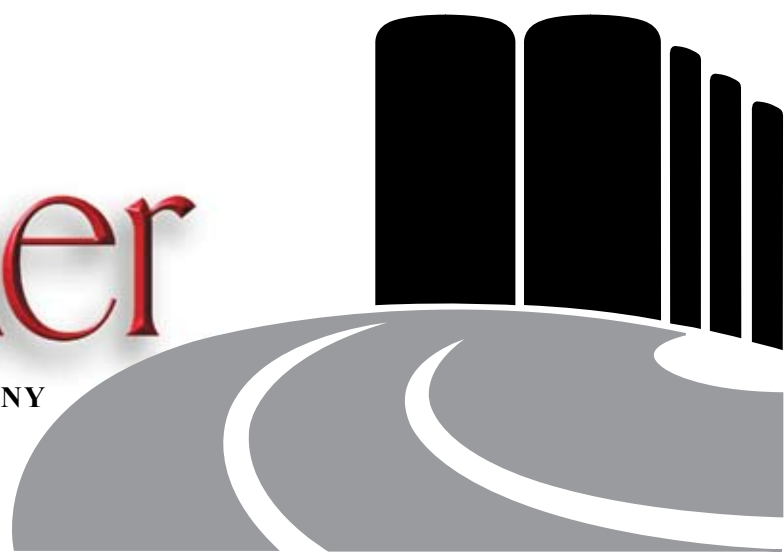


# THE Partner

COOPERATIVE MUTUAL INSURANCE COMPANY  
Winter 2007-08 • [www.coopmutual.com](http://www.coopmutual.com)



## Manlift Message

### SAFETY PAYS

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**N**ear-accidents have a way of driving home the importance of a safety program. That's certainly the case at one Nebraska cooperative, where a manlift scare this summer reinforced why annual inspections are worth the time and effort.

Farmers Cooperative Co., a 12-location co-op based in Waverly, purchased its Tecumseh location in 2005. The facility's concrete grain elevator, like so many across the country, houses a manlift. The location's manager had recently experienced some problems with operation of the lift, and Cooperative Mutual Insurance Company's (CMIC) loss control representative placed the manlift on a list of needed repairs during his annual tour of the co-op's facilities.

The cooperative took action. According to Reo Weeks, Farmers Cooperative safety and compliance officer, a Kansas-based company was called in and repaired a motor coupling and also conducted a thorough inspection of the lift in late June. After reviewing the list of needed repairs, the co-op signed a contract in early July to completely replace the lift, cables, and all of the system's rails and switches. Installation was scheduled to be completed in six to eight weeks due to the repair company's busy schedule. The manlift was considered safe to operate until the replacement could be made.

And then, the near-miss happened. A Farmers Cooperative employee was riding the manlift down when it dropped approximately 10 feet. The emergency stop kicked into action, preventing what could have been a tragic accident. Obvious questions are: what might have happened if there had been no inspection and subsequent repairs at all this summer, or if the emergency stop mechanism had malfunctioned. "Incidents like this really cause you to focus on potential problems and what can happen in worst-case scenarios," says Reo, who has been the safety and compliance officer for three years.

Following the incident, the lift was put out of service. The replacement project, moved up to a high priority status, was completed in early September. Lessons learned? "It brought home the need to do careful annual inspections," says Reo, who explains that cooperatives cannot afford to bypass the safety precaution. He also advises other cooperatives to consider bringing in outside professionals to inspect equipment like manlifts. "Even though in-house inspections can be done routinely, it's worth the cost to periodically bring in professionals." ■

Read more about manlift safety in a previous issue of *The Partner*. Go to [www.coopmutual.com](http://www.coopmutual.com), click Newsletters and the Winter 2006 issue. You'll find "Pay Attention to Manlifts" on page 4. ■

### MISSION STATEMENT:

*To build an independent, profitable, policyholder-driven insurance company providing superior service and innovative products.*

# Don't 'Trip Up' on Falls



BY KENT VOIGT, Loss Control Representative, [kvoigt@coopmutual.com](mailto:kvoigt@coopmutual.com) • 402-690-9089

