

tmta talk

A Publication of the Tooling, Manufacturing & Technologies Association

From Rob's Roost

by: Rob Dumont, President & CEO

Opportunity is Knocking!

The New Year is upon us and with it comes all the election fervor that can possibly be mustered! If you are not yet, you will eventually become virtually numb from all the verbal nonsense that politicians vying for votes will deliver. The reality is that therein lies the opportunity! I have said it many times and it bears repetition: "We can't compete with the money being layered on legislators in Washington, but, we can win with the vote!" Votes matter more than money when voters speak up and get engaged.

This country desperately needs a new Trade Agenda. That Agenda must focus on the evolution and creation of mutual, reciprocal and balanced Trade Policies and, believe it, you can make a huge difference, but, only if you become engaged! If your mindset is such that you have decided nothing can be done to change our current course of action, you will of course, be absolutely correct. On the other hand if you decide you have had quite enough of the obvious dismantling of the American way of life, with the emasculation of our manufacturing base, the disappearance of good jobs and opportunities in industry and the domino effect we are experiencing as a result; **GET ENGAGED!!!**

What we need is new representation in Washington on both sides of the aisle! Get involved in partisan politics for the party of your choice but, fight for America instead of offering blind loyalty to a Party.

Clearly the majority of Americans want a new direction in Trade. The existing Trade Policy versus a New Trade Policy is something of a partisan divide in DC but that is not the case on Main Street America!

Engagement means finding out candidate positions. You do that by attending candidate forums and asking probing questions about policy and positions on policy as well as by stating your views on how things should be. Don't settle for double talk or equivocation; get the candidate to specify a position so you can decide if she or he merits your vote. Ask what a candidate will do about the Trade Deficit, Currency Manipulation, VAT Tariffs, Outsourcing and Trade Agreements. Part of the effort is to ensure that these issues become recognized as being critical to being elected. Remember that election time is the one time when candidates are truly sensitive about getting, or, keeping their job! Candidates must be held accountable and that only happens if you get engaged. You can not afford to put it off until next time and, besides, with the Presidency on the line, there simply is no better opportunity!

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TMTA Events Calendar January 2008

*Remember to visit the TMTA website
Calendar at www.thetmta.com for detailed,
up-to-date information on all events.*

- 16** TMTA Board of Directors
meets at TMTA offices
- 17** MTMIC Board of Directors
meets at TMTA offices
- 21** Martin Luther King Day
federal holiday
TMTA/MTMIC are OPEN

Zyrtec/Zyrtec-D & Claritin/Claritin-D paid as OTC

Blue Cross Blue Shield of Michigan will begin paying for over-the-counter Zyrtec and Zyrtec-D when they become available at the end of January 2008 for those groups participating in the pharmacy initiative program. At the same time, BCBS will also begin paying for Claritin and Claritin-D. Members must have a prescription from their physician for covered OTC drugs.

Under the Member Education Therapeutic Interchange initiative, BCBS encourages physicians and members to switch to an OTC alternative unless there is a medical reason not to change, as determined by the physician and BCBS.

The first time a member fills a prescription for the brand-name drugs, BCBS will contact the member and the prescribing physician encouraging both to consider the OTC equivalent or another lower-cost alternative. If the member agrees to switch, the physician writes a new prescription for the OTC drug and BCBS will waive the copay making the first prescription free. After that, members pay their generic copay for the OTC drug as long as they have a prescription from their physician. If the member does not agree to switch, the brand-name drug can be filled for up to 90 days. After that, the physician must call BCBS to provide evidence of medical necessity for the brand-name drug and BCBS must approve it, or the member will be responsible for the full cost of the brand-name drug.

Healthy Blue Living Members Be Warned

BCN will enforce the follow-up physician visit requirement. Due to heavy enrollment last year, BCN did not have the resources to remind members to see their physician to retain their "Enhanced Plan" status. BCN is now enforcing the follow-up appointment rule and members will receive reminder letters. If a member is not compliant, with proper notice, the member will be moved to standard benefits.

