



FORESTRY MUTUAL NEWS

Newsletter of the Forestry Mutual Insurance Company

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

www.forestrymutual.com

Wood Products Intermediaries, Inc.
P.O. Box 19467
Raleigh, NC 27619
(866) 755-0344

www.forestrymutual.com

FROM THE PRESIDENT'S DESK...

Iwould like to start out by saying "Thank You" to all of the members of Forestry Mutual Insurance Company. This past year, 2005, ended in similar fashion to our 2004 year as our losses were relatively low for the year. As of December 31st, Forestry Mutual Insurance Company's loss ratio for 2005 was 40%. This marks the second year in a row that we have achieved a 40% loss ratio at the close of a contract year. As you may recall at the end of the 2003 contract year after several heavy losses, our surplus dipped to \$5.3 million. It has now risen to over \$11.4 million. This demonstrates that the collective effort by our policyholders and staff is paying off for Forestry Mutual Insurance Company.

Looking ahead to 2006, we are currently writing over \$15.5 million in premium and our focus is to improve on last year's loss ratio. We can do this through the same measures that have provided proven results over the past two years. Strong underwriting, zero tolerance on lockout-tagout issues and maintaining and providing the employees of the companies that are insured through Forestry Mutual a safe environment to work will remain our top goals.

Again, we would like to thank our dedicated policyholders for their efforts. Since we have enjoyed two strong years and our reserves continue to grow, we are scheduled to meet with A.M. Best to discuss and review our company rating. We are looking for a favorable report from this rating agency and another safe and productive year for our policyholders.

If you have any questions or need more information on training materials or supplies, please contact me at (800) 849-7788.

Sincerely,



Forestry Mutual President Keith Biggs

CRAWLEY TIMBER - DILIGENCE & DETAILS

Steve Crawley, a farm boy who was raised on a 1,400-acre farm that his Grandfather owned in Halifax County in North Carolina that grew cotton, tobacco and corn, has always had an eye for details. As a boy, he started his collection of arrowheads left behind from an era gone by as he followed behind a slow-moving mule.

"I actually plowed a mule working the fields," stated Crawley, the owner of Crawley Timber Company who was born in 1944. "I would be walking through and digging up arrowheads and put them in my pockets."

Today, Crawley has arrowheads that adorn the walls of his office in Kinston. He is proud to be a third generation wood dealer. His grandfather, Marion P. Crawley, was a wood dealer who supplied Halifax Paper Company. Crawley's father, Stanford M. Crawley, farmed and worked as a small wood dealer, buying and cutting his own timber.

"I don't know how to relate it in today's terms because everything was different back then," stated Crawley when asked about the size of his father's

operation. "You stumped all the wood by hand. Cut it up by hand and then loaded it by hand on short trucks."

After graduating high school, Crawley went to Chowan Community College and then enrolled in the pre-med program at East Carolina University. While at Chowan, Steve met Marie, his wife of 42 years. Anxious to test the waters of the real world, Steve left ECU in 1965 to pursue a career with a small loan company, which ended up being owned by Manufactures Hanover Trust Company.

"When I started out at the loan company, I started out at the bottom," stated Crawley. "I was there about eight months and was promoted to assistant branch manager, in about a year in a half, I was promoted to branch manager. They sent me to school and I started training all the assistant managers in the

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Steve Crawley

Crawley Timber...(from page 1)

state. Then I got promoted to district supervisor and it was my job to train and supervise all the branch managers.”

By 1979, Crawley supervised 13 different branch offices, but his career in the financial world ended when his father summoned him back home to Kinston to assist him with his wood dealership due to his failing health. At this time, Stanford Crawley was primarily a wood dealer, buying timber and hiring subcontractors to cut and haul timber to Champion Paper Company, International paper and Weyerhaeuser.

While he packed away many of the technical skills of his white-collar career, Crawley knew that people skills and training would be key to his future.

“You have to have a real good feel for your people,” explained Crawley. “It comes down to an ability to understand what they need in the leadership and support areas, and it is my job to be aware of each one’s needs whether you are one of my employees or a landowner.”

