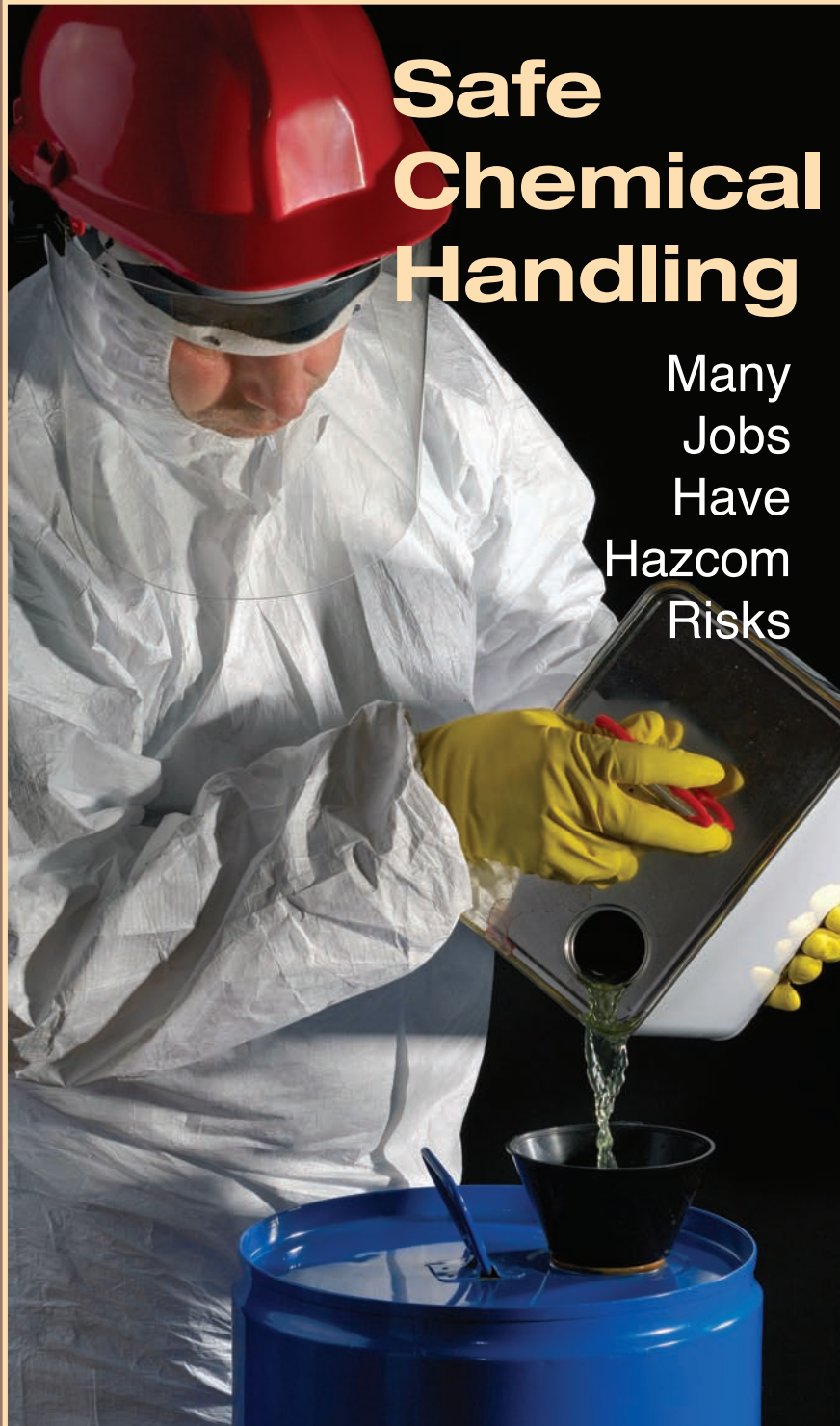


Workers' Comp.
ADVISOR

www.nysif.com

October, November, December 2011



**Safe
Chemical
Handling**

Many
Jobs
Have
Hazcom
Risks

*Special NYSIF
Refresher Course*
**Workers'
Comp. Rates**



NY State Loss Cost Increase

**The Many
Ways NYSIF
Can Help
You Save!**

- ✓ Upfront Discounts
- ✓ Preferred Risk Plans
- ✓ Retrospective Rating
- ✓ Safety Groups

