



MUTUAL INTERESTS

CONSCIENTIOUS EFFORTS LITERALLY PAY OFF

During 2009, the state of the economy continued to present challenges for those in the construction industry. Many were forced to reduce costs wherever possible. However, Builders Mutual and its policyholders weathered the economic storm. In February, Builders Mutual returned a \$1.3 million dividend to more than 6,500 eligible policyholders in North Carolina, South Carolina, Virginia and Tennessee. "BMIC is proud to be able to pay a dividend to our policyholders during these challenging economic times. Our policyholders' continued focus on safety has made it possible," stated John Boggs, President and Chief Executive Officer. This dividend distribution is a direct result of policyholders' conscientious efforts to make safety a priority in their work places, which resulted in a lower number of workers' compensation claims.

"At a time when builders are challenged to reduce costs, it is clear that they haven't reduced their focus on safety," stated Mike Gerber, Senior Vice President and Chief Marketing Officer. "And, we are committed to providing the resources and training to help our customers stay safe. In 2009, we increased the number of Builders University training classes offered and added more classes taught in Spanish," Gerber continued.

Safety training isn't just for precautionary measures at Builders Mutual, it is part of our culture. Builders Mutual has a staff of 16 Risk Management experts strategically located through out our territory who perform safety surveys and continually provide feedback to current and prospective policyholders. They furnish jobsite specific safety recommendations and make informative suggestions to help prevent accidents. Many of our Risk Management staff members are trainers and instructors for our exclusive Builders University courses, which are offered in both English and Spanish. Their efforts benefit policyholders and ultimately lead to a lower number of claims.



✦ *BMIC Board of Directors and NCHBA officers announce the \$1.3 million dividend distribution at the NCHBA's December 2009 board meeting.*

"Additionally, our relationships with the state and local home builders associations have enabled us to help create a culture of safety that is embraced by our policyholders," Gerber continued. Builders Mutual was created to provide affordable workers' compensation insurance for the North Carolina Home Builders Association and we continue to maintain strong ties to the home building associations.

Recently, we expanded our relationships to continue our focus on safety. We partnered with the Hispanic Contractors Association of the Carolinas to enable Builders Mutual to reach a broader audience. This partnership allows us to provide more safety resources to those in the Hispanic community, thus increasing safety awareness.

Builders Mutual is proud to provide our policyholders with this \$1.3 million dividend return. The availability of a dividend, which makes this distribution possible, is based on Builders Mutual's operating results during a particular period. It is the safety experience of our policyholders which allows the opportunity for this consistent dividend return and we are proud to have returned a dividend 21 out of 25 eligible years.

BMIC GIVES BACK

Builders Mutual is proud to invest in the education of future members of the building industry by participating in events that support construction-related vocational programs. Recently, Natalie Henley from our audit department presented a harness, hard hats and safety glasses to First Flight High School's Construction Technology Program in Kill Devil Hills, North Carolina. These items will instill the value of jobsite safety in the students and allow them to learn proper use of safety equipment.

Builders Mutual also donated \$5,000 in support of the Independent Insurance Agents of North Carolina's Young



Agent Committee project to send the North Carolina Special Olympics delegation to the 2010 Special Olympics USA National Games.

READY TO GO GREEN?

As a construction industry professional, it is important to differentiate yourself from the competition, to stay ahead and provide a unique building experience for your customers. At the same time, it is imperative that you maintain costs and remain competitive.

The National Association of Home Builders (NAHB) offers a wide variety of designations that provide excellent educational opportunities and help you stand out from the crowd. One such designation is the Certified Green Professional (CGP). In an ever changing world, green building is quickly becoming a hot topic that more consumers are strongly interested in.

