

MTM Manufacturing Technology Mutual Insurance Company

Monthly Newsletter for January 2012



Participant in the Michigan Property & Casualty Guaranty Association



FROM THE DESK OF GARY WOOD

Today, a day in early January, 2012, I was sitting in a traffic jam that refused to get me where I needed to go for nearly an hour when it struck me; where are all of these people going?

If they are all unemployed, are they all on their way to an interview?

If they are all unemployed, are they all on their way to do a little shopping at the mall?

If they are all unemployed why are they out milling around while I am trying to get to work?

Maybe they are not unemployed and they are on their way to work.

How could that be? We are at near record continuing unemployment and I heard in December that unemployment has really not improved, 300,000 people have just quit looking for work. But then, where are these people going in such a hurry that they rudely cut me off and drag race from each stop light?

Maybe Michigan is again the bellwether of the economic tide; just maybe when no one was looking, the world again turned and the employable again were employed. Unfortunately those lacking education and training may be left out if there is a bounce in the economy because they lack the skill-sets required to find work in a tech savvy world.

Over 45 years ago when I was looking at my opportunities I was told by educators that an education was all that mattered; fortunately the late Henry Wood said something along the lines of "You need to learn a skill that will keep you employed". If I would have sought the non-specific diploma that you could obtain at the time, I don't know what I would be doing today. In order to sell something (like yourself), you have to offer something that brings value to the equation.

If you know someone who is unemployed encourage them to seek training in a field where there is demand.

Renewal Information:

The Renewal Season is well behind us now and it went very well with an extremely high percentage of the January 1 policyholders renewing (over 96%). I would again like to thank each of you that did renew with MTMIC and welcome the new policyholders that became a part of the group.

When we were a group fund, the entire group renewed on a common January 1 date; those of you that don't renew on January 1 should also note that this applies to your coverage when it does renew.

Your renewal is based in a large part on your experience and company attributes. If your experience modification went up or down (barring a reporting error) that change reflects your individual experience.

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We continue to offer various payment plans:

- One annual payment,
- Ten-pay plan (10 equal payments),
- Credit card payments (contact MTMIC for details),
- "AutoPay" our ACH plan allows you the option of twelve equal payments,
- "Pay-as-you go" – payroll reporting plan for those with widely varying payrolls.

As a testimony to our intent to provide the best service possible, in the last year we continued to grow our policyholder base and we currently service more than 610 policyholders. Earning the opportunity to grow in this economy demonstrates our determination to be the best source of coverage for your needs.

We have noticed a lot of the renewing companies have increased their payrolls as the economy has accelerated, if you wish to amend your payroll estimates during the year (to avoid additional audit premium), please let us know and we will accommodate your changes. If you need loss control service, let us know and we will get someone to your shop as quickly as possible. If you have a claim, report it quickly in the prescribed manner so that we can effectively manage the situation before it gets out of control (forms are available on our website, mtmic.com).

If you have a question on your coverage instead of wondering, please ask. We are very acquainted with most of you and we want you to be satisfied that you are getting what you pay for in terms of loss control and claims management.

Acknowledgment:

It is with much trepidation we announce the retirement of Robert Eastbrook of East-Lind Heat Treat from the Board of MTMIC. Bob served since 1982 as a Board member, first with the MTA Workers' Compensation Fund and later with the Manufacturing Technology Mutual Insurance Company. During his tenure he served as Chairman of the Board for three years and was a constant reminder of our legacy as a group. Bob has been an avid supporter and has always been a major contributor to determining the direction of the organizations.

Please join me in wishing him well as he "dials back" his involvement with the group.

CLAIMS CORNER

Donna Motley, Claims Manager

A Bill had been submitted to the Michigan House of Representatives with proposed changes to the 100 year old Michigan Workers' Disability Compensation Act. On December 19, 2011, Governor Snyder signed House Bill 5002 into effect. However, some changes were made by both the House and the Senate before the bill was signed.

One of the more commonly known provisions that has been changed is the provision of medical care. The W/C Act was written that after "10 days" an injured worker could be treated by a physician of their own choosing. Our response has always been, and will continue to be, that the Act indicates the injured worker can choose their own doctor, but the Act **does not** dictate that the W/C carrier has to pay for the services or abide by the recommended course of treatment of said provider. However, the new law is that the employer/carrier can direct medical treatment for the first **28 days from the start of medical care**. You can see why it is so important that claims are reported as soon as possible.

