



FORESTRY MUTUAL NEWS

Newsletter of the Forestry Mutual Insurance Company

Vol. 3, Issue 4

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FROM THE PRESIDENT'S DESK

We would like to wish everyone a wonderful holiday season and a Happy New Year! As we enter 2005, we would like to provide an update about our improved financials. As you may recall, at the end of 2003, we sustained two catastrophic losses that combined for over a \$6.7 million loss. This dropped our surplus from \$9.8 million to \$5.3 million. Due to these losses and our estimated premium of \$20 million for 2004, our ratio of premium to surplus dropped to 4-to-1.

One of our main goals this year was to rebuild our reserves while still providing quality insurance to our policyholders. As of September 30, 2004, our surplus is \$7.4 million and our premiums are estimated at about \$15.9 million, putting our ratio close to a 2-to-1 margin. Thanks to our policyholders' diligence and our staff's efforts, we have only had seven claims over \$100 thousand in 2004 compared to a total of 26 claims over that \$100k mark last year. We believe that our improved surplus to premium ratio and reduction in claims will be key elements when our new rating for 2005 is determined.

We appreciate your support through these times. We are confident we are pursuing the proper path towards regaining our accepted position as one of the top insurance companies for folks in the forest products industry. If for some reason, your agent tells you that they can no longer represent Forestry Mutual, please give me a call. We certainly will continue our relationship through our in house agency of Wood Products Intermediaries or another participating agency. As always, if you have any questions about Forestry Mutual, your policy or where the best bass fishing is in the state, please feel free to contact me at 1-800-849-7788. ■



Keith Biggs

B&B CHIP MILL GAINS CAROLINA STAR AWARD

When you walk through the office door at B&B Chip Mill in New Hill, North Carolina, you better be prepared to see double, but there is no need to question your eyesight since owners Frank and Franklin Bolton are identical twins. Partners since they first opened the B&B Chip Mill in 1990, the Bolton brothers have shared the leadership responsibilities in a company that has grown into B&B Companies of North Carolina Inc., which includes B&B Chip Mill, B&B Chip Mill Trucking, B&B Mulch and B&B Truck Part Sales.

"We are the co-owners and chief bottle washers," stated Frank with a smile.

The Bolton twins were born in 1943 and were members of a nine-child family growing up on a 1,000 acre farm in Warren County. The brothers have been business partners over the past 38 years, sharing a special bond that only twins can appreciate.

"Being identical twins, we can answer each other's questions before we even come out with them," stated Frank.

The two brothers started their business partnership in 1964 when they started a logging company, harvesting trees in Franklin, Vance, Warren and Granville counties.

"We started hauling five foot pulp wood off of our own farmland in Warren County," explained Frank. "We started with a log skidder and a farm tractor, but we eventually bought the first double bunk log truck in



(l-r) NC Labor Commissioner Cherie Berry, Franklin Bolton and Frank Bolton pose with the Carolina Star Award at the company's main gate.

the area."

The Boltons built their company into a five-man logging crew and in 1975, the Boltons entered the wood yard business by operating five different wood yards in Creedmoor, North Carolina. The brothers continued to

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log and operate the wood yards until 1985 when a shift in the market called for a shift in the management of the resource.

"In 1985, we started whole tree chipping in order to supply the paper mills in the area," explained Frank. "We moved towards setting up a permanent location when chip mills just started coming into play."

The Boltons first had to find the appropriate site for a new facility. When it comes to a chip mill, an essential requirement is railroad lines. The Boltons pursued several different locations before settling on their New Hill location.

"When we were trying to establish a permanent location, we wanted to put it near our current operation somewhere in Granville County," explained Frank. "But at the time, CSX was talking about pulling up the track around the location we had selected so we had to find another location that we could be guaranteed to have rail service."

The Boltons established B&B Chip Mill in 1989 with the installation of a Fulghum 125 Radio Crane, a drum debarker, a 96-inch chipper with a 1500 horse power motor and 12 chip bins that are all tied into a dual rail load system.

As the operation at New Hill began to succeed, new challenges in the shape of new companies began to appear on the horizon for the Boltons. Accordingly, the Boltons established B&B Mulch Company to market their mulch; B&B Trucking to deliver chips and mulch and B & B Truck Service, to service the trucks.

Throughout these changes, the Boltons found a friend in Capital Bank, which provided the support any small company needs during challenging and dynamic business conditions that is this new global economy.

"Capital Bank has been our biggest asset," stated Frank. "Without their support, we would have achieved what we have here today. They have always been there for us and for countless loggers in the area as well."

