



C O M P L E T E *Coverage*

LANDSCAPE CONTRACTORS INSURANCE SERVICES, INC. NEWSLETTER

APRIL 2006

Cypress Point – *To Pay or Not To Pay*

As Steve has mentioned in prior President's messages, LCIS still remains on the cutting edge of providing competitive markets for our clients. Many of you have placed your workers' compensation coverage through LCIS with Cypress Point – Arrowhead. As some of you have already experienced, rates are competitive, however, their payment guidelines are structured differently than what you have been accustomed to with Everest National Insurance Company. Outlined below are some of these changes:

- Payments are to be made directly to the carrier and not to LCIS.
- Carrier does not allow for faxed checks for recreation purposes.
- Monthly reports are due at the carrier with payment by the 10th of each month.
- Installments are due on their due dates.
- There are no grace periods.
- Do not mail/fax monthly reports or checks to LCIS, as this will delay processing.
- A policy is allowed 3 (three) Notices of Cancellation during a policy period and will not be subject to reinstatement.

Policyholders should note the importance of prompt submission of payroll reports and installments because of the potential for cancellation if payments are submitted late.

Policyholders should note the importance of prompt submission of payroll reports and installments because of the potential for cancellation if payments are submitted late.

These changes are the result of Cypress Point accounting being on a direct bill basis and are consistent with industry practices on fair credit standards.

As always, we are here to help you make the transition of changing carriers smoother. If you have any questions or concerns, please feel free to contact your Account Executive or Account Manager.

LCIS assumes no responsibility for the continuance of your coverage. Notices of Cancellations are sent directly from the Carrier to the client. LCIS will be supplied a copy of the notice at the same time as the insured.

Day at the Races Fundraiser Proves Successful

By Nelson Colvin, Golden Oak Co-Op

Golden Oak Co-Op Corp. and LCIS recently hosted the San Fernando Valley Chapter-CLCA annual "Day at the Races" at beautiful Santa Anita Race Track in Arcadia. The event took place on Saturday, March 25 and was a fundraiser to benefit the efforts of the CLCA Immigration Task Force. The entire proceeds of \$2,500 were sent to CLCA HQ to help offset the expenses of this hardworking group of dedicated CLCA members and advisors.

The event was attended by members of at least four different chapters: Bob Wade and Kamran Dideban from Orange County, Patrick and Susan Jeannette from San Diego, John Hernandez (LA/SGV, IE, OC, SFV – and any other chapter that wants to claim him...like they claim Charles Nunley), and a host of San Fernando Valley Chapter members, family and friends.

More photos and story on page 4



DAY AT THE RACES was a fundraiser for the CLCA Immigration Task Force. Shown are SFV President Chuck Carr (right) and Task Force Chair Kamran Dideban. That's State Director of Legislation Bob Wade in the background, counting his money.

What's *Inside*

- More Rate Reductions Ahead?
- Employee Spotlight
- Workers' Comp Guru
- Safety Tips of the Month



STEVE HARTMAN
CEO / President

PRESIDENT'S MESSAGE

More Rate Reductions Ahead?

As I write this article LCIS is busy renewing most of our Workers' Compensation policies. Our staff has been working very hard proposing new and renewal WC policies, while professionally serving our growing client list. I'm proud of them.

Our insureds and new clients are experiencing 30% plus savings over last year's rates. It appears there will be even more savings coming for those who renew on or after July 1, 2006. The WCIRB has recommended another 16% rate reduction. Although this reduction is still in the recommendation process, we expect the market to take some sort of reduction on July 1, 2006. We should know within the next 45-60 days what these reductions will be. You can rest assured LCIS has the markets available to be able to pass on these additional savings.

\$4.5 Million In Rebates!

LCIS will be rebating over \$4,500,000 to our insured members this November for premiums paid in 2005. Rebate eligibility:

- 1) Rebate paid on premiums for all active policies at time of rebate payment.

- 2) CLCA membership must be active at time of rebate payment.

