



COMPLETE Coverage

LANDSCAPE CONTRACTORS INSURANCE SERVICES, INC. NEWSLETTER

JULY 2006



KIM NICHOLS
Vice President
Services

Certificates of Insurance – Looking at The Basics

By Kim Nichols, Vice President Services

What is a Certificate of Insurance?

A Certificate of Insurance is a document (usually an ACORD 25) used to provide general con-

tractors, sub-contractors and vendors with proof of insurance. The certificate usually indicates your coverage amounts, carrier and policy effective dates.

A **Certificate Holder** is a client who wants to be named on the certificate of insurance to assure that they will be contacted if your policy cancels prior to the renewal date.

Additional Insured status extends coverage to your client under your policy in the event that they are sued as a result of work you do on their behalf. If, for instance, your client is sued as a result of work that you do, your client will be defended under your policy just as you are.

How to Request a Certificate of Insurance

We accept requests via mail, telephone, fax, and email. LCIS is proud to have a Certificate department that is dedicated to quick turn around and prompt responses to your certificate needs. A Certificate of Insurance request is mailed with every liability policy and can also be found on our website www.lcisinc.com.

Things to Know About Certificates of Insurance:

Certificates do not amend, extend or alter the coverages. Coverages and limits can only be modified via endorsements to the policies themselves.

A certificate of insurance only demonstrates the coverage and limits available at the time of issuance.

Endorsements include, but are not limited to: Additional Insured's, Loss Payee's, Waiver's of Subrogation and job exclusions for participants in

OCIP's and/or Wrap projects. Always refer to your policy for specific terms, conditions and exclusions.

When possible, provide us with a copy of any contract or agreement that includes insurance requirements and/or obligations and if you ever sign a contract or agreement that obligates your company or insurance carrier prior to consulting with your Account Executive or Account Manager.

If you have contractual insurance requirements or obligations, always receive assur-

MISSION STATEMENT

“To provide quality insurance products at competitive prices, along with superior service through our commitment of excellence to our customers and employees.”

ances from your Account Executive or Account Manager that your coverages and limits are either sufficient, or that they can be amended, to satisfy your obligations.

- Provide accurate information such as names and mailing addresses to avoid delays in processing.
- Request certificates prior to the start of the job to avoid complications upon the jobs completion.
- Primary/Non-Contributory Wording – Can you negotiate the contract?

When leasing equipment, check the contract. Make sure the contract indicates that you are purchasing insurance and that it is not excluding repair or replacement if you damage the equipment.

A certificate of insurance only demonstrates the coverage and limits available at the time of issuance. This is a major concern because most policies issued today contain policy annual aggregate provisions that limit the amount of coverage available

What's Inside

- The Experience Rating and the 'X-Mod'
- Employee Spotlight: Sally Betancourt and Debbi Cerkueira
- Safety Tip of the Month: Preventing Dehydration

Continued on page 2



PRESIDENT'S MESSAGE

Workers' Comp Still a Hot Topic

Continually Changing Market

It seems as though all my messages are about Workers' Compensation and this one may not be much different. The reality is that Workers' Compensation

STEVE HARTMAN
CEO / President

carries a lot of newsworthy information because it is the line of coverage with the most changes happening almost daily.

Workers' Compensation again is going to see rate decreases for policies renewing on or after July 1, 2006. The Workers' Compensation Insurance Rating Bureau (WCIRB) has recommended a 16.4% rate reduction and now the Insurance Commissioner has recommended the same. The Workers' Comp market has answered with reductions as low as 5% and as high as 16.4%. We are seeing most of the players that have not yet had significant decreases, and those markets that have previously offered large increases, now offering the greatest decreases as they play catch up with the rest of the market.

Cautious Approach to WC in CA

As best we can tell at this time the players in the market have not changed much. Carriers seem to be approaching the future of the Work Comp market in California cautiously, with the potential of some changes to the current reforms. There is lots of talk about this in the current political races, so be sure to watch the elections closely and vote appropriately.

LCIS has numerous markets available and we are providing very competitive rates, when measured against our competition. When you factor in our rebates and the group program rates we offer, we are still providing much better rates than our competition. If you are not currently insured with us, give us a chance to help save you money on your bottom line.

Over \$4,600,000 in Rebates!

LCIS rebates should top \$4,600,000 this year and is in the process of being calculated and validated. The main guidelines for the rebates have been the same every year LCIS has been in business and have been published on numerous occasions. The purpose of the rebate is to return a large portion of our profits to insured CLCA members, another CLCA benefit that puts money back into your pocket.