Currently, the chip mill produces some 250,000 tons in wood chips per year and sells them to paper mills in North and South Carolina. The mill also produces some 3,000 tons of mulch on an annual basis that is sold to wholesalers and local land-

scapers. The company operates some 30 trucks and employs a total of 62 people all together.

"The trucking company became a necessary evil that we had to get into," stated Frank. "We had a product and we need to be able to deliver it. Rather than be dependent on others, we established our own company. We then had to build the truck shop back in 1996 because we were having a tough time getting our trucks in for service and back on the road in a reasonable amount of time."

The transportation portion of the business has not only proved to fill a need at B&B, but it obviously has fulfilled a niche in the area judging by the traffic the service area now experiences.

"At first, we took drop-ins if we didn't have any other work to do on one of our trucks," stated Frank. "Now, I would say that 70% of our business is on trucks that are outside our fleet."

With the emergences of these different, the Boltons sought to simplify their bookkeeping by incorporating them under one company.

"We had three different corporations at one point," explained Frank. "It was just easier to keep the three different companies separate in terms of paperwork in order to file three different tax statements. Now, with computers, we have been able to combine the companies under one tax form."

Which begged the question, who was the computer expert, Frank or Franklin?

"Neither one," stated Frank through a chuckle. "We have someone who is very qualified and she handles this responsibility for us."

Honest to their humble backgrounds, the Boltons give credit to their employees for the success of the company, especially when it comes to its safety record. The employees at B&B Chip Mill have managed to work without a loss time injury for over 13 years. Last year, the Boltons applied to be accepted into the North Carolina Department of Labor's Star Program, which recognizes "outstanding employers and employees for their total commitment to creating and maintaining a safe and healthy workplace."

"Safety comes first with our

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THE SAWSHOP

by Bryan Wagner
Chainsaw Trainer for
Forestry Mutual



COPING WITH NATURAL DISASTERS

Hurricane Isabel blew in on September 18, 2003 and left the timberlands of northeastern North Carolina and eastern Virginia in ruin. After the storm-damaged area was identified, a safety "blitz" was ordered for the effected area and safety training sessions were prevalent in the storm's path. As the salvage operation winds down, it certainly can be labeled a success since losses tied to storm wood were minimal. The forest industry should be proud of the safety record during the salvage operation. Great job guys!

NEXT BATTLE – ICE DAMAGE

After coming off the victory with the hurricane salvage, the forest industry is looking at another possible threat, ice damage. Ice damage brings similar overhead hazards and tension wood problems that we associate with hurricanes.

LIMBING AND TOPPING

Historically, limbing and topping have a high case incident rate because of the inherent danger of tension wood, limbs and stems in a bind. Before beginning to top or limb, ask yourself five questions.

1. **ARE THERE ANY OVERHEAD HAZARDS?**
2. **ARE THERE ANY SPRING POLES?**
3. **WHAT IS THE STEM POSITION?**
4. **WHICH SIDE IS THE STEM SIDE LOAD?**
5. **IS THE TREE AN UP OR DOWN LOAD POSITION?**

The pressures and tensions are different on every felled tree and a limbing plan helps us choose the proper technique to release the tension in the wood safely and productively. Great risk can be avoided by using machines. When possible, employ "cold decking" of certain trees to limit the risk of overhead hazards and reduce the risk of side tension. Seek to avoid putting ground personnel at risk, particularly when a machine can do the job safer. If you do proceed manually, always keep the stem of the tree between you and the limb. Use limb locks and top locks when tension wood is present.

LIMB LOCKS AND TOP LOCKS

Use locks to avoid injury from being struck by loaded limbs or tops and to keep the chainsaw from being stuck in compression wood. Locks work on a simple basis, offset cuts are made to actually lock the top or limb with it's own pressure to do so. By offsetting the cuts, a shoulder is formed. The shoulder blocks the limb or top from suddenly releasing its stored energy. Generally when using a lock, the compressed wood is cut first, followed by the stressed wood. When the two cuts intersect or go by each other, the cut is complete. The limb or top will separate when moved by equipment. Limb locks and top locks are important safety techniques that should be taught to all employees.

