

THE Partner

COOPERATIVE MUTUAL INSURANCE COMPANY
Summer 2002



Protect the Cooperative With NFPA 704 Diamond Placards

BY BRIAN TRAVIS
Loss Control Representative



I have noticed that many cooperatives are not placarding facilities containing hazardous materials with an NFPA 704 diamond placard. The NFPA 704 is a standard which provides a readily recognized, easily understood system for identifying specific hazards and their severity by using visual and numerical methods to describe in simple terms the relative hazards of a material. It addresses the health, flammability, instability, and related hazards that may be presented as short-term, acute exposures in the event of a fire, spill, or

similar emergency. Placarding is important so that first responders to an emergency are aware of what they are dealing with.

The 704 rating system applies to all dry fertilizer blend plants, liquid petroleum plants, liquid fertilizer plants, chemical storage buildings, bulk chemical plants, oil and tire warehouses, machine shops, and any other facility containing hazardous materials that the cooperative may own. It is important to note that the standard is not applicable to transportation or designed for

use by the general public. This is relevant because the NFPA 704 system is often confused with the placarding required by the Department of Transportation for hazardous materials.

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MISSION STATEMENT:

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

A Lively Addition



Terry Lively is the latest addition to the **Cooperative Mutual** staff. He will be a Loss Control Representative servicing Iowa and Missouri. This position is a great fit for Terry, who has been involved in safety and compliance for 18 years, including experience with ag transportation and manufacturing.

Terry makes his home in Cleghorn, Iowa, with his wife of 16 years, Sara, and their three children: Amber, Marlissa, and Steven. He's active in the community, currently serving as president of the Marcus Meriden Cleghorn school district, as a Boy Scout assistant troopmaster, and as a teacher in his church.

The family's home also serves as a hobby for Terry, who is in the process of remodeling the 90-year-old structure. Woodworking keeps him busy in the winter, and the family can be found camping in the summer months.

Welcome to Cooperative Mutual, Terry. ■

704 Diamond Placards

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Rating system

The NFPA system is characterized by the “diamond shape” placard. It identifies the hazards of a material and the degree of severity of the health, flammability, and instability hazards. Hazard severity is indicated by a numerical rating that ranges from 0, indicating a minimal hazard, to 4, indicating a severe hazard.

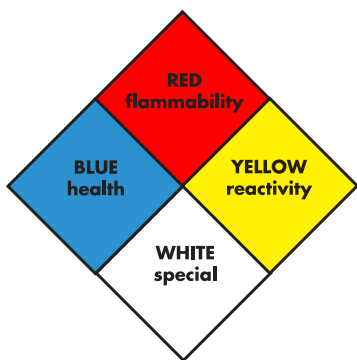
The hazards are arranged spatially: health at the nine o'clock position, flammability at the twelve o'clock position, and instability at the three o'clock position. In addition to the spatial orientation that can be used to distinguish the hazards, they are also color-coded as follows: blue for health, red for flammability, and yellow for instability. The six o'clock position on the symbol represents special hazards and has a white background. The special hazards in use are **W**, which indicates unusual reactivity with water and serves as a caution about the use of water in either fire fighting or spill control response, and **OX**, which indicates that the material is an oxidizer.

On chemical and fertilizer facilities, the special hazards quadrant should have a **W** in it. This is needed to alert fire departments that water should not be sprayed on the facilities. If water is used on these facilities, chemical runoff will occur which could result in a costly pollution cleanup afterwards. Since water cannot be used, few fire departments in rural areas have the ability to effectively deal with fires in these facilities.

The rating for each quadrant can be determined by looking at the MSDS sheets for the hazardous materials being stored in the facility. If you're storing more than one type of hazardous material, look at each MSDS sheet and use the highest number listed for each of the health, flammability, and instability categories.

In addition to using the NFPA 704 diamond placard, it is a good idea to keep your Emergency Action Plan (EAP) up to date, which includes continuous communication with your local fire department. This is essential, since the fire department needs to be aware of and prepare for the different situations they may face if a fire occurs at one of your facilities.

Thinking ahead and preparing for an emergency by using the diamond placards and EAPs can help prevent injuries and environmental damage. ■



The NFPA placard system uses numerical, color, and positional cues to provide early responders with information on hazardous materials.

Handling Auto Repair Claims



BY DENNIS RIESELMAN, Director of Claims

Many of our co-ops have auto service repair facilities and provide service to their clients, who are often members of the co-op. However, as in any business, when providing repair services, there is always the chance that something can go wrong with the repairs, and the repair firm (the co-op) is usually the first stop for an unhappy customer.