Rebate Guidelines

The following are the basic guidelines for receipt of the rebates: 1) Rebates paid in 2006 are for premiums billed and paid in 2005; 2) Policies that rebates are paid on must be in force at time rebate is fully declared in November 2006 (i.e. Package policy from 2005-06 policy year must be renewed for 2006-07 policy year); and 3) CLCA membership must be active/renewed at time rebate is paid in November 2006 – be sure to renew your membership in September 2006. If you should have any questions on rebates feel free to contact me at (800 628-8735 or Shartman@lcisinc.com.

Employee Recognition Form

We are including in this newsletter an Employee Recognition Form. The purpose of this form is to hear back from our customers on the good service they have received from any of our employees. We want to be sure to acknowledge the exemplary service you as a customer are being provided. I would appreciate any feedback related to LCIS service that you can give us. Please be sure to read through all the articles and loss control information provided, as they will help provide some good information to your business.

San Diego and Hawaii Events

The CLCA Summer Meeting (formerly SFX) is coming up July 12-15 at the Hilton San Diego Resort On Mission Bay. If you haven't registered yet, please be sure and do so; you don't miss this great meeting. LCIS is proudly sponsoring a talented business speaker, Marty Grunder, at the Friday, July 14 morning session, as well as the Golf Tournament to help raise funds for the LEAF Scholarship fund. Be sure to also plan on attending the CLCA State Convention Nov. 15-18 in Kauai, Hawaii. Hope to see you all at these great events!

As always, work safely and you will see better profits! If we can be of any service to you feel free to call upon anyone here at LCIS!

Sincerely,
Steven W. Hartman, CEO/President

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

Certificates of Insurance, continued from front page

during a policy year. A certificate of insurance may show a limit of liability at the time of issuance that is higher than the available limits at the time the contract is actually executed, the work prescribed has begun or at the time of loss.

Hold Harmless Agreements are not part of the insurance contract therefore the certificate of insurance is not for recording this agreement.

Potential Problems for the Insured in Naming Additional Insureds:

- Can reduce the aggregate and per occurrence liability limit of the policy.

- Could provide unintended coverage to the additional insured.
- Could have defense conflicts between named insured and additional insured in the event of a claim.
- Could have compliance problems.
- Could incur additional charges.

Although the above mentioned is valuable information, Landscape Contractors Insurance Services, Inc. is not in the practice of law. When dealing with contracts, please refer to your attorney for specifics. Always feel free to contact your Account Executive or Account Manager if you should have questions regarding certificates.

Employee Spotlight



Sally Betancourt / Senior Package Rater

has just celebrated her 15-year anniversary with LCIS this past June and during that fifteen years, Betancourt says, “the work continues to be challenging because there is something unique about each and every account.”

“I enjoy watching the Agency grow.”

Betancourt’s responsibilities include rating new business policies and binding coverage for the package policies while working with the Underwriters and Sales staff to ensure all information is complete prior to binding coverage. When asked what Bettancourt likes about working for LCIS her response was, “working on new accounts with the Producers and watching the agency is grow.” Bettancourt is also an active member of CLCA working with them on new membership.

Betancourt is the proud parent of two, one of whom is a son who serves in the U.S. Marines as an MP and has made it home safely from Iraq twice now. She is also a proud grandparent of three beautiful grandchildren. In her spare time, Bettancourt enjoys escaping to the casinos where she can gamble and play games.

Debbie Cerkueira / Account Manager

joined LCIS in November of 1992, which gains her the illustrious title of “long term employee.” She is an intricate part of the LCIS team and is dedicated to her customers and all the clients of LCIS. She always goes the “extra mile” in service and her loyalty is well appreciated.



“I enjoy the working environment of LCIS.”

Cerkueira is no stranger to the insurance industry having started her insurance career in 1979 with a local company in their policy-processing department. Since that time and prior to joining LCIS, she worked for a broker as well as another



TERRY MAHLMAN
Workers’ Comp
Manager

WC Guru

By Terry L. Mahlman, CPCU

The Experience Rating and the ‘X-Mod’

For the next two issues, the WC Guru will cover some of the basics of the WC experience rating process that results in some California employers receiving “X-mods.”

