



KICKBACK



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

NUMBER 3

JULY 2010

NYLITF Procedure in the Event of a Deficit

ROUTE TO:

- _____
- _____

The Workers' Compensation Board (WCB) has required all group self insurers to file a procedure to be followed in the event the Trust Fund experiences a deficit - that is, should liabilities exceed admitted assets. The WCB has further required that such procedure be distributed to all members. Following is the procedure which was developed by your Trustees in consultation with W. J. Cox Associates, Inc. Please note that New York Lumbermen's Insurance Trust Fund is currently fully funded and has been issued a report of "no funding issues" by the WCB. This procedure is for your information only.

Should the New York Lumbermen's Insurance Trust Fund experience a deficit in a given calendar year, within 120 days of the close of the calendar year, the Trustees shall direct the Administrator as follows:

- I. Determine the root cause(s) of the underfunding/deficit.
 - A. Risk Selection (Underwriting)
 1. Analyze entire membership individually for frequency and severity of losses over immediate three year period.
 - a. Review any members with three year loss ratio > 60% or loss frequency > than 120% of group average.
 1. Determine compliance of identified members with established safety standards.
 2. Reaffirm safety standards and ensure compliance through on-site training and survey.
 - B. Pricing
 1. Analyze current pricing (rates) vis-à-vis pricing recommended by independent actuary and manual rules.
 - a. Implement revised pricing as indicated.
 2. Review use of discounts (if any) to determine justification of credits.
 3. Consider implementation of debit rating for marginal risks.
 - C. Investment Performance
 1. Investment Committee and Advisor review portfolio for compliance and conformance with Workers' Compensation Board regulations and established New York Lumbermen's Insurance Trust Fund investment guidelines.
 - a. Investment Committee report to Trustees with recommendation for changes in investment policies or practices, if any.
 - b. Trustees direct Investment Committee to alter practices as they deem necessary.
 - D. Operating Expense
 1. Review all operating expenses by category and in total.
 - a. Compare expenses to industry standard, contractual limits, budget and practical value.
 1. Review and control as necessary.

It is acknowledged that this plan is general in nature and any final plan to correct a deficit will be dependent upon the cause(s) and severity of the deficit. Also, the means to correct may lie beyond the above measures.

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

August 19 - 21, 2010

*Visit our booth at the
 New York State Woodsmen's Field Days
 Boonville, NY*

Monday, September 6, 2010

W.J. Cox Associates, Inc. office will be closed

October 2010

*New York Lumbermen's Insurance Trust Fund
 Area Meetings
 - See inside for more details -*

Thursday & Friday, November 25 & 26, 2010

W.J. Cox Associates, Inc. office will be closed

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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NYLITF TRUSTEES

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Owego, NY
- Joel A. Bowman**
A. D. Bowman & Son Lumber Co., Inc.
Castle Creek, NY
- Gregory Fitzpatrick**
Fitzpatrick & Weller, Inc.
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- Paul N. Gutches**
Paul Bunyan Products, Inc.
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W. J. Cox Associates, Inc.
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KICKBACK
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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.

PLEASE NOTE: Effective immediately, we are no longer using the M & T Lockbox in Baltimore, MD for premium payments.

Please mail all Workers' Compensation Premium payments payable to **New York Lumbermen's Insurance Trust Fund** to our Clarence address: 9600 Main Street, Clarence, NY 14031-2093 using the **green** return envelopes.

If you are paying **W. J. Cox Associates, Inc.** for your Property/Casualty Premium, please use the **yellow** return envelopes which also have the 9600 Main Street address.

THANK YOU FOR YOUR COOPERATION!!!

Comments from customers:

"If everybody did business like W. J. Cox, I would still be able to continue with my business. Thank you everyone for being so helpful and understanding!"

"We always received prompt and courteous service and found all staff members both helpful and friendly whenever we had contact. Our only reason for policy cancellation was the disposal of vehicles insured. Thanks to all!!!"



