

MTM Manufacturing Technology Mutual Insurance Company

Monthly Newsletter for September 2011



Participant in the Michigan Property & Casualty Guaranty Association



FROM THE DESK OF GARY WOOD

Well, so much for the summer of 2011! It seems like it just got started and now it is practically over. Last weekend we took a short drive “up north” and we noticed that people were packing up their cottages and heading home (this was before Labor Day)! With the changing seasons in Michigan, we really are on nature’s time clock.

This is the time of year that the staff of MTMIC does a lot of preliminary work for the upcoming January 1, 2012 renewal. A lot of people not in the insurance business do not realize that more policies renew on January 1 then virtually through the rest of the year. We try to get started with many aspects of the work so that we can provide timely quotes and responses to questions that you might have about your renewal coverage.

Employment and Payrolls:

Annually we request updated payroll estimates so that we can develop your renewal premium in a manner that accurately reflects the exposure in your business. If you do not make realistic estimates either you pay us too much money during the year and you wait months to obtain the premium refund or (worse) you owe us audit premium.

We need to collect the premium in a timely manner to cover the exposure. Right now I am being forced to deal in a less than favorable way with a former policyholder that owes significant audit premium. We must collect the money and will need to pursue collection through an attorney.

This is not something we want to do; it is something we have to do to keep the overall costs of the coverage at a reasonable level. This is one insurance company that treats you fairly and all we ask is that you treat us fairly in return. We consider our relationship with our policyholders to be a partnership with everyone looking for the same result – no injured employees and premium that reflects that result.

In order to avoid any unforeseen audit premium billings please realistically estimate the payroll you are reporting for the year to determine if it meets your current and proposed status.

Referral Rewards System:

Do you remember long ago (April 2010 to be exact) we announced A “Referral Reward System”? Initially we received

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quite a bit of interest but over time people forget – so here is your reminder!



The Referral is not limited by the size of the prospect but is limited to the first referral we receive for each prospect. The Reward is a \$100 Gift Card or Certificate at an establishment of your choice. If you know of someone that would like a competitive quote for their workers’ compensation coverage you should contact Megan Brown, Director of Sales and Marketing by email (megan.brown@mtmic.com).

Megan will acknowledge receipt of your referral, contact the prospect, track the opportunity and notify you of the outcome. If the transaction is successful and we write the account (defined as when we receive the first premium payment), Megan will contact you to obtain your choice of gift cards and deliver the card to the person that made the original referral.

Every dollar counts to most people and here is a painless way to come up with \$100!

MTMIC Annual Meeting:

The Annual Meeting of MTMIC will be held on October 20, 2011 at the Red Run Golf Club, 2036 Rochester Road, Royal Oak, MI 48073. You are cordially invited to attend and we have moved the meeting time to 8:30 a.m. to encourage your participation.

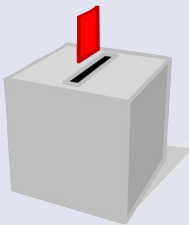
October 2011						
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A Buffet Breakfast will precede our required business meeting.

We know that over the years, interactions with associations and other voluntary organizations have been waning as most people cannot take the time from their busy schedules to attend a mid-day luncheon or an afternoon meeting. Hopefully this change will fit your needs and we will have the opportunity to meet with you on Thursday, October 20, 2011.

Director Elections – Class of 2012:

Another rite of the fall is the MTMIC Director's elections. We have taken nominations for the three Director positions in the upcoming elections; qualified policyholders should have already received ballots so please vote for the three candidates of your choice.



Those in contention for the three year terms are:

Bobby Cox	Acorn Stamping
Gerald Decker	Precision Boring Company
Dennis Haller	Haller International Technologies
John Stefanko	Eagle Industries, Inc.

If you were a policyholder on August 31, 2011 you are qualified to vote. If for some reason you do not obtain a ballot please contact us for a replacement.

Please note: you must identify your company name on the outside of the ballot return envelope or your votes will not count.

Satisfaction Surveys:

Several times a year you will receive a call from our office to ask you if you have questions or comments or in rare cases, complaints. We are not trying to sell you anything or upgrade your service or obtain additional information. We just want to know if you are happy with the service being provided by MTMIC!



Currently the marketing department is cycling through the list of policyholders. We do leave messages and sometimes people call back and if they don't, we have to assume they are receiving the service they expect. If for some reason you are not happy, call me direct; I do hear every comment from our service calls and we take immediate steps to try to resolve any conflicts or questions.

We would rather resolve a problem than hear that someone thinks we ignored a problem.

*~Safety starts with you –
enforce safety in your facility ~*

CLAIMS CORNER

Donna Motley, Claims Manager

Company picnics, holiday parties, an outing to see a baseball game may be beneficial on many levels. These activities can be planned as a thank you to employees for a successful year, as a team building experience, a morale booster, a stress reducer. While intended to be a "social" activity outside of the work venue, you could still be liable for an injury that could occur at said event.

