



SAFETYTIMES

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ROUTING SLIP

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A Workers' Comp Success Story ~ PAULSON EXCAVATING

Improved hiring practices improved a successful safety program

Paulson Excavating is in its 27th year and could qualify as a role model for small business entrepreneurs. Founders Keith & Jaynie Paulson had originally moved to the North Coast town of Albion so that Keith, a high school science teacher in the East Bay, could pursue a career in hydroponic greenhouses while they raised their family in a rural environment.

The couple bought some land and a tractor to maintain the roadway to their home. When neighbors heard about the tractor, Keith was hired for similar projects. Before long he had to buy a truck and trailer to move the tractor around. Soon he hired some workers to help with the growing side business that in 1977 officially became Paulson Excavating.

"I found out the hard way that workers' comp can cost a lot of money."

well, that we decided to start bidding jobs in areas well outside of Mendocino County."

The company soon grew to 75 employees. As they continued their work installing telecommunications components they began taking on an extensive amount of public agency work, including sewers, storm drains, and pump stations. Hazardous waste removal on many of these projects became another opportunity

By 1981 the fledgling company acquired a contract with Pacific Bell installing underground utilities. According to Keith, "Our work with Pac Bell was doing so



Crews for Paulson Excavating have routine safety meetings at the jobsite

to expand the company by adding a hazardous waste removal division.

Although much of the work provided by Paulson Excavating is relatively in the low cost factors for workers' comp, Keith says, "I found out the hard way that workers' comp can cost a lot of money."

Personnel problems, including potential workers' comp claims, became a factor as the company began expanding with projects ranging from Ft. Bragg to Fresno. The company was faced with a challenge to hire from a distance for many of the areas they were working in. Much of the company's work called for 3-person crews to perform cable splicing for the telecommunications industry. To minimize potential problems with workers' comp claims it was decided to improve hiring practices, and to maintain a consistent training program.

Given the distance potential employees would have to go for a personal interview at the company headquarters in Albion, they conducted the initial applicant interview by phone. If the phone interview sounded promising, the applicant was sent to a health office nearby the applicant's home. The health office would be a member of a health network that Paulson Excavating signed on with for post-offer health & drug screening. The main office would also do a thorough background check with past employers. If the background check and the health screening were good, the applicant would then have a face-to-face



Paulson Excavating grew to meet building demands. City of Ft. Bragg water plant.

COMP CORNER

Hallie Fraser
Workers' Comp & Safety Director



LACK OF "COMMUNICATION" CAUSES OSHA FINES

The Hazard Communication Standard (HazCom) was ranked as the top safety violation in 2003, according to OSHA. OSHA issued more than 7,000 fines totaling more than 1.3 million. Violation of the HazCom standard was #1 in 2001 and 1999-2000 also. Employers are not keeping proper records, labeling, or training employees regarding chemicals hazards in the workplace.

HazCom, also known as the "Right to Know" law, is the OSHA standard (Title 8 Section 5194) that applies to all California employers – regardless of size—whose employees may be exposed to hazardous chemicals. It requires a written program, Material Safety Data Sheets (MSDS) for each chemical utilized or stored, an inventory of all chemicals, proper labeling of containers, and training of employees regarding the hazards of the chemicals they work with.

Employers benefit from having an effective HazCom program because it helps them: Identify and control hazardous substances present in the workplace, develop or rethink safe strategies for the use, handling, and disposal of hazardous substances, promote safe and effective work practices, reduce workers' compensation losses, and comply with the law. All these elements ultimately save money and increase employee morale and productivity.

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Trustee Profile

Robert "Tom" LeDuc

President, LeDuc & Dexter, Inc.

Strike up a conversation with Tom LeDuc and you'll meet a man who has many interests, and pursues each with a vitality that should be contagious to those who come into contact with him. He is a Trustee on the Workers' Comp Trust, President and CEO of LeDuc & Dexter Inc. in Santa Rosa, and an active participant in several construction organizations, including the North Coast Builders Exchange.

The Santa Rosa native suggests it seems he's been in the plumbing business all his life. Tom's father, Bob LeDuc, was a salesman in the North Bay for a plumbing wholesaler. The senior LeDuc wound up starting a plumbing and heating business, and his son

"I joined the NCBE a month after I started my business, and I've learned so much from my association."

followed into the trade as an apprentice plumber in 1966 after graduating from Montgomery High School in Santa Rosa.

Tom looks back on how he started LeDuc & Dexter with fond memories; "It took

quite a few years of field work before I got my shot at managing the solar heating division for Empire Swift Plumbing. The position left as swiftly as the recession of 1982 moved in.