Congratulations to the following
W. J. Cox Associates, Inc. Staff Members celebrating milestones:

Pete Klay - Loss Prevention Consultant
20th Anniversary - June 4, 2010

Susan Kane, Senior Underwriter
15th Anniversary - July 5, 2010

Jeff Worrall, Loss Prevention Consultant
15th Anniversary - July 10, 2010

Importance of Renewal Information

In order to issue accurate renewal insurance policies, participants in W. J. Cox Associates, Inc. insurance programs receive the following 60 to 90 days prior to renewal:

- ◆ Summary of Insurance (update values on contractor equipment, lien holders, drivers, etc.)
- ◆ Statement of Values (update building, contents and stock values)
- ◆ General Liability Worksheet (projected payroll, sales if applicable)
- ◆ List of Certificate Holders (indicate certificates to be renewed)
- ◆ Umbrella Renewal Application
- ◆ Forester's Errors & Omissions Application

After updating the Summary of Insurance, Statement of Values, General Liability Worksheet and Certificate Holder list, we ask that you sign where indicated and return the forms by e-mail, fax or mail. Timely return of this requested information enables us to issue the renewal policies with the updated information.

If you have an Umbrella and/or Forester's Errors & Omissions Application, it is an insurance company requirement to have signed applications 30 days prior to the renewal date in order to receive a quote on a timely basis.

As always, we are available to assist you in the completion of these forms and to answer any questions you may have.

Certificates of Insurance

Certificates of Insurance are often required by vendors, landowners and lien holders as proof of insurance. The certificates themselves do not change coverage but merely provide proof the coverage exists.

The following information is needed in order to issue a certificate of insurance:

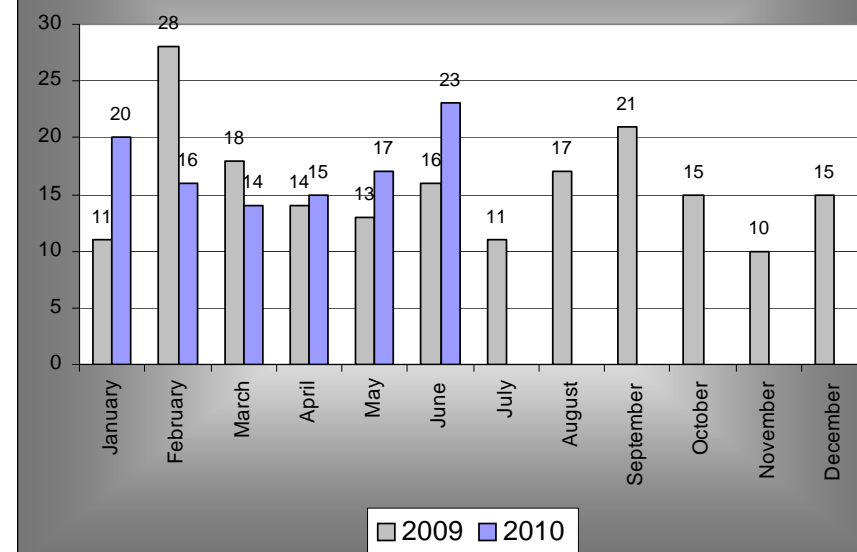
- ◆ Name of certificate holder (company or person requesting proof of insurance from you)
- ◆ Certificate holder address (street # or PO Box, city, state, zip code)
- ◆ Proof of coverage requested by certificate holder (example: general liability, workers' compensation, property, etc.)
- ◆ Fax number or e-mail address, if available from the certificate holder

The following information is needed if the certificate holder needs to be included as an additional insured on your General Liability policy:

- ◆ Interest of certificate holder in regards to the job or contract
- ◆ If you have a Blanket Additional Insured Endorsement on your general liability policy, we need to know if there is a written contract between you and the certificate holder. If not, a separate Additional Insured Endorsement needs to be added.

Certificates of workers' compensation and general liability insurance can also be requested through our website at www.wjcox.com. To obtain a username and password, please contact Roxanne Dungan (rdungan@wjcox.com) or Jeanne Schmidt (jschmidt@wjcox.com).

Reported Claims 2009 vs. 2010



The New York Lumbermen's Insurance Trust Fund ended 2009 with 189 reported claims, well below the 2008 total of 242.

The goal for 2010 is to reduce the number of reported claims by 5% to less than 180 reported claims.

Through June, 105 claims have been reported, which is slightly ahead of the same period last year.

Please contact your Loss Prevention Consultant with questions regarding safety programs and training.

Thanks and keep up the good work!