The Michigan Workers' Compensation Act reads: "An employee who receives a personal injury arising out of and in the course of employment shall be paid compensation" Clearly, attending a picnic, holiday party or baseball game does not appear to "arise out of and in the course of employment", BUT Michigan Courts say maybe so! The Courts have determined IF 1) the employer directly or implicitly endorses and derives benefit from the social event - it is work related. OR 2) if the employer **requires or expects** employee attendance at the event - it is work related.

This leaves a lot of "grey" area. An employee may feel his attendance at a function is "expected", while an employer may feel attendance is optional. Is a work site basketball court implying there is an employer benefit in that employees are able to reduce stress after shooting some hoops? Health insurance carriers encourage members to have a healthier lifestyle, so if employers similarly encourage their employees, does that make the employer liable for injuries sustained in the process?

The courts are supposed to look at all facts surrounding an incident, but the primary question will be "what benefit attaches to the employer, and when".

What can an employer do? Event notices should specify that the activities are not mandatory. Plan events away from company property. (Events on company property also expose the employer/property owner to premises liability.) Including family members in the event make it less business related while including customers, clients or other business affiliates lends to a business related event.

As always, all claims will be investigated and disputed if deemed not work related.

IN THE NEWS

Ruth Kiefer, Loss Control Representative

AED Manufacturer Issues Product Recall:

As I conduct my plant walkthroughs, I've noticed many companies have installed AED devices, therefore you should be aware of the following recall from Defibtech, LLC that recently announced a voluntary recall of certain semi-automatic automated external defibrillators sold under the Lifeline AED and ReviveR AED brand names.

In rare instances, the AEDs may cancel the charge in preparation for a shock, according to a company press release. Less than 11 percent of AEDs with this defect also may cancel the charge in high-humidity conditions.

To correct this issue, Defibtech said it will provide a free software update that can be performed at the location where the AED is installed.

Go to www.defibtech.com/fa11 to check if your AED is affected.

OSHA launches primary metal industries NEP

OSHA recently launched a National Emphasis Program (NEP) that focuses on the primary metal industries with a Standard Industrial Code (SIC) under the Major Group 33. OSHA stated the main goal is to heighten safety awareness for worker exposure to harmful chemicals and hazards such as noise and heat.

According to the Bureau of Labor Statistics, the primary metal industries accounted for 5 of the top 20 industries with the most non-fatal worker injury and illness cases. These noted injury trends have prompted this initiative for the next three years. As you may already know, this SIC code is already listed on the strategic compliance plan of our MiOSHA which is a broader plan that includes addressing hexavalent chromium, lead, and crystalline silica exposures.

Go to www.michigan.gov/lara for more information regarding the MiOSHA Strategic Plan.

Free Online Safety Tool

DuPont offers a free interactive online tool to help safety professionals make informed decisions when selecting chemical protective apparel. SafeSPEC 2 is a straightforward design that allows users to search by fabric, design, certification, EPA/OSHA designation and hazard. The tool provides industry-specific searches for a variety of industries.

Go to www.safespec.dupont.com for more information or to use the interactive selection program.

REMINDER

Effective July 1, 2010 the Officer payroll maximum was increased to \$88,400 and the minimum is now \$20,800. Please contact Glenda at glenda.moyle@mtmic.com with questions.

MIOSHA ALLIANCE PROGRAM

In today's workplace, it is increasingly important to focus on health and safety. The Michigan Occupational Safety and Health Administration (MIOSHA), under the Michigan Department of Labor and Economic Growth, have significantly increased its focus over the past several years on health and safety in the workplace, emphasizing increased enforcement and citation issuance.

As those in the manufacturing industry know, MIOSHA compliance inspections and investigations often occur unannounced and at the most unexpected times. MIOSHA's General Industry Safety & Health Division has renewed its

emphasis over the last several years in regulating environmental health and safety within the manufacturing industries.

There has been greater attention paid by MIOSHA Compliance investigators to industrial hygiene issues, including proper respiratory and hearing protection procedures and the enforcement of general company health and safety policies.

On January 19, 2006, the Manufacturing Technology Mutual Insurance Company (MTMIC) and the Michigan Occupational Safety and Health Administration entered into an alliance agreement. The intent of this agreement is to open lines of communication between our Policyholders and the CET (Consultation Education and Training) division of MIOSHA; this is not the Compliance division of MIOSHA.

Through this program, we can arrange services and be a liaison for your company with MIOSHA. Some services would include safety walkthroughs, air sampling, sound level testing, employee training, and regional seminars. If you take advantage of this program, you will not receive any fines or citations for any deficiency that may arise.



The goals of this alliance include, but are not limited to:

- Reduce injury and illness through management, employee awareness, and assistance.
- Promoting and improving shop safety by providing hazard surveys.
- Providing training and education activities and encouraging participation.
- Sponsoring seminars with the CET Division on a variety of safety subjects.
- Include articles in the MTMIC Newsletter on the Alliance, on seminars, and other safety issues.

In some cases, Policyholders may be participating with MIOSHA-CET for the first time; in others, they may be building on existing relationships.

