

# THE Partner

COOPERATIVE MUTUAL INSURANCE COMPANY

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## Power of Information

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#### CMIC MERGES WITH AUSTIN MUTUAL

We're excited to announce that CMIC and Austin Mutual will merge, effective January 1, subject to policyholder and regulatory approval. Read the story on page 8.

When Brad Bousquet stepped in as Vice President of Safety and Compliance for Central Valley Ag (CVA) a few years ago, he was curious. What types of accidents were

costing this Nebraska cooperative the most dollars in terms of workers' comp claims and related expenses? For the answer, Brad turned to the co-op's insurance provider, Cooperative Mutual Insurance Company (CMIC).

"I had CMIC pull our claims history," says Brad. "We evaluated the information and determined that the majority of the high-dollar claims were from shoulder, back, and knee injuries." After a bit more checking, Brad realized that most of those injuries happened in the winter and were related to slips and falls on snow and ice.

With that information in hand, Brad took the next step. After some research, he discovered railroad companies encouraged their employees to wear studded boots to help prevent slips and falls at rail yards. "We determined to make an investment in safety equipment to help prevent those types of claims in the future," says Brad. He found a vendor for the boots and, with the backing of management, began implementing a program to get those boots on the feet of employees.

The program includes a cost-share program in which CVA offers employees the boots at a greatly reduced price. Employees also



CVA provided employees with information on its studded boot cost-share program.

receive a brochure that explains the importance of wearing the boots and the benefits of the cost-share program.

The results are impressive. "We've almost eliminated slips on snow and ice," explains Brad. "It's had a significant impact on lowering our workers' comp mod rating." Better yet, employees really appreciate the boots, says Brad. "I have employees come and request a new pair when their old ones wear out."

#### Acting on information is the key

The fact that CVA has significantly reduced high-cost claims illustrates the importance

**Continued on page 2**

### MISSION STATEMENT:

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

# Hiring Custom Applicator? Check Insurance



BY TODD MEYER, Agronomist/Adjuster, [tmeyer@coopmutual.com](mailto:tmeyer@coopmutual.com), 402-670-7287

Hiring a third party to perform custom application for customers is becoming a common practice for many retail ag businesses. Utilizing an outside contractor to apply chemical, fertilizer, fungicide, etc., can help a company get through busy seasons.

But what happens when something goes wrong? When customers hire custom application through your business, they expect—and deserve—professional results. What if the chemicals do not perform? What if there is crop injury from chemical contamination or other issues? What if the overall quality of application is poor? At CMIC, we're seeing an increased number of such claims. That's why, to safeguard your interests, it's imperative to have your bases covered before problems arise.

## What to look for in contractor's insurance

First, when hiring out your custom application work, make certain the contractor is properly insured for the work they are doing. Have them provide paperwork on their insurance. You should ask them for an Accord Verification of Insurance. Custom applicators need to

have a minimum of \$1 million in liability coverage and verification of workers' comp for their own employees. Look over the insurance to make sure everything checks out, and then keep it on file. If possible, CMIC recommends you be an "additional named insured" on the applicator's policy. Because insurance policies can change, you need to ask for this paperwork each year you hire the applicator.

It is also important to have signed contracts with custom applicators before work is performed. These contracts should spell out the scope and quality of work to be performed.

Collecting insurance paperwork and getting signed contracts is not always convenient, especially if you need to hire a custom applicator at the spur of the moment during the busy season. However, taking the steps to do so can save a lot of confusion and liability conflicts should an unfortunate situation develop. With today's grain prices, a relatively inexpensive custom application job can quickly turn into a customer complaint worth thousands of dollars. Winter is a great time to determine whom you may be hiring to perform custom applications, and then get the necessary documents on file. ■

## Focus on OSHA Inspections

BY PHIL PELC, ACSDNE Communications Director

A firsthand OSHA inspection experience was shared during the October 12 meeting of the Ag Cooperative Safety Directors of Nebraska (ACSDNE). Terry Klein, Compliance Advisory Services, and Pete Jepsen, Safety Director at Ag Valley Co-op, updated members on the OSHA inspection at Ag Valley. Terry and Pete's presentation included inspection photographs, information on OSHA's focus and fines during recent inspections at

cooperative facilities, and tips on how to best handle inspections. They also talked about employer and employee rights before and during the inspection.

Don Underwood, Safety Director at Midwest Farmers Cooperative, gave a presentation on how to hold location supervisors accountable for safety at their locations.

