



KICKBACK



A Privately Circulated Newsletter for Employers in the
 NEW YORK LUMBERMEN'S INSURANCE TRUST FUND

NUMBER 1

JANUARY 2011

*A Message from the President
 Edward G. Wright, CPCU*

Rates Unchanged - For Now

ROUTE TO:

- _____
- _____
- _____
- _____

As you know, we've had a spectacular run of reducing reported claims which lasted five years, falling from 434 in 2004 to a mere 189 in 2009. Unfortunately, that trend began a reversal in 2010 when 229 claims were reported.

Still, experiencing half the claims we saw six years ago would lead us to ask, as many of you have, why don't our rates go down? In fact, the rates for our two major classes, sawmill and logging, have gone down 18% and 3% respectively since 2006. However, we haven't seen any improvement since 2008.

Why is this?

While it's true that claims costs usually account for about 60% of premium, there are other expenses over which we have little or no control, the primary one being: **Workers' Compensation Board Assessments** – these are fees levied upon us by the State Workers' Compensation Board which are used to fund the operation of the Board and its' various funds. Assessments have grown from \$966,044 in 2005 to a projected \$1,600,000 for 2010! That additional \$600,000+ could have resulted in an additional rate decrease in the neighborhood of 6 – 7%.

Another major factor we continue to wrestle with is the increasing severity of claims. **Medical Inflation**

is due in large part to advances in medical treatments which while certainly effective, are much more costly.

Our claims costs over the past five years have averaged \$5,070,000 per year. Results for 2010 are not in yet, but we expect something in that neighborhood – yet on dramatically fewer claims than we saw just a few years ago.

Another change that has occurred in the past five years is that the state has required group self-insurance to establish an assessment reserve. In our case, the reserve is over \$4,000,000. This is a statutory requirement over which we have no choice.

Finally, your Trustees have decided that it is prudent for the Trust to carry a surplus - that is to maintain a balance sheet where assets exceed liabilities by a comfortable margin. Under today's regulations, failing to do so could result in our being forced to assess Trust Fund Members for any deficit that may arise. We don't think that would be a move well received by our Members.

Your Trustees will be monitoring the rate situation throughout the year with an eye toward maintaining the financial integrity of the group. We'll keep you posted.

Thanks for listening.

NYLITF Mission Statement

Our mission is to provide our Members the best value and financial security for workers' compensation and disability benefits with the objective of the utmost protection for the health and safety of our Members' employees. We shall achieve this by rendering unparalleled loss prevention service, vigilant claim handling, risk selection and cost control. We are committed to continuous improvement, achieving and maintaining Member satisfaction with integrity and respect.

Important Dates to Remember

Monday, February 21, 2011
 W.J. Cox Associates, Inc. office will be closed

Friday, April 1, 2011
 New York Lumbermen's Insurance Trust Fund
 30th Annual Meeting
 Syracuse, NY

Friday, April 22, 2011
 W.J. Cox Associates, Inc. office will close at 11:30 a.m.

Friday, April 29 & 30, 2011
 Visit the W.J. Cox Associates, Inc. booth at the
 Northeastern Loggers' Association Expo in Hamburg, NY

Friday, May 13 & 14, 2011
 Visit the W.J. Cox Associates, Inc. booth at the
 Northeastern Loggers' Association Expo in Bangor, ME

This publication is intended for the educational use of employees and contractors who work for and provide services to members of the New York Lumbermen's Insurance Trust Fund. The techniques suggested herein do not apply to all situations and all work procedures should be discussed with supervisory personnel prior to being applied to your job.



New York Lumbermen's
Insurance Trust Fund

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Clarence, NY 14031-2093
(716) 759-9606 • Fax: (716) 759-9607
www.wjcox.com

NYLITF TRUSTEES

- Joel I. Bingham**
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Owego, NY
- Joel A. Bowman**
A. D. Bowman & Son Lumber Co., Inc.
Castle Creek, NY
- Gregory Fitzpatrick**
Fitzpatrick & Weller, Inc.
Ellicottville, NY
- Paul N. Gutchess**
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Wagner Millwork, Inc.
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- Edward G. Wright (Secretary)**
W. J. Cox Associates, Inc.
Clarence, NY

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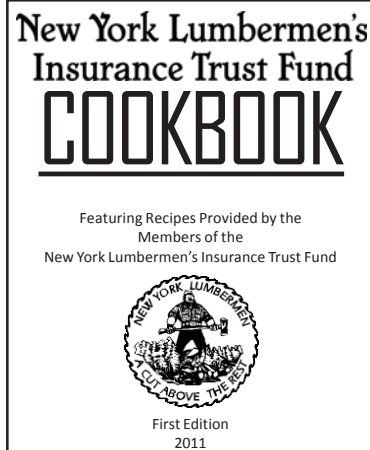
KICKBACK

Issue 1, January 2011

Editors:

Kathleen A. Ayala, Kevin P. Brown,
Michelle C. Conley & Edward G. Wright

The Kickback is published by W. J. Cox Associates, Inc. The publication is a privately circulated newsletter for Employers in the New York Lumbermen's Insurance Trust Fund & Forest Industry Insurance Group.