CLCA memberships renew in September, so renew yours to ensure you receive your qualified rebates. In addition, renewing your insurance with LCIS helps add to your Equity Sharing plan with Golden Oak. For information on Equity Sharing please contact Nelson Colvin at Golden Oak (800-451-2834). These are additional financial benefits that are made available to CLCA members, in addition to our competitively priced insurance programs!

Read Our 'Pay Or Don't Pay' Story!

With our new Workers' Compensation program it is important that you read our Front Page article about paying on time. The new companies with whom we are writing your insurance have very stringent requirements on paying on time and reinstating policies. But the good news is the large savings we are experiencing in the market. Please also be sure to keep an eye

on potential legislation that could affect the integrity of the cost savings in the current Workers' Comp reforms.

Our Package policies remain competitive in pricing and especially in coverage. We are working on some policy enhancements and hope to have an announcement shortly on some enhanced coverage.

All This & Health Benefits Too

Let LCIS also compete for your Health Benefits through our LCIS Benefits Department. You can contact our Benefits Specialist Rick Granados at (800) 750-5247.

We appreciate your business and your patience during this very busy renewal season. If you are not insured with us please give us the opportunity to earn your business. I believe you will find our products and services to be financially beneficial to you!

Sincerely,

Steven W. Hartman, CEO/President

Cypress Point – Pagar o No Pagar

Como Steve a asegurado en anteriores "mensajes del presidente", LCIS sigue estando a la vanguardia en proveer un Mercado Competitivo para nuestros clientes. Muchos de ustedes han puesto su cobertura de compensación al trabajador (Workers' Compensation insurance) a través de LCIS con Cypress Point-Arrowhead. Eso significa que muchos de ustedes han experimentado, además de las tarifas competitivas, que sus programas de pago están estructurados de forma muy distinta a la que ustedes estaban acostumbrados a realizar con Everest National Insurance Company. Aquí vamos a remarcar algunas de esas diferencias:

- **Los pagos deben de ser hechos directamente a la compañía portadora y no a LCIS.**
- **La compañía portadora no permite el envío de cheques por fax con propósitos recreacionales.**
- **Los reportes mensuales son hechos por la compañía portadora con el pago realizado el 10 de cada mes.**
- **Los plazos de pago son hechos en sus fechas de vencimiento.**
- **No hay períodos de gracia.**
- **No envíe por correo o por fax reportes mensuales o cheques a LCIS. Esto demora el proceso.**

- **La póliza permite 3 (tres) Noticias de Cancelación durante el período de vigencia de la póliza y ésta no será sujeta a reinstalación.**

Los asegurados deben de tomar en cuenta la importancia de enviar rápidamente el reporte de pago de la nómina de empleados y los pagos de las cuotas, debido al potencial de cancelación que existe si los pagos son enviados tarde.

LCIS no asume ninguna responsabilidad por la continuidad de la cobertura. Las noticias de cancelación son enviados directamente por la compañía portadora al cliente. LCIS recibirá una copia de dicha cancelación al mismo momento que la recibe el asegurado. Estos cambios son el resultado de que las cuentas de Cypress Point están basadas en una facturación directa y son consistentes con las prácticas de la industria y un justo estándar de crédito.

Como siempre, estamos aquí para ayudar y hacer esta transición de cambios de aseguradoras lo mas llevadera posible. Si usted tiene cualquier pregunta o preocupación, por favor siéntase libre de contactar su Ejecutor de Cuentas o Manejador de Cuentas.

Contact Us

Toll-Free (800) 628-8735

President

Steve Hartman ext. 520

Vice President – Sales

Mike Dunn ext. 589

Vice President – Services

Kim Nichols ext. 515

Chief Operating Officer

Kim Ayala ext. 511

Worker's Comp Manager

Terry Mahlman ext. 580

Certificate Request Fax 800-440-2378

LCIS Website www.lcisinc.com

Employee Spotlight



Barbara Decker / Workers' Comp Underwriting Assistant recently celebrated her 3-year anniversary with LCIS. She has 22 years of insurance underwriting

experience with local insurance carriers. Barbara's responsibilities at LCIS include underwriting WC policies under \$50,000 estimated premium and processing changes and endorsements to policies. Barbara has a wonderful sense of humor (she believes laughter is good medicine). She loves spending time with family and friends and getaways to the Central Coast.

