



From the Desk of  
**John Karlen, CPCU, APA, ARe**  
**Consecutive Years of  
Member Dividends – 11**

On 12/31/24, our CFO was busy that evening transmitting to our actuaries our entire claims history. That data included date of injury, what was paid so far, and our estimate of what remains to be paid on every claim since 2006. There is lots of detail to send. This data is then sorted by our actuary and trended to get an estimate on the final claims costs for claims that may have just happened in 2024. By getting that assessment of the past 18 years' worth and applying it to the known and unknown data of 2024, they come up with a final estimate of claims cost for 2024. This actuarial process takes about three weeks and involves them sending it to a second actuary to do a peer review of the entire calculation and data. The net result of this three-week project is a 110-page report that gives MTM the most scientific basis of plugging numbers into our 2024 financial statement. As a mutual insurer, for 11 years it has been the Board of Directors position that profits get returned to our members.

Now, the good news is that while severity was up (we had a few large claims) frequency was down. With the actuarial report in hand on February 13th at 8:00 a.m., management met with the Board Finance Committee and after a lengthy discussion, a 2024 dividend recommendation was approved by the committee. The recommendation was for a member's dividend of \$3,750,000. This is a healthy 15% increase over the dividend amount for last year.

That afternoon February 13th, the MTM Board Marketing and Underwriting Committee met. Their job is to take the money that has been recommended by the finance department and determine the most efficient and effective way to spread that amongst the 960 MTM members. The system for the last couple of years was two dividends, one dividend for a loyalty or just being a member, and a second dividend for those members who had loss ratios better than the company for three years, has been well received. The Marketing Committee approved continuing that calculation process for the 2024 dividend.

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The committee recommendations of the dollar amount from the Finance Committee and the methodology of individual calculation from the Marketing and Underwriting Committee now go to the full Board of Directors for their meeting on February 20th. The Board is presented with the recommendations and receives details from the chairperson from each committee and decided that both the dollar amount of \$3,750,000 and the methodology for distribution are solid and gave the Board approval to proceed with the processing of these dividend checks.

I am delighted this will be the 11th annual member dividend. While the dividend for this year is \$3.75 million, over the last 11 years, the dividend has totaled more than \$41 million. This is a very big number for a company with annual revenues of about \$18 million. MTM staff now has their marching orders. We will begin the needed filings and individual member calculations. Like the last couple of years, the annual members meeting is coming up on March 20th. Handing dividend checks out at the annual members meeting is a great way to thank individual members in person and deliver checks. Our Marketing department has planned a couple excellent speakers that both have 20-minute time presentations. We will have a lunch and then we will hand out checks to members. If you are unable to attend the meeting, we will begin the delivery process of all other checks on Monday, March 24th. As I have said for 11 years, the best part of my job is delivering MTM checks to members and I am looking forward to that job again this year.

Congratulations to our members for the reduced frequency and helping us generate a profit and dividend for MTM members.

*-John*



## Sean Heinonen

Loss Control Consultant

# Hierarchy of Hazard Controls

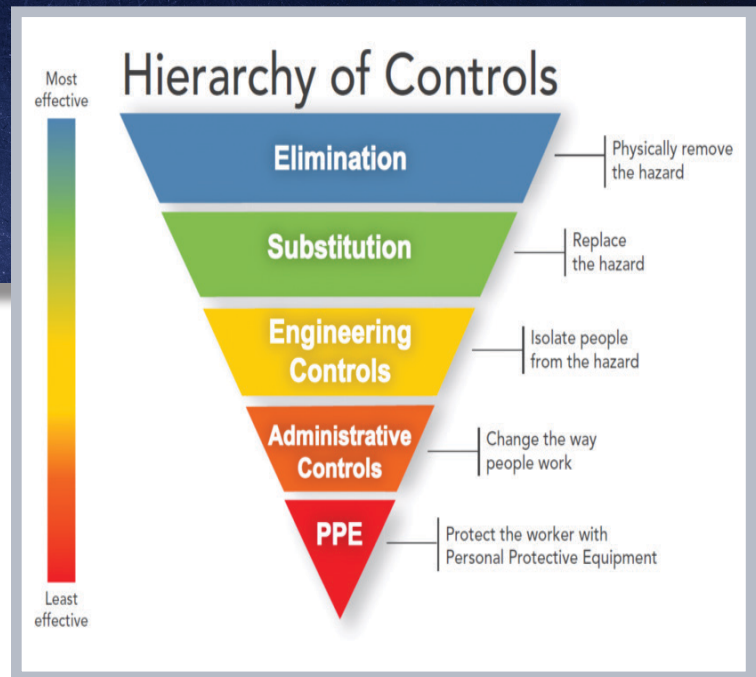
So you've taken the time to identify the hazards in your workplace, now what is your next step in protecting yourself or your employees? Did you know there is a hierarchy of 5 levels for determining the most effective control methods? These methods include elimination, substitution, engineering controls, administrative controls and personal protective equipment.

