

risk management MATTERS

A Risk Management Newsletter for NTCA Members

All I Need To Know About Life Learned From A Snowman

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It's okay if you're not in perfect shape.
We're all unique and one-of-a-kind.
Hold your ground, even when the heat is on.
Wearing white is always appropriate.
Winter is the best of the four seasons.
There's nothing better than a foul weather friend.
We're all made up of mostly water.
You know you've made it when they write a song about you.
Accessorize! Accessorize! Accessorize!
Avoid yellow snow.
Don't get too much sun.
It's fun to hang out in your front yard.
Always put your best foot forward.
There's no stopping you once you're on a roll.
The key to life is to be a jolly, happy soul.



Presidential Matters

By Peter J. Elliott, CPCU

2013 has been a great year for the Telcom Insurance Group. So good, that I will be sad to see it end. It has also been a busy year but instead of being tired, I have more energy than ever. Part of the reason for this, is that I recognize that my role is to help people and that I can make a difference. I get to come to work each day and assist insureds, many that have become friends, and make sure they are protected and when I reflect on things this way it feels good. As the days on the calendar continue to pass by, often in what feels like a speeding blur, I am grateful for all the good things that happened this year, and I am looking forward to the Holiday season. The end of the year means it is that time when you receive the Telcom Insurance Group's traditional Holiday Issue of *Risk Management Matters*. This issue allows us a chance to share reflections on the year, normal safety tips, and also some fun items that reflect the fun of the season. I hope you enjoy this edition!

As I reflect on 2013, I am very positive about what the Telcom Insurance Group has accomplished and where we are headed. With three quarters of the year accounted for, the operation is on track for potentially its best year-end financial results and profitability. This is being driven by fantastic new business writings and very positive claims experience. Our Captive insurance program, the NTCA Insurance Program, continues to be the lead in growing the customer base but as a solutions provider we also work with eight additional insurance markets to make sure we are capable of getting the best coverage and price for any member that wants to personalize their coverage through the Telcom Insurance Group. In October, we invested with forty telecommunications companies and purchased an insurance company, which we will manage on behalf of the Shareholders, to further our Company's ability to always be in position to offer Coverage and Premium solutions. All of these things are positive developments in the present and allow me to

very optimistic about the future.

Insurance is different, in many respects, than other businesses. One specific way is in the fact that it includes selling promises versus a tangible product or service. There is a belief you must earn trust in order to be chosen to protect a business. At Telcom Insurance Group, the philosophy is trust is earned by being there before, during, and after claims occur. There isn't a matter of cost, time, or anything else that deters us from being there whenever needed. At the core of the belief is a simple base "do the right thing" and focus on treating people the way you would want to be treated. Keeping to these basic principles has led to a great deal of success, satisfaction, and it supplies energy to keep going.

You have responded to this approach and given credibility to our beliefs, and in 2013 we enjoyed a remarkable retention of 99% of prior year Policyholders. Also, there was an additional 27 NTCA members who joined as new customers because they appreciate what we offer. The more than 330 NTCA members that are part of our insurance program have affirmed our belief that an insurer, built on earning the trust of people by focusing on the human element and doing the right thing, could succeed in an industry where the decision of where to place coverage is too often driven by cost only.

Trust and success are not earned overnight. The legacy that we have developed, which has developed over 31 years, is based on consistency. One major factor that allows for this consistency is the same ownership, NTCA Members and the Association, since our inception in 1982. There are 39 member telecommunications companies of the NTCA, as well as NTCA, that owns the Company. Another influence has been maintaining an all encompassing approach of insuring all lines-of-business in all states



I am very positive about what the Telcom Insurance Group has accomplished and where we are headed.

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Underwriting Matters

By Susan L. Flanders, AU, CISR

Network Security Data Liability

Despite all the security technologies in place, attackers will find a way to penetrate and access systems containing sensitive data. Already in 2013, several major corporations have been the victims of data breaches. This proves that no organization is immune from an attack. Here are some prominent examples:

Twitter Breach

The Company announced a data breach in February that exposed the usernames, email addresses and encrypted passwords of 250,000 users. They believe the attack was not the work of amateurs, and they do not believe it was an isolated incident.

New York Times Breach

The attackers used 45 pieces of custom malware and accessed the computers of 53 Times employees. Once inside, the attackers moved to a domain controller containing the database of passwords of every Times employee.

