



FORESTRY MUTUAL NEWS

Newsletter of the Forestry Mutual Insurance Company

Vol. 2, Issue 1

FROM THE PRESIDENT'S DESK

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A year after expanding into Virginia, Forestry Mutual now is looking south to South Carolina in 2003.

"At one point, we were a mono-line, mono-state insurance company," stated Forestry Mutual President Keith Biggs. "We established a long-range plan some three years back that had the company heading towards Virginia and South Carolina. The decision to apply for and receive our license in South Carolina is a fulfillment of these goals."

Forestry Mutual applied for a license in 2002. It was granted in November of 2002, which allowed the company to start writing policies in January of 2003. Most recently, Forestry Mutual received an endorsement from the South Carolina Timber Producers Association, which consists of 280 members.

Aside from the obvious advantages of growing the company's size, Forestry Mutual's march into South Carolina also allows the company to become more geographically diversified with policyholders in three different states. While economic trends can often be regional, different laws and business practices can impact the forest products industry on a state-by-state basis. With policyholders in three states, Forestry Mutual gains more stability in tough economic times.

Forestry Mutual has recently reached some milestones since the company was first formed in 1980 as the North Carolina Forestry Association Self Insurers



(l-r) Forestry Mutual President Keith Biggs and Operations Manager Coy Baker pose for a photo in front of Forestry Mutual's new training trailer.

Fund. In 2002, Forestry Mutual topped the 1,000-policyholders mark and now has 925 policyholders in North Carolina and some 130 policyholders in Virginia. In terms of net premiums, the company grew from \$10 million in 2001 to \$14 million in 2002.

As part of the long range planning, Forestry Mutual also added a marketing arm to the company, called Wood Products Intermediaries (WPI) in 2000. WPI actively seeks out new business opportunities by working with other
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NO SIBLING RIVALRY WITH CAHOONS

The issue of sibling rivalry never surfaces during the daily operations of J&R Logging, which is owned and operated in northeastern North Carolina by brothers Joedy and Ronnie Cahoon. At least not one that they are admitting to anyway.

"It works good for us," stated Ronnie Cahoon, who is three years younger than his brother Joedy. "There ain't no fighting, no fussing. There's a little argument here and yonder. There's always a lot of give and take."

Part of the harmony at J&R Logging is derived from the clear defined roles each brother plays in the success of the business that they started in 1994. Joedy oversees the scheduling and manpower duties, and Ronnie concentrates on maintaining the Cahoon's stable of logging equipment.

"Ronnie handles the mechanical part and I handle the other parts - the hiring of the men - getting the tracts together - where to move to next," stated Joedy Cahoon.

Does he ever boss around his little brother just



(l-r) Joedy and Ronnie Cahoon run two crews as part of J&R Logging and Cahoon Logging.

for fun?

"No, he just keeps all the stuff running," stated Joedy. "I don't have to tell him anything. He loves the part he does."

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THE SAWSHOP

by Bryan Wagner
Chainsaw Trainer for
Forestry Mutual



In previous columns we have discussed performance issues dealing with the chainsaw motor. Provided we have a properly tuned power-head, we must have a cutting system that performs as well. If we do not, it is like putting on a new pair of shoes with broken socks! The cutting system is broken down into three parts: guide bar, chain and sprocket. All of these parts must function properly to insure fast and efficient cutting.

The chainsaw guide bar is an integral part of the cutting system. Even the best maintained chainsaw would not perform well if it is fitted with a poorly maintained or damaged bar. There are basically three types of guide bars: hard nose, sprocket nose and bow bars. The hard nose and sprocket nose bars are the most common. Each has its strengths and weaknesses. My preference is a sprocket nose bar for its speed and efficiency. With a sprocket mounted in the tip of the bar, it allows the chain to be thrown around the bar rather than being pulled around. Some manufacturers have said that a twenty-five percent increase in efficiency is realized by running a sprocket nose bar. The strength of a hard nose bar is in its ability to function in gritty and dirty conditions. The guide bar should be chosen to match conditions and the skill levels of the employees running them. A sprocket nose bar will simply not stand constant pinching and binding during topping operations.

