



FORESTRY MUTUAL NEWS

Newsletter of the Forestry Mutual Insurance Company

Vol. 9, Issue 4

INSIDE THIS ISSUE...

- The President's Desk..... 1*
- Forestry Mutual Receives Rating Bump 1*
- Sawshop 2*
- Electrical Safety 3*
- Safety Alert 3*
- Million \$\$ Agents..... 3*

Forestry Mutual Board of Directors

Chairman

Michael Walters

Members

Jim Allen
 Chip Capps
 Joel Cathey
 Paul Davis
 Randy Denman
 George Pace
 Jim Pridgen
 Bob Schaefer
 Jim Sitts
 Bob Slocum
 Matt Thuman

Forestry Mutual
 Insurance Company
 1600 Glenwood Ave.
 Raleigh, NC 27608
 (800) 849-7788

www.forestrymutual.com

FMIC Agency
 P.O. Box 19467
 Raleigh, NC 27619
 (866) 755-0344

www.forestrymutual.com

FROM THE PRESIDENT'S DESK...

First and foremost, on behalf of our staff, I would like to thank all of our policyholders for another strong year. Through the first eleven months of 2010, Forestry Mutual has put together another good year with our loss ratio dipping lower than last year. Our premiums are still down as compared to a few years ago, but we have seen an increase in our premium income from last year. A major reason for this increase is the addition of Tennessee, which has added over \$800 thousand in premiums.

Looking ahead to next year, we will produce a video dealing with equipment fires in cooperation with equipment manufacturers, insurance carriers and industry experts. This project is scheduled for completion in June 2011. Funding is being secured from a grant through the Timber Harvesting and Transportation Safety (THATS) Foundation and Timber Equipment Application Management (TEAM) members.

Over the past few months, our staff has been scattered all over the country to participate at annual meetings for numerous associations. Our own board of directors met this past November as well to examine the health and direction of our company. So, by the time December rolls around, the majority of our staff are glad to see things start to slow down a bit.

Let me caution all policyholders that the holidays and the winter season introduce new safety risks for you and your employees. Please continue to hold safety meetings on the changes in weather, adjusting to working in darkness, and dealing with the many distractions that the holidays bring.

We have had many folks talk to us about drivers and cell phone use. We recommend that you establish your company policy requiring drivers to not use cell phones while driving or operating equipment and machinery.

In closing, we would like to thank our policyholders for their business in what is shaping up to be a relatively strong year for Forestry Mutual. Our staff hopes all of our policyholders have a safe and enjoyable holiday season and a Happy New Year.

Sincerely,

Keith S. Biggs



Keith Biggs

FORESTRY MUTUAL RECEIVES RATING BUMP

Forestry Mutual continues its climb back towards the B+ rating they once maintained with A.M. Best, the independent insurance rating agency. After suffering some substantial losses a few years back, Forestry Mutual was dropped from the B+ ranking down to a C. In subsequent years, Forestry Mutual has solidified its financial reserves through the diligence of its own safety representatives and training and the diligence of its policyholders. The drop was quick, the climb back is slow. Forestry Mutual was improved to a C++ status this year. Interestingly, the company's reserves are now higher than when the company owned a B+ rating.

"Sure, we would like to be back at our original rating," stated Forestry Mutual Keith Biggs. "But, we were advised that it is a whole lot harder to climb in the ratings than it is to fall. The rating is important, but really, we remain focused on our top priorities - we want to provide the best possible service for our policyholders and we want to provide the best training to keep them safe."

"In the end, that's what is most important," continued Biggs. "We appreciate all of the efforts our policyholders have made over

(continued on page 2)



Leonard and Elizabeth Cook received Forestry Mutual's Sawmill of the Year Award from Greg Helton at the NCEA's Annual Meeting.

THE SAWSHOP

by Bryan Wagner
Chainsaw Trainer for
Forestry Mutual



CHAINSAW VS. THE HUMAN FOOT

The modern power saw is an engineering marvel. Technology and design has allowed engine speed to exceed 15,000 RPM's on some production saws. Coupled with a razor sharp saw chain, the chainsaw is a very effective tool. The chainsaw has been the work horse in the logging woods for years. In spite of an ever growing mechanical presence in the woods, the chainsaw remains one of our go-to tools when it is needed.

Recently, we have seen a rising occurrence of saw cuts to the feet. Accordingly, we are going to ramp up our training and education on working safely with a chainsaw in the woods.

The first step in this process is to study the animal, the chainsaw. As earlier stated, the modern chainsaw is a very effective cutting tool. To be effective the saw engine and saw chain must be finely tuned and maintained. A chilling fact is the cutting tooth of the saw chain is designed to REMOVE material!