19 to 25 Year Old Dependent Reminder

This is a reminder to those companies who have members with a dependent that turned age 19 or 25 during the 2007 year, BCBS automatically deleted the dependent's healthcare coverage on 1/1/08. If the dependent meets the eligibility requirements to remain on their parent's contract, the employer must complete an Enrollment/Change of Status form and forward it for processing ASAP. Please double check that you have met your obligations as an employer.

It is very important that you keep accurate records and notify BCBS of any changes to your employees' records. Remember that there is a 30-day time limit to report changes to BCBS. While it is possible to effect a change beyond the 30-day time limit, the group has to write a letter stating the reason for the untimely remittance and it has to be approved through BCBS's underwriting department. Approval is only granted for extreme situations. These changes include the birth of a child (you can submit the addition of a dependent without the social security number and report it later), divorces, deaths and Medicare information. If you neglect to report a change to BCBS, the employee could be responsible for bills later on.

It is a good idea to check each of your employee's personal information once a year. Verify the employee's dependents: list each name, birth date and verify that they are still eligible to be covered. Make sure the employee's marital status is the same and verify the spouse's name and birth date. Check to see if anyone listed on any employee's contract became eligible for Medicare or other health insurance coverage. Have the employee sign and date the information sheet and keep a copy in your company records.

Here is some basic information to keep in mind:

Employer/Owner Status Requirements:

- Have a direct and active interest in the business;
- Report to place of business regularly—at least once a week;
- Have a direct voice in all major decisions; and
- Receive major source of earned income from the business.

Full-Time Employees Requirements:

- Work a minimum of 30 hours a week (unless approved by BCBS underwriting);
- Have payroll deductions for Social Security and federal income taxes; and
- Be eligible for all other fringe benefits.

Regular Contract Dependent Requirements:

Spouse –

- must be legally married; or
- domestic partner with group elected Domestic Partner Rider only.

Children – eligible until the end of the year in which they turn 19. Includes:

Subscriber/Spouse Children –

- related by birth, legal adoption, or legal guardianship;

- 19 years of age or younger; and
- unmarried.

Principally Supported Children –

- related to subscriber by blood or marriage;
- 19 years of age or younger;
- legally reside with the subscriber;
- not Medicare eligible;
- claimed as dependent on most recent federal income tax return; and
- before the child is added, subscriber must submit a notarized statement verifying support for at least six consecutive months.

Coverage begins the first billing cycle date 90 days after the request is made.

Incapacitate Children –

- must be totally and permanently disabled by reason of mental retardation or physical disability prior to the age of 19;
- unmarried;
- incapable of self-sustaining employment;
- subscriber provides more than half of the child's support;
- reported as dependent on the subscriber's most recent federal income tax return; and
- disability must be certified by a physician.

The child can stay on the subscriber's regular coverage beyond the age of 19 providing BCBS/BCN is notified by the end of the year in which the child turns 19.

Medicare Coverage –

Medicare does not automatically know if there is other health coverage and BCBS does not automatically know if there is Medicare coverage. The employee MUST report Medicare coverage changes. To know which coverage is primary and which is secondary, we must know why the person has Medicare (due to age, disability or End Stage Renal Disease); is the employee actively working or retired; and how many employees (full and part-time) are on the employer's payroll. It is important to establish primary and secondary coverages to ensure that claims are properly paid. Submit a copy of the Medicare card when reporting coverage along with the above information.

If you have any questions about reporting changes or coverage eligibility, contact Elaine at 248-488-0300, ext 1309.

Legislative Update

by: *Judy Augenstein,*
Legislative Consultant, Lansing

This past year there was gridlock in the legislature over tax increases that led to a brief government shutdown. There was a middle of the night tax increase on some services that eventually was repealed in the middle of the night because of fierce opposition from the business community.

A recent poll indicated that 83% of voters gave Michigan lawmakers a negative job rating. "The only people who say positive things about them are their dogs and their spouses," said Ed Sarpolus of EPIC-MRA in Lansing, which conducted the poll. "They have no trust or confidence in the Legislature," Sarpolus said. Many observers of the legislature are openly relieved that the legislature is off on their extended holiday break. Your life, liberty and property are secured for the time being.

