

PestSure News

INSURING THE FUTURE OF PEST CONTROL

1st Quarter 2008

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New TPA for Workers' Compensation

Effective 1-1-08, Sedgwick CMS will be handling PestSure Workers' Compensation claims. Any WC claim reported after 1-1-08, regardless of accident date, should be reported to Sedgwick CMS. (For Example: Accident occurred 10/1/07 but wasn't reported to you until after 1/1/08. Claim should be reported to Sedgwick CMS.)

Formal announcement was made at our September Loss Prevention Meeting in Las Vegas. For those that did not attend, please make note that as of 1-1-08 the reporting number for WC claims will change to the Sedgwick Call Center at 1-866-566-1858. This is for WC only. Auto Liability and General Liability claims reporting/handling will not change.

On December 21, via e-mail or regular mail, Lisa Trefny sent specific claim handling information providing you with our designated claim adjuster and their contact information. Please advise Lisa if you have not received. Lisa_Trefny@ajg.com, 1-800-326-6203.

We are now in the process of transferring the historical data to the new TPA. When this is completed, we will transfer remaining lost time files from Crawford/Broadspire and Gallagher to Sedgwick. Target date for transfer is March 08. We will send a broadcast advising you when transfer has been completed.

Life in the Fast Lane

Are you tired of slow drivers blocking the fast lane? Do you believe it is the slow driver in the fast lane, not the aggressive driver, who is the real menace to society?

Perhaps no other aspect of road travel is so laden with myth as "the fast lane." The truth is, life in the fast lane can be deadly unless everyone knows the rules. So here's the scoop:

The posted speed limit is a law that applies to all lanes. Thus, technically speaking, there is no fast lane or slow lane. Slower traffic generally is expected to keep right, but only emergency vehicles are permitted to exceed the posted speed limit and only when their lights and sirens are operating.

Speed surveys indicate that the majority of drivers are exceeding the posted speed limit. The "slow driver" in your way may, in fact, be obeying the speed limit. Check your speedometer. [Cont'd Pg. 2](#)

Contact Us

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Additions to PestSure Staff!

Since the move to Gallagher, we have added several new people to our staff. Please join us in welcoming:

Josh Shorter

Josh is an Assistant Account Manager. He comes to us as a recent graduate of Texas A & M University, with a degree in History. Josh works closely with the Account Managers and the certificate team. He replaces the position previously held by Anna Burks, who did not come with us from Lockton. Josh enjoys playing and watching sports.

Liz Bourquin

Liz is also an Assistant Account Manager. She comes to us with experience in customer service and client support. Liz works with the Account Managers and certificate team. Liz replaces Elizabeth Gibbons, who transferred to a position within another unit at Lockton. Liz is recently married and she and her husband enjoy playing their extensive video game collection.

Mary Carver

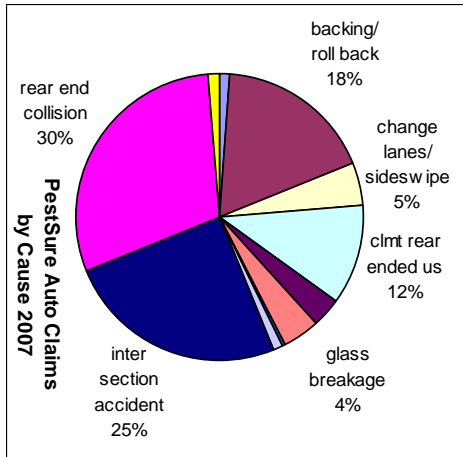
Mary is the new Loss Prevention assistant. She works closely with Linda Midyett, our Loss Prevention Manager. Mary is working very hard to get all the loss control activities up to date, while Linda is out in the field. Mary has a lot of experience in a professional environment, having recently come from an accounting position. Mary spends her free time with her two grandgirls, Madison and Elizabeth.

Maria Maldonado

Maria is a certificate specialist. She is getting up to speed on the processing of the certificates, but is already aware of their importance. She will eventually be handling the accounts previously maintained by Tony Barber. Maria's previous experience makes her a perfect addition to our team – she used to work in an emergency room! Maria's hobbies include playing sports and spending time with her family.

You may reach all of our team members at our toll free number: 800-326-6203, or directly at:

Josh Shorter	972-663-6144	josh_shorter@ajg.com
Liz Bourquin	972-663-6133	liz_bourquin@ajg.com
Mary Carver	972-663-6149	mary_carver@ajg.com
Maria Maldonado	972-663-6129	maria_maldonado@ajg.com



Does your training target your loss causes?

If you are driving the speed limit and the vehicle in front of you is driving the speed limit, there is no need to pass.

Life in the Fast Lane - continued

Your speed even when passing should not exceed the posted speed limit. If you are driving the speed limit, and the vehicle in front of you is driving the speed limit, there is no need to pass.

Generally speaking, it is safest to stay out of the left lane except when passing. Twenty states have laws that reserve the left lane for passing, although states vary as to the types of roads and vehicles for which the restriction applies. Thirty states and the District of Columbia have no such law. Do you know the law in your state?

U.S. Department of Transportation DOT HS 808 670 February 1998 May be reproduced. (2/98)

Safety Training: It's No Accident

How is your safety training plan for 2008 shaping up? We create formalized plans for almost every facet of our business. You begin your year knowing your target for new business, client attrition, marketing, hiring, and many other things. Does your loss prevention and safety activity deserve the same type of planning?