No business wants a customer to fall and injure themselves at their facility. This time of year, avoiding slips and falls becomes a greater challenge. Let's review a list of basic steps you can take to help visitors remain safely on both feet:

- Sweep the parking lot/driveways/sidewalks frequently to improve grip and remove items that could cause someone to slip.
- Anchor curb stops and ensure that the anchor rods do not protrude above the stops.
- Pay special attention to handicap ramps. In the winter, remove ice buildup on slanted surfaces. In the summer, even wood ramps can be slippery when wet. Consider applying anti-slip strips.
- Empty trash cans regularly to reduce potential slipping on trash items.
- Check gas and, more importantly, diesel islands to ensure there are no spills.
- Remove snow and ice from walkways, ramps, and parking lots as frequently as the weather dictates.
- Spread salt, sand, or grit when you suspect surfaces may become slippery.
- Consider extra floor mats inside and outside to remove snow from customers' shoes and boots.

## Reacting to a fall

Even with precautions in place, falls can happen. If a customer has an accident:

- Take care of the injured customer. Be courteous and helpful.
- Allow the customer to decide whether he/she wants to go to a doctor, the hospital, or home.
- Ask how the accident occurred and begin documentation on details of the event.
- Try and determine if there were witnesses. Get names, addresses, and phone numbers of customer witnesses first. Document the employees on duty at the time.

- Inspect the scene carefully and make notes of all essential details. If there are any other employees working, have that employee also inspect the scene at the site of the incident and find out if they witnessed the accident.
- If possible, take pictures of the scene of the accident before anything can be altered but after the customer has been removed from the scene.

While it is imperative that you show care and concern to the customer after a fall, it's important you do not make statements that could come back to haunt you or the cooperative. For example:

- Do not promise that the company will take care of the medical bills.
- Do not admit responsibility.
- Do not mention that insurance will take care of everything.
- Do not apologize for anything.
- Do not argue with the customer as to the cause of the accident.
- Do not reprimand employees at the scene.
- Do not, after the accident, discuss it with strangers.

Play it safe. Be proactive when it comes to eliminating potential dangers to your customers, and be smart if a fall occurs. Taking these steps will definitely make the winter months more bearable. ■



## BIOFUELS OUTLOOK AT ANNUAL MEETING

The CMIC Annual Meeting Friday, March 14, will feature a Biofuels Outlook presentation by Dr. Allan Gray. Dr. Gray is associate director of the Center for Food and Agricultural Business at Purdue University and brings a unique perspective to the important topic of biofuels.

The Annual Meeting, beginning at 4 p.m., will be held at the Embassy Suites Hotel in Omaha. Watch for your invitation in the mail later this winter, and more details on our web site at [www.coopmutual.com](http://www.coopmutual.com) as the date approaches. ■

# Don't Delay Required Retrofits

BY BRIAN TRAVIS, Senior Loss Control Representative/Propane Specialist, [btravis@coopmutual.com](mailto:btravis@coopmutual.com) • 402-658-1831



A July 1, 2011 deadline to implement NFPA 58's requirement to retrofit existing propane tanks is staring in the face of businesses with large propane installations. The mandate, which requires internal valves be added to tanks that are 4,000 gallons or larger, may seem a long way off.

But propane marketers need to start making plans now so that their plants will be in compliance before the deadline.

## Specific requirements

Section 5.7.7.2 of the 2004 edition of NFPA 58 addresses these requirements for the liquid and vapor openings on propane tanks. Vapor inlet and withdrawal openings must be fitted with either an internal valve or a positive shutoff valve located as close to the container as practical in combination with an excess flow valve installed in the container. Liquid withdrawal openings shall be equipped with either of the following:

1. An internal valve fitted for remote closure and automatic shutoff using thermal actuation where the thermal element is located within 5 feet of the internal valve.
2. An emergency shutoff valve installed in the line downstream as close as practical to a positive shutoff valve in combination with an excess flow valve installed in the container.

With liquid inlet openings, there are a number of options to choose from. Liquid inlet openings must be equipped with any of the following:

1. An internal valve fitted for remote closure and automatic shutoff using thermal (fire) actuation where the

thermal element is located within 5 feet of the internal valve.

