



Missouri LICA NEWS

October/November, 2004



Check It Out!

By Bruce Mosier, CIC; Prins Insurance, Inc.

Check it out! The LICA Safety Insurance Program is now better than ever. Since 1996, we've been trying to make this insurance program the best money can buy. Some coverages included in the LICA insurance policy are:

- \$10,000 Miscellaneous Tools
- \$10,000 Jobsite inventory in transit or located on site
- \$100,000 Leased or rented equipment
- \$5,000 Rental reimbursement
- \$2,500 Radio or cell phones

Effective 10/01/04, we are enhancing the policy to provide even better coverage for you, the contractor. These enhancements include:

- \$10,000 Voluntary Property Damage
- \$10,000 Property in your care, custody, & control
- \$20,000 Hired/Non-owned auto physical damage
- Blanket additional insureds

Effective 02/01/05, the property section of the policy will also include the following enhancements:

- \$50,000 Business income
- \$10,000 Extra expense
- \$25,000 Computer coverage
- \$10,000 Outdoor detached signs used for your business

To you, these coverages may not mean anything but a bunch of numbers and insurance jargon. But at the time of a loss, your policy will stand up better than the standard industry policy. Each year since 1996, we've strived to keep the insurance program competitive with other carriers in the Midwest. With over \$3,000,000 in written premium, this is definitely a competitive insurance product.

The LICA insurance program has some of the best coverages available, is priced competitively, and also qualifies as a safety group program. Every year, there is a potential of a dividend if the overall loss history is favorable for the entire group. Over the past five years, more than \$400,000 has been paid back to the members of the LICA Safety Insurance Program. If you have any questions regarding the LICA insurance program, please call your local agent or call Prins Insurance toll free at (800) 831-8545.



The Checks Are Out!

The LICA Safety Insurance Program paid a 10% dividend on premiums paid between July 1, 2003 and December 31, 2003.

The dividend checks for the 2003 LICA Safety Insurance Program have been mailed to eligible members. Missouri LICA has distributed \$12,495.07 in dividends!!

If you believe you were a member of this program between July 1, 2003 and December 31, 2003 and have not received your dividend check, please call the Missouri LICA office at 573-634-3001.



What You Should Check

By Bruce Mosier, CIC; Prins Insurance, Inc.

With today's high cost of insurance, each consumer needs to be aware of areas in their policy that may save them some premium dollars. There are three areas our contractors need to check which might reduce their premiums: discounts, classifications, and payroll.

DISCOUNTS

This is a credit that can be applied to your insurance policy. Each underwriter has the ability to control this up to a certain percentage. The types of discounts available are scheduled credits, experience (profit & loss) credits, and premium size credits.

Scheduled credits are available to all contractors. You need to be above average in your type of business. Shop/location appearance, safety procedures being used, and employee awareness programs are looked on heavily to qualify for scheduled credits. As much as 25% credit can be applied as a scheduled credit. Plead your case, show the underwriter why you deserve the full 25%.

Another credit is **experience credits**. For these credits, the insurance company looks at your total losses paid in the past five (5) years and divides this by the total amount of premium you paid during that same time frame. If you, as a contractor, have been profitable to insure, you may be eligible for this discount.

"What To Check" >p2

What To Check *(Continued from page 1)*

The final credit to discuss is **premium size credits**. This applies to contractors of a larger size. If you pay more than \$20,000 in total premium, check into seeing if you qualify for this credit.

CLASSIFICATIONS

Each contractor is classified based on the work they do. For example, if you work on field tile you will be classified as drainage or irrigation. If you dig deeper in the ground, excavation will be your classification. There is a classification for every type of work being done.

You need to pay attention to what class is listed on your policy. Excavation is a higher rate than grading of land. Make sure your agent completely understands all the different types of work you are doing and classifies your policy accordingly. This affects both the general liability section and the workers compensation section of your policy.

Insurance companies will automatically assign the payroll to the highest rated classification. If your business does some excavation, some site clearing, and some field tile work your payroll will all be assigned to the highest rated class. In this case, it would be excavation. If you have more than one employee and you keep track of time cards, you have the ability to classify the payroll in different class codes. In the above example, you would have payroll for each of the three classes — ultimately giving you a premium break.

PAYROLL

If you are a one-man operation, there's not much you can do with payroll. The insurance company will automatically assign you to the highest class of work you perform. If your business does some excavation, some site clearing, and some field tile work, your payroll will be assigned to the highest rated class. In this case, it's excavation.

