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**PRESIDENT’S MESSAGE**

This past year, 2005, led to many insights, not just for all of us at MWCIA, but for all the people we serve. We were able to reach out in a number of effective ways to all of our audiences. In the process, we learned more about your needs and, along the way, gathered new ideas and strategies for meeting those needs. In short, it was a year of listening and learning that led and continues to lead to better understanding.

Our communication with you occurred in a variety of ways, new and traditional. We continued to make even better use of the Internet; for example, through targeted emails, surveys and web tracking, we were able to follow which pages our users were most interested in, how often and how much. We continued our face-to-face meetings with regulators, carriers and members, but did so with increased focus on their needs and how we might better address them. And, of course, we kept in touch with all of you through our publications, circular letters and the like, but this year we added a few new ways of communicating that yielded information expected and not so expected.

Among these were our Teleconferences and our over-the-phone focus group on our Rate Filing Application, which revealed such interesting and valuable ideas as group rate filings, functionality to attach Excel, Word and PDF files, increased class deviations and Fast Track processing.

We conducted and tape recorded a live focus group comprised of a cross-section of our members that we intentionally designed to be as unstructured as possible. Aside from keeping to the main theme of, “What can MWCIA do to better serve you?” participants were urged to weigh in on virtually any aspect of MWCIA they would like.
We heard their complaints and we heard their praises, but most importantly, we heard their wish-lists. By the end of that focus group, we had some excellent ideas on how to better serve our members.

Already, our communication with you has led to our developing better tools, has allowed us to identify and reach a wider audience and has resulted in such program enhancements as online unit statistical report viewing. We have also held initial discussions on the next phase, which would be unit stat correction functionality via the MWCLA website. With each of these, the trick has been to find the right communication tool for the objective: teleconference, internet, face-to-face meetings and focus groups. We will seek new methods to better understand your needs as we move forward.

This coming year, for example, we will conduct focus groups dealing with specific subjects as we continue to build on what we have learned and how best to further refine our capabilities internally to make the most of our learning.

And it won’t be just surveys and focus groups that will deepen our understanding.

In addition to all of the ways we communicate with you, this coming year, I will be making personal visits to a wide range of our audiences to interview them as to their individual company needs, especially listening for those programs, services, products and procedures to best serve them in the future.
But, as with every communication we have with our audiences, it so often begins with you – making a call to us, dropping us an email or just starting a conversation with us. After all, no one knows what you would like MWCIA to be better than you. To that end, I ask that you continue to let us know your likes and dislikes, to call, email or visit us anytime, and to make the most of all of the services we have created expressly to make your life and work easier.

It is only through the commitment to listening, learning and understanding that we fully realize our mission:

**AS THE PREFERRED PROVIDER OF QUALITY MINNESOTA WORKERS’ COMPENSATION INFORMATION, WE ARE COMMITTED TO-developing PRODUCTS, SERVICES AND MARKETS THAT MEET OUR CUSTOMERS’ EVOLVING NEEDS, AND TO PROVIDING A WORK ENVIRONMENT RICH IN OPPORTUNITIES FOR PERSONAL AND PROFESSIONAL GROWTH.**

We are the Minnesota Workers’ Compensation Insurers Association, a quality provider of information and services.

Bruce A. Tollefson

President
The current Minnesota workers’ compensation market is relatively strong. Claim frequency continues its steady decline, and resulting base loss costs tend to be very stable and predictable. The assigned risk plan’s premium volume has dropped nearly 20%, as both existing and new carriers continue to identify attractive markets. Insurers are recognizing the effects of rising average medical costs, however, as reserves continue to rise and rates increase faster than pure premiums.
For the fifth consecutive year, we have been able to beat our previous year’s record for the earliest release of our Ratemaking Report. This year, our release date was August 11, a full eight days earlier than last year. Because this is the essential reference product in our industry, we are pleased to get the Ratemaking Report into the hands of our audiences as early as possible, allowing them time to review its findings and determine their own pricing for the coming 12-month cycle.

The pure premium base rate level continues to demonstrate strong stability. Since 2000, the level has experienced two increases and four decreases, and four of the individual changes have been less than 2.0%. On average, 2006 base rates are virtually identical to their 2000 counterparts.

As displayed in the chart on the next page, the pure premium base rate level decreased 0.3% this year – the third modest decrease in as many years. By specific industry, this breaks down as follows:

- Manufacturing: -1.1%
- Contracting: -1.3%
- Office & Clerical: +5.2%
- Goods & Services: -0.6%
- Miscellaneous: -1.1%
PURE PREMIUM BASE RATE CHANGES 2001-2006

<table>
<thead>
<tr>
<th>Year</th>
<th>Pure Premium Changes</th>
<th>Pure Premium Index</th>
</tr>
</thead>
<tbody>
<tr>
<td>2001</td>
<td>-6.0</td>
<td>0.940</td>
</tr>
<tr>
<td>2002</td>
<td>-4.0</td>
<td>0.960</td>
</tr>
<tr>
<td>2003</td>
<td>-2.0</td>
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<tr>
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<td>0.0</td>
<td>1.020</td>
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<tr>
<td>2005</td>
<td>2.0</td>
<td>1.040</td>
</tr>
<tr>
<td>2006</td>
<td>4.0</td>
<td>1.060</td>
</tr>
</tbody>
</table>
AVERAGE RELATIVE CLAIM FREQUENCY

Due to its statutory definition, the pure premium base rate level is more responsive to claim frequency rather than claim severity changes. Insured total expected claim frequency per million dollars of payroll decreased 30% between the 1999-2003 policy years. This phenomenon was first evident in the late ‘90’s, and continues to be the driving factor behind stable base rates.
AVERAGE STANDARD TO DSR PREMIUM RATIOS

The insured marketplace is not realizing this same sort of stability. From 2000-2004, the average carrier standard premium level increased 16% relative to the pure premium base rate level. Early indicators suggest this trend continued into 2005, with carriers sensing a need to adjust loss cost multipliers to reflect increasing late loss development and medical trend indications.

![Graph showing average standard to DSR premium ratios from 2000 to 2004.](image)
ANNUAL RESERVE CHANGES

Market expectations about continued late loss development, as well as increasing relative medical costs are demonstrable in reserve movement over recent years. Total carrier indemnity reserves increased $230 million from 2000-2004. Over the same time period, medical reserves were strengthened $350 million, an increase of 53% since 1999.
The driving force behind these increases is average claim cost. Insured indemnity expected severity increased over 37% between 1999 and 2003. Its medical counterpart grew 57% over the same time period, increasing at a rate of 12% per year. Assuming no statutory changes in medical cost containment, early projections for 2004-2005 suggest that this annual rate will continue to increase.
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BUILDING PIECE BY PIECE
EMBRACING THE WEB

As you are likely reading this online, you are aware of the fact that our Annual Report, as well as most of the written tools and publications we offer you, is now entirely web-based. That does not mean that a reader can no longer get a hard copy of the Annual Report (just call our office), but rather that we are reflecting what the vast majority of our audiences would like, which is an Annual Report that is online and easy to navigate and, at the same time, offers many drill-down features to explore MWCIA in all its parts.

The Annual Report includes information about our leadership and staff, the most valuable asset we have and the backbone of everything we do. In time, we will offer biographical information on each of our staff, similar to what is currently available here for each of our Board Members, to give you a better understanding of who we are and to give you the best face-to-face introduction we can without actually reaching out and shaking your hand in person.

