After defining four distinct stages in the “employee life cycle,” CIS developed strategies to assist members in each stage and address rising claims, which included illegal hiring practices, wrongful termination, and employment discrimination. The lessons CIS learned have application for MMRMA members.

Articles in the December 2018 and February 2019 Risk Journal addressed the first two stages:
> Hiring, recruitment, and selection
> Onboarding and orientation.

This issue deals with the third stage, employee retention.

Turnover is costly and disruptive to an organization’s performance. As “the availability of skilled employees continues to decrease, it may become increasingly difficult to retain sought-after employees.”

Jon Hainstock writes in a November 21, 2016 article 15 Actionable Employee Retention Strategies You Can Use Today: “Nearly 70 percent of organizations report that... turnover has a negative financial impact due to the cost of recruiting, hiring, and training,” as well as the need for others to work extra hours during the transition. As a result, employers may feel pressure to hire someone quickly, resulting in a poor long-term fit.

Michigan’s unemployment rate is 4.5 percent (Bureau of Labor Statistics, June 2018), and employers both locally and nationally are competing to find the best talent.

CNN reported that Vermont enacted the “Remote Worker Grant Program” to provide grants of $5,000—$10,000 to cover moving expenses, new computer equipment, or for co-working memberships to entice out-of-state workers to relocate.

Satisfied employees often keep current resumes posted on social networking sites such as LinkedIn. While these employees may not actively...
When members report claims to MMRMA immediately, especially property or product claims, they play an important role in this process.

**Steps in Subrogation**

When MMRMA’s claims team identifies a potential for subrogation, efforts are taken to secure the evidence (retaining parts, photographing the loss location), obtaining supporting documentation such as contracts and drawings, and notifying the potentially responsible parties.

If at all possible, repairs should be delayed to allow potentially responsible parties the chance to inspect the evidence and damages. If repairs must be made to mitigate the loss or secure the property, it’s imperative that the loss be thoroughly photographed throughout the process, and that parts or other evidence are retained and properly stored with limited access to avoid allegations of spoliation.

**Proper Record Retention**

Supporting documents, such as contracts and drawings, can be paramount to determine a statute of limitations or to identify who is responsible for what. For example, contracts may detail the scope of work and contain indemnity or hold harmless agreements and/or insurance requirements.

This means the potential for recovery begins long before there is a loss. Retention of contracts is essential. It is also vital to keep detailed service and maintenance records logging who performed what activities on vehicles, property, and so on. Documentation to prove a building or equipment was properly maintained will counter any argument to the contrary. These records may also be used to limit any application of depreciation.

**Avoiding Spoliation of Evidence**

Subrogation often relies on the immediate securing of evidence because a defense to subrogation claims is evidence spoliation, which includes the potential hiding or destruction of evidence.

In litigation, a defendant may be granted summary disposition by a court, or the court may give instructions to a jury regarding “spoliation inference.” This tells the jury, a finder of fact, that an adverse inference may be drawn that evidence concealed, lost, destroyed, or modified before a defendant had a chance to inspect it would have been harmful to the case of the person who concealed or altered it.

**Auto-Related Subrogation**

Most of MMRMA’s subrogation recoveries involve automobiles, and the Michigan No-Fault Act imposes some limitations.

When member vehicles are involved in an auto collision, we can recover the member’s deductible up to $1,000; this is commonly referred to as “Mini Tort” recovery.

It’s important to report collisions to the police and obtain copies of police reports, which will contain information and insurance details for the other driver(s). This helps MMRMA contact other insurer(s) and obtain recovery.

If a parked vehicle is struck by another vehicle, we may be able to recover the full amount of damages, since the parked vehicle is considered the same as any other property.

In the past three years, MMRMA has recovered more than $1.34 million through subrogation efforts.

Most of MMRMA’s subrogation recoveries involve auto accidents, although Michigan’s No-Fault Act imposes some limitations.
Another potential for recovery is in the form of court-ordered restitutions, which may be ordered as a result of a criminal act such as theft or vandalism. Again, it is imperative that the claim be reported promptly to MMRMA. We may be able to obtain recovery prior to a court order, which is preferable.

If recovery is not voluntary, it’s important that we thoroughly document the damages and communicate with the prosecutor as soon as the claim is assigned. The prosecutor will be our advocate with the court to secure an order of restitution.

