



COMPLETE Coverage

LANDSCAPE CONTRACTORS INSURANCE SERVICES, INC. NEWSLETTER

OCTOBER 2006



MIKE DUNN
Vice President –
Sales

Why LCIS and CLCA?

By Mike Dunn, Vice President – Sales

I often get asked why do I need to join CLCA? What does my membership get me anyway? To answer those questions fully I would need more

space than this entire newsletter contains. So here are some highlights.

CLCA is the premier organization in the State of California for Landscapers. The organization maintains a strong lobbying presence in Sacramento that looks out for the interest of the landscape industry in the state. The association is a major factor in such issues as water usage, blower laws and regulations, and mechanics liens just to mention a few. But that's not all.

As a member you have access to such great programs as the California Association of Employers should you have questions about personnel matters. As a member you have access to an attorney that is on retainer with CLCA. You have access to legal forms and contracts at a reduced rate. Also available to you are discounts on reference materials, training videos, a peer advisor group, credit union, credit card processors, networking with your peers, and group insurance programs. All of which are more than worth the investment



SUPPORTING CLCA with a day on the links at San Fernando Valley Chapter's Sept. 14 Doug Hanover Memorial Golf Tourney are LCIS team members Terry Mahlman, Mike Dunn, Dave Melito of Parkwood Landscape Maintenance, Inc., Van Nuys, and Steve Hartman.

in the membership. Also, as a member of CLCA and having been insured with LCIS for a minimum of 5 consecutive years, you are eligible for equity in Golden Oak. This equity is paid when you retire from the landscape business. (Call Nelson Colvin at Golden Oak, (800) 451-2834 for details).

One of the benefits mentioned above is access to group insurance products. That is primarily LCIS. At LCIS we have available Workers' Comp, general liability, auto, equipment, property coverages, employment practice liability coverage, life insurance, disability insurance and health insurance...all at discount group prices. LCIS can handle all your insurance needs.

But that's not all. There are a lot of agencies out there today that brag they can do the same. But LCIS has been here since 1989 for the landscape industry. LCIS is not in and out of the market every year or so.

MISSION STATEMENT

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

Neither are we changing markets every year and sometimes during the year. LCIS is consistently competitive; not always the cheapest. We bring solid strong companies to our insureds. If you are insured with LCIS over the years you will save money and keep your eligibility for the equity position with Golden Oak mentioned above.

LCIS offers several benefits that most agencies do not offer. We have on staff our own bond specialist. We have two highly qualified Worker's Comp specialists available at no charge to handle your work comp questions or assist you in claims matters. There is no charge for certificates or additional insured endorsements.

And then there is the rebate. LCIS has rebated back to our insureds well over \$15 million dollars of premium over the last 15 years. (This year's rebate looks like it will be 5% or better.)

This is a brief summary and definitely not a total listing of what CLCA and LCIS can do for you. If you have further questions please feel free to call. If you're a current client thank you! If you have never been a client please give us a try. If you were a client in the past we want you back!

– Mike Dunn (800) 628-8735 x589

What's Inside

- Issues Other Than MPNs
- Employee Spotlight:
Carol Russell and Nicki Solis



STEVE HARTMAN
CEO / President

PRESIDENT'S MESSAGE

LCIS Remains Active as Year Winds Down

Big Things Ahead in 2007

Here we are already in October and planning for 2007. LCIS expects big things in 2007! This year has gone by fast and has come with many changes in our operation and improvements in the services we provide. We are still actively adding Workers' Comp markets and remain a viable resource for competitive insurance products!

Dear Friend Moves On

It comes with much sadness that I announce that Kim Nichols, our Vice President of Services, has chosen to leave LCIS. We wish Kim well in her new endeavors. In the interim if you should have any service issues or concerns please contact Carol Russell (crussell@lcisinc.com), Shirley Leone (sleone@lcisinc.com), Kim Ayala (Kayala@lcisinc.com) or myself at shartman@lcisinc.com.

Hawaii Convention Next Month

On a lighter note, we are looking forward to seeing many of you at the CLCA Convention in Kauai, Hawaii November 15-17. If you have not yet registered, please visit the CLCA Website at www.clca.org, for more information. Put your beachwear on and join us in Kauai for some good times with lots of information. LCIS is again proud to be sponsoring the business speaker for this event!

