Leadership and learning are indispensable to each other.

JOHN F. KENNEDY
I am reminded lately of an observation made about Thomas Edison’s invention of the light bulb. It goes like this:

Had Market Research existed in Edison’s time, the conclusion might have indicated that what was needed was not the invention of artificial light, but the production of longer burning candles.

This perfectly describes our observations as we strive to stay one step ahead of the curve, listening to our customers, yes, but listening beyond their needs to future opportunities that may not even be apparent to them at this time.

What are those opportunities? And how will we meet them? Posing these two questions defines our role in modern Workers’ Compensation. Answering them successfully, as we have worked hard to do in the past, will define our future.

The problem is, the past gives us only limited clues to what the future will bring. Still, those clues may be the most important of all because they don’t center on technology or processes or even industry trends. They are the result of perspective – our perspective and that of our customers. And only by stepping into this perspective can we hope to see the trends that have the power to utterly change our industry.

Let me explain:

Throughout our history, but especially over the past decade and a half, cultivating a forward-looking perspective has been our number one priority. Long before companies decided they needed a webpage or an intra-net, we shared ideas with each other, some of them pipe-dreams, many of them uninspired hunches as to what the future would look like and what our role would be.
We asked questions of you, our customers and others. Questions like, “If you had your druthers, what would you like to see happen with this challenge or that?” We kept you focused on What, not How; on Results, not Process. Most of all, we wanted to hear your ‘dream answers,’ even if those dreams seemed out of reach. Figuring out the How would remain our responsibility.

As a result of our working this way, a good many of our innovations came to be and led to significant partnerships and collaborations (SPECTRUM™, ACCCT, CDX), improved efficiencies and accuracy (OAR, ManageUSR, Manage Policy, ACCEDE™), providing member insurers with research capabilities (ARROW), not to mention tremendous savings of time and money while providing superior flexibility (such as putting this Annual Report online).

What’s more, while these innovations were transformative in and of themselves, they naturally created a culture in which our eyes were opened to the coming of new trends which, in turn, spurred further innovations.

That’s what I mean by perspective. If we continue to look at a challenge from the same old viewpoint, we will never be able to see a solution beyond those we’ve already applied. Worse yet, we won’t be in a position to even suspect that a sea-change may be approaching. But when we broaden our perspective, not limiting ourselves to what we think is possible, then we are truly acting in our customers’ best interest. We are looking out for them even as they don’t realize what they need to be looking out for.
Thomas Edison often remarked that he didn’t care about the rules of physics. He needed to bend those rules to create inventions that were needed in his day as well as beyond his day to make life better for all of us. For Edison, it was never what was possible or impossible, but what was necessary in order to grow and improve for the future.

As we work to be the best source of information and systems for you, we strive to apply this perspective to everything we do … and that’s a candle worth lighting.

In this spirit, I am again reminded of our mission statement:

**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
If you want change, you have to make it.
If we want progress we have to drive it.

SUSAN RICE
The Minnesota workers’ compensation insurance market continues to be relatively healthy, and expected costs tend to be fairly predictable. Premium continues to slide in the difficult economy, and although resulting loss ratios have been climbing recently, they are still at reasonable levels. Case frequency has stabilized, and carriers are continuing to release indemnity reserves at a consistent rate. But the medical portion of the loss dollar bears watching: although severity increases have slowed considerably, significant medical reserve strengthening continues.
DIRECT EARNED PREMIUM

Insured premium levels have decreased over 25% since 2005. Voluntary market premium is at its lowest level in nine years, and residual market depopulation has lowered the assigned risk premium level almost 70% since 2004.
CALENDAR YEAR LOSS RATIOS

From a historical low three years ago, voluntary market loss ratios have begun to increase. The 2010 ratio is about 20% higher than its 2007 counterpart.
LOST-TIME FREQUENCY

Average lost-time case counts have continued to be very stable. The significant decreases in the early 2000s have given way to five years of essentially unchanged frequency levels.
LOST-TIME MEDICAL PAID+CASE SEVERITY

Average case incurred medical costs associated with lost-time injuries continue to increase, but at a much lower rate. Severities have been growing at slightly less than 6.5% per year since 2001.
CASE RESERVE CHANGES

While there continues to be substantial indemnity case reserve reductions – 13.5% since 2004 – carriers continue to increase medical case reserves at a significant rate: the current medical reserve level is nearly 145% higher than its 2000 counterpart – and now stands at close to 58% of total case reserves on the carriers’ books.
Management is efficiency in climbing the ladder of success; leadership determines whether the ladder is leaning against the right wall.

STEPHEN R. COVEY
In 2011, MWCIA Operations Services focused on improving the accuracy and timeliness of data quality while seeking ways to add value to member carriers and other industry stakeholders through enhanced products, services, education and communications as follows:

**MANAGE POLICY SYSTEM:** This feature-rich system allows carriers to submit policy data electronically through our website. Manage Policy System helps member carriers manage their own policy data by being able to resolve coverage issues, address policy errors and verify records online. In August 2011, MWCIA released the new Manage Policy System.

Elimination of Hard Copy Policy Data Submissions: In November 2011, MWCIA announced that effective July 1, 2012, MWCIA will accept only electronic submissions of policy data and that hard copy submissions will be rejected. Not only have we found that electronic transmissions improve timeliness and accuracy of collected data, they also improve efficiency and effectiveness for all parties.

**MANAGE USR RELEASE 2:** This web-based application allows registered data providers to manage USR data submissions online. The Data Provider feature has the ability to create new USR’s as well as make replacements, corrections, subsequent reports and revisions to unsubmitted data.
CARRIER DATA QUALITY REPORT: In March 2011, MWCIA distributed carrier data quality reports for data received or due in 2010. In doing so, we were able to provide carriers with useful feedback regarding the quality and timeliness of the data they submitted in the previous year.

MWCIA EDUCATION AND INFORMATIONAL PRESENTATIONS:
2011 marked a significant up-tick in the education and training arenas as follows:

- Sponsored by Minnesota Independent Insurance Agents & Brokers (MIIAB), MWCIA staff conducted formal WC presentations to the agency (CE credit certified) and employer community;
- Participation in Minnesota Department of Employment and Economic Development (DEED). New Employer Workshops continued on a quarterly basis;
- MWCIA participated in a 30 minute WC radio broadcast “MC’d” by an independent agent;
- At the request of various agencies and carriers, we conducted individualized WC training and educational sessions;
- MWCIA continued its presence at industry conventions and meetings (MIIAB, PIA), providing education through Q&A’s and distribution of WC educational materials.
Additional operational services include the following:

**ON-LINE ASSIGNED RISK PLAN APPLICATION (OAR):** OAR is web-based software that allows Minnesota Assigned Risk Applications to be submitted electronically, significantly improving efficiency and accuracy.