Plus:

**Understanding
Your Bill**

Page 8



Governor Seeks U.S. Flood Aid Waiver

Would Allow Additional Coverage and Disaster Assistance for Businesses, Farmers, Homeowners

Gov. Andrew M. Cuomo sent a letter to U.S. Department of Agriculture Secretary Tom Vilsack and Federal Emergency Management Agency Administrator Craig Fulgate on Sept. 7, 2011, requesting waivers to allow homeowners, businesses and farmers to retroactively enroll in federal flood insurance and crop insurance programs. If granted, the waivers would allow New York farmers to receive financial assistance to support rehabilitation and recovery efforts in Hurricane Irene's aftermath, and would permit homeowners and small businesses to access the National Flood Insurance Program.

Preliminary estimates indicate crop and agricultural damage totals in the tens of millions, with over 140,000 acres of farm land lost. Most New York farmers, who plant on New York's diverse landscapes, or grow speciality crops, are not enrolled in USDA crop insurance programs and therefore not eligible for most federal disaster aid under USDA programs. The waiver would permit farmers to receive up to \$100,000 in federal aid to rebuild their farms, the governor said.

The governor also requested retroactive enrollment and payments of premium into the National Flood Insurance Program for upstate homeowners and small businesses affected by Irene and Tropical Storm Lee.

Excerpt of Gov.'s Letter

"Enabling New Yorkers in impacted areas to retroactively enroll in FEMA's National Flood Insurance Program would provide a much needed lifeline to devastated communities at nominal cost to the federal government, and I ask you to take action to make that possible," Gov. Cuomo wrote in his letter to Sec. Vilsack and FEMA's Fulgate. "In addition, the USDA- Farm Service Agency estimates to date that approximately 5,000 farms in New York incurred damage during the aftermath of Irene...In New York State, only a small percentage of the state's 35,250 eligible farms are [enrolled in crop insurance or the non-insured crop disaster assistance program (NAP)]...Crop insurance is not efficient for our producers as the program has been designed for large midwest flat-land operations...It is estimated that only a handful of farms that incurred damage carried crop insurance or were enrolled in NAP.

"I am committed to working with you in the future to make the permanent adjustments necessary in [these programs] to accommodate all types and sizes of agricultural operations. I appreciate your consideration of this matter and look forward to hearing your response."

Some Assistance Available

As of Sept. 14, the governor announced that federal assistance for residents and small businesses in 28 counties is available through the Individuals and Households Program, Crisis Counseling, Disaster Unemployment Assistance, USDA food coupons, USDA food commodities, Disaster Legal Services, Disaster Supplemental Nutrition Assistance Program, and Small Business Administration disaster loans, as well as FEMA's Hazard Mitigation Grant Program. Apply online at www.DisasterAssistance.gov or call 1-800-621-3362. Check www.governor.ny.gov for eligible counties and additional information.

NYSIF Workers' Comp. Advisor
October/November/December 2011



This Issue What's In The Container?

The Occupational Safety and Health Administration issued over 7,000 citations for violations of its Hazard Communication Standard ("haz-com") in 2010.

That's one reason to heed the Hazcom Standard; there are at least four more. If you think this doesn't apply to you, consider that chemicals pose safety risks in many occupations that wouldn't immediately come to mind. Even if you don't produce hazardous chemicals, there is a good chance you are using them. Do you know what's lurking in the containers in your place of business, and do employees know the correct way to handle whatever it is?

Pages 4-5

NYSIF People



Mario Cilento

Mario Cilento Joins Board

Gov. Andrew Cuomo appointed New York State AFL-CIO Chief of Staff Mario Cilento to the New York State Insurance Fund Board of Commissioners.

