

THE Partner

COOPERATIVE MUTUAL INSURANCE COMPANY
Winter 2003



Management's Commitment to Loss Control = Savings

H

ave you given much thought about how your commitment to safety can affect your insurance cost? This is a question we hope every general manager is thinking about, since the insurance market is becoming more selective of who and what types of businesses are insured.

We believe, as do all other agribusiness insurers, that with management's commitment, good loss control programs reduce the number of claims and provide a safe and healthful working environment for your employees.

Recently, several agribusiness insurers have left the market due to years of bad results. Some reinsurance companies are steering clear of agribusiness because of the potential for a catastrophic loss to occur. The reinsurers staying in the market are charging insurance companies much more for less coverage.

Continued on Page 2

BY RICK SMITHPETER
Director of Loss Control



INSIDE

EPA's New Drift Reduction Proposal ..3

OSHA Improves Exit Route Safety3

Follow-Up for Workers' Compensation FROI 4

Ag Cooperative Safety Directors Discuss Employment Laws ... 5

New DOT CDL Disqualification Rules 6

Be Prepared for Winter Weather 7

Agricultural Dust Explosions 8

MISSION STATEMENT:

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

Management's Commitment to Loss Control = Savings

Continued from Page 1

What this means for you is an increase in your insurance cost and an increase in your cost of doing business.

Loss control evaluations

It's a fact that cooperatives with management committed to loss control have fewer claims. Insurers have always understood this. Traditionally, they have emphasized loss control by educating and providing support for their client's safety efforts. We are no different, for our loss-control staff continually tries to improve the safety efforts of those we insure.

When our underwriters evaluate an applicant or renewal business, they pay a lot of attention to the business's loss control efforts. And since our underwriters typically do not go out in the field, they rely on your loss control representative's reports. There is no doubt your loss control representative's evaluation of your safety efforts is an important tool for our underwriters.

New procedure

In 2003 our loss control staff will be conducting a review of your loss control program. After that, during our annual survey of your facilities and operations, we


will continue to spot-check your programs and provide you with another tool for ensuring that your employees stay focused on loss control.

The next time your loss control representative calls to evaluate your loss control programs, let him know everything you are doing. Most importantly, highlight the level of commitment you and your employees are placing on safety.

We know that when upper-management personnel are not committed and involved in their cooperative's loss control efforts, safety takes a backseat and policies are not enforced. When this occurs, loss control becomes only as important as the first-line managers make it. Most of the time, they are going to take the same approach to safety as the general manager.

It is in the cooperative's best interest to make a firm commitment towards improving loss control efforts. This ensures that your insurance cost will stay as low as possible. When we work together, we can lessen the impact of insurance costs on your bottom line.

If you have questions or would like to learn more about our new loss control program review please call me at 800-642-8572 (402-690-9073) or e-mail me at rsmithpeter@coopmutual.com. ■



"We know that when upper-management personnel are not committed and involved in their cooperative's loss control efforts, safety takes a backseat and policies are not enforced."

Status of Label Guidance Proposal On Drift



BY TEAGUE LOTTMAN
Agronomist/Adjuster

In August 2001, the EPA drafted a proposal on drift reduction language to be added to each chemical label with the hopes of it being implemented by 2003. There was so much public interest on both sides of this issue the EPA had three 90-day extensions for public comment. The four major comments the EPA received were:

“Against zero tolerance.”

“Against 10 mph weed speed limit.”

“Against a 4-foot boom height restriction.”

And then from the other side:

“We need more restrictions on drift.”

With all the concerns, the EPA will revise their proposal and once again have public comments. They also plan to have public meetings throughout the country. It looks like this issue is a long way from being over. In the meantime, I believe the recommendation from the EPA is to go with the current labeling.

With all the interest in this proposal, the big question is what will the final draft bring? The buzzes from some leading experts on this issue who work closely with the EPA are four main points of interest.

1. The EPA does not want to come down hard on custom

applicators. The EPA does understand how difficult and important custom application is.

2. They don't think the EPA will adapt zero tolerance. They realize how unrealistic this is and do not want to put custom applicators out of business.
3. There will be language on each label stating the droplet size to be used. The standard will be set on droplet size with the intent, first, to reduce drift and then, second, to maintain efficacy. It looks like they will be leaning towards medium- to course-type nozzles on most post-emerge products.
4. There is talk of having a mandatory buffer zone. Currently, there are many different definitions of a buffer zone, but the EPA definition is “an area it takes for all spray particles to settle out before they reach a sensitive area.” As you can imagine, this buffer zone could change on any given day just by the environmental conditions on that day. One day there may be a stiff breeze, making your buffer zone several hundred feet, or the next day there may be no wind, making the buffer zone zero.

