



MUTUAL INTERESTS

BUILDERS MUTUAL RETURNS \$1.2 MILLION

Recently, Builders Mutual returned a \$1.2 million dividend to more than 6,400 eligible Workers' Compensation policyholders in Georgia, Maryland, Mississippi, North Carolina, South Carolina, Virginia, Tennessee and Washington, DC.

During 2012, we began to see positive signs of economic recovery. The Standard & Poor's (S&P) 500-stock index rose nearly 14 percent and the unemployment rate fell to 7.7 percent, the lowest point in four years. Inflation and interest rates stayed low, which allowed families to decrease their debt.

By fall, housing starts across the country were up to an annual rate of 900,000 units; the best pace in four years. Housing prices increased and rose at an average of 0.5 percent (according to a Brookings Institution economic index).*

Currently, mortgage rates are extremely low and inventory for housing is reaching a normal – almost low – level. There is more demand than supply, which is helping the homebuilding industry and encouraging the modest recovery we are seeing. While there are still several economic issues to be resolved, we believe that the economy will continue its modest recovery allowing Builders Mutual and our policyholders to grow and prosper. Our policyholders' perseverance and continued focus on safety in their workplaces directly affected our ability to return this dividend.

"We are happy to return \$1.2 million in dividends to policyholders who worked to keep their job sites safe," stated John Boggs, President/CEO. "This amount represents a twenty percent increase in the distribution from the prior year and is comparable to the growth



» *BMIC officers share the \$1.2 million dividend announcement with Board Members from the North Carolina Home Builders Association.*

Builders Mutual experienced in 2012. Builders Mutual's management team makes returning a dividend to our safety-minded policyholders a top priority."

The availability of a dividend is based on Builders Mutual's operating results during a particular period. Builders Mutual cannot predict or guarantee a dividend distribution in any year; however, we have returned a dividend 24 out of 28 eligible years.

**Geewax, Marilyn, 24 December 2012, "The 2012 Economy Brought Glad Tidings to Many."*

<http://www.npr.org/2012/12/24/167198605/the-2012-economy-brought-glad-tidings-to-many>

CELEBRATING 10 YEARS OF BUILDERS UNIVERSITY



Builders Mutual has always been dedicated to providing valuable educational resources to our policyholders, agents and employees. Ten years ago, we decided to combine those resources under one roof called Builders University (BU).

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Since the beginning of the program, our goal has been to translate knowledge into market leadership. In construction companies and agencies alike, professional development, training and education often take second place to the actual needs of the business. Builders University set out to reverse this trend by reinforcing the importance of education and training. The programs offered by BU have become key differentiators that improve the performance of our agents, policyholders and employees. The saying "knowledge is power" may be cliché, but in the construction and insurance worlds it is a reality. The more knowledge you equip yourself with, the more you differentiate yourself from the competition and leverage your expertise. And, that's where Builders University comes in.

Through the years, as Builders Mutual increased its geographic footprint, so has BU. Technology allows us to present agent CBIA (Certified Builders Insurance Agent) classes online, via webcast, which provides the same educational experience to more people at one time. Builders University also creates webinars to address key topics as they arise. More than 300 agents attended our most recent webinar, focused on experience modification changes, in the fall of 2012.

For policyholder courses, we added multiple instructors throughout the BMIC territory, including native Spanish-speakers, to meet the growing needs in our geographic area. In 2008, we began offering Fall Protection in Spanish and have educated more than 430 attendees;

the OSHA 10-hour course in Spanish was first offered in 2010 and more than 100 people have attended thus far.

When fall protection standards changed in 2011, Builders University created a specific fall protection training module to review and explain the updates. Our instructors' extensive knowledge of the construction industry allows them to easily create and tailor courses to meet the needs of policyholders depending on market and industry trends.

According to Michele Hemric, director of training and development at Builders Mutual, "The investment we make in Builders University shows how important training is to our core values. Along with educating our policyholders and agents, we provide a full curriculum for our employees each year. In fact, employees spent over 1,300 hours in Builders University classes in 2012. Our internal focus remains the same, raise the bar for customer service skills and build expertise through insurance designations."

At Builders Mutual, we look forward to celebrating the 10th Anniversary of Builders University. We will continue to utilize the knowledge of our Builders University instructors to highlight top trends in the construction and insurance industries through classes and publications this year and in the years to come.

Builders Mutual, through Builders University, continues to make quality training and education events for our policyholders, agents and employees a top priority.

INTERNATIONAL BUILDERS' SHOW RETURNS TO THE CITY OF LIGHTS

Viva, Las Vegas! This year, the International Builders' Show (IBS) returned to Vegas. Many battled time zone differences and made the trek to Las Vegas, Nevada for the 2013 show. And, neither the show nor the city disappointed.

Michael Eisner, former CEO of Disney, presented the key note address at the opening ceremonies on January 22 and then IBS began. More than 900 vendors filled the Las Vegas Convention Center and Outdoor Exhibit area and more than 100 educational sessions were offered.