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

**ASSIGNED RISK PLAN DEPOP DOWNLOAD AND SEARCH FUNCTIONS:** These web-based applications are continually enhanced to include merit rating information and providing additional and useful information to member carriers and agents.

**MWCIA CROSS INDEX:** The website includes a Cross Index for Minnesota Endorsement and the Workers’ Compensation Insurance Organization (WCIO) WCPOLS Record Type Codes. This 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.

We remain focused on providing timely, informative and educational communications to our members and customers by continuing to design electronic documents (Circular Letters, Manuals, Newsletters and Brochures) that are easily accessed through our website.
Additional examples of how we communicate with our members, customers and the public are:

**COMPASK:** CompAsk is a web-based product of inquiries MWCIA receives from the insurance community (employers, agents, and carriers). As the content changes over time, old information is archived in the Learning Center to make room for the new content. This allows us to retrieve information as needed.

**MWCIA CIRCULAR LETTERS:** Our Circular Letters provide official notification to our members and customers regarding such things as filings that have been approved or orders given by the Department of Commerce. The goal is to provide timely information on important changes that may have a direct impact on member and customers businesses. The Circular Letters are written by the MWCIA staff and are posted on our website.

**MWCIA BROCHURES:** We continue to publish web-based brochures to educate and inform members and customers on a wide range of topics. Recent titles include “Understanding Experience Rating”, “How To Complete Minnesota’s Workers Compensation Assigned Risk Plan Application” and “Minnesota Contractor’s Premium Adjustment Program.”
ACTUARIAL SERVICES

RATEMAKING REPORT

We strive to release the Ratemaking Report as early as possible so that our members will have sufficient time to review its findings and determine their own pricing for the coming 12-month cycle. This year, we were able to release the Report on August 12.

As displayed in the accompanying chart, the pure premium base rate level decreased 2.7 percent this year. By specific industry, this breaks down as follows:

- Manufacturing: -0.9%
- Contracting: -4.8%
- Office & Clerical: -5.4%
- Goods & Services: -2.0%
- Miscellaneous: -1.3%

The pure premium base rate level continues to demonstrate strong stability. In the last ten years, the level has experienced eight decreases and two increases. On average, 2012 base rates are 7.3 percent lower than their 2002 counterparts.

ACTUARIAL

MWCIÀ’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™, we continue to pursue more efficient methods to collect and analyze carrier data.
PURE PREMIUM BASE RATE CHANGES 2003–2012


Percent Change (Individual and Cumulative):
- 2003: 5.9%
- 2004: -0.3%
- 2005: -1.2%
- 2006: -0.3%
- 2007: -3.6%
- 2008: -2.6%
- 2009: 1.7%
- 2010: -2.4%
- 2011: -1.7%
- 2012: -2.7%
ARROW

ARROW (Actuarial Report Resource on the Web), 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 report levels.

Custom Historical Triangles queries provide access to detailed data by injury type and claims status (open, closed or combined).

Both data sets are available through the latest 10 policy years. Output from both report formats can be grouped by class/industry group, premium range and geographical region within the state of Minnesota. During 2007, ARROW was updated to include the display of the 6th to 10th reporting levels of data.
ACCEDE™

MW CIA’s financial data reporting tool, ACCEDE™ (Automated Carrier Call Entry and Data Edit), continues to provide a flexible tool to members to summarize, edit and submit aggregate data.

ACCEDE™ Online is a web-based product which allows users to directly input their Excel data and upload the completed file, significantly simplifying the overall reporting process.

Currently, with the assistance of the IT Department, Actuarial staff is developing a two-phase upgrade of ACCEDE™ Online. Phase 1 will be implemented in 2012 and will include an online Acknowledgment Form, the new Large Loss Call as requested by the WCRA, an expansion to the new Loss Cost Multiplier screen, and other enhancements made to streamline the program. Phase 2 will be implemented in 2013 and will include a complete rewrite of the program to upgrade the internal processes to current technologies, in addition to making the online features more robust.

TRACER

The internal TRACER (Tool for Ratemaking, Analysis of Class Experience and Research) engine continues to provide staff with growing flexibility for all class ratemaking processes. TRACER is used to produce class rate relativities, and affords staff comprehensive tools for thorough class ratemaking research and sensitivity testing.

TRACER was recently updated to produce pure premium rates based on the new likely/not-likely loss development methodology. This ratemaking enhancement is consistent with NCCI procedural changes being implemented nationwide.
XRAY
XRAY (Experience Rating Analysis Yardstick) was designed to evaluate the effectiveness of the Minnesota Workers’ Compensation experience rating plan. XRAY continues to be used to test the plan’s parameters, forecast distributions of outcomes and perform sensitivity testing.

MEDICAL DATA CALL
One of MWCIA’s core activities is the analysis and pricing of proposed state legislation. Over 60 percent of Minnesota workers’ compensation benefits are attributable to medical costs, so the need for a robust resource to assist MWCIA in reviewing and evaluating medical benefit change alternatives is paramount.

In November, 2007, the NCCI announced the launch of their new Medical Data Call. MWCIA followed suit last year and contracted with the NCCI to capture this data and provide detail and summaries for review and research.

Beginning with the medical transactions submitted to the NCCI starting in the third quarter of 2010, semi-annual extracts are being sent to MWCIA. Eventually, these extracts will build up to five full years of medical services. And by archiving the oldest six months of services from each prior five year extract, we plan to compile up to ten full years of medical service data.

With that information, we will be able to develop triangles and affect other analyses.
ONLINE ASSIGNED RISK (OAR)

The Online Assigned Risk (OAR) web application, developed for the Minnesota Workers’ Compensation Assigned Risk Program (MWCARP) in 2007, allows agents and employers to complete Assigned Risk applications online and make electronic payment.

