



MICHIGAN SELF-INSURERS' ASSOCIATION

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Gerald M. Marcinkoski
Executive Secretary

Board of Managers

Varnum Consulting, LLC
Libby Child
Chairperson

Trinity Health
Susan Cyrulnik
1st Vice Chair

Wayne State University
Pamela Galloway

City of Grand Rapids
Sheila Mahan
Treasurer

Ford Motor Company
Jonathan R. Parker

Little Caesar Enterprises, Inc.
C. Michael Healy

SBC
Albert Calille

Consumers Energy Company
Doug Wright

DaimlerChrysler Corporation
Neil D. Levins

DTE Energy
Randall Rutkofske

General Motors Corporation
Susan R. Azar

**Michigan Health & Hospital
Association**
Janet Kransz

Alticor, Inc.
Steve Ohman

Marathon Oil Company
Barbara Parker

The Pepsi Bottling Group
Amy Maharaj

Tecumseh Products
Randall Krichbaum

MINUTES OF BOARD OF MANAGERS' MEETING

October 25, 2005

St. John's Golf & Conference Center
Plymouth, Michigan

Present:

AZAR, S., General Motors Corporation
CALILLE, A., SBC
CHILD, L., Varnum Consulting
COMMET, J., ThyssenKrupp Budd Company
CYRULNIK, S., Trinity Health
GALLOWAY, P., Wayne State University
HEALY, M., Little Caesar Enterprises, Inc.
KRANSZ, J., Michigan Health & Hospital Association
OHMAN, S., Alticor, Inc.
PARKER, B., Marathon Oil
PARKER, J., Ford Motor Company

Not Present:

LEVINS, N., DaimlerChrysler Corporation
MAHAN, S., City of Grand Rapids
WRIGHT, D., Consumers Energy Company

Chairperson's Council:

ZURVALEC, DAVID., Michigan Manufacturer's Association
SUSSER, DANIELLE

The meeting was called to order at 4:20 p.m. by Ms. Child. The following Agenda was discussed:

AGENDA

1. Minutes of Board of Managers' Prior Meeting
2. Treasurer's Reports
3. Nominating Committee Report
 - a. Replacements for vacancies on board
 - b. New officers
 - c. Ad hoc board members?
4. Technology Committee Report
5. Funds Trustees Report

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6. Amicus Curiae Report
7. Health Care Committee Report
8. 2005 Fall Conference Report
9. Old Business
 - a. New Committee Assignments
 - b. MSIA "D & O" coverage
 - c. Other old business
10. New Business
 - a. QAC Approved List of Magistrates
 - b. Meeting Dates for 2006
 - c. Other New Business

The **Minutes** of the previous board meeting were approved upon motion of Ms. Kransz, seconded by Ms. Parker.

The **Treasurer's Report** consisted of two reports, one through August, 2005 (the end of MSIA's fiscal year), and one through October 25, 2005. Upon motion of Mr. Calille, seconded by Ms. Cyrulnik, both reports were approved.

The **Nominating Committee Report** first addressed replacements for vacancies on the board of managers. Mr. Calille reported that the nominating committee recommends the Pepsi Bottling Company and Tecumseh Products be added as companies on the board of managers. Amy Maharaj would be the representative of Pepsi Bottling Company and Randy Krichbaum would be the representative of Tecumseh Products. After discussion, upon motion of Mr. Calille, seconded by Mr. Ohman, the recommendation passed and the recommendation would be presented to the membership at the next day's Fall Conference. Mr. Calille further advised that DTE Energy's new representative on the board will be Randy Rutkofske.

The next item addressed by the nominating committee were the new officers on the MSIA board of managers for the coming year. Mr. Calille recommended a continuation of the present officers, except that Pamela Galloway of Wayne State University, presently the second vice chair, has asked to step down. Upon motion of Mr. Calille, seconded by Mr. Commet, the board approved the new officers. The next board meeting will address the second vice chair vacancy.