In Judson Laipply’s viral video “Evolution of Dance” and on the keynote stage, he performed well-known moves to decades of popular songs. While this demonstration of change in an art form may not seem relevant to risk management, his larger message has applications in our jobs and our lives.

Laipply suggests using laughter to establish connections with others. He says laughter is shown to rejuvenate our brains; one study showed 10 minutes of deep belly laughter was equivalent to two hours of REM sleep.

Laipply says while change is constant, so is our power to choose how we respond. As with any risk management practice, the best bet is to make sound choices in advance. If we have a conscious intention to meet every day’s experiences with curiosity, compassion, and integrity, we set the tone for how we deal with inevitable changes, risks, and everything else that comes our way.

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Meeting each day with curiosity, compassion, and integrity sets the tone for how we deal with change.

A legal discussion panel led by MMRMA’s Legal Services Manager Starr Kincaid, Esq., explored the nature of jury trials today. Our digital age can lead to jurors who are skeptical, easily distracted, and likely to conduct their own research, which could be irrelevant or misleading in the context of the case.

The Only Constant is Change

All these topics reflect the role of change in public entity risk. The ubiquity of change applies not only to day-to-day exposures; it also affects the makeup of legislatures and courts, the laws and decisions they produce, not to mention public sentiment and expectations.

Settlements are an important vehicle to avoid potential—and potentially expensive—pitfalls in jury trials. The panelists—retired Judge Daniel P. Ryan and attorneys Margaret Debler, RSJA, Doug Curlew, CMDA, and James Mellon, MMRMA legal counsel—shared data and anecdotes to illuminate these real-life concerns.

When an accident occurs: Don’t delay, report right away.

Additionally, the prosecutor may work out a plea deal, and we will want that deal to include restitution. If there is a criminal proceeding before the court, the MMRMA adjuster or a representative from the member may need to appear to testify regarding damages.

Subrogation is one more reason MMRMA reminds members: Don’t delay, report right away. Registered users at MMRMA.org can log in to download fillable PDF claim forms. If you have questions, please contact the MMRMA claims team.
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be seeking a new job, they still want to be ready if an opportunity arises to land their "dream job."

Why Employees Leave
Although employers may believe interesting work, regular pay raises, and competitive benefit packages are enough to retain good employees, it may not always be that simple.

SHRM reports that employees usually leave for four primary reasons:
1. Workplace dissatisfaction, which may include the culture and/or coworkers
2. Better pay and/or work environment
3. A planned change such as a desire to stay home with children or attend graduate school
4. A bad experience with the employer.

It's often said that employees don't leave bad employers—they leave bad bosses.

In his blog post Effective Employee Retention Strategies (October 1, 2018), Robert Half recommends that employers view retention efforts from the team's point of view: "[I]t's a safe bet to assume that all of them want to know they are being paid at or above market rates and have good benefits. They want to feel appreciated... and treated fairly."

Employees don't leave bad employers—they leave bad bosses.

Growth and Development
Jon Hainstock says retention is fostered through ongoing, constructive feedback and the opportunity to grow through training and professional development.

Robert Half recommends recognition systems and open lines of communication. "[E]mployees should feel that they can come to you with ideas, questions, and concerns... Make sure you connect with each staff member on a regular basis—don't let issues build up for the annual review."

Michael Poh, a freelance blogger at Hongkiat (Hainstock, November 21, 2016), cites creativity as an important factor. He suggests that employers encourage risk-taking and form innovation teams tasked with developing ideas to address specific issues. Poh also promotes diversity in employees: "Creativity will not come from a group of people that all think alike."

Competitive Pay Counts
Competitive wages and benefits is often cited basics in retaining employees. However, many employers have limited economic resources and other considerations, including union contracts that mandate new hires' compensation. Employers need to strike a balance between retaining good talent and treating all employees fairly in terms of compensation.

Benefits Outweigh Costs
Fortunately, the costs of ongoing communication, positive feedback, fostering creativity, and treating people with respect are minimal. These actions will help retain your most talented employees and create a workplace where people want to "hire to retire."

These management approaches also help avoid employment-related risk and foster a positive work environment for everyone.

Resource: Webinar by Sharon Harris, Tamara Jones, and Lynn McNamara, Citycounty Insurance Services

Employees retention is fostered through ongoing, constructive feedback.