OAR processing continues to gain momentum (approximately 74 percent of approved applications in 2011), as the table below indicates:

<table>
<thead>
<tr>
<th>Description</th>
<th>OAR Count</th>
<th>Paper Count</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assigned</td>
<td>5681</td>
<td>2005</td>
</tr>
<tr>
<td>Returned</td>
<td>2457</td>
<td>210</td>
</tr>
</tbody>
</table>
ACCEDE™

In 2012, ACCEDE™ will be enhanced to collect the new Large Loss Call. Other enhancements will include electronic submission of annual acknowledgement forms, improved handling of error explanations and automated reconciliation with Department of Commerce data. In addition, ACCEDE™ has been integrated into the new Web Membership system.

CONTACT MANAGEMENT SYSTEM

The customization of the Microsoft CRM software continued in 2011 with the integration of additional data sources, including IT and general accounting vendors. The CRM system is a key component in a broad strategy to integrate contact data from our website, independent contact repositories, Microsoft Outlook, Active Directory and mobile devices.

IMAGING SYSTEM

In 2011, we upgraded the software for the Indicium imaging system.

MANAGE POLICY SYSTEM (MPS)

In August, MWCIA introduced its new Manage Policy System online. Using parameter-driven screens and a rich palette of functions, member carriers can now manage the electronic and hard-copy policy data that they submit to MWCIA. Among other things, carriers can now create, validate, and submit policy transactions, respond interactively to errors and verify coverage. Depending on the volume and type of data submitted, bureau responsiveness is near-time.

The Manage Policy System replaces Policy View, which was retired in November 2011.
TEST AUDIT
Effective January 2012, we completed the integration of internal Test Audit software with the Nexus test audit system, allowing auditors to work remotely and then synchronize their work online. Moreover, the Nexus system includes robust tools for audit data collection and management, letter generation and workflow. Internal systems have also been enhanced to automatically track corrected unit reports, generate follow-up letters and store audit documents in the MWClA imaging system.

WEB MEMBERSHIP SYSTEM
In August, MWClA introduced the new Web Membership system which allows carrier groups to manage their own accounts for MWClA web products. (Web Membership accounts are required in order to use the Manage Policy System and ACCEDE™). As time goes on, other MWClA web products will be integrated into the Web Membership system.

WEBSITE DATABASE CONVERSION
Over this past year, MWClA updated the database management systems we use on the website. All software applications now use SQL Server 2005.
Innovation distinguishes between a leader and a follower.

STEVE JOBS
MWCIA fulfills many roles to meet 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, New Jersey and the Insurance Service Office. ACCCT’s products include:

- **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. A web-enabled BEEP™ product is available allowing 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 Data Collection Organization. Fully operational 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 Worksheet 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 of Spectrum can be attributed to a strong partnership of the following state associations:

- Minnesota
- New York
- Massachusetts
- Wisconsin
- North Carolina
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.”
Do not follow where the path may lead. Go instead where there is no path and leave a trail.

HAROLD R. MCALINDON
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 2011, a total of 130,060 policies were collected with 96% 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 2011.

**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. During 2011, a total of 156,589 reports were collected.
REVENUE AND EXPENSES
MWCIA had revenues of $7,891,482 of which $6,896,523 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 2011.

FINES
The Association has a fining procedure for delinquent unit statistical reports. This procedure generated $77,198 in 2011.
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’ obligations to file notifications of coverage and cancellation with the Department. In 2011, a total of 130,060 policies were collected with 96% of those being collected electronically.

<table>
<thead>
<tr>
<th></th>
<th>Assigned Risk</th>
<th>Voluntary Market</th>
<th>Totals</th>
</tr>
</thead>
<tbody>
<tr>
<td>Policies (paper)</td>
<td>85</td>
<td>5,648</td>
<td>5,733</td>
</tr>
<tr>
<td>Policies (electronic)</td>
<td>25,772</td>
<td>98,555</td>
<td>124,327</td>
</tr>
<tr>
<td>Endorsements (paper)</td>
<td>13</td>
<td>48,281</td>
<td>48,294</td>
</tr>
<tr>
<td>Endorsements (electronic)</td>
<td>200,976</td>
<td>718,605</td>
<td>919,581</td>
</tr>
<tr>
<td>Cancellations (paper)</td>
<td>10</td>
<td>3,792</td>
<td>3,802</td>
</tr>
<tr>
<td>Cancellations (electronic)</td>
<td>14,477</td>
<td>55,054</td>
<td>69,531</td>
</tr>
<tr>
<td>Subtotals</td>
<td>241,333</td>
<td>929,935</td>
<td>1,171,268</td>
</tr>
</tbody>
</table>
**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 21,169 files were published for Merit Rating in 2011. The 2011 Merit Ratings were distributed as indicated on the chart below.

<table>
<thead>
<tr>
<th>Merit Rating Factor</th>
<th>Number of Assigned Risk Files</th>
</tr>
</thead>
<tbody>
<tr>
<td>0.67</td>
<td>19,227</td>
</tr>
<tr>
<td>0.90</td>
<td>1,482</td>
</tr>
<tr>
<td>1.00</td>
<td>410</td>
</tr>
<tr>
<td>1.10</td>
<td>50</td>
</tr>
</tbody>
</table>
During 2011, we continued our activities in connection with the experience rating of employers. 23,884 Minnesota intrastate experience ratings were published, including revisions. The 2011 breakdown of current Minnesota intrastate ratings by modification factor is as follows:

<table>
<thead>
<tr>
<th>Total Ratings between 0.01 &amp; 0.49</th>
<th>0</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Ratings between 0.50 &amp; 0.59</td>
<td>0</td>
</tr>
<tr>
<td>Total Ratings between 0.60 &amp; 0.69</td>
<td>9</td>
</tr>
<tr>
<td>Total Ratings between 0.70 &amp; 0.79</td>
<td>82</td>
</tr>
<tr>
<td>Total Ratings between 0.80 &amp; 0.89</td>
<td>2,257</td>
</tr>
<tr>
<td>Total Ratings between 0.90 &amp; 0.99</td>
<td>13,708</td>
</tr>
<tr>
<td>Total Ratings between 1.00 &amp; 1.09</td>
<td>2,301</td>
</tr>
<tr>
<td>Total Ratings between 1.10 &amp; 1.19</td>
<td>2,126</td>
</tr>
<tr>
<td>Total Ratings between 1.20 &amp; 1.29</td>
<td>1,450</td>
</tr>
<tr>
<td>Total Ratings between 1.30 &amp; 1.39</td>
<td>794</td>
</tr>
<tr>
<td>Total Ratings between 1.40 &amp; 1.49</td>
<td>518</td>
</tr>
<tr>
<td>Total Ratings between 1.50 &amp; 1.59</td>
<td>267</td>
</tr>
<tr>
<td>Total Ratings between 1.60 &amp; 1.69</td>
<td>153</td>
</tr>
<tr>
<td>Total Ratings between 1.70 &amp; 1.79</td>
<td>98</td>
</tr>
<tr>
<td>Total Ratings between 1.80 &amp; 1.89</td>
<td>31</td>
</tr>
<tr>
<td>Total Ratings between 1.90 &amp; 1.99</td>
<td>40</td>
</tr>
<tr>
<td>Total Ratings greater than 1.99</td>
<td>50</td>
</tr>
</tbody>
</table>
**REVENUE AND EXPENSES**