Workers' Comp Rate Reductions

Workers' Comp rates for January have been approved by the WCIRB, and have been submitted to the Department of Insurance for its approval. These rates reflect 6.3% average pure premium reduction in January 2007! This is an average of all class code rates, so we don't know yet what the actual recommendation is for our primary class code for Landscaping (code 0042). We should be able to have this information sometime shortly after the Department of Insurance approves the decrease.

Hopefully, we will see the full 6.3% decrease in the Landscaping code as well, but we will have to wait and see. Regardless, LCIS will continue to have very competitive Work Comp rates available! This, coupled with the rate decreases already in play for 2006 and before, should mean your rates will still be coming down.

We will continue to keep you informed on how things progress on the Work Comp front.

CLCA Membership Renewals

Don't forget to renew your CLCA memberships as soon as possible, because we are currently verifying membership renewals for the rebates to be paid in November 2006. Keep in mind, just like all prior years, to receive your rebate your membership needs to be active, as do your insurance policies with LCIS at the time the rebate is paid. Currently we are at a 5.1% rebate and this may only grow!

Recognition Program Continues

Please feel free to complete our service questionnaire on the back of this newsletter to pass on compliments or advice on any issues relating to the service you are receiving from LCIS.

Hope to see you all in Kauai!

Sincerely,
Steven Hartman
President/CEO
LCIS, Inc.



Don't miss out on your LCIS

rebate in November!

Renew your CLCA

membership now to be eligible.



Although the average of all class codes will be reduced by 6.3% if approved, it has happened in the past where the Landscaping code was actually increased while the majority of the other codes were decreased.

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

LCIS Employee Recognition Program Comments

The following LCIS staff members received high praise in August for jobs well done:

Bev Nelson – “Bev has been my constant contact since I became a member 10 years ago. Her self-assured personality and knowledge of everything I need to know is exemplary. I love dealing with LCIS because Bev knows who I am whenever I call.”
– Gwyny Stephen, Bottoms Up-Gardens

Gina Phillips – “Outstanding service to our company.”
– Richard Parkhurst, Inland Commercial, Inc.



Employee Spotlight



Carol Russell,
CISR/Team Manager
has worked for LCIS since March 2003. She has 29+ years of experience in the insurance industry, which has included rating and underwriting on the company side and Account Management and supervision on the agency side. Her duties as Team Manager not only include maintaining a number of large commercial accounts, but she also is responsible for all new account manager training and procedural training. She also helps supervise the Account Manager/Account Assistant Department.

When asked what she likes most about working at LCIS, her reply was, "Providing a quality insurance product to the clients and the high integrity and standards of the agency make it a pleasure to work here."

Carol is married with one son and two daughters and is the proud "Nana" of a beautiful one-year-old granddaughter. Her interests are cooking with her husband, bicycling and knitting.

Nicki Solis,
Accounts Receivable,
has been with LCIS for just over a year. Although her main job duty is Accounts Receivable, her current focus is updating information for the 2005 Rebate distribution. Nicki did such an outstanding job with the 2004 Rebates that we've crowned her the "Rebate Queen."



Majesty, her princess of a dog, takes up much of her spare time, along with spending time with her boyfriend Paul, who is currently on active duty serving with the Navy.

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



TERRY MAHLMAN
*Workers' Comp
Manager*

WC Guru

By Terry L. Mahlman, CPCU

WC Guru – Issues Other Than MPNs

Well, here I am back on page three again. I'm beginning to think that it's my photo – they don't dare put that on the front page!

I bet you thought I was going to write about Medical Provider Networks (MPNs) again. But you're wrong. Some people have been comparing me to their parents and spouses, telling me that I sound as though I'm nagging them about MPNs. So, I'm not writing about MPNs this time around, even though MPNs have been a major cause of the reduction in claim costs and WC premiums since 1/1/05.

And I'm not going to mention that timely implementation of the MPN is a policy condition, and failure to do so can cause your policy to be cancelled by the insurance carrier. And we have already mentioned that Judi Smith and I are here to assist you with implementing the MPN process – so no need for that again. So I'll just have to pick another subject other than this critical program that helps even the playing field for employers in the California WC system. So let's see...

When Workers' Comp Doesn't Cover Employers

As most of you are aware, Workers' Compensation is the "exclusive remedy" for employees who are injured "on-the-job." Your WC policy provides for payment of WC benefits and also defends you in the event of litigation. However, there are two exceptions where you as an employer are exposed to payments out of your own pocket – 132(a) Discrimination, and Serious and Willful Misconduct. Your WC policy does not provide for a defense or indemnification for either of these exposures.