Without a specific plan to target loss areas and to focus training efforts, the resources you expend for employee training can be excessive and ineffective. Without a plan, safety and loss prevention simply gets bypassed for other, more urgent matters and before you realize it, half the year is gone, you are in the height of your busy season, and you've not spent much time at all on safety training.

In the pest control business, you need a "Fast and Frequent" safety training plan. You need to utilize your existing meeting structure, and devote at least 15 minutes each and every week on a specified safety training activity. PestSure provides you with several resources for your "Fast and Frequent" safety meetings.

You simply outline your monthly topics for the entire year. Your monthly topics should be determined by looking at your loss causes over past years. Once your monthly topics are chosen, you assign a 15 minute meeting on one aspect of that topic each week of that month. Your plan should look something like this.

Nothing elaborate, just something that reminds you to spend at least 15 targeted minutes a week on safety. Posting this plan for your entire team will keep you committed to working the plan throughout the year.

Month Focus	Week 1 Activity	Week 2 Activity	Week 3 Activity	Week 4 Activity
January Slip,trip,fall	Job site preview demonstration	Review of common hazards	Recent accident review	Our new process a summary
February Rear end collisions	SAFE- Adjust to what you see module	PestSure Safety Tip # ___ And Tip # ___	Residential driving module on www.pestsure.com	SAFE – Escape with a plan module
March Ladders	Safe ladder use handout	Ladder setup clinic	PestSure Safety Tip # ___ and # ___	Ladder safety quiz
April Causes of Accidents	Complacency module	Distraction module	Unfamiliarity module	Hurry module

Example of a simple partial year safety training plan for pest control technicians

New Underwriting Procedures

PestSure has recently undergone a revamping of underwriting procedures by Munich American Re, our reinsurance carrier. Munich pays all losses in excess of PestSure's retention, and they have created new underwriting guidelines to try to control our loss ratios.

The following are some of the changes you will see:

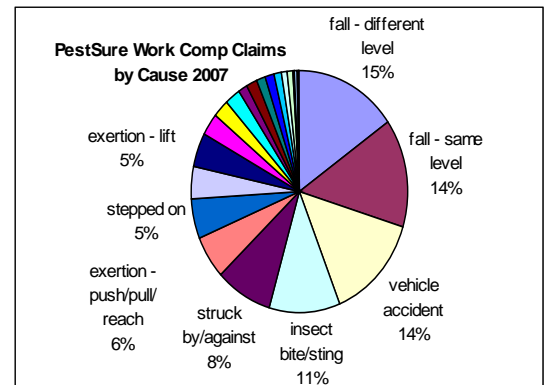
- Changes to the renewal questionnaire include more questions that require detailed answers. It is imperative that you leave nothing blank on the questionnaire. Some examples of the required information changes:
 - Provide a complete and detailed description of operations. We want to know everything you are doing, from general pest control to wildlife eradication to aquatic weed control.
 - If you have multiple named insureds, provide a description of their relationship to the first named insured.
 - Describe any ancillary or operations that are not associated with pest control. This will help isolate exposures other than pest control.

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New Underwriting Procedures - continued

- o List the chemicals that you use. This list should include the most common chemicals used and list by application.
- o Provide maximum height and depth exposure. Munich will be looking for a Fall Protection Program.
- o List personal protective equipment utilized by technicians. For example: safety glasses, masks, gloves, boots, etc.
- o Provide the percentage of annual employee turnover. Munich will be looking for a low percentage of turnover. The longer the technician is with you and PestSure, the more safety and loss prevention training they will receive.
- o It is imperative to return the renewal questionnaire to your Account Manager in a timely manner. This will allow us ample time to review and analyze the questionnaire for exposure changes, and will allow you time to properly review your renewal quotes.

It is the goal of both PestSure and Munich to implement these procedures in a joint effort to better understand the exposures we are insuring and improve our loss ratios. Any questions regarding the new procedures should be directed to your Account Manager.



If putting a driver in our vehicle and sending him out onto the roadway is our biggest exposure, it makes sense that we hire only the very best drivers and thus minimize our risk.

Our new underwriting criterion for driver motor vehicle records is posted here. Your MVR audit will now take place in conjunction with your auto policy renewal.

New Underwriting –Motor Vehicle Reports

- A **preferred MVR** is one with no moving violations of any kind or at fault accidents in the past 3 years.
- An **acceptable MVR** is up to 2 major infractions which would include any combination of 2 major moving violations or 1 at fault accident and 1 major moving violation or 1 at fault accident and 2 minor moving violations in the past 3 years.
- A **borderline MVR** is up to 3 major infractions which would include any combination of 3 major moving violations, or 2 at fault accidents and 1 major moving violation or 2 at fault accidents and 2 minor moving violations or 1 at fault accident and 2 major moving in the past 3 years.
- An **unacceptable MVR** reflects 3 or more at fault accidents or more than 3 major moving violations or more than 4 minor moving violations in the past 3 years.

Major Moving Violation – Speeding in excess of 10 MPH over limit, failure to stop for signal or sign including railroad crossings, careless driving.

Minor Moving Violation – Any moving violation other than a major moving violation (speeding under 10 MPH, failure to yield).

If any of the following unacceptable infractions appear on an MVR in the last 3 years, the driver will be deemed ineligible for the Program:

Unacceptable MVR Infractions

- Driving under the influence of alcohol or drugs
- Refusal to submit to an alcohol or drug test
- Hit and Run
- Failure to report an accident
- Reckless driving
- Speed contest
- Operating a motor vehicle during license suspension/revocation
- Negligent homicide arising out of the use of a motor vehicle
- Using a motor vehicle for the commission of a felony
- Operating a motor vehicle without the owners authority