Tracy Hodge / Account Manager just celebrated her two-year anniversary with LCIS in February. She has 15+ years in the insurance industry holding positions such as Underwriter Assistant, Underwriter and Senior Underwriter in regards to Workers' Compensation with past employers. She obtained her P & C license and decided to work on the agency side of the business, as she likes working with a variety of people. Tracy is currently attending classes to obtain her CISR (Certified Insurance Service Representative) designation.



When asked what she liked best about her position, Tracy replied, "I like getting to know my clients, and the diversity of the job. It is never boring." She also stated, "Communication and correspondence between us and the clients is critical."

Tracy enjoys all types of sports, jogs in the morning and watches NASCAR on a regular basis. If you look closely you may see her with the spectators at the next race waving her Jeff Gordon hat!

For additional information, visit the LCIS Website: www.lcisinc.com



TERRY MAHLMAN
Workers' Comp Manager

WC Guru

By Terry L. Mahlman, CPCU

NEW WC CARRIERS = NEW CLAIMS ADMINISTRATORS

As most of our WC customers are aware, we have started placing our WC coverage for customers with new insurance carriers. Many of our customers now have policies with Clarendon National, Insurance Corporation of Hannover or Redwood Fire and Casualty. The change of carriers means that new claims administrators will be utilized to deal with claims for your new carrier. All claims relating to expired Everest National policies will continue to be handled by FARA.

As your policies are written with the new carriers, you will receive new claims kits from the claims administrators with full instructions. Please note that it is imperative that you implement the MPN process for your new carrier as soon as possible (see the March 2006 newsletter).

Clarendon National & Insurance Corporation of Hannover

All claims will be handled by Gallagher Bassett Services, Inc. They are the largest WC claims administrator in the U.S. and are prepared to provide quality claims services to our customers.

Gallagher Bassett Services, Inc.
PO Box 30840
Laguna Hills, CA 92653
Phone: (800) 433-0181
Fax: (949) 588-8931
Toll free reporting: (888) 217-7947

Redwood Fire and Casualty

All claims will be handled by Berkshire Hathaway Homestate Companies (Redwood's parent company). Their claim process involves aggressive early-intervention designed to resolve issues and close most new claims within the first 90 days.

Berkshire Hathaway Homestate Companies
PO Box 7008
Pasadena, CA 91109
Phone: (800) 339-9809
Fax: (626) 356-1717
Toll free reporting: (866) 766-6565

We look forward to working with these claims administrators and will assist you with the transition. Please call Judi Smith, WC Claims Consultant or Terry Mahlman, WC Manager if you have any questions or problems with the transition.

Do you have any workers' compensation questions that you would like answered in future LCIS newsletters? Email your questions to tmahlman@lcisinc.com. The first five (5) people who e-mail questions will receive a copy of the "Landscaper's Guide to CA Workers' Compensation."

What Our Clients Are Saying

Building a Partnership with LCIS

By Michael T. Forsberg, President, Mike Forsberg Landscape & Maintenance

Mike Forsberg Landscape & Maintenance, Inc. has been a client of LCIS since our inception. We feel we have built a strong relationship with LCIS.

Steve Hartman, President of LCIS, has been our main contact. Steve has been there to direct us in the areas of loss control and premium reduction. Our Account Manager, Stephani Powers, expertly takes care of our certifications, verifications, and questions concerning our policies. We have also worked closely with Terry Mahlman, Workers' Compensation Manager, during our only Workers' Comp claim. Terry helped us through a very difficult time. For the next three years our premiums soared to a high of 142 percent modification rate. Since there have been no new claims, our modification rate was reduced to 78 percent, which resulted in a reduction of our premium by almost half!