Bar maintenance is fairly easy to understand and perform. The guide bar has two enemies, friction and physical damage. Great friction is present when the saw is cutting. Steel on steel is the friction we will concentrate on. To help reduce this friction, a good quality bar and chain oil is recommended. Never use waste oil. Waste oil contains tiny metal fragments that can damage your saw's oil pump. Develop a maintenance schedule for your cutting system as you would for the power-head.

ON A DAILY BASIS

1. Clean the bar groove. Remove packed saw dust that is oil soaked.
2. Make sure the oil hole is open, if not, open it.
3. Check for burrs on the sides of the bar rails. Burrs should be ground or filed off.
4. Check for straightness, bent bars don't cut straight.

AS NEEDED BASIS

1. With sprocket nose bars, check for wear on the nose sprocket. If worn, the teeth will appear sharp and pointed. Replace the tip if excessive wear exists. Do not allow the sprocket nose to "blow" from excessive wear. Often times when this happens the roller bearings that are in the tip are driven and jammed in the bar groove. If this failure happens, we must remove all of the bearings from the groove. Damage to the drive links of the saw chain will occur. Replace the sprocket tip when needed.
2. Extended use of a guide bar will produce natural wear. The "spreading" of the bar groove is normal. With even the highest quality bar and chain oil, wear will take place. Remember, we have a steel on steel friction occurring. Extended use actually wears the bar groove out. Chain "slop" or side to side movement will be present. We can correct this wear by using a rail closer. Before closing the bar rails, we must make sure the bar rails are true. Bar rail grinders and rail closers are available from Bailey's at (800) 322-4539.

When our guide bars are properly maintained we will notice a difference in cutting accuracy and speed. Several safety issues present themselves when the saw does not cut well. The properly maintained bar will allow the well-tuned power-head to perform at its peak. Next time we will look at drive sprockets.

Until next time, Safe Sawing. ■

LOG A LOAD FOR KIDS NEWS

North Carolina's Log a Load effort raised \$304,203 in 2002 which ranked only behind Arkansas (\$350,000) and Alabama (\$355,000) in the country. The funds were distributed to Duke (\$130,000), Greenville, NC (\$90,230), Charlotte (\$67,000), Greenville, SC (\$6,500), King's Daughter, VA (\$5,050), MCV (\$4,650) and Lynchburg, VA (\$500). North Carolina has consistently ranked in the top five of all participating states, taking top honors in 1999 when North Carolina Log a Load raised \$500,000.

The North Carolina Log a Load statewide committee announced in February that Charlie Debrito of Forestry Mutual will step forward to serve as the Statewide Chairman. Debrito replaces Buddy Shavender, who directed North Carolina's efforts for the past two years. Debrito can be reached at 866-755-0344.

In other announcements, Dawn M. O'Neal was appointed Statewide Coordinator. She comes to Log a Load for Kids after spending the past six years working with Log a Load while at Mebane Lumber Company, Inc. O'Neal can be reached at 919-304-3152. Jennifer Dempsey was named Regional Coordinator for

the Duke Region. She takes over the position from Richard O'Brien who is stepping down after many years of service given to LAL. Dempsey is employed with Roanoke Lumber Company, Inc. and can be contacted at 252-537-6251.

First Events Slated for 2003

The first Spring golf events for 2003 are the Foxfire Golf Tournament at Foxfire Village on Thursday, March 27, 2003 and Woodlake Golf Club in Vass, NC, on Thursday, June 19, 2003. Tee time for both events are scheduled for 12:00 pm. This year's premier Pinehurst event is a 2-for-1 deal that enables participants to play in both events for one price. The price is \$110/per player or \$440/per team. This includes dinner and raffles. Please contact Scott Brewer with International Paper at 910-739-7596 or Dawn M. O'Neal for more details.

On May 5, the Forest Resources Association will be raffling off a Ford Expedition Truck. Tickets are \$20 each and can be purchased from Jennifer Dempsey or Dawn M. O'Neal.

Calendar of Events

March 27 Foxfire Golf Tourn.
May 5 Ford Expedition Raffle
June 19 ... Wood Lake Golf Tourn.

HAVE A VIOLENCE PREVENTION PLAN

By Jimmy McCraney

A recent study of crime victimization revealed that in one year more than a million workdays were lost as a result of workplace assaults. Employers should be sensitive to the effects of workplace violence and establish procedures for reporting and responding to workplace violence.