As you can see, many difficult details are yet to be worked out on this proposal, and none of this is written in stone. My suggestion at this time is, if you get a chance, attend one of these public meetings put on by the EPA and/or write the EPA. If you do write the EPA, do not use a form letter. It is my understanding form letters do not have as big an influence as a personalized letter. ■

OSHA Improves Exit Route Safety

Exiting a building during an emergency should become a safer process, thanks to new federal requirements.

The Occupational Safety and Health Administration (OSHA) recently revised its Exit Routes, Emergency Action Plans and Fire Prevention Plans Standard. The plans have been rewritten in a user-friendly, easy-to-understand format. The new rules went into effect Dec. 7.

“Having a clear plan and procedure for exiting a building as safely as possible is one of the most basic and important safety precautions,” said OSHA administrator **John Henshaw**. “OSHA's standard was over 30 years old and in need of updating. The changes to the language in this rule will make it more clear and consistent and aid workers and employees in understanding the requirements of the standard.”

The requirements for exit routes have been rewritten with simpler, clearer terms. For example, “means of egress” will now be referred to as “exit routes.” The text has also been

reorganized, and inconsistencies and duplicated requirements have been removed. The revised rule has fewer subparagraphs and fewer cross-references to other OSHA standards than the previous version.

More options

Employers now have the option of adopting the National Fire Protection Association's Life Safety Code instead of the OSHA standard for exit routes. OSHA evaluated the NFPA standard and concluded it provides comparable safety.

The revised standard, which offers more compliance options for employers, does not change the regulatory obligations of the employer or the safety and health protections provided to the employees of the original standard.

The Exit Routes, Emergency Action Plans and Fire Prevention Plans standard was scheduled for publication in the Nov. 7, 2002, Federal Register. ■

Follow-Up for Workers' Compensation First Report of Injury

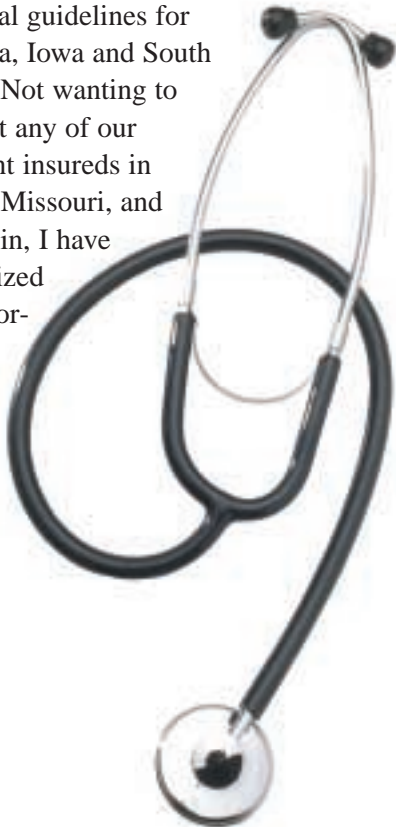


BY JOLYNN
CURBEAM
Senior Claims
Examiner

In the fall edition of *The Partner*, I discussed the importance of getting the first report of injury (FROI) filled out correctly and promptly submitting it to **Cooperative Mutual**.

To recap a portion of the article, “Each state has its own set of deadlines that need to be met. If the FROI is reported late and/or if the claimant’s benefits are withheld or delayed without proper cause or excuse, **we are subject to penalties**. In addition, the statute of limitations does not start running on a claim until that FROI is filled out and filed with the state.”

In the last article, I summarized the individual guidelines for Nebraska, Iowa and South Dakota. Not wanting to leave out any of our important insureds in Kansas, Missouri, and Wisconsin, I have summarized their information here. ■



