



# TOOL TALK

A Publication of the Michigan Tooling Association

## From Rob's Roost

by: Rob Dumont,  
Managing Director



## Having At It!

June was a very busy month at MTA with the announcement by the Workers' Compensation Fund of their plans to mutualize for the great benefit of members who participate in that Fund and, of course, the Annual Golf Outing on the 22<sup>nd</sup>.

We were very fortunate with weather at the Outing and by all appearances a grand time was had by all. Several ideas have been advanced and are under consideration to make next year's event even better. More later!

The MTA Worker's Compensation Fund is a real jewel in terms of benefits available to MTA members and the trustees, together with the Fund's administrator Gary Wood work long and hard to ensure maximum benefit for minimum cost. The decision to mutualize has been carefully and fully considered and the many benefits mutualization will offer participants in the Fund have been enumerated in the materials sent to participants at the end of June. I would urge you to carefully consider the materials provided and the recommendation of the Board of Trustees of the Fund, attend the meeting scheduled for August 17, 2006 here at MTA at 11:30 a.m. and, if unable to attend take advantage of the Mail Ballot provided and cast your vote. It is your Fund and your participation is urged.

On June 27<sup>th</sup> I was in Washington DC attending a meeting of the International Economic Policy Committee (IEPC) of the

National Association of Manufacturers (NAM). Any member of NAM is entitled to sit on the IEPC. The DMG (Domestic Manufacturing Group) is an ad hoc group consisting of NAM members who are dedicated to maintaining and promoting the manufacturing base in the United States and who carefully monitor trade policy and government activity impacting domestic manufacturing. Some DMG members sit on the Board at NAM and on June 27<sup>th</sup> a resolution was put forth at the IEPC meeting in the following terms:

*NAM reaffirms that persistently undervalued currency, whether due to government action or any other cause, creates an unfair competitive advantage in international trade by effectively subsidizing exports to the United States and imposing a disguised tax on U.S. exports. As a first step to address this problem, NAM endorses H.R. 1498 and any equally effective legislation that defines persistent currency undervaluation by any trading partner to be a prohibited export subsidy actionable under countervailing duty law.*

The large multinational corporations showed up in force at the meeting and urged that NAM take no action relative to the issue of 'currency undervaluation' (a politically correct name for currency manipulation) and attempted to defeat the resolution by advancing a motion that it be tabled. That motion, on a vote of those present and attending by telephone conference call, was defeated. The resolution was ultimately put to a vote and was passed by a margin of 75 to 46. Former Governor Engler, now President of the NAM had urged that more time be allowed to pass to see if any adjustments in currency values were made by the offending trading partners and in particular by China. In short, let's continue to take no action.

(Rob's Roost continues on Page3)

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### MTA Calendar of Events — July 2006

Remember to visit the MTA website at [www.mtaonline.com](http://www.mtaonline.com) for detailed, up-to-date information on all events.

- 19 MTA Board of Directors meets
- 20 MTA WCF Board of Trustees meets
- 28 MTA Personnel Practices Survey Due



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# Mark's Remarks

by: Mark Tyler, General Manager  
MTA Insurance Agency



## New BCN Plan Rewards Healthy Living

### *Did you know ...*

- ... that a handful of subscribers with serious conditions consume more than two-thirds of total health care spending in the U.S.?*
- ... that the sooner an illness or chronic condition is diagnosed and treated, the less likely it is to become an expensive, debilitating problem later?*
- ... that, for every dollar companies spend on wellness programs, they save up to six dollars on employee health benefits?*

Every day, our member companies look for ways to foster a healthier workforce and check rising health care costs.

And every day, we look for ways to help them do it.

Enter Blue Care Network with just the right product.

The first health care plan of its type created by the Blues, Healthy *Blue* Living is designed to reward members who adopt and maintain healthier lifestyles while providing opportunities for improvement to those who don't. The plan's foundation is an active, three-way partnership between BCN, providers and customer groups.

We're offering three Healthy *Blue* Living plans on the small group menu with an Oct. 1 effective date. These standard plans will only be offered for now to groups with 99 or fewer enrolled contracts, but with the potential for customization for larger groups.

Healthy *Blue* Living encourages members to take control of their health by providing them with financial incentives, education and support. Members who choose to partner with their primary care physician to set and achieve their health goals will receive "enhanced" benefits by paying lower out-of-pocket costs for copays and deductibles when they need medical care.

Because participation in Healthy *Blue* Living is entirely voluntary, members who choose to do nothing will move to the "standard" benefits group and pay higher copays and deductibles. For instance, under one Healthy *Blue* Living option,

those with standard benefits would pay a 20-percent copay for inpatient hospital services while members with enhanced benefits are covered 100 percent.