What is experience rating? Experience rating is an objective method of establishing fairness in workers’ compensation premiums for employers within the same industry. It uses actual loss results to establish experience modifications (X-Mods) for individual employers. An employer with a 100% experience modification reflects that the employer’s loss results are “average” for its industry. An experience modification less than 100% reflects that the employer’s experience is better than the industry average and an experience modification over 100% reflects below average results. The lowest X-mod I have seen for a landscaper is 42% and the highest has been well over 200%.

Does every employer get an X-mod? No, not all employers qualify for experience rating. Less than 20% of California employers have X-mods. A business will qualify if the “extended” premium generated by applying the pure premium rates to the payrolls exceeds a \$16,971 threshold (as of 7/1/06) over a three-year period of time. As a rule of thumb, if a landscaper averages \$100,500 in payroll in the 0042 class code over the three-year period, it will likely qualify for an experience modification.

How do I apply to get an experience modification? Employers do not have to “apply” to be experience rated. The Workers’ Compensation Insurance Rating Bureau (WCIRB) annually reviews every employer’s payroll data to determine eligibility for experience rating. Due to fluctuations in the pure premium rates and an employer’s year-to-year payrolls, it is possible for an employer to have an X-mod one year, but not the next. Experience rating is mandatory for all employers who do qualify.

How does the X-mod impact premiums? The impact is that (with all other factors being equal) an employer with a higher experience modification will pay higher premium rates than an employer with a lower X-mod. The X-mod is a multiplier. It is not quite this simple, but a business with a 150% X-mod might wind up paying double the premium of a competitor whose X-mod is 75%. This puts the business with the lower X-mod at a distinct advantage when it comes to bidding on a project.

Other impacts of high experience modifications: Most insurance carriers shy away from insuring businesses with high X-mods, so in addition to paying higher rates due to the high X-mod, even finding insurance may be difficult. Some businesses and municipalities will not contract business with employers with high X-mods because it may reflect unsafe work practices. Employers with X-mods of 125% and higher are assessed fees to fund Cal-OSHA’s Targeted Inspection and Consultation Program. The experience rating process provides a strong financial incentive for employers to reduce the frequency and severity of work-related injuries.

In the next issue, we’ll discuss how X-mods are calculated, what you can do to impact your mod, and the impact of claim frequency/severity on the X-mod calculation.

Do you have any workers’ compensation questions that you would like answered in future LCIS newsletters? Email your questions to tmahlman@lcisinc.com.

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

agency here in Fresno, holding various job positions, which enabled her to learn the insurance industry. When asked what she likes most about her job, Cerkueira replied, “I enjoy the working environment of LCIS.”

In Cerkueira’s spare time, which is rare as she is a wife and mother, she enjoys shopping, knitting, spending time with her family and watching her daughter play soccer. She also likes sporting events, especially baseball and football.

Making a Difference!

LCIS Employee Recognition Program

If one of our employees has made a positive difference by providing outstanding service and deserves recognition, please let us know. Fill out the information on this form and submit via fax or e-mail to:

Attn: Ginnie Day, Human Resources
Fax: (800) 440-2378
Email: gday@lcisinc.com



Landscape Contractors Insurance Service

I would like to nominate:

LCIS, Inc. Employee Name

Reason for Recognition:

Your Name:

Company:

Daytime Phone:

Date:

Miscellaneous Tools & Equipment By Mike Dunn, Vice President of Sales

At a recent appointment with a new client I was discussing insuring the company's equipment with one of the partners. After explaining the difference between unscheduled and scheduled equipment, the partner decided that the \$15,000 coverage limit being proposed for the unscheduled equipment was not enough.

While he was doing a quick calculation as to how much coverage really was needed, the senior partner walked in the room and asked what we were discussing. After I brought him up to speed, he made the comment that coverage on the miscellaneous equipment was not needed at all. If he was to have any equipment stolen there would not be much more than \$1,000 worth of "stuff" stolen at any one time. Probably less. So the premium of \$545 we were quoting was wasted money. Needless to say no coverage was written.

At LCIS we write equipment coverage through Everest National Insurance Company exclusively. It must be written in

conjunction with general liability coverage as a package. Equipment coverage cannot be written by itself on a "mono-line" basis. The equipment can be written on an unscheduled or scheduled basis. The coverage form normally written is called "special" form. That form covers, among other things, loss or damage due to theft, vandalism and fire. It is the top level of coverage available.