MWCIA had revenues of $7,891,482 of which $6,896,523 was collected through the assessment process.

### Revenues

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assessments</td>
<td>6,896,523</td>
<td>87.4%</td>
</tr>
<tr>
<td>Contract Services</td>
<td>527,814</td>
<td>6.69%</td>
</tr>
<tr>
<td>USP Fines</td>
<td>77,198</td>
<td>.98%</td>
</tr>
<tr>
<td>Other</td>
<td>207,834</td>
<td>2.63%</td>
</tr>
<tr>
<td>Paper Processing</td>
<td>182,113</td>
<td>2.3%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>7,891,482</td>
<td>100%</td>
</tr>
</tbody>
</table>

### Expenses

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Compensation</td>
<td>4,613,872</td>
<td>62.48%</td>
</tr>
<tr>
<td>Management, General and Other</td>
<td>1,203,162</td>
<td>16.29%</td>
</tr>
<tr>
<td>Management Information Systems</td>
<td>1,104,276</td>
<td>14.96%</td>
</tr>
<tr>
<td>Rent &amp; Utilities</td>
<td>463,037</td>
<td>6.27%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>7,384,347</td>
<td>100%</td>
</tr>
</tbody>
</table>
**COMMITMENTS AND CONTINGENCIES**

Future lease and rent obligations have continued to drop, with future lease obligation of $1,787,465 for 2012 and forward.

<table>
<thead>
<tr>
<th>Year</th>
<th>Obligation</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>137,381.00</td>
</tr>
<tr>
<td>2013</td>
<td>225,979.00</td>
</tr>
<tr>
<td>2014</td>
<td>213,085.00</td>
</tr>
<tr>
<td>2015</td>
<td>214,600.00</td>
</tr>
<tr>
<td>2016</td>
<td>203,891.00</td>
</tr>
<tr>
<td>Thereafter</td>
<td>1,787,465.00</td>
</tr>
</tbody>
</table>
The very essence of leadership is that you have to have vision. You can’t blow an uncertain trumpet.

THEODORE M. HESBURGH
OUR MEMBERS

ACCIDENT FUND COMPANY OF AMERICA
- Accident Fund General Insurance Company
- Accident Fund Insurance Company of America
- Accident Fund National Insurance Company
- CompWest Insurance Company
- United Wisconsin Insurance Company

ACE LIMITED
- Ace American Insurance Company
- Ace Fire Underwriters Insurance Company
- Ace Property & Casualty Insurance Company
- Bankers Standard Fire & Marine Company
- Bankers Standard Insurance Company
- Century Indemnity Company
- Indemnity Insurance Company of North America
- Insurance Company of North America
- Pacific Employers Insurance Company
- Westchester Fire Insurance Company

ACUITY, A MUTUAL INSURANCE COMPANY

ADVANTAGE WORKERS COMPENSATION INSURANCE COMPANY

AETNA INSURANCE COMPANY OF CONNECTICUT

AFFILIATED FM INSURANCE COMPANY

ALASKA NATIONAL INSURANCE COMPANY

ALEA NORTH AMERICA INSURANCE COMPANY

ALLEGHANY HOLDINGS
- Capitol Indemnity Corporation
- Platte River Insurance Company

ALLIANZ GLOBAL RISKS US INSURANCE COMPANY

ALLIED WORLD REINSURANCE COMPANY

ALLSTATE INSURANCE GROUP
- Allstate Indemnity Company
- Allstate Insurance Company
- Allstate Property & Casualty Insurance Company
- Northbrook Indemnity Company

AMERICO
- Republic Western Insurance Company

AMERICAN CONTRACTORS INSURANCE GROUP
- ACIG Insurance Company

AMERICAN EMPIRE INSURANCE COMPANY

AMERICAN FAMILY MUTUAL INSURANCE GROUP

AMERICAN FUJI FIRE & MARINE INSURANCE COMPANY

AMERICAN NATIONAL PROPERTY & CASUALTY COMPANY

AMERICAN PET INSURANCE COMPANY

AMERICAN RELIABLE INSURANCE COMPANY

AMERICAN ROAD INSURANCE COMPANY

AMERICAN SAFETY CASUALTY INSURANCE COMPANY

AMERICAN SENTINEL INSURANCE COMPANY

AMERICAS INSURANCE COMPANY

AMERISAFE, INCORPORATED
- American Interstate Insurance Company

AMERISURE COMPANIES
- Amerisure Insurance Company
- Amerisure Mutual Insurance Company

AMTRUST FINANCIAL COMPANY
- Milwaukee Casualty Insurance Company
- Technology Insurance Company
- Wesco Insurance Company

APCAPITAL INCORPORATED
- American Physicians Assurance Corporation
- AP Specialty Insurance Corporation

ARCH INSURANCE GROUP
- Arch Indemnity Insurance Company
- Arch Insurance Company
- Arch Reinsurance Company

ARGONAUT INSURANCE GROUP
- Argonaut Great Central Insurance Company
- Argonaut Insurance Company
- ArgonautMidwest Insurance Company
- Rockwood Casualty Insurance Company

ARROWWOOD INDEMNITY COMPANY
OUR MEMBERS

ATLANTIC MUTUAL INSURANCE GROUP
Atlantic Mutual Insurance Company
Centennial Insurance Company

AUSTIN MUTUAL INSURANCE COMPANY

AUTO-OWNERS INSURANCE GROUP
Auto-Owners Insurance Company
Owners Insurance Company