However, if you have one or more employees and you keep track of your employees' time cards, you can break out the payroll to each classification for the work they are doing. In the above example, instead of applying the entire payroll to excavation, you can break it down and apply payroll to each class instead of just the highest rated class.

If you work nine months out of the year and are down three months for winter or servicing your equipment, the payroll can be broken down accordingly. By keeping track of the payroll the three months that is spent in the shop, that payroll can be classified as contractors permanent yard which is nearly 1/2 the rate of excavation and a 1/3 less than grading of land.

Also, by keeping track of time cards you have the ability to track overtime pay. Keep overtime pay in a separate category. The auditor converts this back to regular pay hours.

By being involved in your insurance policy and understanding how your policy is rated you have the ability to save premium dollars from any one of these three areas. Remember, much of what we talked about applies to your general liability and workers' compensation section of the policy. Please call your local agent and make sure you have all the credits you deserve applied to your policy — and your premium dollars!



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2005 MLICA Leadership Conference

Saturday, December 11, 2004
9:30am - 4:00pm
Mortimer Kegley's (Upstairs)
115 East High Street • Jefferson City, MO

This Leadership Conference is designed specifically for the District Officers. As representatives of District members, the Officers will develop the 2005 Strategic Plan and Calendar of Events. So, if you have a suggestion for your District, State Chapter, Winter Convention, Benefit Program, or Membership Drive, please contact your District Officers or the Missouri LICA State Office at 537-634-3001.

Welcome To Missouri LICA

We'd like to welcome the following new members to Missouri LICA.

Contractor Members

Todd Creason

Todd Creason Construction, Inc.
5904 County Road 290
Carrollton, MO 64633
District: 1 County: Carroll
Phone: 660-542-1234
Fax: 660-542-2478
Email: creasonconst@socket.net
Sponsor: Prins Insurance Agency

Michael Long

Michael Long Construction
26876 Holt 210 Road
Mound City, MO 64470
District: 1 County: Holt
Phone: 816-442-4074
Cell: 816-262-7335
Sponsor: Jeff Lance

Scott Thompson; Heather

Thompson's Grading and Excavating
2100 North 35th Street
St. Joseph, MO 64506
District: 1 County: Buchanan
Phone: 816-279-8351; 261-1741
Sponsor: Jim Bledsoe

Pat Turpin; Joy

Turpin Excavating
P.O. Box 73
Barnett, MO 65011
District: 5 County: Morgan
Phone: 573-392-5410
Fax: 573-392-8410
Mobile: 573-216-6685
Sponsor: Larry Koenigsfeld

Company Associate

Insurance & Benefits Group

MLICA Contact: Bob Kendrick
688 SE Bayberry Lane, Ste. 105
Lee's Summit, MO 64063
District: 3 County: Jackson
Phone: 816-525-3155
Fax: 816-525-7110
Email: bob@IBGagent.com

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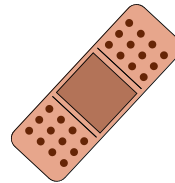


November

02 Larry LaFollette
03 Philip Sayer
05 Bennie Young
Olin Struchtemeyer
06 John Bestgen
08 Bill Schafer
15 Doug Davis
17 Gene Bell
18 Terry Daub
Andrew Earhart
25 Clint Levings
Leland Struchtemeyer
28 Dick Sutton

December

01 Bob Cretzmeyer
06 Butch Cooper
12 Caryl Lance
Gary Eckhoff
18 Steve Milne
20 Terry Guinn
21 Eric Levings
23 Rod Schottel
25 Jerry McMullen
27 Roger Limback
Wendell Rechterman
29 Randy Acker
30 Phillip Mather

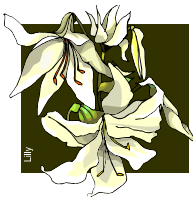
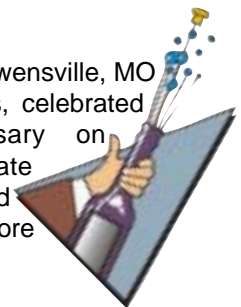


Get Well Quick!

Rod Schottel, MLICA District #1 member, had a heart attack on October 23. As of this writing, he's back home ... back to work ... and feeling much, much better. If you'd like to send him your best wishes: Rod Schottel; Schottel Construction; 15180 County Road 342; Savannah, MO 64485.

Congratulations!

Marie and Arvel H. Schneider of Owensville, MO and MLICA District #6 members, celebrated their 50th Wedding Anniversary on November 6th. We congratulate Marie and Arvel on their good fortune and wish them many more wonderful anniversaries!