The next meeting will be Jan. 11, 2011 at the Midtown Holiday Inn® in Grand Island. ■



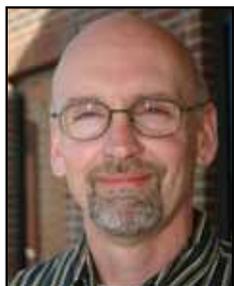
## Power of Information Continued from page 1

of not only accessing available information, but putting it into action. "Cooperative Mutual considers it part of its loss-control program to provide its policyholders with claim history," says Brad. "We used the information and found a solution to one of our most expensive type of claims. It's not complicated; you just have to do it."

And, Brand insists, safety directors will have a much easier time convincing management to make an investment in safety equipment when they can back up the request

with solid information. "I presented to management some basic charts with the loss-run information provided by CMIC," says Brad. That information did the trick. "There are a lot of places where you can spend money in the area of safety, but it only makes sense to do a little research and figure out where it has the greatest impact at reducing workplace injuries," he explains. "This cost-share program is certainly an investment, but it's pennies on the dollar for what we're saving on work comp costs today." ■

# Use Teachable Moments



BY KENT VOIGT, Senior Risk Consultant, [kvoigt@coopmutual.com](mailto:kvoigt@coopmutual.com) • 402-690-9089

When implementing new safety policies, like wearing safety glasses, hardhats, or work gloves, some employees can drag their feet. How do you get employees to 'buy in' to new policies that require them to wear personal protective equipment

(PPE)? Don't underestimate the impact of using teachable moments.

Teachable moments are when hazards are identified, corrected, and used as learning experiences to help employees become more alert to potential dangers on the job. They can also be sharing stories of fellow employees avoiding serious injury due to PPE.

East Central Iowa Co-op (ECIC) of Hudson, IA has had just such a teachable moment. The cooperative recently implemented PPE policies. Because of those policies, one employee can testify to the importance of wearing protective equipment—and his story can be used to convince others.

BJ Ruzicka works out of the company's La Porte City location. While working on the head drive on top of a grain leg, he took a few seconds to think about worst-case scenarios. He had removed his work gloves to thread some nuts, but before tightening them up on the turnbuckle, he put the leather gloves back on his hands. While putting all his weight on the wrench, the tool slipped off, causing his hand to collide with a sharp metal edge. The metal sliced through his glove and into the fleshy area between his thumb and finger. It almost required stitches, but BJ is convinced that had he not put his gloves back on, the metal would have sliced clear to the bone and most likely severed tendons. Fortunately,

the few seconds he took to think about potential dangers and put on his gloves turned what could have been a serious injury into a minor one.

When serious injuries are avoided, don't miss the opportunity to make it a teachable moment for the rest of your staff. Encourage your employees to share their stories. When employees see real life payoffs from wearing PPE, they're much less likely to resist changes in policies. Another helpful hint: Encourage your employees to take just a few extra seconds to consider what the potential hazards are and what they can do to reduce or eliminate those hazards before taking on a project. Those few seconds could help avoid an accident and perhaps save a life. ■



*BJ Ruzicka provided a teachable moment on the importance of wearing PPE.*

## Watch for Leaking NH<sub>3</sub> Tanks

BY TOM WINKEL, ACSDIA Secretary/Treasurer

Iowa Department of Agriculture representative John Whipple joined the September 13 meeting of the Ag Cooperative Safety Directors of Iowa (ACSDIA) by conference call and updated members on recent finds of pinholes in NH<sub>3</sub> tanks. These pinholes are a source of concern, he says. Experts continue to try to determine a cause and suitable solution for the leaks. Whipple advised anyone with a leak to contact the Iowa Department of Agriculture. He advised the tank not be moved unless someone is in danger due to its location.

Jeff Springer with DBI-SALA provided the 'do's and don'ts' concerning fall protection equipment. A speaker from Carhartt explained the importance of flame-resistant clothing.

There was also an open discussion on near-misses, the effectiveness of incentives, and how OSHA directly impacts the safety culture at a cooperative.

The next meeting is January 12 at the New Holland Ag Information Center in Nevada, IA. To read the minutes and notes from ACSDIA meetings, go to [www.acsdia.org](http://www.acsdia.org). ■



# Avoid Customer Falls

BY ZACH TESAR, Claims Adjustor, [ztasar@coopmutual.com](mailto:ztasar@coopmutual.com)



The sight of a customer slipping and falling on your company's premises is always a cause for concern. Approximately 35,000 people per day are victims of slip-and-fall accidents, costing an average of \$3.5 million per hour—or \$30 billion per year. Now is an excellent time to take action to

help keep your customers on their feet, especially with winter's ice and snow.