Nor will this drill-down capability be limited to our personnel. We are working now to provide the most extensive current and background information we can on each of our products, tools and services as well as our affiliations with a variety of outside regulatory bodies, other associations, collaborations and even critical vendors – all to give you a better understanding of the scope of MWCIA. You see, we believe that the more you know about us, the more likely you will let us know of new ways we might serve you as well as ways we might improve to better serve you.
MWCIA’s Actuarial and Information Technology departments continue to work hand-in-hand to develop and refine valuable resources for the industry. From internal research and production software such as TRACER and XRAY, to external tools like ARROW and ACCEDE, actuarial staff continues to pursue more efficient methods to collect, and more robust methods to analyze carrier data.

**ARROW**

ARROW is a web-based product developed to allow carriers to perform queries against their own statistical plan data as well as comparative statewide data. Two report formats are currently available: summarized class experience and custom historical triangles. Summarized class experience queries provide access to class experience at various reporting levels for up to the latest 10 policy years. Custom historical triangle queries provide access to the latest 10 policy years of class data broken down by injury type and claim status (open, closed, or combined). Output from both report formats can be grouped by class/industry group, premium range and geographical region within the state of Minnesota.

This past year, we also made some significant advances to ARROW (Actuarial Report and Resource On the Web). The most important of which may be the creation of an online survey to solicit feedback from our users. This not only gives us an opportunity to continually improve the effectiveness of ARROW, but yields additional information about other aspects of reporting and will then prove invaluable to us as we develop additional products.
**ACCEDE™**

The preferred financial data reporting tool of over 95% of the industry’s carriers, ACCEDE™ (Automated Carrier Call Entry and Data Edit) has reduced processing time by fully one third. Now, with this year’s addition of an interface in ACCEDE™ Online, a web-based version of ACCEDE™ introduced last year, users are now able to directly input their Excel data and upload the completed file, significantly simplifying the process overall.

**TRACER**

During 2005, we were able to complete Phase One of TRACER (Tool for Ratemaking, Analysis of Class Experience & Research). TRACER is a new engine designed to produce class rate relativities and, as a research tool, provides the most thorough testing to date of internal class ratemaking sensitivity.

**XRAY**

We were also able to complete our XRAY (Experience Rating Analysis Yardstick) resource. As a research tool designed to evaluate the effectiveness of the Minnesota Workers’ Compensation experience rating plan, XRAY is used to test the plan’s parameters, forecast distributions of outcomes and perform sensitivity testing.
OPERATION SERVICES

In 2005, MWCIA Operation Services focused on providing enhanced tools to members with the goal of supporting efficient data quality reporting to MWCIA. These enhanced tools encompassed a broad range of activities including developing new software, enhancing information available on our website, publishing a new workers’ compensation manual and drafting new rules.

Following are some examples of our progress over the past year.

MANAGE USR™

In April 2005, MWCIA announced the release of Manage USR. This product, available to all member carriers of MWCIA, is specifically designed to provide an online view of unit statistical data through the MWCIA website, enabling data providers to manage accurate submissions and facilitate the unit statistical correction process.

ASSIST™

Operation Services worked in conjunction with MWCIA Information Technology staff to design an additional, self-insured software reporting tool named ASSIST, which was implemented during the first quarter of 2005. This new, user-friendly, software tool is a web-based application that utilizes Excel spreadsheet templates.
CLASS CODE SEARCH ENHANCEMENT

In August 2005, the web-based class code search function was enhanced to make it significantly easier for users to find correct class codes. Rather than the user having to search in generalized terms, the new class code search function allows for more specific searches. For example, previously the user had to type in “Domestic Worker” in order to find a code and rate for a nanny. Now they can type in “Nanny” or “Nannies” and they will be able to obtain the code and the rate.

CROSS INDEX FOR MINNESOTA ENDORSEMENT

During the fourth quarter of 2005, the MWCIA website was updated to include a cross index for Minnesota endorsement and the Workers’ Compensation Insurance Organization (WCIO) WCPOLS record-type codes. This cross index allows a carrier to easily determine whether an endorsement contains information required to be reported via WCIO WCPOLS and if so, where the Record Type Code specifications are located in the WCIO WCPOLS manual.

MINNESOTA BASIC MANUAL

In 2005, the Minnesota Basic Manual was published and is located on the MWCIA website. The manual is effective as of January 1, 2006. The creation of the Minnesota Basic Manual is part of an overall initiative MWCIA has undertaken to replace the current manuals related to Workers’ Compensation in the state of Minnesota with state-specific manuals. We believe the creation of Minnesota-specific manuals provides MWCIA staff with the best means of supplying our membership with the most timely and accurate information available.
EMPLOYEE LEASING ARRANGEMENTS

In 2005, MWCIA received approval on a new Minnesota Employee Leasing Rules and Endorsement filing, with an effective date of January 1, 2006. The new rules and endorsement related to employee leasing arrangements will more effectively track experience and proof of coverage.

Some additional operation services include the following:

ADVANCE FILING FEE FOR ELECTRONIC FILINGS

MWCIA, in conjunction with the Minnesota Department of Commerce (Commerce), has developed a program that allows workers’ compensation filings to be submitted electronically by member carriers using either SERFF or the MWCIA Electronic Rate Filing Application to elect to have MWCIA advance their filing fees to Commerce. This allows for Commerce to process the filing without having to wait to first receive the check. The carrier is billed by MWCIA, for the fees advanced, on a quarterly basis.

MCPAP CREDIT FACTOR APPLICATION

The MCPAP Credit Factor Application is web-based, allowing a contractor or agent to complete an electronic application.

ASSIGNED RISK PLAN DEPOP DOWNLOAD & SEARCH FUNCTIONS

These MWCIA web-based applications are enhanced to include merit rating information, providing additional and useful information to member carriers and agents.
COMMUNICATIONS

One of our driving objectives continues to be the dissemination of timely, informative and educational communication to our members and customers. To this end, we remain committed to designing electronic documents for access through our website including circular letters, manuals, newsletters and brochures.

Some examples of how we communicate with our members, customers and the public are:

MWCIA NEWSLETTERS

The quarterly newsletter is written and published by MWCIA staff. The MWCIA website posts quarterly newsletters dating back to 1998.

MWCIA CIRCULAR LETTERS

The MWCIA circular letters provide a forum for providing official notification to our members and customers such as filings that have been approved or orders given by the Department of Commerce. The goal is to provide current information on important changes that may have a direct impact on our members’ and customers’ businesses. The circular letters are written by MWCIA staff and are posted on our website.
MWCIA BROCHURES

We continue to focus on publishing brochures to help educate and inform members and customers on specific topics. The brochures focus on explaining processes and answering questions that are frequently asked. Some of the brochures available on the MWCIA website include, “Understanding Experience Rating,” “How To Complete Minnesota’s Workers Compensation Assigned Risk Plan Application” and “Minnesota Contractors Premium Adjustment Program.”

MWCIA EDUCATION AND INFORMATIONAL PRESENTATIONS

The Member and Customer Services staff continues to seek opportunities to “reach out” and provide educational and informational presentations to members, customers and the business community at large. In 2005, the staff participated in providing presentations to insurance carriers, agents and governmental agencies.

