Reflecting on the past, looking to the future
President’s Letter
Throughout 2013, we've been celebrating the fact that the release of our 2014 Ratemaking Report will mark 30 years of existence as the Minnesota Workers' Compensation Insurers Association, Inc. In last year's Annual Report, I previewed some of the reasons I believe it was important to highlight 30 years of existence. For 16 of those years, I've had the honor to serve as President.

Over the years of my tenure here and stretching back into the early 1980s, our industry and our Association has seen a number of changes. Some of these have been within our Association, others have been outside our Association but within the industry itself, and still others occurred between us and our fellow Associations.

For those of you who would like to delve into the details of these changes, I direct to you “A Brief History of MWCIA” which can be found at http://www.mwcia.org/AboutMWCIA.aspx on this website, but for the purposes of this letter, I thought it appropriate to recap some of the turning points that have led to our modern day Association.

First, those changes that occurred within the worker's compensation industry, outside of our Association:

> Early in the 1980s, the Minnesota Legislature passed Minnesota Statute 79.61 establishing what would become known as the MWCIA as a Data Services Organization, which set the stage for many good things to come;

> In 1992 and 1995, the State of Minnesota passed significant legislation that:
  – Required prior approval by DOC for all rates;
  – Updated benefit schedules;
  – Initiated managed care; and
  – Reshaped a number of other important cost drivers in the system.
Because of these laws, Minnesota workers and employers benefit from significantly lower pure premium rates – as much as 10.3 percent lower than in 1984 when the first Ratemaking Report was released. This translates into significant savings for all parties and contributes to the overall strength of the State’s economy as well since healthy workers make for healthy employers which nourish higher levels of employment and provide greater revenue to the State and its citizens through increased productivity and competitiveness.

Of the many changes that happened within our Association, the following had the greatest impact on us and our industry:

> MWCIA’s Ratemaking Report was approved and introduced in 1984, establishing a conformity in how data was gathered and reported, providing carriers with the best information possible on pure premium rates from which to establish their own rates;

> In the late 1990s, we began developing MWCIA’s initial fully functional website platform as a primary source of products, services and information;

> During this same period of time, we took initial steps to position MWCIA for the future by conducting a major restructuring of how we worked and how processed our work, leading to some of the most advanced and accurate automated systems in the industry;

> ARROW (Actuarial Report Resource on the Web) a resource member insurers can access under security to compare their own data against state-wide data; as well as,

> The development and implementation of ACCEDE™, (Automated Carrier Call Entry and Data Edit), Manage USR and Manage Policy, three highly functional on-line systems for checking, editing, and correcting submitted data; and

> We further addressed our future by naming Brandon Miller as my successor. Brandon is one of the Midwest’s best known and skilled professionals whose vision for MWCIA is deepened by his former years of service on our Board of Directors.
These advances, both in our industry and in our Association, also benefited the collaborations we have established with fellow Associations that have led to such organizations, products and services as:

> Spectrum Partners, which developed a powerful and highly functional internal operational system and now comprised of six independent Data Collection Organizations (DCO);

> ACCCT (The American Cooperative Council on Compensation Technology), which developed data handling tools such as BEEP and PEEP, which eventually led to;

> CDX (Compensation Data Exchange) developed by ACCCT, which is a web-based superhighway in the sky for the submission of policy and unit statistical data by member insurers to the respective independent DCO.

As you can see, the past 30 years have been an exciting time for MWCIA and our industry with many crucial changes all of which have played a significant role in the evolution and improvement in how we serve the workers of Minnesota.

It has been an interesting and stimulating experience for me to serve MWCIA. I have had the privilege and the honor of working with some of the best professionals I will ever know and I am delighted that I am leaving you in the hands of one of the very best of them, Brandon Miller.

I’m truly thankful for these past 16 years and may all our futures be bright and prosperous.

Sincerely,

Bruce A. Tollefson
President
EXECUTIVE VICE PRESIDENT'S Letter

I am honored to succeed Bruce Tollefson who is retiring in early 2014 as president of MWCIA.

I am a 25 year veteran of the workers’ compensation insurance industry, including my work with the Minnesota Department of Labor and Industry. While I served eight years on the MWCIA board of directors, I have come to learn so much more about our Association since I began this interim role in February 2013.

Certainly, we have much to be proud of in the legacy Bruce Tollefson is leaving. Over the past 16 years, Bruce has taken us from a predominately paper-based system to the highly efficient electronic operation we have today. This has benefited our member carriers, agents, policyholders and the MWCIA as an organization. These developments have streamlined virtually all aspects of our processes for reporting statistical, financial and ratemaking data, providing proof of coverage services and implementing consistent data practices across multiple Data Service Organizations.

