companies and timber buyers early in their career, the Carpenters formed a solid working relationship with Kress Goodwin, a forester and large timber buyer in the area.

The working relationship with Goodwin kept the Carpenters brothers on large tracts of timber and a steady flow of work that fell predominately in hardwood tracts. Tiring from working the tops off

of stubborn hardwoods with saws, the Carpenters were desperate to upgrade the machinery in their arsenal but didn't have the bank account to make it happen overnight. James Carpenter remembers his frank conversation with Goodwin.

"We got to do one of two things," stated James, "We either got to buy a new loader with a delimeter – because there were no used ones back then – or we are going to get out. It's just too much."

Goodwin told the Carpenters to go pick out the model they wanted and not to worry about the payment. They would work it out.

"He said, 'Y'all are good loggers,'" remembers James. "You are dependable – I like people like that."

The Carpenters continued to log for Goodwin until his death in 2001.

"We stayed on and finished up his estate and got everything squared up for the family," stated Mark. "Kress would have done that for any of us so we just didn't want to take off when he passed."

The Carpenters worked for various timber buyers over the next year before re-establishing a healthy working relationship with Edwards Wood Products, who the brothers cut for now. And yes, Joel was fired one more time from the family business.

"He's a good fella," explains Mark about his brother Joel, "He's just in a world of his own."

Carpenter Brothers Logging is a family business, for sure. The company includes youngest brother, Amos, who has been with the company for 14 years, quietly maintaining his position on the crew – surely so he does not meet brother Joel's fate. The Carpenters became a four-man crew last September when chain saw operator Barry Peguese joined the crew. The Carpenters also maintain a contract trucking agreement with their nephew, Franklin Williams II, and brother-in-law Elbert Williams to deliver their wood. In addition, one of the Carpenter sisters, Dinah Hildreth, is the company's bookkeeper.

And how are family relations these days? If the Carpenters are busy, they are fine.

"If we're running, we ain't talking to each other," says Mark

(continued on back cover)

HEAT ILLNESSES POSE SERIOUS THREATS

by Jimmy McCraney, Manufacturing
Safety Trainer for Forestry Mutual

Employees working in the logging and woodworking industries are susceptible to climate changes everyday. High temperatures and humidity stress the body's ability to cool down, and heat illness becomes a special concern during hot weather. There are three major forms of heat illnesses: heat cramps, heat exhaustion, and heat stroke, with heat stroke being a life threatening condition.

Heat Cramps - Heat cramps are muscle spasms which usually affect the arms, legs, or stomach. They are caused by heavy sweating. Although heat cramps can be quite painful, they usually don't result in permanent damage. To prevent them, drink electrolyte solutions such as Gatorade during the day and try eating more fruits like bananas.

Heat Exhaustion - Heat exhaustion is more serious than heat cramps. It occurs when the body's internal air-conditioning system is overworked, but hasn't completely shut down. In heat exhaustion, the surface blood vessels and capillaries which cool the blood collapse from loss of body fluids. This happens when you don't drink enough fluids to replace what you're sweating away.

The symptoms of heat exhaustion include: headache, heavy sweating, intense thirst, dizziness, fatigue, loss of coordination, nausea, impaired judgment, hyperventilation, tingling in hands or feet, and anxiety. Somebody suffering these symptoms should be moved to a cool location such as a shaded area or air-conditioned building. Have them lie down with their feet slightly elevated. Loosen their clothing, apply cool, wet cloths or fan them. Have them drink water or electrolyte drinks. Victims of heat exhaustion should avoid strenuous activity and drink water to replace lost body fluids.

Heat Stroke - Heat stroke is a life threatening illness with a high death rate. It occurs when the body has depleted its supply of water and salt, and the victim's body temperature rises to deadly levels. A heat stroke victim may first suffer heat cramps and/or the heat exhaustion before progressing into the heat stroke stage, but this is not always the case. It should be noted that, on the job, heat stroke is sometimes mistaken for heart attack. It is therefore very important to be able to recognize the signs and symptoms of heat stroke - and to check for them anytime an employee collapses while working in a hot environment.

The early symptoms of heat stroke include a high body temperature (103 degrees F); a distinct absence of sweating (usually); hot red or flushed dry skin; rapid pulse; difficulty breathing; constricted pupils; any/all the signs or symptoms of heat exhaustion such as dizziness, headache, nausea, vomiting, or confusion. Advance symptoms may be seizure or convulsions, collapse, loss of consciousness, and a body temperature of over 108° F. It is vital to lower a heat stroke victim's body temperature. Seconds count. Pour water on them, fan them, or apply cold packs. Call 911 and get an ambulance on the way as soon as possible.

Preventing Heat Stress - Maintaining a high level of physical fitness is one of the best ways to protect yourself. The physically fit person has a well-developed circulatory capacity, as well as increased blood volume—important in regulating body temperature.

The person acclimated to the heat runs less risk of heat stress. The body adjusts to hot work in 4 to 8 days by:

- Increasing sweat production.
- Improving blood distribution.
- Decreasing skin and body temperature.
- Decreasing heart rate

Adjusting to hot weather may be helped by taking 250 milligrams of vitamin C daily. Adjust to hot weather activity gradually. Set a sensible pace, take frequent breaks, and always replace fluids. ■



SAFETY ALERT

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

The following are a couple of items that impact the forest products industry. If you have any questions on these issues, please contact John Lemire at 919-770-1600.

1. MRSA – Work Place Precautions - Methicillin-Resistant Staphylococcus Aureus (MRSA) infection is a bacteria infection that is often referred to as staph. About a third of the population carries staph bacteria on their skin or in their noses without any ill effects but Staph becomes dangerous when it enters the body via some type of wound. It is particularly dangerous for people who have weakened immune systems.

