

Workers' Compensation for Loggers in Pennsylvania

We Can and Must Do Better!

Pennsylvania's workers' compensation rates are among the highest in the country, recently as high as 58 cents per dollar earned for non-mechanized workers through the State Workers Insurance Fund (SWIF). It's no surprise that many loggers here choose to work alone to avoid these high costs. Sole proprietors can opt out of workers' compensation insurance coverage. However, working alone also increases the risk of death or injury.

According to the Bureau of Labor Statistics' National Census of Fatal Occupational Injuries in 2015, the logging industry holds a fatal work injury rate of 133 per 100,000 full-time equivalent workers. Nationwide, according to the AmeriSafe national insurance company citing recent reports, an average of one logger is killed every week; an average of 10 loggers suffer major permanent partial disabilities every week; an average of nine loggers suffer minor permanent partial disabilities every week; and an average of 70 loggers suffer temporary total disabilities every week.

Through recent discussions at the Hardwoods Development Council, state Labor & Industry staff, insurance rating board staff, insurance representatives and others, **it is clear there is a need for a new approach to insuring Pennsylvania loggers and other forest workers.** Other states, including New York State, have successfully brought costs for workers' comp down through a combination of regulatory requirements and through expanded safety training opportunities. In New York, the rates were reduced from 55 cents per dollar earned to 17 cents. We believe the same can be done here in Pennsylvania, and *without* new regulatory requirements.

This April, the Pennsylvania SWIF board reduced rates for non-mechanized loggers from 58 cents to 42 cents per dollar earned. For mechanized loggers, the rate was recently adjusted from 31 cents per dollar earned to 21 cents. This is approaching a reasonable rate that will not drive loggers to work alone and risk personal catastrophe.

Mill owners and timber companies, too, play an important role in workers' compensation. Some mills and landowners require all subcontractors, including sole proprietors, to have workers' compensation coverage. It can be difficult for these mills and landowners to find covered contractors to hire. Other companies contract with sole proprietors who have opted out of coverage. In recent years, several large Pennsylvania companies – including Northwest Hardwoods (formerly ITL), Collins Pine – Kane Hardwood, and now Lyme Timber - have required loggers to have workers' compensation coverage. In some cases, these companies have increased rates paid to logging contractors to help defray the cost of the coverage. With a better track record for active loggers through expanded safety training, as well as a larger premium pool of covered loggers as more choose coverage, we believe workers' compensation costs will continue to fall.

As we talk to loggers and conduct surveys to gauge their interest in voluntarily adopting workers' compensation insurance, **we believe a public-private fund to help subsidize the current cost of workers comp for ALL loggers, even those who have been paying high rates for coverage, will benefit everyone. We think this can be done with state and industry leadership, and without mandatory requirements.**

Please take a moment to fill out the loggers' survey that will be vital information for us to develop the best possible program to augment current insurance options and to ensure that no logger or their families have to worry about unprotected lives or losses for the loggers whose essential work supports the forest products industry. Thank You!

Workers' Compensation Survey:
LOGGERS

Due by June 24

In an attempt to provide Workers' Compensation program at a reasonable cost to the loggers of Pennsylvania, we ask that you please complete this survey. While it is necessary to have your personal information with this survey, we will not disclose your personal information to others without your consent.

Name: _____ Age: _____

Company Name: _____ Telephone: _____

Address: _____

City: _____ State _____ Zip: _____

Please check (✓) ALL responses that are **TRUE** and fill in any blanks:

DO NOT HAVE WORKERS' COMPENSATION:

- _____ I would like to have it if it were affordable
Define affordable to you: Less than # _____ cents per dollar.
- _____ I do not want Workers' Compensation at any price
- _____ I buy disability insurance instead
- _____ I am only covered by a life insurance policy
- _____ I have medical insurance coverage that covers accidents
If so, what type of coverage: _____

CURRENTLY HAVE WORKERS' COMPENSATION:

- _____ I have Workers' Compensation through my employer
If so, who do you work for: _____
- _____ My Worker's Compensation is through the State Workers' Insurance Fund (SWIF)
- _____ I buy my Worker's Compensation through a private insurer
If so, what insurer: _____
If so, at what rate or cost? (per \$100 of payroll – example \$55 per \$100 or 55%)
Logging or Lumbering, NOC (PCRB class code 009) \$ _____
OR Logging or Lumbering – Mechanized (PCRB class code 015) \$ _____
- _____ **(COMPANY OWNERS ONLY)** I would be willing to enter a new program offered through the state or private insurer if the rates were lower than:
Logging or Lumbering, NOC (PCRB class code 009) \$ _____
OR Logging or Lumbering – Mechanized (PCRB class code 015) \$ _____

I AM SELF-EMPLOYED:

- _____ I am self-employed
- _____ I am a sole proprietor
- _____ My company has a corporate structure
- _____ I work independently/alone in the forest _____% of the time
- _____ I work with other self-employed loggers and we work together _____% of the time
- _____ I am self-employed but work primarily for one or two sawmills

(OVER)

_____ If I could afford to offer Workers' Compensation, I would consider forming my own company and providing the insurance to my employees

If so, how many employees do you think you would cover: # _____

_____ I would participate in a required safety program in exchange for affordable workers' compensation rates

_____ I have trained other loggers or have apprenticeships with new loggers.

_____ I have participated in the Game of Logging

If so, what year or years? _____

_____ I am a currently an SFI Qualified Logging Professional

Assuming my health remains good, I anticipate retiring from logging in # _____ years.

Please share any comments or concerns you have regarding a potential Workers' Compensation program:

THANK YOU! Please return the survey TODAY to the Hardwoods Development Council by email to D. Wayne Bender, Executive Director: dbender@pa.gov
Or by mail to:

Hardwoods Development Council
2301 N. Cameron Street, Room 308
Harrisburg, PA 17110