For the third year in a row, Builders Mutual was honored to sponsor the NAHB/BMIC Safety Awards for Excellence during the International Builders' Show. The awards, held on January 21, honor HBA members, associations and officials from across the country who make safety a priority. Congratulations to Essex Homes from Columbia, SC and Vance Johnson Plumbing from Fayetteville, NC who received SAFE Awards in the categories of Single Family Builder Safety Program of the Year: Greater than 100 but less than 500 home starts per year and Specialty Trade Contractor Safety Program of the Year (more than 50 employees) respectively.

If you've never attended IBS, it's an experience you won't forget. Make plans and mark your calendars now to attend the International Builders' Show next year – February 4-6, 2014 – in Las Vegas!



LET BMIC HELP YOU PREPARE FOR YOUR AUDIT!

To help you better prepare for your audit, new instructions on how to download QuickBooks™ reports are available on our audit site. These documents will help with records organization within your business and give you the tools you need to help make your audit easier and more streamlined.

- **Creating QuickBooks Reports for Your Workers' Compensation & General Liability Audits:** Create reports such as payroll, vendors and subcontractors. Once created, you can compare the listing against your certificates of liability to determine if you need to request certificates.
- **Setting Up Subcontractor Tracking in QuickBooks:** Set up custom areas in the vendor information that allow you to input the expiration dates and other relevant information for your subcontractors.
- **Tracking Subcontractors and Certificates in QuickBooks:** File certificates in a way that is quick and easy to review. Create a contact list with subcontractor certificate expirations, agent information, etc.



Take a few minutes to review these resources on our Audit micro-site, simply go to buildersmutual.com/audit.

**Please note these instructions were created using QuickBooks Pro version 2012. Most of these instructions apply to any version of QuickBooks, however, some steps and button names may vary.*



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SEPT. 17-19, 2013

**CHARLOTTE
CONVENTION
CENTER**

SAVE THE DATE

The **Eleventh Annual 21st Century Building Expo and Conference** is right around the corner. The expo features the latest products for the home building industry, while the educational conference offers more than 50 courses and seminars on the latest trends, topics and building techniques available.

Save the date and plan to attend the Southeast's largest residential building tradeshow!

Date: September 17-19, 2013

Location: Charlotte Convention Center, Charlotte, NC

For more information, go to www.21buildingexpo.com; registration opens in May!



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RISKY BUSINESS

TOOLBOX TALK PORTABLE ELECTRIC TOOLS

Each year many workers on construction sites suffer electric shock using portable electrical tools and equipment.

The nature of the injuries, including those caused by ground faults, ranges from

minor injuries to serious secondary injuries. A secondary injury occurs when a worker recoils from an electric shock and, as a result, sustains an injury. Depending on the surrounding conditions, such an accident can result in a bruise, a broken bone or a fatal fall.



METHODS OF PROTECTION

One method of protection against injury caused by an electrical fault is the use of an equipment grounding conductor commonly known as the third – or green – wire. This equipment grounding conductor grounds the exposed, noncurrent-carrying metal parts of tools or equipment and carries off the leakage and fault currents, thus limiting the voltage on the tool frame by providing a low resistance path to ground.

Another method of protection is the utilization of a ground-fault circuit interrupter (GFCI). GFCI protection is required for ALL jobsite electrical outlets, including outlets at existing homes and businesses. This device continually monitors the current and conductors. If the leakage current to ground (either through the equipment grounding conductor or through a person) exceeds the trip level, the circuit is interrupted quickly enough to prevent electrocution.

TIPS TO REMEMBER

- Before using any portable electrical power tool, inspect the plug, cord, on-off switch and housing. Look for cracked, broken or frayed insulation, exposed wires or connections and any evidence of damage in general.



- Properly tag damaged tools and turn in for repairs. Do not use.
- Inspect extension cords and the GFCI protected outlets you plug into. Look for evidence of damage and exposed conductors.
- Check the outlet, extension cord, tool and work area to determine if they are clean and dry.
- Ensure grinders, saws and similar equipment are provided with appropriate safety guards.
- Ensure power tools are used with the correct shield, guard or attachment.
- Ensure all cord-connected, electrically operated equipment is effectively grounded or of the approved double insulated type.
- Ensure effective guards are over belts, pulleys, chains, sprockets, pinch points and points of operation.
- Ensure ground-fault circuit interrupters are provided on all temporary electrical 15 and 20 ampere circuits.
- Check pneumatic and hydraulic hoses on power-operated tools for deterioration.
- Ensure the work rest is adjusted to within 1/8 inch to the wheel and the tongue is adjusted to within 1/4 inch to the wheel on abrasive wheel grinders.
- Ensure side guards cover the spindle, nut, flange and 75 percent of the wheel diameter on abrasive wheel grinders.
- Ensure the maximum RPM rating of each abrasive wheel is compatible with the RPM rating of the grinder motor.
- Ensure new abrasive wheels are visually inspected and ring-tested before use.
- Ensure appropriate safety glasses, face shields, etc. are used while using hand or powered tools or equipment that might produce flying materials or is subject to breakage.