MIKE FORSBERG

LCIS has offered us safety programs, site inspections and advice on how to help our business operate more safely and efficiently. We have not only developed a sound business relationship with LCIS, but a lasting partnership as well. – Mike Forsberg

A Day at the Races

Continued from Front Page

The San Fernando Valley contingent was made up of Steven, Debilyn, Rachel, Zack and Lucas Kinzler; Chuck Carr, David and Maria Junod (along with friends), Donald Crawford (account manager for LCIS) and brother Randy, Jan Veis and Neal Veis, Nelson and Leslie Colvin (with our friend Howard Bender).

We enjoyed a great buffet and some aggressive betting. I even saw someone (who will remain nameless) bet more than \$2 on a horse other than a favorite.

To make the afternoon more exciting, Neal Veis, Howard Bender and Nelson Colvin each put \$5 in a pool that they used to make a parlay wager on the show pool. They took turns picking a horse to finish at least 3rd in the race. After nine races, they had each picked three winners! When it was time for the 10th and final race, they each wrote a number down and the consensus number was the number they bet in the 10th race. When they went to the window to place the bet, the cashier (who



THEY CAME FROM ALL OVER Southern California to support our Day at the Races. Shown from left are Kamran Dideban and Bob Wade from Orange County, along with Patrick and Susan Jeannette from San Diego. All are members of the Immigration Task Force, the beneficiary of the fundraising event.

knew them by this time) couldn't believe they were still alive. Not only were they alive, they wouldn't change a thing – even though it was getting cold out, Nelson wasn't allowed to put on his jacket. Good thing...they walked away with a final payout of \$110 each.

Of the 10 races, 5 horses came in 1st, 3 came in 2nd, and 3 came in 3rd! Needless to say, it was exciting.

The Third Race was named for California Landscape Contractors Association. San Fernando Valley Chapter President Chuck Carr and Vice President of Programs Steven Kinzler had their picture taken with the winner of the race.



A FITTING SYMBOL – This horse and jockey topiary adds a unique and artistic landscape twist to the day's festivities.

El Día en el que las Carreras para Levantar Fondos Demostraron Ser un Éxito

Por Nelson Colvin, Golden Oak Co-Op

Golden Oak Co-Op Corp. y LCIS recientemente fueron los anfitriones en el Capítulo anual de California Landscape Contractors Association (CLCA) del Valle de San Fernando denominado el "Día de las Carreras" en el bello hipódromo de Santa Anita en Arcadia. El evento tomó lugar el sábado, 25 Marzo y fue a beneficio de los esfuerzos de la Fuerza de Tareas Inmigratorias de CLCA. La recaudación total de \$2500 fue enviada a CLCA HQ para ayudar a cubrir los gastos del duro trabajo de este grupo dedicado a los miembros de CLCA y consejeros.

Al evento asistieron miembros de por lo menos cuatro diferentes capítulos: Bob Wade y Kamran Dideban del Condado de Orange, Patrick y Susan Jeannette de San Diego, John Hernandez (LA/SGV, IE, OC, SFV – y cualquier otro capítulo que desee reclamarlo... como lo hacen con Charles Nunley), y el anfitrión del capítulo del Valle de San Fernando, miembros, familia y amigos.

El contingente del Valle de San Fernando fue integrado por Steven, Debilyn, Rachel, Zack y Lucas Kinzler; Chuck Carr, David y Maria

Junod (junto con sus amigos), Donald Crawford (administrador de cuentas de LCIS) y su hermano Randy, Jan Veis y Neal Veis, Nelson y Leslie Colvin (con nuestro amigo Howard Bender).

Nosotros disfrutamos de un gran buffet y alguna apuesta agresiva. Yo inclusive he visto a alguien que permanecerá en el anonimato, apostar más de \$2 en un caballo distinto al favorito.

La tercera carrera fue nombrada por la CLCA. El presidente del capítulo del Valle de San Fernando, Chuck Carr, y el Vice Presidente de programas, Steven Kinzler, tienen su foto tomada con el ganador de la carrera.



PICKING A WINNER in the next race are Nelson Colvin of Golden Oak Co-Op and his wife Leslie.

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Fighting Back With an Effective Safety Program

By Erick Farruggia, Safety Officer, Stay Green Inc.