Our policy provides liability for your garage operations. The first exposure you will have is when the customer leaves his vehicle at the garage in your care, custody, and control. The standard business liability policy will usually exclude property of others that is in your possession. However, the Garage Keepers policy does provide legal liability insurance for this type of exposure by providing comprehensive and collision coverage, usually written with separate deductibles. This type of insurance usually can be written as primary insurance or as insurance in excess of the customer's own insurance coverage.

Once they're gone

A second claim category exists once the vehicle has been repaired and left the premises. These will be reported to the co-op as a completed operations claim—for example, when a customer informs you the engine is running hot and may be damaged. The customer usually wants to know right away whether you will pay for the cost of a new engine and will send you the bill as soon as it is repaired.

In cases like this, you and your employees should not make any commitment to pay for the damage and should merely inform the customer that you will report the matter to the insurance company for their investigation. We suggest you give them our name and phone number with instructions that they should call you if they do not hear from the insurance company within five days.

You should report any claim to our office as quickly as possible. Your locations can help in our investigation by making sure the mechanic always puts the mileage and date sticker on the customer vehicle. Many times a claim is made, but it is almost impossible to know how far the vehicle was driven since the date of service because the mileage was not properly recorded.

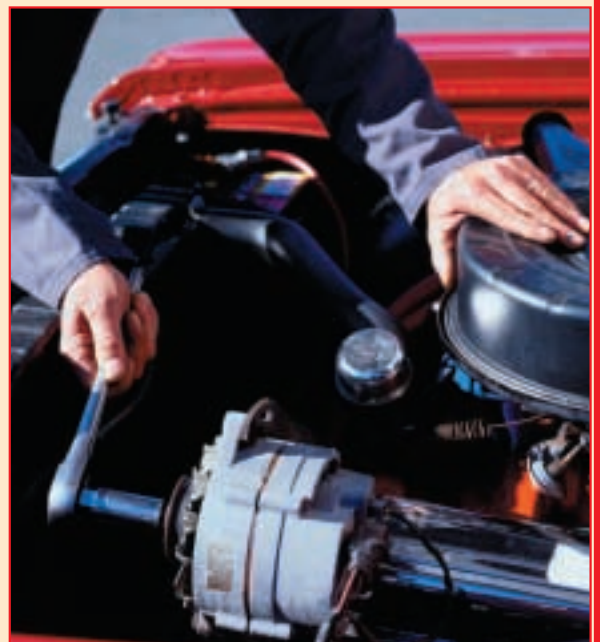
Also, the repair ticket should identify the mileage, and if parts are replaced, the ticket should identify the part by name, manufacturer, and part number. If a part was the reason for the failure, we may have some recourse against the manufacturer

if they are known and the part is not destroyed.

Here is a list of "To Be Done" items that should be completed on each customer auto repair claim.

- Identify the vehicle, odometer, type, model, etc.
- Record customer name, address, phone.
- Identify the owner (if not the customer).
- List the work to be done.
- Identify time in and time out.
- Note the name of person who picked up the vehicle and when.
- Note the overall condition of the vehicle.
- Put a service sticker on vehicle.
- Identify parts used by name, size, and part number.
- Look at oil or grease when removing and make comments.
- Take samples of old oil and grease when necessary and save.
- Always be courteous to your customer.
- Do not admit liability or fault until the claim is reported to your insurance company.
- Report claim promptly to Cooperative Mutual.

Instructing your employees to follow these guidelines will certainly help control claim costs and provide for a faster claim decision. If you have further questions, please call our claim department. ■



Following set procedures in the shop can help control claim costs.

Wind and Sight Gauges



BY TEAGUE LOTTMAN
Staff Agronomist/Adjuster

Once again the storm season is upon us. When the rough weather shows up, **Cooperative Mutual** always experiences several claims caused by wind damage to sight gauges. Normally, what occurs is that the sight gauge is left on, and when the wind breaks the plastic gauge, product leaks out into the dike.

Since most storms occur in the evening or early morning hours when no one is at the plant, the entire contents of the tank end up in the dike. What makes matters worse is there is usually water in the dike from the storm or previous rains, which dilutes whatever type of product was in the tank and makes it unsalvageable. In some cases, employees have thought that there was only water in the dike. They have pumped it out before finding it was contaminated, which can lead to a very serious pollution problem and further loss.