Media attention about the deaths of children who contracted MRSA infections prompted the Center for Disease Control and Prevention (CDC) to recommend measures that the public should take to help prevent the spread of MRSA.

In a workplace setting, the CDC recommends that employers provide resources for employees that encourage good personal and environmental hygiene. Adequate facilities, opportunities and supplies for hand washing and facility clean up are vital in helping avoid the spread of MRSA..

In general, the CDC recommends that employees:

- Keep hands clean by washing with soap and water or using an alcohol-based hand rub.
- Keep cuts and scrapes clean and covered with a bandage until healed.
- Avoid contact with other people's wound or bandages.
- Avoid sharing personal items such as towels or razors.

2. OSHA and the New Personal Protective Equipment (PPE) Ruling - Occupational Safety and Health Administration (OSHA) standards require employers to provide their employees with protective equipment, including PPE when such equipment is necessary to protect employees from job-related injuries, illnesses, and fatalities. The requirements address many kinds of PPE to include: hard hats, gloves, goggles, safety shoes, safety glasses, welding helmets and goggles, face shields, chemical protective equipment, fall protection equipment, and others.

These provisions did not specify that the employer must provide PPE at no cost to the employee. In the latest rulemaking, OSHA now requires employers to pay for the PPE provided, with exceptions for specific items. The rule does not require employers to provide PPE where none has been required before. Instead, the rule merely stipulates that the employer must pay for required PPE, except in the limited cases specified in the standard.

Exceptions allowed are for certain safety-toe protective footwear and prescription safety eyewear. Safety-toe protective footwear and prescription safety glasses were excepted from the employer payment requirement, in large part because these items were considered to be very personal in nature and were often worn off the jobsite.

The proposal would have allowed the exceptions: (1) The employer permits such footwear or eyewear to be worn off the jobsite; (2) the footwear or eyewear is not used at work in a manner that renders it unsafe for use off the job-site; and (3) such footwear or eyewear is not designed for special use on the job. In addition, under the proposed revision, the employer would not have to pay for logging boots required by 29 CFR 1910.266(d)(1)(v) (Id. at 15403). This final rule becomes effective on February 13, 2008. The final rule must be implemented by May 15, 2008. ■

NCA ANNUAL MEETING
OCTOBER 1-3, 2008
HICKORY, NORTH CAROLINA

Carpenter Brothers Logging.. (from page 2)

with a laugh. “The biggest thing is that we can depend on each other. We know we are going to be here every day.”

The Carpenters are able to head to the woods every day because they put safety as a top priority. In 2007, Forestry Mutual Insurance Company presented Carpenter Brothers Logging with its Logger of the Year Award for their excellent safety record.

Safety was not always a top priority in the beginning, but a cost-saving carrot from Forestry Mutual first got the Carpenter brothers enrolled in the NCFAs ProLogger program and introduced the Carpenters to Forestry Mutual Chain Saw Trainer, Bryan Wagner. Wagner demonstrates the open-face cutting technique and approach to chain saw safety on the final day of the ProLogger program.

“When Bryan came out – he went to putting on his belt, hammers, wedges, suspenders,” stated Mark. “I said, ‘Wow, my back hurting just watching him.’”

And watch they did as Mark and James have become accomplished cutters, both earning spots

in the finals of Forestry Mutual’s chain saw competition that is held at the Carolina Log’ N Demo and Forestry Show. Mark consistently advances to the championship round of the final seven loggers and finished as high as third one year. James has advanced to the top seven on a few occasions and bumped his brother out of the competition one year.

“It was pretty bad when my loader man beat me,” conceded Mark.

The competitions are fun, but the technique has earned the Carpenters more than just bragging rights around the logging deck. It has meant more production.

“Especially on these streamside management zones,” stated Mark. “We can go in there with the hammer and wedges and throw the trees back out.”

While the Carpenters are passionate about their saw cutting skills, they are Tigercat people through and through.

“Tigercat has went over and beyond trying to help their customers and build good equipment where you don’t have to work on it so

much – plus you get better production,” explains James.

Tigercat’s diligence in the areas of fire loss control and fuel economy is not lost on this company. With fuel prices being one of the biggest challenges facing loggers today, the Carpenters are quite pleased with the idle features of their new skidder and loader.

“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.”

The hole in the grill is just one of the recommendations that came out of Forestry Mutual’s T.E.A.M. group which consists of several manufacturers of logging equipment, loggers and fire experts.

“With Forestry Mutual working with the equipment companies, it has changed how we get at a fire,” explained James. “And that helps everybody.”

While some might say that a big part of the attraction of being a logger is working outdoors and being your own boss, the Carpenters have been at it too long to take that viewpoint.

“You ain’t really your own boss because everybody is telling you exactly what to do,” stated Mark. “The timber company tells you how you are going to market the wood. The DOT tells you how your truck is going to be on the road. The EPA tells you what you can drop on the ground and the Forest Service tells you how to cut by each stream. So you really got no control. You are just working.”

Mark is certainly correct, but the challenge of making it all work at the end of the day is what keeps these boys heading to the woods. They understand that they must make prudent equipment decisions and capitalize on the good times to weather the bad days.

“We have the choice to make it or not make it,” stated James. “If you can’t manage your money, you won’t make it.”

In the long term, the Carpenter Brothers, Mark, James and Amos, are not really looking down the skid trail too far. A day-to-day approach has served this company just fine, which explains James summation of the Carpenter motto.

“Our objection is to have fun, make a little money, and enjoy life,” stated James with a grin. ■



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