In 1985, Steve and Marie purchased the company from Stanford, committing to operate as a dealership.

“When I bought my dad out in 1985,” stated Crawley. “I acquired two of the most valuable assets I could ever have - Donald Canady and Willie Robinson - our two timber buyers. Without these two fellows,

Crawley Timber would not be where it is today.”

Over the next 10 years, Crawley Timber grew with the addition of the fourth generation of Crawley timber men in Steve’s sons, Johnny and Cecil, came in as timber buyers after graduating from Wayne Community College Forestry Program. The company had four to five contract loggers companies that it employed to harvest timber from various tracts. Steve’s oldest son, Malcolm, came on board in 2004.

During the late 1990’s, Crawley grew concerned about the logging workforce he was subcontracting with in regards to the emerging emphasis by both industry and the general public on the environmental footprint of logging and logger safety. He also sensed a need to have logging crews that would be flexible enough to satisfy the landowner’s specific needs or requests.

Crawley, who prides his company on landowner satisfaction, grew tired of the “I can’t do that” attitude some contract loggers had over the specifics of a timber sale. The company sought to configure its operations where a timber buyer and landowner would be able to work directly with the loggers in a cooperative manner.

“Looking to the future and after careful evaluation of the contract loggers’ long range fit, we made a

(continued on page 3)



One of the Crawley Crews takes a break for a group photo.

*(l-r) Front Row: Steve Crawley, Myron Brinson, Mike McKinney, Brad Bangus, Ray Dillabunt.
Second Row: Malcolm Crawley, Walter Heath, Jimmy Bangus, Randall Simmons.*

OSHA’S TOP TEN

By Jim McCraney, Forestry Mutual Safety Trainer

While visiting policyholders I am often asked about the many different OSHA requirements. The thing that seems universal is that most folks simply do not understand what OSHA requires and reviewing some OSHA publications can be a difficult task at times. Likewise, many companies have a difficult time developing and implementing an effective occupational safety and health program that fully complies with OSHA standard, especially when it comes to preparing for a worksite inspection or dealing with a citation.

OSHA compliance officers are not trained to look for a particular violation of a particular standard. They are trained to look for hazards that are unique to a particular industry. They will document their findings to see what is common injury or illness in that industry. With this data, OSHA compliance officers can research a particular industry prior to making a visit. They will use that information to review programs, look for problem areas and make any recommendation necessary to ensure a safe operating environment.

You may or may not know all of the OSHA requirements for your industry but having knowledge of some of the most frequently cited violations can assist in establishing your occupational safety and health program. The following are OSHA’s Top Ten frequently cited standards for 2005, the number of violations recorded and some of the areas of concern.

How many apply to your industry?

1 Scaffolding (8,891 violations)

- Failure to provide fall protection and guardrail systems
- Failure to ensure adequate platform construction

2 Hazard Communication (7,267 violations)

- Failure to develop and maintain a written program
- Lack of employee training

3 Fall Protection (6,122 violations)

- Failure to use a guardrail, safety net, or personal fall arrest system
- Failure to provide protection/falling through holes

4 Respirator Protection (4,278 violations)

- Failure to establish a program
- Failure to provide a medical evaluation to determine the employee’s ability to use a respirator.

5 Lockout/Tagout Program (4,051 violations)

- Failure to establish and implement a written program
- Failure to develop and document machine specific procedures for the control of hazard energy sources.

6 Powered Industrial Trucks (3,115 violations)

- Failure to certify that each operator has been trained and evaluated
- Failure to examine and document daily that industrial truck is safe for operations

7 Electrical – Wiring (3,077 violations)

- Failure to close conductors entering boxes, cabinets, or fittings and protect from abrasion
- Flexible cords and cables may not be used as a substitute for fixed wiring of a structure

8 Machine Guarding (2,956 violations)

- Failure to provide one or more methods of machine guarding
- Failure to guard blades

9 Electrical – General Requirements (2,348 violations)

- Failure to install and use electrical equipment according to factory instructions
- Failure to guard electrical equipment

10 Ladders (2,276 violations)

- Failure to extend ladder side rails at least three feet above the upper landing surface to which the ladder is used to gain access
- Using ladders for the purpose other than for which they are designed.