How can you prevent these types of losses? The best

way is to take human error out of the process by installing spring-loaded valves. That way the valve can never be left on by accident, and product won't be lost even if the sight gauge is broken. ■



Broken sight gauges can fill your dike with a mix of chemicals and rainwater overnight.

AGRONOMY REMINDERS

BY TEAGUE LOTTMAN

It's not news to you, but we're into the peak agronomy season. Time pressure and the need for speed can make cutting corners seem attractive, and that frequently leads to problems. With that in mind, here are a few easy reminders to help prevent agronomy claims this season.

- 1.** Always read and follow the label. Off-label application is not covered by Cooperative Mutual.
- 2.** Most labels state "do not spray if the wind is over 10 mph or there are sensitive crops in the area." Remember, the EPA will be cracking down on these types of violations.
- 3.** Do not spray the field unless you have a map in which the producer has highlighted the area to be sprayed. The map should also have sensitive crops in the area marked on it.
- 4.** Improper or inadequate tank rinsing is one of our most frequent claims. You should have a rinsing procedure in place, and it should be mandatory that everyone follows it.
- 5.** Before mixing a load, double-check to make sure you are using labeled rates and additives. Also double-check your math.
- 6.** Communication is a must between employees and with your producers. A five-minute conversation to make sure you are using the right product in the right field can prevent a costly error.
- 7.** Finally, slow down! Speeding or running stop signs eventually will result in serious harm, or even death, for you or someone else. ■

A Safety Committee Can Reduce Workers' Comp Modifications

The Ag Cooperative Safety Directors of Nebraska (ACSDN) held their regular meeting April 4 at the Midtown Holiday Inn in Grand Island.

The business meeting began at 11 a.m. with a number of business decisions being made. Before adjourning for lunch, **Jerry White** with Compliance Advisory gave a short report on spill prevention control and countermeasures (SPCC). For more information on this subject, go to www.epa.gov on the Internet.

Bud Ready with Central Farmers Cooperative, O'Neill, Neb., and **Pete Jepsen** with Ag Valley Cooperative, Edison, Neb., gave a report on their safety committees, what they are doing, and what is working for them. Several helpful items were brought out during these presentations, including the fact that an active safety committee can help reduce workers' compensation claims, which in turn will reduce your workers' compensation modification.

We encourage cooperative management, safety directors, and human resource individuals to attend the ACSDN meetings. Come and share your success stories and

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Our next meeting will be July 10 in Grand Island at the Midtown Holiday Inn beginning at 11 a.m.



Pete Jepsen, Ag Valley Cooperative, updates the crowd at the ACSDN meeting on the activities of the safety committee at his co-op.



Bud Ready, Central Farmers Cooperative, explains to those at the ACSDN meeting what has worked well for their co-op safety committee and how they've made their time productive.

gather information that can help you address safety and regulatory issues that may be affecting you.

Our next meeting will be **July 10** in Grand Island at the Midtown Holiday Inn beginning at 11 a.m. The training topic will be training records. ■

Are You Eligible for VRA Reimbursement?

Does your cooperative have locations in Nebraska? Have you performed a Voluntary Remedial Action (VRA) at any of your cooperative sites? If so, you may be eligible for reimbursement of a portion of your costs under Title 200.

These VRA sites are eligible for reimbursement consideration when they reach the top of the Nebraska Department of Environmental Quality's backlog list. However, the department does have the discretion to reimburse eligible costs at VRA sites earlier in the process, and the department has announced that they will be exercising their early reimbursement option.

This is no guarantee that they will make the same decision in the future. As a matter of fact, VRA costs incurred in the future are not likely to be reimbursed until the site comes to the top of the list.

If you are interested in submitting a VRA Title 200 application, please do so by **July 8, 2002**. A copy of the current Title 200 application form is available on the

department Web page at www.deq.statc.ne.us. At this time, the department will consider for reimbursement any VRA cost incurred through April 15, 2002, assuming eligible costs have exceeded the deductible (if this is the first application).

The department may pay other costs incurred after the April 15 date as they are submitted, but there is no promise of reimbursement consideration until the site comes to the top of the list. They will review and process VRA Title 200 applications as staff resources allow. Since the work effort was performed voluntarily by the cooperative and wasn't required by the department, the provisions of the Prompt Payment Act do not apply. In addition, any Title 200 applications previously submitted will be processed now, so you won't need to resubmit any materials or contact the department.