As chief of staff for the past 12 years, Mr. Cilento coordinates day-to-day and long-term political, legislative, communications and grassroots strategies of the 2.5 million member organization, as well as overall policy and staff development. He served as public relations director from 1992-1999, and is also responsible for outreach, initiatives and strategies of the State Federation's Executive Board and affiliates. He currently serves on the executive boards of the Workforce Development Institute, Working Theater, and the New York State AFL-CIO/Cornell ILR.

Mr. Cilento graduated from Fordham University in 1990. He succeeds NYS AFL-CIO Pres. Denis Hughes, who stepped down as a NYSIF board member in July. NYSIF board members serve gratis.

Special NYSIF Refresher Course



Workers' Comp. Rates

NYSIF HOLDS LOSS COST MULTIPLIER AT 1.43

Discounts, Dividends, Incentives Help You Save

The New York State Insurance Dept. approved an average increase of 9.1% in workers' compensation lost costs for new and renewing policies beginning on Oct. 1, 2010, and thereafter. The increase reflects an average

change in classification loss costs of +9.3%, as promulgated by the New York Compensation Insurance Rating Board (NYCIRB), with no change in the catastrophe provisions for terrorism, natural disasters and catastrophic industrial accidents.

NYCIRB promulgates loss costs for each classification of business based on claims data supplied by all insurance companies, which, in turn, apply their own Loss Cost Multiplier (LCM) to the official loss costs in determining a manual rate for each classification.

Given the impact of increased loss costs on New York businesses, NYSIF is holding its LCM at 1.43, unchanged since April 1, 2010. Many NYSIF policyholders, however, realize a lower effective equivalent LCM afforded to safety conscious employers.

NYSIF applies upfront discounts, dividends, premium incentives and credits in the following ways:

Upfront Discounts — Based on the employer's loss experience NYSIF's variable advanced discount can translate to one of the lowest LCMs available in the workers' comp. market: equivalent to .93 with an advanced discount of 35% (see chart).

Preferred Risk Plan — Mid- and large-size business with preferred loss experience receive a 20% upfront discount, with the potential for a maximum return of 49% of discounted premium. NYSIF determines return of premium based on the policyholder's loss ratio 12 months after the policy period ends, payable as a check, or credit toward future premium.

Safety Group Dividends — For employers who meet the criteria, NYSIF has the most solid safety group program in the industry, paying uninterrupted dividends since 1923. Dividends paid at the end of the policy year averaged 30.5% in 2010. **For more on NYSIF safety groups, see page 7.**

Retrospective Rating Plan — Retro plans allow employers with good claims history and demonstrated safety practices to assume a portion of risk. Actual loss experience, plus a percentage of standard premium to cover NYSIF expenses, determines final premium subject to a predetermined minimum and maximum. Retros are a great alternative to guaranteed cost or self-insured plans for large employers. Don't just take our word. Look below to read what a broker says.

Rave for Retros

"A retro is a great management tool to contain claim costs over the long haul. You have to be patient to get the greatest benefit and be willing to keep a close watch on claims, both frequency and value."

- Joe Koch, Louis Koch Agency

EQUIVALENT LCM AT VARIOUS ADVANCED NYSIF DISCOUNTS	
NYSIF DISCOUNT	EQUIVALENT PRIVATE CARRIER LCM
35%	.93
30%	1.01
25%	1.07
20%	1.14
15%	1.22
10%	1.29
5%	1.36

The NYSIF Difference

NYSIF's LCM is effectively modified by the discounts, dividends and other cost saving plans we offer qualified employers — determined by your loss experience, payment history, safe work practices and compliance with Workers' Comp. Law. This is not to be confused with the Experience Modification that NYCIRB promulgates for all employers based on their individual loss experience. All insurance companies must apply your "experience mod," even if you change insurers. This determines your standard rate. Standard premium is determined by payroll size.

Chemical Hazard Safety

What's Lurking in That Container?