The technological advances we’ve made, in tandem with the open atmosphere we have fostered with our fellow DCOs, has led to some of our industry’s greatest advances through collaborations and creations like Spectrum, ACCCT, CDX and other initiatives.

In 2013, we continued to strengthen our customer focus by developing even better solutions, services and systems in the areas of:

- **Technology and Applications** through enhancements to our infrastructure, especially as they apply to our core functions and customer-facing applications;

- **Operations** through even stronger fiduciary management and planning to serve our members more efficiently, effectively and accurately;
> **Staffing** by focusing on new technology as we experience the need for different skill sets and a flatter organization overall, especially as many of our long-term staff reaches retirement. Therefore, cross-training and succession planning will continue to be a crucial component to our future success;

> **Data Analysis** by creating strategies to continually enhance our ongoing research into claim cost trends and developments in using new data sets to help our members better manage workers’ compensation underwriting, pricing and claims. This effort naturally improves the value of our Ratemaking Report, as well, to all audiences; and,

> **Training** our audiences, user groups and others about the great tools we have in place and the powerful capabilities they can unleash to make their jobs easier so that they can focus on their organization’s core functions.

I am looking forward to 2014 and beyond, which I believe will be an exciting time for the MWCIA as we further initiatives which will improve our services and value for all our customers. I am delighted to work with such an experienced and knowledgeable staff and such excellent members as together we chart the next chapter in MWCIA’s impressive history.

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

Brandon Miller  
Executive Vice President
State of the Market
STATE OF THE Market

The Minnesota workers compensation market continues to be healthy, stable, and predictable. The underwriting cycle shifted starting in 2011, increasing insured premium volume and dropping loss ratios. Case frequency is again showing signs of improvement, and carriers continue to release indemnity reserves at a steady rate. The movement in medical severity rates has stabilized, and medical reserve strengthening has been much less significant as a result.
DIRECT EARNED PREMIUM
Following more than a 25% premium level decrease in the previous five years, insured premiums have now increased over 20% from 2010-2012.
CALENDAR YEAR LOSS RATIOS

Voluntary market insured loss ratios have improved over 17% from 2010-2012 after three years of declining experience.
LOST-TIME FREQUENCY

Average lost-time case counts are decreasing again, with a 10% improvement over the latest three years.
**LOST-TIME MEDICAL PAID+CASE SEVERITY**

Average case incurred medical costs associated with lost-time injuries have stabilized. Since 2008, severities have increased at an average rate of less than 1% per year.
Consistent indemnity case reserve reductions continue, averaging 3% per year since 2006. Medical case reserves continue to increase, but at slower rates in recent years. The medical reserve level increased only 2% during 2012 – yet now stands at close to 60% of total case reserves.
Products & Services
Over the past year, Operations Services has continued to enhance the accuracy and timeliness of our data quality. This goal was realized through MWCIA’s array of software products, processes and cross-trained staff – all of which made it possible to better serve our members and other industry stakeholders.

**Examples of these efforts include:**

**Elimination of Hard Copy Policy Data Submissions:** 2013 marks the completion of our first full year of accepting only electronic submission of policy data. This has enabled us to improve not only the accuracy and timeliness of the data we collect, but the ability to analyze it more quickly and thoroughly. What’s more, electronic submission increases the efficiency and effectiveness by which all parties report data.

**Manage Policy System:** Created to help member carriers electronically manage their own policy data, Manage Policy System allows members to resolve coverage issues, address policy errors and verify records on-line.

**Manage USR Release 2:** This web-based application enables our member carriers to manage submissions and facilitate full online supervision of their USR data. The member carrier has the ability to create new USRs as well as make replacements, corrections, subsequent reports, and revisions to un-submitted data.
**Experience Mod History and Experience Mod Calculator:** The Experience Mod History allows users to search for employer experience, while the Experience Mod Calculator allows users to estimate Minnesota intrastate experience modifications.

The Mod Calculator is not intended to cover all the rules and exceptions found in the Experience Rating Plan Manual, nor can it create a final experience modification worksheet. It does, however, calculate experience modifications based on the payroll and actual loss information provided. This application also allows for the calculation of “what if” scenarios by giving the user the ability to adjust information.

**Classification Search:** This application allows the user to search for Class Code Descriptions within the Minnesota Classification Index.

**On-Line Assigned Risk Plan Application (OAR):** OAR is web-based software that allows Minnesota Assigned Risk Applications to be submitted electronically. This automated on-line system benefits the marketplace by enhancing the efficiency and accuracy of processing Minnesota Workers’ Compensation Assigned Risk Plan Applications.