A Saw chain doesn't cut like a file or hunting knife. If we are running a 3/8 pitch chain, the cutter is 3/8 of an inch wide. Upon contact with the human body, there is 3/8 of an inch of skin, muscle, tendon and bone that are gone! Add to the fact that a lot of foreign material such as bar oil, dirt, pieces of shoe leather, etc., is introduced to the wound area during the cutting process, it is easy to see why this injury becomes quite serious.

Next in the loss control process is to AVOID CONTACT with the moving saw chain. Chainsaw kick-back is the culprit in the majority of all laceration incidents. Chainsaw kick-back happens seven times quicker than what the human brain react to. By the time a human can move a foot or shield a face, the cut has happened!

Kick-back injuries can be reduced by understanding the reactionary forces of the bar and chain unit of the saw. Proper bracing and the use of the "thumb-wrap" grip counteracts the reactionary forces of the moving saw chain.

The chain brake on the power saw should be treated like a safety on a firearm. When not cutting, the chain brake should be engaged to avoid unexpected chain movement. Above all, proper body placement greatly reduces the risk of a serious chainsaw laceration. If the foot is not in-line with the saw chain, it won't be in the line of danger!

Personal Protective Equipment, (PPE) in the form of cut-resistant foot wear is federally mandated for saw hands. Chainsaw cut-resistant foot wear can prevent or greatly reduce the seriousness of a cut situation. Protective foot wear comes in many forms and styles and is quite comfortable to wear. It just makes good sense. It's like having extra insurance should a situation arise. As with any PPE, catastrophic injury can be prevented or reduced by its use. Of course, my view on the subject is to train and educate to avoid having to rely upon the PPE for protection.

The recent trend of chainsaw foot lacerations has been severe. Many of the cuts have dealt with contact to the bone, which often requires bone-graft surgery. Good work habits and the use of proper PPE reduce the chance of injury. Remember, be prepared, be smart, be safe! ■

Forestry Mutual Receives Rating Bump...(from page 1)

the past few years that have allowed us to strengthen our position in the market."

Each year, Forestry Mutual honors its top safety performers with E.K. Pitman Safety Awards. E.K. Pitman was the first chair of Forestry Mutual, serving from 1971-1984. He was a strong proponent of safety and the use of safety apparel. The safety awards reward businesses that show a genuine concern for the safety of their workers, going beyond the minimum safety requirements to ensure a safe and productive workplace.

In North Carolina this year, the Sawmill of the Year Award was presented to Leonard and Elizabeth Cook of Cook Brothers Lumber Company. The Logger of the Year was presented to Bill Lynthacum of Montgomery Logging.

In South Carolina, Allen Williams of A&M Logging was the Logger of the Year.

Forestry Mutual continues to produce safety materials for its policyholders. If you would like to schedule training, please contact Forestry Mutual at (800) 849-7788. ■



(left) Forestry Mutual's Jimmie Locklear presented Bill Lynthacum with the Logger of the Year Award at the NCEA's Annual Meeting.



(left) Allen Williams of A&M Logging was the South Carolina Logger of the Year and received the award in the field from Forestry Mutual's Nick Carter.

ELECTRICAL SAFETY

by Jim McCraney, Forestry Mutual

LIt is a well known fact that electricity is essential to everyday life, both at home and on the job. Over 600 workers are electrocuted annually. Electrocution is the fourth leading cause of workplace fatalities in the United States. Over one-half of these deaths are the result of contact with low-voltage circuits, primarily 120-volts.

The National Institute for Occupational Safety and Health (NIOSH) statistics show that electrical contact results in 4,000 non-disabling and 3,600 disabling injuries annually, plus ONE death in the workplace every day. Surprisingly, over half of those killed are not in tradition electrical fields (linemen, electricians, technicians, etc.), but are from fields such as machine operators, laborers and drivers.

Electricity is often referred to as a "silent killer" because it cannot be tasted, seen, heard, or smelled. It is essentially invisible. It has long been recognized as a serious workplace hazard, exposing employees to electrical shock, which can result in electrocution, serious burns, or falls that result in additional injuries or even death, as well as electrical arc-flash.



Perhaps because it has become such a familiar part of daily life, most people don't give much thought to it or how much our work depends on a reliable source of electricity. More importantly, people tend to overlook the hazards that electricity poses.

Electrical shock occurs when a person's body completes the current path between two energized conductors of an electrical circuit or between an energized conductor and a grounded surface or object. Essentially, when there is a difference in potential from one part of the body to another current will flow. The effects of an electrical shock can vary from a slight tingle to immediate cardiac arrest.

Although the majority of electrocutions are the result of ventricular fibrillation, burns are the most common shock-related injury. An electrical accident can result in an electrical burn, arc burn, thermal contact burn, or a combination of burns. Electrical burns are among the most serious burns and require immediate medical attention.

