



# COMPLETE Coverage

LANDSCAPE CONTRACTORS INSURANCE SERVICES, INC. NEWSLETTER

NOVEMBER 2006



## WC GURU

### Thankful for California WC Reforms

By Terry L. Mahlman, CPCU

**TERRY MAHLMAN**  
Workers' Comp  
Manager

Thanksgiving is just around the corner and here's something to be thankful for – Workers' Compensation reforms are working!

The WC reforms from 2004 and 2005 have resulted in decreased WC claim costs. This has created profits for insurance carriers, who have in turn decreased rates substantially to California employers.

Here is a quick refresher. Workers' Compensation claims costs escalated steadily from 1995 through 2002. The average

value of an indemnity claim (involving benefits beyond medical treatment) more than doubled during that period, and this came at a time when insurance carriers were slashing WC rates following the advent of open rating. As a result, WC insurance carriers operated at a substantial loss. For example, for the year 1999, insurance carriers were paying out \$1.82 in for claims and expenses for every \$1.00 of

**We can all be thankful for the WC reforms and the positive changes that have resulted.**

premium they wrote. Many carriers became insolvent and the remaining carriers raised rates. The WC system was spiraling out of control.

Legislation effective in 2004 and 2005 (SB227; SB228; SB899) addressed key cost drivers of the WC system – medical treatment, permanent disability and vocational rehabilitation costs.

- Chiropractic and physical therapy treatments are limited to 24 treatments. Medical treatment provided by doctors must be based upon evidence-based treatment guidelines, and the State adopted the ACOEM

(American College of Occupational and Environmental Medicine) guidelines.

- Medical Provider Networks (MPNs) were established in 2005 and have allowed employers and insurance carriers to better control the treatment of work injuries.
- Vocational rehabilitation, which was often abused and ineffective, has been abolished and replaced with a Supplemental Job Displacement Benefit "voucher" system.
- The permanent disability rating system was overhauled and permanent disability is now based upon the American Medical Association Guides for permanent impair-

## MISSION STATEMENT

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

ment. These guidelines are more objective than the old method. Permanent disability awards and settlements are substantially lower than past years.

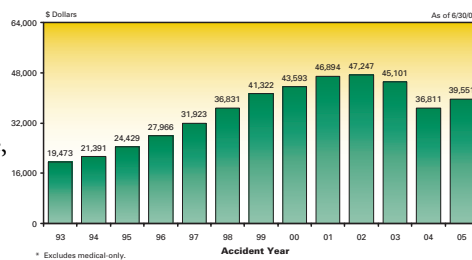
So what are the actual results? The Workers' Compensation Insurance Rating Bureau (WCIRB) recently released its report on insurance company claims experience and noted the following:

- The average value of an indemnity claim has decreased from \$50,000 prior to the reforms, to \$39,500 for the year 2005. (Note: 2002 claims are also reduced due to the reforms.)

- Insurance company loss ratios (claim costs divided by earned premium) have decreased from 139% in 1999 to 31% for 2004 and 2005!

- For 2005, insurance carriers anticipate paying out \$0.79 in claims and expenses for every \$1.00 of premium written (compare that to the \$1.82 noted above).

**California Workers' Compensation Estimated Ultimate Total Loss\* per Indemnity Claim**  
(After Reflecting the Estimated Impact of AB 227, SB 228 and SB 899 on Unpaid Losses)



## What's Inside

- Alaskan Adventure for LCIS Team Members
- Employee Spotlight: Connie Bringetto and Noelle Riemath

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STEVE HARTMAN  
CEO / President

# Thank You for the Opportunity to Serve You

I want to wish everyone a safe and happy Thanksgiving! We at LCIS are very thankful for the opportunity to serve our great LCIS customers! We appreciate your business!

## Positive Changes Ahead in 2007

LCIS is working fast and furious putting the final touches on 2006 and planning for another great year in 2007! Some things to be on the look out for in 2007 are enhancements to our website, secured access to many loss control topics (to be available in both English and Spanish), Injury and Illness Prevention Program in English and Spanish, many new Work Comp markets with extremely competitive pricing and many other things! Please provide your account manager with your e-mail address, as we may be sending this newsletter via e-mail, so you can receive it sooner.

## Management Promotions

LCIS has been going through some changes in management, in particular in the services area. I am pleased to announce the promotion of Carol Russell to Interim Services Manager. Carol has been with our company for over three years now and has been in the insurance business for many years. Some of you may have had the chance to get to know Carol, while she serviced your account. For those of you who do not know her, feel free to email her

anytime at [Crussell@lcisinc.com](mailto:Crussell@lcisinc.com) or by calling our office at (800) 628-8735. Congratulations, Carol!