This legislative year was a "debacle." The policies lawmakers enacted often seemed to be at cross purposes, such as raising taxes but failing to invest much more in education. Lawmakers limited some spending but failed to put the state on sounder footing. They left a lot of businesses scrambling to prepare for the tax on services before they finally repealed it about 19 hours after it took effect and replaced it with a new business tax surcharge. The legislature figured out how to raise taxes and cut health care retirement benefits for future teachers in 2007, but could not agree on how to scale back retirement health care benefits for the next generation of lawmakers. Maybe in 2008. Michigan lawmakers enjoy generous health care benefits in retirement. After serving six years, they are eligible for a 90% benefit when they reach age 55. They are also eligible for full retirement after six years of service.

Throughout the year, voters watched as lawmakers became enmeshed in broken budget deadlines, partisan maneuvering, trust issues and leadership voids. Legislators still have a year left in the two year session to make progress on many issues that were ignored or delayed because the debate over taxes and spending sucked the air out of the Capitol.

With an election year coming up, I am hopeful we will be able to move our legislative issues forward.

The **TMTA's Training Center and Boardroom are available for rent.** The Training Center has seating and table room for 60-70 people along with a speaker system, 2 dry eraser boards and an overhead projector. The Boardroom can accommodate 15-20 people. TMTA will provide coffee and tea and can arrange for lunch at your request. Members receive discounted rates. For more information, contact Jerry Morrow at 248-488-0300 ext. 1308 or e-mail to jerry@thetmta.com.



From the Desk of Gary Wood

MTMIC, Chief Operating Officer

Today is December 14, 2007; way too early to be writing an article that will see print in January 2008.

A few years ago you might have safely been able to predict the future for at least a month or so, but not in today's information based society. Frankly I have not got a clue if anything written today will be even moderately relevant in eighteen days (January 1). With utter certainty we can safely pronounce that we will have officially ended the three months of celebratory exuberant spending and returned to the reality of trying to pay for it. Thank you for the end to the madness.

MTMIC

I would like to report the renewal information on the MTMIC (how many companies renewed, what the premium volume is, etc.) but I have no idea what those numbers are at this time. The MTMIC has done everything possible to earn your business and maintain a viable program for the good of the policyholders and the members of the manufacturing and tool making community in Michigan. How well that has been accepted, I just do not know at this time.

What I can report is the November month end statistics and hope that these numbers have relevance by the end of the year. The claims counts have taken a significant downward trend; the end of November numbers reveal that there have only been 1,249 claims filed this year compared to 2006 with 1,766 claims and 2005 with 2,397 claims.

The claims incurred through November have totaled less than \$5,000,000; again when compared with 2006 at \$6.16 million and 2005 at \$9.09 million. There are 683 open claims for current years and 118 open claims for the 31 years in the loss portfolio transfer period.

While these statistics may not be the most entertaining reading you have had in recent years, they are indicative of the improvement in the loss history of this group due in part to vigilant claims management and the aggressive loss control position we endorse and reinforce through the efforts of your staffs and assistance of the loss control department services provided by the MTMIC.

The improved loss results have not gone unnoticed by the reinsurance market where we have been fortunate in obtaining the services of USRe to broker extremely favorable reinsurance treaties on behalf of the MTMIC. Due to the shrinking premium volume in this state, they negotiated a reduction in the premium for the existing year while decreasing our financial exposure in 2008.

We have undergone many changes in the last year not the least of which is the inclusion of some necessary staffing. We are nearly "on our own" (soon to mean no more consultants) in the production of the Regulatory financial requirements of the state with our full time controller.

The addition of marketing staff has enabled the MTMIC to quote nearly twice as many prospects at January 1 as was quoted last year at this time.

This is an exciting time to be in the insurance business in Michigan. We are seeking to grow our book of business when, in fact, there are fewer employers that we can count as prospects and more people trying to entice them away from MTMIC.