Chemical safety remains a high priority for the Occupational Safety and Health Administration (OSHA). The federal agency issued more than 7,000 citations in 2010 for violations of its Hazard Communication Standard (HCS, "hazcom" - 29 CFR 1910.1200). The regulation requires training and information for workers using hazardous chemicals. Since the standard's introduction in 1984, OSHA says HCS has protected workers in more than three million workplaces from over 650,000 hazardous chemicals. Given its enforcement efforts, (HCS again made OSHA's Top-10 list of most-violated safety standards in 2010), it's prudent to review the basics of handling chemicals safely.

Reasons For Concern

There are four reasons to heed HCS. First, OSHA is preparing a broad, new "Injury and Illness Prevention Program" that will,

when implemented, make businesses even more responsible for worker safety. Secondly, if the Department of Homeland Security's Chemical Facility Anti-Terror Standards (CFATS) are applicable to your business you must master the basics of hazcom. Third, the best way to prepare for OSHA's plan to align HCS with the Global Harmonized System of Classification and Labeling of Chemicals (GHS), an international standard, is to have a good working knowledge of HCS. The fourth reason is avoiding the negative publicity and costs that can follow a chemical accident.

Business owners must determine whether HCS (and, eventually GHS) applies to them. Even if you don't produce hazardous chemicals in your workplace, there is a good chance you are using them. Examples include compressed gases, flammable liquids, corrosives, oxidizers, neurotoxins, and lung and skin irritants. Hazardous chemicals may pose a *physical* hazard (fire, explosion), a *health* hazard (poisons, irritants, carcinogens), or both. Here's a simple, non-scientific way to determine a hazard: If a chemical's Material Safety Data Sheet (MSDS) lists precautions when handling, storing or using it, consider it hazardous. OSHA lists chemicals always considered hazardous (see "Toxic & Hazardous Substances," page 5).

HAZCOM Basics

The four key elements in the Hazard Communication Standard are:

- Identification of hazardous chemicals;
- A *written* plan that outlines chemical safety practices and procedures;
- Employee training;
- Chemical information (Material Safety Data Sheets and container labeling).

The plan does not have to be complicated, but it must ensure that employees are trained to know each chemical's properties and hazards, proper storage, handling procedures and what to do if the chemical spills, catches fire, or is inadvertently released. You must update the plan as you change or add to your chemical inventory.

Your plan is not complete unless it adequately addresses:

- Training for all employees who may be exposed to harmful or toxic substances;
- Maintaining current Material Safety Data Sheets (MSDS) for each chemical;
- Proper labeling of all chemical containers.

Training and MSDS

Training is an essential element of hazcom. Upon hiring, make sure all exposed employees receive training, with the date of training noted. Update training if duties change, or workers

need to learn about a new chemical or process. OSHA will want to see your safety and health program, including hazcom training, so keep good records. OSHA emphasizes that hazcom is a *continuing* program.

HCS requires chemical manufacturers and sellers to evaluate chemical hazards and provide buyers with safety information on MSDSs. Some can be very technical; train employees to know how to find the information they need to work safely, and communicate this important data to them. At the very least, your workers should be able to detect the presence of hazardous chemicals and follow proper handling and emergency procedures.

Up-to-date MSDSs for each chemical must be available at all times to workers on all shifts. Employees who might need an MSDS – emergency response and spill containment teams, for example – must know where it is. Companies with many MSDSs may use software to manage them, but must make the information readily available.



Chemical Hazard Safety - Put a Label On It



Even if you don't produce hazardous chemicals in your workplace, chances are you're using them.

About Labeling

Manufacturers and distributors must label each hazardous chemical. Container labels are important because they are the first thing workers see when using a chemical. Never remove these original labels from their containers. Labels must identify the material, give appropriate hazard warnings, and show the name and address of the producer. Make sure you have the corresponding MSDS for each chemical. HCS does not currently specify a standard labeling system. Labels should clearly state the chemical or product name, and any hazard warnings (flammable, carcinogen, lung irritant).

Label transfer containers with the same common or trade name on the original chemical container or an MSDS. Employees must know how to transfer and store chemicals not kept in their original containers. Since there is a labeling exception for personal use of small quantities, instruct workers not to mix incompatible chemicals in personal-supply containers (to prevent decanting chlorine bleach into a container used for ammonia, for example).

