



MICHIGAN SELF-INSURERS' ASSOCIATION

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Gerald M. Marcinkoski
Executive Secretary

Board of Managers

General Motors LLC
Susan R. Azar
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Ford Motor Company
Jonathan R. Parker
1st Vice Chair

Consumers Energy Company
Doug Wright
2nd Vice Chair

Ilitch Holdings, Inc.
C. Michael Healy
Treasurer

City of Grand Rapids
Mari Beth Jelks

Amway
Lorraine K. Climer

Wayne State University
Pamela Galloway

AT&T Michigan
Albert Calille

DTE Energy
Douglas A. Green

FinCor Solutions
Janet Kransz

Marathon Oil Company
Barbara Parker

Trinity Health
Teresa Fisk

Sherriff-Goslin Company
William Ticknor

Wayne County Airport Authority
Leigh Stepaniak

Kelly Services, Inc.
Lesley Zielinski

Meijer
Sherri Miller

MINUTES OF BOARD OF MANAGERS' MEETING

January 8, 2010
Holiday Inn North Campus
Ann Arbor, Michigan

Reminder: Minutes are now only available via e-mail or on the website. If you wish to receive the Minutes via e-mail, please provide your name, company name, and e-mail address to Marianne Melton at mmelton@laceyjones.com

Present:

AZAR, S., General Motors LLC
CALILLE, A., AT&T Michigan
CLIMER, L., Amway
GALLOWAY, P., Wayne State University
GREEN, D., DTE Energy
HEALY, M. Ilitch Holdings, Inc.
JELKS, M., City of Grand Rapids
KRANSZ, J., FinCor Solutions (by phone)
MILLER, S., Meijer
PARKER, B., Marathon Oil Company (by phone)
PARKER, J., Ford Motor Company
STEPANIAK, L., Wayne County Airport Authority
TICKNOR, B., Sheriff-Goslin Company
WRIGHT, D., Consumers Energy Company
ZIELINSKI, L., Kelly Services, Inc.

Chairperson's Council:

BLOCK, W., Michigan Chamber of Commerce
SPIKE, J., Michigan Manufacturer's Association
SUSSER, D., Smith Haughey Rice & Roegge

Not Present:

CHILD, L., Qualifications Advisory Committee
FISK, T., Trinity Health
LEVINS, N., Chrysler Group LLC

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The Chairperson called the meeting to order at 11:35 a.m. to discuss the following Agenda:

AGENDA

1. Minutes of Board of Managers' Prior Board Meeting
2. Treasurer's Report
3. Membership Committee Report
4. Nominating Committee Report
5. Funds Trustees' Report
6. *Amicus Curiae* Committee Report
7. Technology Committee Report
8. 2010 Spring Conference Committee Report
9. Health Care Committee Report
10. Legislative Committee Report
11. Old Business
 - a. Mr. Welch's Project
 - b. Conflict of interest statements/Whistle Blower's forms
 - c. MSIA Membership dues
 - d. Joint Conferences or lunches?
 - e. Other Old Business
12. New Business
 - a. Reduction of Magistrates and related Agency developments
 - b. ACE Insurance Co. suit and the SISF
 - c. Compscope benchmark in Michigan, 10th edition
 - d. UWC 2010 dues
 - e. Other New Business

The **Minutes** were approved, upon motion of Ms. Zielinski that was seconded by Mr. Green, after corrections suggested by Mr. Wright.

The **Treasurer's Report** was submitted by Mr. Healy. He provided the Board with a handout summarizing MSIA's expenses. He noted that there was a certain amount owing for the MSIA's storage unit. Ms. Azar indicated that she will take care of that amount. MSIA paid \$1,000.00 for the *Trammel amicus curiae* brief. Upon motion of Mr. Wright, seconded by Mr. Green, the Board approved the Treasurer's Report.

The **Membership Committee Report** was provided by Mr. Healy who indicated that 68% of the membership fees had been paid.

The **Nominating Committee Report** was submitted by Mr. Calille. Mr. Calille explained that under MSIA's constitution there is no vacancy on the MSIA Board that the Board of Managers presently has the authority to fill. MSIA's Board of Managers presently consists of 16 member and 17 members are allowed. Only the MSIA general membership, upon recommendation of the Board of Managers, can elect

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a company to the Board of Managers. The 17th position will be voted upon at the 2010 Fall Conference. The chair indicated that, as has been the case in the past, invited persons may sit in on MSIA Board Meetings. The Board will ask Mr. Steve Ohman of Spectrum Health to sit in on MSIA Board Meetings until the Fall Conference this year.

The **Funds Trustees Report** was submitted by Mr. Green, the newest Trustee appointed by the Governor. He indicated that he is not at liberty to discuss what happens at closed Funds Trustee sessions, but can discuss what happens at open sessions. He reported that Brian Banfield of the Funds Administration is retiring. He further indicated that now redemptions over \$1,000.00 dollars, as opposed to the previous \$500.00 limit, must come before the Funds Trustees for approval. Mr. Green said that he reviewed the prior studies regarding potential changes that may be made in the Funds. These reports, stretching back over 10 years, made recommendations to eliminate, reform, and/or restructure some funds. This issue is presently being discussed as well by the funds sub-committee of Mr. Ed Welch's current project. Mr. Green added that there were a couple of additional companies, beyond Delphi, that were in danger of defaulting though none of the size and scope of Delphi.

