

*Risk Control
Industry Guide Series*

Landscape, Lawn Care, and Plant Nursery Industry



This study reflects on information derived from insurance claims. These claims form a database that can be analyzed to determine the many and varied causes of loss. CNA Risk Control presents this study of specific CNA claims and industry trends. We begin with a review of exposures inherent to the landscape, lawn care and plant nursery industry and conclude with suggested practices to manage these risks.

Landscape, Lawn Care and Plant Nursery Industry Defined

The purpose of this study is to improve profitability for professional landscare contractors which includes lawn care professionals, exterior lawn and landscape maintenance, landscape installation/design/build professionals, lawn sprinkler installation/maintenance and interior plantscapers. Classes of business written by CNA include:

- Arborists
- Interior landscape contractors / plantscaping
- Landscape contractors
- Lawncare services
- Nurserymen
- Utility line maintenance contractors

Professional Landcare Network (PLANET) is an international association serving lawncare professionals, exterior maintenance contractors, landscape installation/design/build professionals, and interior plantscapers. PLANET's goal is to provide members with solid business information to help evaluate, plan, and better manage their businesses. Member firms have direct access to marketing tools, industry specific business publications, updates on legislative issues, and networking opportunities that can assist in growing their businesses and becoming more profitable. PLANET develops and maintains programs for approximately 4,300 member firms in the areas of business management, government affairs, public relations, technical assistance, safety, insurance, and education. PLANET has endorsed CNA's insurance program since 1983.

Landscape, Lawncare and Plant Nursery: An Analysis of Loss Exposures in the Landscape, Lawncare and Plant Nursery Industry

Accident Years 2004 thru 2007; Total Incurred Claim Count and Dollars Valued at 18 months

Coverage	Count %	Incurred Loss %
Auto	46%	37%
GL	13%	11%
Prop	5%	5%
WC	36%	48%

Solution(s):

This industry is unique in that there are a large portion of small companies who perform seasonal work and have a constant employee turnover due to the seasonal nature of their work. This is an ever present challenge for large groups of this industry, managing the workforce issues that impact work quality, scheduling of work and safety performance.

Analysis of Loss Exposures (and recommended Management Controls)

Green industry professional contractors encounter many loss exposures. These include employee injury, vehicle accidents, utility contact, liability claims from many areas (traffic control, pedestrians and equipment). Claim activity for your industry has been collected (by CNA for the years 2004 through 2007 and analyzed to identify trends). These trends or loss areas will be listed below by line of coverage.

Workers' Compensation Claims

By Type of Incident Causing the Injury, Shown as a Percentage of Total Claims

Incident Type	Percent of Total Claims
Struck By	15%
Manual Material Handling	12%
Slips/Trips/Falls	10%

Shown as a Percentage of Total Claim Dollars

Incident Type	Percent of Total Claim Dollars
Vehicle Accidents	13%
Manual Material Handling	11%
Slips/Trips/Falls	9%

The data indicates that worker injuries are most likely caused by slips/trips/falls, manual handling, falls from height and struck by incidents. Those same claim types represent the highest severity of claims (cost in terms of claim dollars paid), with struck by incidents being the highest in claim dollars paid as well as the most frequent claims. It should be noted that vehicle accidents account for 17% of frequency; however, ranked first in severity.

Manual Handling (and how it contributes to many accident types)

Claims related to manual handling include strains, hernia rupture, sprains to the lower back, shoulders and knees that were mainly associated with using/moving machinery, materials and equipment. Note: for clarification of overexertion type injuries, a strain is the result of a muscle or tendon injury, whereas a sprain is a result of a ligament injury.

Many of the manual material handling overexertion injuries are the result of employees bending, lifting and reaching throughout the day due to their work, materials and equipment being positioned on the ground. The average employee who bends 100 times a day, working 250 days a year will bend 25,000 times annually, exacerbating the risk factor and increasing the probability of developing low back pain. The same factors can also contribute to slips and falls. Fatigue, handling and inefficient movement further enhances the potential for a slip or trip on an already challenging walking surface.

Struck by incidents are the most common and, the most difficult to control due to the unique circumstances of job sites and their locations. Providing well thought out job site work plans and more importantly employee awareness training are crucial in protecting employees from injuries suffered by thrown debris or moving equipment.

Management Controls

Manual handling, struck by and slip/trip/fall injuries can be addressed through the development and implementation of CNA's Motion is Money process. By examining material staging, work positioning, work flow and work method techniques of the employees you will be able to develop business solutions and make changes that will reduce or eliminate the exposures. Evaluating these activities through the application of human factors, lean and engineering methodologies to

identify and analyze non-value added task elements such as walking, bending, reaching, and twisting is critical to achieving a reduction in risk, improvement in productivity and enhancement in quality.

CNA offers construction specialists who can assist in the development and implementation of a comprehensive safety program involving the Motion is Money process and other safety processes to address the workers' compensation exposures discussed in this guide.