Member and Customer Services staff participates in a forum in which we provide an informational presentation on Workers Compensation for Minnesota employees.

Another way in which we are “reaching out,” is through Member and Customer Services staff participating in agent industry functions in which they answer questions and distribute informational pamphlets and brochures to members and customers from our trade show booth.
INFORMATION TECHNOLOGY

Our two themes continued in 2005 can be stated as “efficiency” and “knowledge and communication.” The “efficiency” theme ranges from the development of a product like the Rate Filing Application to something as simple as the elimination of a paper process and related internal procedures. The “knowledge and communication” theme derives knowledge from our data and communicates that knowledge in a product like ARROW and our recent initiatives with TRACER and XRAY. Many products, like the Department of Labor & Industry Insurance Verification Project contribute to both themes. Others fly below the radar but significantly advance our objectives like the elimination of Termination Notices and the thousands of letters generated from that process as well as the elimination of a cumbersome and expensive data transmission service, IBBSNET, by creating the CDX product, which is available to our members at no charge. The two themes “efficiency” and “knowledge and communications” have served us well in the past and continue as we set objectives for 2006.

RATE FILING APPLICATION

Our Rate Filing Application (RFA) Phase III, jointly developed by MWCIA and the Minnesota Department of Commerce, was completed in 2005. New capabilities include rate filing attachments, more than 10 class code deviations, and group processing. RFA Public was modified to accommodate attachments and it currently contains 576 SERFF filings and 72 RFA filings.
ASSIGNED RISK

The Quota Management System was phased out after twelve months of successful operation. It provided us the time necessary to design and implement the modifications to Spectrum™ so that assignment tasks could be run as a production process.

DLI INSURANCE VERIFICATION

In 2005, we designed and implemented a website for the Minnesota Department of Labor and Industry (DLI) that presents employer workers’ compensation proof of coverage information to the public via a link on the DLI’s website. Carrier information is obtained by cross-linking to the Minnesota Department of Commerce’s database on carriers. In addition to saving DLI’s staff considerable time, the website contains a DLI request form for additional research into coverage if the data was not found on the website. An internal DLI administration and tracking module was also incorporated to monitor requests and responses.
SYSTEM UPGRADES

During 2005, we upgraded a number of software products and hardware components as follows:

Upgrades:

- GroupShield AV/AS software
- FAXmaker software
- Exchange 2003 to Service Pack 2
- CheckPoint firewall and new server
- All workstations to Windows XP
- Office products to Office 2003
- PestPatrol anti-spyware software
- Symantec AV security client installed on all workstations

Other Accomplishments:

- Installed three new servers
- Implemented WSUS Server
- Implemented Network Monitor 7.0
- Virtual PC 2005 software allowing a Test and Development environment to exist on one server
- Symantec Anti-Virus Server 10.00
Other Accomplishments (continued):

- Completed CDX conversion and closed our IBBSNet Account
- Removed Tape CPU machine with the 3480 tape drive

SIGNIFICANT EVENTS

- Established an off-premises, climate-controlled location for DRP workstations, servers, and software copies; and
- Completed and complied with the recommendations of a security audit.

WEB ACCOUNT MANAGEMENT

We continue to manage our web user accounts through our own intranet system, which not only tracks account information, but measures usage of fee-based reports and alerts users to various account related events by bulk email.

MAP PROJECT

These services, the intranet system and the bulk email are part of an overall customer management project now in place to facilitate the identification of and communication with our members, associates, and partners. MAP (Members, Associates, and Partners) assembles all of the contact lists used by MWCIA in one location comprising of an intranet interface and a complete set of outputs, including the bulk email system.
WWW.MWCLA.ORG

Our website use consolidated in 2005 with fewer users but more visits per user, indicating perhaps that our user base is stabilizing on a core group. Unique users dropped to 35,529, a decrease of six percent but user activity remained stable. The following graph indicates website activity by respective product/service inquiry:

2005 Web File Requests
FITTING
OUR PIECES TO THEIRS

COLLABORATIONS

MWCLA fulfills many roles to many needs. We are able to achieve this, not only through our own products and services, but because we have joined hands with a number of other associations and organizations in our industry. Indeed, it is in this spirit of collaboration that we have realized some of our greatest breakthroughs and have played a role in the advancement of our industry overall.

ACCCT

The American Cooperative Council on Compensation Technology (ACCCT) is comprised of the state workers’ compensation data collection organizations in California, Massachusetts, Michigan, Minnesota, New York, North Carolina, Pennsylvania/Delaware, Wisconsin and the Insurance Service Office. ACCCT’s products include:

- **ASIDE™ (ACCCT Self-Insured Data Entry)** facilitates the collection of data from the self-insured market.
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- **PEEP™ (Policy Entry and Edit Package)** allows policy reporting organizations to electronically enter, edit and transmit policy information to a Data Collection Organization. Fully operational in 2003, PEEP™, like BEEP™, is totally web-based.
CDX (COMPENSATION DATA EXCHANGE)

Developed in 2003, this data super highway accelerates the secure, electronic transmission of data between member insurers and Data Collection Organizations. A number of ACCCT Partners are also making use of the Experience Mod Work Sheet capability available through CDX.

SPECTRUM™ PARTNERS, LLC

SPECTRUM™ Partners, LLC has developed an internal relational database operating system that serves as the foundation for many products and services.

The SPECTRUM™ suite of products continues to grow. The on-going success for SPECTRUM™ can be attributed to a strong partnership of the following state associations:

- Minnesota
- Wisconsin
- New York
- North Carolina
- Massachusetts

Among SPECTRUM’S™ various products is ABACUS™ (Algorithm to Build, Aggregate and Compile Unit Statistical data), a powerful tool for compiling collected payroll and claim data into a variety of summarized tables and reports for use in the ratemaking process of ACCCT members.
ADDITIONAL RELATIONSHIPS

MWCIA is an active participant in national organizations such as:

- **WCIO (Workers’ Compensation Insurers’ Organization)** chartered in 1995 to develop uniformity of standards with respect to forms, electronic transmissions, filings and other tools and systems necessary to the industry.

- **IAIABC (International Association of Industrial Accident Boards and Commissions)**

- **IDMA (Insurance Data Management Association)**

Our extended relationships and audiences also include the Minnesota Department of Commerce, the Minnesota Department of Labor and Industry as well as the Minnesota Workers’ Compensation Reinsurance Association (WCRA), which was founded in 1979 to provide low-cost reinsurance for Minnesota insurers and self-insurers. MWCIA Actuary, Craig Anderson, has served on the WCRA’s actuarial committee since its inception.

Whenever we are able to provide assistance, technical or otherwise, to any organization in the workers’ compensation arena, we strive to assist that organization’s ability to better serve its audiences.

Indeed, it is through this cooperation and overlap among our fellow state associations, government and regulatory bodies, our members, and our internal departments that our capabilities have continued to evolve in leaps and bounds. What’s more, in the process, we truly further the core of our mission to be the “quality provider of information and services.”
PUTTING THE PIECES TOGETHER

POLICY REVIEW/POLICY ENTRY

An important activity of the Association is the capture of policy coverage information and the management of the Insurance Coverage Verification System (ICVS). The ICVS function provides the Department of Labor and Industry with computer-generated online information on workers’ compensation insurance coverage and eliminates the carriers’ obligation to file notifications of coverage and cancellation with the Department. In 2005, a total of 125,016 policies were collected with 84% of those being collected electronically. Click here if you are interested in viewing additional information on the number of policies, endorsements and cancellations processed by MWCIA during 2005.