SPRING POLES

After a natural disaster, spring poles are abundant and pose a serious threat. The best way to handle spring poles is to **avoid** them by using mechanical equipment to remove spring poles when necessary. If spring poles must be cut by hand, identify the "sweet spot". The sweet spot is the area of the most tension or load. While looking at the spring pole from the side, use an imaginary straight line from the ground going upward. Run another imaginary straight line along the bow of the spring pole. The two imaginary lines will form a right angle, or 90-degrees. Divide the angle in half, which will leave a 45-degree angle, aim that 45-degree angle at the center of the bow, and that's the sweet spot. The sweet spot can be cut from the outside of the bow; this will release the pressure fast. I prefer to shave the inside of the bow at the sweet spot. By shaving the inside, the pressure will release slower, and give me a chance to adjust the cut higher or lower. When using the shaving technique, the bar must run on the same angle as the bow,

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EMERGENCY ACTION PLANS

By Jimmy McCraney

You just witnessed an electrical explosion near a gasoline storage facility. Employees are running in different directions, smoke is developing making it difficult to breathe, and fire is spreading in the direction of the fuel storage tanks. You feel sure there are employees injured but the raging fire makes it impossible to provide assistance. What's your next move?

Nobody expects an emergency or disaster; one that affects you, employees, and or the company personally. However, emergencies and disasters can strike anyone, anytime, and anywhere. You and your employees could be forced to evacuate the workplace when you least expect it. Knowing what to do in the event of an unforeseen situation is the reason a plan must be developed, documented, and implemented.

An Emergency Action Plan (EAP) plan describes the actions employees should take to ensure their safety if a fire or other emergency situation occurs. Properly developed emergency plans and employee training (to ensure employees understand their roles and responsibilities) will result in fewer and less severe employee injuries and less structural damage to the facility during emergencies. Emergencies can be natural or man-made and include floods, hurricanes, tornadoes, fires, chemical spills, explosions, chemical or biological weapon attacks and even workplace violence resulting in bodily harm and/or trauma.

It is not difficult to put together an emergency action plan. It involves identifying possible workplace emergencies and describing how employees will respond to each type of emer-

gency. OSHA regulation (1910.38) states "employers' emergency action plans must include emergency escape procedures and emergency escape route assignments". If a company is found to be in violation of the OSHA regulation, a fine may be imposed, depending on the severity of the violation. The elements of the plan must include, but are not limited to:

- ➔ Evacuation procedures and emergency escape route assignments.
- ➔ Procedures to be followed by employees who remain to operate critical plant operations before they evacuate.
- ➔ Procedures to account for all employees after an emergency evacuation.
- ➔ Rescue and medical duties for those employees who are to perform them.
- ➔ Means of reporting fires and other emergencies.
- ➔ Names or job titles of persons who can be contacted for further information or explanation of duties under the plan.

Remember, the best EAP specify what employees should do during an emergency, and ensure that employees receive proper training for emergencies. When you include your employees in your planning, encourage them to offer suggestions about potential hazards, worst-case scenarios, and proper emergency responses. After you develop the plan, review it with your employees to make sure everyone knows what to do before, during, and after an emergency. Keep a copy of your emergency action plan in a convenient location where employees can get to it, or provide a copy to all employees. ■

COPING WITH NATURAL DISASTERS...(from page 2)

if you cut straight in, the saw will be pinched by compression wood. Again, the best approach is to avoid manually cutting spring poles.

Forestry Mutual offers training to its members free of charge at their job site. This training is extremely important to protecting the health of you and your employees and it also qualifies for continuing education hours or credits for the NCFCA ProLogger, Virginia Sharp Logger and the South Carolina Top Logger programs. If you have any questions about this article or you would like to schedule training, please contact Forestry Mutual's Chainsaw Trainer, Bryan Wagner, at 252-916-3376. ■



SAFETY ALERT

by J.J. Lemire

Loss Control Representative
for Forestry Mutual

DISASTERS AND EMERGENCIES

We coordinated our Loss Control efforts for this newsletter and this quarter the focus is on disasters and emergencies. The information is only good when it is used to reduce potential injuries or deaths. The articles cover information on keeping businesses operating after an emergency, developing and implementing an emergency action plan, and how to be safe in the woods after natural disasters. We cover information for all types of business, from logging to manufacturing.

The following article is reprinted with permission from the Capital Associated Industries, Inc. Management Newsletter, dated October 1, 2004.

PLANNING FOR A CATASTROPHE

Suppose your facility were hit with a major catastrophe that demobilized your operations. Do you have a plan for maintaining customer communications? Would your employees know what to do or what to expect from their employer?