Washington State Court System Breach

As many as 160,000 Social Security numbers were exposed after hackers infiltrated the website of the Washington State Administrative Office of the Courts (AOC). The breach included 1 million driver's license numbers.

Department of Homeland Security Breach

Third-party software used to process background checks on Department of Homeland Security employees contained a vulnerability that exposed names, Social Security Numbers, and dates of birth of potentially thousands of employees.

How can you protect your organization from potential security breaches?

A data breach is a security incident that exposes sensitive information of your customers/members including: unauthorized access, theft of your data, computer viruses, denial of service. Network security insurance is designed to cover the potential liability losses by electronic theft or sabotage. Some of the critical coverages found in a Network Security/Data Liability policy may include:

Website Publishing: Exposures related to infringement of copyright, trademark, defamation or violation of a person's right to privacy and misstatement or misleading statement by the insured.

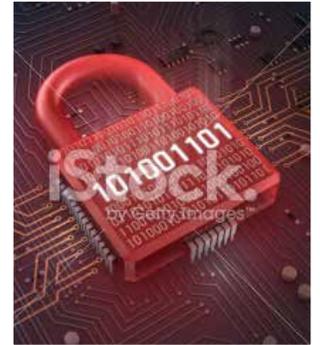
Security Breach Liability: Provides coverage for neglect, breach of duty or omission by the insured that results in personal information that is acquired by unauthorized access or release of malicious code from the insured's computer system.

Laptop Computers: Worldwide Coverage provides coverage for laptops and similar portable computer equipment anywhere in the world.

Public Relations Expense: Provides coverage for fees assessed by public relations firm to rebuild the insureds' reputation after a computer breach.

Security Breach Expense: Provides coverage for various expenses associated with the mitigation of a security breach.

Regulatory Proceeding Expense: Provides protection against the possibility of having to defend themselves against a regulatory proceeding and also against a potential fine.



This proves that no organization is immune from an attack.

Safety Matters

By Tina M. Wynter

Holiday Safety in the Workplace

The holiday season can be a fun time for employees in the workplace. Decorating the office with trees and lights, and holiday parties/special activities are ways that employees can enjoy the spirit of the season. Fun is good, but keeping your employees safe is of utmost priority.

According to the US Consumer Product Safety Commission, over 12,000 people nationally are treated for falls, cuts, shocks, and burns due to incidents involving holiday lights, dried-out Christmas trees, and other holiday decorations. Proper safety precautions MUST be observed at all times to avoid potential property damage and personal injury.

Decorating the workplace can result in falls and dangerous tripping hazards. Avoid placing trees, gifts, or freestanding decoration in busy areas where people might run into them or trip over them. Always use the proper step stools or ladder to reach high places safely. Before using a ladder, read and follow the manufacturer's instructions. It's also essential to make sure that your holiday décor does not block exits, cover exit signage, or block access to fire safety equipment. Do not place any type of decorative item in exit corridors or on sprinklers. For more holiday tips on decorating safety tips, as well as ladder safety, and food safety visit the National Safety Council's website at www.NSC.org and search Holiday Safety Tips.

Holiday decorations should create higher employee morale at the workplace, not hazards and potential for accidents and injuries, so take proper precautions. All decorations including trees, wreaths, curtains/drapes, hangings, etc. should be either noncombustible (not all artificial trees are), inherently flame retardant (the label will say so), or have been treated with a flame retardant solution.

Although fun, the holidays may also be stressful. To help relieve that stress, save your easiest low-pressured tasks for the end of the day. This will allow you to unwind and leave work behind when you go home. Release tension during the day by stretching to relax. Take a deep breath and stretch, creating hand, arm, and chest tension. Then exhale, releasing the tension. Breathe normally on the next inhalation. Repeat. Not only is this good for tension release, but it will also benefit you ergonomically.

The holidays can be a fun and exciting time, but we all have to remember to keep safety in the forefront of our minds. All of us at Telcom wish you and your employees a very happy and safe holiday season. If you are a policyholder and you would like to know how we can help you keep you and your employees safe during the holidays and all year round, contact Tina Wynter at TMW@TelcomInsGrp.com or 800.222.4664 x3206 for some risk management solutions.



The holidays can be a fun and exciting time, but we all have to remember to keep safety in the forefront of our minds.

