



MICHIGAN SELF-INSURERS' ASSOCIATION

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DTE Energy
Douglas A. Green

Trinity Health
Teresa Fisk

Wayne County Airport Authority
Leigh Stepaniak

Kelly Services, Inc.
Lesley Zielinski

Meijer
Sherri Miller

Spectrum Health
Stephen Ohman

Parker Hannifin Corporation
Sally Perrin

MINUTES OF BOARD OF MANAGERS' MEETING

September 9, 2011

Fox Hills Golf & Banquet Center
Plymouth, 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
BRUNO, L., AT&T Michigan
CLIMER, L., Amway
FISK, T., Trinity Health
GREEN, D., DTE Energy
HEALY, M. Ilitch Holdings, Inc.
JELKS, M., City of Grand Rapids
MILLER, S., Meijer (By Phone)
OHMAN, S., Spectrum Health Occupational Services
PARKER, B., Marathon Petroleum Company LP
PARKER, J., Ford Motor Company
STEPANIAK, L., Wayne County Airport Authority
WRIGHT, D., Consumers Energy Company
ZIELINSKI, L., Kelly Services, Inc.

Chairperson's Council:

BLOCK, W., Michigan Chamber of Commerce
CHILD, L., Qualifications Advisory Committee
NEWBERRY, D., Michigan Manufacturers Association
SUSSER, D., Smith Haughey Rice & Roegge

Not Present:

GALLOWAY, P., Wayne State University
LEVINS, N., Chrysler Group LLC
PERRIN, S., Parker Hannifin Corporation

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The Chairperson, Mr. Jonathan Parker, called the meeting to order at 11:34 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
 - a. Delphi default claims – data base research
6. *Amicus Curiae* Committee Report
7. Technology Committee Report
8. Health Care Committee Report
9. Legislative Committee Report
 - a. Status of legislative reform
10. 2011 Fall Conference Report
11. Old Business
12. New Business
 - a. Workers' Compensation Fiscal Data Research Bulletin
 - b. LARA news release
 - c. Federal budget impact on workers' compensation?
 - d. Other new business

The **Minutes** of the prior Board Meeting were approved upon Motion of Ms. Azar, seconded by Ms. Climer.

The **Treasurer's Report** was submitted by Mr. Healy. He provided the Board with two handouts. He reported that MSIA's finances are steady; there is only approximately a \$1,000.00 difference in the checking account as contrasted with last year. The Grand Traverse Resort bill with respect to the Spring Conference has been paid. Through the efforts of Denise Pretzer, Grand Traverse waived any attrition charges. And, Mr. Healy believes there may be an outstanding credit from Grand Traverse. Mr. Healy reported that he will begin using Quicken in regard to MSIA's finances. Upon Motion of Ms. Parker, seconded by Ms. Bruno, the Treasurer's Report was approved.

The **Membership Committee Report** was presented by Ms. Zielinski. She reported on the renewal rate for 2011 – 2012. Ms. Zielinski further indicated that in the next few weeks second notices would be sent out to MSIA members who had not responded to the first dues notice. She reported three new members of MSIA: First Choice Evaluations (IME group); Legal Net Inc. (legal bill review); and Aegis Corporation (TPA who will exhibit at the Fall Conference). Upon Motion of Ms. Azar seconded by Mr. Ohman, all three members were approved for membership.

The **Nominating Committee Report** was submitted by Ms. Susser. She reported that the Committee has selected Kellogg Company (as represented by Tara Albaugh) to fill the spot on the Board of Managers created by the departure of Sherriff- Goslin Company. Kellogg Company will be nominated and voted upon at the Fall Conference. The Executive Secretary provided the Board with a letter sent to Sheriff-

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Goslin Company and Mr. William Ticknor, its representative, thanking them for their participation over the years with the MSIA Board of Managers and wishing them well. The Board also discussed that this is the year where the same Board Members would be nominated for another term.