With this change, Shirley Leone will become our Quality Assurance Manager, responsible for Quality Customer Service and the Certificates of Insurance Department among the many other duties she will perform in making sure LCIS continues to provide great service to our customers!

Please feel free to call upon Shirley anytime via e-mail at [Sleone@lcisinc.com](mailto:Sleone@lcisinc.com) or at (800) 628-8735 ext. 547.

## Get Ready for Rebates Dec. 1

Rebates are in the final stages to be paid December 1st. As we have published many times before, the following are the eligibility guidelines to receive a rebate: 1) You must have been insured in the year the rebate is for and you must have the same insurance in force when the rebate for the prior year is paid; 2) You must maintain your membership in CLCA. If you should have any questions regarding the rebate, feel free to call your account manager, your agent or me.

## WC Rate Decrease Approved

The Department of Insurance has approved a 9.1% average pure premium rate decrease, some companies will adopt this and some will adopt others. With this decrease and prior decreases during the

past year, most clients renewing in the first half of next year should see their rates drop at least 15-20%. Factors that may affect the actual decreases (up or down) are losses or loss development incurred in the past year or other years and

fluctuations in experience modifications. All this being said though, we are still in a very competitive market which helps bring the rates down! LCIS has many markets, so rest assured you will receive very competitive rates from LCIS!

As always, if you're insured with us – **Thank You for Your Business!** If you are not insured with us – It can't hurt to let us quote your insurance; it may only help your bottom-line!

Again, LCIS wishes to send you our thanks for doing business with us and we hope you all have a safe and pleasurable holiday!

Steven Hartman  
President/CEO, LCIS, Inc.



LCIS STAFF enjoying the spirit of Halloween. Soon they'll be celebrating Thanksgiving. Those holidays keep on coming.

## Contact Us

Toll-Free (800) 628-8735

### President

Steve Hartman ext. 520

### Vice President – Sales

Mike Dunn ext. 589

### 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](http://www.lcisinc.com)

## LCIS Employee Recognition Program Comments

The following LCIS staff member recently received high praise for a job well done:

### Tracy Hodge :

"Always a pleasure to speak to and provides excellent service!!"

– Sherry Kerwin,  
K.C. Horticultural Services

"Tracy is consistently responsive and listens effectively. She's very concerned that we achieve our goals, and consistently follows up with open items. Tracy

is always positive, friendly and supportive...even when she comes to work ill!

Tracy Hodge is the main reason why LCIS is my insurer of choice. Please thank her for me and tell her that she's the best!

– Michael N. Hofman,  
Janet Moyer Landscaping

# Employee Spotlight



**Connie Bringetto,**

*Assistant*

*Underwriter,* has been with LCIS since July 2003. She has 22 years of experience in the insurance industry, most on

the company side including auditing, rating and underwriting. Connie's duties are assisting with the large account underwriting and coordinating loss control for the package department.

When asked what she likes most about working at LCIS, she replied, "I like the variety, always learning something new and it is challenging."

In her spare time Connie likes crafting and spending time at the beach with her family.

**Noelle Riemath,** *Receptionist,* became a member of the LCIS team in March of 2005. As our Receptionist many of you may know her friendly voice well. We like to think of Noelle as the "First Impression Specialist" as she is the initial contact for visitors and routes your calls and faxes to ensure an efficient communication flow. Noelle also processes the driving record (MVR) orders for the Account Managers.



Noelle shared that "the reason I love working at LCIS is the variety of people that I get to talk to throughout the day." She enjoys spending time with her two daughters, Madison, age 7, and Micahla, age 5 either camping, at the beach or doing anything outdoors.

For additional information,  
visit the LCIS Website:  
[www.lcisinc.com](http://www.lcisinc.com)



MIKE DUNN

## I Know We Bug You, But...

By Mike Dunn, Vice President, Sales

We often get comments from customers about contacts we have made with them regarding different matters. We hear that they are too busy to see a loss control representative. Or they want to know why we need a serial number for a lawn-mower or tractor. Sometimes we meet with resistance when we have to inform them that our insurance carrier has excluded one of their drivers from coverage on the auto policy.

Trust me, we don't ask you for any information unless it is absolutely necessary. Our objective is to make sure that you are covered at the time of a claim. Also, some of the information we request is necessary so we can negotiate with our carriers to get you the best pricing available.