If you would like more information or would like to take advantage of this program, please contact your Loss Control Consultant.

FINAL RULE FOR NOTIFICATION OF EMPLOYEE RIGHTS

Background:

The National Labor Relations Board has issued a final ruling requiring most private-sector employers to notify employees of their rights under the National Labor Relations Act by posting a notice. The rule is scheduled to be posted in the Federal Register on August 30, 2011, and will take effect 75 days later. Which means these need to be posted by November 14, 2011.

Copies of the notice will be available on the NLRB website and from NLRB regional offices by November 1.

Similar postings of workplace rights are required under other federal workplace laws. The 11-by-17-inch notice is similar in content and design to a notice of NLRA rights that must be posted by federal contractors under a Department of Labor rule. The notice of rights will be provided at no charge by NLRB regional offices or can be downloaded from the Board website and printed in color or black-and-white. Translated versions will be available, and must be posted at workplaces where at least 20% of employees are not proficient in English. Employers must also post the notice on an intranet or an internet site if personnel rules and policies are customarily posted there.

Questions and Answers:

Does my company have to post the notice?

The posting requirement applies to all private-sector employers (including labor unions) subject to the National Labor Relations Act, which excludes agricultural, railroad and airline employers. In response to comments received after the proposed rule was announced, the Board has agreed to exempt the U.S. Postal Service for the time being because of that organization's unique rules under the Act.

When will the notice posting be required?

The final rule takes effect 75 days after it is posted in the Federal Register, or on November 14, 2011.

There is no union in my workplace; will I still have to post the notice?

Yes. Because NLRA rights apply to union and non-union workplaces, all employers subject to the Board's jurisdiction (aside from the USPS) will be required to post the notice.

I am a federal contractor. Will I have to post the notice?

The Board's notice posting rule will apply to federal contractors, who already are required by the Department of Labor to post a similar notice of employee rights. A contractor will be regarded as complying with the Board's notice posting rule if it posts the Department of Labor's notice.

I operate a small business. Will I have to post the Board's notice?

The rule applies to all employers subject to the Board's jurisdiction, other than the U.S. Postal Service. The Board has chosen not to assert its jurisdiction over very small employers whose annual volume of business is not large enough to have a more than a slight effect on interstate commerce. The jurisdictional standards are summarized in the rule.

How will I get the notice?

The Board will provide copies of the notice on request at no cost to the employer beginning on or before November 1, 2011. These can be obtained by contacting the NLRB at its headquarters or its regional, sub-regional, or resident offices. Employers can also download the notice from the Board's website and print it out in color or black-and-white on one 11-by-17-inch paper or two 8-by-11-inch papers taped together. Finally, employers can satisfy the rule by purchasing and posting a set of workplace posters from a commercial supplier.

What if I communicate with employees electronically?

In addition to the physical posting, the rule requires every covered employer to post the notice on an internet or intranet site if personnel rules and policies are customarily posted there. Employers are not required to distribute the posting by email, Twitter or other electronic means.

Many of my employees speak a language other than English. Will I still have to post the notice?

Yes. The notice must be posted in English and in another language if at least 20% of employees are not proficient in English and speak the other language. The Board will provide translations of the notice, and of the required link to the Board's website, in the appropriate languages.

Will I have to maintain records or submit reports under the Board's rule?

No, the rule has no record-keeping or reporting requirements.

How will the Board enforce the rule?

Failure to post the notice may be treated as an unfair labor practice under the National Labor Relations Act. The Board investigates allegations of unfair labor practices made by employees, unions, employers, or other persons, but does not initiate enforcement action on its own.

What will be the consequences for failing to post the notice?

The Board expects that, in most cases, employers who fail to post the notice are unaware of the rule and will comply when requested by a Board agent. In such cases, the unfair labor practice case will typically be closed without further action. The Board also may extend the 6-month statute of limitations for filing a charge involving other unfair labor practice allegations against the employer. If an employer knowingly and willfully fails to post the notice, the failure may be considered evidence of unlawful motive in an unfair labor practice case involving other alleged violations of the NLRA.

Can an employer be fined for failing to post the notice?

No, the Board does not have the authority to levy fines.

Was there a public comment period? What was the response?

The Board received more than 7,000 public comments after posting a notice of the proposed rule in the Federal Register. A detailed description of the comments and the Board's response to them, including responsive modifications to the rule, may be found in the Preamble to the Final Rule.

NLRB required posting:

The other day I received a call from a policyholder about the new NLRB poster regarding employee rights (see the attached information). I was amazed that in mid-year our government instituted a new posting. This is the kind of stuff that drives business people crazy.

We do provide the required posters annually which include the information available at the beginning of the year – the interim changes can be added by printing (from the appropriate governmental website) and posting the revision with the posters provided by MTMIC.

Now the part that drives me crazy: why can't the government, as a service to business, institute a once-a-year target date for poster revisions instead of each department making changes at will and requiring everyone to be current every day? You can do the math; how much does this cost American businesses on an annual basis?