One of your first concerns in developing a workplace violence prevention program is to establish a system for documenting violent incidents in the workplace. This data can be used to assess the nature of the incident and provide ideas for ways to intervene before another violent act occurs. A discrete system of reporting workplace violence should be established and publicized com-

pany-wide.

The written workplace violence policy should clearly indicate a zero tolerance. Appoint a committee of volunteers that will assess threats of violence and to determine what steps are necessary to prevent the threat from being carried out. This committee should conduct periodic reviews of violent incidents to identify ways in which similar incidents can be prevented.

A committee recommendation to fire an employee may or may not be the most appropriate way to reduce the risk for additional or future violence. The employer may want to retain some control over the employee and require or provide counseling or other care, if appropriate.

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SAFETY ALERTS

by John Lemire
Director of Loss Control for
Forestry Mutual

In an ongoing effort to educate our policyholders, we review safety information from many sources such as magazines, web sites, and books. The following article is being reprinted with permission from Capital Associated Industries' February 14, 2003, Management Newsletter.

Misclassifying An Independent Contract Worker Can Be Costly

Incorrectly classifying a worker as an independent contractor instead of an employee can be a costly mistake. An employer can rack up a substantial amount of money owed to the Internal Revenue Service (IRS) in back taxes and penalties by misclassifying its employees as independent contractors, which is a common mistake. An employer who exercises too much control over an independent contractor may be crossing the line of making that person an employee. Here are some things to check to keep your independent contractors from being ruled as an employee:

- Enter into a contract with the independent contractor and have the contract state that the contractor has the right to control his or her work.
- Contract and pay for the job, rather than pay by the hour.
- Do not provide company benefits to a contractor, in fact state in the contract that the contractor is not entitled to employee benefits.
- Require the contractor to pay for his or her own tools and supplies.
- Have contractors submit invoices for their work and do not pay them from a payroll account.
- Require a contractor to provide, and pay their own assistants.
- Have the contractor provide their own workers' compensation and liability coverage and pay their own taxes. Keep a copy of required insurance coverage on file.
- Specify time limits for projects.
- Instead of having the contractor sign a noncompete agreement, include a clause in the contractual agreement on proprietary information. ■

Violence Prevention... (from page 2)

The violence prevention policy should explicitly state the consequences of making threats or committing acts of violence in the workplace.

The program should also include procedures to follow in the event a violent incident has occurred. Appoint a response team responsible for immediate care of the victim(s), document the details of the incident and contact family members if required. If the situation warrants law enforcement intervention, state the means of contact. Include procedures in the event someone needs immediate medical attention.

If a threat has been made that refers to particular times and places, you may need to change routines. For example, a person who has leveled a threat against a worker may indicate, "I know where you park and what time you get off work!" In such a case, it may be advisable to change or even stagger departure times and implement a buddy sys-

tem for security in leaving the workplace. You should deal with the situation swiftly.

Another area to consider is the role that stress plays in triggering workplace violence. High levels of stress may lead to violence in the workplace, but a violent incident in the workplace will most certainly lead to stress.

Developing a violence prevention program is essential in deterring workplace violence. Establishing procedures to report potential workplace violence will help in identifying potential incidences. Appointing committees and response teams can help in administering policies and documenting violent acts. Reducing workplace stress can be major factor in your controlling potential violent situations. A successful violence prevention program will reduce employee time away from the job, increase productivity, promote communications; but most importantly it will ensure the safety and well being of all employees. ■

No Sibling Rivalry with Cahoons... (from page 1)

The Cahoon brothers' partnership dates back to the days of working for their dad, Caulton Cahoon. Joedy joined his dad at age 18 while Ronnie started his logging career as a 16-year old. The Cahoon brothers strictly cut on plantation lands, and they like it that way.

"With plantations, I don't have anybody on the ground with a chainsaw," explained Joedy. "We do it all from equipment. On plantation land, you don't get paid as much per load, but you can move more loads and it's not as rough on your equipment."

Joedy also enjoys the predictability and ease in which he can plan his work schedule by cutting exclusively for Weyerhaeuser. On these company lands, Cahoon points out that most of the roads have already been constructed of rock roads so he does not have to commit manpower and time to reaching timber stands.

In addition to operating J&R Logging, the Cahoons also successfully operate their mother's company, Cahoon Logging.