For example, when you're asked to exclude a driver by the insurance company, it is done because there is a direct correlation between the number of tickets and accidents a driver has and the frequency or likelihood that a claim will occur. Thus, by excluding drivers with *bad* driving records, claims can be avoided and the cost of insurance can be kept at a minimum.

But did you know there is a second reason you would want to exclude a driver? The second reason is that if you put a *bad*, or as the legal system sometimes views them a *negligent* driver, behind the wheel of one of your vehicles and that driver causes an accident, then a court of law can assess punitive damages. And punitive damages are not covered in your insurance policy. Thus, you get to pay the punitive damages out of company profits.

Things such as serial numbers and vehicle I.D. numbers make it easier to adjust a claim and get you your money faster. Loss control reports give the underwriter a clearer picture of what they are insuring. And a good loss control report can really help in the price negotiation process. Plus loss control inspections help identify possible situations that may cause an injury. This allows the contractor to "fix" the problem before an accident occurs.

I have heard it said that insurance is like your local police...a necessary evil. I would submit that insurance is like your local police in this sense: When you need the police (or insurance) it's real nice when they're available. So when we contact you for information, please understand that we are only trying to help. We really aren't trying to bug.

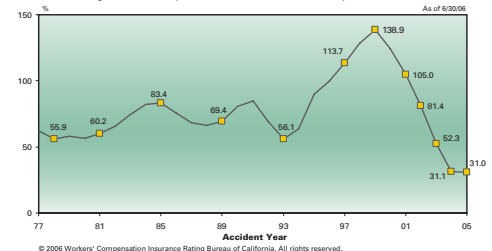
### WC GURU, continued from front page

- On average, employers in the State are currently paying WC premiums that are 42% lower than premiums in 2003. (Individual results will vary.)

The WC reforms have been effective in controlling claims costs and making California WC insurance profitable to insurance carriers. In turn, carriers have been passing savings along to employers (to the tune of \$10 billion) and new carriers have entered the State to compete in what is now a profitable insurance market. So we can all be thankful for the WC reforms and the positive changes that have resulted.

Happy Thanksgiving!

California Workers' Compensation Ultimate Accident Year Loss Ratios (After Reflecting the Estimated Impact of AB 227, SB 228 and SB 899 on Unpaid Losses) As of 6/30/06



Do you have any workers' compensation questions that you would like answered in future LCIS newsletters? Email your questions to [tmahlman@lcisinc.com](mailto:tmahlman@lcisinc.com).

# 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:

## Alaskan Adventure for LCIS Team Members

By Nelson Colvin,  
 LCIS Secretary/Director

This past August a group of intrepid travelers took off for an Alaskan adventure. LCIS was well represented on the trip, including LCIS team members: Director Richard Angelo; Director/Chairman-Elect Allen Chariton; Director Barry Cohen; and myself, Secretary/Director Nelson Colvin, along with our respective spouses. We enjoyed a two-week fascinating excursion throughout enchantingly beautiful Alaska.



ALASKA SIGHTSEERS – Taking in the beautiful sights of Alaska are (left to right) LCIS team members Richard and Charlene Angelo, Barry and Mary Cohen, Nelson and Leslie Colvin.

To start the trip off, the Angelos, the Cohens, my wife Leslie and I headed for Denali, which is about an 8½ hour train ride north of Anchorage. While there, we spent two days seeing the sights of Denali and toured the National Park, which is larger than the state of Massachusetts and the third largest in Alaska. At Denali National Park we saw grizzly bears, moose, herds of caribou, wolves, a golden eagle and many other denizens.

Upon our return to Anchorage from Denali, we joined up with the rest of our group and prepared for our much-anticipated cruise. On the cruise we visited six ports, four of which were Sitka, Juneau (the

State capital), Skagway and Ketchikan. From there, we began cruising the Inland Passage to our final destination of Vancouver.

For me, the highlight of the cruise was getting within a couple of hundred yards of the

Hubbard Glacier. The captain was able to make 360-degree stationary turns by utilizing independent controls of the ship's propellers and we were able to see and hear huge pieces of the glacier drop off

(called *calfing*) and float past the ship. It was awesome!

All in all, it was a great trip and we are looking forward to our next adventure somewhere in the world. Who knows, maybe the Greek Isles.



HUBBARD GLACIER'S magnificence leaves one speechless, and is the highlight of the trip.



WAIT FOR US!  
 Also along for part of the Alaskan trip are LCIS Chairman-Elect Allen Chariton and his lovely wife Ellin.