Thank you to those that see the intrinsic value of an organization that works for your best interests and have remained loyal policyholders for another year. To those that have not requested a quote or information on the coverage available, be aware that we will be calling on you.

The Second to the Last Thought

Let's get this year kicked off right; we have to work smarter and harder than the foreign competition because we have a higher cost way of life and sometimes their governments do not deal fairly with foreign trade.

We have to differentiate ourselves from that competition by never being complacent and always seeking to do better. The recent problems with the quality and content of Chinese imports proves what we have been saying for years and I have learned over and over again.

You cannot trust a third party to look out for your best interests; if you don't do it no one will. Think before you buy and remember, if it is made in China it probably has nothing to do with your neighbors being able to feed their kids or pay for their mortgages.

Almost the Last Thought

This week the stock market took a bath as disappointed investors pulled back when the Fed only dropped the prime rate by .25% instead of .5%. To most of us that means nothing; it

is insignificant and unaffacting your normal life yet it was the lead story on virtually every national news report. Back at our house it was less of an event than the fact I had to stop for dog food on my way home and the store was closed because I was running late. It was a non-event that drew the focus of the media; how many people worried about it?

The Last Thought

Megan Brown, the Director of Marketing and Sales for MTMIC, recently produced and introduced the MTMIC website. This website is designed and developed to offer assistance to the policyholder in need of specific forms and information while acting as a simultaneous platform for introducing the MTMIC to prospective policyholders.

The introduction of the website is concurrent with the introduction of new e-mail addresses for the MTMIC staff. The simpler format is more user friendly and intuitive. For example, Megan's e-mail is megan.brown@mtmic. Now, there is no guessing; it is the person's name and our company name—really simple.

In Memoriam

We would like to express our deepest sympathy to the family of Alan Motley who passed away too soon on December 9, 2007. Alan was married for 28 years to Donna Motley, the Claims Manager at MTMIC.

(Rob's Roost continued from Page 1)

A very clear example of the malaise in our current Trade Policy was provided recently when just before signing the newly agreed upon U.S.-Peru trade deal Peruvian President Alan Garcia, in a speech to a U.S. Chamber of Commerce victory celebration, said: *"Come and open your factories in my country so we can sell your products back to the U.S."* Not a word uttered about the existence of some reciprocity in the deal for American exports to Peru.

Planning is underway for our Annual Golf Outing to be held in June 2008. We are currently considering venues and will be emphasizing our 75th anniversary as an association. There will be some interesting and pleasant additions to the outing in celebration and recognition of this meaningful milestone. Stay tuned—more to come—and soon!

Watch the mail for your ballot for the upcoming election of new directors for the association and if you're interested in running, give us a call.

News From The Tooling, Manufacturing & Technologies Association

The American Mold Builders Association (AMBA) joins The Tooling, Manufacturing & Technologies Association to make greater impact on trade reform legislation for moldmakers.

AMBA's Executive Director, Melissa Millhuff, sees benefits of joining forces to tackle problems of multi-nationalism and unfair trade policies that have affected the domestic moldmaking industry.

Farmington Hills, MI---January 7, 2008

Robert J. Dumont, President and CEO of The Tooling, Manufacturing & Technologies Association (TMTA) announced today that The American Mold Builders Association has become a member. "The Board of Directors of TMTA was excited to learn that The American Mold Builders Association wanted to become members of our association," said Dumont. "AMBA's 300 member companies, standing with us, will make an even greater impact towards our advocacy efforts for trade reform legislation on behalf of domestic manufacturers."

"We are pleased to now be able to offer our members an avenue for political advocacy that we've never had before," said Ms. Millhuff. "By joining forces with the TMTA, we finally feel that we're going to make the impact that we've wanted to. We've been aware of the aggressive work that the TMTA has been doing relative to trade reform efforts at the federal level and we want to be part of it on behalf of our members."

About the AMBA

The American Mold Builders Association, with its 300 member companies, leads the world in moldmaking technology since 1973 and more information can be found by going to www.amba.org.

