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From the desk of

John Karlen, CPCU, APA, ARe
First Six Months of 2023

June 30 - a good time to review our results and see if we are on target or if we need to make adjustments to reach the company goals. An important part of that review is a study of claims losses. Insurance claims are the primary driver of financial results. No other expense category comes close to the percentage impact of claims loss payouts.

Our June 30 review looked at the first six months of 2022 and compared it with the current six months of 2023. We will want to review the differences and see if there are any trends that can be identified. In looking at the aggregate loss payments for 2023, we found those were higher than both 2022 and 2021. We pulled 2021 into the review to see if any trendlines could be identified. Interestingly, we found the claims frequency has remained virtually unchanged for 2023 compared to 2022. The frequency difference was 1%.

After finding the no change on frequency, the next review step was to evaluate severity. If the total claims costs are higher but the item count remains the same, then severity has gone up. In our case the severity change from 2023 over 2022 is +19% higher. Once we know that we have a severity item to address, we then delve deeper into the numbers and look for common drivers for the severity increase. Are there any traits such as time of day, days of the week, department of the company – anything that might be beneficial in the severity analysis. A theme did emerge in the larger claims' report - new employees. At MTM we define new

employees as employees who have been on the job 90 days or less. When looking at the accident reports for these claims, common phrases written by the shop staff are "new employee", "training did not occur", "training was minimal", "employee did not know shop rules", "shop regulations were not followed".

With the shortage of workers, it is no surprise that getting new employees is a significant challenge for our member shops. My job is to share this review with you, so you know of the impact. What may not be as obvious is the cost of these new employee losses. An account's experience mod is based on their individual losses compared to an expected loss for the payroll and class code at each shop. When losses occur, the experience mod goes up and then is multiplied by a manual rate to do a premium calculation for each member. The more losses, the higher the experience mod. At MTM we have an extremely high mod of 3.06 and the lowest mod of being .49. That means the shop at the high end is paying premium six times higher than the shop at the lowest level. Paid losses for any reason impact the experience mod and are harmful to the financial

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Chris Demeter
Senior Loss Control Consultant

Meet Your Loss Control Consultants

MIOSHA requires companies to train on any hazards their workers may encounter. Knowing, understanding, and interpreting MIOSHA rules and regulations can sometimes be confusing. This is why our Loss Control team is here to assist you through the process. Help is only a phone call or an email away and will be answered by one of our Loss Control Consultants. This support is an integral part of MTMIC's service because we know that safety and health questions are inevitable.

If you are not the person that handles the safety walkthroughs with your Loss Control Consultant, let me introduce you to our Loss Control Team.

Ruth Kiefer began at MTMIC in 2006 as a Loss Control Consultant and obtained her Master's degree in Industrial Hygiene from Wayne State University in December of 2006. With this background, Ruth assists the Loss Control Department with industrial hygiene as well as ergonomic studies and noise surveys. In order to further develop her insurance knowledge and offer other value-added services for MTMIC and its policyholders, Ruth also obtained an Associate in Risk Management from the American Institute for Chartered Property Casualty Underwriters in 2008. She is currently working on her Charter Property Casualty Underwriter (CPCU) designation. Ruth obtained her Bachelor's degree from the University of South Florida. Ruth has been the Vice President of Loss Control for the last 9 years.

Chris Demeter is currently a Senior Loss Control Consultant servicing MTMIC policyholders in southern and southwest Michigan. He has been with MTMIC since 2003 and in that time became a Certified OSHA Outreach Trainer and attained his MIOSHA Level 1 & 2 accreditation in Safety and Health Management Systems. Before joining MTMIC, Chris obtained over 25 years of experience in the private sector of manufacturing. He previously worked for a large prototype stamping company in southeastern Michigan where he was a Journeymen Model Maker for 14 years and was later promoted to Human Resources Manager and Safety Director. With Chris' safety and manufacturing background, he is committed to providing MTMIC

policyholders with the tools and assistance necessary to reduce losses and achieve a safe workplace environment. Chris and his wife have four children, six grandchildren, and two cats.