With Sympathy

In mid-October, Mike Keith's mother passed away. Mike is an Associate member and owner of Mike Keith Insurance, Inc; Clinton, MO. Our thoughts and prayers are with Mike and his family during this time of sorrow.

Missouri LICA News is a bi-monthly publication of the Missouri Land Improvement Contractors Association; Deborah Dickens, Executive Director; 1101 West High Street; Jefferson City, MO 65109; Phone: 573-634-3001; Fax: 573-761-0375; Email: info@MLICA.org; Website: www.MLICA.org.

Keeping Accurate Records Can Reduce Your Premiums

By Bruce Mosier, CIC; Prins Insurance, Inc.

Rules of Audit Figures

Insurance premiums are based on classifications ... and classifications, like those listed on page 5 of this newsletter, are affected by payroll. How accurately you keep records of your payroll can impact your premium. How much you pay your employees is what gets reported at the time of the audit. This includes overtime, vacations, & bonuses. Overtime should be kept separately, as the auditor will break that back down to regular time.

Each of these classifications (see page 5) have a different rate; some rates are more expensive than others. If you don't keep track of your employees' time by classification, the auditor will automatically add the total of all payroll paid and apply it towards the highest rating classification. This is done on both the work comp and general liability policies. See the following examples as an illustration:

Example 1: Overtime Records

	Time	Grading	Overtime
Employee's wages (rate x hrs. worked)	07/01/04 to 07/07/04	40 hours @ \$10.00/hr = \$ 400	None this week
	07/08/04 to 07/14/04	40 hours @ \$ 10.00/hr = \$ 400	20 hours @ \$ 15.00/hr = \$ 300

↑ The first line of the chart above is an example of paying an employee \$400 for one week's worth of work from 07/01/04 to 07/07/04 with no overtime. The second line is an example of paying an employee \$400 for another week during 07/08/04 to 07/15/04, but in addition to the regular hours this employee worked an additional 20 hours of overtime equaling a total of \$700 for that week. For insurance audit purposes, you would report the regular hourly rate for all hours worked. Week 1 of 40 hours, Week 2 of 40 hours and 20 hours of overtime = 100 hours times the regular hourly rate. The overtime hours are brought back down to regular hourly pay. You would report a total of \$1,000 for this two-week time frame, not \$1,100. Multiply this times the number of employees and over 52 weeks this overtime pay converted back to regular pay can add up to good savings on your general liability and work comp policies.

Example 2: Wages by Classification

	Time	Grading	Overtime	Excavation	Overtime
Employee's wages (rate x hrs. worked)	07/01/04 to 07/07/04	20 hours @ \$10.00/hr = \$ 200	None	20 hours @ \$10.00/hr = \$ 200	None
	07/08/04 to 07/14/04	30 hours @ \$ 10.00/hr = \$ 300	None	10 hours @ \$ 10.00/hr = \$ 100	None

↑ The above example shows how to keep track of wages by classification. If you do not breakdown your payroll by classification, all the payroll in the above example would be listed under the highest rated class. In this case, the highest rated class is excavation. Over the two-week time frame, Example 2 breaks down the payroll to \$500 for grading and \$300 for excavation — two different classifications with two different rates. If the payroll had not been broken down by classification, the entire total of \$800 would be applied to excavation. Once again, multiply this times the number of employees over 52 weeks and this can add up to nice savings on your general liability and work comp policies.

AUDIT BREAKDOWN CLASSIFICATIONS

Work Comp

6217	Excavation/Grading of Land <i>(Actual use of dozers, graders, excavators moving dirt)</i>
6229	Drainage/Irrigation <i>(Farm field tile installation & repair)</i>
6319	Gas/Water Main Connections <i>(Simple connections of gas or water lines – not sewer)</i>
6325	Conduit Construction <i>(Directional boring / laying of utility cables – phone/tv)</i>
8227	Construction Per. Yard <i>(Shop time – maintenance & repair of equipment)</i>
8810	Clerical <i>(Office help/employees)</i>
5507	Street/Road Construction <i>(Road work – construction & repair)</i>
5606	Contractors Supervisor <i>(Foreman on the job site not operating equipment)</i>