**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, Premium Calculator and Search Functions:** We have enhanced these MWCIA Assigned Risk web-based applications to include merit rating information, providing additional detail to member carriers and agents.

**Carrier Data Quality Report:** In 2013, MWCIA distributed carrier data quality reports for data received or due in 2012 to provide carriers with useful feedback regarding the quality and timeliness of the data they submitted in 2012. This is the fifth year the MWCIA has produced carrier data quality reports.
**MWCIA Circular Letters:** The MWCIA Circular Letters provide official notification to our members on a wide range of subjects and activities including filings that have been approved or orders given by the Department of Commerce. Written by the MWCIA staff, circular letters are posted on our website, delivering timely information on changes that have a direct impact on member and customer businesses.

**MWCIA Brochures:** We continue to publish brochures to educate and inform members and customers on specific topics. Some that are available online at www.mwcia.org include “Understanding Experience Rating”, “How to Complete Minnesota’s Workers Compensation Assigned Risk Plan Application” and “Minnesota Contractors Premium Adjustment Program.”

**MWCIA Quarterly Newsletter:** MWCIA News is a forward thinking, educational communiqué written by staff and published on the web to add value to MWCIA’s mission statement. (All articles are fact-based and do not express any legal opinions.)

**MWCIA Education and Informational Presentations:** Built on prior year accomplishments, 2013 again witnessed an increase in demand for Workers’ Compensation education and training. MWCIA continues to enhance relationships and seek opportunities to reach out further to the insurance community (carriers, agents, brokers, trade associations and employers). Not only word of mouth, but also MWCIA's website communications and quarterly newsletters have created an increased demand for Workers’ Compensation education and training presentations.
2013 benchmarks included:

- Continued twice-quarterly Department of Employment and Education presentations;
- Presentation at the MN Chapter of CPCU;
- Presentation at the Minnesota Department of Labor & Industry Summit;
- Presentation at the Twin Cities Insurance Club;
- Guest lecturer for “Insurance Theory and Practice” class at the University of Minnesota; and,
- Carrier and National Broker presentations addressing pertinent Workers’ Compensation topics.

**MWCIA Cross Index:** The MWCIA website includes a Cross Index for Minnesota Endorsements 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.

**CompAsk:** CompAsk is a web-based byproduct 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 new content. This ability to archive information allows us to retrieve or recycle information that is time sensitive or cyclical in nature.
ACTUARIAL SERVICES, CRAIG ANDERSON

RATEMAKING REPORT

The 2014 Ratemaking Report was released on August 8. We are pleased to get the Ratemaking Report to our members as early as possible, allowing our members ample time to review its findings and determine their own pricing for the coming 12-month cycle.

As displayed in the accompanying chart, the pure premium base rate level decreased 2.0 percent this year. By specific industry, this breaks down as follows:

- Manufacturing: -11.0%
- Contracting: 1.5%
- Office & Clerical: 2.8%
- Goods & Services: 0.5%
- Miscellaneous: -2.8%
The pure premium base rate level continues to demonstrate strong stability. In the last ten years, the level has experienced nine decreases and one increase. On average, 2014 base rates are 14.6 percent lower than their 2004 counterparts.
ACTUARIAL

MW CIA’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 analyze carrier data.

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 Triangle 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 2013, ARROW was integrated into the MW CIA Web Membership system.
**ACCEDE™**

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

ACCEDE™ Online is a web-based product that allows users to directly input their Excel data and upload the completed file, significantly simplifying the overall reporting process. During 2013, with the assistance of the IT Department, Actuarial staff completed the final phase of a two phase upgrade of ACCEDE™ Online. Phase 1 was implemented in 2012 and included 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 was implemented in 2013 and included a complete rewrite of the program to upgrade the internal processes to current technologies, in addition to making the online features even more robust.

**TRACER**

The internal TRACER (Tool for Ratemaking, Analysis of Class Experience & 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 countrywide.
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 is paramount for a strong resource to assist MWCIA in reviewing and evaluating medical benefit change alternatives.

In November 2007, the NCCI announced the launch of their new Medical Data Call. MWCIA followed suit in 2010 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. Data sets include transactional information on claims with transaction dates after July 1, 2010.

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 for the purposes of producing development triangles and affecting other analyses.
INFORMATION TECHNOLOGY, SUE LEVEY

MWCIA strives to provide quality software solutions to help our customers meet their needs. In 2013, we pursued several new initiatives while maintaining a focus on our core systems.