The CGP is NAHB's fastest growing designation and provides you with a solid background in green building methods and techniques that you can apply to your company's practices. To earn and maintain the designation, you need to:

- Complete Green Building for Building Professionals and Business Management for Building Professionals (or hold an NAHB designation)
- Have a minimum of two years of building industry experience
- Submit a signed CGP Code of Ethics
- Complete and return the graduation application
- Complete the 12 hour CE requirement every three years

Jeff Zackeru, of J. Zackeru Builders LLC, who won the chance to earn his designation from BMIC during the 21st Century Expo and Conference in 2009, recently completed the CGP requirements and earned his designation in ONE week. Zackeru, who is a member of the Brunswick County HBA in North Carolina, states, "The course work was challenging, but worth the effort," he continues, "it will be an added bonus to have the designation and be able to promote that expertise to my customers."

Once you receive the designation, you, like Zackeru, will automatically be added to the national CGP directory on the NAHB website. Courses are offered across the country and a complete list of locations is available on the NAHB website.

Earning your CGP designation will provide you with a unique opportunity to distinguish your business from the competition. And, you will be benefiting your customers and the environment at the same time.

Jeff Zackeru displays » the certificate he received for earning the Certified Green Professional designation from NAHB.

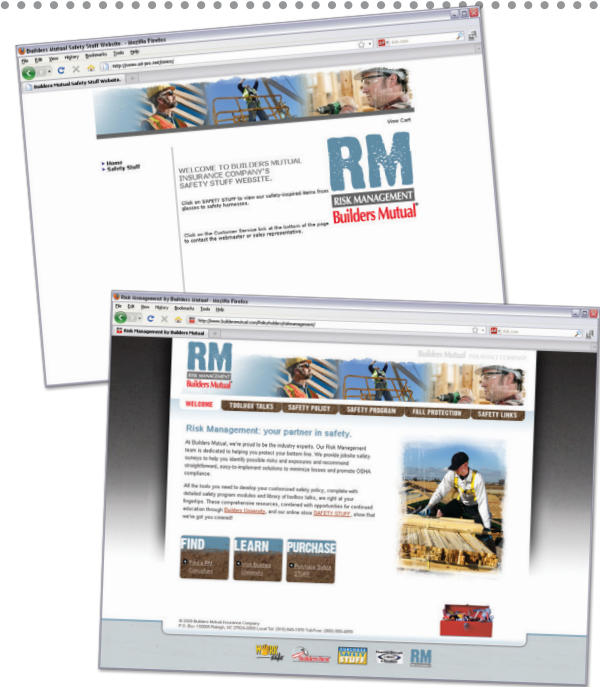


NEW RISK MANAGEMENT RESOURCE

Builders Mutual is pleased to introduce the new Risk Management sub-site! The new site is a comprehensive resource for you and was designed as an extension of buildersmutual.com. It contains a variety of risk management tools that are invaluable to you and your company.

Benefits of the site include:

- An easy to use, tabbed format
- Self explanatory headings and easy navigation
- Revised and updated toolbox talks, safety policy and safety program modules that you can customize to meet your needs
- Downloadable documents with linked table of contents so you can access the information you want quickly and easily
- Links within the site cross reference related information and external web sites
- A complete list of online safety resources for all states
- An updated Safety STUFF site available to order a variety of safety items



We feel the Risk Management site is a resource you will use regularly. Take a few minutes to review the site; go to www.buildersmutual.com/rm and check it out. We think you'll like the new format!

NEW EPA MANDATE AFFECTS THE WAY YOU WORK

Recently, the Environmental Protection Agency (EPA) announced increased compliance for the Lead-Based Paint Renovation, Repair, and Painting Program. The revisions include more stringent requirements and a significant fine for jobsites not in compliance. The revisions are effective April 22, 2010 and apply to contractors, property managers and others who disturb painted surfaces during upgrades or renovation of property (renovation is broadly defined to include most repair, remodeling, and maintenance activities including window replacement).

The program applies to residential houses, apartments and child-occupied facilities built before 1978 and

includes pre-renovation requirements, training, certification and work practice requirements. There are specific guidelines for each type of structure as well as detailed criteria for training, onsite practices and recordkeeping. If a company does not fulfill the requirements, they could be assessed significant fines **per day** by the EPA. For more information on these requirements or to view a list of currently accredited training providers, go to www.epa.gov/lead.

*North Carolina is authorized to administer its own Renovation, Repair and Painting (RRP) program in lieu of the federal program. Go to <http://www.epi.state.nc.us/epi/lead.html> for more details.