AXA CORPORATE SOLUTIONS GROUP
AXA Insurance Company
Coliseum Reinsurance Company

AXIS U.S. INSURANCE
AXIS Insurance Company
AXIS Reinsurance Company

Baldwin and Lyons Incorporated
Protective Insurance Company
Sagamore Insurance Company

Bancinsure, Incorporated

Benchmark Insurance Company

Berkshire Hathaway
Berkshire Hathaway Homestate Insurance Company

Brotherhood Mutual Insurance Company

Burlington Insurance Group
First Financial Insurance Company

Caterpillar Insurance Company

Centre Insurance Company

Centurion Casualty Company

Chartis Insurance Group
AIU Insurance Company
American Home Assurance Company
Chartis Property Casualty Company
Commerce & Industry Insurance Company
Granite State Insurance Company
Illinois National Insurance Company
Insurance Company Of The State Of Pennsylvania
National Union Fire Insurance Company Pittsburgh
New Hampshire Insurance Company

Chubb Group of Insurance Companies
Chubb Indemnity Insurance Company
Chubb National Insurance Company
Executive Risk Indemnity Inc.
Federal Insurance Company
Great Northern Insurance Company
Pacific Indemnity Company
Vigilant Insurance Company

Church Mutual Insurance Company

Cincinnati Insurance Company

Cincinnati Mutual Insurance Company

Cincinnati Indemnity Company

Cincinnati Casualty Company

Cincinnati Insurance Company

Clarendon National Insurance Company

CNA Insurance Group

American Casualty Company of Reading Pennsylvania
Continental Casualty Company
Continental Insurance Company
National Fire Insurance Company of Hartford
Transportation Insurance Company
Valley Forge Insurance Company

Companion Property & Casualty Insurance Group

Companion Commercial Insurance Company
Companion Property & Casualty Insurance Company

Compass Insurance Company

Continental Indemnity Company

Cooperative Mutual Insurance Company

Corepoint Insurance Company

Crum & Forster Insurance Group

Crum & Forster Indemnity Company
North River Insurance Company
United States Fire Insurance Company

Cumis Insurance Society, Incorporated

Dakota Truck Underwriters

Dakota Truck Underwriters
First Dakota Indemnity Company

Diamond Insurance Company

Cherokee Insurance Company
OUR MEMBERS

EASTERN ALLIANCE INSURANCE GROUP
- Allied Eastern Indemnity Company
- Eastern Advantage Assurance Company
- Eastern Alliance Insurance Company

ELECTRIC INSURANCE COMPANY

EMC INSURANCE COMPANIES
- EMC Property & Casualty Company
- EMCSasco Insurance Company
- Employers Mutual Casualty Company
- Hamilton Mutual Insurance Company
- Union Insurance Company of Providence

EMPLOYERS PREFERRED INSURANCE COMPANY

ENDURANCE SPECIALTY GROUP
- Endurance Reinsurance Corporation of America
- Endurance Risk Solutions Assurance 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

FAIRFAX FINANCIAL INCORPORATED
- Clearwater Select Insurance Company
- Hudson Insurance Company
- Odyssey America Reinsurance Corporation

FARM BUREAU MUTUAL INSURANCE COMPANY
- Farm Bureau Property & Casualty Insurance Company
- Western Agricultural Insurance Company

FARMERS INSURANCE GROUP
- 21st Century Advantage Insurance Company
- 21st Century North American Insurance Company
- Farmers Insurance Exchange
- Mid-Century Insurance Company
- Truck Insurance Exchange

FEDERATED MUTUAL INSURANCE 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
- National Surety Corporation
- San Francisco Reinsurance Company

FIRST NONPROFIT COMPANIES

FLORISTS MUTUAL INSURANCE COMPANY

FRANKENMUTH MUTUAL INSURANCE COMPANY

GATEWAY INSURANCE COMPANY

GENERAL REINSURANCE GROUP
- Fairfield Insurance Company
- General Reinsurance Corporation
- Genesis Insurance Company
- National Reinsurance Corporation

GENERALI UNITED STATES BRANCH

GERLING GROUP
- Global Reinsurance Corporation (US Branch)
- Global Reinsurance Corporation Of America
- HDI Gerling America Insurance Company

GMAC GROUP HOLDINGS
- Integon National Insurance Company

GRANGE MUTUAL CASUALTY GROUP
- Grange Mutual Casualty Company
- Integrity Mutual Insurance Company
- Integrity Property & Casualty Insurance Company
- Trustguard Insurance Company

GRAY INSURANCE GROUP

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
## OUR MEMBERS

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<td>Lancer Insurance Company</td>
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<td>Laurier Indemnity Company</td>
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<tr>
<td>ICW Group</td>
<td>Insurance Company of the West</td>
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OUR MEMBERS

LUMBERMENS MUTUAL GROUP
- American Manufacturers Mutual Insurance Company
- American Motorists Insurance
- Lumbermens Casualty Insurance Company
- Lumbermens Mutual Casualty Company

LUMBERMEN’S UNDERWRITING ALLIANCE

MADA INSURANCE EXCHANGE

MAIN STREET AMERICA GROUP (THE)
- Spring Valley Mutual Insurance Company

MARKEL CORPORATION GROUP
- FirstComp Insurance Company
- 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 CASUALTY INSURANCE COMPANY

MEMIC INDEMNITY COMPANY

METLIFE AUTO & HOME GROUP
- Economy Fire & Casualty Company

MHA INSURANCE COMPANY

MIC PROPERTY CASUALTY INSURANCE CORPORATION

MICHIGAN MILLERS MUTUAL INSURANCE COMPANY

MIDSTATES REINSURANCE CORPORATION

MIDWEST FAMILY MUTUAL INSURANCE COMPANY

MIDWEST INSURANCE COMPANY

MILLERS FIRST INSURANCE COMPANY

MITSUI SUMITOMO INSURANCE GROUP
- Mitsui Sumitomo Insurance Company of America
- Mitsui Sumitomo USA Inc.

MOTORISTS INSURANCE GROUP
- Motorists Commercial Mutual Insurance Company
- Wilson Mutual Insurance Company

MUNICH RE AMERICA CORPORATION GROUP
- American Alternative Insurance Corporation
- Munich Reinsurance America, Inc.

