



KICKBACK



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

NUMBER 1

JANUARY 2010

Twenty-Nine and Counting

Edward G. Wright, President & CEO

ROUTE TO:

- _____
- _____
- _____
- _____

As we complete our 29th year of operation, the New York Lumbermen's Insurance Trust Fund continues to serve the forest products industry from a position of financial strength and with an unwavering commitment to preventing losses.

The number of reported claims has continued to drop for five consecutive years with 2009 coming in at an all time low of 189. Many ask "if new claims are so low, why aren't our rates going down"? There are a number of reasons:

- **Medical Inflation** - While the numbers are going down, the cost per claim is going up. This is due in part to advances in medical treatment and prescription drugs which are often very expensive.
- **Investment Income** - In many past years, particularly those where newly reported claims exceeded 400 - 500, our investment income offset our required rates far more substantially than the past four years due primarily to declining interest rates.
- **State Mandated Funding Requirements** - Following the closure of several self-insured groups, the Workers' Compensation Board has required stronger funding and the establishment of new reserves for those of us remaining. The New York Lumbermen's Insur-

ance Trust Fund has been able to comply with these mandates.

- **Outstanding Claims** - The average workers' compensation claim remains open 4 - 5 years. It takes a while to reduce the outstanding claims load. While they remain open, we are at the mercy of the aforementioned medical inflation.
- **Other Costs Rising** - In the past five years, our general expenses have gone up 12.3% (\$584,000) while our rates have gone virtually unchanged.
- **Payroll Drop** - The recent drop in payroll due to the lumber industry slowdown has decreased revenue quicker than the outstanding claims count. Once payroll rebounds, we may see an opportunity to reduce rates.

Despite these challenges, the New York Lumbermen's Insurance Trust Fund remains in sound financial condition and continues to offer benefits not ordinarily provided in standard workers' compensation programs, such as:

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- ◆ NYLITF Annual Meeting
- ◆ 2010 New Year's Resolution
- ◆ Reported Claims

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 15, 2010
 W.J. Cox Associates, Inc. office will be closed

Friday, March 19, 2010
 NYLITF 29th Annual Meeting
 Syracuse, NY

Friday, April 2, 2010
 W.J. Cox Associates, Inc. office will close at 11:30 a.m.

Friday, May 7 & Saturday, May 8, 2010
 Visit our booth at the
 Northeastern Loggers' Association Expo
 Essex Junction, VT

Monday, May 31, 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

Joel I. Bingham

Double Aught Lumber, Inc.
Owego, NY

Joel A. Bowman

A. D. Bowman & Son Lumber Co., Inc.
Castle Creek, NY

Gregory Fitzpatrick

Fitzpatrick & Weller, Inc.
Ellicottville, NY

Paul N. Gutches

Paul N. Gutches Products, Inc.
Preble, NY

Michael W. Hanlon

Cotton-Hanlon, Inc.
Cayuta, NY

Aaron I. Robinson

Robinson Saw Mill Works, Inc.
Barryville, NY

Steven F. Schaeffer

Wagner Millwork, Inc.
Owego, NY

Edward G. Wright (Secretary)

W. J. Cox Associates, Inc.
Clarence, NY

NYLITF EXECUTIVE ADVISORY COMMITTEE

Mo Cleaver

White's Lumber, Inc.
Watertown, NY

Craig Jochum

Craig Jochum Logging
Apalachin, NY

John S. Levi

Levi Lumber Company
Inlet, NY

William Millier

Brookside Lumber, Inc.
Moravia, NY

Paul J. Mitchell

Paul J. Mitchell Logging, Inc.
Tupper Lake, NY

Jeanne M. Schmidt (Secretary)

W. J. Cox Associates, Inc.
Clarence, NY

KICKBACK

Issue 1, January 2010

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.

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- **Monthly Reporting of Payroll** - This greatly mitigates "surprises" developing on audit after the fact, not to mention providing an extremely convenient and inexpensive payment plan.
- **Disability Benefits** - This coverage is included in your rate.
- **Employee Assistance Plan (EAP)** - This is a benefit that has proven to reduce claims and help employees focus better on their jobs.
- **Unparalleled Loss Prevention Service** - Our specialization allows us to tailor programs specifically for the forest products industry.
- **Superior Claims Service** - The fact that we are not buried in thousands of outstanding claims allows us to devote the necessary time to each file and follow-up where necessary on fraud investigation, return to work and ensuring injured employees get prompt and appropriate medical treatment.
- **Stable, Well-Trained Staff** - The very low employee turnover at W. J. Cox Associates, Inc. allows you to deal with the same people over the years. Furthermore, those folks are deeply familiar with the forest products industry and the challenges faced by our Members.

We look forward to working with all of you as we begin our 30th year.

Thanks for listening.

Please join us in welcoming the following new Members to the New York Lumbermen's Insurance Trust Fund