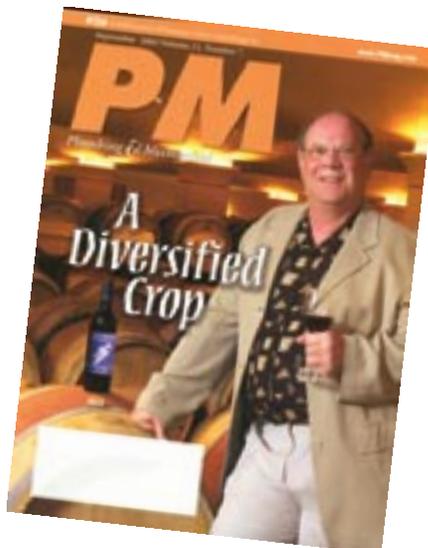
"Back then the best way to be sure you wouldn't get laid off was to have your own business." His initial venture into plumbing had him installing solar heaters and hot tubs. Within a few months he invited Art Dexter, an old friend, to help him with the demand. You could say the rest is history, but with the success the business has seen over the past 22 years, the history lesson will have to wait for future success stories to be written.

Tom's success in his profession has given him the ability to pursue his interest in promoting the plumbing profession, and construction in general. His work with NCBE includes 2 past terms as president of the organization, and 3 years as a Trustee on the Workers' Comp Trust.

"I joined the NCBE a month after I started my business, and I've learned



Tom LeDuc



Tom LeDuc was featured in a recent issue of Plumbing & Mechanical magazine

so much from my association. My time on the Trust has been an interesting experience and provided me with a great education on workers' comp issues, the organization, and the people who work so hard, especially Hallie Fraser, for all our members."

His outreach to the construction industry includes the creation and implementation of an award winning English as a Second Language program for his employees, and the creation of a "Boot Camp" for employees entering the plumbing trade. His outstanding leadership and contributions to the industry have garnered him state attention as a recipient of the Plumbing Heating Cooling Contractors (PHCC) of California "Contractor of the Year" award for 2004. He also sits on the California State master committee that is responsible for establishing curriculum for apprentice courses.

With all his volunteer time it's hard to see where he gets the time to pursue the other passions in his life, which includes NASCAR, Street Rods like the 1937 Ford Cabriolet Convertible he spent 3 years building, travel, fishing and of course spending time with his wife Sandy and daughter Alexis. Tom LeDuc is good for a fishing story or two... but did you hear the one about the 20 Tuna, 1 Dorado, and 12 Sierras?

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State Fund announces 7% rate decrease effective July 1st

SAN FRANCISCO (June 4, 2004) State Compensation Insurance Fund today announced a seven percent rate decrease on new and renewal policies with an effective date on or after July 1, 2004. This decrease is a result of the cost saving reforms adopted by the Governor and Legislature earlier this year. This follows an average 2.9 percent rate decrease that was effective January 1, 2004.

“Policyholders with July through December renewal dates will see an average decrease close to 10 percent from their expiring policies,” said State Fund President Dianne C. Oki. Oki added, “Policyholders will also be impacted by changes in individual class experience and by updated policyholder experience modifications, so some policyholders will see less, while others will

see more than the average decrease.”

State Fund Executive Vice President Jim Neary said, “This rate decision prudently balances the needs of State Fund’s policyholders for immediate rate relief, the uncertainties of estimating some reform savings, and the need for State Fund to further strengthen its surplus position. Perhaps the best news is the potential for further rate reductions going forward. Some elements of reform that are unquantifiable upfront will bring down rates as savings emerge in experience, while other elements of reform such as changes in the permanent disability rating system, will be reflected in rates when they take effect next year.”

Oki stated, “To fulfill its mission, State Fund must maintain the financial strength to

meet our obligations to California employers and injured workers. This rate filing achieves this objective.”

In the last several years, State Fund has experienced unprecedented growth - increasing pressure on State Fund’s reserves and surplus - due to the most dramatic marketplace contraction in the system’s 90-year history.

“State Fund will continue to review its experience and cost savings as a result of the new workers’ compensation laws,” Oki said. “We expect further rate reductions based on demonstrated savings in 2005.”

From: State Compensation Insurance Fund Press Release

Paulson success story

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meeting with the jobsite foreman.

Keith explained his frustration prior to improving their hiring procedures, “We got tired of low quality workers, and instituted a change.” Although the current number of employees is approximately a third of the company’s peak, every new employee is subject to the same pre-screening procedures.

Jaynie, the company’s chief financial officer, offered, “It’s important to have policy & procedures in place for everyone, managers included. All of our employment offers are in writing with continued employment contingent on certain things happening. Whether it is a workers’ comp or a liability issue, our program gives us a better opportunity to avoid both.”