Basic steps to reduce customer falls:

- Keep parking lots, driveways, and sidewalks clean of snow and ice and sweep frequently to improve grip and remove items that could cause someone to slip.
- Anchor curb stops and ensure the anchor rods do not protrude above the stops.
- Pay special attention to handicap ramps. In winter, remove snow and ice. In summer, even wood ramps can be slippery when wet. Consider applying anti-slip strips.
- Empty trash cans regularly to reduce items outside of cans.
- Check for spills at fuel islands, especially diesel, which can become slippery.
- Spread salt, sand, or grit when you suspect surfaces may become slippery.
- Consider extra floor mats inside and outside your buildings 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, follow these steps:

- Take care of the injured customer. Be courteous and helpful.
- Allow the customer to decide if he/she wants to go to a doctor, the hospital, or home.
- Ask how the accident occurred and begin documenting the details.
- Get names, addresses, and phone numbers of any customer witnesses first, and then talk to employee witnesses.
- Inspect the scene carefully and document all essential details. Have other employees on duty also inspect the scene.

- If possible, take pictures of the accident site before anything can be altered but after the customer has been removed from the scene.

Show care and concern to the customer after a fall, but 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 or apologize.
- Do not mention that insurance will take care of everything.
- 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 the fall with strangers.

The best thing to tell someone who falls and suffers an injury is that you will be contacting your insurance company, turning in a claim, and that the insurance company will be in contact with them.

Remember, by being proactive, you can eliminate most potential dangers before they occur. However, in the event a fall does occur, be smart, do not admit to anything, and notify the CMIC claims department as soon as possible. ■



# Preventing Rogue Employees

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



Propane drivers are the eyes and ears of your company when it comes to the installations that you service. Since they are the ones who regularly visit your customers, they have the greatest impact on your safety record. To avoid accidents, it's imperative they inspect your customers' systems, making sure

they comply with all applicable codes.

Most drivers are diligent in making sure the customer's system is safe. Unfortunately, there are 'rogue' drivers. These are drivers who do not follow company policies, the code books, or best industry practices. They may be averse to change, avoid extra work, or have other factors at play. Whatever the reason, they can cause problems when it comes to your safety record. However, there are some things you can do to maintain drivers who will keep safety foremost as they deliver propane to your customers.

## Enhancing driver commitment to safety

First, know your drivers. While you can't monitor their actions at each customer's site, you can observe their general work habits. Do they take initiative in learning new practices or staying current with codes and regulations? Are they self-starters, or do they need a push and shove to get going? Those are some indications of how they might approach safety issues on site.

Are your drivers also required to do service work? Some drivers may ignore those tasks if it means more work. For example, I recently saw a tank that had a fill adapter from a delivery hose on a leaking fill valve. The driver had discovered the leaking valve on a previous visit, used the fill adaptor as a band-aid method to stop

the leak, but never fixed the valve the next time the tank was empty. When questioned as to why he hadn't repaired the valve, the driver told me he hadn't gotten around to it.

An alternative is to have a service person, instead of drivers, responsible for performing all repairs on customers' systems. Drivers can simply report all issues they find at their customer's site without worrying that the repair will take too much of their time. This reduces the chance that safety issues will be ignored. It is also easier to make certain one person has the advanced training necessary, rather than all drivers. Having a person devoted to service work alone may not be feasible for companies with a smaller customer base.

If your drivers are given a commission or bonus based solely on how much propane they deliver, their focus will naturally be more on sales of gallons than making sure each system they visit is safe. If you can develop an incentive system that strikes a balance between production and safety, both areas will be addressed.

Finally, hold your drivers accountable. If you find a driver is neglecting safety, correct the situation immediately. Excuses like "He has been delivering propane for years and he does not adapt well to changes" or "He has been so busy he must have forgotten about that" can get in the way of your commitment to safety. Instead, consider whether the driver might need additional training or discipline. Simply failing to correct the driver's actions could result in a catastrophic accident.