Another big change is that a personal injury would be compensable if work caused, contributed to, or aggravated pathology so as to create a **pathology that was medically distinguishable from any pathology that existed before the injury**. A mere allegation of "pain" will not be enough. This would lead into conditions of the aging process which would include degenerative arthritis.

One of the biggest changes may be the definition of "disability". The Act defines disability as "a limitation of an employee's wage earning capacity in work suitable to his or her qualifications and training resulting from a personal injury or work related disease." Under the Bill, a limitation of wage earning capacity would occur only if a personal injury (covered under the Act) resulted in the employee being unable to perform **all jobs paying the maximum wages in work suitable to his or her qualifications and training**. This would include work that could be performed using the employee's transferable work skills.

This would be most applicable for employees that have been off work for an extended period of time, and will be invaluable in litigated cases. An employee will have the responsibility of looking for a job and either "proving" there are no jobs available within his skills, education and/or training (and within their restrictions), or "prove" they attempted to obtain said job and was not hired. In the alternative, if we can prove there are jobs available for which the employee is qualified to perform, paying maximum or partial wages, we can, in short, reduce any wage loss benefits by the amount the prospective job would pay.

In other words, just because an injury was allegedly sustained, does not mean the employee is "totally" disabled or that there are no other jobs they could perform.

Most of the changes are deemed to be favorable to employers, insurance carriers and third party administrators. Rest assured, the new laws will be put to the test!

ASK MIOSHA TOPIC:

Chocking Wheels and Dock Locks

Ruth Kiefer, Loss Control

The three questions listed below seem to be quite common and I have found MiOSHA's response to the questions my colleagues and I receive on a regular basis. The standard that addresses the use of security devices to prevent the movement of trailers being loaded is from

MIOSHA Part 21 (Rule 408.12176(1), which states the following:

An employer shall ensure that a highway truck and trailer shall not be boarded by a powered industrial truck before the highway trailer has its brakes set and not less than 2 wheels blocked or be restrained by other mechanical means installed in a manner that will hold the trailer from movement.

1) Are mechanical dock locks required for tractor-trailer trucks?

According to the standard and above rule, an employer shall have not less than 2 wheels chocked or use other equally protective mechanical means. In your question, you ask if mechanical dock locks are required. Mechanical dock locks are not required, if the employer chooses to use tire chocking methods, and are chocking at least 2 tires. The standard allows for either methods to be used and that choice is left to the employer. Compliance Officers in the performance of their inspection activity will check to ensure that whatever system chosen by the employer is of equal or greater protection than tire chocking. Furthermore, if the employer is using mechanical devices, the maintenance and inspection of those devices may be subject to the safety officer's inspection activity.

1) If you have mechanical dock locks are you also required to use wheel chocks?

The standard requires that a system be used to prevent truck and/or trailer movement. Tire chocking or mechanical dock locks are both accepted practices proving both are in operating and/or serviceable condition, available for use, and are in-fact, in use. An employer does not have to have and use both or multiple systems during a singular operation. One system will suffice the provisional requirements of the standard.

1) Can I remove the mechanical dock locks if my company follows the wheel chock regulation?

Regarding your question of removal of mechanical dock lock systems, the answer is yes. An employer does not have to have mechanical dock lock systems in his/her facility and additionally there are no provisions that state once an employer has installed a mechanical dock lock system they must remain installed. Refer to the answer regarding question 2, as long as the employer has in place "a" protective mechanism that is equally effective as tire chocking, the employer can utilize whatever system they choose.

Remember, that in addition to wthe above requirements, the employer must ensure that the employees are properly trained on how to use the security devices and to be able to use them in a safe manner.

STATE AND FEDERAL LABOR LAW POSTERS

We are in the process of mailing out the State and Federal Labor Law posters to every policy holder. Look for yours in the mail.

COMPANY PORTAL

For those of you that did not just go through the renewal process, you may not be aware that in the coming weeks we will have a portal available to you which will allow access to policy and billing information, safety & training documents and videos. Eventually claims data will be available on the Portal as well. Please stay tuned for additional information on how to access the Portal.