Discrimination (132a)

The California Labor Code (section 132a) states: "It is the declared policy of this state that there should not be discrimination against workers who are injured in the course and scope of their employment. (1) Any employer who discharges, or threatens to discharge, or in any manner discriminates against any employee because he or she has filed or made known his or her intention to file a claim ... is guilty of a misdemeanor and the employee's compensation shall be increased by one-half, but in no event more than ten thousand dollars (\$10,000), together with costs and expenses not in excess of two hundred fifty dollars (\$250). Any such employee shall also be entitled to reinstatement and reimbursement for lost wages and work benefits caused by the acts of the employer."

This issue arises frequently when an employer terminates or lays off an employee who has filed a WC claim. While the termination or layoff may be justified for personnel or business reasons, attorneys who represent injured workers will usually file the 132(a) allegation, to gain additional benefits or to leverage the settlement of the "normal" issues. The impact to the employer is that defense of the 132(a) allegations are not covered under WC policies and any judgment or settlement must be paid by the employer.

Christopher Galichon's article in the May/June LCIS newsletter discussed 132(a) in more detail. Chris tells me that he is seeing a trend with applicant attorneys filing more 132(a) claims against employers than in the past – trying to recoup some of their lost income that has resulted from the WC reforms.

So tread lightly on personnel actions when they involve employees with ongoing WC claims. You should consult with an attorney or a human resources expert. Consider using the CLCA Human Resources Hotline (800) 399-5331.

Serious and Willful Misconduct (S&W)

As noted earlier, the WC system is the exclusive remedy for work injuries and employers are protected from civil suits being filed against them by injured employees. The WC policy provides for the defense and indemnification (payment of WC benefits) for all WC benefits awarded. While no civil action can be filed, the WC system does allow an employee to seek an increase in WC benefits when the injury is caused by the serious and willful misconduct of the employer.

Continued on back page

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: _____

WC GURU, continued from page 3

A finding of Serious and Willful Misconduct requires an exceptionally high degree of fault by the employer. An employer who takes reasonable precautions is not guilty of serious and willful misconduct, even if the precautions prove inadequate. In the landscape industry, S&W may occur if an employer knowingly directs an employee to utilize defective equipment, or tells an employee not to turn off a mower to clear a chute, or to climb a tree without the

correct protective equipment. If a finding of S&W against an employer occurs, the normal WC benefits are increased by 50%. Just like 132(a), the employer must pay the increased benefits, and the defense of the S&W allegation is not covered under the WC policy.

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

Trailers – Auto or Inland Marine?

Have you read your policy forms lately? Do you know if your trailer is considered equipment or auto? If you are like most of our clients, you have little to no spare time to read the policy forms and decipher the intent of coverage. Below is information we believe will be helpful to you.

Policy forms state that the trailers are to be covered under the auto coverage part and not on the general liability or inland marine coverage parts if the trailers are licensed for use on public roads. In the past, policy forms have allowed trailers to be covered under the inland marine however changes in ISO forms and DMV rules are now requiring the trailers to be listed on the automobile schedule if

they are registered for use on any public roads.

If you have trailers currently on your inland marine schedule you will be seeing these moved onto your auto schedule at renewal.

When the trailer's load capacity is less than 2,001 lbs there is no liability charge, there will only be a charge for physical damage (comprehensive and collision) if that coverage is provided. One indication of the trailer size is the number of axles and/or length of the trailer.

What does this mean to you? In order to provide physical damage coverage, all trailers that are licensed for use on public roads must be on the auto schedule. All trailers

licensed for use on public roads with a load capacity of over 2,000 lbs must be scheduled on the auto policy in order to provide liability coverage.

Your account manager will be happy to address any questions

you may have regarding these changes.

Disclaimer: LCIS is not in the practice of law. Always refer to your policy for terms, conditions and exclusions.



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Make Sure Your Jobsite Is Safe *By Gage Oetgen, Sunstate Equipment Company*

A commonly overlooked aspect in the landscaping profession is that of jobsite and equipment safety. As a field representative for Sunstate Equipment, I have personally run across some jobsites that cause me to raise an eyebrow with their unsafe environments and practices. I will try and share with you some simple, quick and easy steps you can take to ensure you are not working in one of these sites.