For their part, employers that agree to purchase Healthy *Blue* Living and promote a healthier workplace receive premium savings over current BCN offerings and the potential for lower long-term program costs.

### How Healthy Blue Living works

All members are placed in the group with enhanced benefits for the first 90 days. In order to remain there, the subscriber and his or her spouse or domestic partners must complete a brief, comprehensive *Health Risk Appraisal* during the first 90 days of coverage. In addition, their primary care physician must complete the *Healthy Blue Living Member Qualification* form during that time period. The form explores six aspects of a participating member's overall health:

- \* Alcohol use;
- \* Blood pressure;
- \* Cholesterol;
- \* Blood sugar;
- \* Smoking status; and
- \* Weight.

Members receive a score based on their health status in the six categories and a clear direction they can follow to partner with their PCPs in discussing their current health and developing an individualized wellness plan.

Groups will have a choice of three Healthy *Blue* Living plans with varying drug options.

### The Underwriting piece

- Active members only
- No co-existence for groups of fewer than 10.
- Co-existence with BCBSM or a competitor for groups of 10 or more.
- Multiple BCN offerings for groups with union segments only.
- No retroactive enrollment at the group or member level.
- Customize plans for large groups subject to case-by-case review.
- BCN pharmacy rider required.
- BCN will not allow mid-cycle group wide changes for Healthy *Blue* Living. Groups can only switch to this product at their respective renewal dates.

All revised documentation for Healthy *Blue* Living will be available by the end of June.

**If you're interested, call Mark Tyler at the MTA Insurance Agency at 248-489-8505.**

## MTA Dental and Life Insurance Program Members Get New Carrier

Don't forget that MTA's life and dental carrier has changed to Reliance Standard Insurance/Ameritas effective July 1, 2006.

Your benefits remain the same as do your rates. Dental rates are guaranteed for the next 12 months and life rates are guaranteed for the next 24 months! MTA will continue to do the billing and all employee changes.

To find a participating dentist, go to [www.rsli.com](http://www.rsli.com). Choose "Dental-Vision eServices" under Products & Services. Choose "Find a Dentist." Enter your information. It's that easy!

Call Mark Tyler at 248-489-8505 if you have any questions or want to save your company money by joining our group Dental and/or Life Insurance Programs.

### (Rob's Roost continued from Page 1)

For a report on the meeting take a look at the MTA website where we have posted an article that appeared in Bloomberg on the evening of the 27<sup>th</sup> of June. As well we have posted several relevant pending pieces of legislation in both houses of Congress.

Interestingly the group representing GM, Ford and Daimler Chrysler voted with Toyota and Honda in an effort to defeat the resolution. The Caterpillar representative appeared to take the lead in opposing any action by NAM and John Engler made it quite clear that while the resolution had passed, it would be up to the Executive Board of the NAM to determine if it would be adopted as policy.

I was in Chicago at a meeting of the Manufacturing Council of the NAM on June 29<sup>th</sup> at which the subject of the resolution was raised for discussion and I, together with other members of the DMG present, reminded the V.P. of NAM in attendance that NAM is the National (as opposed to International) Association of Manufacturers and it should focus on that and carefully listen to its membership particularly where a resolution has been voted on.

Now we wait and see, but, the next meeting of the DMG is scheduled and we are going to be taking the message to members of Congress very quickly so that they come to understand that Manufacturing in America matters and there is an election in the near future.

## Legislative Update

by: *Judy Augenstein*  
*Legislative Consultant, Lansing*



Governor Jennifer Granholm and Republican legislative leaders have struck a deal on the state budget that begins October 1. The agreement provides \$210 more per pupil for K-12 public schools, raising the minimum foundation allowance to \$7,085. That is \$10 more than proposed by the Democratic governor and less than initially passed by the Legislature. The minimum actually may be higher for districts getting the lowest per-pupil amounts, since the deal would try to close funding inequities by boosting the per-pupil minimums for those districts. Specific details will be hammered out by legislative conference committees.

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The deal drops a plan pushed by House Republicans to set a four-year lifetime limit on cash assistance for able-bodied Michigan welfare recipients. Democrats had criticized the provision as too tough and Senate Republicans preferred to address the issue outside the budget process.

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Universities and community colleges will see 3 % funding increases in the fiscal year that starts Oct. 1, though specifics for individual schools are not yet available.