It is true that most workers are pleased with the latest round of modifications to the state's Workers' Compensation law. But it is also true that many company owners are less than happy, knowing that California still remains one of the most expensive states in workers' compensation matters. Worse, now there is a veritable army of lawyers from the dark side wanting to undo recent improvements and cost reductions in the new law.

Why? Some would say it is because these legal wolves are seeing their loss of control over the goose that lays the golden eggs. Happy as we might be having swept the legal rascals out our front door, we are now hearing rumors that they are trying to climb back in through our windows. What we can do about it?

"The best defense against any potential increase in insurance rates and premiums is a thorough and well-implemented Safety Program!"

Given the attacks on the new Workers' Comp laws, we cannot rely solely on these laws to continue to protect us from the high cost of preventable work related injuries. These laws are in effect now, but who knows what the future will bring? For that reason, the best defense against any potential increase in insurance rates and premiums is a thorough and well-implemented Safety Program!

A good safety program can be created rather quickly, but its full implementation could take one to three years. (So, get started!) Last month's safety article discussed 10 ways to achieve and keep a safe work environment, which can result in safe employees as well as low rates and premiums. Those 10 suggestions are a good starting point, but there's more.

For instance, you need to have a plan for those employees who have had an accident. Extensively modified work periods and work assignments for employees coming back from injuries, can be costly to a company. Multiply that many times over by someone going on permanent disability.

How many times in the last year have you seen someone coming off of disability and working under a modified work schedule, and that person was not achieving his or her expected health progress? If your answer to this question is never or only once, you still have something to work with before this part of your safety program gets out of control. If your answer is more than once, then you'd better work aggressively to turn those numbers around.

Training, respect and the strict following of doctor recommendations are crucial and a good place to start. Better spend the time now than the money later.

PROTECTING YOUR BUSINESS

Employment Practices Liability Insurance – Do You Need It?

Which event is more likely to devastate your business? A general liability suite or an employment practices claim? No employer would consider going without general liability yet it is statistically more likely an employer will have an employment practices claim than a general liability or property claim.

- 41% of employment claims are against employers with 100 or fewer employees.
- 10.6% of employment cases in 1998 exceeded \$10 million.
- Over 30 million employment cases have been filed since 1990.
- 94% of jurors believe the employer should be held responsible even if evidence shows no knowledge of the alleged discriminations.

What "acts" are covered in an Employment Practices Liability policy? The main components of coverage are sexual harass-

ment, disability discriminations, wrongful termination, retaliation, third party liability and the newest one, Internet liability. Yes, you as an employer can be sued and found libel if someone is circulating emails that an employee finds offensive and you did nothing about.

Recent U.S. Supreme Court rulings have found:

- Employers can be held liable for a supervisor's sexual harassment even if no adverse employment action was taken against the employee and even if the employer had no knowledge of the harassment.
- Employees may win discrimination suits without direct evidence of an employer's illegal intent.
- An employee does not have to show egregious or outrageous behavior by the employer in order to recover punitive damages.

The danger is out there. So you should ask yourself these questions: Would I rather have no insurance protection against the cost of an employment claim (policy pays legal defense even if claim is fraudulent)? Do I want to incur high expenses to consult an attorney regarding human resources issues? Or, should I purchase insurance protection, which includes defense and human resources services?

If your answer to the last question is yes, then give your account executive or account manager at LCIS a call as soon as possible and they will be able to help you get a quote and place the coverage.

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Contraatacando con un Programa de Seguridad Efectivo

Por Erick Farruggia, Oficial de Seguridad, Stay Green Inc.

Es cierto, por ahora nos sentimos satisfechos con los resultados que estamos obteniendo con la modificación de la ley a la compensación al trabajador. Pero también es cierto que, aun no satisfechos con el desastre financiero que le provocaron a numerosas empresas y no satisfechos con saber que California sigue siendo uno de los estados más caros en compensación al trabajador, hay un ejército de abogados "del lado oscuro de la ley" incansables que intentan revertir ésta situación, por el simple hecho de que han perdido el control sobre la gallina de los huevos de oro.