STATE	DEADLINE FOR EMPLOYEE TO REPORT INJURY TO EMPLOYER	DEADLINES FOR COMPLETING FROI	FIRST INDEMNITY PAYMENT DEADLINE	PENALTY FOR LATE PAYMENT
WI	Employee has 2 yrs to report an injury.	Employer required to report all work injuries or illnesses to WC carrier within 7 days of actual knowledge of injury. Fatalities must be reported within 24 hours.	Within 14 days of injury.	Employer may be assessed a 10% penalty for delay in reporting an injury when delay causes untimely payment to employee. If WC benefits are not paid or denied by insurance carrier within 14 days, a written explanation must be submitted with the reason for further investigation, with a copy to the employee.
MO	Employee is to give written notice to employer w/in 10 days of injury, or in case of repetitive type injury, w/in 10 days employee was aware of injury. However if employer has actual notice of injury, (i.e. employee accid. witnessed by supv. or employee verbally reports to supervisor) written requirement has been waived.	Employer required to report injury to insurance company within 5 days of date of injury or within 5 days of date employee reported to employer, if that is later.	Indemnity benefits are to commence within 14 days from injury. Compensation benefits are payable as wages were paid prior to the injury, but at least once every two weeks	If payment overdue by over 30 days, subject to interest penalties.
KS	Employee to report injury within 10 days of accident. Employee can seek an extension of this deadline if there is “just cause” for not reporting accident to employer.	FROI must be filed within 28 days after knowledge of injury. Repeated failure of employer to file FROI shall be subject to penalty of \$250 for each violation.	No deadline specified, but benefits are to be paid in same time/manner as normal pay would have been.	Employee can go before Judge and request penalties when there was no “just cause” for non-payment. Penalties consist of the interest due.

Ag Cooperative Safety Directors Discuss Proposed Bylaws, Employment Laws

The Ag Cooperative Safety Directors of Nebraska held their regular meeting on Oct. 10, 2002, at the Mid-Town Holiday Inn in Grand Island.

After chairman **Harlan Schafer** started the business meeting at 11 a.m., he discussed proposed bylaws that will be voted on at the January 2003 meeting. The group examined each article and made changes to some. The revised articles will be presented at the January meeting and will be voted on then.

Participants discussed how to let other safety directors in Nebraska know about Ag Cooperative Safety Directors. The Nebraska Coop Council will be contacted to get a list of Nebraska cooperatives. The list may be used to invite safety directors of other cooperatives in Nebraska to participate.

Termination procedures

After lunch, **Dawn Pochop**, HR/safety director at Battle Creek Farmers Coop, presented a program on terminations. Dawn discussed the current Nebraska employment law, including at-will status and the rights of employers and employees under the at-will status. Some legal protections given to employees include discrimination, retaliation, and good-faith contracts. Dawn also explained how implied contracts can affect employers, and how employee handbooks are used in this situation. Other topics included termination lawsuits, discipline procedures, and the importance of documentation of personnel issues.



Chairman Harlan Schafer led discussions of proposed bylaws to be voted on in January and on ways to let other safety directors in Nebraska know about Ag Cooperative Safety Directors.



Dawn Pochop, HR/safety director at Battle Creek Farmers Coop, discussed the current Nebraska employment law, including at-will status and the rights of employers and employees under the at-will status.

The next Ag Cooperative Safety Directors of Nebraska meeting will be held:

January 9, 2003

9:30 a.m.

Mid-Town Holiday Inn

Grand Island, NE

Topics will include EPA risk management plans for NH₃ plants, DOT regulation changes, and ways to set up a driver's file for CDL drivers.

Looking ahead

The group also discussed training topics for the next meeting. Since the EPA has been in Nebraska checking risk management plans for NH₃ plants, members felt this would be a timely topic. An EPA representative will be contacted to make a presentation about what the EPA wants included in risk management plans for NH₃ plants. In addition, **Cooperative Mutual Insurance** will present a program concerning DOT regulation changes and how to set up a driver's file for CDL drivers. ■

New DOT CDL Disqualification Rules



BY TERRY LIVELY
Loss Control Representative

On Sept. 30, the U.S. Department of Transportation implemented new rules concerning the disqualification of drivers holding CDL licenses.

The changes involve five additional provisions for disqualification, including:

1. Operating a commercial motor vehicle after the CDL was revoked, suspended, or canceled for violations while operating a commercial motor vehicle.
2. Causing a fatality through negligent or criminal operation of a commercial motor vehicle.

In addition, a driver can be disqualified from holding a CDL if he/she is convicted of a traffic violation while operating a non-commercial vehicle that results in license cancellation, revocation, or suspension.

In some states, CDL license holders could receive a “work license” to

maintain their CDL and drive for work purposes, even though their standard or base license had been suspended. This will no longer be allowed.

Along with the changes listed above, three new offenses have been added to the list of serious violations for which a driver can be disqualified if convicted two or more times during any three-year period:

1. Driving a commercial motor vehicle without a CDL.
2. Driving a commercial motor vehicle without having a CDL in the driver’s possession.
3. Driving a commercial motor vehicle without meeting the minimum testing standards for the class of vehicle being operated or the type of cargo being hauled.

In addition, the new rules also require CDL applicants to provide the state with the name of all states in which they hold any type of drivers license.

