

tmta talk

A publication of the Tooling, Manufacturing & Technologies Association



FROM ROB'S ROOST
BY ROB DUMONT
PRESIDENT & CEO

The Hill Gets Hyperactive

My most recent visit to the Hill in Washington reinforced my perception that advocacy efforts are worthwhile and do matter. As to the receipt of dividends from those efforts, we must continue to wait.

John Dingle (D 15th) Michigan has added his name as a co-sponsor in the House of Representatives to HR 2378 the latest edition of legislation aimed at addressing currency misalignment. For that we are, and should be grateful. Representative Dingle is very highly regarded and influential and being a co-sponsor breathes additional life into the legislation.

By invitation I had a lengthy meeting with staff in the offices of Senator Sherrod Brown (D) of Ohio. The Senator is a staunch supporter of manufacturing and is currently working on convening hearings relative to the impact that Health Care

Costs have on manufacturers and their ability to compete globally. In addition Senator Brown is keenly aware of the plight of manufacturers given the "crunch" or, perhaps more accurately, the virtual absence of available credit necessary to fund newly acquired



contracts. It is anticipated that there will be a hearing on that issue as well and that TMTA members are likely to be invited to testify at one or both of those hearings. Parenthetically, Senator Brown together with Senators Stabenow (D-MI), Bunning (R-KY), Snowe (R-ME) and Feingold (D-WI) constitute the original co-sponsors of S 1027 the Senate version of the currency misalignment legislation. Together with other associations, organizations and coalitions, the TMTA continues to work at adding co-sponsors in both the House and Senate.

(Rob's Roost continues on Page 7)

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Calendar of Events

October 2009

15	MTMIC Annual Meeting at Red Run Golf Club
21	TMTA Board of Directors meets at TMTA offices
11/1	Daylight Saving Time Ends Set clocks BACK 1 hour

Visit www.thetmta.com for detailed, up-to-date information on all events.



Certification of Creditable
(or Non-Creditable) Coverage
Due By November 15th

One of the provisions of the federal Medicare Modernization Act of 2003 requires employers that provide prescription drug coverage to either active employees or retirees eligible for Medicare (part A or B) provide to those employees a Notice of Creditable (or Non-Creditable) Coverage no later than November 14th of each year.

The notice is required before the effective date of coverage for any Medicare-eligible individual that joins the plan. In order to avoid ongoing mailings to members as they become eligible, it is a good idea to send the Notice to those who will become eligible in the next 12 months along with those who are currently eligible and to any new employees who are or will become Medicare eligible.

If a prescription drug plan either terminates or implements a change that affects its creditable coverage status, the disclosure notice must be filed within 30 days of the termination or change in status.

This creditable coverage notice alerts the individuals as to whether or not their prescription drug coverage is at least as good as the standard coverage under the Medicare Part D prescription drug benefit. That means each group must determine whether the expected value of claims paid under its plan is equivalent to the value of claims that would be paid under the standard Medicare Part D benefit.

BCBSM/BCN has determined whether each of their standard drug plans meets the creditable coverage standard. You can obtain this information from either BCBSM directly or by contacting your insurance agent. For more information or to obtain a Model Disclosure Notice your company can give to your employees, visit www.cms.hhs.gov/creditablecoverage. If you have any questions, contact TMTA's insurance agent, Dennis Campbell, at 248-488-0300 or e-mail to dennisc@rcwa.net.

Dependent Coverage for 19-25 Year Olds

During this month, BCBSM will send out information for those dependents turning 19 to 25 by 12/31/09. As was the policy last year, a dependent that turned 19 during

2009 will automatically be enrolled as a family continuation rider effective January 1, 2010, unless an Enrollment and Change of Status Form is sent in to cancel him/her. Dependents that turned 25 during 2009 will automatically be cancelled effective January 1, 2010. Look over your billings carefully to make sure dependents have correct coverage.

TMTA will forward the information to those companies that are part of our Association Sponsored Group Plan with BCBSM. Please watch your mail.

A Word About the Swine Flu

The swine flu, also known as the H1N1 virus, is a human disease. People get the disease from other infected people—NOT from pigs or from eating pork! And no known cases have been spread by drinking the water! Swine flu spreads the same way as seasonal flu spreads—by direct contact from coughing or sneezing by already infected people or by touching something with the flu virus on it and then touching your mouth, nose or eyes. Studies have shown that the influenza virus can survive on environmental surfaces and infect a person for 2-8 hours after being deposited.