2. An emergency shutoff valve installed in the line upstream as close as practical to a positive shutoff valve in combination with an excess flow valve installed in the container.
3. A positive shutoff valve located as close to the container as practical in combination with a backflow check valve designed for the intended application and installed in the container.
4. A backflow check valve designed for the intended application and installed in the line upstream as close as practical to a positive shutoff valve in combination with an excess-flow valve installed in the container.

Also, liquid openings were required as of July 1, 2003 to be equipped for remote and thermal closure. New installations must already meet the requirements for liquid openings when they are first installed.

## Time consuming task

Depending on the plant complying with the code, installation of internal valves on the tank may require the tank be evacuated—a time-consuming task of removing all of the propane in the tank and flaring off the remaining vapor. Most gas equipment suppliers can help determine the specific needs of your plant.

Considering the possible need to evacuate tanks before retrofits and the number of tanks which will need to be put into compliance, it's not too early to begin the process. There's a real possibility that contractors and parts may be in short supply as the deadline nears. Also consider that state authorities will be much less willing to grant extensions since the deadline was set far in advance. ■

## Release of Appendix A

The Department of Homeland Security (DHS) has issued Chemical Facility Anti-Terrorism Standards (CFATS) for any facility that manufactures, uses, stores, or distributes certain chemicals above a specified quantity. A list of the chemicals that will be regulated by CFATS can be found in Appendix A. Appendix A was released at the beginning of November and both propane and anhydrous ammonia are on the list, which will affect cooperatives that handle these products. Facilities that contain more than 60,000 pounds (14,285 gallons) of propane or

10,000 pounds of anhydrous ammonia must register with the DHS and submit a Top Screen assessment.

The Top Screen is an online questionnaire that will allow DHS to determine what facilities pose a high security risk. Once DHS publishes the final rule in the Federal Register (expected to occur in mid-November) co-ops will have a 60-day period to register and complete the Top Screen. By going to [www.dhs.gov/chemicalsecurity](http://www.dhs.gov/chemicalsecurity) companies can register and complete the Top Screen or find additional information. ■

# Testing for Drug and Alcohol?

BY TERRY LIVELY, Senior Loss Control Representative/Transportation Specialist, [tlively@coopmutual.com](mailto:tlively@coopmutual.com) • 402-679-5357



In the Fall 2006 issue of *The Partner*, we discussed the specifics of establishing a proper Department of Transportation (DOT) Drug and Alcohol policy for your company. The key to any good policy, however, is its application. The DOT directs that you can have a driver submit to drug and alcohol testing in five specific situa-

tions: pre-employment, random, post accident, reasonable suspicion and follow-up testing. These tests are tools to ensure that that your employees are, and remain, drug and alcohol free on the job. In order for these programs to work, you must apply them as they are prescribed.

## Pre-employment

After you decide on a good driver candidate and have made an initial conditional offer of employment, you have the potential employee go to your designated testing facility to submit a urine sample for the designated drug testing. You must ensure that the sample is only tested for the substances directed by the DOT. These are:

a) Marijuana metabolites; b) Cocaine metabolites; c) Amphetamines; d) Opiate metabolites; and e) Phencyclidine (PCP). If the test that your prospective employee takes tests for more than the above substances, it is not considered a DOT drug test and is not valid.

Once the prospective employee has taken this test they cannot drive for you until the test results are received by you and are negative for any of the listed substances. This pre-employment test is only given when you have made a conditional offer of employment. A single driver that has previously worked for

your company and is returning does need to take another pre-employment drug test. You should not have personnel take a DOT Drug and Alcohol test if they are not going to be a driver for your company. If you wish to pre-employ test all of your employees, then you should establish a separate program and procedures for these individuals and ensure your testing facility separates the drug testing classifications.

## Reasonable suspicion

This type of testing requires the most documentation and observation from company management personnel. In order to require a driver to submit to reasonable suspicion, testing the driver's behavior must be observed by an individual that has gone through the drug and alcohol supervisor training. The supervisor must document the behavior and have this behavior be observed by another supervisor. The driver must be presented the documentation and informed that they are to immediately submit to the drug and/or alcohol test. The driver should be escorted to the testing facility by a supervisor for the testing.