A piece of equipment valued at \$1,000 or less is considered miscellaneous equipment and is lumped together in one coverage limit with other pieces of equipment valued at \$1,000 or less. **Unscheduled equipment** does not need to be itemized. Thus, to be insured the insurance company does not need the year, make, model and serial number to insure the smaller, generally less expensive equipment.

Scheduled equipment is equipment where each individual item is valued over \$1,000 and must be listed on the policy with the year, make, model, serial number and a value assigned to

each piece of equipment.

The premium to insure unscheduled equipment is approximately 3.65% of the total value of all the unscheduled equipment. Thus, \$5,000 of the premium for unscheduled equipment would be \$183 a year. The premium for scheduled equipment is approximately 2% of the total value of the equipment. Thus the premium for \$20,000 of scheduled equipment would be \$400.

Although most landscapers agree with the senior partner's feelings expressed above, theft of

equipment is the second most common claim paid for landscapers. Average loss is over \$3,000.

Oh yes, the client mentioned above did insure with LCIS with no miscellaneous equipment coverage. *The loss 6 months later was over \$60,000 dollars worth of equipment stolen.*

If you would like a quote on your equipment or feel you may be underinsured in this area please give your local LCIS agent a call today. They will be more than happy to help you.



1835 N. Fine Ave.
Fresno, CA 93727

RETURN SERVICE REQUESTED

PRESORTED
STANDARD
US POSTAGE
PAID
ORANGE, CA
PERMIT NO. 95

Preventing Dehydration

By Rene Emeterio, Operations Manager, SLM Services, Certified Arborist WE-3904A, CLT, CLIA

The summer season is upon us, and it's time to think about preventing dehydration and heat-related illness.

A lot of us take it for granted that our employees cannot be susceptible to dehydration, while we sit in our air-conditioned offices and cars.

Water is one of the most important substances in our body. Water makes up 70 percent of our muscles, and about 75 percent of our brains. Our bodies lose two cups of water each day simply by breathing. We also lose water by sweating and urinating. If we fail to replenish these losses, our bodies can become dehydrated.

Remind your employees to drink plenty of water, or take the initiative yourself and drop them off some water. Remember, these guys are working hard every day, generating business for you. Keep an eye out for symptoms of dehydration, such as dry mouth and tongue, lack of energy and muscle cramping. If left untreated, dehydration can lead to heat exhaustion or heat stroke. These ailments have as symptoms: **Fatigue, dizziness, nausea or vomiting, headache, rapid shallow breathing, high temperatures, rapid heartbeat, and loss of consciousness.**

HERE ARE SOME TIPS TO PREVENT DEHYDRATION:

- Drink plenty of fluids. On average it is recommended that you consume at least 10 glasses of fluid a day.
- Avoid caffeinated beverages and alcohol, both contains substances that will cause dehydration.
- Wear one layer of lightweight, light-colored clothing when you are working or exercising outdoors. Change into dry clothing as soon as you can if your clothes get soaked with sweat.
- Stay in cool, shaded areas when ever possible, and protect your skin with sunblock.

- Consume fluids before you are thirsty. If you feel thirsty, your body is already dehydrated.
- Do not drink coffee, colas, or other drinks that contain caffeine. They increase urine output and make you dehydrate faster.
- Avoid high-protein diets. If you are on a high-protein diet, make sure that you drink at least 8 to 12 glasses of water each day.
- Do not drink alcohol, including beer and wine. They increase dehydration and make it difficult to make good decisions.
- Do not take salt tablets. Most people get plenty of salt in their diets. Use a sports drink if you are worried about replacing minerals lost through sweating.

IF YOU BECOME MILDLY TO MODERATELY DEHYDRATED WHILE WORKING OUTSIDE OR EXERCISING:

- Stop your activity, and rest.
- Get out of direct sunlight and lie down in a cool spot, such as in the shade or an air-conditioned area.
- Prop up your feet. Take off any excess clothing.
- Drink water, juice, or a sports drink to replace fluids and minerals. Drink 2 quarts (2 litres) of cool liquids over the next 2 to 4 hours.
- If possible, rest and take it easy for 24 hours, and continue to drink lots of fluids. Although you will probably start feeling better within just a few hours, it may take as long as a day and a half to completely replace the fluid that you lost.



— Rene Emeterio,
SLM Services



Safety Tips Wanted!

Do you have some safety tips that have made a difference for your company? Send them to LCIS at the address below, ATTN: Editor, and they might appear as future Safety Tips of the Month to share with your fellow CLCA members.