Remember, these methods of dealing with employees who fall short when it comes to safety are not requirements. They are simply suggestions to help you better deal with employees who may be a barrier between your company and a safe customer. ■



# Focus on Driver Applications

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



The U.S. Department of Transportation's (DOT) new Safety Rating System, Comprehensive Safety Analysis 2010 (CSA 2010), rolls out nationally this November 30. The new safety system, replacing the SafeStat model, centers around 7 BASICS (Behavior Analysis Safety Improvement Categories). One of

those categories is driver fitness.

If you think driver fitness only applies to a driver's behavior while behind the wheel of your commercial vehicle, think again. Your determination of a driver's fitness must begin during the application phase—before a potential driver is hired. Under the CSA 2010 program, when you hire a driver, you're inheriting that person's driving history—good and bad—that's been documented while they worked for other companies. That's why it's very important that you ensure the driver's application for employment is filled out properly. That application is the true introduction of the potential employee to your company. Even when the applicant is someone you have known personally for some time, it's imperative that you look at them in terms of their completed application for employment.

## Driver application basics

To ensure you have the correct applicant information, you must have an application that meets or exceeds DOT requirements. These applications, as required by the Federal Motor Carrier Safety Administration (FMCSA) 49CFR 391.21, are made up of 12 basic areas with specific information required in each area. Following is a summary of each area and the information required:

**AREA 1:** The name and address of the employing motor carrier. Your company name is required at the top of the application. Having your company's name included prevents applicants from mass producing a potentially fraudulent application.

**AREA 2:** The applicant's name, address, date of birth, and social security number (SSN). Many generic applications have removed the SSN requirement. The SSN is, however, required on the DOT application. If a driver refuses to put the information on the application, it can be considered incomplete. There is an exception for applicants with religious objections to the SSN, since the Social Security Administration does not require them to hold such a number.

**AREA 3:** The addresses at which the applicant has resided during the three years preceding the application submission date. A separate sheet of paper can be submitted if there is not enough room on the original application. The employer should check these addresses against the addresses of the applicant's previous employers (listed elsewhere in the application). Some applicants try to hide addresses because of credit or criminal history.

**AREA 4:** The date the application is submitted. The employer should compare the submitted date to the final signature date since some drivers who have had previous problems will have another person fill the application out for them. Having two different dates on the form may raise a red flag.

**AREA 5:** The issuing state, number, and expiration date of each unexpired commercial motor vehicle operator's license or permit that has been issued to the applicant. A driver can have more than one commercial driver's license. That is why the applicant must list all commercial operator's licenses that they possess.

**AREA 6:** The nature and extent of the applicant's experience in the operation of motor vehicles, including any type of equipment (such as buses, trucks, truck tractors, semitrailers, full trailers, and pole trailers). Drivers must also include details about the types of equipment (i.e., cab-over or conventional trucks and truck tractors, straight trucks, flatbed, tank, or dry van types of trailers) and if they have operated single, double, or triple trailers.

**AREA 7:** A list of all motor vehicle accidents in which the applicant was involved during the three years preceding the date the application is submitted, specifying the date and nature of each accident and any fatalities or personal injuries it caused. This information is very important. An employer will have at least two sources against which they can compare this information. The first will be the safety and performance history that you will send to the previous employer(s), and the second will be the pre-employment Motor Vehicle Report (MVR) that you are required to check prior to hiring a driver.

**AREA 8:** A list of all violations of motor vehicle laws or ordinances (other than violations involving only parking) of which the applicant was convicted or forfeited bond or collateral during the three years preceding the date the application is submitted. Check this very carefully. You can compare this against the pre-employment MVR. Be aware that it can take up to 180 days or more for a moving violation to show up on the MVR.

**AREA 9:** A statement detailing the facts and circumstances of any denial, revocation, or suspension of any license, permit, or privilege to operate a motor vehicle that has been issued to the applicant or a statement that no such denial, revocation, or suspension has occurred. Many drivers are hesitant to admit that their license or driving privileges have ever been revoked, especially if the driver was told by a previous employer that they are no longer qualified to drive for that company due to the failure of an alcohol or controlled substance test. The DOT does consider this the revocation of the privilege to operate a commercial vehicle even though their CDL may still be valid.