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NEW IN THIS ISSUE

SAFETY PAYS

1

Conscientious Efforts Pay Off

Builders Mutual returned a \$1.3 million dividend to policyholders



2

Ready to Go Green?

Become a Certified Green Professional (CGP), benefiting your customers and the environment



2

BMIC Gives Back

Builders Mutual is proud to invest in the education of future members of the building industry



3

New Resource for Risk Management

Check it out at:
buildersmutual.com/rm



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RISKY BUSINESS

FALL PROTECTION SAVING LIVES EVERY DAY!

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Risk Management jobsite visits are intended to provide information to you and your employees that will help you stay as safe as possible. Recently, risk management consultant John Mertz visited JCG, Inc. dba Bear Creek Builders. He made a few recommendations and suggested where they could purchase safety equipment. Soon after, Mr. Goodrum sent us the following testimonial:

“We started a small job replacing siding on three dormers. John called on my son and I and after looking at the job, said in no uncertain terms that we needed fall protection. He told me where I could purchase a harness; I agreed it was a good idea and promised him I would get one. Early the next morning, I went to the lumber store and picked one up. The next day, it was raining and I was working by myself on the back dormer. I took the old siding off and was dismayed at the way the builder had used scrap blueboard insulation and took off the top part of the little gable. I was trying to see if it was insulated so I stepped off the walk board onto the roof, reached up and grabbed the two by four to pull myself up. As I pulled on the two by four, it came loose and I fell backwards hitting the roof. I started to roll when the rope and my ladder (which was tied off very well) caught me. The next day instead of being in the hospital or dead, I was just a little sore. The harness kit now has a permanent place in my truck.”

Stories like Mr. Goodrum’s are an excellent reminder that using fall protection really does prevent major injuries and saves lives. If you’d like to request a jobsite visit for suggestions on how to make your job a little safer, please send an e-mail to info@bmico.com or call 1-800-809-4859, ext. 544.

TOOLBOX SAFETY TALK EYE PROTECTION

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Eye protection prevents serious eye damage, including blindness, caused by hazards such as flying objects (like microscopic dust particles), particles from chipping, grinding, sawing, brushing or hammering, liquids, and hazards like lights and lasers.

There are many operations on construction projects where it is mandatory to wear eye protection, including:

- Cutting construction materials with power tools
 - Using pneumatic and powder-actuated nail guns
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- Use of manual impact tools, such as hammers
- Chipping, sledging and hammering on metal, stone and concrete
- Caulking, brushing and grinding
- Drilling, scaling and scraping
- Gas welding, cutting, brazing, soldering
- Electric arc welding and cutting, and other operations which subject the eyes to flying particles, dust, hot liquids, molten substances, gases, fumes and liquids
- Handling of acids, caustics and creosoted materials
- Handling of hot tar

Depending on the job you are performing, you should wear the appropriate type of eye protection. Today, protection is available for every type of hazard, including safety glasses, safety goggles and face shields.

Visit buildersmutual.com/RM for easy access to toolbox talks and other Risk Management information.

TEST YOUR BMIC KNOWLEDGE!



Have you ever used buildersmutual.com as a resource for your business? The entire site is full of useful information. And now, with the creation of the Risk Management site, it is even more comprehensive and easy to use. So, we would like to present you with a little challenge. Take the quiz below and fax (919-227-0497) or e-mail (info@bmico.com) your answers to us. The first 20 complete responses will receive a free gift from Builders Mutual. Thank you for your participation and good luck!

1. How many links are in the Premium Audit section of the Policyholders tab?
2. Where are Builders University courses being taught in March (only list one location)?
3. Who is the Risk Management Consultant for Maryland?
4. How many Tool Box Talks are there in the Risk Management site?
5. How many items are offered through Safety STUFF?
6. What is the price of a box of Safety Glasses?
7. How many links are located under the Safety Training links section?
8. What is the extension for the Risk Management department on the Quick Reference Phone list?
9. How many Builders University courses do we provide?
10. Name one Builders University course.