Another major hazard of electricity is the electrical arc-flash.
(continued on back page)

FORESTRY MUTUAL MILLION \$ AGENTS

We are proud to recognize our contract agents that have placed over one million dollars or more of workers compensation with Forestry Mutual Insurance Company.

**SIA GROUP, 827 Gum Branch Road, Jacksonville, NC 28540
800-682-7741**

**SWAMP FOX AGENCY, INC, PO Box 522, Pinopolis, SC 29469
843-761-3999**

**GAINES & CRITZER LTD, PO Box 35742, Richmond, VA 23235
800-332-9390**



SAFETY ALERT

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

ANNUAL REMINDER

Claims Reporting

The following information is to assist policyholders to meet their obligation for properly reporting your injuries to Forestry Mutual.

1. Any employee that is injured and is treated at a hospital emergency room must have a drug and alcohol screen completed 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. Call 1-800-849-7788 to report claims promptly or use the state appropriate forms on our website. www.forestrymutual.com Click on the claims box on the left side.
 - b. If you feel a claim is not legitimate, report your suspicions as soon as possible.
 - 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 to Reduce Claims Costs

The best way to control the cost of both your minor or major compensation claim 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 Recordkeeping 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, 2011. 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 2010 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 2010, 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. ■

Electrical Safety...(from page 2)

Treatment of burns associated with electrical arc is often lengthy. Third and fourth degree burns will usually require significant skin grafting and other reconstructive surgery. A rule of thumb, used by physicians, is that if the sum of the percentage of the body burned and the patient's age is greater than 100, the chances of survival are minimal. These grim statistics indicate why it is essential that personnel be trained to avoid the hazard, and how they can protect themselves in the event of an electrical arc-flash exposure.

Some ways to prevent these accidents are through the use of insulation, guarding, grounding, electrical protective devices and most importantly employee training. Training is always important for workers exposed to electrical hazard. They must be able to recognize the hazards of electricity, know the safety-related work practices and procedures for protection against electrical hazards, and be able to recognize potential hazards and injuries.

Additionally, electrical accidents are largely preventable through safe work practices. Examples of these practices include, but are not limited to, the following:

- De-energizing (lockout/tagout) electrical equipment before inspection or repair,
- Keeping electrical tools and equipment properly maintained,
- Exercising caution when working near exposed energized lines and equipment, and
- Using appropriate personal protective equipment and insulated tools.

It is very important that employees exposed to electrical equipment know the hazards and receive the proper training. Let them know that the best way to avoid exposure to these hazards is to **STAY OUT OF THE CIRCUIT** or to keep as far away as possible from electrical equipment and systems that have exposed live parts or where the electrical equipment is being operated. ■



Forestry Mutual Insurance Company
1600 Glenwood Ave.
Raleigh, NC 27608

FORESTRY MUTUAL INSURANCE COMPANY DIRECTORY

FMIC STAFF

Keith Biggs.....	President	919-880-1006
Coy Baker	Operations Manager.....	919-210-6152
Debbie Barefoot.....	Administrative Assistant	800-849-7788
Tammy Bowers.....	Office Manager	800-849-7788
Neill Cox.....	Comptroller	800-849-7788
Carolyn Smithwick.....	Accounting Coordinator	252-482-3659

FMIC LOSS CONTROL

Tony Havens.....	Field Rep-South Eastern NC.....	910-624-0372
Greg Helton.....	Field Rep-Western NC.....	828-442-3143
William Joyner.....	Field Rep-North Eastern NC.....	919-247-9607
John Lemire.....	Loss Control Director.....	919-770-1600
Darren Lione.....	Field Rep-Western VA.....	540-392-3997
Jimmy McCraney.....	Safety Trainer.....	704-301-2919
Greg Plumley.....	Field Rep-Eastern VA.....	804-712-5007
Philip Sligh.....	Field Rep-South Carolina.....	843-244-0487
Bryan Wagner.....	Chainsaw Trainer	252-916-3376

FMIC AGENCY INC.

Eddie Campbell.....	Agency Manager	919-770-6132
Nick Carter.....	Logging Account Specialist.....	803-669-1003
Chris Covington.....	Customer Service Rep.....	866-755-0344
Chris Huff.....	Logging Account Specialist.....	919-810-9485
Roberta Jones.....	Commercial Lines Rep.	866-755-0344
Jimmie Locklear.....	Logging Program Coordinator.....	910-733-3300
Susan Ogden.....	Commercial Lines Manager.....	866-755-0344
Diane Williams.....	Customer Service Rep.	866-755-0344

Presorted Standard
U.S. Postage
PAID
Raleigh, NC
Permit No. 1910