



FORESTRY MUTUAL NEWS

Newsletter of the Forestry Mutual Insurance Company

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FROM THE PRESIDENT'S DESK

We would like to take this opportunity to thank all of our policyholders for their focus on safety and update you on Forestry Mutual's progress.

Our standing with the North Carolina Department of Insurance has been elevated from the regulatory level to that of company action level. Thus far through the year, our overall loss ratio has been 40%. We also are proud to announce that the loss ratio among our 2004 renewed accounts is 25%. All of our policyholders should be pleased with these early reports.

We are clearly making progress, however, our policyholders simply cannot accept any failures to properly use the Lock Out - Tag Out procedure. Forestry Mutual has and will continue to enforce a zero tolerance on this issue.

Forestry Mutual's overall premium level is still over \$17 million and so far we are exceeding the projections set forth by the actuaries at the start of 2004. It is apparent to us that our plan to reduce our claims through education and training has been working. We will continue to support and protect the policyholders that are operating in a safe manner.

We remain committed to providing the best insurance to our policyholders at a fair and competitive price. We also will continue to maintain our safety trainers since there are no dollar amounts that are worth a serious or fatal injury. We certainly appreciate the loyalty and support given to us by our policyholders in 2004. ■



Forestry Mutual President Keith Biggs

BACK TO HIS ROOTS - HILDRETH WOOD PRODUCTS

Alan Jackson's song, Gone Country, with its chorus of "He's gone country, back to his roots," is probably the most applicable description of Blake Hildreth's path back to Wadesboro, North Carolina as the owner of Hildreth Wood Products.

Hildreth, now 63, grew up just a short walk up a dirt road from his current office that sits amidst 300 acres of family land - not that he ever expected to be making that walk.

After graduating from high school, Hildreth graduated from Wingate University and then earned a degree in Engineering from North Carolina State University in 1962. He began his professional career working for the R.J. Reynolds Tobacco Company and married his high school sweetheart, Peggy.

But, it was no April Fool's joke when on April 1, 1963 an envelope with Blake Hildreth's name on it appeared in the mailbox from the U.S. Government.

"On April 1, 1963, I got greetings from Uncle Sam," stated Hildreth with a smile on his face.

For Hildreth, the letter ended one career but started another that would span a total of 31 years as both an active and reserve military officer. Hildreth opted for Infantry Officer Candidate School and was commissioned as a Second Lieutenant in the Army Corps of Engineers. He served on active duty until January of 1966.

"It was not an easy decision to leave," stated Hildreth. "But in the end, I realized my wife married



Blake Hildreth, owner of Hildreth Wood Products, has been a part owner of the company since 1968 and has been its hands-on manager since 1993. Hildreth specializes in wood pallets and wood packaging.

an engineer, not an army officer."

Upon separating from active duty, Hildreth went to work for Rockwell International at its Raleigh facility where he worked for 28 years. In parallel with his engineering and marketing career, Hildreth was drawn back the military and joined the USAR where he served 28 years. He was qualified in Infantry, Engineers, Quartermaster and Civil Affairs. He completed Command & General Staff College and the Army War College. His assignments in-

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SUPERVISORS PREVENT ACCIDENTS

by Jimmy McCraney

While a near miss in the workplace may appear to be good fortune, these incidents usually precede a direct hit in nearly 75 percent of on-the-job injuries.

As a supervisor, how you handle those minor accidents or near misses in your workplace is critical to the safety and well-being of your employees. A simple, "be more careful next time" is not a reasonable reaction.

You should develop a preventive, not reactive, safety program that addresses any recent incidents that could have resulted in injuries. Understand what happened before you try to reduce or control any hazards by answering the following questions:

- Was the employee properly locking out equipment prior to maintenance?

- Was the employee using unsafe practices?
- Was the employee careless because the tasks were too repetitious?
- Was the employee violating any safety practices?
- Were conditions unsafe?
- Did the employee have proper lighting?
- Was the employee taking short cuts?
- Was the employee properly trained?