The **Amicus Curiae Committee Report** was submitted by Mr. Calille. He indicated that the MSIA Board's *amicus curiae* brief in *Trammel* has been filed. *Trammel v Consumers Energy* is the case where an *en banc* Workers' Compensation Appellate Commission held that implants (such as knee replacements) are not to be considered when evaluating the usefulness of the body limb at issue in making the specific loss determination under MCL 418.861(2). *Trammel* is presently pending on the employer's application for leave to appeal before the Supreme Court. Mr. Calille also reported that the employer's appeal in the RICO case had been rejected by the Supreme Court. That case now returns on remand to the federal district court for a trial. Mr. Calille indicated that the worst case scenario would be if the employee settles that case.

The **Technology Committee Report** was submitted by Mr. Parker. He indicated that there was nothing new to report other than to visit the website for conference information.

The **2010 Spring Conference Committee Report** was submitted by Mr. Parker. He indicated that there had been a couple of meetings of the Spring Conference Committee, as well as conference calls. The working title of the conference is "Are Happy Days Here Again?" He indicated that the plan was to have golf and dinner on Wednesday, along with the recognition of senior MSIA members. Thursday's session and Friday's session are to take place in one large conference room. There are no anticipated break out sessions. The Committee is still deciding on a key note speaker. Thursday evening there will be a dinner outdoors (weather permitting) as well as a disc jockey event. On Friday, the Agency personnel will speak, along with the Executive Secretary and a speaker on closed head injuries. It is hoped that Mr. Ed Welch will speak on Friday as well. It is anticipated that there will be an increase in the registration fee due to two dinners as part of this conference.

The **Health Care Committee Report** was submitted by Ms. Azar who indicated that there was nothing new to report.

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The **Legislative Committee Report** was submitted by Ms. Block and Ms. Spike. Ms. Block indicated that there was not much happening legislatively with the Governor's State of the State speech garnering most of the attention and interest in Lansing. Ms. Spike indicated that the Governor's budget presentation, anticipated coming about a week after the state address, should be examined closely.

Under **Old Business**, the Board reviewed developments with respect to Mr. Welch's project. Mr. Welch has divided topics for his project into four working groups: funding the operation of the workers' compensation system, reform and restructuring of the state's funds, updating and improvements in data processing, and possible litigation reforms. The MSIA Board discussed who amongst the Board might be interested in participating in these working groups. The Board settled on certain names. The Executive Secretary reported that Mr. Welch will address the MSIA Board at its February 12, 2010 meeting. And, Mr. Dennis Morrill of the Fund Administration will address the MSIA Board at the March 12, 2010 meeting. The Executive Secretary then reported that the ultimate recommendations of Mr. Welch's project as a whole would be reviewed by persons in the Michigan State Senate with input from various employer groups, including MSIA, the Chamber of Commerce, the Michigan Manufacturers' Association, the insurance industry, and small business interest groups.

The Executive Secretary distributed conflict of interest and whistleblower statements for MSIA Board Members to review and discuss at the next board meeting.

The MSIA Board then revisited whether membership dues need to be changed. The Board decided not to change them at this time.

In terms of the possibility of joint conferences or lunches, the Board noted there was nothing new to talk about as PRMA had not contacted the MSIA Board.

Under **Other Old Business**, Ms. Zielinski reminded the Board of its two student scholarships. She is to contact people from Olivet College. The two winners of the scholarship would attend the MSIA Fall Conference for free and be reimbursed for related travel to and from the conference.

Under **New Business**, the Board discussed the reduction in magistrates. It appears that nothing can be done to avoid the elimination of the magistrates whose terms expire on January 26, 2010. There is talk of filling the one Magistrate vacancy created by Mr. Murray Gorchow's departure from the Board of Magistrates to chair of the Workers' Compensation Appellate Commission.

ACE and Pacific Insurance Company are in the midst of litigation in the United States Bankruptcy Court in the southern district of New York against the State of Michigan in relationship to the state's assertion that ACE (Pacific) insured Delphi for workers' compensation purposes at various plants for various dates. The United States Bankruptcy Judge has determined that the bankruptcy court does have jurisdiction to decide that matter. The State's Rule 5 hearing related to this matter is being held in abeyance for the bankruptcy proceeding.

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The MSIA Board was provided a summary of Compscope, a national organization who made major findings with respect to Michigan's workers' compensation system. Compscope found: "The Michigan workers' compensation system is a competitive asset for the state, especially under the challenging economic conditions in recent years.The Michigan workers' compensation system provides a better value proposition for both employers and injured workers."

The Board approved payment of UWC's 2010 dues upon motion of Mr. Calille, seconded by Mr. Green.

Under **Other New Business**, the Executive Secretary brought to the Board's attention that the Supreme Court of Ohio had approved continuing legal education credits for its attorneys in relationship to MSIA's last conference. The Executive Secretary will check whether this is an ongoing approval of continuing legal education credits or whether it is conference – specific.

The meeting adjourned at 4:12 p.m. upon Motion of Mr. Healy, seconded by Ms. Miller.

Respectfully submitted,

Gerald M. Marcinkoski

Gerald M. Marcinkoski
Executive Secretary