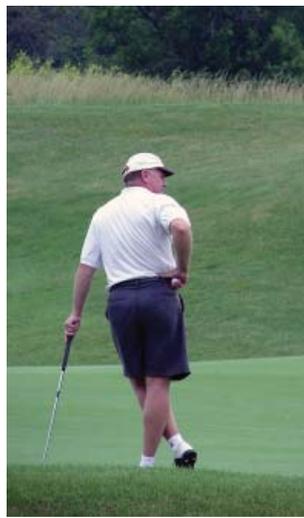
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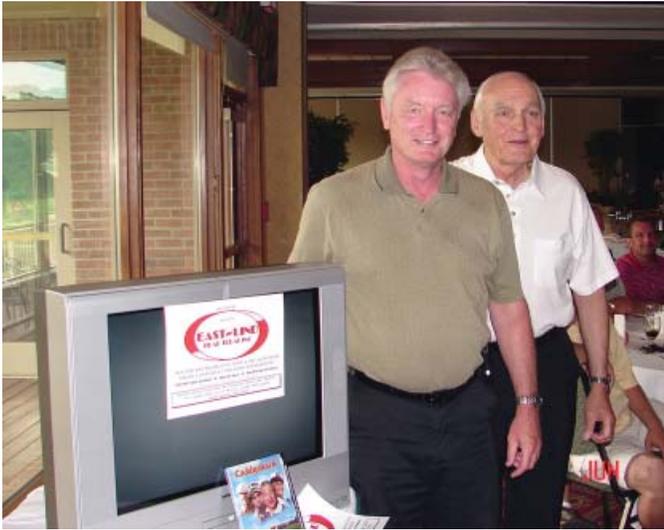
Republicans stressed the budget was balanced without raising taxes or ending tax exemptions that Granholm wanted closed. Joint House-Senate conference committees are expected to meet in two weeks to start reporting department budgets.

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Rep. Rick Baxter, R-Hanover and Rep. Tonya Schuitmaker have agreed to introduce legislation to remove the cap on the Tool and Die Renaissance/Recovery Act. As soon as the bill is ready it will be introduced into the legislative hopper. MTA member "**Mol-Son, Inc.**, has presented a unique, but simple approach to the issue which legislators have embraced. The Legislature has scheduled Wednesday session days for the month of July and August which is our window to get this bill passed into law.

# Highlights from MSA's 71st Annual Golf Outing & Dinner





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# From the Desk of Gary Wood

MTA WCF Administrator

## For the Mutual Benefit of all members...

The summer vacation season is into full swing and many of you have lots of things on your mind—other than the Workers' Compensation Fund! I don't think about much else because that is what the Trustees hired me to do. Since 1998 I have been proud to be the Administrator of one of the larger and more influential group funds in operation in Michigan.

Since 1976 this group has been led by a dynamic group of Trustees with foresight and dedication that one would not expect from a group of shop owners that have nothing really to gain by accepting the fiduciary responsibility that comes with the seat at the table. They do take the job seriously and are concerned not only for the well being of the Workers' Compensation Fund, but also the industry that makes up the membership.

Several years ago it became apparent to the Trustees that there are fewer businesses that qualify as Tool Shops. As described in the following letter, that decline has been exacerbated by the "homogeneity rule" that applies to group fund membership. It has become apparent that if the group is going to continue to support the industry to the same extent as in the past, changes in the way we do business should be made.

Please take the time to read the following letter; it is an excerpt from a package of information you will be receiving or have received. The gist of this and the materials included with it is to explain to the Fund members the advantages of the conversion of the Fund to a Mutual Insurance Company.

The MTA WCF Trustees have met with the MTA Board of Directors to discuss the conversion. The Trustees believe that this conversion will enhance the strong relationship the Fund maintains with the members and the Michigan Tooling Association.

Let's move this plan forward with an affirmative vote either on the ballot or at the special membership meeting on August 17. We look forward to your input.

### A Letter to all Fund Members:

Re: Michigan Tooling Association Workers' Compensation Fund (MTA WCF)

Hello Fund Members,

For over 30 years the MTA WCF has been helping Tool &

Die shops throughout Michigan save money on their workers' compensation coverage. The membership grew over the years as more Tool & Die shops saw the advantages of the MTA WCF.

Today however, there are fewer businesses in existence which are actually called Tool & Die shops; that number may never grow again. Concurrent with this decrease in the number of possible participants, the state regulators have decided to only allow shops they deem to qualify for membership in the group.

This recent example explains the purpose of this letter:

MTA WCF was forced to deny membership to a long time member's new shop that was in a class of business not felt by the state to be compliant with the MTA WCF bylaws. The unfortunate result is that the member quit the Fund and took his new and old shops with him.

In an attempt to continue the success of the MTA WCF, the Board of Trustees sought a long term solution to this ongoing problem. The simplistic solution would have been to change the bylaws but, the state will not permit the MTA WCF to do that in a manner that would provide the desired result. Eventually the Trustees looked at the concept of converting the Fund to a mutual insurance company (formed pursuant to the Michigan Insurance Code, MCL 500.5201, *et seq*).