You cannot misrepresent the reasonable suspicion test to the driver by telling them they have been picked for a random test. The reasonable suspicion test is exactly what the title states: you are suspicious of their behavior and the behavior might be related to the use of a controlled substance.

## Random

Recipients of a random test are usually picked by a third-party consortium. Your cooperative is notified of the individuals in your company who have been selected. Your drivers can be selected for a drug test, alcohol test,



or both, depending on the selection criteria set by your consortium.

Once you have received your selection list, you must notify your drivers (preferably in person) and they must go directly to the testing location and submit a test. You should not inform the driver ahead of time that they will need to take a test as this could jeopardize the results. On an annual basis, your consortium is required to test the pool of drivers at a rate of 50% for drugs and 10% for alcohol. They are also required to give you an annual summary of the testing pool results and the results of your specific company.

### Post Accident

This test is to be conducted for drugs and alcohol if your driver is involved in a recordable accident and there has been a fatality, or if your driver is cited by law enforcement. The test must be done as soon as possible after the incident. If more than two hours elapse before the alcohol test is performed, you must initiate a log identifying each hour why the test has not been performed. If the alcohol test is not performed within eight hours, cease attempting to get it done and document in detail why the test was not performed. However, because drugs stay in the system longer, you must still try and have the drug test performed.

### Follow-up

Follow-up testing is only done if a driver has tested positive for a controlled substance and completed a review and/or treatment with a substance-abuse professional. The driver must submit to five follow-up random tests within one year. If you hire a driver who has tested positive with another employer, and the previous

employer did not perform the follow-up testing, then you are responsible to ensure that the employee did complete counseling or treatment with a substance-abuse professional and you must ensure that the follow-up testing is completed.

If your company has a positive test for either drugs or alcohol, ensure that you have properly classified the testing performed. Sometimes the testing facility can miss mark a test. To make certain that does not happen, check the Chain of Custody form carefully when the driver brings it back to your office. You do not want to have a random test marked as a reasonable suspicion test, for example.

Details about the DOT Drug and Alcohol testing can be found in 49CFR parts 40 and 382. Find it online at <http://www.dot.gov/regulations.html>. ■

## NEED TRAINING?

If your supervisors have not completed the required two hours of training for controlled substance and two hours for alcohol awareness, you can request the training materials from the CMIC video library. Order online by going to [www.coopmutual.com](http://www.coopmutual.com), Video Library, or call the CMIC office at 402-408-2177 or 800-642-8572. ■

## Did You Know...?

Here's the latest installment of CMIC's history. In each issue of *The Partner*, we're pleased to bring you the continuing story of how CMIC came to be and its development through the years. It's all building up to our company's 75th anniversary in 2010. To see what we've included in past issues, go to [www.coopmutual.com](http://www.coopmutual.com) and click on Newsletter.

- In 1970, CMIC, then named Industries Mutual Insurance Co., began writing burglary policies. In that same year, Carl Bauer resigned from the board due to age; Lowell Nelson was appointed to fill his seat; and Chauncey Mickelsen was elected president, H.G. Arends was elected vice president.
- The direct written premiums in 1970 were \$41,731.
- 1971 saw Don Lightwine resign, and the mileage allowance increased from 10 to 12 cents per mile. No members attended the annual meeting and all voting was done by proxy. The same thing happened at the 1972 annual meeting.
- The board per diem was raised in 1973 from \$12.50 to \$17.50. One policyholder attended the annual meeting. ■

# Settling to Avoid Court Costs

BY STEVE BEAVER, Claim Adjuster, [sbeaver@coopmutual.com](mailto:sbeaver@coopmutual.com)



CMIC receives claim reports where we determine our insured customers have no liability for the claimed loss, but we still end up paying out money to avoid the more expensive proposition of going to trial. Here are two examples and what the cooperatives might have done differently to mitigate the outcome.

## Flyer's Fuel

CMIC settled the claim of a man who crashed his ultralight plane, blaming the incident on engine failure caused by gasoline delivered to his storage barrel by our cooperative. The injured man had approximately \$100,000 in medical expenses, plus lost wages and damage to the aircraft.