Patrick Croneiser Logging & Trucking, Inc.
Boonville, NY

Matthews & Fields Lumber Co., Inc.
Rochester, NY

Matthews & Fields Lumber of Henrietta, Inc.
Henrietta, NY

Mountain View Logging
Northville, NY

W. J. Cox Associates, Inc. Staff News

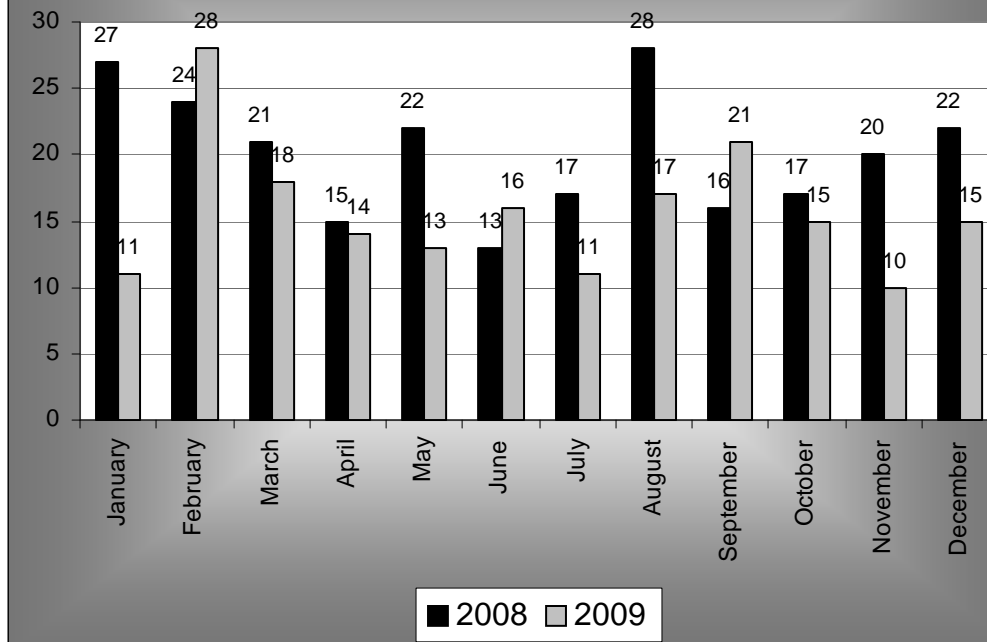
Congratulations to Workers' Compensation & Property Claims Examiner Sarah Cedeño who will celebrate her tenth anniversary with W. J. Cox on February 14.

2010 New Year's Resolution

Kevin P. Brown, Vice President Marketing

1. **Get an appraisal for your production equipment** – As we begin to recover from this economic downturn, equipment values will change. A majority of business owners do not have an accurate list of their equipment, nor a reasonable idea of value. A professional appraisal is crucial for maintaining a correct fire insurance limit.
2. **Get added as "Additional Insured" on your subcontractors policies** – When an outside firm arrives at your business to perform a service for you, before the work begins they should provide you with a Certificate of Insurance showing your business name as an "Additional Insured". We are seeing more lawsuits from service people who are hurt on our customer's property. As an Additional Insured, the service providers coverage responds first to the claim.
3. **Review your Accounting procedures** – Economic downturns can sometimes lead to more employee theft issues. Now is the time to review your procedures for handling funds to ensure consistency and implementing a check and balance system so that no one employee is responsible for all functions of your accounting process. Employee Dishonesty insurance is usually available at a reasonable cost as a last defense for these types of losses.
4. **Do you have an ERISA Bond?** – Retirement programs, such as a 401k, require an ERISA bond to cover at least 10% of the fund assets. Because these bonds are often issued on a three year basis, they sometimes expire without you knowing it. Find the bond now and put the renewal date on your calendar to avoid a lapse and possible penalties for non-compliance.

Reported Claims 2008 vs. 2009



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 decrease this number by another 5% and reduce the number of reported claims to less than 180.

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

Thanks and keep up the good work!

New York Lumbermen's Insurance Trust Fund
 29th Annual Meeting
 Friday, March 19, 2010
 Holiday Inn - Electronics Parkway - Exit 37 - Syracuse, NY
 (315) 457-1122

TWENTY-NINTH
NEW YORK LUMBERMEN'S INSURANCE TRUST FUND ANNUAL MEETING!!!

Please join us for the Twenty-Ninth Annual Meeting of the New York Lumbermen's Insurance Trust Fund. Scheduled events include a financial review of the Trust Fund, Sub Contractor Q & A, Fall Protection, New York Lumbermen's Insurance Trust Fund Jeopardy, Employee Assistance Program (EAP) Workplace Violence and Recognizing Signs of Drug and Alcohol Abuse and much more. Also, during the lunch program, we will pay tribute to the 2009 Safety Award Recipients. Registration will begin at 8 a.m., meetings at 10 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 \$109 for a single or double. Please complete the bottom portion of this form and mail or fax it today.

AGENDA

- 8 - 10 a.m. Meeting Registration & Networking
- 10 a.m - 10:30 a.m. Opening Session & Review of NYLITF Investments
Presented by Edward G. Wright, President & CEO of W.J. Cox Associates, Inc.
- 10:30 a.m. - 11 a.m. Sub Contractor Q & A
Presented by Kevin P. Brown, Vice President of Marketing, W.J. Cox Associates, Inc.
- 11 a.m. - 11:50 a.m. Fall Protection
Presented by Doug Miller of Occupational Safety Consultants
- 12 - 1:50 p.m. Safety Awards, W. J. Cox Associates, Inc. Scholarship Presentation, Door Prizes & Luncheon
- 2 - 3 p.m. New York Lumbermen's Insurance Trust Fund Jeopardy
Presented by W.J. Cox Associates, Inc. Loss Prevention, Property Casualty & Workers' Compensation Claims Departments
- 3 - 4 p.m. Employee Assistance Program - Workplace Violence and Recognizing the Signs of Drug and Alcohol Abuse
Presented by Patrick Regan of Employee Services, Inc.
- 4 p.m. Final Wrap-Up
- 5 p.m. Cocktail Party, Dinner & Entertainment

Company Name: _____ Contact E-mail: _____

<u>Names of Registrants</u> <small>Please print names separately & exactly as you would like them to appear on your name badge.</small>	<u>Meals</u>			<u>Guest Rooms</u>		
	Luncheon	Dinner	Breakfast	Nights	Single/	Smoking/
	March 19	March 19	March 20	(Thursday/ Friday)	Double	Non-Smoking
	(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