Beyond HAZCOM

Beside HCS, your business may fall under regulations of the U.S. Department of Transportation, Environmental Protection Agency, and the National Fire Protection Association. These cover safe storage, toxic exposures, accidental release, spill containment, standardized labeling and fire safety. Local and state laws also may apply. If you utilize chemicals, hazcom compliance will help you control this exposure, as well as comply with non-OSHA regulations.

User Beware: Not all containers carry proper warning labels, especially in jobs where workers use or store chemicals transferred from their original containers.

Lethal Lesson

Flammable? Carcinogen? Lung irritant? Chemicals pose safety risks in many occupations, from cleaning crews in hotels, hospitals, nursing homes, schools and commercial buildings, to automotive shops, manufacturing and heavy industry. Labeling helps control exposure to potentially lethal hazards.



Resources

www.nysif.com Safety & Risk Management>Safety Resources

Safety Basics: [Chemical Safety Basics](#)

Safety Basics: [Chemical Safety \(MSDS\)](#)

Safety Matters: [Hazard Communication](#)

Safety Cop: [Avoid Chemical Exposures with HazCom Training](#)

www.osha.gov

Hazard Communication:

<http://www.osha.gov/dsg/hazcom/index.html>

Safety & Health Topics - Hazard Communication:

<http://www.osha.gov/dsg/hazcom/index2.html>

The Hazard Communication Standard:

<http://www.osha.gov/dsg/hazcom/standards.html>

Toxic & Hazardous Substances:

<http://www.osha.gov/dsg/hazcom/ghd053107.html#process>



Solid Steel

*Formed in 1936, Safety Group 88
Still Going Strong 75 Years Later*



Safety Group 88 Chairman Steve Kowalsky (r.) and brother, Ed, 3rd generation owners of Empire Recycling; the Utica, NY, firm began in 1916.

Empire Recycling's second location, at Broad Street and Third Ave., circa 1950 (inset, l.-r.), painter John Bolinski, founder Louis Kowalsky, Lou's son and future president William Kowalsky, Joe Rogowski, Lou's brothers, Herman and co-founder Morton Kowalsky, with a P&H truck crane.

In the summer of 1936, with the United States in the midst of the Great Depression, World War II on the way, and Jessie Owens winning four gold medals at the Berlin Olympics, a NYSIF safety group began a remarkable run of its own.

On August 1, 1936, several New York scrap iron and steel dealers began collectively writing their workers' comp. coverage as Safety Group 88 in NYSIF's safety group program. The group, managed by GCG Risk Management, Inc., celebrated 75 years in 2011.

With fewer than two dozen members in its first 40 years, Group 88 thrived with the participation of yards located mostly upstate. Despite the often catastrophic hazards associated with the industry and its heavy machinery, shredders and crushers, the group has paid out nearly \$13 million in dividends to its members over 75 years for an average dividend of 25%.

Many of the early members remain members today with businesses passed on to second or third generations, including Charles J. King, Inc. (one of the rare downstate members, located in Brooklyn), Roth Steel Corp. of Syracuse, I. Shulman & Son, Inc., and W.M. Spiegel & Sons, Inc., of Elmira, and R. Cohen & Sons of Glens Falls, Inc.

In the early 1980s, when group premium fell below \$500,000 and the group's contingent balance almost ceased to exist, a meeting of the Executive Committee at the offices GCG Risk Management resulted in the historic decision to "give it one more year." Because of that commitment to the group, now almost 40 member yards continue to enjoy the generous safety group benefits afforded by NYSIF.

Group 88 weathered the ups and downs of the industry and the workers' comp. market with loyalty to NYSIF and loyalty to its members. Like all close-knit groups, Group 88 has seen few

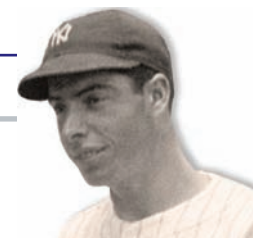
changes, having had only three different chairmen over the past 40 years (Lewis Roth of Roth Steel Corp., Neil Schwartz of Roth Bros. Smelting Corp., and current Chairman Steven Kowalsky of Empire Recycling Corp.).