If you have any questions, please feel free to call **Neal Heil** with the Water Quality Division at 402-471-3093. ■

Employees on the Move



DENNIS RIESSELMAN

Dennis Riesselman has been promoted to the position of Director of Claims. Dennis has been with **Cooperative Mutual Insurance Company** for six years, rising to the position of Senior Claims Supervisor.

TRACI MELBY

On March 1, 2002, Traci Melby was promoted to Claims Coordinator. Traci started with Cooperative Mutual in January 1999 as a Claims Processor. During her 3 1/2 years with us, she has grown in her knowledge of the ag business and how cooperatives function as an integral part of our farm community.

In her previous position, she handled some small first-party claims. In her new role, Traci will now have claim files assigned to her for investigation, and she will work these claims through to a conclusion.

As a part of her ongoing training, Traci recently completed the Property-Casualty Principles portion of the Pictorial Insurance Learning Program.



KEVIN FRAHM

We are pleased to announce that, effective April 15, Kevin Frahm has been promoted to the position of Systems Analyst. Kevin started with Cooperative Mutual on March 1, 1998, as a temporary employee in the accounting department and had advanced to Information Systems Specialist.

In his new role, Kevin will take on the responsibility for the operation of all office automation, both hardware and software. Kevin is currently enrolled in classes at Metro Community College to expand his knowledge of our operating and network software.

Congratulations, Kevin, Dennis, and Traci on your well-deserved promotions. We wish all of you great success in your new roles. ■

Fighting Fatigue



BY KYLE BROESDER
Loss Control Representative

I remember how excited people were in the '80s at the coming of personal computers. "Experts" were saying that by the year 2000 the average worker would only have to work 3 hours a day. The reality is, the working hours of those with full-time jobs are steadily increasing. As things have changed in the cooperative system, fewer people do the same amount of work. And those people are getting tired.

+Fatigue affects the workplace

Fatigue affects safety in the workplace. Spring and summer are here. We all hope for a smooth season, but we know that usually it all hits at once. The farmers want their fields done yesterday, and they ask, "Why were you already able to do my neighbor's?" Bring on the long hours. We have to get it done while the weather cooperates.

These long hours affect how alert we are on the job. Details start to slip by. You begin yawning. Your reactions slow down and your eyes feel heavy. You start daydreaming. This is not something that you want to happen while you are operating a floater or preparing a batch of spray for someone's field. Mistakes caused by fatigue can be disastrous—even deadly.

+Controlling fatigue factors

While you can't always control schedules, there are other ways to hold fatigue at bay. Here are some key considerations when fighting fatigue:

+Diet

The beverage of choice among most people in the workforce is coffee. However, while coffee is a stimulant and causes a temporarily increased level of alertness, fatigue is symptomatic of its withdrawal. Furthermore, coffee is a diuretic, which causes the body to discharge more fluid than it is taking in, resulting in dehydration, which in turn can cause fatigue.

Another key factor is nutritional intake. You may have slept well the night before and work may have been easy and relaxing; but you are tired and weak and do not know why. Your blood sugar is probably low. Monitor your eating. A healthy diet with plenty of liquids can

help keep you at your best.

+Exercise

Research has found that exercise may actually help fight fatigue. The problem is that while too much exercise might make you tired, so can too little exercise, so it's important to find your own level. A good balance between being active and getting plenty of rest is best.

+Sleep

This should be a no-brainer. But, if you're like me at the end of the day, there is always something to do. It may be the television, cleaning the garage, or those ever present "Honey-do's." It's very important to try to keep a normal sleeping routine when you are working long hours. Sleep just long enough to be refreshed. Wake up the same time everyday. Eliminate any noise that may interrupt your sleep cycle. Hunger may also disturb sleep, so have a bedtime snack. Avoid stimulants like chocolate, sodas, or coffee before bed.

Many cooperative workers take great pride in their skills and abilities, yet they let their performance degrade needlessly due to fatigue. The tools needed to remain safe and alert are in their hands, even when the season calls for irrational work schedules. ■

Maintaining a balanced diet during periods of intense activity is one of the best ways to battle fatigue.



WE'VE MOVED!

Your company has experienced substantial growth over the past four years. Our current lease expires this year, so it was an appropriate time to move to new, larger quarters. Effective **May 13, 2002**, our new address and phone numbers are:

Cooperative Mutual Insurance Company
3905 South 148th St., Suite 100
Omaha, NE 68144-5563
Telephone: 402-408-2177
Fax: 402-408-0601
Toll-Free: 800-642-8572 (NO CHANGE)



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