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*From the desk of*

**John Karlen, CPCU, APA, ARe**

**New Process/Cost Efficiencies at MTM**

**L**ike you, at MTM, we are always looking for ways to improve our products and reduce our costs. Improving costs increases MTM member dividends. Continuing and improving MTM dividends is what every MTM employee is working towards and is an important part of being a small insurer that is owned by its members.

Since claims and loss control expenses take nearly 70% of every premium dollar, most of what you hear from MTM is about how to reduce accidents and when an injury does occur, how we manage each claim dollar in the most effective way possible. With that said, MTM conducts an audit each year when each workers' compensation policy expires. To complete these audits, we have used an outside audit service and many of you will recognize Aprise as the firm that visited your shop or conducted your internal email/phone audit. They have done an excellent job, however COVID changed the audit process significantly by greatly increasing the number of audits that were done by email/phone with the number of field audits considerably lower. When the audits are processed internally by email/phone, it appeared that that process could be handled at a reduced cost by MTM staff. We conducted a research project and determined that somewhere between \$80,000 to \$120,000 of savings could be realized by moving this to an in-house function. On August 1st, we implemented a gradual conversion to an internal MTM process. Many of you know Glenda Moyle, Premium Accounting Manager who has been producing audit invoices and processing the collection of MTM audits for more than 40 years. In the past, she would send the audit paperwork to Aprise to conduct a field audit or an email/phone audit. Glenda's

function is unchanged. What we have changed is that the audit assignments will be done internally, and the internal email/phone audits will be conducted by MTM staff. We will still use Aprise when a field audit is the appropriate audit method.

On August 1st, we implemented the program and got the conversion underway with the goal of being fully converted by 12/1. With good procedures in place, forms and management support, this conversion has gone very well and with the large number of members in January you're likely to see correspondence from the MTM Internal Audit Associate, Faris Saleem.

In the meantime, one of the important parts of this project is to make sure that you know that we take the stewardship of MTM premium seriously. We are always looking for ways to reduce our costs, which increases the dividend value for our members. With the MTM Board of Directors made up of 11 shop managers, that remains a primary focus from the Board to the President and to the employees of MTM.

Until next time, have a wonderful fall.

-John

*Continued on page 4...*



**Travis Halsted,**  
**ARM, COSS**  
**Loss Control Consultant**

## When The Two Worlds Collide

As the leaves start to change colors, the temperatures dip at night, and the trick or treaters are developing their gameplan to get the most candy possible, we can't help but notice that one particular item isn't changing in our workplaces. That particular item is the need for employees. Temp agencies aren't producing the number of employees that they were before, applications from potential hires have slowed to a trickle, all while production is starting to increase in several industries. Because of this, companies have turned to their office staff to enter the manufacturing floor, and fill some of the vacant positions. This can prove to be an immediate solution, but without addressing proper training this could also prove to create more challenges.



### From Expert to Novice

While the members of your office team may be well versed in the responsibilities of their positions, this doesn't always mean that they have even the slightest idea of the processes that you have within the other parts of your facility. Nor does it mean that they always have the mechanical abilities to complete some of those processes. Just as you would evaluate the abilities of a new hire, the office employee should also be assessed for their abilities and how/where those abilities fit best. We wouldn't take an employee from the manufacturing floor and ask them to fill the spot of the CFO, and, while that may be an exaggerated example, it stresses how we shouldn't naturally assume that the CFO can run equipment, cut material, buff/grind/debur, or even just generally clean the work area. When I entered my first job at a manufacturing facility, I didn't realize that there is a very noticeable difference in how you mop the floor at home versus how you mop the

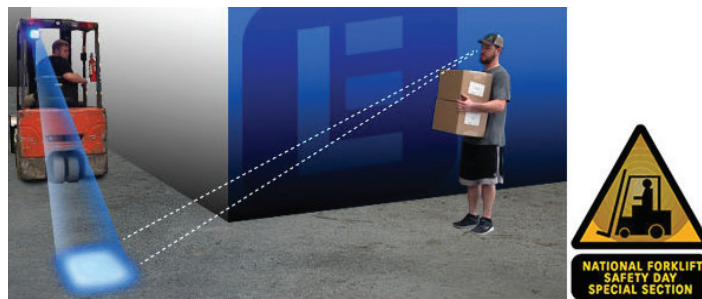
floor in an oily production environment. I had to be trained on the proper way to mop a floor in that environment. At the same facility I trained an employee that had worked with wood products his entire life and never cut metal on a vertical bandsaw before. He quickly learned that there is a difference between wood and metal. Those were just a couple examples of how what a person may be an expert in, doesn't always mean it will transition to the manufacturing environment.