GCG Risk Management, Inc., has managed Group 88 since the late 1970s. Although selective in its membership, the group continues to grow, adding a dozen new members in recent years. GCG's Ross Gnesin said membership now includes industry employers from all over the state who seek coverage with Group 88, the only NYSIF safety group for the industry. Mr. Gnesin invited interested employers to contact GCG Risk Management, Inc., at www.gcgriskmanagement.com for more information.

NYSIF's Safety Group Program started in 1923. Of its 105 active safety groups, only three are older than Safety Group 88.

The year 1936 also saw...

- The world's first television service by the BBC.
- The first successful helicopter flight.
- U.S. Pres. Franklin D. Roosevelt won his second term of office by a landslide.
- NY Yankees' rookie Joe DiMaggio, 21, hit .346 in his team's World Series victory over the NY Giants.
- Average cost of a new U.S. home: less than \$4,000.
- Average U.S. annual wage: less than \$2,000.
- A first class postage stamp cost three cents.
- A gallon of gas cost 10¢.



DiMaggio

Various sources

New York State Insurance Fund

Most Recent 3-year Safety Group Dividend Totals

NYSIF Dividends Paid 2008-2010 by Industry

Automotive	\$34,062,890	Wholesale	\$19,086,094
Construction/ Contractors	\$116,485,835	Education	\$11,837,194
Restaurants	\$45,006,431	Health Care	\$4,506,369
Retail	\$40,190,981	Sanitation/Recycling	\$5,341,611
Hospitality	\$6,297,779	Printing/Publishing	\$4,149,590
Transportation/ Oil Delivery	\$13,368,467	Public Entities	\$9,034,603
Manufacturing	\$59,081,994	Financial	\$3,158,980
Electrical Contractors	\$19,380,805	Launderers/Cleaners	\$4,223,020
Farms	\$25,383,265	Marinas, Recreational Boats Sales and Service	\$3,222,081
Building Maintenance, Security and Parking	\$83,981,283	Funeral Directors	\$969,530
		Veterinarians	\$482,198

Average 4-Year Dividend Growth

27.47% 28.20% 29.98% 30.52%

Workers' Compensation & Disability Benefits Specialist

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Learn more about safety groups:

www.nysif.com>Workers' Compensation>Safety Groups or call 212-312-7968



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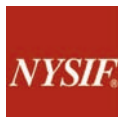
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A NYSIF 'U' REFRESHER

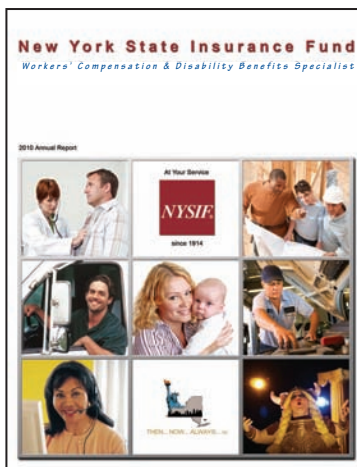
A NYSIF education series providing information to address your workers' comp. and disability benefits needs.



1st Place Winner: 'Understanding Your Bill'

NYSIF won three awards in the American Association of State Compensation Insurance Funds (AASCIF) 2011 annual communications competition.

NYSIF took first-place in the brochure category for "Understanding Your Bill" (r., www.nysif.com>Online Publications), a publication that helps businesses understand how workers' comp. rates are determined, and guides policyholders step-by-step to help them understand their billing statements. The



brochure is free for download at NYSIF's website. It contains information on manual rates, experience rating, lost cost multiplier, assessments and terrorism premium. Plus it has an itemized sample bill with an explanation of each item. NYSIF's two other winners earned third place awards: our 2009 Annual Report and, for print advertising, our acclaimed "Straight Talk" series.



2010 Annual Report Online

NYSIF's 2010 Annual Report (I.) can be downloaded at www.nysif.com>About NYSIF>Annual Report

[If you have a question for NYSIF 'U' e-mail jmesa@nysif.com]

Send WCA comments to jmesa@nysif.com