Travis Halsted is currently a Loss Control Consultant servicing MTMIC policyholders in central, southern, and west Michigan. Travis also visits our policyholders in the Upper Peninsula and four other states. He joined the MTMIC team in 2013 after 3 years as a Health and Safety Coordinator at a precision machinery company in south-central Michigan where he also worked as part of the Vertical Machining Center set-up team. Before joining MTMIC, Travis obtained certifications in firefighting I and II, as a Medical First Responder (MFR), and had extensive training in accident investigations and general industry health and safety. Since joining MTMIC, Travis has obtained his Associate in Risk Management (ARM) designation, the Certified Occupational Safety Specialist (COSS) designation, and his Master's Degree in Safety, Security, and Emergency Management with a focus on occupational health and safety. If asked about what he loves most about his position, he would simply say, "working with the people at each policyholder". When he isn't visiting our MTM customers, Travis enjoys spending time with his amazing wife and three wonderful daughters.

Our team is dedicated to helping you create a safe and healthy work environment for your employees and maintain compliance with industry standards. If you need assistance with safety programs, accident analysis, ergonomic surveys, training, or injury trending, please contact your loss control consultant.

If you have not signed up yet, I would also like to remind you of our MTMIC Client Portal, which gives you access to safety program templates and various other safety-related training materials. It can be accessed through our website www.mtmic.com. Please contact our sales department at 248.488.1172 Ext. 1010 or email sales@mtmic.com to set up access to this online tool.

I hope everyone has a safe and healthy rest of the summer! Remember, stay hydrated at work and home. If you have any questions, please contact your Loss Control consultant.



**Donna
Motley**
Vice President
of Claims

Summer Time = Fun Time

Summer in Michigan ! It seems like we have been waiting a long time this year for the arrival of summer. Not that we had a harsh winter or even a long winter – it just seems that our weather has been so up and down. I think when you live in a State that has snow, ice, cold temperatures and power outages, you work hard and like to play hard too ! At the first sight of 60 degree temperatures, people native to Michigan break out the shorts and flip-flops. We’ve been waiting and we are anxious!

First of all, we have to clean up from the winter or maybe even the left-over fall season. Now we can ride our bicycles or motorcycles. We can plant and maintain our flower or vegetable garden(s). We can hand-wash the car, wash windows, cut grass, trim bushes. We can now golf, play

baseball, swim in a pool or lake, play horseshoes, cornhole, Jarts, you name it. Let’s not forget about boating, jet or water ski’s, tennis, maybe even Pickleball? Camping and campfires (setting up and tearing down). Traveling to other states or countries, hiking, and all around site seeing.

What do all these things have in common? We are most likely anxious to have fun and probably using muscles we have not used in a long time. An injury may even occur during any of these activities. We will definitely be pre-disposed to injury when we go to work if we are already nursing a sore back or sore shoulder. I type all day and after a weekend of trimming bushes, my hands are sore and stiff on Monday morning.

So, as an employer, be sure to obtain details when a Monday injury is reported to have occurred at your facility. Lacerations are obvious, but a sprain/strain or merely an allegation of “pain” being reported will be scrutinized by our department. Activities at work can certainly aggravate a condition, but there has to be a medically proven correlation between work and the diagnosed condition.

Now that marijuana is legal along with the sale of edibles, individuals may not be taking the time to “cleanse or

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refresh their system” before returning to work Monday morning. The old fashioned alcohol “hangover” is easier to notice in a person. Alcohol acts as a diuretic. The active compounds of cannabis can cause an increase OR decrease in blood pressure. Cannabis can act as a diuretic. Compound those effects with summer heat and humidity inside a plant or shop, or while working out of doors, and it is certainly easy to see how it may result in an injury or ill health.

Remember, everything that happens at work is not always a work related injury. A work injury must arise “out of and in the course of employment”. More important than anything – we’ve waited a long time for summer fun, we want to be able to enjoy ourselves!

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condition of our shops. This is why we have such an emphasis on Loss Control.

When I visit shops, one of the best statements I hear from shop owners and safety managers is, “I have a personal responsibility to keep my employees safe and return them at the end of the day in the same condition as when they arrived in the morning.” That is good advice for keeping a shop focused on production versus on injuries and employees who often rush to help an injured worker, but it is also a good financial move since your experience modification will go up and your company dividend will go down based on loss expenses.

In these hectic times we know it is difficult to focus on training. It is also difficult to have the shop distracted with a serious injury. There are expenses that occur when a serious injury happens that are not reimbursable by a Workers’ Compensation policy. I hope this brief review provides you more reasons to keep your shop safe for both new and old employees. Until next time, John.