UNIT STATISTICAL PLAN

Unit Statistical Plan data is collected, processed, and tabulated for use in developing the classification data with the Association’s Annual Ratemaking Report. For policy year 1/1/03 to 12/31/03, a total of 153,917 reports were collected. Click here to view a four-year summary listing of this activity.

MERIT RATING

Minnesota statutes require that all Assigned Risks not eligible for experience rating must be subject to a Merit Rating Plan developed by the Department of Commerce. A total of 30,893 Assigned Risk files were published for Merit Rating in 2005. Click here to view the 2005 Merit Ratings that were distributed.
EXPERIENCE RATING

During 2005, we continued our activities in connection with the experience rating of employers. 31,789 Minnesota intrastate experience ratings were published, including revisions. Click here to view the 2005 breakdown of current Minnesota intrastate ratings by modification factor.

REVENUE AND EXPENSES

MWCIA had revenues of $6,325,607 of which $4,805,805 were collected through the assessment process. Click here to view the breakdown of revenues and expenses.

INSOLVENT FUND ACCOUNT

The Association continues to make regular payments to claimants of Security Casualty Company of Chicago. No assessments were levied in 2005.

FINES

The Association has a fining procedure for delinquent, incorrect, or incomplete unit reports. This procedure generated $103,500 in 2005.

COMMITMENTS AND CONTINGENCIES

Future lease obligations have continued to drop, with a total future lease obligation at this time of $694,020. Click here to view the breakdown of future lease obligations.
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DAKOTA TRUCK UNDERWRITERS
  Dakota Truck Underwriters
  First Dakota Indemnity

ELECTRIC INSURANCE COMPANY

EMC INSURANCE COMPANIES
  EMCASCO Insurance Company
  Employers Mutual Casualty Company

ERIE INSURANCE GROUP
  Erie Insurance Company
  Erie Insurance Company of New York
  Erie Insurance Exchange
  Erie Insurance Property & Casualty Company
  Flagship City Insurance Company

EVEREST REINSURANCE GROUP
  Everest National Insurance Company
  Everest Reinsurance Company

EXCESS REINSURANCE COMPANY

FAIRMONT SPECIALTY GROUP
  Fairmont Insurance Company
  Fairmont Premier Insurance Company
  Fairmont Specialty Insurance Company

FARM BUREAU MUTUAL INSURANCE COMPANY

FARMERS ALLIANCE MUTUAL INSURANCE COMPANY

FARMERS INSURANCE GROUP
  Farmers Insurance Exchange
  Mid-Century Insurance Company
  Truck Insurance Exchange

FEDERATED MUTUAL GROUP
  Federated Mutual Insurance Company
  Federated Service Insurance Company

FEDERATED RURAL ELECTRIC INSURANCE EXCHANGE

FIREMAN'S FUND INSURANCE COMPANIES
  American Automobile Insurance Company
  American Insurance Company
  Associated Indemnity Corporation
  Fireman's Fund Insurance Company
  Fireman's Fund Insurance Company of Wisconsin
  National Surety Corporation
  San Francisco Reinsurance Company

FIRST NONPROFIT INSURANCE COMPANY

FLORISTS MUTUAL INSURANCE COMPANY

FPIC INSURANCE GROUP INCORPORATED
  First Professionals Insurance Company

FRANKENMUTH MUTUAL INSURANCE COMPANY

FREMONT GENERAL GROUP
  Fremont Indemnity Company

FRONTIER INSURANCE COMPANY

GE GLOBAL INSURANCE HOLDINGS CORPORATION
  GE Reinsurance Corporation

GE GLOBAL INSURANCE GROUP
  Coregis Insurance Company
  Employers Reinsurance Company
  Westport Insurance Corporation

GENERAL REINSURANCE GROUP
  Fairfield Insurance Company
  General Reinsurance Corporation
  Genesis Insurance Company
  National Reinsurance Corporation
  North Star Reinsurance Corporation

GENERALI UNITED STATES BRANCH

GERLING GROUP
  Gerling America Insurance Company
  Gerling Global Reinsurance Corporation of America

GMAC GROUP HOLDINGS
  Integon National Insurance Company

GRANGE MUTUAL CASUALTY GROUP
  Grange Mutual Casualty Company
  Integrity Mutual Insurance Company
  Trustguard Insurance Company

GREAT AMERICAN INSURANCE GROUP
  Great American Alliance Insurance Company
  Great American Assurance Company
  Great American Insurance Company
  Great American Insurance Company of New York
  National Interstate Insurance Company

GREAT MIDWEST INSURANCE COMPANY

GREAT NORTHWEST INSURANCE COMPANY

GREATER NEW YORK MUTUAL INSURANCE COMPANY

GRINNELL MUTUAL GROUP
  Grinnell Mutual Reinsurance Company
GUARD INSURANCE GROUP
- Amguard Insurance Company
- Norguard Insurance Company
- Eastguard Insurance Company

GUIDEONE INSURANCE
- GuideOne Elite Insurance Company
- GuideOne Mutual Insurance Company

HARCO NATIONAL INSURANCE COMPANY

HARLEYSVILLE MUTUAL INSURANCE COMPANY
- Harleysville Insurance Company
- Harleysville Lake States Insurance Company
- Harleysville Mutual Insurance Company

HARTFORD INSURANCE GROUP
- Hartford Accident & Indemnity Company
- Hartford Casualty Insurance Company
- Hartford Fire Insurance Company
- Hartford Insurance Company of The Midwest
- Hartford Underwriters Insurance Company
- New England Insurance Company
- Property & Casualty Insurance Company of Hartford
- Sentinel Insurance Company
- Twin City Fire Insurance Company

HEALTH CARE INSURANCE RECIPROCAL

HIGHLANDS INSURANCE COMPANY

HOME INSURANCE COMPANY

HORACE MANN INSURANCE GROUP
- Horace Mann Insurance Company
- Teachers Insurance Company

ICW GROUP
- Insurance Company of The West

IMPERIAL CASUALTY & INDEMNITY COMPANY

INDIANA LUMBERMENS MUTUAL INSURANCE COMPANY

IOWA MUTUAL INSURANCE COMPANY

KEMPER NATIONAL INSURANCE COMPANIES
- American Manufacturers Mutual Insurance Company
- American Motorists Insurance
- Kemper Casualty Insurance Company
- Lumbermens Mutual Casualty Company

LANCER INSURANCE COMPANY

LAURIER INDEMNITY COMPANY

LEGION INSURANCE GROUP
- Legion Insurance Company
- Villanova Insurance Company

LIBERTY MUTUAL INSURANCE COMPANIES
- Consolidated Insurance Company
- Employers Insurance Company of Wausau
- First Liberty Insurance Corporation
- Hawkeye Security Insurance Company
- Indiana Insurance Company
- Liberty Insurance Corporation
- Liberty Insurance Underwriters Inc.
- Liberty Mutual Fire Insurance Company
- Liberty Mutual Insurance Company
- LM General Insurance Company
- LM Insurance Corporation
- LM Property & Casualty Insurance Company
- Netherlands Insurance Company
- Peerless Indemnity Insurance Company
- Peerless Insurance Company
- Wausau Business Insurance Company
- Wausau Underwriters Insurance Company

