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From the desk of

John Karlen, CPCU, APA, ARe
On The Road Again

Every time I think about a busy time at MTM, I remember many of my recent visits to our MTM shops. Our members are undergoing massive changes all the time. There are shortages of raw materials. There are shortages of personnel. The changing product line and the markets in which they serve all create a tech environment where every minute of the day is filled with important decisions. That always helps me keep a

perspective for the busy times that MTM has. February is one of those extraordinarily busy times.

In actuality it starts the last couple days of January when Chris Doebler, MTM CFO, and Megan Brown, VP of Sales and Marketing and I meet with our actuarial team to discuss year-end results and loss reserves. It is a lively discussion/debate where we take many unknowns of future medical costs, future court decisions, and try to apply that to the over 500 open claims that we are presently working on. Once an agreement is reached for that, then we start plugging those into the expense categories and revenue of 2022 for a final financial statement. All of that needs to be completed in just a few days. On February 9th we presented our findings to the MTM Board Finance Committee and MTM Board Marketing Committee. These committees are made up of MTM members.

We met with the Finance Committee to discuss the year-end finances so they can make a dividend recommendation to the MTM Board for dividends which would be paid in March of 2023. Once the Board Finance Committee approves a dividend dollar amount, we then meet with the Board Marketing

Committee, which is also made up of MTM members, to discuss how best to allocate and distribute those funds to MTM members. Finally, on February 16th those two committee recommendations go to the full MTM Board for discussion and final approval. The project then returns to management for production and distribution of those checks. Producing 924 checks with all the guidelines outlined by the Board Marketing Committee and total up the dollar amount from the Board Finance Committee is a significant task. The work is worth the effort. Dividend checks are always welcomed by MTM members.

With that long walk through the process, I'm pleased to say that this year's distribution is \$3.1 million to MTM members. On an average basis, that equates to 20% of the MTM premium. As a small mutual company owned by the MTM members, once losses are reviewed and fully funded, nearly all of the profit of the year is distributed to members. In this case, 91% of the profit from 2022 is distributed as dividends to MTM members. There are no outside interests, banks, or investors that take a cut from the MTM member dividend. For safety purposes the Board makes sure that all claims' accounts are fully funded and there

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**Donna
Motley**
Vice President
of Claims

Everything Has a Cost!

Seems like – what used to be simple, is not so simple anymore! Procedures are established for a reason – to simplify things!

In an ideal world, when an employee is injured at work, the injury is reported to the Supervisor, Safety Representative and/or Human Resource personnel. A claim is filed on the appropriate forms with your Workers' Compensation carrier (MTMIC!). The employee is sent to the Occupational Clinic where treatment is rendered; the injured worker may be referred to a specialist. The injured worker will treat until the injury is resolved, then discharged from care, and the employee is released back to work. The steps seem pretty cut and dry and while medical care is not considered "cheap" by any means, Michigan Workers' Compensation includes a fee schedule resulting in 40-60% savings on most medical bills. As an employer, I'm sure you are astounded at times, when you see the dollar amount spent on some work related injuries.

There are "hidden" costs. When I say "hidden" I mean there are costs associated not related to actual medical "treatment". When injured workers take it upon themselves to treat with their primary care physician, our office has to then request the primary care physician medical records. Approximately 50% of the time, the primary care physician will charge a fee for the records. (As a side note – this also delays treatment for the injured worker.) When an injured worker sustains an injury or an aggravation to a body part for which they sought treatment in the past, our office has to request the medical records covering the past treatment. Again, there is usually a charge for the past records. When past treatment involves a hospital, there is always a charge for medical records.

If the injured worker does not speak English and there is no family member to interpret for them, we have to hire a translator.

Per the Workers' Compensation Act, injured workers are compensated for mileage to and from medical appointments. If the injured worker does not have a driver's license, does not have a vehicle, or does not have some-

one to transport them to the medical appointments, we pay for transportation through a service company.

When a motor vehicle accident occurs in the course of employment and a claim is filed with the auto carrier, the auto carrier will pay bills and services without question and then subrogate against the Workers' Compensation carrier. If the injured worker and/or their auto carrier file a lawsuit against the other vehicle involved in the accident, the Workers' Compensation carrier is entitled to file a lien against monies paid to the injured worker. However, typically if we are able to collect, it is usually only cents on the dollar; and if settlement is made to the injured worker to compensation for "pain and suffering", Workers' Compensation recoups nothing as Workers' Compensation does not pay for, or cover, "pain and suffering".

In serious injuries where the injured worker cannot care for themselves at home (i.e., they live alone, they don't want attendant care in their home, they cannot ambulate steps, etc.), Worker' Compensation would have to send the injured worker to an in-patient Rehabilitation facility until they are discharged and able to care for themselves in their own home.

If an employer is not able to accommodate light duty restrictions placed on the injured worker by the treating physician, Workers' Compensation has the authority to place the injured worker in "transitional work". Transitional work can be minimum wage employment or an assignment with a charity. Workers' Compensation continues paying the wage loss benefits to the injured worker and a fee is charged by the company finding and arranging the restricted or light duty work.

And finally, in cases where the injured worker has insurance coverage through Medicaid or Medicare, and medical bills for treatment have been processed through Medicaid or Medicare, by law, Workers' Compensation has to reimburse said entities at 100%.