In addition, we offer the Motion is Money booklet for superintendents and foremen to conduct observations and measures on the job site to better understand where productivity improvements can be made.

Auto Claims

By Type of Incident Causing the Injury, Shown as a Percentage of Total Claims

Incident Type	Percent of Total Claims
Rear Ended Other Vehicle	17%
Failure to Yield	8%

Shown as a Percentage of Total Claim Dollars

Incident Type	Percent of Total Claim Dollars
Rear Ended Other Vehicle	20%
Failure to Yield	12%

Analysis of auto claims data revealed that rear ended other vehicle had the highest number of claims and the highest severity.

Driver inattentiveness and the lack of concentration are the primary factors in rear ends, failure to yield and the vehicle leaving the road accidents. Other factors are aggressive driving, time management, and route planning.

Rear-end Other Vehicle

Rear-end type accidents occur when our drivers follow too close for conditions, i.e., when the driver was distracted or speeding. Drivers are also distracted by situations outside of the vehicle and inside the vehicle. Companies must help control distractions inside the vehicle and make drivers aware of maintaining adequate distance from the vehicle ahead of them.

Management Controls

The fleet safety process should be approached from the perspective of evaluating and managing in-cab behaviors such as eating, drinking, and smoking while driving. In addition, vehicles and trailers should be evaluated for their ease of access and ability to raise and lower trailers.

Fleet safety is an essential part of any business' safety program. Companies have exposure to auto claims whether they own their vehicles or reimburse employees to drive personal vehicles on company business. A written, comprehensive fleet process includes Motor Vehicle Reports/Records (MVR) criteria, a point system for evaluating driver violations, driver orientation and drug testing of employees and maintenance tracking of company owned vehicles.

Contractors have a unique situation where they complete heavy physical work throughout the day resulting in fatigue (both mental and physical) that can affect their reaction time while driving. Management must have an understanding of this issue and educate their employees as well as develop and implement in-cab behavior guidelines to address the mental and physical fatigue levels. Green industry professional contractors must begin to explore beyond the traditional vehicle education and training methods and expand into understanding and incorporating human factors methodologies into their fleet. As a result, CNA offers a fleet institute for contractors to address the issues and exposures presented in this study.

In addition, CNA has fleet and ergonomic specialists who can assist in the development and implementation of a comprehensive fleet process.

CNA offers resources to aid in the implementation of a fleet safety program, including guides and bulletins on managing fleet safety, accident prevention and driver safety awareness.

Furthermore, to meet the needs of our insureds, CNA has customized fleet courses that are instructor led or Webinar based for addressing your fleet issues.

General Liability Claims

By Type of Incident Causing the Loss, Shown as a Percentage of Total Claims

Incident Type	Percent of Total Claims
Struck By Object	18%
Slips/Trips/Falls	7%

Shown as a Percentage of Total Claim Dollars

Incident Type	Percent of Total Claim Dollars
Struck By Object	11%
Slips/Trips/Falls	9%

Landscape maintenance and installation contribute to the struck by object claims, mowers, blowers and weed trimmers tend to throw debris causing property damage and personal injury to bystanders. Slips/trips/falls come from more than one source, during landscape operations materials such as decorative rock and mulch can spill during transport or be laying around sidewalks and walkways during the installation process creating a hazard. Another source of slips/trips/falls is in northern states where snow maintenance is part of the business model. Claims arise from improper snow maintenance or lack of understanding when signing contracts that may implicate the contractor is responsible for more than they can or intended to provide.

Management Controls

A formal, written quality control program should be established that covers, but not limited to, employee work practices, chemical application procedures, installation processes that comply with manufacturing instructions, plant/tree installation and care, and equipment control. Employees should be trained on what the program is and how it should be applied. The program should be designed to follow the flow of work. You should start with a thorough review of all plans and specifications to ensure all potential exposures are addressed to your satisfaction. Be careful when hiring seasonal workers or contractors for sporadic work such as snow removal. Make sure your company insurance and quality requirements are understood.

Impacting Profitability

No matter your specialty or “*niche*” you must also be in the *Business of Safety and Risk Management*.

Safety and risk management are key elements that can greatly impact the profitability of your operation. Poor management of these elements can lead to an increase in incidents and accidents that increase results in higher costs/losses for you. In order to better understand the negative effect on you, let us break-down some (not all) of these specific effects on profitability:

- Direct and indirect cost of the accident or incident – The hard or tangible costs resulting from the occurrence are the direct costs (i.e., treatment or repair costs, etc.) and they are fairly easy to track but the big cost can result from those indirect costs (i.e., lost time of supervisor and crew around the scene, dropped tools, contract delays, etc.) that can run between 4 to 10 times that of the direct costs.
- Regulatory fines – Regulatory agencies can and will issue citations and fines for any deficiencies in safety and risk management practices that have governing standards.
- Increases in the frequency of incidents or accidents lead to a potential increase in severity. This increase in frequency and severity can lead to an increase in your Experience Modifier Rate (EMR). This rate is a complex derivation from your actual loss data. Every business starts with an EMR of 1. Good experience (low claim activity) will result in an EMR less than 1. Poor experience (high claim activity) will result in an EMR higher than 1. Insurance rates start at an established point and then are basically multiplied by the EMR. You can see that a low EMR lowers the rate and a high EMR raises the rate. This alone can effect how you compete in the bidding process. There are some owners or contract holders that will not allow anyone to bid at all if they do not have an EMR that is 1 or lower.
- Recovery of loss costs is another area impacting profitability. Everyone should know their company’s profit margin. You can use that factor to find out how much new business must be generated to cover the cost of the loss. For example: A company operating with a profit margin of 5% would have to generate \$20,000 worth of new business to recover \$1,000 lost in an incident or accident. If that same company’s profit margin was 1% they would need to generate \$100,000 in new business to recover the same \$1,000.

Losses and Insurance Coverage

Accidents and incidents can be broken down or categorized by insurance coverage. When a direct employee of your company makes a claim it will likely be addressed through the workers’ compensation coverage. When an owner, neighboring dwelling, subcontractor, the public or other non-employee makes a claim it is typically addressed through the general liability coverage. When one of your employees is driving on your behalf, a claim made for your vehicle or for another persons’ vehicle or property would be addressed through the auto coverage. There will be potential for “overlapping” at times. An employee of yours who is driving on the company’s behalf has a vehicle accident and is injured may result in a workers’ compensation claim for injury and an auto claim for damage to vehicle. As I stated earlier, we will not go into every possible combination of coverage. The last example was simply given to represent that a single incident can impact more than one coverage. As you will see this is relevant to this industry, in the claim study this scenario plays out with vehicle claims rising to the in terms of workers’ compensation severity or dollars spent.

School of Risk Control Excellence

Courses applicable for the Landscape Lawn Care and Plant Nursery:

- Controlling Equipment Theft** – Identifies ways to control equipment theft and mitigate the associated risks
- Drug and Alcohol Prevention** – Identifies ways to properly manage the work risks and legal issues of drug screening with pre-employment, post-accident, reasonable suspicion and random testing
- Landscape, Lawn Care, and Plant Nursery Boot Camp** – Addresses industry loss drivers from a safety and industrial practice viewpoint
- Lower Back Pain and Manual Material Handling** – Covers symptoms, characteristics and risk factors that contribute to the development of lower back pain
- OSHA 10-Hour for Construction** – Provides training on construction safety, health and emphasizes hazard identification, avoidance, control and prevention
- Risk Transfer** – Addresses the importance of developing a risk transfer strategy and gives practical guidelines for establishing a risk transfer program

To find out more about these classes, go to: www.cna.com/riskcontrol

Resources

- PLANET's Safety Recognition Awards Program Sponsored by CNA**
Designed to reward green industry professionals who consistently demonstrate their commitment to safety, and reflects the dedication of these individuals and their companies to creating and maintaining safe work environments. [Learn more about PLANET's Safety Recognition Awards Program.](#)
- STARS Safe Company Program**
The **STARS** Safe Company Program (**S**afety **T**raining **A**chieves **R**emarkable **S**uccess) is a free safety initiative designed for companies to set the precedent for safety throughout the industry. The STARS program helps green industry service provider companies lower their total costs of risk by reducing hazards and injuries. With this initiative, PLANET works to connect all green industry companies in an effort to lessen the risks associated with the green industry. [Learn more about STARS.](#)
- OSHA Safety Programs and Partnerships**
PLANET proudly announces its renewed alliance with OSHA, furthering our efforts to connect green industry businesses with valuable resources for the promotion of safety throughout the industry. [Click here](#) for more information on the April 6, 2006 announcement. [Learn more about the OSHA Alliance.](#)
- The OSHA Challenge**
OSHA Challenge offers businesses and public sector organizations an opportunity to develop or improve their safety and health management system in a non-threatening, proactive manner. A step-by-step roadmap based on the successful Voluntary Protection Programs (VPP) model guides participants through the Challenge's three stages. [Take the OSHA Challenge!](#)
- OSHA and the Tree Care Industry Association - Safety for Tree Care Companies**
This handy online resource was developed by OSHA and the Tree Care Industry Association (TCIA). It explains safety standards that apply to the industry, how to recognize potential hazards, and topics that should be included in a safety and health program. It also provides additional information on related topics. To access OSHA's and TCIA's tree care safety resources, [click here.](#)

Additional Resources from PLANET

- Safety CD Sponsored by CNA and STIHL**
Preventing Pain & Injury in the Green Industry - Simple Safety Policies and Training Plans CD
- Safety Materials** - click [here](#)
- Safety Publications** - click [here](#)

To learn more about how CNA Risk Control can work with you to help you mitigate risks, please speak with your local independent agent, call us toll-free at 866-262-0540, or view our Risk Control tools online at www.cna.com/riskcontrol.

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