Supervisors should investigate each incident occurring in your work area and immediately correct any concerns in an employee's skills, training or behavior leading up to the incident.

It is critical to conduct safety inspections of the workplace each time you walk through your work area.

All supervisors should com-
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SAFETY IN WOODS STARTS WITH FEET

Over the past twenty years, the forest industry has made tremendous strides in improving safety in the woods. Equipment design and development have played a huge role in making the woods a safer place to work. Training and education programs are now common to the industry. With all facts examined, logging has become safer, but risk still remains. We as an industry must constantly study accidents and their causes.

In recent years, the forest industry as well as other industries have been plagued by losses caused by trips, slips and falls. In a high-risk industry such as forestry, this type of loss seems silly, but let me assure you the results of these losses are no joke! The potential for serious injury or death can result from this risk.

BACKGROUND

On a clear and cool winter day, a mechanized crew was ready to shut down for the weekend. At five o'clock, the equipment was being parked for the weekend. The tract of timber was a mixed pine and hard-

wood stand with a tendency of being wet. All machines were equipped with floatation tires. A shovel loader was being used to aid in the skidding chore.

CHARACTERISTICS

The skidder driver was 38 years old. He had worked in the woods nearly 20 years and was considered fully trained. The man had been employed on this job for three years. He is considered a good employee.

UNSAFE ACT

At quitting time, the skidder had been parked for the weekend. As the man got out of the machine, his hand slipped from the handle. A three-point dismount was not being used. When the man fell back, his boot caught in the step recess. The distance from the step to the ground was 54 inches. The trapped foot suspended the man.

INJURY

The massive torque and force of the fall fractured the lower leg of the employee. This fracture was severe and resulted in at least twelve weeks of lost time.

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Back to His Roots..(from page 1)

cluded commanding the North Carolina USAR Units and a final assignment as Deputy Chief of Staff (USAR) of Special Operations Forces at Ft. Bragg before retiring in 1993 as a Full Colonel.

"I figured it out once," explained Hildreth. "For a period of 28 years between the reserves and working at Rockwell, I averaged a complete new job every two years. It was like changing careers. There was a lot of travel here in the U.S. and overseas. I was never bored."

In 1968, Blake helped to create the current version of Hildreth Wood Products through a partnership with his father and brother. Prior to this partnership, Hildreth's father, Blake E. Hildreth, Sr. was a timber harvester and sold commercial logs and pulp wood.

Hildreth's hobby in the forest products industry turned from a partnership interest to ownership in 1985 when his father passed away. Blake purchased the remaining interest in the company from his brother and hired someone to run the company.

Based in Raleigh and employed by Rockwell, Blake visited his company on a regular basis and maintained the books, but was not involved in the day-to-day operations. That all changed in 1993 when Blake received another surprise message - this time by telephone. His foreman had suffered a non-fatal, yet serious heart attack one Sunday.

Hildreth jumped into his car that Monday morning to open the facility and he hasn't left since. Blake continued to commute to Wadesboro during the week until 1998 when he and Peggy moved back home.

Under his guidance, Hildreth Wood Products has gone from a two-building facility to a seven building facility with roughly 30 employees.



Peggy Hildreth is the office manager at Hildreth Wood Products.

It is here where Hildreth's experiences have been beneficial. First and foremost, Blake never loses sight of what makes his company special.

"From the very beginning, we made more things for companies like computer manufacturers and telephone equipment companies that were technically not skids," explained Hildreth. "They were plywood with mounting holes. They were wooden boxes with foam inside. It was a little different niche. That's what has allowed us to stay in business. Our company lies somewhere between a vertically integrated pallet manufacturer, which we can't compete with, and the cabinet makers."

Over the years, Hildreth customers have come to expect excellent service and only top quality products made from native materials that are purchased from three area sawmills.

"We use commercial panel products and lumber that you might use in building a home," explained Hildreth. "We tell our customers that we make oak pallets as strong as anyone. That is one of our selling points."