Keith credits safety training for the company’s good record in safety; “Our company has a strong training program with safety training held once a week. With new regulations and laws covering everything from soil sampling to water quality issues, we keep our crews educated to these changes and to basic safety issues. Although our primary area of work is Mendocino, Lake, Sonoma, Napa, and Marin Counties, we occasionally find ourselves as far away as Sacramento. Wherever our crews are, we want them to be well trained and safety conscious.”

Hispanic Worker Deaths Increasing

According to an Associated Press (AP) investigation, Hispanic workers are getting killed on the job, one per day. Though Hispanics often take the most hazardous jobs, they are more likely than others to be killed even when doing similarly risky work. In Southern and Western states, Hispanic workers are four times more likely to die than the average U.S.-born worker.

The AP spoke with workers, employers, advocates, government officials and analyzed federal safety and population statistics. What they found is not pretty...

- Hispanic deaths are rising even as workplaces are safer overall. In the mid 90’s Hispanic workers were about 30% more likely to die than native-born workers; now they are about 80% more likely.
- Deaths among Hispanics increased faster than their population in the U.S. Between 1996 and 2002, the number of workers grew from 4 million to 6 million (about half) but the number of deaths rose by about two-thirds, from 241 to 387.
- Hispanics are twice as likely as the rest of the immigrant population to die at work.

As an employer, a large Hispanic workforce can present some challenges.

- Communication – Basic communications can be difficult. Often

there is not only a language barrier but also literacy issues.

- Training – providing training in their language means using an employee that speaks both languages (English and Spanish) or hiring someone to provide training in Spanish. Use of visual cues is an excellent method to get the points across.
- Culture – reluctance to complain, their work culture and safety expectations don’t discourage extra risk taking.

It’s a fact that in Sonoma County we have a large Hispanic workforce. We need to learn how to communicate and train in ways that are “understandable” to all employees. Not only does it make good business sense, but it is also an OSHA requirement.

We can help. Kelley Keogh, Workers’ Comp & Safety Rep. here at NCBE, can assist you with the training of your Hispanic workforce. One time, periodic, ongoing – it’s up to you. Free is one of the good four letter words, so tap into the resources available to you through the Exchange. Contact Kelley at (707) 542-9502 (voicemail) or (707) 843-1632 (cell).





Training Tips

Are your safety meetings boring? Just going through the motions? You can make your safety meetings fun, interesting, and full of impact using some creativity and visual aids. Here's an example: Do your employees often jump off ladders before getting to the bottom? Do they jump off equipment? Trucks? This can cause sprained ankles, broken arms, broken



legs, head injuries, etc. Here is a great idea for getting your point across about this unsafe act:

Set up an 8-ft folding ladder. Get a small watermelon and draw a face on it and put it in a paper bag. Gather your employees around and ask them where they think it would be safe to jump off the ladder from (1st rung, 2nd rung, 3rd rung, 4th rung, etc.). Climb up the ladder to the rung they agree upon, open the bag with the watermelon in it and drop the watermelon from the same height as your head. The watermelon will smash to pieces and your point will hit home. Explain to your employees that could be their head hitting the floor/ground. Drive the message home by turning the ladder sideways where you will have labeled each rung of the ladder to represent activities from your operations. For example: The second rung represents a two-step ladder, the third rung a pickup truck.

COMP CORNER

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If you need assistance creating, maintaining, and implementing (including training) your HazCom Program, give us a call at (707) 542-9502. We can help and it's free!

Regulatory Updates of Note

There have been some significant changes to Title 8 Section 3427 regarding Tree Climbing and Access. Go to the following to review the changes that were effective as of 4/29/04: <http://www.dir.ca.gov/OSHSB/treeclimbingandaccesssememergency9.doc>.

Another change of interest to the Construction Safety Orders is to Title 8 Section 1712 Hazards associated with reinforcing steel and other similar projections. Go to <http://www.dir.ca.gov/OSHSB/rebarhazardsfinaltext.doc> to review the changes to the regulation effective 3/4/04.



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FRAUD

Call the State Fund Fraud Hotline!

The Battle Continues...

Many workers' compensation insurance fraud arrests and convictions began with a tip phoned in to a fraud hotline.

The basic facts are:

- Workers' compensation fraud can be committed by doctors, lawyers, employees, employers—**ANYONE!**
- The penalties are stiff: Up to 5 years in state prison and/or up to a \$150,000 fine.
- Fraud raises the cost of living *for everyone* in California.
- It is easy to help. If you believe you have information or evidence of workers' compensation fraud, call us at:



1-888-STOP FRAUD (1-888-786-7372)

A TOLL-FREE CALL

7:00 a.m. to 7:00 p.m., Monday through Friday

You may remain anonymous. Bilingual operators available.

Please do not use this number to report billing problems, late payments, complaints, etcetera.