LINCOLN GENERAL INSURANCE COMPANY

LUMBER INSURANCE COMPANIES
- Lumber Mutual Insurance Company

LUMBERMEN'S UNDERWRITING ALLIANCE

MADA INSURANCE EXCHANGE

MARKEL CORPORATION GROUP
- Markel Insurance Company

MCM CORPORATION GROUP
- Acceptance Casualty Insurance Company
- Acceptance Indemnity Insurance Company
- Occidental Fire & Casualty Company of North Carolina

MEADOWBROOK INSURANCE GROUP
- Star Insurance Company

MEDMARC COMPANIES
- Medmarc Casualty Insurance Company

MERASTAR INSURANCE COMPANY

MET LIFE AUTO & HOME GROUP
- Economy Fire & Casualty Company
- Economy Preferred Insurance Company
- Metropolitan Property & Casualty Insurance Company

MHA INSURANCE COMPANY

MIC PROPERTY & CASUALTY INSURANCE CORPORATION
<table>
<thead>
<tr>
<th>Company Name</th>
<th>Subsidiaries</th>
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<tbody>
<tr>
<td>Michigan Millers Mutual Insurance Company</td>
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<tr>
<td>Mid-Continent Casualty Company</td>
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<tr>
<td>Midstates Reinsurance Corporation</td>
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<td>Midwest Family Mutual Insurance Company</td>
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<td>Millers General Group</td>
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<td>Motorists Insurance Group</td>
<td>American Hardware Mutual Insurance Company American Merchants Casualty Company Wilson Mutual Insurance Company</td>
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<td>National American Insurance Company</td>
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<td>National Farmers Union Property &amp; Casualty Company</td>
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<td>Nau Group</td>
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<td>Ohio Casualty Group</td>
<td>American Fire &amp; Casualty Company Ohio Casualty Insurance Company Ohio Security Insurance Company West American Insurance Company</td>
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<td>Old Republic International Group</td>
<td>Great West Casualty Company International Business &amp; Mercantile Reinsurance Company Old Republic Insurance Company</td>
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<td>Omaha Indemnity Company</td>
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<td>Overseas Partners US Reinsurance Company</td>
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<td>Petroleum Casualty Company</td>
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<td>Pare Reinsurance Company</td>
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<td>Qbe Insurance Company</td>
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<td>RAM MUTUAL INSURANCE COMPANY</td>
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<td>RIVERPORT INSURANCE COMPANY</td>
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<td>ROYAL &amp; SUNALLIANCE</td>
<td>Grocers Insurance Company, Royal Indemnity Company, Security Insurance Company of Hartford</td>
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<td>SAFETY NATIONAL CASUALTY CORPORATION</td>
<td>Safety First Insurance Company, Safety National Casualty Corporation</td>
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<td>SEATON INSURANCE COMPANY</td>
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<td>SECURA INSURANCE COMPANIES</td>
<td>SECURA Insurance, A Mutual Company, SECURA Supreme Insurance Company</td>
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<td>SECURIAN CASUALTY COMPANY</td>
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<td>SELECTIVE INSURANCE GROUP</td>
<td>Selective Insurance Company of America, Selective Insurance Company of South Carolina, Selective Insurance Company of the Southeast</td>
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<td>SENECA INSURANCE COMPANY, INCORPORATED</td>
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<td>SIRIUS AMERICA INSURANCE COMPANY</td>
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<td>SOMPO JAPAN INSURANCE COMPANY OF AMERICA</td>
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<tr>
<td>STATE FARM FIRE &amp; CASUALTY GROUP</td>
<td>State Farm Fire &amp; Casualty Company, State Farm General Insurance Company</td>
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<tr>
<td>STATE FUND MUTUAL INSURANCE COMPANY</td>
<td>Mount Rushmore Insurance Company, State Fund Mutual Insurance Company</td>
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STATEWIDE INSURANCE COMPANY
STONINGTON INSURANCE COMPANY
SWISS REINSURANCE GROUP
  North American Elite Insurance Company
  North American Specialty Insurance Company
  Swiss Reinsurance America Corporation
T.H.E. INSURANCE COMPANY
TOKIO MARINE & FIRE GROUP
  TNUS Insurance Company
  Tokio Marine & Fire Insurance Company
  Trans Pacific Insurance Company
TRANSAMERICA INSURANCE GROUP
  Odyssey America Reinsurance Corporation
  TIG Insurance Company
  TIG Insurance Company of Michigan
TRANSATLANTIC REINSURANCE COMPANY
TRANSGUARD INSURANCE COMPANY OF AMERICA
TRANSPORT INSURANCE COMPANY
TRENWICK AMERICA GROUP INCORPORATED
  Insurance Corporation of New York
  Trenwick America Reinsurance Corporation
ULICO CASUALTY COMPANY
UNITED FIRE & CASUALTY GROUP
  Addison Insurance Company
  United Fire & Casualty Company
UNITED NATIONAL GROUP
  Diamond State Insurance Company
  United National Specialty Insurance Company
UNITED WISCONSIN INSURANCE COMPANY
UNITRIN PROPERTY & CASUALTY INSURANCE GROUP
  Milwaukee Casualty Insurance Company
UTICA MUTUAL INSURANCE COMPANY
VANLINER INSURANCE COMPANY
VESTA INSURANCE COMPANIES
  Shelby Insurance Company
VIRGINIA SURETY COMPANY
W.R. BERKLEY CORPORATION GROUP
  Berkeley Insurance Company
  Berkeley Regional Insurance Company
  Carolina Casualty Insurance Company
  Continental Western Insurance Company
  Great Divide Insurance Company
  Midwest Employers Casualty Company
  Tri-State Insurance Company of Minnesota
  Union Insurance Company
WEST BEND MUTUAL INSURANCE COMPANY
WESTERN NATIONAL MUTUAL INSURANCE GROUP
  Western National Assurance Company
  Western National Mutual Insurance Company
WESTFIELD COMPANIES
  Ohio Farmers Insurance Company
  Westfield Insurance Company
  Westfield National Insurance Company
WINTERTHUR SWISS GROUP
  General Casualty Company of Illinois
  General Casualty Company of Wisconsin
  Regent Insurance Company
  Winterthur International American Insurance Co
XL AMERICA GROUP
  Greenwich Insurance Company
  XL Reinsurance America Incorporated
  XL Specialty Insurance Company
ZENITH NATIONAL INSURANCE GROUP
  Zenith Insurance Company
ZURICH NORTH AMERICA GROUP
  American Guarantee & Liability Insurance Company
  American Zurich Insurance Company
  Assurance Company of America
  Colonial American Casualty & Surety Company
  Converium Insurance of North America, Incorporated
  Empire Fire & Marine Insurance Company
  Fidelity & Deposit Company of Maryland
  Maryland Casualty Company
  Northern Insurance Company of New York
  Universal Underwriters Insurance Company
  Valiant Insurance Company
  Zurich American Insurance Company of Illinois
  Zurich American Insurance Company
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■ ASIDE™ (ACCCT Self-Insured Data Entry) facilitates the collection of data from the self-insured market.