The **Funds Trustees' Report** was presented by Mr. Green. He reported that the Funds Trustees recently held a meeting that was a closed session. He reported that the Trustees are in the process of composing a letter outlining the options for the Self-Insurers' Security Fund. It appears as though it is not possible to sell off the old claims. The next Funds Trustees meeting is scheduled for October 11, 2011. Ms. Azar reported that Sedgwick is working with the state to identify the correct number of Delphi default claimants. There is some concern that the Funds are perhaps double counting some claimants. The posture of things presently is that we are all still progressing toward finding a solution to the Self-Insured Security Fund's challenges.

The ***Amicus Curiae* Committee Report** was presented by the Executive Secretary. He reported that there were no new *amicus curiae* requests. Beyond that, he indicated that the Supreme Court would be holding oral argument in the first week of October in the case *Findley v Chrysler Group LLC*. The issue in the case is a technical one: whether split decisions from the Workers' Compensation Appellate Commission (such as 1 – 1 – 1 decisions) can be considered valid decisions in the Court's eye. Or, on the other hand, must such cases must be remanded to the Commission until a true majority opinion is produced.

The **Technology Committee Report** was submitted by Mr. Parker. He reported that he is cleaning up the MSIA website and that the forms for registering for the Fall Conference are now posted on the website.

The **Health Care Committee Report** was submitted by Ms. Azar. She reported that there has been no meeting of the Health Care Committee since the last MSIA Board Meeting. There is another Health Care Committee meeting scheduled for the following week.

The **Legislative Committee Report** was submitted by Ms. Block and Ms. Newberry. They reported on the status of the legislative reform. They reported that the legislative efforts were moving forward with an effort to codify certain recent Supreme Court case law and modernize the Act. Ms. Block and Ms. Newberry were in the process of identifying a sponsor for the bill. The Board noted the opposition to the bills, particularly by plaintiff's attorneys. Ms. Newberry and Ms. Block discussed the need for people to testify at legislative hearings so as to advise the legislators of the state of workers' compensation in Michigan.

The 2011 **Fall Conference Report** was provided by Ms. Parker. She reported that the brochures for the conference had been mailed, as well as emails having been sent in regard to the conference. The theme or focus of the Conference is on managing complicated medical and risk-related issues. There will be a re-enactment of how to handle a complex claim. Ms. Cyrulnik will discuss RSD. Ms. Parker also indicated that the hotel in conjunction with the Conference has been changed to Doubletree.

There was no **Old Business** to discuss.

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Under **New Business**, the Executive Secretary provided the Board with the “Fiscal Data for State Workers’ Compensation Systems 2000 – 2009,” released in September, 2011 by the UWC. This study identifies those states with the largest increases from 2008 – 2009 in average benefits costs. Michigan had the highest increase of any state and was second only to the District of Columbia. States with the largest decreases included Virginia, South Dakota, Arkansas, Nebraska, and Maryland. States with the highest costs were Washington, West Virginia, Alaska, California, and Montana. This data seemingly paints a different picture from LARA’s recent announcement on pure premium advisor rates for workers’ compensation. The Board surmised that the difference may be attributable to a narrower time frame tested by the State of Michigan and the possibility that some Michigan companies had been over-reserved in terms of workers’ compensation.

The Executive Secretary also provided the Board with information on the possible impact of the federal budget deficit on state workers’ compensation systems insofar as state workers’ compensation systems rely upon the federal government to process MSA’s and provide social security disability information. The fear is that any cutback in federal personnel in those areas would add delays to the federal government processing and providing such information.

Under **Other New Business**, the Board again reviewed and discussed the evidence based medicine initiative from the Director, along with issues relating to a proposed electronic transfer of benefits. Those members of the MSIA Board who participate in the Director’s Advisory Council took the lead in discussing the matter and will keep the Board apprised of development with respect to these two issues.

As there was no other new business, the Board adjourned, upon Motion of Mr. Healy seconded by Ms. Parker, at 2:07 p.m.

Respectfully submitted,

Gerald M. Marcinkoski

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Executive Secretary