



Wood Pellet Conference OSHA/Insurance | July 28, 2014

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USI Energy

- USI energy group has decades of experience creating insurance solutions for difficult or complex situations for companies.
- Dedicated energy group that specialize in energy and energy related companies including wood products and alternative energy
- 9th largest broker of US business
- 13th largest broker in the world
- Strong in consulting and placing health insurance for clients
- **Understand Service Innovate**



Why I am here Today

- OSHA Inspection Overview
- **WHY NOW?**
- OSHA has put an increased emphasis on industries where there is a risk from combustible dust. “Combustible Dust National Emphasis Program”
- Increase in OSHA violations deemed “serious”, up to \$7,000/day
- Decrease in willingness to negotiate penalties
- Insurance Concerns
- **WHY NOW?**
- Large losses have led to a decrease in carriers willing to *meaningfully* insure pellet operations
- Property and business interruption policies have had increase in premiums and decrease in coverage



OSHA Inspection 101

- Oz of prevention worth a pound of cure;
- Designated OSHA point person in case of inspection
- Have all records in office *and* shop
- 300 logs
- MSDS sheets
- Safety handbook (we can provide guidance)
- Other documents, dust sampling

Pre-Inspection

Conference with your point person.

Opportunity to make a good impression

Inspection

General and Industry
Specific regulations

Post Inspection

Sit back down and review findings

Have the ability to negotiate classification and amount of penalties

Insurance

- **Problem**
- Wood Pellet industry has a relatively small amount of actuarial data to base rates on with little underwriting expertise
- Carriers have suffered some large property losses especially due to fire/explosions
- Riskiest areas are seen to be in dryers and hammer milling equipment

Solutions

- Developing a knowledge base in the industry that we can use to help educate underwriters
- Loss control services that can increase the safety of your plants and help reduce premium costs
- Help advise companies