While we determined no liability, we settled for \$9,000, less than half the costs of a trial. Had the cooperative handled the situation differently, that amount might have been even less or none at all. First, the claim was reported to us more than eight months after the crash. Prompt reporting would have allowed CMIC to begin investigation immediately and take actions that could better have established liability.

Second, when told of the incident, the delivery driver removed the gas in question from the man's storage barrel and replaced the filter. However, no one took samples from the barrel or kept the filter for testing. Testing done on gas in the plane's fuel tank showed moisture as well as ethanol. The driver's delivery tickets indicated gasohol was delivered, but the driver is certain he delivered straight gasoline, and the reference to gasohol was a typographical

error. Our experts advised the plane would have been able to fly on the gas shown on the delivery ticket.

The injured man accepted some responsibility, partly due to the condition of the storage barrel and its location. The barrel was rusting and located against a white metal building, both factors that can produce moisture inside the tank. Had the cooperative refused delivery until the tank was replaced, it would have avoided liability questions.

## Propane Protection

Another incident involved a 6,000-gallon LP tank owned by a grain dealer. Our cooperative had delivered propane to this tank for two grain-drying seasons. However, the tank had been installed and supplied for the first grain drying season by another supplier. The accident occurred when the grain dealer's employee backed a skid-loader into the LP tank, causing an explosion and his death. A suit named the grain dealer, the tank installer, and our cooperative as liable parties, claiming our cooperative delivered to an unsafe tank that did not have proper markings.

Prior to the incident, the grain dealer and our driver had reviewed state guidelines, determining there was no need for fencing around the tank or placing placards and warning signs on the tank. They believed those precautions were necessary for tanks involved in commercial sales—not privately owned tanks. However, another interpretation of those guidelines require fencing, placards, and warning signs on any tank over 2,000 gallons. Under that interpretation, the cooperative should have refused to deliver propane to that tank until the proper actions were taken by the owner.

This mediation settled for approximately \$1.5 million, with our portion just over \$100,000. The estimated cost for experts and our attorney to take through trial would have been over \$150,000.

To help your cooperative avoid these types of settlements, report incidents immediately, keep accurate records, and if there is any question on the condition of a tank, or whether a tank requires safety signs and fencing, talk it over with your customer and err on the side of caution. Generally, your customer will appreciate your dedication to safety, and you'll be in a much better position should an accident still occur. ■



# Motor Vehicle Record Primer



BY TERRI RAMOLD, Underwriter, [tramold@coopmutual.com](mailto:tramold@coopmutual.com)

Our goal at Cooperative Mutual Insurance Company is to assist you in making the right choices in order to reduce your risks. As a business, one of the most important choices you make determines who you entrust behind the wheel of your cooperative's vehicles.

That is why we provide you tools that can help you make intelligent decisions when hiring or selecting employees who will have driving responsibilities.

One of those tools is access to United States Investigative Services (USIS). CMIC will cover the costs if you choose to order Motor Vehicle Records (MVR) for specific employees, or potential employees, through USIS. While hiring practices are your decision, if you choose to utilize the service, the records can provide you with information that can help you in your selection process.

Whether or not you choose to use USIS, Cooperative Mutual continues to require you provide us at least on an annual basis a list of employees who are operating your company's vehicles. We do ask that the list include only employees who are operating the cooperative's vehicles, and not a list of all of the co-op's employees. Because we utilize that list to review MVRs of drivers, if it includes all employees we will be pulling and reviewing MVRs unnecessarily. That can lead to confusion for both you and Cooperative Mutual.

When reviewing MVRs, we use the following criteria:

1. We review MVRs every three years for those between the ages of 21 and 65 who have a clean driving record.
2. We review MVRs annually for those 65 or older. We may also ask you to specify their driving duties.
3. We review MVRs annually for those under age 21 with a clear record.
4. A serious violation includes but is not limited to the following:
  - Driving under the influence of alcohol or drugs
  - Refusing to take a substance test
  - Driving with an open container
  - Reckless driving
  - Negligent driving
  - Hit and run
  - Fleeing or evading police or roadblock
  - Resisting arrest
  - Racing/speed contest or exhibition driving
  - Driving with license suspended or revoked
  - Vehicular assault
  - Homicide or manslaughter or using a vehicle in connection with a felony

If any of these violations had happened in the last three years, we would send you a letter requesting you discuss the violation(s) with the employee and forward the details. We would also ask you to specify the employee's driving duties.