Be Part of the
First Edition of the
New York
Lumbermen's
Insurance Trust
Fund Cookbook

Would you like your favorite recipe included in the First Edition of the New York Lumbermen's Insurance Trust Fund Cookbook? Then send it in and all submissions will be reviewed by the Cookbook Committee at W. J. Cox Associates, Inc. (All submissions will receive a gift, one gift per person.)

Submit recipes to:
Michelle C. Conley
W. J. Cox Associates, Inc.
9600 Main Street, Suite Three • Clarence, NY 14031-2093
-or-
mconley@wjcox.com

Deadline for recipe submissions is April 1, 2011

Reminder to all NYLITF Members:

The Workers' Compensation Board has implemented a major change in how medical care is provided to injured workers. New Medical Treatment Guidelines are the **mandatory** standard of care for specific body parts: the back, neck, shoulder, and knee. The new guidelines were effective for dates of service on or after December 1, 2010, *regardless of when the accident occurred*. Their goal is to provide the best medical care for the injured employee, improve function, and to affect an early return to work.

What does this mean to you? Your employees must report all new potential workers' compensation cases to you as soon as they occur. To ensure that the guidelines are followed, you must report all new claims to the W. J. Cox Associates, Inc. Workers' Compensation Claims Department as soon as you have knowledge of the claim. This especially applies to employers who live and work along border states where your employee might treat outside of New York.

If you have any questions concerning what you need to do, please contact your claims examiner.



Congratulations to the following
W. J. Cox Associates, Inc. Staff Member
celebrating a milestone:

Missie Geitner, Underwriter • 5th Anniversary - January 1, 2011

Six Tips for Saving Money on Your Insurance

Susan E. Kane, Underwriting Manager

We all want to save money. Here are 6 tips that may help you to cut down on your insurance costs.

1. Property, equipment and auto policies have deductibles that apply. By increasing deductibles, you are taking on more of the risk so insurance companies are willing to reduce the cost of the insurance. Premium savings can range from a few dollars to thousands of dollars. Before increasing your deductibles, however, you need to decide if the premium savings is worth the additional risk you are taking.
2. Do not over insure or underinsure. Paying for insurance that you can never collect on is a waste of money. A good example of this is in property insurance. If you have a policy that will replace your building, but you would not replace it in the event of a loss, then you cannot collect the replacement value. Insuring the building for what it is worth would require a lower limit of insurance, thereby reducing your premium. Of course, if you do not have enough insurance on a building and you have a loss, you may be subject to a coinsurance penalty.
3. Electing not to insure is an option. The biggest factor to consider is "Can I take the risk of the loss myself?". An example of this is an old skidder. If you do not insure it and it is totaled in a fire, can you financially cover the value of the skidder? Would you be willing to take the same risk on your mill?
4. Safety. Having a safe operation makes you a more desirable risk to an insurance company. This can lead to lower rates.
5. No claims. This goes hand in hand with safety and also makes you a more desirable risk to an insurance company. It can also affect the premium you are charged. Depending on the size of your operation, you may be eligible for experience rating on your general liability, workers' compensation and auto insurance. The better your claims experience, the lower your rate may be.
6. Package discounts. Some companies offer discounts if you have more than one line of insurance with them. Our North American Specialty program gives you a discount on your general liability if we insure your equipment. Many personal lines insurance companies also offer discounts if they insure your residence and personal vehicles.

Please contact your underwriter if you would like to review your policy for possible options to reduce your cost. If you don't have your insurance with us now, we would be glad to review your existing policies with our programs and offer suggestions for reducing your insurance premiums.

Since 1986 it has been my pleasure to work with the owners and employees of forest product businesses across New York, New England, Pennsylvania and most recently Maine. I have also been involved in the W. J. Cox Associates, Inc. Employee Charity Fund heading up the annual scholarship Essay Contest and with the William J. Cox Memorial Fund working with colleges to provide scholarships for students in Forest Industry studies and on Grants for injured workers and their families. During all of this time I have felt that the staff of W. J. Cox Associates and the clients we serve have been like members of my extended family. It has been my pleasure to work with all of you and I will miss you. Thank you for making the past 24 years of my working life interesting and rewarding!

Jeanne M. Schmidt, Vice President



If you would like to receive the *Kickback* via e-mail instead of a printed copy, please e-mail us at mconley@wjcox.com or call (716) 759-9606.

Thanks.

New York Lumbermen's Insurance Trust Fund
 30th Annual Meeting
 Friday, April 1, 2011
 Holiday Inn - 441 Electronics Parkway - Exit 37 - Syracuse, NY 13088
 (315) 457-1122

THIRTIETH
NEW YORK LUMBERMEN'S INSURANCE TRUST FUND ANNUAL MEETING!!!