Symptoms of the swine flu are virtually the same as seasonal flu, including: fever, cough, sore throat, runny or stuffy nose, body aches, headache, chills and fatigue. Some people may have vomiting and diarrhea. Some people will have respiratory symptoms without a fever. The only way to tell the difference between seasonal flu and swine flu is by laboratory tests. But don't run to your doctor or the ER if you become sick, testing is only done in extreme instances on a case-by-case basis, not on the patient's request.

Each year in the U.S. an average of 36,000 people die from flu-related complications and more than 200,000 people are hospitalized from flu-related causes. Illness with the swine flu can range from mild to severe. Most people have recovered without needing medical treatment. The swine flu causes greater disease burden in people younger than 25 years of age; pregnant women; and those with high risk factors including asthma, diabetes, suppressed immune systems, heart disease, kidney disease, and neurocognitive and neuromuscular disorders.

There is no way to predict with certainty what the outcome will be for those who come in direct contact with the swine flu virus, so definitely avoid "swine flu parties"—they don't work and you could be that person who becomes extremely ill. Avoid persons who are already sick.

(Health News continues on Page 6)

LEGISLATIVE UPDATE

By JUDY AUGENSTEIN,
LEGISLATIVE CONSULTANT, LANSING

Senate Democrats have introduced tax increase legislation which is supported by Governor Jennifer Granholm and some House Democrats. Senate Democrats introduced 13 bills raising taxes and closing loopholes, including vehicles to increase the Michigan Business Tax (MBT) (SB 838), use tax (SB 840) and sales tax (SB 844). There appears to be movement to vote on revenues after completion of the budget process. The Senate Democratic caucus wants \$450 million in new revenues to offset cuts to the Michigan Promise scholarship, early childhood education, revenue sharing and public health.



Senate Minority Leader Mike Prusi (D-Ishpeming) said that decoupling the state estate tax from the federal government's, and a 2-percent quality assessment insurance program on physicians that would bring in a 3-to-1 federal match, would bring in the \$450 million. Democrats plan to introduce legislation on that soon.

Senate Majority Leader Bishop through his spokesman said, "there is no sense bothering to discuss specific proposals that have no chance of going anywhere." "This is about raising taxes on the Michigan people to balance the budget, and the Senate Majority Leader has expressed no interest in going there," Bishop's spokesman further stated that, "We have a bipartisan, bicameral deal." Speaker Andy Dillon, D-Redford Township, and Senate Majority Leader Mike Bishop, at one point, came to an agreement to balance the budget through hard budget cuts and stimulus monies.

Senate Dems tax bills:

SB 839: would provide for a 1-cent tax on bottled water.

SB 842: would double the tax on other tobacco products to make the tax more equivalent to the cigarette tax.

SB 845: is the "cyber shame" legislation. The names of taxpayers with delinquent tax liabilities in excess of \$100,000 would be published on the Internet, but only after the taxpayer has been contacted and given the opportunity to arrange payment of the back taxes.

SB 833: would extend the use tax to international calls, as well as WATS services, 800 call centers, and interstate private networks. For example: an intrastate call to Sault Ste. Marie, Mich., is taxed, but an international call to Sault Ste. Marie, Ontario, is not.

SB 834/835: would reduce the bad debt deduction retailers can claim from 100 percent to 80 percent.

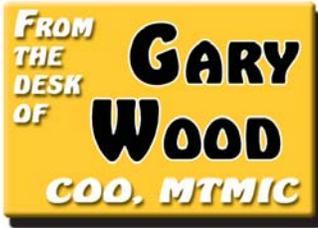
SB 836/837: would reduce the sales and use tax collections allowance for retailers by 20 percent. To help cover costs incurred in collecting the sales tax, retailers are allowed to keep anywhere from .5 to .75 percent of the sales and use tax they collect in any given month, not to exceed \$20,000.

SB 841: would establish an amnesty program for delinquent taxpayers to encourage them to pay.

SB 843: would eliminate the "double deduction" for oil and gas production. Due to a court decision, oil and gas production companies are still able to deduct certain production expenses when calculating their Michigan income tax. Under the bills, all indexed increases would be suspended in 2009 and 2010.