**LCIS LANDSCAPE CONTRACTORS INSURANCE SERVICES, INC.**

1835 N. Fine Ave.  
 Fresno, CA 93727

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# Safety Tips of the Month

NOVEMBER 2006

## Tailgate Safety Meetings – Do You Have Them?

By Dave Junod, Sheridan Landscaping

As a smaller company, we feel it is important to continually educate our crews on safe working practices. Our company has a “Safety Program” that we review a couple times a year. We also make sure we’ve included all we can in this program; we study our CLCA safety program book and the informational material and periodicals received from LCIS.

Included in our Safety Program are some basic safe work procedures that companies of any size can implement. Here are just a few of them:

### • Monthly Tailgate Meetings

– A key component of our Safety Program is a monthly tailgate meeting with our crews. Each of these meetings concentrates on one particular safety-related topic. Our meetings are kept simple and on point, stressing conversation and interaction among our men. The crews acknowledge the importance of each tailgate meeting and are receptive to and thankful for the information given.

• **School Zone Safety** – The subject of school zone safety was discussed in our last tailgate meeting. Being aware of school kids and school zones is critical, especially because we spend so much time in residential areas, where most schools are located. With school back in session, we consider this topic to be very timely and we discussed the importance of slowing down in the early morning while traveling to a project and also when returning in the evening.

• **Safe Equipment Operation** – Safe practices while working with equipment and on projects is also part of our Safety Program. These safe practices stress the importance of wearing protective eyeglasses, steel-toed shoes (never tennis shoes!!), work gloves and dust masks

when necessary.

• **In Case of Accident** – Even after taking every precaution, accidents sometimes do happen. What to do if one occurs needs to be planned out and understood by supervisors and crewmembers. Our company follows the strictest of guide-



lines in this area. OSHA and LCIS are good sources for these procedures. These include taking down accurate information and bringing the injured man to the emergency medical center in the area as

quickly as possible. We make sure he is being cared for and ask that he call us the following day to let us know what the doctor says. If we do not hear from our employee the following day, we call him.

• **Employee Input** – Some of the best safety ideas come from the crewmembers themselves. We do our best to avoid accidents by talking about possible problems before they might happen, thus calling attention to areas to look out for at our work sites. We encourage our workmen to address and bring up these issues themselves.

### Beware of the ‘Attorney Runner’

No matter how careful and “by-the-book” a company is when dealing with an accident, there are obstacles. One obstacle is that of the “runner” for an attorney. Sometimes, when at the clinic or doctor’s office, the employee is confronted by a runner – an individual trying to solicit business for a personal injury attorney. He is also confronted when he goes to unemployment for financial help if told to stay off work for a few weeks. Before you know it, you are getting a letter instructing you to have no contact with your employee, and to send all the papers on this employee to the attorney and plan on

litigation. LCIS is aware of this obstacle and has been stalwart in aggressively handling these problems quickly.

### False WC Claims

The other obstacle is that of false Workers’ Compensation claims that are sometimes filed two and three years after an “accident” claim is made. An example would be the three-year later claim for chiropractor work on the ex-employee who hurt himself while doing pruning on his days off. What began as smashed fingers, turned into back and knee problems two years later. Fortunately for us, the state is becoming stricter and wiser about these fraudulent types of claims and is adamantly working to eliminate them.

I appreciate the fact that this Safety Section for the LCIS newsletter is created as an insert – and translated into Spanish – so that it can be used at our tailgate meetings. I encourage all contractors to photocopy them each month and pass them out to your workers at your own tailgate meetings.

*Dave Junod is the owner of Sheridan Landscape, a Life Member of CLCA and a former Chapter President of the San Fernando Valley Chapter. He is currently a Director on the SFV Board, and is the Chapter’s Historian and resident philosopher.*

## 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.*



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INSURANCE SERVICES, INC.**

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

## Reuniones de Seguridad – ¿Usted las tiene?

Por Dave Junod, de Sheridan Landscaping

**A**l ser una compañía pequeña, nosotros sentimos que es importante educar continuamente a nuestros trabajadores en la implementación de prácticas seguras de trabajo. Nuestra compañía tiene un "Programa de Seguridad" que revisamos un par de veces al año. Nosotros también nos aseguramos de incluir todo lo que podemos en este programa; estudiamos nuestro libro del programa de seguridad de CLCA, y el material de información y los periódicos recibidos de LCIS.