NATIONAL AMERICAN INSURANCE COMPANY

NATIONAL INDEMNITY GROUP
- Atlanta International Insurance Company
- National Indemnity Company
- National Liability & Fire Insurance Company
- Philadelphia Reinsurance Corporation

NATIONWIDE INSURANCE GROUP
- Allied Property & Casualty Insurance Company
- AMCO Insurance Company
- Farmland Mutual Insurance Company
- Freedom Specialty Insurance Company
- National Casualty Company
- Nationwide Affinity Insurance Company of America
- Nationwide Agribusiness Insurance Company
- Nationwide Mutual Fire Insurance Company
- Nationwide Mutual Insurance Company
- Nationwide Property & Casualty Insurance Company

NAU COUNTRY INSURANCE COMPANY

OLD REPUBLIC INSURANCE GROUP
- American Business & Personal Insurance Mutual Insurance
- Bituminous Casualty Corporation
- Bituminous Fire & Marine Insurance Company
- Great West Casualty Company
- Old Republic General Insurance Corporation
- Old Republic Insurance Company

OMAHA INDEMNITY COMPANY

ONE BEACON INSURANCE GROUP
- Atlantic Specialty Insurance Company
- Camden Fire Insurance Association
- Employers Fire Insurance Company
- Esurance Insurance Company of New Jersey
- Houston General Insurance Company
- National Farmers Union Property & Casualty
- Northern Assurance Company of America
- OneBeacon America Insurance Company
- OneBeacon Insurance Company
- Pennsylvania General Insurance Company
OUR MEMBERS

PATNERRE INSURANCE COMPANY OF NEW YORK
PENN MILLERS INSURANCE COMPANY
PENNSYLVANIA LUMBERMENS MUTUAL INSURANCE COMPANY
PENNSYLVANIA NATIONAL MUTUAL CASUALTY INSURANCE COMPANY
PETROLEUM CASUALTY COMPANY
PHARMACISTS MUTUAL INSURANCE COMPANY
PMA INSURANCE GROUP
Pennsylvania Manufacturers Association Insurance Company
PREFERRED PROFESSIONAL INSURANCE COMPANY
PRO ASSURANCE GROUP
Meemic Insurance Company
ProAssurance Indemnity Company, Inc.
PROVIDENCE HOLDINGS GROUP
Imperial Casualty and Indemnity Company
PROVIDENCE WASHINGTON INSURANCE COMPANY
PUBLIC SERVICE MUTUAL INSURANCE COMPANY
PUTNAM REINSURANCE COMPANY
PXRE REINSURANCE COMPANY
QBE INSURANCE COMPANY
Praetorian Insurance Company
QBE Insurance Company
QBE Reinsurance Company
QBE REGIONAL INSURANCE GROUP
General Casualty Company of Wisconsin
General Casualty Insurance Company
Regent Insurance Company
QUANTA INDEMNITY COMPANY
RAM MUTUAL INSURANCE COMPANY
RAMPART INSURANCE COMPANY
REPUBLIC INSURANCE GROUP
Southern Insurance Company
RIVERPORT INSURANCE COMPANY
RLI INSURANCE COMPANY
RTW, INC.
American Compensation Insurance Company
Bloomington Compensation Insurance Company
RURAL COMMUNITY INSURANCE COMPANY
SAFETY NATIONAL CASUALTY CORPORATION
Safety First Insurance Company
Safety National Casualty Corporation
SCOR U S GROUP
General Security National Insurance Company
SCOR Reinsurance Company
SEABRIGHT INSURANCE COMPANY
SEATON INSURANCE COMPANY
SECURA INSURANCE COMPANIES
SECURA Insurance, A Mutual Company
SECURA Supreme Insurance Company
SECURIAN CASUALTY COMPANY
SELECTIVE INSURANCE GROUP
Selective Insurance Company of America
Selective Insurance Company of South Carolina
Selective Insurance Company of the Southeast
SENECA INSURANCE COMPANY, INC.
SENO INSURANCE COMPANY
SENTRY INSURANCE, A MUTUAL GROUP
Middlesex Insurance Company
Patriot General Insurance Company
Sentry Casualty Company
Sentry Insurance, A Mutual Company
Sentry Select Insurance Company
SEQUOIA INSURANCE COMPANY
SFM MUTUAL INSURANCE GROUP
SFM Mutual Insurance Company
SFM Select Insurance Company
SOCIETY INSURANCE, A MUTUAL COMPANY
SOMPO JAPAN INSURANCE COMPANY OF AMERICA
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<td>North American Elite Insurance Company</td>
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OUR MEMBERS

VIRGINIA SURETY COMPANY, INCORPORATED

W. R. BERKLEY CORPORATION GROUP
Acadia Insurance Company
American Mining Insurance Company
Berkley Insurance Company
Berkley National Insurance Company
Berkley Regional Insurance Company
Carolina Casualty Insurance Company
Continental Western Insurance Company
Firemen’s Insurance Company of Washington DC
Great Divide Insurance Company
Key Risk Insurance Company
Midwest Employers Casualty Company
StarNet Insurance Company
TriState Insurance Company of Minnesota
Union Insurance Company

WEST BEND MUTUAL INSURANCE COMPANY

WESTERN NATIONAL MUTUAL INSURANCE GROUP
Pioneer Specialty Insurance Company
Western National Assurance Company
Western National Mutual Insurance Company

WESTFIELD GROUP
American Select Insurance Company
Ohio Farmers Insurance Company
Westfield Insurance Company
Westfield National Insurance Company

WORK FIRST CASUALTY COMPANY

XL AMERICA GROUP
Greenwich Insurance Company
XL Insurance America, Inc.
XL Reinsurance America Inc.
XL Specialty Insurance Company

ZENITH NATIONAL INSURANCE COMPANY

ZURICH INSURANCE GROUP U.S.
American Guarantee & Liability Insurance Company
American Zurich Insurance Company
Assurance Company of America
Colonial American Casualty & Surety Company
Empire Fire & Marine Insurance Company
Fidelity & Deposit Company of Maryland
Foremost Insurance Company
Foremost Property and Casualty Company
Foremost Signature Insurance Company
Maryland Casualty Company
Northern Insurance Company of New York
Universal Underwriters Insurance Company
Universal Underwriters of Texas Insurance Company
Zurich American Insurance Company
Zurich American Insurance Company of Illinois
Leadership is the challenge to be something more than average.