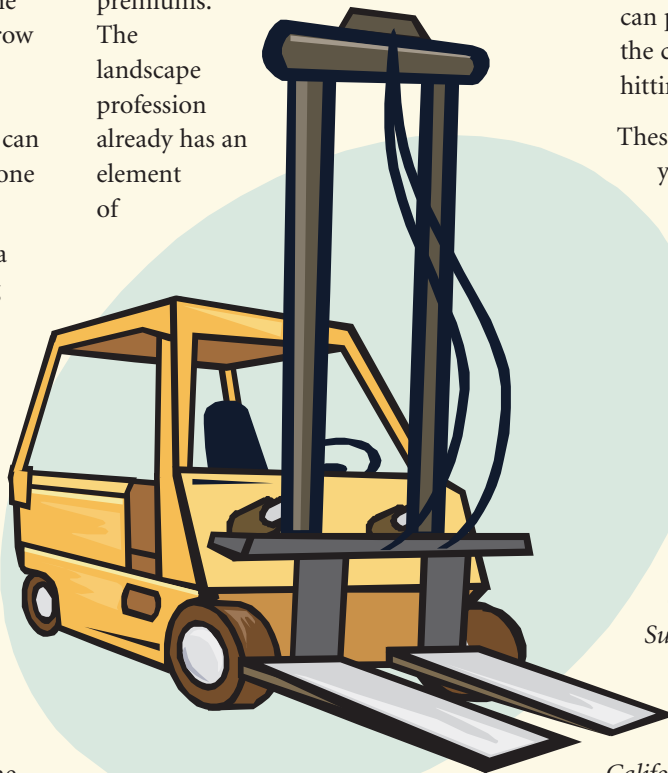
Nothing will harm the bottom line of a budget more than an employee getting hurt on the jobsite. Unfortunately, we have chosen a profession in which this is a common occurrence. Being a contractor in the state of California is no simple task. Insurance, Workman's Compensation, as well as the abundance of competition makes California one hard state to pull a profit. I find that contractors now have to find innovative ways for becoming as efficient as possible in order to present a bid that has a winning chance. In all of this commotion it is easy to forget about the aspects that can truly kill the bottom line.

Forklift Certification Class

OSHA, formed to create a safe working environment for all, is a commonly heard name in dealing with jobsite safety. One current hot button for them is that of forklift training. An OSHA official now has the ability to halt a job in its tracks simply due to the fact that a company's forklift operator has not completed a forklift certification class. This is also true of boom-supported lifts as well as scissor lifts for aerial work or for hoisting palms or large trees. Also, don't even consider utilizing a crane or crane operator who has not been certified. I have seen fines handed down that amount to twice the amount of the contractor's entire bid for the job.

Insurance companies are also concerned about safe jobsites. Continued unsafe jobsite practices may place your policy in jeopardy, or they may trigger higher premiums.

The landscape profession already has an element of



risk, don't compound potential problems by keeping or tolerating an unsafe jobsite.

Jobsite Safety Tips

Here are some tips for creating a safe jobsite, and for avoiding injuries and safety penalties:

- See that your company's employees are all properly trained for the equipment they are using through an OSHA certified program.
- Let them know to be aware not only of their own space but the space of those around them.
- Make sure that equipment is properly maintained and lubricated. Simple lubrication can add many years to the life of

landscape equipment and can also prevent injury to those operating it.

- See that the boom arms of trenchers are properly tightened and lubricated. This can prevent a catastrophic injury from the chain hopping off the guide and hitting anything in its path.

These are just a few of the many things you can do to ensure jobsite safety.

LCIS and OSHA are excellent sources for other safety ideas. We all want to keep our employees safe, healthy and productive. A little prevention now will avoid big safety problems later.

Gage Oetgen is a field representative for Sunstate Equipment Company in Lake Forest. Since 1977, Sunstate Equipment has provided construction, industrial and special event companies with rental tools and equipment throughout California. Their inventory includes everything from hand tools to heavy equipment. For locations and more information visit their Website: www.sunstateequip.com.

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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Asegúrese que su Lugar de Trabajo es Seguro