■ BEEP™ (Bureau Entry and Edit Package) allows carriers and reporting organizations to transmit unit statistical information between any state insurance advisory and/or rating organization that is a BEEP™ member. This year, BEEP™ began beta testing of a web-enabled capability to allow the electronic storage and transmission of unit statistical data.

■ PEEP™ (Policy Entry and Edit Package) allows policy reporting organizations to electronically enter, edit and transmit policy information to a DCO. In development since 2002, PEEP™ became fully operational this year.

■ EDI, a single source electronic delivery vehicle for information flowing between carriers and data collection organizations, likewise became fully operational in 2003.

■ CDX (Compensation Data Exchange), a new product this year, is a data super highway designed to accelerate the secure, electronic transmission of data between member insurers and Data Collections Organizations.

■ SPECTRUM™ Partners, LLC – The SPECTRUM™ suite of products has become so successful that it is now owned and managed by SPECTRUM™ Partners, LLC, comprised of ACCCT’s founding partners as well as the state associations of Massachusetts and New York.

Our 2005 Annual Meeting was called to order at 1:30 p.m., April 19, 2005, MWCIA office, 7701 France Avenue South, Suite 450, Edina, MN 55435.

The following members were elected to fill the traditional four-year director terms of those terms that had expired:

**Director:**

Mr. Howard Hammel

Mr. Bill Dupont

Mr. Bruce Kaufenberg

**Representing:**

Federated Insurance Companies

Lumbermen’s Underwriting Alliance

St. Paul Travelers

At the annual meeting, the Board approved amendments to the Articles of Association updating certain references and removing extraneous materials.

During 2005, we held four board meetings during which we focused our discussions on the 2005 Ratemaking Report, web-based delivery of MWCIA products and services, industry-wide collaborative efforts, MWCIA manuals and communications.
As of December 31, 2005, the members of our Board were as follows. Please click on the respective name of any member of our board to see his or her resume and credentials.

**Director:**

- Mr. Keith Krueger
- Mr. John DeSanto
- Mr. Howard Hammel
- Mr. Brandon Miller*
- Mr. Bill Murphy
- Mr. Bill Dupont
- Mr. Gary Thaden*
- Mr. Barry Preslaski
- Mr. Bruce Kaufenberg
- Ms. Fran Kaitala
- Mr. Paul Nelson
- Mr. Will Ribbens

**Representing:**

- American Compensation Insurance Companies
- American International Group
- Federated Insurance Companies
- Ingenix
- Liberty Mutual Insurance Company
- Lumbermen’s Underwriting Alliance
- MN Mechanical Contractors Association
- Owners Insurance Company
- St. Paul Travelers
- State Fund Mutual Insurance Company
- Western National Mutual Insurance Company
- Zurich N.A. Insurance Company

*Public member appointed by the Minnesota Department of Commerce.
BIOGRAPHY OF JOHN G. DE SANTO

BRANCH MANAGER
AMERICAN INTERNATIONAL GROUP (AIG)

A native of New Haven, CT, John G. DeSanto graduated from St. Anselm’s College with a B.A. degree in history (1965) and from the University of Bridgeport with an M.A. in history (1971).

In 1976, he was transferred to Minneapolis as multi-peril supervisor with Aetna Insurance and became underwriting manager in 1980 in the merger that became known as Cigna.

In 1985, Mr. DeSanto joined J. H. Crowther (Swett Insurance Managers) as branch manager and went on to become regional vice president of New Hampshire Insurance Company by 1988. When AIG closed that office, he moved over to the company’s Minneapolis office, accepting his current position as branch manager.

He holds both a property/casualty license and a surplus lines license. His industry designations are CPCU and AIM (Associate in Management).

Former president of the Branch Manager’s Association (1995-98) as well as a past president of the Twin City Insurance Association (1998), Mr. DeSanto is a member the House of Hope church in New Hope, MN, where he serves as a scripture reader.

An avid sports enthusiast, John coaches both hockey and soccer and is a past recipient of the McNamara Coaching Award. He enjoys reading, jogging and travel. He makes his home in Plymouth, MN, with his wife, Deborah and her three daughters.
BIOGRAPHY OF WILLIAM R. DUPONT

BRANCH MANAGER
LUMBERMEN’S UNDERWRITING ALLIANCE

A native of Minneapolis, MN, Bill DuPont earned his Bachelor of Science degree in marketing at St. Cloud State University (1982) before joining Pacific Toy House as a sales producer.

In 1986, Mr. DuPont joined Lumbermen’s Underwriting Alliance where he currently serves as a branch manager. He holds the industry designation of CIC (certified insurance counselor).

An avid golfer, Bill also enjoys fishing, hiking and reading. He makes his home in Eden Prairie, MN, with his wife, Suzette, and their two children.
BIOGRAPHY OF HOWARD E. HAMMEL

VICE PRESIDENT,
PROPERTY & CASUALTY PRODUCT MANAGER
FEDERATED INSURANCE COMPANIES

A native of Eyota, MN, Howard E. Hammel is a 1974 graduate of Winona State University, where he earned a degree in business administration.

In 1974, Mr. Hammel joined Federated Insurance Companies as an assistant commercial underwriter. He was promoted to regional underwriting supervisor in 1981, then to his current position of vice president and property and casualty product manager. Mr. Hammel holds the industry designations of CPCU and ARe (Associate in Reinsurance).

He is a member of the Workers Compensation Committee for the Insurance Federation of Minnesota (1998 – present) as well as a member of the Federated Quarter Century Club (1999 – present). In attaining the Associate in Reinsurance designation from the Insurance Institute of America, Mr. Hammel received its Academic Excellence Award in 1992.

Howard enjoys golf, fitness, gardening and reading. He makes his home in Owatonna, MN, with his wife, Joleen. The couple has two grown sons.
BIOGRAPHY OF FRANCES M. KAITALA

VICE PRESIDENT,
STRATEGIC BUSINESS OPERATIONS
STATE FUND MUTUAL INSURANCE COMPANY

Fran Kaitala is Vice President of Strategic Business Operations of State Fund Mutual Insurance Company, a workers’ compensation insurer headquartered in Bloomington, Minnesota.

Ms. Kaitala joined State Fund in 1984, shortly after its inception, as Underwriting Manager. She was elected Assistant Vice President and Underwriting Manager in 1987, Vice President, Underwriting in 1991 and Vice President of Insurance Operations in 1995. In 2005, she was elected to her current position. She is responsible for the underwriting and claims operations of the company.

Ms. Kaitala has an extensive underwriting background, having worked for Crum & Forster Insurance Group, Bituminous Insurance Company, Argonaut Insurance Company and Travelers Insurance Company, before joining State Fund.
BIOGRAPHY OF BRUCE KAUFENBERG
SECOND VICE PRESIDENT,
WORKERS COMPENSATION PRODUCT MANAGEMENT
ST. PAUL TRAVELERS INSURANCE COMPANY

A native of St. Paul, MN, Bruce Kaufenberg earned a degree in finance at St. Cloud State University, before joining the St. Paul Companies as a commercial lines underwriter. Advancing through the underwriting ranks, he currently serves as a Second Vice President for Workers Compensation Product Management. He holds the industry designations of ARM and CPCU.

Mr. Kaufenberg has been actively involved with the Wisconsin Compensation Rating Bureau, New Jersey Compensation Rating and Inspection Bureau, American Insurance Association Workers Compensation Committee and the National Workers Compensation Reinsurance Pool.