It is a positive for the injured worker that these accommodations can be accomplished, but the price of same is over and above the actual medical treatment of the injury. As we age, it seems everything gets more complicated!



**Travis
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Consultant

**When Fixing the
Manpower Issue
Becomes a “Col-
laborative” Effort**

The Future is Here

As we look outside every morning, we see that the weather is improving, and we are starting to shake that cabin fever. The sun hits our faces on the way to work, and optimism fills us for the upcoming day. Regardless of the industry that you work within, most of us are all met with the same issue once we arrive in our parking spots. That issue is simply people, or the lack thereof. The ability to not only find people willing to work, but to secure them for a period of time that extends past the first day is quite a feat as of late. Very few places have been able to combat this issue, but some of the manufacturing facilities have found a possible resolution. This resolution is simply replacing the position in which an employee would be with a collaborative robot, or often referred to as “cobots”. As labor costs continue to rise, as does the need for flexibility in automation, mixed with the aforementioned shortage of qualified workers, employers are finding these cobots to not only be an option, but more so as their only option. The sales of these robots had grown to \$400 million in 2017 but is expected to climb as high as \$7.5 billion by the year 2027.



For those of you that may not be familiar with the term collaborative robot, it is simply a power and force limited robot that is equipped with very accurate and safety force sensing capabilities. These cobots work within a defined area, and will stop if they encounter an unexpected force, such as bumping into a person or piece of equipment. This stopping capability allows these robots to work side by side with humans. These cobots are usually focused on repetitive tasks such as inspection and picking/placing but can have attachments to load/unload parts to/from machinery, conduct welding operations, and even assist in painting/powder coating. As these forms of robotics have grown, it could be assumed that there would be a plethora of rules regarding them. Surprisingly, that is not the case.

Lack of Standards

Federal OSHA, as well as MIOSHA do not have a robotics standard per say, but instead lean on the subparts that pertain to the processes in which the robot is completing. For instance, a great deal of robotics violations pertain to the proper lockout/tagout procedures that one would complete while working with the energy sources for a collaborative robot. Other MIOSHA areas that are cited when working with collaborative robots include, but are not limited to, mechanical power presses, abrasive wheel machinery, welding operations, and even woodworking machinery. It is vital that we do not only look at the robot itself, but also the processes that the robot is working with. While OSHA/MIOSHA may not have set rules for collaborative robots, other agencies such as, ISO (International Organization for Standardization), ANSI (American National Standards Institute), and RIA (Robotics Industries Association) all have National Consensus Standards for robotics that provide guidance to OSHA/MIOSHA during an inspection/investigation. For instance, ISO/TS 15066:2016 discusses numerous items regarding collaborative robots that allows an enforcement official the ability to cite for if found not to be compliant. One of those items, and possibly the largest aspect of a collaborative robotics safety program, is the requirement for a risk-based assessment.

Risk Assessments

While collaborative robots are designed to work safely with close human interaction, this risk-based assessment is still required for each robot and each task that the robot will be completing. This risk assessment is aimed at considering all ways in which the operator may be exposed to a hazard such as pinch points and entanglements with end of arm tooling. Upon identifying each process, you must break down the risk down into categories of degree of possible harm (severity), the frequency of exposure, and the possibility of avoidance.

Injury Severity – The injury severity is broken down into three ratings. These ratings are serious, moderate and minor. Serious can range from fatality, amputation, long term disability and chronic illness. Moderate can include fractured bones, lost time, severe lacerations and short hospitalizations. Finally, minor can include bruising, small cuts, no loss time, and does not require attention by medical doctor.

Exposure – The exposure category is broken down into prevented, high and low. While injury severity rating names are, for the most part, self-explanatory, these are not as simple. Each of these have an in-depth explanation as to how frequently the operator would be in the hazard zone, the duration in which the operator would be in the hazard zone, and whether the task is routine, or non-routine.

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Avoidance – The avoidance category determines how easily an operator can sense and elude a hazardous situation. This category covers items such as clearance distances, speed and ergonomic characteristics of the hazard zone, and even potential hazardous materials within the hazard zone.

Once all of these items have been evaluated, a risk level is determined for each task with the categories above. From there, a hierarchy of risk reduction methods can be used to reduce the risk to obtain what is deemed as an acceptable risk. After all of that, verification of the risk reduction, validation of that same risk reduction, and the documentation of it must be done as well. While this all seems like a great deal of work, you may be surprised at how quickly it will go.

For assistance in identifying the hazards that your robot(s) may have, or how to conduct the risk assessment, please reach out to your MTMIC Loss Control Consultant. As controlling losses is heavily based on the “what ifs” in a workplace, we can assist in dissecting the operations for the different exposures within the processes. I hope that 2023 has been a healthy and successful year for all of you!

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is reserve money set aside in case the claims go for higher amounts than anticipated.

Normally, right after the checks are produced, we start the delivery process to MTM members. It is as I said for nine years in a row, the best part of my job. Taking money with surprise visits to MTM members, and handing a check is a fun fun job. We did make a slight change this year, in that our annual MTM member’s meeting is Thursday, March 16th. What better way to encourage people to attend, but also assist in a fast delivery process by handing out MTM dividend checks at that meeting.

There will be members who did not attend the meeting. So the following day, we started the delivery process to get to those members as quickly as possible.

- John