Safety Matters

By Marilyn A. Blake, AU, CRM

Is it the Flu or Just a Bad Cold?

Remember when mom told you to cover your mouth when coughing? And the many times she told you to wash your hands? Well she had good reasons for doing so! Many of us use the terms flu and a bad cold interchangeably. But, they are not the same thing.

The cold and flu are both respiratory illnesses, but they are caused by different types of viruses. The flu - scientifically known as **Influenza** – is a highly contagious respiratory infection caused by strands of the influenza virus. The flu virus is most prominent during the fall and winter, the time of year typically known as “flu season.”

On average in the U.S. 5% to 20% of the population gets the flu. In most communities, school-age children are the first age group to contract the virus. They then carry it into their home and other places where the virus can spread. When a person with the flu coughs

or sneezes, the virus becomes airborne and spreads in the droplets produced. Touching a contaminated surface, like a telephone or a doorknob, will cause the virus to pass onto your hands, which could lead to infection through your eyes, nose or mouth.

While it’s pretty normal to mistake the flu for a cold or just “feeling under the weather,” it’s extremely important to know the difference. If you’re not sure it’s the flu you have, keep this in mind: Flu symptoms usually come on quickly (**within 3-6 hours**) and are much more severe than cold symptoms. With the flu, you may feel very weak and fatigued for up to two or three weeks. You’ll have muscle aches and periods of chills and sweats as fever comes and goes. You may also have a stuffy or runny nose, headache, and sore throat. To get a better understanding of the differences between the cold and flu refer to the chart below from WebMD:

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Symptoms	Cold	Flu
Fever	Rare	Characteristic, high (100-102 degrees F); lasts three to four days
Headache	Rare	Prominent
General Aches, Pains	Slight	Usual; often severe
Fatigue, Weakness	Quite mild	Can last up to two to three weeks
Extreme Exhaustion	Never	Early and prominent
Stuffy Nose	Common	Sometimes
Sneezing	Usual	Sometimes
Sore Throat	Common	Sometimes
Chest Discomfort, Cough	Mild to moderate; hacking cough	Common; can become severe
Complications	Sinus congestion or earache	Bronchitis, pneumonia; can be life-threatening
Prevention	Good hygiene	Annual flu shot or FluMist
Treatment	Only temporary relief of symptoms	Antiviral drugs (Tamiflu or or Relenza) within 24-48 hours of onset

Claims Matters

By Cheri L. Condee, AU

Work-Related Injuries of the Lower Extremities (Knees, Ankles, and Feet)

According to national data from year-end 2011, injuries to the lower extremities (knees, ankles, and feet) accounted for 26.8% of total injury and illness cases requiring days away from work. The individual median number for lost time was 15 days for knee, 42 days for ankle injuries (involving fractures), 10 days for ankle injuries (of a non-fracture nature) and, 8 days for foot injuries. (Bureau of Labor Statistics)

Statistics are good sources of information for us to learn facts, but the best teachers are experiences that we know first-hand. The following claim examples are taken from the past 5 years of Telcom's Workers Compensation claim's history. The examples are not to say that all claims are as serious as these, but to share with you how serious a claim for the knee, ankle, or foot can become. These were selected for: 1) the situation where the accident/injury occurred; 2) the current reserve, and 3) the number of days (stated in weeks) currently paid for temporary total disability (TTD).

Knee injury claims:

- Employee injured his knee while running a line in a crawl space under a house (total reserve: \$43,192; TTD: 6-weeks + 2-days)
- Employee is an installer, he stooped down to plug a line cord into a jack, when he stood up his knee popped (total reserve: \$77,322; TTD: 25-weeks + 1-day)

Ankle injury claims:

- The employee was on a skid steer loader/forklift, as he started to step down, he miss stepped and twisted his ankle (total reserve: \$49,425; TTD: 38-weeks)
- The employee was exiting a work trailer when he caught his foot on the metal lip at the threshold and twisted his ankle,

resulting in a fracture (total reserve: \$23,595; TTD: 9-weeks + 4-days)

Foot injury claims:

- A spool of cable fell and rolled over the employee's foot (total reserve: \$98,580; TTD: 30-weeks + 2-days)
- The employee was coming down a ladder when he glanced down and saw that the ladder was buckled. His body weight shifted, he managed to land on his feet, crushing his heel and tearing ligaments in the ankle (total reserve: \$66,530; TTD: 31-weeks + 1-day)

Reporting Workers Compensations claims as soon as possible benefits you and the employee. The employee will get the care he/she needs, and by reporting early you will satisfy your insurance carrier's reporting requirements and your state workers compensation laws. Finally, prompt reporting provides a safety net for your company.