Strength and quality of the wood fiber is a selling point, but Hildreth's creativity and responsiveness to his customers' needs in creating various pallet designs have made the difference over the years. Hildreth Wood Products has constructed pallets/packaging for various manufacturers who make machine tools, bathroom accessories, MRI equipment, paint shakers, ultra-sound machines, large aircraft/spacecraft tires and nuclear fuel just to name a few. These products are all over the map in terms of origin, but they all share a common need to be packaged on a custom pallet or in a custom box.

Hildreth sometimes marvels at the products that his company has helped ship from this little facility in rural North Carolina.

"We make boxes for sailboat masts like in the America's Cup type racing," stated Hildreth as he tries to describe the shape one of these elite ocean-sailing vessels with his hands against a backdrop of green trees. "We made one that was 120 feet long. It was treated lumber and plywood - four foot wide, three foot high. It went to Italy. That's the longest one we have ever made."

As he tours the facility, Blake points out that he never maintains a lot of inventory or raw materials on
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(l-r) David Prevatte poses with Blake Hildreth in front of one of Hildreth's Brewer Machines. Prevatte has been with Hildreth Wood Products since 1997.

site. Hildreth Wood Products is a job-shop, meaning that all products are made to order. Hildreth maintains a balance of customers and has had two companies that have been working with them since 1968.

"We try to keep our customer base spread out so that if one industry experiences a downturn that we won't be so dependent," stated Hildreth.

Another challenge to a job-shop business is to maintain a steady flow of work for the employees in an environment where there are no three or four days of backlog of work orders. During slower times, Hildreth has developed a recycling plan that takes some of the wood waste from previous projects and turns them into smaller blocks that can be sold to companies as part of shipping materials.

"We have not terminated anyone for a lack of work for as far back as I can remember," stated Hildreth. "We have worked 34 hours a couple of weeks instead of 40, but that's

my commitment to them. I will provide them with a job opportunity and they can depend on a payroll check to take home. I do not swing a head count up or down for the convenience of the week."

And while Hildreth is not shy about expressing his desire to pay an honest day wage for an honest day worked, he also isn't afraid to tell you that he expects his workers to work in a safe environment and in a safe manner.

"I don't care if they go home tired," explains Hildreth, "but I don't want them to go home hurt because first they lose, then their family loses, then we lose, and I guess unless you sell band aids, nobody wins."

In 2003, Hildreth Wood Products was named Forestry Mutual's Manufacturer of the Year for its stellar safety record. In each of the past seven years, Hildreth has also been recognized by the North Carolina Department of Labor for not hav-

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LOGGER APPRECIATION DAYS

Forestry Mutual will once again be holding Logger Appreciation Days in conjunction with several corporate sponsors throughout the state. Loggers have the opportunity to fulfill their annual OSHA requirements for topics such as PPE, Hazmat, Hearing, etc. At the conclusion of the training, a meal will be served. Formats for the days will vary with the locations. If you have any questions, please contact Keith Biggs at (800) 849-7788.

Date	Location	Time
July 23	Roaring River, NC	TBD
Aug. 19	Old Fort, NC	TBD
Sept. 9	Abbingdon, VA	TBD
Oct. 22	Albemarle, NC	TBD

EMPHASIS ON LOCK OUT - TAG OUT YIELDS BENEFITS

By Carl Lynch

Forestry Mutual's aggressive pursuit of developing and implementing the proper lock out -tag out procedures among its policyholders has many companies taking another look at their daily routines. This may take some time, but it's a good thing!

We are trying to do our part to help ensure history is not repeated in the area of injuries as the result of improper or failure to lock out equipment. This effort includes mandating written machine specific lock out and tag out procedures, training operators and maintenance personnel and visits by our staff.

While it may be too early to quantify the direct benefits of this recent lock out - tag out emphasis, I have already witnessed some indirect benefits.

