

Dawn M. Drobnich
Executive Secretary

Board of Managers

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Sandra DiCicco
2nd Vice Chair

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Doug Wright

DTE Energy
Jerome Hooper

Ford Motor Company
Kathryn Mason

General Motors LLC
Susan R. Azar

Marathon Petroleum Company LP
Lina Lee

Meijer
Barb Pelak

Perrigo Company
Lorraine Climer

Spectrum Health
Stephen Ohman

Trinity Health
Mark G. Schneider

Wayne County Airport Authority
Heather Day

Wayne State University
Pamela Galloway

MINUTES OF BOARD OF MANAGERS' MEETING

April 20, 2018
Livonia, Michigan

Reminder: Minutes are now only available via e-mail on the website. If you wish to receive the Minutes via e-mail, please provide your name, company name, and e-mail address to Keeli Baker via e-mail.

Present:

AZAR, S., General Motors LLC
CLIMER, L., Perrigo
COULSON, C., City of Grand Rapids
DICICCO, S., Kelly Services
GALLOWAY, P., Wayne State University
LEE, L., Marathon Petroleum Company LP
MASON, K., Ford Motor Company
NIEHAUS, M., Ilitch Holdings, Inc.
OHMAN, S., Spectrum Health Occupational Services
PELAK, B., Meijer
RYCHLINSKI, K., University of Michigan
SCHNEIDER, M., Trinity Health
WRIGHT, D., Consumers Energy Company

Chairperson's Council:

BLOCK, W., Michigan Chamber of Commerce
SUSSER, D., MacArthur, MacArthur & Associates, P.C.
WHITE, D., FCA US LLC (by phone)

Not Present:

BRUNO-HERLINE, L., AT&T Michigan
HOOPER, J., DTE Energy
McKINLEY, D., Michigan Manufacturers' Association
PENZ, M., HSA WCF (representing the Group Funds)
DAY H., Wayne County Airport Authority

The Chairperson, Mr. Coulson, called the meeting to order at 11:45 a.m. to address the following Agenda:

1. Minutes of Board of Managers' prior Board Meeting
2. Treasurer's Report
 - a. Financial Reports March 2018
3. Funds Trustee Report
4. Legislative Committee Report
5. Membership Committee Report
6. Nominating Committee Report
 - a. Board vacancy
7. *Amicus Curiae* Committee Report
 - a. *McQueer v Perfect Fence Company*
8. Technology Committee Report
9. Health Care Committee Report
10. 2018 Spring Conference Committee Report
11. 2018 Fall Conference Committee Report
12. Old Business
 - a. WCAC
 - b. MSIA Board Meeting locations
13. New Business
 - a. No-Fault Rules for Self-Insurers in Michigan

The **Minutes** were approved upon motion by Ms. Rychlinski and seconded by Ms. Pelak.

The **Treasurer's Report** was submitted by Mr. Niehaus. He provided the Board with a report tracking monthly cash flow. Specifically, the report itemized deposits related to conferences and membership dues, and expenditures relating to typical administrative conference expenses. Other categories in the treasurers' report included a comparison between last year and the current year's expenditures and revenue. Mr. Niehaus noted that expenses were fairly consistent, with most expenditures being conference related. Other expenses included the website contract, National Self-Insurers' Conference expenses, and various MSIA dues to other organizations. Mr. Niehaus indicated the goal was to keep track of trends to be able to advise the Board with respect to same.

Additionally, Mr. Niehaus indicated that both insurance policies, to include property and casualty insurance, as well as the directors' and officers' liability insurance policy have been paid and renewed. He indicated that the insurance policy on the storage unit has been eliminated, and that the MSIA workers' compensation policy has not been renewed.

The **Funds Trustee Report** was submitted by Ms. Pelak. She indicated the next meeting will be held on April 23, 2018. She will advise accordingly after same.

The **Legislative Committee Report** was submitted by Ms. Block. She stated that between now and the summer sessions there were no workers' compensaiton related issues slated to be discussed. She stated as it

was an election year, she did not anticipate any significant legislative changes to occur as it pertained to workers' compensation.

The **Membership Committee Report** was submitted by Ms. DiCicco. She indicated there were three new associate members who had applied for membership. They are: (1) Midwest Technical Inspections; (2) Murphy Spagnulolo, PC; and (3) Bradley Consulting & Management. There was general discussion amongst the Board with Ms. DiCicco noting that both Midwest Technical Inspections and Bradley Consulting & Management were scheduled to be general exhibitors at the Spring Conference. Upon motion by Ms. Azar and seconded by Mr. Schneider, the three new associate members were approved for membership.