The Marketplace

Personnel Available:

Certified Tool & Die Maker with extensive 35 years of experience in the field designing and building dies seeks a highly skilled position with a stable company.

Ask for **Resume #08-01**.



Do you need a copy of the BCBSM medical reimbursement claim form? The Ameritas dental enrollment form? The Reliance disability claim form? The BCN mail order prescription form? Do you need to know what the maximum 401(k) catch-up contribution amount is for this year? Do you need a copy of the required Federal Family and Medical Leave Act Poster?

The TMTA has listings for federal and state required posters, insurance forms, COBRA information, tax/social security/mileage limits and even a link to the OSHA chemical information database listed on our website so the information you need now is at your fingertips now. Visit www.thetmta.com and go to the 'Information/Networking' tab then select 'Company Forms & Information'. Pass this valuable information onto your staff and bookmark this page for easy, quick access when you need it most.

SCAM ALERT: The Michigan Department of Labor & Economic Growth (DLEG) has warned Michigan corporations to be aware of a scam that involves business directory solicitations that may look deceptively like a mailing from DLEG. The Director warns that "The scheme threatens dissolution of the corporation to scare people into paying a fee to get listed in a national database, a fictitious directory...No such letters are being sent from DLEG or the State of Michigan, no matter how official they may look." Similar schemes have shown up in other states.

Any Michigan corporation that receives a notice to register their business in a national database and pay a fee to avoid dissolution of their corporation is advised to: keep the notice, mailing envelope and return envelope; contact the U.S. Postal Inspections Service to report mail fraud at 877-876-2455; and contact the Michigan Office of the Attorney General at P.O. Box 30212, Lansing MI 48909. Additional information can be obtained by calling the Corporate Division of the DLEG at 517-241-6470.

The **U.S. Consumer Product Safety Commission** is charged with protecting the public from unreasonable risks of serious injury or death from more than 15,000 types of consumer products under the agency's jurisdiction. Deaths, injuries and property damage from consumer product incidents cost the nation more than \$700 billion annually.

You can **find information on product recalls and recall**

alerts by checking the U.S. Consumer Product Safety Commission's website at www.cpsc.gov/cpsc/pub/prerel/prerel.html.

The **Michigan Health & Hospital Association** (MHA) and 146 nonprofit community hospitals have joined efforts to provide consumers with an opportunity to review charge, payment and quality information for hospitals in Michigan.

Individual **hospitals are rated and compared** with state-wide averages on a variety of specific services. To check a hospital's standings, visit www.mihospitalinform.org.

Nonfatal Workplace Injuries Decline/Fatal Injury Rates Rise

The Bureau of Labor Statistics (BLS) reported that according to their survey, the rate of nonfatal workplace injuries and illnesses in private industry in 2006 was at its lowest since the Bureau started collecting data in 1972. There was a decline from 4.6 cases per 100 workers in 2005 to 4.4 cases in 2006. According to the BLS, the decline resulted from a 2 percent increase in the number of hours worked and a 3 percent decrease in the number of nonfatal injuries and illnesses.

The manufacturing sector had especially significant lower rates of illnesses in 2006 dropping from 66.1 per 10,000 workers in 2005 to 27.7 in 2006. In addition, small establishments (those employing 1-10 workers) reported the lowest rate for injuries and illnesses combined (1.9 cases per 100 workers) while mid-size establishments (those employing 50-249 workers) reported the highest rate (5.5 cases per 100 workers).

Interestingly enough, at the same time, the Centers for Disease Control (CDC) reported that although workplace fatality rates have decreased in recent years, their study shows that the national injury death rates rose more than 5 percent from 1999 to 2004. The study includes total mortality rates for premature deaths caused by unintentional injury, suicide, homicide and injuries of undetermined intent.

The largest increases in injury mortality rates occurred in the 20-29 and 45-54 year age groups. The 45-54 year age group increased 25% and the 20-29 year age group increased 8%. According to the CDC, these age groups may have experienced the highest mortality increases based on a rise in prescription drug abuse, which could have contributed to higher rates of suicide, homicide, unintentional poisonings or other injuries. More than half of the deaths in the each age group were attributed to unintentional poisonings.