Contentos como estamos con haberlos echado de nuestra casa por la puerta, ahora recibimos rumores que intentan ingresar a

toda costa por la ventana. ¿Cómo podemos defendernos de los abogados del lado oscuro?

"Por esa razón, la mejor defensa en contra cualquier incremento potencial en las cuotas de los seguros y premios es tener un minucioso y bien implementado Programa de Seguridad."

Decididamente no podemos confiar en el hecho de que exista una legislación perpetua que nos defienda de los errores que nosotros mismos podemos prevenir. Por eso yo no puedo pensar en un momento más ideal que éste para preparar un plan de seguridad preventivo con miras al futuro. Un plan de tal magnitud no puede ser logrado de la noche a la mañana y puede demorar años implementarlo y pulirlo, dependiendo de las dimensiones que posea la compañía.

En el artículo anterior enumeré 10 consejos útiles para lograr y mantener un número bajo de accidentes. Y ese es un muy buen inicio, pero eso no es todo. Hay que planear también, por ejemplo, que hacer con aquellos empleados que se lastiman. El trabajo modificado prolongado o la incapacidad permanente generan también pérdidas cuantiosas a largo plazo.

¿Cuántas veces ha visto en su empresa que un empleado realizando trabajo modificado no se recupera tan rápido como debería? ¿Cuántas veces ha visto que ha empeorado? Si usted tiene una respuesta que diferente a "nunca o solo una vez," significa que allí hay algo en lo que hay que trabajar.

Entrenamiento y respeto por las limitaciones medicas son las claves para solucionar este problema. Mejor invertir el tiempo ahora que dinero después.

PROTEGIENDO SU NEGOCIO

Prácticas de Empleo, Seguro Responsable – ¿Usted lo necesita?

¿Cual de estos eventos es más propenso a devastar su negocio? ¿Una demanda cualquiera o una demanda laboral? Ningún empleador consideraría el no tener un seguro de cobertura general aunque estadísticamente es muchísimo mas probable el enfrentar una demanda por prácticas de empleo que una demanda general o una demanda por daños a la propiedad.

- 41% de las demandas laborales son en contra de empleadores con 100 o menos empleados.
- 10.6% de las demanda laborales en 1998 excedieron los \$10 millones.
- Más de 30 millones de demandas laborales han sido presentados desde 1990.
- 94% de los jurados creen que el empleador debería de hacerse de la responsabilidad, inclusive cuando la evidencia no demuestre la discriminación alegada.

¿Cuales son los "actos" que están cubiertos en una Póliza de Seguro de Prácticas de Empleo? Los componentes principales de cobertura son acoso sexual, discriminación

por incapacidad, terminación ilegal, represalias, seguro contra terceros y la nueva, responsabilidad por Internet. Si, usted como empleador puede ser demandado y hallado responsable si alguien está haciendo circular correos electrónicos que un empleado encuentre ofensivos y usted no hizo nada acerca de ellos.

Los fallos recientes de la Suprema Corte de Justicia de los U.S. hallan que:

- Los empleadores pueden ser demandados por el acoso sexual de un supervisor inclusive si nunca fue tomada acción en contra del empleado demandante e inclusive si el empleador no tenía conocimiento de ese acoso.
- Los empleados pueden ganar demandas por discriminación sin tener directa evidencia del intento ilegal del empleador.
- Un empleado no debe de mostrar comportamientos escandalosos o flagrantes de parte del empleador para reclamar daños punitivos.

El peligro está allí afuera. Así que hágase estas preguntas: ¿Puedo yo darme el lujo de no tener un seguro que me proteja en contra de los costos de una demanda laboral (la póliza paga la defensa legal inclusive si esta es fraudulenta)? ¿Deseo yo incurrir en los altísimos gastos que traería el consultar un abogado especialista en recursos humanos? ¿O yo debería comprar una póliza que me proteja de las demandas laborales y que incluya el costo de los abogados defensores y servicios de recursos humanos?

Si su respuesta a la última pregunta fue sí, entonces hágale una llamada a su ejecutivo de cuentas o manejador de cuentas de LCIS lo más pronto que pueda para tener una cuota y disponer de la cobertura.

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