**AREA 10:** This section is broken down into several items:

- (i) A list of the names and addresses of the applicant's employers during the three years preceding the date the application is submitted,
  - (ii) The dates he/she was employed by that employer,
  - (iii) The reason for leaving the employ of that employer, and
  - (iv) After October 29, 2004, whether the
    - [A] Applicant was subject to the FMCS regulations while employed by that previous employer and
    - [B] Job was designated as a safety-sensitive function in any DOT-regulated mode subject to alcohol and controlled substances testing requirements as required by 49 CFR Part 40.
- As one of the most important sections of the driver application, you are required to ensure [B] is correct. If you are considering hiring the individual, you must inquire and document the inquiry to all previous employers for the three years prior to the application. Failure to do so can result in a negative safety rating. You must look at the dates and employers provided by the applicant, account for any time gaps, look at company addresses and telephone numbers, and make sure the information is correct. Unfortunately, some applicants who are hiding information will give their own personal phone number or address in place of their former employer information.

**AREA 11:** For drivers applying to operate a CMV as defined by Part 383 of this subchapter, a list of the names and addresses of the applicant's employers during the seven-year period preceding the three years for which the applicant was an operator of a commercial motor vehicle, together with the dates of employment

and the reasons for leaving such employment. This requires a driver to list any commercial driving position they have had in the previous 10 years. You are not required to check with any employer beyond the previous three-year period, but if you find discrepancies with the three-year history, you can check any of the listed prior employers.

**AREA 12:** The certification and signature line, which must appear at the end of the application form and be signed by the applicant. This certifies that the application was completed by the applicant and that all entries are true and complete to the best of their knowledge. It should include the date and legal signature of the applicant.

It is also recommended that the company have an area at the end of the application for a company representative to sign or initial after the interview, a place to document the initial hire date, and the position into which the applicant was placed.

With the new CSA 2010 database, employers will also be able to check on certain inspection information on potential drivers. Prior to checking on their personal information, you should make sure the applicant signs a release of information form. Refusing to sign a release form should be a red flag.

By following the course set for the driver application by the DOT, you can help protect your company from inheriting an unsafe driver. ■



*Determining the fitness of your CMV drivers begins at the application stage.*

A driver's application, safety history forms, and driver's release forms can be found in section 8 of the CMIC Transportation Safety Program.

### TEXTING BAN IN FORCE

The federal ban on texting while driving commercial vehicles is now official. A texting conviction is now considered a serious traffic violation.



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## CMIC to Merge With Austin Mutual

The boards of directors of both Cooperative Mutual Insurance Company (CMIC) and Austin Mutual Insurance Company have agreed to merge the two companies, effective Jan. 1, 2011, subject to policyholder and regulatory approval.

The decision, announced in October, followed a period of partnership during which the two companies recognized their shared goals and values. "After careful consideration, it was decided that a complete merger would be the best option to bring the capital strength already known to the policyholders of Austin Mutual to the policyholders of Cooperative Mutual," explained CMIC Chairman Doug Derscheid.

Through the merger, Doug says the current CMIC policyholders will benefit from the strong financial position of Austin Mutual. "There is no question that this merger will ensure that our policyholders have access to a strong agricultural insurance company focused on their business for years to come," he adds. "We are extremely pleased to become part of Austin Mutual. Their commitment to superior customer service will complement the strong service tradition that has been established at CMIC."

Jeffrey B. Kusch, CEO at Austin Mutual, says that CMIC's focus on agriculture, loss-control services, and customer service was a perfect fit for Austin Mutual. "CMIC's extreme customer and agency loyalty is well founded and will prove to be a great asset for Austin over the years ahead," stated Jeffrey. "We look forward to bringing the two organizations together to capitalize on synergies that have been identified during the affiliation."

After the merger, Austin Mutual will continue to offer, from the Omaha office, the lines of business currently available through CMIC in all its active territories. Beginning January 1, all current CMIC business will be written by

Austin Mutual. Current policies will be assumed by Austin through issuance of merger certificate endorsements. There will be a special meeting of Cooperative Mutual members in December to approve the merger and discuss other related matters. Please watch your mail for date and details.

In the meantime, Doug says Cooperative Mutual's 75-year legacy of working hard to earn policyholder business will continue under the Austin Mutual name. "As we move into the future as a combined entity, our philosophy towards strong relationships and customer service will continue to be our number-one priority," says Doug. "Rest assured that this transition will have no disruption to the customer service you've come to expect from us in the past. Together we are uniquely positioned to find ways to improve in all areas of our business, including marketing, underwriting, fair claims handling, and industry-leading loss-control service."

Austin Mutual Insurance Company, headquartered in Maple Grove, MN, is a regional casualty insurer with direct premium writings in excess of \$175 million and has an A.M. Best rating of A-. ■



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