The best time to map out a plan of action is before you are confronted with the problem. Once disaster strikes, it becomes extremely difficult to function under the stress of the moment to work out operational details on the fly. The goals of a catastrophe plan should be:

- To continue critical business functions.
- To rebuild the business.
- To establish employee relations plans (continued employment, compensation, and benefits).
- To maintain customer, vendor and general public relations.

Some key points to consider in the development of a catastrophe plan include:

- Develop your plan with staff involvement.
- Assign specific responsibilities to your staff. (See that staff members review and update their responsibilities at least annually.)
- Plan for the worst possible scenario. Review your protection plan for critical information, records and means of communication. Duplicate critical records off-site or in a secured vault.
- Review the adequacy of fire and disaster insurance.
- Plan for a temporary business site with equipment, communication systems and critical records, files, disks, or tapes. Consider reciprocal facility arrangements with an area company or vendor.
- Identify "essential" employee (and backups) needed to support a temporary operation.
- Designate public relations spokesperson(s). Plan to maintain open communications with employees, customers, and the public.
- Have key catastrophe plan individuals keep copies of the master plan in their homes.
- Incorporate community emergency resources into your disaster plan.
- Periodically review and update your catastrophe plan. Have each assigned staff member review other staff member's responsibilities for detection of gaps or the absence of important items.
- Hold mock disasters and have each staff member talk through their action plan.

Please take a moment and share your current disaster preparedness status. Go to Capital's website (www.capital.org) and enter your response concerning your organization's catastrophe plans. Your participation will take less than one minute. The final poll tally will remain available for viewing. You may also view the results of past polls. Select the link "View previous polls" located at the bottom of the E-Poll box. ■

B&B CHIP MILL GAINS CAROLINA STAR AWARD...(from page 2)

company,” stated Frank. “It is more important than production. The managers and the employees have the most at stake when it comes to safety and we are fortunate to have employees who take this seriously. That is why we have been so successful with our safety program.”

B&B conducts weekly safety meetings in addition to a monthly two-hour safety meeting that is mandatory for all employees and is conducted by safety consultant Bill Taylor.

In November of 2004, North Carolina Department of Labor Commissioner Cherie Berry visited New Hill to present the Boltons with the prestigious Star Award Program Award.

“This is the North Carolina Department of Labor’s highest award,” stated Berry to a crowd of B&B employees. “It must be earned and it is one of the most difficult awards to achieve in the country. You all are fortunate to have employers that truly care about safety. I have a sense just from the short time that there is a real atmosphere of family at B&B.”

It is estimated that out of the more than 220,000 manufacturing companies in North Carolina, only about 70 have achieved the Carolina Star program. The award is only achieved after a company has demonstrated an impeccable safety record as well as maintaining a comprehensive safety program. It is estimated that only a handful of forest product companies have achieved this award.

For the Boltons, the award is point of pride, not only for their company, but for the entire industry as a whole.

“Today’s industry has changed a lot thanks to technology that has helped to take people out of potentially dangerous positions like we used to have,” explained Frank. “Our industry, in the public’s eyes, is not always viewed in a reputable way. By achieving the Star Program, we are making a statement that our safety record and program is impeccable.”

Effective safety programs require owners and managers alike to take the initiative and time to focus on issues that on the surface might not appear to improve productivity.

However, managers of most of the successful manufacturing facilities in North Carolina will tell you that an emphasis on safety lends itself to higher productivity due to the lack of loss time to employee injury or machine breakdowns. And for Frank Bolton, B&B’s safety record is a key factor in attracting new business while satisfying existing clients.

“When we are competing for business through a bid process, we know that these larger companies are taking a close look at our safety records as well as what the bottom line price is,” stated Bolton. “In some cases, I think they care more about that than the bid itself.”

The actions and roles taken by Frank and Franklin during the presentation of the Star Program Award by Labor Secretary Berry provided a glimpse into the working relationship between these twins, a pair of self-proclaimed bottle washers. Frank stood amongst the employees while Franklin welcomed the Labor Secretary and thank various people for their efforts in making the award possible.

“Our styles complement each

other,” explained Frank. “Franklin is more of an administrator than I am. We both are entrepreneurs, but I am more of a deal maker and while I enjoy making the deals, Franklin is the one who makes the deal work.”

Talking with Frank, it is obvious to see that he and his brother have a unique and successful partnership, but surely, as with most families, the older sibling must ultimately holds the trump card. So, who is the oldest?

“According to momma,” stated Frank. “I was first by 15 minutes.”

Regardless of age, the Bolton twins are content to share in the successes of their company and they are equally as proud of their new Carolina Star Program Flag that will wave at the New Hill facility. ■



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