**LANDSCAPE CONTRACTORS
INSURANCE SERVICES, INC.**

1835 N. Fine Ave., Fresno, CA 93727
(559) 650-3555 ph / (559) 650-3558 fx
Website: www.lcisinc.com

Previene la Deshidratación

Por Rene Emeterio, SLM Services, Certified Arborist WE-3904A, CLT, CLIA

El verano ya está aquí, y es tiempo de pensar en cómo prevenir la deshidratación y las enfermedades relacionadas con el calor. Muchos de nosotros damos por sentado que nuestros empleados no pueden ser susceptibles a la deshidratación, cuando nosotros estamos sentados en nuestras oficinas y automóviles con aire acondicionado.



Rene Emeterio
SLM Services

El agua es una de las más importantes sustancias de nuestro cuerpo. El agua forma parte de más del 70 por ciento de nuestros músculos, y cerca del 75 por ciento de nuestro cerebro. Nuestro cuerpo pierde por el simple hecho de respirar dos copas de agua por día, sin contar con que también perdemos agua al orinar. Si fallamos al momento de recuperar esas pérdidas, nuestros cuerpos se deshidratarán irremediablemente.

Recuerde a sus empleados que deben de beber una suficiente cantidad de agua o tome la iniciativa de llevarles agua. Recuerde, que estos muchachos están trabajando duro cada día para el engrandecimiento de su negocio. Mantenga un ojo en los síntomas de la deshidratación, como lo es una boca y lengua reseca, falta de energía y calambres musculares. Si se deja sin tratamiento, la deshidratación puede llevar a un desgaste por calor o a un golpe de calor. Estas enfermedades tienen síntomas: Fatiga, mareos, náuseas, vómitos, dolores de cabeza, respiración rápida y breve, alta temperatura, latidos acelerados del corazón, y pérdida de conciencia.

He aquí algunas ideas de cómo prevenir la deshidratación:

- Beba gran cantidad de líquidos. En promedio se recomienda consumir como mínimo 10 vasos de agua.
- Evite las bebidas con cafeína y el alcohol, ambos contienen sustancias que pueden causar deshidratación.

- Vístase con una camisa liviana, o ropas de color claro cuando usted está trabajando o ejercitándose al aire libre. Cambie de ropa por ropa seca en cuanto pueda si su ropa queda empapada de transpiración.
- Manténgase en un lugar fresco y con sombra de ser posible, y proteja su piel con protector solar.
- Consuma fluidos antes de que usted se sienta sediento. Si usted se siente sediento su cuerpo ya está deshidratado.
- No beba café, bebidas tipo cola, y otras bebidas que contenga cafeína. Estas incrementan la cantidad de orina y lo hace deshidratarse más rápidamente.
- Evite dietas altas en proteínas. Si usted está siguiendo una de estas dietas, asegúrese de tomar 8 a 12 vasos de agua al día.
- No tome alcohol, incluyendo cerveza y vino. Estas bebidas incrementan la deshidratación y hacen más difícil el tomar buenas decisiones.
- No tome tabletas de sal. Mucha gente consume con su dieta diaria una cantidad de sal más que suficiente. Consuma bebidas deportivas si usted está preocupado por reemplazar minerales perdidos a través del sudor.

Si le pasa que usted se deshidrata medianamente a moderadamente mientras trabaja o se ejercita:

- Detenga la actividad que está realizando.
- Salga de la exposición directa del sol y recuéstese en un lugar fresco, como en un lugar sombreado o con aire acondicionado.
- Ponga sus pies arriba. Sáquese todo exceso de ropa.
- Tome agua, jugo, o bebidas deportivas para reemplazar fluidos y minerales. Tome 2 cuartos (2 litros) de líquidos fríos durante las siguientes dos a cuatro horas.



- Si es posible, descanse y tómese con calma las siguientes 24 horas, y continúe tomando grandes cantidades de líquidos. Con todo esto usted probablemente comenzará a sentirse mejor en unas pocas horas, y puede tomar hasta un día y medio entero para reemplazar completamente los líquidos que usted perdió.

Si tiene síntomas más graves o si no siente mejoría, consulte a un médico de forma urgente.



LANDSCAPE CONTRACTORS
INSURANCE SERVICES, INC.

1835 N. Fine Ave., Fresno, CA 93727
(559) 650-3555 ph / (559) 650-3558 fx
Website: www.lcisinc.com