Even though we can't totally prevent claims from occurring, the Telcom Insurance Group has many resources to support your company's risk management and to help you anticipate claims before they happen. Resources available to all NTCA members include the Risk Management Matters newsletter and the Telcom Lending Library of risk management videos. In addition to these tools, Telcom provides information and helps with all claims matters for our policyholders. If you have any questions or need additional information; please visit the Telcom website: www.TelcomInsGrp.com or call 800-222-4664 and ask for Cheri, (ext. 1082), or Marilyn (ext. 1085).



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CONGRATULATIONS!!

Kitchen Fire Prevention - Fall 2013

Thanks to all of the participants in Telcom's Fire Safety Art Contest. We had quite a few submissions from kids ranging from 4 years old to 14 years old. They were all very nicely done, and we wish we could use them all. However as a staff, we chose the following winners by age category. The winners will also be posted on our website - www.TelcomInsGrp.com.

Congratulations to the following:

Under 8



1st Place
Macye Maben
[Cap Rock Telephone
Cooperative, Inc.]

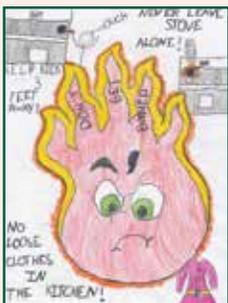


2nd Place
Kagen Keltz
[Cap Rock Telephone
Cooperative, Inc.]

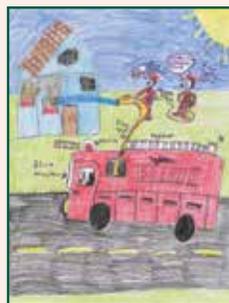


3rd Place
Talon Blount
[Cap Rock Telephone
Cooperative, Inc.]

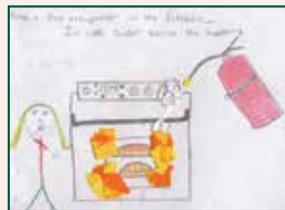
8-10 years old



1st Place
Journey Johnson
[Cap Rock Telephone
Cooperative, Inc.]



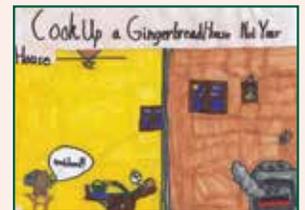
2nd Place (Tie)
Sara Conaway
[Wilson
Communications]



2nd Place (Tie)
Kollier Miller
[Cap Rock Telephone
Cooperative, Inc.]



3rd Place (Tie)
Leah Brummer
[Wilson
Communications]



3rd Place [Tie]
Dallas Mayo
[KanOkla Telephone
Association]

11-14 years old



1st Place
Hannah Adams
[Highland Telephone
Cooperative - VA]



2nd Place
Clayton Shell
[Highland Telephone
Cooperative - VA]



3rd Place (Tie)
Bryna Allen
[Wilson Communications]



3rd Place (Tie)
Titus Lee
[KanOkla Telephone
Association]

(Prizes: 1st place \$100; 2nd place \$75; and 3rd place \$50 by age category)

FUN FACTS

New Year's Traditions Outside the United States

In many countries, New Year's celebrations begin on the evening of December 31—New Year's Eve—and continue into the early hours of January 1. Revelers often have traditions that are believed to bring good luck for the coming year. Here are a few examples of traditions from around the world:

Baby New Year Tradition

Tradition of using a baby to signify the New Year was started by ancient Greeks around 600 B.C. They would carry a baby around in a basket to honor Dionysus, the God of Fertility and symbolize his annual rebirth.

Burning "Mr. Old Year"

In Colombia, Cuba, and Puerto Rico families stuff a life-size male doll with things that have bad memories or sadness associated with them, and then they dress it up in old clothes from each family member. At the stroke of midnight, this 'Mr. Old Year' is set on fire.