What does this mean for you?

All this means you must be more careful when hiring CDL drivers. The driving records of all new hires and the annual review of each driver’s motor vehicle records (MVRs) will need to be scrutinized more thoroughly. Counseling may be needed if your drivers receive any type of moving violation. MVRs are a very effective management tool for predicting potential problems and losses due to careless driving habits.

Each state has different disqualification standards for any type of driver’s license, so you should be aware of your state’s requirements. These standards, along with the new regulations, should be clearly communicated to all of your personnel who operate company vehicles and equipment.

Please call me if you need assistance at 402-679-5357 or e-mail tlively@coopmutual.com. ■

“All this means you must be more careful when hiring CDL drivers.”



Be Prepared for Winter Weather



BY BRIAN TRAVIS
Loss Control Representative

As the weather becomes frightful during the winter months, businesses must take the time to think about winter hazards and prepare for them. Hazardous roads, cold weather, and icy walking surfaces must be kept in mind to prevent a potential claim from occurring. Unfortunately, many times these issues are overlooked or pushed to the side for more pressing matters. Taking the time to sit down with employees and cover winter safety issues could prevent your company from having a weather-related accident.

Preventing problems

Employees' prolonged exposures to freezing temperatures can result in health problems. Employers can protect workers from cold stress by providing training; rotating workers who are doing jobs that expose them to cold weather and wind; and encouraging workers to take extra breaks to warm up, if needed. Businesses should remind employees if they are working outdoors to wear the proper clothing to protect themselves from the elements.

Every winter, thousands of people are injured by falling on icy surfaces. Businesses often overlook icy sidewalks, steps, and parking lots until an employee or customer falls on the ice. Applying salt and sand on these surfaces can prevent this from happening. Businesses that do not keep their walking areas free of ice are opening themselves up to unnecessary liability. Common sense tells you it's much cheaper to keep areas free of ice than to have an employee or customer injured.

Winter also means icy roads and poor driving conditions. Remind employees to reduce their driving speed and allow more time to bring their vehicle to a stop when road conditions are bad. Also, remind them it's wise to take a little extra time to ensure the vehicle they are driving is in good condition and operating correctly before getting onto hazardous roads.

Weather-related hazards are part of winter, so it's a good idea to be prepared and take the necessary preventive measures. ■



"Taking the time to sit down with employees and cover winter safety issues could prevent your company from having a weather-related accident."

A screenshot of the Cooperative Mutual Insurance Company website. The header features the company name and logo. Below is a navigation menu with links for Home, About Us, Products, and Contact Us. The main content area includes a section titled 'Cooperative Features' with a list of benefits and a 'Contact Us' section with a phone number and email address. The footer contains the text 'Visit us on the Web at www.coopmutual.com'.

Data Show Trends in Agricultural Dust Explosions

While the number of grain dust explosions has dropped in recent years, the number started creeping upward again in 2001.

Nine dust explosions were reported in the United States last year, according to Robert Schoeff, professor emeritus at Kansas State University, and Mavis Rogers, FGIS-USDA.

This compares to eight explosions in

2000 and a 10-year average of 11.9 explosions.

The explosions in 2001 occurred at cooperatives and grain handling facilities in Kansas, Ohio, Illinois, Michigan, and Indiana. Most of the explosions occurred from April to September. The explosions injured seven people and killed one person.

The primary explosion occurred in

the bucket elevator in four cases and in a dryer, mixing area, sifter, grinder, and dust collector, reported Kansas State.

The probable ignition source included fire, sparks, and bearing failures in two incidents each and static electricity and smoking.

Fuel sources were identified as corn (in five cases), wheat starch, oat flour, mixed feed, and powdered milk. ■



How do the 2001 cases compare to the 10-year average from 1992? Here are some 10-year average statistics from Kansas State and FGIS-USDA:

- Total explosions: **119**
- People killed: **16**
- People injured: **149**
- Estimated damage to facilities: **\$106.9 million**
- Top two facilities where explosions occurred: **grain elevators and feed mills**
- Dust explosions by commodity handled at the time of explosion: **corn** (60 explosions); **malted barley** (11 explosions); and **wheat** (7 explosions)
- From 1958 to the present, the five leading states with the most dust explosions include **Iowa** (19), **Illinois** (13), **Kansas** (12), **Nebraska** (12), and **Minnesota** (9).

www.coopmutual.com



3905 S. 148th St., Suite 100
Omaha, NE 68144

PRSR STD
U.S. POSTAGE
PAID
VISTACOMM

INSIDE:
New DOT CDL
Rules
PAGE 6