JIM ROHN
Our 2011 Annual Meeting was called to order at 9:00 a.m. Tuesday, April 19, 2011, at the MWCIA offices, 7701 France Avenue South, Suite 450, Edina, Minnesota.

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

**Director:**
- Mr. Scott Holzerland Representing: Federated Insurance Companies (Non-Stock)
- Mr. Peter Caminiti Representing: Liberty Mutual Insurance Company (Non-Stock)
- Ms. Mary Wachholz Representing: Travelers (Stock)
- Mr. Michael Levy Representing: Chartis Insurance Group (Stock)
- Mr. William Meyer Representing: Zurich American Insurance Company (Stock)

During 2010-11, we held four Board Meetings at which we focused our discussions on the 2012 Ratemaking Report, web-based delivery of MWCIA products and services, industry-wide collaborative efforts, MWCIA manuals, and communications.
As of December 31, 2010, the members of our Board were as follows.
Please click on the respective name of any Director to see his or her resume and credentials.

Director: Representing:

Mr. Keith Krueger American Compensation Insurance Company
Mr. Michael Levy Chartis Insurance Group
Mr. Scott Holzerland Federated Insurance Companies
Mr. Peter Caminiti Liberty Mutual Insurance Company
Mr. Bill Dupont Lumbermen’s Underwriting Alliance
Mr. Gary Thaden* MN Mechanical Contractors Association
Mr. Barry Preslaski Owners Insurance Company
Mr. Brian Bent SFM Mutual Insurance Company
Ms. Mary Wachholz Travelers Insurance Companies
Mr. Kevin Christy Western National Mutual Insurance Company
Mr. William Meyer Zurich American Insurance Company

*Public member appointed by the Minnesota Department of Commerce
BIOGRAPHY OF BRIAN R. BENT

AVP AND DIRECTOR OF UNDERWRITING
SFM MUTUAL INSURANCE COMPANY

A native of Lewistown, MT, Brian Bent received his Masters of Science degree from Central Missouri State University, Warrensburg, MO in 1989.

From 1995 to 1999, he worked as a branch manager for EBI Companies, Minneapolis, MN, before joining the Montana State as its director of underwriting.

In 2003, he joined the Associated Financial Group as vice president of Property & Casualty Operations and in 2006 was named assistant vice president and director of underwriting at SFM Mutual Insurance Company.

A current member of the CPCU Chapter and Website Committee (Charter Property and Casualty Underwriter), Brian has served the Boy Scouts of America since 2004 as a leader assistant, district commissioner and Wood Badge instructor. He holds the insurance industry designations of CPCU and ARM (Associate in Risk Management).

He enjoys waterskiing, camping and snowmobiling.

He and his wife, Dana, make their home in Eden Prairie, MN with their four children.
BIOGRAPHY OF PETER CAMINITI

FINANCIAL MANAGER
LIBERTY MUTUAL INSURANCE COMPANY

A native of Roxbury, CT, Peter Caminiti holds a bachelor degree in accounting from the University of Connecticut. He began his career with Arthur Andersen LLP’s Assurance and Business Advisory Services insurance practice in Hartford, CT.

After his time in public accounting, Mr. Caminiti joined Liberty Mutual in 2002 and served in a variety of financial capacities in Boston.

In 2005, he left his native New England for the Midwest, joining Liberty’s Business Market Midwest Division in Schaumburg, IL where he served as Division Financial Manager and later as Division Underwriting Manager.

In 2009, he returned to Boston where he serves in his current capacity with Liberty’s National Market, specializing in captive and other complex transactions.

After moving to the Midwest, Peter pursued his interest in flying and is an aspiring private pilot. He makes his home in Southborough, MA with his wife, Megan, and daughter, Carolyn.
BIOGRAPHY OF KEVIN J. CHRISTY

VICE PRESIDENT, CHIEF ACTUARY
WESTERN NATIONAL MUTUAL INSURANCE COMPANY

A native of Evanston, IL, Kevin Christy holds a 1995 degree in Actuarial Science from the University of Wisconsin, Madison.

Beginning his career in the insurance industry as an Actuarial Analyst with Capitol Indemnity Company in 1995, Kevin worked his way up through the ranks, becoming vice president and chief actuary of Western National Mutual Insurance Company in 2008.

Over the years, Mr. Christy has served his industry as a board member of the MJUA (Minnesota Joint Underwriters Association), 2005 – present; as a member of the ISO (Insurance Services Office) Personal Lines Actuarial Panel, 2007 – present; and as treasurer of the University of Wisconsin Actuarial Alumni Club, 2008 – present.

He is a Fellow of the Casualty Actuary Society (FCAS) and a member of the American Academy of Actuaries (MAAA).

An avid golfer and reader, Kevin enjoys traveling and remains active as devoted supporter of his alma mater’s football, hockey and basketball teams.

He makes his home in Richfield, MN with his wife, Kerrie.
BIOGRAPHY OF WILLIAM R. DUPONT

REGIONAL 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).

In 1986, Mr. DuPont joined Lumbermen’s Underwriting Alliance as an insurance producer.
After several successful years as a producer, Bill was promoted to District Manager in 2004 followed by a promotion to regional manager in 2010. Bill’s office is responsible for production in the states of Minnesota, Wisconsin, North Dakota, South Dakota and Upper Michigan.

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 SCOTT HOLZERLAND

UNDERWRITING PRODUCT MANAGER
FEDERATED INSURANCE COMPANIES

A native of Owatonna, MN, Scott Holzerland holds a bachelor’s degree in Business Administration from Gustavus Adolphus College (1985).

In 1985 Scott joined Federated Insurance and began a career in Underwriting. He has held numerous positions in the Underwriting department and is currently a home office underwriting product manager responsible for Workers Compensation. Scott earned his CPCU designation in 1994 and is also involved with the American Insurance Association’s Workers Compensation Committee.

He and his wife, Katie, make their home in Owatonna with their four children. He enjoys reading, all sports, and participating in hockey and golf.
BIOGRAPHY OF KEITH D. KRUEGER

PRESIDENT
AMERICAN COMPENSATION INSURANCE COMPANY

A military dependent born in Guantanamo 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. Keith currently has the role of president of American Compensation Insurance Company.

Mr. Krueger holds the CPCU designation and is a member of its Twin Cities Chapter.