Eating 12 Grapes

In Spain, people eat 12 grapes as the clock strikes midnight (one each time the clock chimes) on New Year's Eve. This peculiar ritual originated in the twentieth century when freak weather conditions resulted in an unseasonable bumper harvest of grapes. Not able to decide what to do about so many grapes at Christmas time, the King of Spain and the grape growers came up with the idea of the New Year ritual.

Eating Noodles

Late on the evening of December 31, people of Japan would eat a bowl of buckwheat noodles called "toshikoshisoba" ("year-crossing noodles") and listen for the sound of the Buddhist temple bells, which were rung 108 times at midnight. The sound of these bells is said to purify the listeners of the 108 sins or evil passions that plague every human being.

White Clothes

In Brazil most people wear white clothes on New Year's Eve to bring good luck and peace for the year that will follow.

Gifts in Shoes

In Greece, children leave their shoes by the fireside on New Year's Day (also the Festival of Saint Basil in Greece) with the hope that Saint Basil, who was famous for his kindness, will come and fill their shoes with gifts.

Carry a Suitcase

In Venezuela, Argentina, Bolivia, and Mexico, those with hopes of traveling in the New Year carry a suitcase around the house at midnight. Some even carry it around the block to ensure traveling at greater distances.

Burn Crackers

The people in China believe that there are evil spirits that roam the earth. So on New Year, they burn crackers to scare the evil spirits. The doors and windows of every home in china can be seen sealed with paper. This is to keep the evil demons out.



The Festival of Lights

Hanukkah, the “Festival of Lights,” starts on the 25th day of the Jewish calendar month of Kislev and lasts for eight days and nights. In 2013, it begins at sundown November 27th with blessings, games, and festive foods, Hanukkah celebrates the triumphs--both religious and military--of ancient Jewish heroes. It ends at sunset on December 5th.



Check-Out These Holiday Websites!

www.noradsanta.org
(track Santa)

www.northpole.com
(Santa’s secret village of kids activities)

www.claus.com
(check out your naughty and nice rating)

www.santaclaus.com
(email Santa)

www.merry-christmas.com (Santa Cam)

HOLIDAY CRAFTS FOR KIDS

Button Ornament

Materials

Pipe Cleaner, Buttons, Felt, Craft Glue, Thread

Instructions:

The basic technique for all the ornaments is the same.

Step 1 Bend a pipe cleaner in half and twist once at the top of the loop

Step 2 Slide buttons over pipe cleaner ends, slipping one end into each hole (if the button has four holes, use two diagonal ones); Use larger buttons for bellies and hat brims

Step 3 When finished, twist ends of pipe cleaner to secure, and trim

Step 4 For reindeer legs and antlers and for Santa’s arms, bend 2-inch pieces of pip cleaner in half, slip on between buttons, and twist

Step 5 Glue on felt for Santa’s beard and the snowman’s nose

Step 6 To hang the reindeer, loop a thread around its middle and tie



Presidential Matters

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and offering up to eight insurance markets to quote our insureds and provide multiple options...not just one when they desire to shop their insurance. Many of our competitors have come and gone since 1982. They have entered and exited states and product lines. There will be more that will do the same in the future, but we believe that when it is a matter of trust, the Telcom Insurance Group will always prove to be most trustworthy because of our significantly different business model.

As we enter the Holiday Season, once again I thank you for your support and wish you all much happiness and good health. With personal visits not always being possible, this newsletter is our best opportunity to wish all of you a happy, healthy, and prosperous Holiday Season from our family to yours, we wish you the best!

Holiday Recipe

Dipped Pretzel Sticks

Mrs. Claus's Rules for the Kitchen:

1. Always ask an adult if you can use the kitchen
2. Make sure you have all the ingredients before you start
3. Wash your hands before you touch food
4. Wear an apron/towel to keep your clothes clean
5. Always clean-up when you're finished

Ingredients:

- 1 12 ounce package of chocolate chips or flavored chips (mint, butterscotch, white chocolate, or peanut butter—by themselves or mixed in any combination that you like).
- 24 Pretzels sticks (the fat ones)
Optional—but fun to try toppings: colored sprinkles; chopped nuts, small candies, cookie crumbs, colored sugars

Directions:

1. Line a baking sheet with waxed paper and place a wire rack on top.
2. Place the chocolate chips (or the flavor you picked) in a microwavable bowl. (Be sure that the bowl and any utensils are completely dry.) Microwave on HIGH for 1-minute; stop and stir. Microwave 30 seconds more; stop and stir again. Repeat until the chips are melted.
3. Dip one half of each pretzel stick into the melted chips; sprinkle with, or roll in the topping of your choice.