Please join us for the Thirtieth Annual Meeting of the New York Lumbermen's Insurance Trust Fund. Scheduled events include a financial review of the Trust Fund, a presentation by the National Safety Council - Distracted Driving, What to do in the Event of a Fatality of Serious Injury, On-Line Fraud presented by the FBI, Gander Mountain, Employee Assistance Program (EAP) Managerial and Supervisory Training and the Cost Benefits or Effectively Using the Administrative Referral for Problem Employees, and much more. Also, during the lunch program, we will pay tribute to the 2010 Safety Award Recipients. Registration will begin at 8 a.m., meetings at 9:30 a.m. and cocktail party, dinner and entertainment at 5 p.m.

There is no registration fee for the meeting and social events. If you require overnight accommodations, they are available at a discounted rate of \$112 for a single or double. Please complete the bottom portion of this form and mail or fax it today.

AGENDA

- 8 - 9:30 a.m. Meeting Registration & Networking
- 9:30 - 10 a.m. Opening Session
Presented by Edward G. Wright, President & CEO of W.J. Cox Associates, Inc.
- 10 - 10:50 a.m. Distracted Drivers
Presented by Irene Scruton, President of National Safety Council
- 11 a.m. - 11:50 a.m. What to do in the Event of a Fatality or Serious Injury
Presented by Peter G. Sformo, Loss Prevention Consultant & Robert S. Stockton of Stockton, Barker & Mead, LLP
- 12 - 1:30 p.m. Safety Awards, W. J. Cox Associates, Inc. Scholarship Presentation & Luncheon
- 1:40 - 2:20 p.m. Computer Fraud Prevention for Businesses
Presented by FBI
- 2:30 - 3:10 p.m. Employee Assistance Program - Managerial and Supervisory Training and the Cost Benefits of Effectively Using the Administrative Referral for Problem Employees
Presented by Patrick Regan of Employee Services, Inc.
- 3:15 - 4:15 p.m. Gander Mountain
- 4:15 p.m. Final Wrap-Up
- 5 p.m. Cocktail Party, Dinner & Casino Night

**REGISTRATIONS RECEIVED
 PRIOR TO MARCH 31, 2011
 WILL BE ENTERED TO WIN
 A COMPLIMENTARY NIGHT
 STAY AT THE HOLIDAY INN
 THE NIGHT OF THE
 ANNUAL MEETING.**

Company Name: _____ Contact E-mail: _____

<u>Names of Registrants</u>	<u>Meals</u>			<u>Guest Rooms</u>	
Please print names separately & exactly as you would like them to appear on your name badge.	Luncheon	Dinner	Breakfast	Nights	Single/
	April 1	April 1	April 2	(Thursday/ Friday)	Double
	(Yes/No)	(Yes/No)	(Yes/No)		
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____

There will be a \$25 charge for all registrants that do not attend the meeting with at least one week cancellation notice.

Please return the bottom portion of this form to:
 W.J. Cox Associates, Inc.
 9600 Main Street, Suite Three • Clarence, NY 14031-2093
 or fax to Michelle Conley at (716) 759-9607

Accident Investigation

Near Miss

Steve Krzes, Jr., Safety Coordinator for Fitzpatrick & Weller, Inc.

Background

This dimension mill has been in operation for more than 50 years and they are very much aware of the different hazards that are associated with cutting and shaping lumber. Their training program addresses proper operational procedures and potential hazards of the operation. They must go through an operational review and pass the written requirements with their supervisor before they can operate any machine on their own.

Personal Characteristics

A 50 year old employee with 20 years of experience operating various cutting machines had no previous safety or operational issues. He has operated this moulder a number of times throughout the years and is very familiar with proper set up and hazards.

Unsafe Acts/Conditions

Fed a piece of triangular lumber measuring 4 feet long by 2 ¾ by 1 ¼ through the moulder.

Incident/Near Miss

When the last piece of the triangular lumber was fed into moulder the operator used an incorrect size push-out piece to push lumber through moulder. The push-out piece was smaller than part being moulded and fell sideways losing contact with the feed wheels half way through the process. The push-out piece made contact with the top head, and without contacting the feed wheel the triangular piece of lumber kicked back about 25 feet striking a metal cabinet. The force of the lumber made a large dent into the cabinet that measured 3 inches in depth.

Recommendations for Correction

An accident investigation by the safety committee made recommendation that all push out pieces will be the same size as the piece being moulded. Also, a protective barrier made out of metal will be positioned in back of the point of operation to protect co-workers from walking or working in the area. This operator was feeding material on the side which protected him from any kick backs. This could have been a catastrophic incident if the operator or a co-worker was in the path of the flying lumber.



If you have an accident investigation story that you would like to see published in the Kickback or Planer Truth, please submit to:

*Michelle Conley
W. J. Cox Associates, Inc.
9600 Main Street, Suite Three
Clarence, NY 14031-2093
-or-
mconley@wjcox.com*

If we use your submission, you will receive a \$25 WalMart gift card.

Upcoming Monthly Safety Meetings

February

Seatbelt Use

OSHA 300 Form & Instructions

March

Accident Reporting

Monthly Safety Meeting Topics
are available
at www.wjcox.com