At one sawmill while I was visiting with the debarker operator to discuss machine specific lock out, I was told when the control panel key is locked; everything on the debarker system is powerless. When I asked the operator to hit the kicker switch, guess what happened? You guessed it! Much to the surprise of the operator, the air was still on the system and the kickers still worked.

At another location, the mill manager while in the process of relabeling all of his electrical panel boxes, discovered two panel boxes labeled incorrectly.

The most obvious indirect benefits are all about attitude. Recently, Forestry Mutual sent a letter to all its manufacturing facilities to encourage the use of proper lock out - tag out

procedures. I went to visit one of my sawmill locations. I was met by the owner's daughter, who assists in managing the mill. We chatted for a few minutes. At this time, the owner walked in and for the next ten to fifteen minutes proceeded to rake me over the coals. I did not have to guess how he felt about the letter.

This owner, who in the past may have not always been so safety conscious, had prided himself in recent years on his proactive approach to safety. Consequently, he felt the letter did not show any appreciation for the good things he had done. I assured him those things were appreciated.

At another sawmill, a lead mechanic told me that he had attempted for some time to get management to do a better job on lock out - tag out. Our renewed emphasis helped him accomplish this goal.

Of all the indirect benefits, the one that most stuck in my mind was a recent visit to a planer mill where there had been some guarding issues in the past. There also was a matter of not having machine specific Lock Out - Tag Out procedures completed on time that loomed over this unannounced visit. To my surprise, the owners had their written procedures completed and even volunteered to have their operators demonstrate these procedures. As the owner gave each operator the shut down sign, each operator went through his assigned Lock Out -Tag Out without a glitch. The men took great pride in demonstrating their newly learned training.

Safety in the Woods..(from page 2)

RECOMMENDATIONS

1. Always use the 3-point of contact technique for mounting and dismounting.
2. Keep platforms, steps and handles free from grease, oil and other foreign material.
3. Maintain a firm grip while entering or exiting a machine.
4. Keep your mind on the business at hand. Be focused.

This was a very good example

of what a simple slip, trip or fall could result in. The employee experienced terrible pain and suffering and will be out of work for an extended period of time. The employer will experience a lost man for at least three months. As noted earlier, logging has gotten safer over the years, but still remains a risky business. We must all remain focused on eliminating all risks. ■

Supervisors Prevent Accidents...(from page 2)

plete self-inspection checklists that will highlight areas of concern and share this information with your employees.

It is helpful to hold safety meetings that focus on problem areas or recent mistakes to avoid an injury in the future. They need to understand those one-time minor injuries or damages could be extremely serious next time.

Demonstrate your interest in protecting employees' safety by re-

sponding to incidents or problems as workers report them to you. For example, if you immediately remove machinery/equipment from service, they'll be more inclined to share the responsibility for workplace safety.

In closing, take the opportunity to use a near miss into an educational moment that will allow you to investigate and eliminate a problem that could result in injury or fatality in the future. ■

Back to His Roots..(from page 3)

ing an accident that needed a medical provider.

Part of Forestry Mutual's award included a \$500 award and Blake and Peggy Hildreth used the money on a meal for the employees.

"As a manager or as an owner, we can provide training," stated Hildreth. "We can emphasize it. We can talk it, but the employees are the ones who make it happen. We are very fortunate to have people who basically work safe."

Hildreth, who has served as a county commissioner for the last four years and chairman for the last three years, is once again at home again in Wadesboro. He and Peggy have two adult children, a daughter Tonya and a son Eason who has re-

cently earned a Doctor of Veterinary Medicine Degree from Blake's alma mater, N.C. State University. They have one grandson.

When discussing his business and his future plans as he approaches an age that most would consider retiring, Hildreth is reminded of something that he was once told a long time ago about owning your own business.

"You'll find out, when you work for yourself, you can work all you want to," recalls Hildreth. "I'd have to agree with that."

And if you are Blake Hildreth, you'll probably still find some other things to do to keep you from getting bored. ■

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