General Liability

95410	Grading of Land <i>(Surface dirt moving – not below three feet down)</i>
94007	Excavation <i>(Trench digging, basements, ditch work – below three feet)</i>
99946	Water Connections <i>(Water/sewer line work installation & repair)</i>
91590	Construction Per Yard <i>(Shop time – maintenance & repair of equipment)</i>
91577	Conduit Construction <i>(Directional boring / laying of utility cables)</i>
99315	Street/Road Construction <i>(Road work – construction & repair)</i>
96702	Drainage/Irrigation <i>(Farm field tile – installation & repair)</i>
91580	Contractors Supervisor <i>(Foreman on the job site not operating equipment)</i>



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Don't Let Time Run Out On You ... Make Your Plans To Attend

December, 2004

- 3 MLICA District #3 Christmas Party**
*Sponsored by: RoadBuilders Machinery
Bob & Syble Cretzmeyer's Home
7:00pm; \$10 grab bag gift exchange
RSVP: John & Pat Houston; 660-584-7189*
- 11 MLICA Leadership Conference**
*All District Officers
9:30am - 4:00pm; Mortimer Kegley's
115 East High St; Jefferson City, MO*
- 21 MLICA District #1 Christmas Party**
*Sponsored by RoadBuilders Machinery
Hoof & Horn Restaurant in St. Joseph
\$5 gag gift exchange
Questions: Dennis Brinton at 816-424-3266*

January, 2005

- 6-8 MLICA Winter Convention**
*Hilton Garden Inn; Independence, MO;
Watch your mail for details or call
the Missouri LICA State Office at
573-634-3001.*

February, 2005

- 26 MLICA Committee and Board of Directors Meetings**
*9:30am - 4:00pm; Mortimer Kegley's
115 E. High St.; Jefferson City, MO
Contact: MLICA Office: 573-634-3001*

March, 2005

- 12 National LICA Executive Directors Workshop**
Circus, Circus Hotel; Las Vegas, NV
- 13-14 National LICA Winter Convention with CONEXPO-CON/AGG**
Circus, Circus Hotel; Las Vegas, NV
- 15-19 CONEXPO-CON/AGG Exhibits and Seminars**
*Convention Center; Las Vegas, NV
Contact: Paul Sandefur: 270-274-3403 or
Debbie Dickens: 573-634-3001*



A complete 2005 LICA Winter Convention and CONEXPO-CON/AGG 2005 Registration Packet has been mailed to all LICA members.

LICA Discounts on Seminars are only available when you register through the LICA Convention Office.

The cut-off date for Advance Registration Discounts and Housing Reservations is February 11, 2005.

If you have questions, please call Debbie at 573-634-3001.

See you in Vegas!



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Cost-Share Program Updates

*From the Soil and Water Conservation Program
(Memorandum 2005-003)*

As a result of a recommendation from the State Auditor, the Missouri Soil and Water Districts Commission adopted a policy requiring landowners to document paid invoices with copies of cancelled checks. **This policy will be effective January 1, 2005 and it will be applicable for any purchase in the amount of \$500 or more.**

The June 2003 State Audit Report stated that while conducting the audit, the auditor requested 24 landowners to provide copies of cancelled checks to document the cost-share amount claimed on their invoice. Of these 24 requests, 15 landowners responded. The auditor noted that in one instance, when the invoice was for \$11,498.00, the landowner indicated that he did not pay with a check but had "bartered" for services with the contractor. In another example, the cancelled check was written for \$469.00 less than the invoice indicated that the landowner had paid.

As a result of the auditor's recommendation, requiring landowners to provide cancelled checks will demonstrate the Commission's desire to be more accountable for the proper spending of the Parks and Soils Sales Tax. While this policy will not eliminate improper use, it will reduce the risk of fraudulent activity.

The Commission realizes that not all banks provide cancelled checks. In addition to copies of cancelled checks, the Commission will accept cashier's checks, money orders, and picture copies of the cancelled checks that can be provided by the banking institution or can be downloaded on the landowner's personal computer.

If you have questions, you can contact Ron Redden at the Soil and Water Conservation Program Office (P.O. Box 176; Jefferson City, MO 65102-0176; 573-751-4932) or the Missouri LICA State Office (573-634-3001).



A directory of cell phone numbers will soon be published for all consumers to have access to. This will open the doors for solicitors to call you on your cell phones, using up the precious minutes that we pay lots of money for. The Federal Trade Commission has set up a "Do Not Call" list. It is called a cell phone registry. To be included on the "Do Not Call" list, you must call from the number you wish to register. The number is 1-888-382-1222 or you can go to their website at www.donotcall.gov and add your number to the "Do Not Call" list.

Get Back At Old Man Winter!