### Invest in Training

During a recent visit, I had the pleasure of visiting with a young lady that was running a press brake. She had a look of concern on her face and was actually wincing with each press of the foot pedal. She was running a small part that was probably no larger than 5" x 5". I asked her if everything was alright and she simply replied, "my hands are so close". I pointed to the tongs that were sitting on the bench by her and recommended using those to hold those parts. I also asked her if she was trained to use those, and the response was a simple no. This was a severe injury waiting to happen. This was a severe claim that was preventable. It turns out that this employee was from purchasing. She buys the material that they bend in that equipment, but it doesn't mean that she is skilled in operating the equipment. While the employee transitioning from the office to the production floor may have had the trainings on Hazard Communication, Lockout/Tagout, Personal Protective Equipment, etc., they should receive thorough training on the equipment that they will be working with, the hazards of the equipment and materials/chemicals that they will be working with, and the sounds that they may be hearing on the floor (forklift horns, backup beepers, etc.). Furthermore, we should ensure that the office, now production, employee receives appropriate time with the trainer. They should only be left to work alone when they are comfortable with the process and all training is documented. Finally, the employee should be checked on intermittently to ensure that they are still comfortable with the task. We need to remember that these employees do not normally have running equipment in their wheelhouse, and past employment experiences. Lets do our best to add them as a long term asset to your company and not an addition to your loss run.

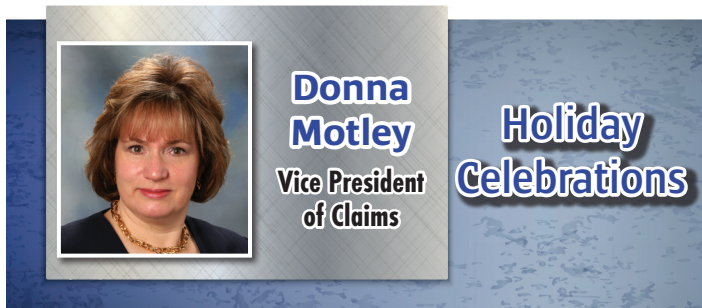


I do have one final note that I wanted to touch on. 2023 has provided me with the unfortunate task of completing several accident investigations. During these investigations I am hearing/reading the root cause as the employee “just wasn’t paying attention”. This may be the event in some situations, but the lack of paying attention is also something that we should delve into. I choose to identify this issue as situational awareness. During one of my investigations, the injury was a finger laceration claim where machine guarding was removed and the employee placed their hand into the point of operation. The employee was injured by the moving parts in said point of operation, and even the employee said that they just weren’t paying attention. When we identify hazards in the workplace, we need to be aware of how an employee may be lacking situational awareness. This employee would not have been able to be injured, paying attention or not, if the guarding was in place. How many near misses have happened in your workplace with forklifts because an



employee is not being aware of their environment and walks right out in front of an oncoming forklift? The employee was lacking situational awareness. How can we reduce the likelihood of that lack of situational awareness from becoming a severe event? By installing the blue lights on the front and rear of the forklift to signify its presence it could serve as a trigger to the employee who may be in their own thoughts. Can the accident still occur? Absolutely, but with the light installation, and proper training on the lights, you can provide an additional aspect to combating the situational awareness battle.

If you have any questions on what employees should be trained on before entering the work environment, or how to identify other ways to reduce to combat poor situational awareness, please do not hesitate to contact your Loss Control Consultant. I hope you all have a safe and happy holiday season!



Summer is over, the kids are back in school. For the most part, vacations are over. Everyone should be settling down into their usual routine. Should that equate to fewer work related injuries? Probably not – because – the HOLIDAYS are upon us. Whether we partake or not, decorating for Halloween is becoming almost, if not, as big as decorating for Christmas! I’m sure you have seen the lawn decorations that stand as high or higher than your house. Following Halloween is Thanksgiving – not very much by way of decorating, but good food and football come into play, as well as raking leaves. Then Christmas or Hanukkah – which usually comes with a serving of snow shoveling. We are probably using a different set of muscles than what we used during the summer months which can lead to work injuries.

Daylight Savings Time is still in effect. We will be going to work in the dark and coming home from work in the dark. Daylight Savings along with the change in weather has an impact on our sleep patterns. Dark, cloudy days, colder weather and lack of sleep can lead to depression. Which, in turn, can lead to work injuries.

As an employer, you might be hiring seasonal help or maybe you are currently short staffed following the after effects of the UAW strike. Hiring new employees, bringing people back to work following a lay-off, or having to require your employees to make up for absent workforce, adds additional strain. Maybe you are only couch surfing on the weekend - again, you will have to use different muscles than previously utilized in the summer.

All of the above can contribute to, or cause, work related injuries. Does the change in seasons also have an impact on your business – are you busier or slower? Look for possible trends in work related injuries. Not to be forgotten, Michigan hunting season begins in September and continues through December! Pay particular attention to those Monday and/or Friday injuries!

**FEEL FREE TO CONTACT ANY OF US IF WE CAN BE OF SERVICE TO YOU:**

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## SAVE THE DATE

The Annual Member Meeting  
**March 21, 2024**  
**11:00 – 2:00 pm.**

**THE ITALIAN AMERICAN CLUB  
OF LIVONIA**

39200 Five Mile Road  
Livonia, MI 48154

*We would like to thank  
Debbie Sagan for 12 years  
of service to MTMIC*

*And wish her a happy  
and relaxing retirement.*

## HOLIDAY HOURS

*Thanksgiving*

**Thursday, November 23<sup>th</sup> and  
Friday November 24<sup>th</sup>**



*Christmas / New Years*

**December 25<sup>th</sup> and 26<sup>th</sup> and  
January 1<sup>st</sup> and 2<sup>nd</sup>.**