He enjoys fishing, fine woodworking and makes his home in Lake Elmo, Minnesota.

V I C E  P R E S I D E N T  O F  I N S U R E D  P R O D U C T S

R T W,  I N C .

A native of Guantonomo Bay, Cuba, Keith Krueger began his career with Sentry Insurance A Mutual Company. He was named underwriting manager in 1985.

In 1995, he left Sentry to join American West Insurance Company as vice president of underwriting and marketing, then joined Citizens Security Mutual Insurance in 1997 as underwriting manager. In 1998, he joined RTW as director of underwriting services, a position he held until 2002 when he was named vice president of insured products.

He holds the industry designation of CPCU (charter property casualty underwriter), and is a member of the local Twin Cities Chapter.

An avid golfer, he makes his home in Cottage Grove, MN, with his wife, Cece, and their three children.
BIOGRAPHY OF BRANDON MILLER  
PRODUCT DEVELOPMENT MANAGER,  
P&C MARKETS  
INGENIX

A native of St. Paul, MN, Brandon Miller earned his Bachelor of Arts degree in Social Welfare and Developmental Psychology from the University of Minnesota in 1985. He also earned his MBA in Finance and Risk Management from the Carlson School of Management (University of MN).

In 1990, Mr. Miller joined the Minnesota Department of Labor and Industry as a mediator and arbitrator, becoming senior claims manager in 1993. The following year, he accepted a position in the Department as Director of the Special Compensation Fund. He added Directorships of Rehabilitation and Medical Affairs and Research and Statistics Units.

In 2002, he left the public sector and joined Hays Companies as vice president of consulting.

In November 2005, Brandon joined Ingenix, a United Health Group Company, as product development manager for P&C markets.

An avid sports enthusiast, Brandon enjoys baseball, skiing, biking, golf and camping, as well as reading. He makes his home in North St. Paul, MN, with his wife, Cathy, and three children.
BIOGRAPHY OF BILL MURPHY

MIDWEST DIVISION UNDERWRITING MANAGER

LIBERTY MUTUAL INSURANCE

A native of Boston, MA, Bill Murphy graduated cum laude from Boston College (1976, Political Science).

In early 1977, he joined Liberty Mutual as an underwriter trainee and, following a 12 week training program, was assigned to the Boston (Home Office) as an all lines transportation specialty underwriter with a focus on workers’ compensation. Later that same year, he was transferred to the Dallas office of Liberty Mutual and, in 1978, became a supervising underwriter.

In 1988, he was promoted to his current position, Midwest Division Underwriting Manager in the Chicago office of Liberty Mutual. Over the years, he has had responsibility for all lines of property-casualty lines of business coverage, with a primary focus on Workers’ Compensation.

A member of the Illinois Workers’ Compensation Appeal Board, the Iowa Workers’ Compensation Appeal Board and the South Dakota Workers’ Compensation Appeal Board, he holds the industry designations of CPCU and AIM (Associate in Management). He currently serves as chair of the Illinois Commercial Auto Insurance Plan Subcommittee.

An avid jogger, he enjoys boating, scuba diving and motor cycling. Bill makes his home in Johnsburg, Illinois with his wife, Beverly. The couple has two grown children.
BIOGRAPHY OF PAUL NELSON

EXECUTIVE VICE PRESIDENT, COMMERCIAL LINES MANAGER
WESTERN NATIONAL MUTUAL INSURANCE CO.

A native of Sioux Falls, SD, Paul Nelson earned his Bachelor of Arts degree in history at Augustana College (1969) before joining Western National Insurance Company as a personal lines underwriter.

A long time employee of Western National (30 years), Mr. Nelson moved to commercial lines underwriting in 1973 and was made an officer of the company in 1984. He currently serves as the company’s executive vice president and commercial lines manager. In addition, he sits on the Board of Directors of their subsidiary, Western National Assurance Co. He holds the industry designation of CPCU (charter property casualty underwriter).

A former member of the Falcon Heights Park and Recreation Commission (1983-88), Paul enjoys fishing, golfing and reading. He makes his home in Roseville, MN, with his wife, Linda. The couple has two grown daughters.
BIOGRAPHY OF BARRY M. PRESLASKI

REGIONAL VICE PRESIDENT
AUTO-OWNERS INSURANCE COMPANY

A native of Green Bay, WI, Barry Preslaski earned his bachelor of science degree as well as his masters degree in business administration from Drake University (1987, 1988) before joining American Family Insurance (West Des Moines, IA office) in 1989.

In 1991, Mr. Preslaski joined Auto-Owners Insurance Company in Lansing, MI, as a personal lines underwriter. He remained with the company’s Lansing office through 1995, working on to the positions of commercial lines underwriter and home office line underwriter, before becoming marketing representative for the Lansing office.

Mr. Preslaski returned to West Des Moines, IA, as marketing representative in 1996. He was promoted to underwriting supervisor by 1999 and became underwriting manager in 2000.

Deciding on a move in 2001, he accepted a position as underwriting manager in the company’s White Bear Lake, MN, office and by 2002, was promoted to his current position of regional vice president. He holds the industry designations of CPCU and CLU.

An avid sports enthusiast, Barry enjoys camping, boating and other outdoor activities. He makes his home in Lino Lakes, MN, with his wife, Victoria and their son, Kyle.
BIOGRAPHY OF WILLIAM F. RIBBENS

SENIOR ACCOUNT EXECUTIVE
ZURICH NORTH AMERICAN INSURANCE CO.

William F. Ribbens is a native of Wisconsin.

In 1985, Mr. Ribbens joined Berkley Administrators in the claim department. By 1991, he had been promoted to Senior Claim Representative, before deciding to leave the company and accept a position with The St. Paul Co. By 1994, he had been promoted first to Large Account Claim Coordinator before leaving the claim department and accepting the position of Underwriting Associate.

In 2000, Mr. Ribbens joined Zurich North America Insurance Co., where he currently serves as Senior Account Executive. He holds the industry designation of CPCU (Certified Property & Casualty Underwriter).

A former board member for the Tapestry Folkdance Center in Minneapolis, MN from 1998 – 2003, Mr. Ribbens also served as its president in 2002-2003.

William enjoys biking, golf, scuba diving, dance and travel to new and interesting places. He makes his home in St. Paul, MN.
BIOGRAPHY OF GARY K. THADEN

GOVERNMENT AFFAIRS DIRECTOR,
PETTERSEN & ASSOCIATES, INC.

A native of Minnesota, Gary K. Thaden earned a bachelor of elected studies degree in liberal arts from the University of Minnesota before attending William Mitchell College of Law (St. Paul) where he earned his J.D. degree (1984).

The government affairs director for Pettersen & Associates, he is a member of both the Minnesota and American Bar Associations and the Minnesota Workers’ Compensation Advisory Council.

In addition, he serves on the board of directors for Friends of the Sherlock Holmes Collection (University of MN) and on the board of directors of Norwegian Explorers. He is co-treasurer for the Emerson Spanish Immersion School (Mpls. Public Schools), vice chair for both the Minneapolis Charter Commission and the Minneapolis Capital Long-Range Improvement Committee and is a former member of several other civic organizations. He has been a volunteer for Minnestoa Dance Theatre since 1999.