Senate Democrats plan to revisit the unemployment extension issue. Senate Republicans argue that the bills (HB 4785/4786) would cost the state's business more than the \$138.9 million in one-time federal economic stimulus money that is being offered. This is because the federal dollars would only come to Michigan if the state agrees not to sunset the added benefits ahead of time. Without a sunset, it would take a majority in the House, the Senate and the Governor's signature to eventually put a stop to the benefits and prevent the extra costs.

Senate Majority Leader Mike Bishop, R-Rochester, has commented "Why would we want to pass legislation that would eventually raise the tax on businesses so that businesses would not be able to hire people back and new businesses would not want to settle in Michigan?"



MTMIC Board of Director's Election

The results of the election are in and the new Directors will be announced at the Annual Meeting on October 15, 2009. Over 130 ballots were cast for the three year term.

This year the nominees for the position were:

- Robert Easterbrook (**East-Lind Heat Treat**, Madison Hts, MI);
- Bradley Lawton (**Star Cutter Co.**, Farmington, MI);
- Doug Mack (**Grosse Tool & Machine Co.**, Warren, MI); and
- Donald Wilkie (**Wilkie Bros. Conveyors**, Marysville, MI).

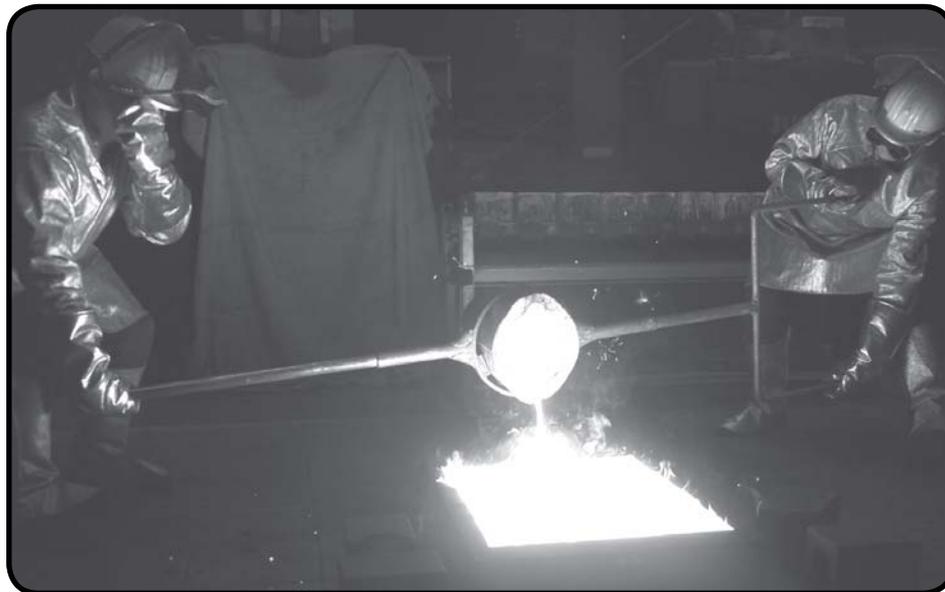
MTMIC Annual Meeting

The MTMIC Annual Meeting will be/was (depending on when you read this) held on October 15, 2009 at the Red Run Golf Club, 2036 Rochester Road, Royal Oak, MI 48073. The meeting is/was scheduled to begin at 11:30 a.m. with lunch at noon. Policyholders received invitations to the meeting during the week of September 14, 2009.

This is the regular meeting of the policyholders held in accordance with the requirements as detailed in the bylaws of the organization.

Renewal Questionnaire and Payroll Estimates

We have distributed renewal questionnaires for all January 1 policyholders and have received a large number of the required responses. If you have not sent your reply in we will have to phone you to remind you and eventually, if you do not respond, we will have to guess what numbers you would have put down.



Depending on your individual responses to the questionnaire, additional information may be required to update our database. It is extremely important to have the best information to get the best terms and conditions on your renewal policy.

MTMIC Status Report

Policyholders: At the beginning of September, 2009, there were 508 policyholders insured by MTMIC; this is up from 434 (+17%) at the same time in 2008. Premium collected has increased 18% year to year.

Claims: At the beginning of September, 2009, there were 435 open claims from 2006 through 2009 with 158 indemnity cases and 280 medical only. The average loss ratio is 56.93% for all four years.

Loss Control: The staff has completed 562 policyholder visits to date versus 472 at this time in the 2008 year.

Fee Schedule: The fee schedule process reduced the medical bills for all claims by 65.6% for the month; the amount saved was \$285,000. In the last twelve months the average reductions for fee scheduling was 60.21%.