For more information on this topic or other safety concerns, contact Forestry Mutual at (800) 848-7788. ■

THE SAWSHOP

by Bryan Wagner
Chainsaw Trainer for
Forestry Mutual



LOGGER INJURED IN SKIDDER FALL

Over the past twenty years, the forest industry has made tremendous strides in improving safety in the woods. Equipment design has 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.

In recent months, the forest industry has been plagued by losses caused by slips, trips and falls. In a high-risk industry such as forestry, this type of loss seems harmless, 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. This article will deal with falls from logging equipment, but the information is for all equipment. Always stress the three-points of contact, mount and dismount technique. Three points of physical contact must exist at all times while getting on or off a piece of equipment.

BACKGROUND

On a clear and cool winter day, a mechanized crew was ready to shut down. At 5 o'clock the equipment was being parked for the weekend. The tract of timber was a mixed pine and hardwood stand, with a tendency of being wet. All machines were equipped with floatation tires.

PERSONAL CHARACTERISTICS

The skidder driver was 48 years old and worked in the woods nearly 20 years. The man had been employed on this job for six years and was considered fully trained and a good employee.

UNSAFE ACT OR CONDITION

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. When he 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. The fracture was a compound fracture, which means the bones came through the skin. This fracture was severe and resulted in at least twelve weeks of lost time.

RECOMMENDATIONS

1. Always use the three-point contact technique for mounting and dismounting.
2. Dismount the machine the same way you entered it, facing the machine.
3. Never exit the machine with your back facing the machine, this position can tempt you to jump from the machine. Jumping from the machine is considered a safety violation and most certainly can result in an injury.
4. Keep platforms, steps and handles free from grease, oil and other foreign material.
5. Maintain a firm grip while entering or exiting a machine.
6. Never grab the steering wheel or hydraulic levers while entering the cab of the machine.
7. 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. Production and insurance rates will be noticed. The use of the three-point contact technique could have prevented this incident from happening.

For more information on this topic or other safety concerns, contact Forestry Mutual at (800) 848-7788. ■

Crawley Timber...(from page 2)

decision to start our own logging crews," stated Crawley about his decision in 2000 to expand his company to include a logging force. "You just have more control when you own your own logging crew."

When Crawley uses the word control, he is really talking about enhancing his company's commitment to a quality logging safety and practices program, a strong maintenance program and an efficient timber grading procedure. As a result, Crawley's crews are smarter, safer and in the end, more profitable.

The Crawley's logging venture started with a loader, a tractor and a cutter. Today, Crawley Timber owns three cutting machines, two loaders, five tractors and five logging trucks and operated also as a wood dealer with an overall annual production of well over one hundred thousand tons of wood.

"I like the John Deere brand, the Prentice brand and the Hydro-ax and Tiger cat," stated Crawley. "We have bought some new and used equipment through R.W. Moore and Pioneer Equipment."

Crawley favors the Deere skidder with 44-inch tires and the Prentice loaders because the size of the 310-E model allows flexibility when moving into small tracts but still possess the power to get the job done.

While equipment is important, Crawley's successful venture into the logging arena started with his people, namely logging supervisor Brad Baugus, the first logging professional Crawley hired.

"From day one when I started out in this business, I have put responsibility on each person where it belongs," stated Crawley.

True to this statement, Crawley allowed his newly hired supervisor to recruit his crew for the new logging venture in an attempt to build that sense of accountability.

"If that employee has a problem on the job and I hired him, who is he going to come to when something goes wrong – me," explained Crawley. "I don't want that. The crew needs to have an allegiance to Brad first."

In addition to responsibility, Crawley actively seeks to develop a sense of teamwork and pride in the company ranks through regular meetings and dialogue among the timber buyers and the logging crews.

"When you can get your employees to take pride in their job, you don't have too worry about them doing a good job," stated Crawley. "My responsibility is to make sure they have all the tools and answers they need to be successful."