Why WiFi?

Wireless Networking. It's fast, it's convenient and it's everywhere. It can be a great advantage to your business and make your employees more productive, but it comes with responsibilities.

By now you have probably heard about the Sparta, Michigan man who was charged with a felony for accessing the wireless network of a local café while parked in his car in May 2007. Every day the man would drive up, park his car and piggyback onto the café's wireless network to check his e-mails. When the police chief asked what he was doing one day, he thought he was doing nothing wrong and so he told him the truth. The chief "had a feeling a law was being broken" but didn't know which. He searched until he found a relatively new and rarely used Michigan law prohibiting anyone from accessing or using a computer system without authorization from the owner. The law was passed to protect the public from computer hackers. A warrant was sworn for the man's arrest and he faced a 5 year felony and a \$10,000 fine. Had the man walked into the café to use the wireless network, no crime would have been committed. And he wasn't even looking at confidential information belonging to the café, he was checking his own e-mails.

Needless to say this case has caused all kinds of discussion on the internet as to the validity of the law and how it was applied in this case. Everything from: Is it a crime to use the bathroom at your local McDonald's without buying anything? Is it a crime to stand on the sidewalk and watch TV through the window of an establishment to see the hockey score? Is it a crime to listen to your neighbor's music while sitting in your backyard when he has it turned up too loud in his house!

Consider a different tactic. New York's Westchester County has said it's up to the wireless subscribers to protect themselves against piggybacking. Businesses were told to secure their networks or pay a fine. Again, discussions abound.

Make sure that if you choose a wireless network for your business or home, that you have minimized your risks. Failing to properly secure your wireless network leaves you open to piggybacking and may lead to liability for resulting data breaches. T.J. Maxx suffered a security breach of data on credit and debit card users on its wireless network and, in addition to a class action lawsuit brought on behalf of the cardholders, it is also being sued by banks seeking reimbursement of the expenses of having to notify cardholders and issue replacement cards.

Laws cannot protect you since piggybacking can be practiced with virtually negligible detection. Block access from outsiders by engaging a variety of security measures. The number one thing you need to do is to be sure that your wireless network

is password protected—not with the default password but one you have chosen yourself. Restrict access by filtering media access control (MAC) addresses on each piece of hardware connected to the network. Encrypt the data on your network using WiFi Protected Access (WPA) so that if someone does breach your security, they cannot view your data. Wireless intrusion detection systems can be used to detect the presence of rogue access points which expose a network to security breaches. Install a firewall directly on your wireless devices (a host-based firewall) and maintain anti-virus software.

You can reduce or eliminate the risk of using wireless networking if you think smart.

Members In The News

Last month, Governor Granholm announced an Economic Development Job Training grant to upgrade the skills of workers in companies around the state. Receiving the MCP grant that will support training through the Michigan Manufacturing Technology Center is **Byrnes Tool Company** located in Lapeer.

Byrnes Tool was founded in 1975 and specializes in CAD/CAM design and engineering; dies, jigs, fixtures and molds; EDM-conventional and wire; surface grinding; and turning and lathe work.

The Michigan Economic Development Corporation (MEDC) sponsored the Michigan Diversification Celebration held in Lansing last month. Awards were presented to honorees that have made significant contributions to diversifying the economy of Michigan over the past year.

The winner in the Outstanding Diversification Achievement in Homeland Security and Defense for large businesses was **Burtek, Inc.** of Chesterfield Twp. Burtek is a highly competent engineering and manufacturing contractor with extensive experience in designing, building and testing military equipment. Their primary area of specialization is in ground, mobile military equipment.

Another TMTA member company was nominated in the same category: **Demmer Corporation** of Lansing. Demmer Corp. operates multiple plants with complete fabricating and machining expertise of metal and composite products for various industries including military defense, aerospace, automotive, commercial, crude oil, power generation and more.

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