The Business of Running an Insurance Company

Last month we advised that we were again reviewing and evaluating our customer base to ascertain if any particular aspect of the business is contributing more or less than other parts of the operation.

Some of the policyholders have shown to have a less than favorable safety culture which has resulted in either a proven loss ratio in excess of any profitability over the last five years and/or a decided tendency to have an uncontrollable loss exposure that could ultimately result in unacceptable levels of claims. Those few policyholders have been dealt with during September and are no longer a part of our policyholder base.

The remaining policyholders will benefit from this ongoing review as those insureds which left took with them their proclivity for claims and that should result in a more efficient use of our assets both financial and physical.

Some policyholders that were on the cusp have been given an opportunity to develop action plans to fall into compliance and will be given appropriate opportunities to meet the standards which should result in an improved workplace environment for their staff and a more profitable operation as well.

Our initiative aimed at those policyholders that don't have claims, and may not know what to do if they do, is well on the way to development and will be available after the beginning of the year. If you don't have claims and it is just luck, your luck could run out and we want to be available to complete our job when that occurs.

Safety Posters

Updated Safety Posters will be available after the first of the year when all of the contemplated changes have been solidified.

Medicare/Medicaid Reporting

An interesting sidelight to one of our projects was brought to my attention by an acquaintance in the insurance industry. The MTMIC and all commercial insurers are now required to report to Medicare/Medicaid whenever a settlement offer is being contemplated to an allegedly injured employee.

There is a huge bureaucratic hierarchy being established to monitor any settlement paid to a claimant. The idea is that no Medicare/Medicaid money shall be paid to a claimant if that claimant had a prior insured claim.

If an individual company does not report all claims to their insurer or pays part of the bills out-of-pocket, they may fall afoul of a provision which requires that all claims be reported to determine if they impact the set-aside provisions. If you don't comply there are some very significant fines which none of you will want, so don't pay your claims thinking you are saving money. I am not certain how deep the investigative process goes at this time but if you get caught it might not be good for your bottom line.

Trends indicate workers' compensation injuries are becoming more frequent among older employees and not the younger employees as previously expected.

TMTA Has Teamed With Harleystville Insurance

TMTA has teamed with Harleystville Insurance to put together an insurance program exclusively for our association members. Harleystville CustomPakSM bundles together all the right coverages to guard against the special risks your business faces every day as a manufacturer.

Each member company should have received their information packet through the mail. Please look it over carefully as there are a lot of insurance options listed. Then call for a free, no-obligation quote. Contact Jay Poplawski at 1-800-638-1174.

Remember, you never know what the future holds and it's better to have insurance and never need it than to need it and not have it!

Inflation Talk

CPI-W Urban Wage Earners and Clerical Workers

Month	82-84	1967	57-59
Aug	211.156	628.970	731.49*
July	210.526	627.093	729.30*
June	210.972	628.422	730.85*
May	208.774	621.875	723.23*
Apr	207.925	619.344	720.29*
Mar	207.218	617.239	717.84*
Feb	206.708	615.719	716.08*
Jan 2009	205.700	612.719	712.58*

CPI-U All Urban Consumers

Month	82-84	1967	57-59
Aug	215.834	646.544	751.92*
July	215.351	645.096	750.24*
June	215.693	646.121	751.43*
May	213.856	640.616	745.03*
Apr	213.240	638.771	742.88*
Mar	212.709	637.182	741.03*
Feb	212.193	635.637	739.23*
Jan 2009	211.143	632.491	735.58*

Note: August 2009 CPI-W represents a -1.9% increase from one year ago; CPI-U a -1.5% increase.

* Base Year 1957-59 is no longer released. BLS has issued the following conversion factors from the 82-84 year:

CPI-W—.2886674 CPI-U—.2870447

Business Coaching????

by Terry Wells

Business Coach with AdviCoach

We all see the headlines and hear the news everyday... "unemployment, housing market down, manufacturing downturn, bankruptcies, financial bailouts, credit crunch and a world-wide recession". Just makes you want to jump out of bed every morning and take on the day! The "Good News" is opportunities exist for continued business success. It is a time where achievers find a way to succeed where others don't.

It Takes More Than Technical Knowledge to Be Successful: As you know it takes more than technical knowledge to run a viable and successful business. It takes utilizing every skill, resource and investment available to you. Ever heard of Business Coaching? So, why would you consider Business Coaching? The simple truth is, as an owner, you should be aware of Business Coaching and, most importantly, what a business coach can do for your business.