En nuestro Programa de Seguridad hay algunos procedimientos de seguridad básicos que cualquier compañía, independientemente de su tamaño, puede implementar. Aquí hay algunos de ellos:

**Reuniones Mensuales de Seguridad** – Un componente clave de nuestro Programa de Seguridad son las reuniones mensuales de entrenamiento sobre seguridad con nuestra gente. Cada una de esas reuniones se concentra en un tópico de seguridad en particular. Los trabajadores comprenden de esta manera la importancia de las reuniones y son receptivos y agradecidos por la información dada.

**Seguridad en el Área Escolar** – El tema de la seguridad dentro del área escolar fue discutida en nuestra última charla de seguridad. Estar atentos sobre la presencia de escolares y en las áreas escolares es crítica, especialmente por que invertimos mucho tiempo en áreas residenciales, en donde la mayoría de las escuelas están ubicadas. Con la temporada escolar en vigencia, consideramos que hablar sobre este tópico fue oportuno y discutimos la importancia de bajar la velocidad en la mañana temprano y cuando volvemos por la tarde.

**Operación Segura de Equipos** – Las prácticas de seguridad cuando uno está trabajando en equipos y en proyectos es también parte de nuestro Programa de Seguridad. Estas prácticas de seguridad remarcan la importancia de el uso de equipos de protección personal, botas con punteras de acero, guantes de trabajo y

maskarillas para polvo cuando son necesarias.

**En Caso de Accidente** – Inclusive después de tomar cada una de las precauciones, los accidentes ocurren de todas maneras. El qué hacer cuando un accidente ocurre debe de ser planeado y este plan debe de ser comprendido por los supervisores y trabajadores. Nuestra compañía sigue una guía estricta en esta área. OSHA y LCIS son una buena fuente de información para estos procedimientos.

Estos incluyen tener la información actualizada y traer al hombre lastimado al centro de emergencia medica en el área lo más rápidamente posible. Nos aseguramos que el esta siendo atendido y le pedimos que nos llame al día siguiente para hacernos saber que es lo que el doctor le ha dicho. Si nosotros no tenemos noticias al día siguiente, lo llamamos.

**Contribución del Empleado** – Algunos de nuestras mejores ideas de seguridad vienen de nuestros trabajadores. Nosotros hacemos nuestro mejor esfuerzo para evitar los accidentes hablando de todos los posibles problemas antes de que estos sucedan, por lo tanto esto nos llama a prestar atención en ciertas áreas de nuestros sitios de trabajo. Nosotros animamos a nuestros trabajadores a identificar e informarnos sobre estos problemas.

**Cuidado del 'Buscador de Abogado'**  
No importa cuan cuidadosamente y cuan "al pie de la letra" un compañía lidie con un accidente, hay obstáculos. Uno de esos obstáculos es el "buscador de abogado." Algunas veces, estando en una clínica o oficina de doctor, al empleado le es ofrecido un abogado de accidentes. Este empleado también es abordado cuando va a la oficina de desempleo para obtener ayuda financiera cuando le solicitan mantenerse sin trabajar durante unas pocas semanas. Antes de que usted lo sepa, usted estará

recibiendo una carta dándole instrucciones de no contactarse con su empleado, y enviar todos los papeles sobre este empleado a un abogado. LCIS está al tanto de este obstáculo manejando este problema de manera agresiva y rápidamente.

### Falsos Reclamos de WC

El otro obstáculo son las reclamaciones falsas de Compensación al Trabajador, muchas veces puestas dos y tres años después del que el accidente ocurrió. Un

ejemplo puede ser un reclamo puesto por el trabajo de un quiropráctico hecho en un ex empleado luego de lastimarse a sí mismo cuando hacía una tarea de poda en sus días libres. Lo que comenzó con unos dedos magullados

terminó con problemas en la espalda y las rodillas dos años después. Afortunadamente para nosotros, el estado se ha endurecido y aprendido acerca de estas tipos fraudulentos de reclamos y ha estado trabajado firmemente para eliminarlas.

Yo aprecio el hecho que esta Sección de Seguridad ha sido creada como una sección – y traducida en Español – para poder ser usada en nuestras reuniones de seguridad. Yo animo a todos a fotocopiarlas y dárselas a sus empleados durante sus reuniones de seguridad.

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*Dave Junod es el dueño de Sheridan Landscape, es un miembro activo de CLCA y fue presidente del Capítulo de San Fernando Valley. El es actualmente un Director de la Mesa de SFV, y es el Historiador del Capítulo y un residente filósofo.*

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