**ELIMINATION:** The first and best option will always be elimination. If you are able to physically remove the hazard from the workplace then there should be no need to take further action regarding the specific hazard, although you may want employees to be trained on recognition of the hazard if it has possibility of presenting itself again. An example may be ending the use of a hazardous material or performing a task at ground level instead of at heights, if possible.

**SUBSTITUTION:** This will be the next best option and is where you will be looking at replacing a material or process that will replace the hazard with a lesser hazard. An example of this could be switching a process that uses less force, speed, temperature or electrical current. You can use a vice to bend metal instead of using a hammer or other large force. This eliminates the striking motion and noise. For painting you can replace solvent based paints with water based paints and eliminate or reduce toxicity. Another option for your sand blasters would be switching your sand blast materials to a non-silica based medium.

**ENGINEERING CONTROLS:** If the hazard cannot be eliminated and is still present then we look at ways to engineer out what we can. Is there a way we are able to isolate people from the hazard? This is a very common method as we see it present with machine guarding, interlocks, guardrail systems and more. Bandsaws are a common machine that have an exposed blade presenting a laceration hazard. Physically guarding all parts of the blade except for the working portion will reduce possibility of injury.

**ADMINISTRATIVE CONTROLS:** When there is still a hazard present, and the previous controls have been implemented or are unable to be implemented then we look at changing the way people work. This step will include training, procedures, and warnings. Examples include equipment inspections, checklists, preventative maintenance, worker rotations, warning signs, horns, backup alarms, and training on all of these.



**PPE (PERSONAL PROTECTIVE EQUIPMENT):** Although one of the most popular methods, using PPE is actually the least desirable method of protection. Examples may be safety glasses, hard hats, steel toe boots, etc. This would not take away from a company policy of requiring certain PPE, such as safety glasses, for all people in a production area no matter the hazards present.

By utilizing the above mentioned hierarchy of controls, your company can work to eliminate or control hazards in the most effective way possible. When the top option is not feasible then move to the option below for the next best. Many hazards will require multiple control methods to be effective. If there is still a hazard after implementing a control then move to the next for continuation of controlling that hazard until employees are protected.

Of course, anyone can go above and beyond by requiring additional controls no matter the situation, as long as those controls are not creating additional hazards to employees. (You wouldn't want all employees walking around the floor wearing welding masks just because you have one employee welding!)

Possibly one of the most important parts in hazard control is the ability to recognize hazards. Without recognition, hazards may go unnoticed, and employees may be injured before you are able to implement any control method. Train your employees on the hazards associated with their job tasks and around your workplace.

If you have any questions regarding using the hierarchy of controls and identifying hazards, please contact your Loss Control Representative, they will be happy to assist you further.



## Donna Motley

Vice President of Claims

### What's Your Number?

I read a recent statistic listing the “most dangerous” jobs; they were :

- 1) Logging
- 2) Fishing & Hunting
- 3) Structural Iron & Steel Workers
- 4) Roofing
- 5) Aircraft pilots.

Dissecting these professions support the “danger” of the job. However, “danger” does not necessarily equal injury severity or frequency.

Statistics reflect more than one-third of U.S. workers are hurt on the job within their first year and that 35% of workplace injuries occur during the initial 12 months of employment. Would this be a training question or issue?

The Bureau of Labor Statistics indicates the average age of U.S. workers is ticking higher; one in four will be 55 or older by 2033. Associated with an aging workforce comes an increase in chronic health conditions and co-morbidities resulting in possibly a co-mingling of injuries/diagnoses and, understandably, a longer recovery time.

The National statistic for “fatalities” for the year 2002 is 5,524 – which was a 6.6% decrease from the prior year (2001). The National statistic for “fatalities” in 2023 was 5,283 which was a 3.7% decrease from 2022. In essence in the course of 21 years there were only 241 fewer fatalities. In 2021, Michigan had 140 fatalities; in 2022 – 139; and in 2023 – 166 (an increase).

The National 2023 statistic for fatalities as the result of Transportation incidents totaled 1,942 (1,252 were roadway incidents involving motor vehicles); slips & trips totaled 885. Of the 885 slips & trips, 725 were a fall to a lower level and 140 were a same level fall. Compare the 2023 total of falls (885) to the 2002 total of 714. Again, in a 21 year span, an increase of 171 fatalities.

As of 2022 Michigan has a higher percent over the National numbers relating to (category) Violence and other injuries by persons or animals; falls, slips & trips and contact with objects and equipment – up 23% from prior years.

As of 2022 Michigan has a lower than National number



relating to Transportation incidents (which declined) and Exposure to harmful substances or environments.

A lot of statistics – some indicate Michigan is improving but some indicate Michigan (and nationally) improvements need to be sought. In this day and age, with technology and knowledge available, one would think all the numbers would be lower. With an aging workforce rapidly encroaching, the numbers may increase. The statistics above do not take into account the dollars associated with these incidents. A simple slip and trip can result in a lifetime of benefits. How do your company’s statistics compare to years past? Or to the State or National totals? Safety, through education, training and implementation is at your disposal while insured with MTMIC. Feel free to contact MTM’s Loss Control or Claims Department to seek ways to improve your number!