Invest in Your Business Where It Counts Most: Your business is an investment, not a job. We hear it all the time, you need to spend money to earn it. The question is what investments make the most sense? It is critical that you are investing in solutions that focus on what matters most to your business. As an owner, it is often difficult to clearly see what is working but, more importantly, what is not working. You are too deeply involved; it is personal and emotional. We see this in our clients all the time.

Business Coaching Adds to Your Business: Working with a Business Coach is like adding a partner to your business. Your coach provides a sounding board, a second set of eyes, providing a pat on the back or challenging you when necessary. Equally important is your business coach will help you with the following:

- Seeing new possibilities/opportunities for your business.
- Identifying new ideas for your business.
- Finding educational and informational opportunities for you and your business.
- Being objective about your business.
- Keeping you accountable in reaching your goals and dreams.

The coach is motivated to help you become more successful, or, in other words, make more money than you invest in coaching so you receive a high return on that investment.

(Business Coaching continues on Page 8)

(Health News continued from Page 2)

To protect yourself against becoming ill, there is a seasonal flu vaccine and an H1N1 vaccine. There is no shortage of H1N1 vaccine expected, but currently the CDC is asking the following groups to receive the vaccine first:

- Pregnant women;
- Household contacts and caregivers for children younger than 6 months of age;
- Healthcare and emergency medical services personnel;
- Persons 6 months of age through 24 years of age; and
- Persons aged 25 through 64 who have high risk health conditions (listed above).

Make sure you are aware of the possible complications from the H1N1 vaccine BEFORE you receive it so you can make an informed decision to receive it or not.

In addition to vaccines, you should cover your nose and mouth with a tissue when you cough or sneeze and throw the tissue in the trash immediately after using it. Wash your hands often for at least 20 seconds each time with soap and water if available; if not, alcohol-based hand cleaners are also effective. Avoid touching your eyes, nose and mouth. Avoid contact with sick people. If you are sick with flu-like symptoms, the CDC recommends you stay home for at least 24 hours after your fever is gone without using fever-reducing medication (except if you need to go out to seek medical care).

Seek immediate medical attention for the following symptoms:

- Difficulty breathing or shortness of breath;
- Pain or pressure in your chest or abdomen;
- Sudden dizziness;
- Confusion;
- Severe or persistent vomiting; and/or
- Flu-like symptoms improve but then return with fever and worse cough.

BCBSM says beginning October 1, 2009, vaccines for the seasonal flu, pneumonia and zoster (shingles) will be payable when administered at participating pharmacies for non-Medicare members with immunization benefits under traditional, PPO, POS or HMO coverage. The Blues will cover the cost of administering the H1N1 vaccine at participating pharmacies for all fully insured groups. Normal copayments, coinsurance and deductibles apply. Participating pharmacies include Kmart, Kroger, Meijer, Rite Aid and more. Wal-Mart and Sam's Club are NOT participating. For more information, contact BCBSM at the phone number listed on the back of your card.

(Rob's Roost continued from Page 1)

Cap and trade remains a hot topic on the Hill. According to Representative Pete Hoekstra (R 2nd) MI: "For all the dialogue that has occurred on health care, virtually no debate took place when the national energy tax was rammed through the House of Representatives in the midnight hours in late July. However the bill will have profound implications on people's lives as well."

That the legislation, if put into law, will add an additional burden on manufacturers can not be doubted. The U.S. Treasury Department has issued a report, according to Representative Hoekstra, that a new cap and trade law would result in an extra \$1761 annual cost per household in America. Regrettably that report has not been shared publically and came to light only as a result of a Freedom of Information Act application by an interested group outside of government.

If you find that prospect to be less than acceptable you might do something about it. As the issue has "quietly" passed the House you should contact both of your Senators and let it be known in no uncertain terms that you oppose cap and trade. In doing so you should directly advise each Senator that you will monitor their position on the issue and in particular how they vote on the legislation and that it will be a determining factor in your vote the next time either is up for re-election.

Get friends, family, co-workers, employees and neighbors involved and either e-mail or fax the message. If you need data on where to send your letter, just let us know and we will be pleased to help out.