5. Any new driver from another state on whom we do not have the prior state license information will be reviewed for the above criteria on an annual basis until we have three years' driving experience in the state in which they are licensed.
6. Due to child labor laws, we want drivers to be age 18 or older. Rules and regulations regarding 17-year-olds are so restrictive that we prefer they not drive cooperative vehicles.

Remember, it's not our intent to make managerial decisions regarding drivers. Our intent is to assist you with any additional information to support you in making the correct decisions on behalf of the cooperative. If you would like to take advantage of ordering MVRs through USIS, or have additional questions, contact your loss control representative or CMIC directly at 800-642-8572, or 402-408-2177. ■

## 2005 NHTSA TRAFFIC SAFETY FACTS

According to ADP Screening and Selection Services 2007 statistics, of driving records ordered, 35% of drivers had one or more violations or convictions on their driving records, 5% had four or more, 2% had one or more drug or alcohol violations in the last seven years, and 4% had a driver's license that was currently invalid, suspended, revoked, or expired. ■

## Meet Kelly Whelan

Kelly Whelan joined CMIC in September as receptionist, administrative assistant for loss control, and executive assistant to President and CEO Wade Mulari. Kelly was previously office manager for an Omaha construction company after graduating from Benedictine College in Atchison, KS. The Omaha-native is enjoying her new responsibilities, including helping to plan this spring's annual meeting. When not on the job, Kelly says she enjoys watching reruns of "The Golden Girls", socializing with friends, and grilling steaks. We welcome Kelly to the CMIC team. ■



# Fleet Safety Inspection



BY PHIL PELC, ACSDNE Communications Director

Fleet Safety Inspection was one of the topics covered at the Ag Cooperative Safety Directors of Nebraska (ACSDNE) quarterly meeting on October 25. Brad Bousquet, Central Valley Ag's vice president of safety and compliance, discussed how cooperatives can certify their own employees to conduct annual DOT inspections on their vehicles. He also reviewed qualifications needed for company employees to work on brakes for commercial motor vehicles. Another issue was the importance of pre-trip and post-trip inspection on commercial motor vehicles and the need to get deficient items corrected before putting vehicles back on the road.

A presentation by Ken Moore, manager for Compliance Advisory Services, focused on recordkeeping requirements for bulk liquid fertilizer and bulk chemical storage. These

requirements fall under Nebraska Title 198 of the Nebraska Department of Environment Quality guidelines and include how to properly dispose of storm water from the containment area, inspection requirements, and security issues.

In the business portion of the meeting, Sheldon Kangas, current vice-chairman of ACSDNE, will become the 2008 chairman. In addition, members voted to again offer two \$500 scholarships. Applications will be distributed to members and cooperatives will be responsible to get the applications to schools in their areas.

Next year's meeting dates will be January 24, April 24, July 17 and October 16 at the Midtown Holiday Inn® in Grand Island. ■

# Employee Training for Bin Entry



BY MARK HAMBLETON, ACSDIA Communications Director

Matt Deutsch and Nic Jones of Hydro-Klean, a Des Moines company that provides a variety of services including confined space work, shared training techniques they utilize with their employees at the quarterly meeting of the Ag Cooperative Safety Directors of Iowa September 12. Matt and Nic emphasized three keys to prevention: hazard identification, hazard reduction through practices like Lock Out/Tag Out, and continued training.

Representatives from the Department of Homeland Security (DHS) reviewed the Chemical Facility Anti-Terrorism Standards

(CFATS). Laura Mullen and William Herald explained that CFATS will be based on Screening Threshold Quantities (STQ) of Chemicals of Interest (COI) reported at each facility. Tiers 1-4 are the levels with 1 being the highest risk facility. They advised members to go to [www.dhs.gov/chemicalsecurity](http://www.dhs.gov/chemicalsecurity) for more information and to register your facilities. A hotline number for help with the CSAT registration or information is 866-323-2957.

The next ACSDIA meeting, including elections, is scheduled for January 16 at the Comfort Inn and Suites in Ames. ■



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