A mutual insurance company, it was determined, could be structured to provide these advantages:

1. eliminate the Members' exposure to assessments;
2. provide non-assessable insurance policies;
3. permit all members of the Michigan Tooling Association to enjoy the full benefits of membership through the availability of insurance product offerings;
4. allow premium dollars to be invested in a broader array of investments; and
5. achieve greater flexibility in establishing rates, dividends, and discounts as well as coverage dates.

The Board of Trustees reviewed the feasibility of a proposed conversion to a mutual insurance company, and determined that the advantages outlined above could be achieved for the Members. In addition, the Board of Trustees concluded that the conversion would enhance the strong relationship the Fund maintains with its Members and the Michigan Tooling Association. Based on this analysis, the Board of Trustees approved the conversion by a unanimous vote on April 20, 2006. Now the Members must vote to support this decision.

Thank you for taking time to review the important materials and attached ballot.

Gary Wood  
Administrator/Secretary

## NOTICE OF SPECIAL MEMBERSHIP MEETING

The Trustees have called for a special meeting of the Fund members to be held at the offices of the MTA on Thursday August 17, 2006 at 11:30 a.m. The purpose of the meeting will be to vote on the proposed conversion of the MTA WCF from a self-insured group fund to a mutual insurance company.

### And Finally...

The dividend checks have been mailed to qualifying members of the Fund in the first week of July, 2006. The qualifications for receiving a dividend were explained with the accompanying letter. Please check your mail!

## MTA Golf Outing A Success

The 71<sup>st</sup> Annual Golf Outing & Dinner for MTA members and their guests was another successful golfing event. There was a slight sprinkle, but not enough to get wet and the weather was beautiful most of the day. This year the golfers seemed in unusually good spirits and the fun lasted into the early evening.

Arnie Reeves from **Unisteel**, Dan Freeman from **Tower**, and Greg Trochio from **Atlas Tool** were the shoot-out participants going for \$1 million, a Chevy Corvette, and a Chevy Tahoe (in that order). The group from **Synergy Steel** had the lowest score at 11 under par. And there were prizes galore, including 2 round-trip tickets on American Airlines, Tiger tickets, a color television donated by **East-Lind Heat Treat** and a GPS tracking system donated by the MTA Workers' Compensation Fund.

We hope to see everyone from this year along with many more members next year. In case you wondered what you missed or were there and want to see some pictures of the event, go to our website at [www.mtaonline.com](http://www.mtaonline.com). Visit the picture gallery and then go to the discussion forum and give us your comments. We look forward to hearing from you.

## DOL Announces Updated Employment Law Guide

The US Department of Labor (DOL) announced the availability of a newly revised edition of its Employment Law Guide. The Guide describes in plain language, the major employment laws and regulations enforced by the DOL. It is available in English or Spanish and is written in plain language to assist employers in developing wage, benefit, safety and health and nondiscrimination policies for their businesses.

The Guide can be printed from or viewed on the DOL's website at [www.dol.gov/compliance/guide/index.htm](http://www.dol.gov/compliance/guide/index.htm). A free bound copy can be ordered by calling 1-866-4-USA-DOL.



## Members In The News

MTA member **Husky LLC** won the 2006 Small Business Award from Crains Detroit Business which was presented to them at the Detroit Athletic Club on June 21, 2006.

Husky, located in Roseville and in business since 1997, makes parts for assembly-line robots and other machines. In their June 19, 2006 issue, Crains wrote an article entitled "Commissions for Tool Workers Help Profits." The article states Richard Seleno, president of Husky LLC, has found an uncommon way to make his tool and die employees more productive—paying them commissions. Husky uses its "gain sharing incentive program" to track employee efficiency and pay bonuses to workers who exceed the company's goals. If a worker takes on a job that usually takes 10 hours to complete and that worker completes it in only 9 hours, that worker receives extra money in his or her paycheck.

Seleno says he got the idea from previous sales jobs where he was paid commissions. The program helps weed out inefficient workers and retain employees who strive to do their best. Seleno says it helps attract "the guy that can outperform the majority of people in their trade."

Husky's productivity has grown 18% since 2001 and revenues are also up. In 2005 their 18 employee company generated \$3.5 million in revenue. "It's make a huge difference. We started with a marginal productivity factor. Right now, we feel that we have one of the most efficient shops in the area" Seleno says, "Gain sharing, from a sales perspective, allows us to demonstrate with hard numbers that we're efficient, and it gives confidence that we're going to charge a fair price."

Seleno credits Husky's employees for having made the company successful, despite the benefits of gain sharing. "I don't take any credit for how well we do other than putting a culture together that can achieve goals."

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*Our congratulations and best wishes to the above member. Let us know what is happening at your company. We would like to share it with all our readers.*



The difference between golf and government is that in government you have less liars.

—unknown