In January of this year Representatives Altmire (D-4th PA) and Murphy (R-18th PA) introduced HR 471: Supporting America's Manufacturers Act. This legislation creates a congressional override under those circumstances where the ITC has recommended the imposition of duties and that recommendation is rejected by the President. This would apply in what are known as Section 421 cases such as the recent Chinese Tire case where President Obama in fact accepted the recommendation to impose duties. Former President Bush did substantial harm to various sectors of manufacturing during his administration by uniformly rejecting such recommendations. In the result numerous manufacturing jobs in America were lost. HR 471 is worthy of our attention and it will be monitored. We all know that it is high time some support was shown in Washington for America's manufacturers.

Do let us know at TMTA if you want or need assistance with your efforts to communicate with your legislators.

TMTA Endorsed Service Providers

Manufacturing Technology Mutual Insurance Company (MTMIC)

(workers' compensation program)

Provider contact:

Gary Wood 248-488-1172 ext. 1316

Reliance Standard/Ameritas

(life/dental insurance programs)

TMTA contacts:

Dennis Campbell 248-488-0300 ext. 1313

Stella Krupansky 248-488-0300 ext. 1310

Blue Cross Blue Shield/BCN

(health insurance program)

TMTA contacts:

Dennis Campbell 248-488-0300 ext. 1313

Elaine Burger-Laskosky 248-488-0300 ext. 1309

Federated Insurance

(property & casualty insurance program)

Provider contact:

John Medo 800-428-4143

Freedom One Financial Group

(401(k) retirement program)

Provider contact:

Lesley Goodwin 248-620-8100

John M. Packer & Associates

(unemployment cost control program)

Provider contact:

Nathan Wiest 800-482-2971

Custom Telecom

(phone/communications programs)

Provider contact:

Kathy Schaumburger 866-332-1200

Schena Roofing & Sheet Metal Co., Inc.

(commercial/industrial roofing contractor)

Provider contact:

586-949-4777

GlobalTranz - CarrierRate.com

(freight discount program)

Provider contact:

Chad Hill 866-275-1407 ext. 130

TMTA receives a benefit from some of its Endorsed Providers when you, as a member, patronize them. This is one way we are able to maintain the level of dues.

TMTA MEMBERS IN THE NEWS

The Michigan Supplier Diversification Fund is a multi-faceted initiative designed to help Michigan manufacturers and auto suppliers diversify into new emerging sectors. The program addresses the shortage of bank financing available to companies that are attempting to diversify.

Recently approved was a project from TMTA member **Wolverine Metal Stamping Inc.** The St. Joseph-based diversified metal stamping company is pursuing opportunities in the solar-power sector, including large orders from Whirlpool and Emerson that are coming back to Michigan from Mexico and China. Omni Credit Union has agreed to fast-track a consideration of the loan request for \$2.5 million to assist in a significant expansion. The Michigan Strategic Fund approved allocation of up to \$1 million to be used as a collateral deposit. The project is expected to create up to 30 new direct jobs.

Under the program, the Michigan Economic Development Corporation (MEDC) is able to partner with the company, U.S. Small Business Administration, Michigan Certified Development Corporation and banks to provide the necessary liquidity to ensure the company could purchase fixed assets and expand its working capital. To be eligible, a company must fall under the definition of a firm eligible to receive a MEGA tax credit. A business must also be engaged with a private lender for the purpose of acquiring a commercial loan for a diversification project and exhibit a cash-flow or collateral shortfall according to the lender's analysis. Interested companies should contact the MEDC customer service center at 517-373-9808 for more information about this program and how to apply.

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 of our readers.



Please patronize the companies listed on the Made In America web page located on the TMTA website at www.theTMTA.com.

For more information about the TMTA, our advocacy, events and benefits, visit us at www.thetmta.com

(Business Coaching continued from Page 6)

Doesn't it make sense to do everything possible to make success more likely? Even Tiger Woods has a coach and why that is....*it helps him win!!!*

Interested in exploring using a business coach? Then contact me by phone or e-mail to set up a free One on One Complimentary Coaching Session (yes "free") or a seminar which can be set up through the TMTA.

Contact Terry Wells at 586-263-7740, or send an e-mail to TWells@AdviCoach.com.

About the Author: Terry Wells has over 37 years of experience in manufacturing including machine tool and production operations with experience ranging from sales, marketing, supplier management, quality control, purchasing, production control and plant management. He has worked with entrepreneur's for over 25 of those years and has been involved with 2 new manufacturing operation start-ups including the successful start-up of a new Tier 1 production machining operation that was launched in 37 weeks.

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