An avid reader, Gary also enjoys collecting books, especially those involving Sherlock Holmes. He makes his home in Minneapolis with his wife and their two daughters.
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**ADDING THE CORNER PIECES AND PUTTING IT ALL TOGETHER**

**MWCIA MANAGEMENT TEAM**

Bruce Tollefson, President
Kathleen Peterson, Vice President Operations, Treasurer and Secretary
Chuck Eldridge, Vice President, Information Technology
Craig Anderson, Vice President, Actuarial Services
MEMBER & CUSTOMER SERVICES

Staff: Jeff Kvam, Marie Johnson, Gary Bauer, Melodie LaChapelle, Jodell Miller, and Caroline Timmerman

Main Functions

- Member & Customer Services is the primary link to the public, providing assistance to employers, agents, carriers, state regulators, legislative representatives and other interested parties. Staff answers questions related to such things as classifications, experience modification calculations and rules, basic manual rules, Assigned Risk rules, procedures and classifications, MCPAP application assistance, audit procedures, ownership, etc.

- Includes Field Service staff that performs Test Audits and Classification Surveys.

- Publishes Circular Letters and MWCIA’s quarterly newsletters.

- Coordinates, researches and/or prepares filings of various manual rules, forms and classification changes with the Department of Commerce.

- Develops and publishes informational brochures on a variety of workers’ compensation topics.

- Provides education and information to agents, employers and member carriers through outside speaking engagements and by attending industry trade shows.
UNIT STATISTICAL/EXPERIENCE RATING

Staff: Penny Sjoquist, Ora Lowery, Cindy Westphal, Letha Kuehn, Mary Munt and Christine Flaschberger

Main Functions
- Collects, analyzes, interprets and summarizes statistical data for the voluntary and self-insured markets.
- Administers notice and/or fining process for incorrect or late reporting of unit statistical data.
- Handles unit statistical data reporting inquiries from carriers and other interested parties.
- Oversees experience ratings, interstate ratings and merit ratings.
- Researches and resolves policy ownership change issues.

ACTUARIAL

Staff: Sharon Bye

Main Functions
- Coordinates the various actuarial, statistical, reporting and administrative aspects of the process for publishing the annual Ratemaking Report.
- Develops, maintains and provides actuarial, statistical and economic technical expertise for both internal and external sources.
- Oversees the process of carrier rate filings and administers the carrier financial call process.
**Policy Data Entry**

**Staff:** Jane Payne, Gayle Dussling, Lerice McMillan, Vicki Evenson, Penny Lord, Kim Eckhart, LaJean Stahlke, and Phyllis Rence

**Main Functions**
- Data entry of policies, endorsements, cancellations and reinstatements.
- Initiates requests for additional or corrected policy information, when appropriate.
- Data entry of MCPAP applications.
- Processes Assigned Risk applications including the calculation of premium quotes.
- Responds to inquiries on Assigned Risk Application from employers, agents and other interested parties.

**Policy Tape**

**Staff:** Kim LaHoud and Jody Wittmer

**Main Functions**
- Reviews, analyzes and validates policy data information submitted electronically by member carriers.
- Key liaison in communicating and resolving issues with member carriers related to the electronic submission of policy data to MWCIA.
HUMAN RESOURCE & ACCOUNTING

Staff: Karen Ose and Sue Erickson

Main Functions

■ Assists in planning and directing the accounting and budgeting activities for MWCIA.

■ Administers the assessment and reapportionment of member carriers.

■ Manages the Human Resource function for MWCIA personnel.

ADMINISTRATION/FACILITIES

Staff: Jan Olson, Kathy Ellison, Margaret Clark, Carmen Day, Mary Loehrs, and Amber Dussling

Main Functions

■ Coordination of membership tracking and maintaining email distribution lists.

■ Responsible for receptionist duties and mailroom activities.

■ Provides administrative support including the planning of annual events for member carriers such as the Annual Lunch and Annual Golf Outing.

■ Handles facilities.
**ACCCT Products include:**

- **ASIDE™ (ACCCT Self-Insured Data Entry)** facilitates the collection of data from the self-insured market.
- **BEEP™ (Bureau Entry and Edit Package)** allows carriers and reporting organizations to transmit unit statistical information between any state insurance advisory and/or rating organization that is a BEEP™ member. This year, BEEP™ began beta testing of a web-enabled capability to allow the electronic storage and transmission of unit statistical data.
- **PEEP™ (Policy Entry and Edit Package)** allows policy reporting organizations to electronically enter, edit and transmit policy information to a DCO. In development since 2002, PEEP™ became fully operational this year.
- **EDI**, a single source electronic delivery vehicle for information flowing between carriers and data collection organizations, likewise became fully operational in 2003.
- **CDX (Compensation Data Exchange)**, a new product this year, is a data super highway designed to accelerate the secure, electronic transmission of data between member insurers and Data Collections Organizations.
- **SPECTRUM™ Partners, LLC** – The SPECTRUM™ suite of products has become so successful that it is now owned and managed by SPECTRUM™ Partners, LLC, comprised of ACCCT's founding partners as well as the state associations of Massachusetts and New York.

**INFORMATION TECHNOLOGY**

**Staff:** Muhammad Kashif, Tom Goodrich, Savitha Venkateshaiah, Ailyna Khath, Pat Riley, Scott Gatzke, Marc Coleman, Debbie Peterson, Sue Levey, Deb Ronald and Bill Kostur

**Main Functions**

- Responsible for database administration including software and web development.
- Provides technical help desk, batch job administration, system security, ensures networking capability, backup systems, connectivity and email capability.
- Responsible for imaging administration.
- Electronic data transmission (administration and loading).
- Provides user support documentation and training.
- Responsible for translating business needs (external and internal) into project designs by conducting requirement gathering and project documentation.
- Dual role of representing MWCLA and leading collaborative projects with other bureaus and state agencies.
- Represents MWCLA in industry standards discussions.
- Technical support of MWCLA website.
- Responsible for system testing.
ACCCT products include:

■ ASIDE™ (ACCCT Self-Insured Data Entry) facilitates the collection of data from the self insured market.

■ BEEP™ (Bureau Entry and Edit Package) allows carriers and reporting organizations to transmit unit statistical information between any state insurance advisory and/or rating organization that is a BEEP™ member. This year, BEEP™ began beta testing of a web-enabled capability to allow the electronic storage and transmission of unit statistical data.

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ANNUAL LUNCHEON

Our most important public event is our annual luncheon.

At this event, we bring our board and our members together with key regulators, industry advisors and consultants and, whenever possible, top members of the Minnesota Legislature.

After a brief meet-and-greet, we enjoy a sit-down luncheon followed by a short presentation by a noted individual on a subject of current interest to our industry. The question and answer period that follows the presentation has shed light on challenges facing workers’ compensation, pinpointed a number of needs, revealed the way to many important solutions and, most importantly, has stimulated discussion among our leadership.

For our management and staff, the Annual Luncheon gives us a chance to meet with our leadership, regulators and many of our members face-to-face to hear their concerns and their comments and to come away with a whole new perspective of MWCIA – their perspective. It is from that point of view that we have been able to develop many of the policies and procedures to better serve our members and to continue to make MWCIA a vital, relevant and indispensable resource for our members and their companies.
ACCCT products include:

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