On behalf of the Board of Directors, Committee Members, management team and staff of MTMIC, we would like to congratulate those policyholders that are part of our recently declared \$3.75M dividend. Over the past 11 years, MTM has paid back in excess of \$41M in dividends.



**FEEL FREE TO CONTACT ANY OF US IF WE CAN BE OF SERVICE TO YOU:**

**John Karlen**  
john.karlen@mtmic.com  
Ext. 1017

**Chris Doebler**  
chris.doebler@mtmic.com  
Ext. 1012

**Glenda Moyle**  
glenda.moyle@mtmic.com  
Ext. 1315

**Gary Wood**  
gary.wood@mtmic.com

**Megan Brown**  
megan.brown@mtmic.com  
Ext. 1006

**Patty Allen**  
patricia.allen@mtmic.com  
Ext. 1010

**Marcy Savage**  
marcy.savage@mtmic.com  
Ext. 1014

**Adam Chatila**  
adam.chatila@mtmic.com  
Ext. 1316

**Melanie English**  
melanie.english@mtmic.com  
Ext. 1317

**Ruth Kiefer**  
ruth.kiefer@mtmic.com

**Chris Demeter**  
chris.demeter@mtmic.com

**Sean Heinonen**  
sean.heinonen@mtmic.com

**Donna Motley**  
donna.motley@mtmic.com  
Ext. 1011

**Cindy Boyce**  
cindy.boyce@mtmic.com  
Ext. 1009

**Kimberly Davis**  
kimberly.davis@mtmic.com  
Ext. 1004

**Devona Anderson**  
devona.anderson@mtmic.com  
Ext. 1007

**Marci Merath**  
marci.merath@mtmic.com  
Ext. 1005

**Faris Saleem**  
faris.saleem@mtmic.com  
Ext. 1008

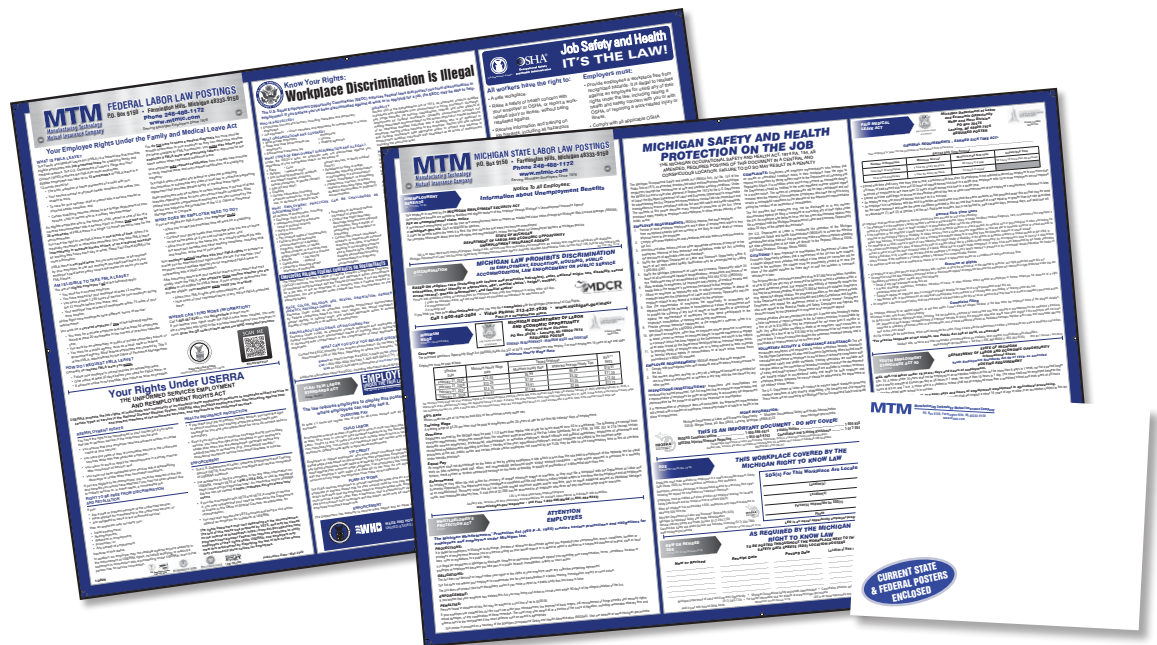
# MTM Manufacturing Technology Mutual Insurance Company

P.O. Box 9150  
Farmington Hills, MI 48333

PRSR Standard  
U.S. Postage  
**PAID**  
Farmington Hills, MI  
Permit No.  
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**Phone 248.488.1172 O www.mtmic.com**

## State and Federal Labor Law Posters



The 2025 state and federal labor law posters have been mailed out to all policyholders. Due to the recent ESTA changes that occurred on February 20th, MTM will be sending an email with the link to the update once the State publishes the new ESTA changes allowing you to print and post with the posters already received.