Next, the nominating committee addressed the request for creation of adjuncts to board of managers who would attend board of manager meetings and fulfill particular roles in helping the association similar to the role played over the years by Mr. Zurvalec of the Michigan Manufacturers' Association. Ms. Cyrulnik moved we establish such an adjunct arm named the "Chairperson's Council", seconded by Ms. Parker. The board approved creation of the council. The board then voted that David Zurvalec and Danielle Susser become the initial members of the Chairperson's Council. Future appointments to the Chairperson's Council will be at the discretion of the Board.

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The **Technology Committee Report** was submitted by Ms. Child. She said that the website was continuing to develop with ten educational links. We were advised that advertising on the web site for a cost is possible. She further indicated that the blogs on the web site were not being used much. She suggested that Mr. Dana, the webmaster, attend a board meeting in January or February to discuss alternatives to means of communicating other than via a blog.

The **Funds Trustees' Report** was submitted by Ms. Child. She indicated that Mark Hogle, who had been one of the three fund trustees, is no longer a trustee because he has left the Accident Fund Company. Ms. Child also indicated that legislation on the funds was being worked on. It is conceivable that it could be passed by the end of the year. Ms. Child further advised that bankruptcies pose dangers for the funds. Comments were made about the potential of a Delphi failure and its effects on assessments for the Self Insured Security Fund. She advised that Ms. Rose Houk of the Attorney General's Office is taking the lead on bankruptcy issues. Ms. Child indicated that the most recent assessments for the funds have largely been collected. Finally, Ms. Child explained that Director Plawecki had indicated that there were 32 or 33 applicants for Craig Petersen's position.

The **Amicus Curiae Report** was submitted by Mr. Calille and the Executive Secretary. Mr. Calille recommended rejection of amicus support for the *American Axle* case, which is a non workers' compensation case that involved the intentional tort exception under the workers' compensation statute. Mr. Calille set forth reasons why he did not think an amicus curiae brief from the association would be wise, including the possibility that self-insureds may want a somewhat different interpretation of the intentional tort exception than that that may be advocated by American Axle. With respect to another case, *Lomax v Delta Tube & Fabricating/Richfield Industries*, the board approved an amicus curiae brief to support the employer's position in a *Sington* case before the Supreme Court on the employer's application for leave to appeal. A maximum \$1,500.00 was allocated for such a brief.

The **Health Care Committee Report** was submitted by Ms. Azar. She noted a hearing was scheduled for November 14, 2005, to address the question of whether the medical fee schedule's conversion factor should be increased. She advised that there is presently a proposal to increase the 1.5% conversion factor to 3%. Ms. Azar suggested a strong showing was necessary to counter those seeking to double the conversion factor. After much discussion and review of handouts, the board resolved to instruct the Executive Secretary to send a letter to the Health Care Services Division expressing its opposition to an increase.

The **2005 Fall Conference Report** was delivered by Ms. Galloway. She explained everything was in order for the conference the next day. The board discussed the business portion at the beginning of the Fall Conference meeting and the order of introductions. Ms. Galloway indicated that attendance was expected to be approximately 233 people, 42 vendors.

Ms. Cyrulnik discussed the desirability of vendor representatives being included on the Fall Conference Committees. Ms. Cyrulnik also recommended the Board seriously consider engaging an "event organizer" to aid in the organization of the conferences and relieve board members of some of the obligations

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attendant thereto. Further it was agreed that further discussion of event organizers would be placed on the Board's December agenda.

Under **Old Business**, the Board reviewed the committee assignments of the board members. Discussion of "D&O" policy was tabled.

Under **New Business**, the Board reviewed in great detail the list of Magistrates submitted to the Governor by the Qualifications Advisory Committee. The Board developed a consensus of which of these candidates would be satisfactory.

The Board was provided with a list of meeting dates for 2006. Finally, the Board discussed at some length removal of Craig Petersen as Deputy Director.

The meeting adjourned at 6:15 p.m.

Respectfully submitted,

Gerald M. Marcinkoski

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Executive Secretary