An avid golfer, he makes his home in Cottage Grove, MN, with his wife, Cece, and their three children.
A native of Philadelphia, PA, Michael Levy is a 1997 graduate of Marquette University, Milwaukee, WI (Criminology and Law Studies).

Upon graduation, he joined Wausau Insurance Company, Wausau, WI as a liability claim examiner. In 1999, he joined the middle market practice of Marsh USA Inc., then later worked in Marsh’s environmental practice.

In 2006, Mike joined Chartis U.S. as a senior business development manager and over the years, worked his way up to his current position as branch manager.

Mike is a sports enthusiast who especially enjoys running and playing basketball. He and his wife, Melissa make their home in Edina, MN with their two children.
BIOGRAPHY OF WILLIAM MEYER

ACCOUNT EXECUTIVE
ZURICH NORTH AMERICA

A native of Buffalo, MN, Bill Meyer is a 2002 graduate in Business Administration from the University of North Dakota, in Grand Forks, ND.

Bill began his insurance career with St. Paul Companies in 2002 as a worker’s compensation claims adjuster, then joined Zurich in 2004, specializing in complex workers’ compensation claims and underwriting for the construction industry.

In 2007, Bill was promoted to his present position as an account executive with responsibilities in underwriting, agency management and marketing.

In addition to his current pursuit of the designation of Certified Insurance Counselor (CIC), he is active in a number of industry associations, including the Association of General Contractors (AGC), Minnesota Contractors Association (MCA), American Subcontractors Association (ASA) and the Construction Financial Management Association (CFMA).

An avid sportsman and enthusiast, Bill and his wife Allysa have a daughter. They make their home in Albertville, MN.
BIOGRAPHY OF BARRY M. PRESLASKI

REGIONAL VICE PRESIDENT
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 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. Prelaski 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 GARY K. THADEN

GOVERNMENT AFFAIRS DIRECTOR, PETTERSEN & ASSOCIATES, INC.

A native of Minnesota, Gary Thaden earned a bachelor of elected studies degree in the college of liberal arts at 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, the Minnesota Unemployment Insurance Advisory Council and the Minnesota Workers’ Compensation Advisory Council. Mr. Thaden is a nationally recognized health care speaker and serves as the management co-chair of the Labor/Management Health Care Coalition of the Upper Midwest.

In addition, he serves on the board of directors for Friends of the Sherlock Holmes Collection (University of MN) and is president of Norwegian Explorers of Minnesota (a Sherlockian literary society). He is a former member of the board of trustees of the Minneapolis Public Library Board and many other civic organizations.

An avid reader, Gary also enjoys collecting books, especially those involving Sherlock Holmes and Arthur Conan Doyle. He makes his home in Minneapolis with his wife and their two daughters.
BIOGRAPHY OF MARY WACHHOLZ

SECOND VICE PRESIDENT
WORKERS COMPENSATION PRODUCT MANAGEMENT
TRAVELERS INSURANCE COMPANIES

A native of Minnesota, Mary Wachholz earned her Bachelor of Arts degree from the University of Minnesota. She began her insurance career as a Commercial Underwriter for SAFECO Insurance in Schaumburg, Illinois. She advanced through various underwriting positions including Chicago Branch Commercial Underwriting Manager and Northeast Regional Workers Compensation Manager.

In 1994, she joined Northbrook Property and Casualty Insurance Company in South Barrington, Illinois, becoming the Home Office Workers Compensation Manager.

Mary returned to Minnesota in 1997 joining the St Paul Companies where she held various Home Office Workers Compensation Underwriting positions. She is currently a Second Vice President, Workers Compensation Product Management for Travelers Insurance Companies. She holds the CPCU designation.

An avid reader, she also enjoys yoga, antiquing, and kayaking. She makes her home in Woodbury, MN with her husband, Wayne.
Service, in short, is not what you do but who you are. It is a way of living that you need to bring to everything you do.

BETSY SANDERS
**OUR DEDICATED STAFF**

**MW CIA 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
OUR DEDICATED STAFF

MWCI A MEMBER & CUSTOMER SERVICES

Staff: Jeff Kvam, Melodie LaChapelle, Jodell Miller, Caroline Timmerman, Glenn Colby, Jennifer Glywasky and Lesley Pyle

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 MWCI A’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.
MWCIA UNIT STATISTICAL/EXPERIENCE RATING

Staff: Ora Lowery, Cindy Westphal, Letha Kuehn, Jane Payne and Jennifer Lapke

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.
MWCIA ACTUARIAL

Staff: Sharon Bye and Auntara De

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.
MWCIA ASSIGNED RISK

Staff: Jane Payne, Gayle Dussling, Vicki Evenson and Kim Eckhart

Main Functions

- Processes Assigned Risk applications including the calculation of premium quotes.
- Responds to inquiries on Assigned Risk Application from employers, agents and other interested parties.
OUR DEDICATED STAFF

MWCIA DATA QUALITY

Staff: Pam Flaten

Main Functions
- Data quality assurance.
- Develops processes and procedures for operational workflow.
- Key representative for Data Quality Industry Groups, Forums, and Industry Committee Work Groups.

MWCIA HUMAN RESOURCE & ACCOUNTING

Staff: Karen Ose, Sue Erickson and Leann Hayes

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.
MWCIA POLICY TAPE

Staff: Kim LaHoud, Jody Hetrick, Mary Munt and Penny Lord

Main Functions

- Reviews, analyzes and validates policy data information submitted electronically by member carriers and enters data submitted hard copy.
- Key liaison in communicating and resolving issues with member carriers related to the electronic submission of policy data to MWCIA.
OUR DEDICATED STAFF

MW CIA ADMINISTRATION/FACILITIES

Staff: Jan Olson, Mary Loehrs and Phyllis Rence

Main Functions

- Coordination of membership tracking and maintaining email distribution lists.
- Responsible for receptionist duties and mailroom activities.
- Provides administrative support to management and Board of Directors, including the planning of annual events for member carriers such as the Annual Meeting, Annual Lunch and Annual Golf Outing.
- Handles facilities including office space and telephone systems.
MWCIA INFORMATION TECHNOLOGY

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

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 MWCIA and leading collaborative projects with other bureaus and state agencies.
- Represents MWCIA in industry standards discussions.
- Technical support of MWCIA website.
- Responsible for system testing.
Our imagination is the only limit to what we can hope to have in the future.

CHARLES F. KETTERING