Por Gage Oetgen, Sunstate Equipment Company

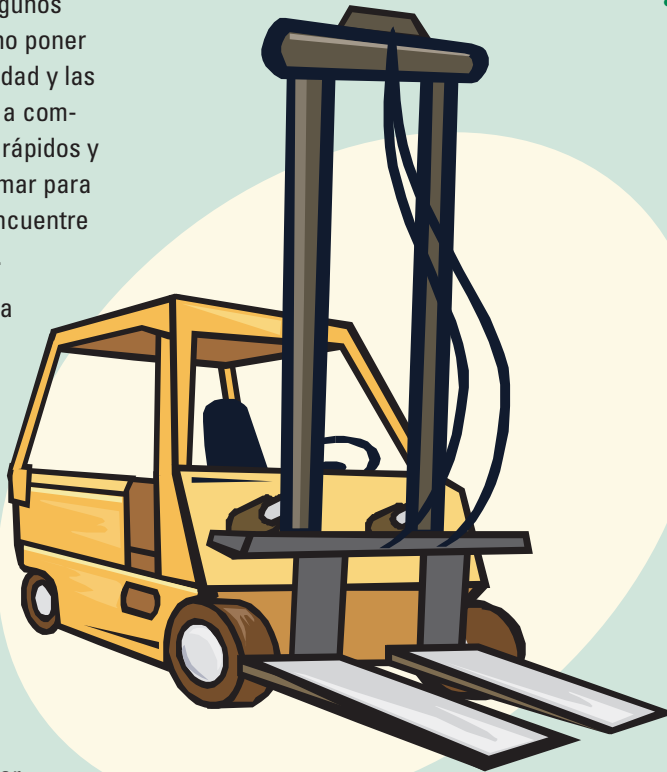
Un sobreestimado aspecto de la industria de la jardinería profesional es la seguridad de las herramientas y en los sitios de trabajo. Como un representante de campo de Sunstate Equipment, yo he personalmente recorrido algunos sitios de trabajo que me han hecho poner los ojos en blanco con la inseguridad y las prácticas que vi. Yo voy a tratar y a compartir con usted algunos simples, rápidos y fáciles pasos que usted puede tomar para asegurarse de que usted no se encuentre trabajando en uno de estos sitios.

Nada puede lastimar más la última línea de un presupuesto que un empleado lastimado en el sitio de trabajo. Desafortunadamente, nosotros hemos elegido una profesión en la cual esto es algo que sucede a menudo. Ser un contratista en el estado de California no es algo sencillo. Compensación al trabajador, seguros, como así también la abundante competencia hacen de California un lugar en donde es difícil de obtener ganancia. Yo he encontrado que los contratistas han hallado vías novedosas para transformar su negocio en lo más eficiente posible, en orden de presentar una propuesta de trabajo que tenga la posibilidad de ganar. Y con todo esto se hace fácil olvidarse los aspectos que realmente pueden matar la línea final.

Clase de Certificación para Forklift

OSHA, formada para crear un ambiente libre de accidentes para todos, es un nombre comúnmente oído al momento de lidiar con la seguridad en el trabajo. Uno de esos importantes puntos es la clase de certificación para forklift. Un oficial de OSHA ahora tiene la habilidad de detener un tra-

bajo simplemente por el hecho de que el operador de un forklift no ha completado su clase de certificación. Esto es aplicable también para aquellos operadores de maquinarias de elevación para trabajos



aéreos como lo son la poda de grandes árboles y palmas. Tampoco considere ni por un momento el no usar un operador de grúa no certificado. Yo he visto como se han entregado multas cuyo monto es el doble del valor de la propuesta de trabajo.

Las compañías de seguro también están preocupadas acerca de la seguridad. La continua práctica de métodos inseguros, puede poner su póliza en peligro, o pueden disparar sobrecargos en los premiums. La profesión de la jardinería ya tiene un elemento de riesgo, no lo incremente con problemas potenciales manteniendo o tolerando un sitio de trabajo inseguro.

Sugerencias de Seguridad

Aquí hay algunas sugerencias en como crear un sitio de trabajo más seguro, y evitar accidentes y multas:

- Asegúrese que todos los empleados de su compañía hayan sido entrenados de una manera apropiada en el uso del equipo a través del programa de certificación OSHA.
- Hágle saber a sus empleados que no solo deben de estar concientes de su propio espacio, sino también del espacio que los circunda.
- Asegúrese que del equipo es mantenido y lubricado apropiadamente. La simple lubricación puede sumar varios años de vida al equipo de jardinería y prevenir accidentes.
- Ver que los brazos de elevación están apropiadamente ajustados y lubricados. Esto puede prevenir una herida catastrófica si una cadena se sale de su carril y golpea cualquier cosa que encuentra a su paso.

Estas son solamente algunas de las muchas cosas que usted puede hacer para asegurar el sitio de trabajo. LCIS y OSHA son excelentes fuentes de ideas de seguridad. Todos queremos mantener a nuestros empleados saludables y productivos. Un poquito de prevención nos ayudará más tarde a evitar grandes problemas de seguridad.

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