Enjoy!



Safety Matters

continued from p.5

If you are experiencing two or more of the symptoms listed, speak to your doctor, preferably within the first 12 to 48 hours of feeling ill. Any antiviral medications prescribed to you are most effective if used within the first 12-48 hours of the onset of flu symptoms. Get the flu shot if recommended by your doctor.

Be Proactive. Here are some tips to help reduce the spread of illnesses.

- **Stay healthy** by eating a balanced diet, exercising and getting plenty of sleep
- **Wash hands frequently**, especially after coughing, sneezing or blowing your nose. Avoid touching your eyes, nose and mouth - potential entry routes for germs

- when in public. Use waterless, anti-bacterial hand sanitizers when traveling or when washing facilities are not readily available

- **Keep all hard surfaces at home and work clean.** Viruses can live for up to two days on hard surfaces
- If you do have a cold or the flu, **stay home** so you don't spread the illness to others

Look for Telcom's 4th quarter safety mailing to include an anti-bacterial hand sanitizer for use especially during this the cold and flu season. Take care of yourself!

Underwriting Matters

continued from p.3

Errors and Omissions: Coverage for actual or alleged neglect, breach of duty, error, or misstatement in connection with the insured's operations.

Professional Crisis Resolution: Experts help the business prepare for a data breach and minimize the impact should one occur. They can also assist the business with required breach victim notification and a media response.

Unauthorized Conduct by Employees: Offers protection for the criminal, dishonest or fraudulent acts of your employees.

Statutes/Regulations: CAN-SPAM, Red Flags Rule, State Security Breach Notification Law and Children's online privacy protection act.

Intellectual Property Infringement Defense: Defense for Patent, Copyright, and Trademark infringement for the content that is published by an insured's website.

Media Liability: Any actual or alleged error, misstatement or misleading statement arising out of the gathering, recording, collecting, writing, editing, publication or broadcast or release of content.

Many carriers now offer some type of Network Security/Cyber Liability options. This could be an endorsement on the General Liability policy or a separate policy. You will find a wide range of coverage options available. So, it's important to understand your exposures and know what is available to you in the marketplace.

Telcom Insurance Group has access to several markets and would be more than happy to offer you options that best fit your company's needs. If you have questions or would like a quote, please contact the Account Executive in your area or call our corporate office at 800-222-4664.



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Telcom Matters

We would like to welcome the following new members to our Telcom P&C and/or D&O family: **Hartelco, Inc.** (NE); **WIV, LLC, dba Western Illinois Video** (IL); **Public Service Telephone Company** (GA); **Bristol Bay Cellular Partnership** (AK); **Technautics, LLC** (MD); **Progressive Voice & Data, Inc.** (IL); and **UniTek, Inc.** (ME)

Upcoming Holidays: Our offices will be closed on **Thursday and Friday, November 28-29** for the Thanksgiving Holiday and **Wednesday, December 25** for the Christmas Holiday. Please report all claims directly to the carrier. If you need claims reporting phone/fax numbers, please dial our main line at 301-220-3200 for a complete listing.

We offer our Congratulations to the following Telcom family members:

- o Paul Kelly of Cordova Telephone Coop. (AK) on the birth of his first granddaughter, Evelyn, born 9/13/13
- o Sam Hucks, Horry Telephone Coop. (SC) on being the winner of the claims contest from last quarters' RMM
- o Richard Adams of Brazos Telephone Coop. (TX) on his retirement at the end of August
- o Karen Borovich of Germantown Telephone Co. (NY) on the birth of her grandson, Brysen Michael Thomas, this Summer.

We offer condolences to the following Telcom family members:

- o The family of Mary Lee Zoucks, mother of Johnny Zoucks, Darien Telephone Co.
- o Todd Travis' wife, Zee Snyder, lost her father in a terrible accident this year. Especially during the holiday season, please keep their family in your prayers.

We'd like to welcome a new staff member, who have recently joined our Telcom family:

Demond Taylor joined our team on September 15th. He is an Underwriting/Marketing Technician. His email is DDT@telcominsgrp.com. Join us in welcoming him to the Telcom family.