Make plans now to join your Missouri LICA friends at the 2005 Winter Convention, January 6-8, 2005; Hilton Garden Inn; Independence, MO.

This year's education program may give you the one piece of information you need to have a very profitable 2005. How will you know if you don't attend?

One of LICA's biggest benefits is the lifelong friendships you can build. So, bring the family and join the fun!



Watch your mail for details! And, take a break from old man winter!

Attention Ladies

The Ladies Committee will not be having a meeting at the National LICA Winter Meeting in Las Vegas next March. Our next meeting will take place at the National LICA Summer Meeting in 2005.

We hope to see you next summer!

Linda Rule, Ladies Committee President
Maura Dibble, Secretary
Email: hdibble@rochester.rr.com



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Hostile Environments

It's not only in the post office. Workplace violence involving employees happens every day throughout the business world. In fact, there are more than 1 million victims of workplace violence every year, according to the National Institute for Occupational Safety and Health (OSHA).

Fortunately, violence can usually be anticipated, and there are proven ways to prevent those costly encounters.

One expert on the subject, Richard Denenberg, Co-Director of Workplace Solutions, a nonprofit organization that creates violence-prevention programs, says that unfortunately workplace violence tends to focus on employees only.

But according to OSHA, employees are only one of the likely causes of workplace violence. Strangers and clients account for 90 percent of all such incidents. And in recent years, a fourth cause has emerged: relatives of the employee involved.


Other than focusing on the causes of violent behavior, small businesses need to ask themselves how well they deal with the symptoms of stress and how prepared they are to respond to signs of potential trouble, whatever the cause.

Resolving conflict is the best way to prevent workplace violence. The Federal Mediation and Conciliation Service (www.fmcs.gov) conducts courses on dealing with these problems. The goal of the courses is to build a consensus among employees so they can help change a workplace from crisis-prone to crisis-prepared.

How to Protect Yourself

- Provide safety education for employees so they know what conduct is unacceptable.
- Secure the workplace by installing alarm systems, surveillance equipment and ID badges, when appropriate.
- Limit the amount of cash on hand by providing drop safes.
- Ask field staff to keep someone informed of their location throughout the day and provide them with cell phones.
- Learn to recognize and diffuse violent situations by attending personal safety training.

[By Alvin M. Hattal; Source: OSHA]

 Plan Ahead ...
It wasn't raining
when Noah built the ark.

A Preventable Tragedy

Excavation and trenching are the most hazardous occupations in the construction industry, with 200-300 fatalities and 1,000-4,000 serious, disabling injuries occurring each year. Death in a trench collapse is by asphyxiation, a very slow and painful death, and usually occurs in trenches 5-15 feet deep.

During the last 60 days in Missouri, there have been three fatalities and two serious injuries due to trenching/excavating accidents. And, the non-financial costs for these accidents will be paid for a lifetime by not only the families of the decedents, but by the co-workers, company owner, and even those involved in the "clean up." And, what's most tragic ... they could have been prevented.

One of these accidents took place in central Missouri just a few weeks ago. In this case, the accident victim will survive, but it's worth noting the circumstances ... do they sound familiar?

Just like you, the contractor was in a hurry to get as much work as possible completed before winter sets in. There was a competent person on site; however, he failed to slope, bench, or box the trench. As a matter of fact, when the accident occurred, there were trench boxes sitting less than 100 feet from the trench. But, as you know, sloping, benching, and installing trench boxes takes time and, after all, we've done this a million times without using those safety precautions and everything's been just fine.

Well, this time, it wasn't fine. The trench collapsed and the only thing which saved the worker's life was the pipe in the trench. Within 24 hours, OSHA was on site for a full investigation. Since the contractor failed to slope, bench, or install trench boxes, the accident is not only considered serious, but willful. The fines could range from \$29,650 to \$117,000, not to mention the major medical expenses that will be incurred as the employee begins the long, painful process of rehab.

It took 12 hours to dig the employee out. How much time would it have taken to place the trench boxes? The contractor didn't want to lose the chance to get more work done. How much work will that employee now be able to accomplish? How much trust do the contractors' employees have in his ability to protect them or provide them with future employment? And, how much guilt will the contractor feel each time he sees this employee or a member of his family? Was it really worth the trade off?

It's the end of the season. You're rushing to get those jobs done. Please take the time to remind your employees and yourself that ...

Safety Pays ... Injuries Cost!

[Some information for this article was provided by Tim Burmeister, Safety Director, Winter-Dent & Company]