Today, Crawley Timber Company employs 17 people, including a logging force of 12 people and five timber buyers.

Crawley visits his logging sites every day.

"I want them to know I care about them and what is going on that day," stated Crawley.

Logging supervisor Brad Baugus retold of a recent visit where the boss was not impressed with his
(continued on back page)



Crawley's second crew. (l-r) Front Row: Thomas Hall, Adam Wyatt. Second Row: Tommy McGee, Larry Brock, Nathaniel Green.

Crawley Timber...(from page 3)

placement of a muffler that had been removed from one of the machines. Earlier in the day, Baugus had leaned the muffler up against a telephone pole next to the access road.

When Steve came up to the job site," explained Baugus, "he asked about it and told us to make sure we took it home with us. The next day, he called asking about the muffler. He wasn't pleased when he found out it was still there. He said, 'Brad, do you realize how many people see that muffler when they drive by?'"

Baugus made sure the muffler found its way to the dump that evening.

"I have really good people," stated Crawley. "I don't have to worry about them. They call me up and they tell me what they need to get the job done or tell me what we need to do. I let them run it by me, and I'll say ok do it, or well instead of doing that, why don't we try this or what do you think?"

Steve Crawley is proud of his employees. When Forestry Mutual honored Crawley Timber Company with it's 2005 Logger of the Year Award, Crawley personally made individual awards for each of his employees and presented it to them as a

way of thanking them for their commitment to the company. All of his loggers are ProLogger certified, are committed to safety and are very good at what they do.

"If you had a 10'4" opening and a 10-foot trailer," explained Crawley as he pointed to truck driver Ray Dillahunt, "Ray could put that trailer right in the middle without leaving a scratch."

Moving in and out without leaving a scratch is a good metaphor for Crawley Timber Company, priding itself on its ability to cut large or small tracts to the landowner's wish. While no tract is too small or large for Crawley, the average tract runs from 50-75 acres.

"We have some 150 acre tracts and some 25 and 50 acre tracts bought," explained Crawley. "We operate a very lean and efficient company."

A plugged in logging crew is essential to this effort, but in the end, the sorting of details back in the home office holds the secrets of this family business.

Crawley and his oldest son, Malcolm, the company's general office manager, coordinate the data and products produced in the Crawley war

and resource rooms.

In the Crawley war room, Steve Crawley maintains several three-ring notebooks on timber tracts detailing what timber has been purchased, which timber buyer bought it and who and when it will be cut. The two computers in the room run software programs tapped into area county landowner data.

"We sit down with our timber buyers on regular basis and we will discuss each landowner," stated Crawley. "How are we going to approach this? We take each tract of timber we are going to cut and we lay out a plan. Here is how we are going to move in, set the decks here, cut this first and bring it this way. "

The war room also contains a stack of tree counting cards – cards that Crawley timber buyers use to count each tree on a given tract. The card not only allows Crawley Timber to discuss the tract down to a tree in terms of potential worth with a landowner, but it also shows the logging crew what to expect in terms of production on a given tract in terms of timber quality - saw timber, chip & saw and pulp wood. The crew then sorts this wood on the deck, maximizing the value of the timber har-

vested on a given tract.

The resource room, which takes up the back portion of the office, is the key to the efficiency that makes Crawley Timber so unique. Set up similar to a NASCAR garage, the room contains various items essential to the logging machines such as oil, chains and bolts. The company's supply of chaps are cleaned routinely and reused on a regular basis. Crawley's machines are greased weekly.

"I don't want any breakdowns, I don't want things to go wrong, but when they do breakdown, when they do go wrong, it is an immediate challenge to find a way to fix it," stated Crawley.

For Crawley's logging crews, that means they are just a phone call away from getting a new chain, more oil or a new set of chaps.

Whether it is evaluating a timber purchase, solving a problem on a job site or handling a landowner request, Steve Crawley pays attention to the details – the little things – waiting to spot any problem or opportunity like arrowheads in recently disturbed soil. ■



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

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