Additionally, there was further discussion pertaining to increasing membership by recruiting more high deductible employers to join MSIA. Several high deductible employers sit on the Board of MSIA and share common issues with the self-insured community. All are welcome to contact the Executive Secretary with any questions pertaining to membership.

The **Nominating Committee Report** was submitted by Ms. Rychlinski. There was further discussion pertaining to the open vacancy on the Board. There is a potential candidate interested in the seat. Accordingly, Ms. Rychlinski indicated she would reach out to the potential candidate and get additional information from him so that the Board could consider his qualifications and fill the current vacancy. Mr. Wright also indicated he would reach out to the potential candidate. Again, any other self-insured employers who may have an interest in a seat on the MSIA Board is invited to contact the Executive Secretary.

The **Amicus Curiae Committee Report** was submitted by the Executive Secretary. She relayed that the *Amicus Curiae* brief had been submitted on behalf of MSIA to the Michigan Supreme Court, and that the case was likely to be scheduled for argument later in the month. Ms. Droblich will keep the Board closely advised with respect to same.

The **Technology Committee Report** was submitted by Mr. Ohman. He indicated that he would be meeting with AKEA Web Solutions regarding several website issues that have been presented. Specifically, whether he had any new ideas to utilize the website for marketing, how many hits the site was getting on a monthly basis, and various options as it pertained to getting access to track how the website is being utilized. Additionally, Mr. Ohman was going to discuss with AKEA a monthly fee option to maintain the website versus an hourly rate. Mr. Ohman will keep the Board advised with respect to same.

The **Health Care Committee Report** was submitted by Ms. Mason. She stated the Committee had met on March 15, 2018. The meeting focused primarily on air ambulance providers and how they are allowed to bill. The next meeting is scheduled for May 18, 2018.

The **Spring Conference Committee** report was submitted by Ms. Rychlinski. She stated that all speakers were set as was the agenda. She stated the Committee was in the process of finalizing details with respect to same. She thanked the Committee and stated the entire group has been very creative in its approach for this year's Spring Conference. The goal was to try and branch out and be more inclusive and interactive. She indicated there were currently six gold sponsors, a reception breakfast and beverage sponsor, as well as 22 general exhibitors. There was further discussion as to how Conference materials were going to be put on the

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website, and whether members were going to receive a specific code to access same. Ms. Rychlinski indicated the Committee would be following up with Ms. Baker with respect to same.

The **Fall Conference Committee** report was submitted by Ms. DiCicco. She indicated the Committee was working to line up speakers and set the Agenda on the speakers. She stated that the Conference will be October 9-10, 2018 at the Marriott Eagle Crest in Ypsilanti, Michigan. Furthermore, the Conference Committee wanted all to be aware there was a golf course on site and that golf would be available the day of October 9th at a discounted rate.

Under **Old Business**, the Board discussed the three workers' compensation appellate commissioners who were up for reappointment in July 2018.

Under **New Business**, Mr. Wright discussed various provisions of the no-fault rules for self-insurers in Michigan. Specifically, a handout was circulated amongst the Board regarding the Department of Insurance and Financial Services Certificates of No-Fault Self Insurance filed with the Secretary of State on March 8, 2018.

Mr. Wright noted that in Rule 257.532(2)(d) an employer possess a net worth of more than \$15,000,000.00. Note this change is an increase from \$5,000,000.00 to \$15,000,000.00 as a threshold for qualification for a certificate. He also pointed out Rule 257.533(4)(g) employees must have "a written policy and procedure in detailed description on how claims will be processed and paid in a timely manner".

Additionally, he discussed Rule 257.534(4) that "upon receipt of a complete application for an original certificate of self-insurance, the Director shall promptly review the application and all supporting documents. Within 45 days after receipt, the Director shall notify the applicant that the application has been approved or denied". Finally, Mr. Wright pointed out that Rule 257.536(5) indicates, "lost reserve funds must be kept in a segregated account and must not be co-mingled with other funds of the applicant of a self-insurer. The funds must be physically located in the state unless otherwise approved by the Director, and be maintained in a financial institution, in an escrow account, under a trust agreement, or by the applicant or self-insured individually". The Board thanked Mr. Wright for the information.

Ms. Block commented that while the changes were not controversial, the State wanted to make sure there was an ability to pay.

Upon motion by Ms. Pelak and seconded by Mr. Schneider, the meeting was adjourned at 4:03 pm.

Respectfully submitted,

Dawn M. Droblich
Executive Secretary