While keeping the books straight on two different companies and equipment can be mind boggling at times, it remains a family affair. Joedy's wife Barbara runs J&R Logging's finances while Christine Cahoon and two of her daughters run the business affairs for Cahoon Logging.

Due to their operation commitments, Joedy and Ronnie have had to be creative and assertive to ensure the viability of their company and safety on both job sites. The Cahoons, which were awarded Forestry Mutual's Safety Award in 2002 when J&R Logging was voted the Logging Company of the Year, have integrated the use of radios into their daily work routine. Each employee carries a radio that keeps him in constant contact with everyone else on the job.

This means that if Joedy or Ronnie need to contact one of their equipment operators, they can simply call them on the radio rather than physically tracking them down, attracting their attention and eventually, having the operator shut down his machine. The radios have become such an everyday tool that leaving it home on the kitchen table can spell a long day.

"If you forget to bring the radio to work just one day, it makes you

near not even want to log that day," stated Joedy.

The Cahoons also took an additional safety step when they hired Earl Barber as a safety consultant. Barber conducts a two-hour meeting on a monthly basis for the Cahoons.

"I used to do all the safety meetings," explained Joedy. "It got to be really too much so we hired Earl Barber. He comes out and really is like a third party. He does a complete inspection of every piece out here. He does an excellent job at what he does."

Joedy still holds a safety meeting at least once a month. However, he does not just wait for a date on the calendar when it comes time to being safe.

"If I see somebody doing something wrong", explained Joedy. "At dinner time we'll get together. I tell him what he did wrong where everyone hears so the next man won't repeat it."

And what's the reward for this commitment to safety for Cahoon's employees? Cash - Courtesy of Weyerhaeuser.

"Weyerhaeuser pays us for safety," stated Joedy. "They come down and check on us. They have a third party that does an audit. They check oil spills, safety, utilization, environmental and we get scored on it."

By obtaining a certain score over a three-month period, the Cahoon brothers earn a \$500 bonus. Joedy and Ronnie divide the safety money over to the crew. Realizing where the extra money comes from, the peer pressure for safety is strong.

"They get ill now when they don't hit that bonus," stated Joedy with a smile.

While the cash bonus is nice, Joedy takes the other consequence of the company's safety record - its standing in the Weyerhaeuser pecking order - as a top priority.

"If it comes a tight time when they have to go on quota," explains Joedy. "How you score is how many loads you can get."

And how are the Cahoons scoring these days. On its latest report card, the Cahoons scored a 99.6%.

"The safety thing used to be a joke to me," stated Ronnie, "but today, I am a believer, I'm all for safety. I have seen what it has done for us. No accidents." ■

From the President's Desk... (from page 1)

insurance agencies as well as individual companies that may be future policyholders.

While WPI has assisted in the overall growth of the company, Forestry Mutual's success in serving its clients over the years can be attributed to its belief of only writing quality policies.

"We achieve our growth by concentrating on growing good business," stated Biggs. "Our company only adds quality accounts that have a good safety history. Before we write a policy, one of our loss control representatives visit with the company to make an inspection as well as looking at the past three years of safety records of the company."

Biggs speaks with confidence when he talks about what his policyholders appreciate. Starting with the company in 1986, there are not many back roads in North Carolina that Biggs has not traveled at one point. In his first few years, Biggs and Coy Baker, Forestry Mutual's Operation Manager, were the only two service reps and shared some 250 accounts between them.

Nowadays, Biggs is proud to point out that Forestry Mutual employs seven loss control representa-

tives and no one individual has more than 150 accounts to service. Along with providing the latest safety equipment and materials, Forestry Mutual loss control representatives also serve as an auditor for their policyholders.

Forestry Mutual also distinguishes itself from other companies by employing a full-time chain saw trainer, Bryan Wagner.

Along with heading into South Carolina, Forestry Mutual took another first step for the company this year by purchasing a safety trailer. The trailer, which is 7 x 12 feet, will be used whenever Forestry Mutual visits safety workshops and logging demos. The trailer will hold safety equipment that will be available for purchase at these various sites.

"The trailer allows us to carry all the safety materials we may need when we visit a workshop," stated Biggs. "It will simplify things for us, helping us to better serve our policyholders."

This commitment to safety is an appreciated service for many of Forestry Mutual's smaller companies that do not have the ability to hire an employee just to fill the role of a safety officer. It is also one of the keys to Forestry Mutual's success. ■

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