WEB MEMBERSHIP

The Web Membership system allows MWCIA customers to establish and conveniently manage their own accounts and permissions for MWCIA web products. In 2013, MWCIA added ACCEDE™, Manage USR, and ARROW to Web Membership. In January, 2014, the new Web Experience Mod History product will be integrated. Manage Policy was introduced as the first Web Membership product in 2011.

ACCEDE™

In January, 2013, MWCIA rolled out a completely rewritten ACCEDE™ financial call product. ACCEDE™ was rewritten to take advantage of new technology, provide additional features to our customers, and integrate carrier and bureau functions into a single, flexible, efficient product.

ARROW

ARROW (Actuarial Report Resource on the Web) was rewritten in 2013 with an updated look and feel. ARROW allows MWCIA customers to generate parameter-driven reports based on aggregated unit statistical data.

Statewide reports are available to the public. Member carriers can query their own data.
BUSINESS CONTINUITY AND DISASTER RECOVERY PLANNING
In 2013, MWCIA business and IT staff collaborated on a company-wide effort to document current systems and processes for business continuity planning. Business continuity planning pertains to a company’s ability to conduct normal operations despite any potential disruptions. A new disaster recovery plan defines our procedures for dealing with significant disruptive events. These efforts contribute to MWCIA’s ability to maintain continuous quality service to our customers.

MANAGE POLICY AND MANAGE USR
The Manage Policy and Manage USR systems are critical tools MWCIA provides to member carriers so that they can manage the important data they submit to us. In 2013, MWCIA made several enhancements to these systems, including the addition of fine invoices to Manage USR and the inclusion of policy follow-up information to Manage Policy.

ONLINE ASSIGNED RISK (OAR)
Developed in 2007 for the Minnesota Workers’ Compensation Assigned Risk Plan (MWCARP), OAR allows agents and employers to complete Assigned Risk applications and make electronic payment online.

<table>
<thead>
<tr>
<th>Description</th>
<th>OAR Count</th>
<th>Paper Count</th>
</tr>
</thead>
<tbody>
<tr>
<td>ASSIGNED</td>
<td>7949</td>
<td>1340</td>
</tr>
<tr>
<td>RETURNED</td>
<td>4018</td>
<td>138</td>
</tr>
</tbody>
</table>
SERVER VIRTUALIZATION
In 2013, MWCA converted the last of its eligible physical servers to run in a virtualized environment, completing the shift from a “one application – one box” approach to a “shared hardware resources” approach. Virtualization improves our resource management capabilities, increases the stability and availability of our servers, reduces energy consumption, and enhances our disaster recovery options.

WEB EXPERIENCE MOD HISTORY
In 2013, MWCA completed development and testing of a new and improved system for carriers and agents to lookup employer information, review experience mod history, and download experience ratesheets. Member carriers will be able to download ratesheets in bulk in a variety of convenient formats. The Web Experience Mod History application rolls out to the MWCA website in January, 2014.

WEBSITE JAVA CONVERSION
This past year, MWCA completed a two-year effort to convert all website Java applications to Microsoft.Net. This has allowed staff to standardize development and support environments, reduce training needs, and streamline maintenance. It has also eliminated our dependence on technology which may no longer be as well-supported in the future.
Collaborations

MW CIA fills many roles to meet many needs. We are able to achieve this, not only through our own productions 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 (ISO). ACCCT’s products include:

- **BEEP™ (Bureau Entry and Edit Package)** allows reporting organizations to transmit unit statistical information to any state insurance advisory and/or rating organization that is a BEEP™ member. Web-based BEEP™ provides functions such as import, enter, edit, and submit.

- **PEEP™ (Policy Entry and Edit Package)** allows policy reporting organizations to electronically enter, edit and transmit policy information to a Data Collection Organization. For similar functions related to Minnesota policies, we recommend using the Manage Policy System (available through the MW CIA website).
**CDX (COMPENSATION DATA EXCHANGE)**
Developed in 2003, this data super highway facilitates the secure, electronic transmission of data between member insurers and Data Collection Organizations. Reporting organizations can transmit policy and unit statistical data to MWCIA. They can also receive experience and merit rating data from MWCIA.

**SPECTRUM™ PARTNERS, LLC**
Spectrum Partners, LLC maintains a robust, internal data collection system that serves as the foundation for many of our products and services. In 2013, we completed a multi-year project to rewrite all SPECTRUM user interfaces with updated technology. Resulting improvements allow us to serve our customers more effectively.

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
- Massachusetts
- New York
- North Carolina
- Wisconsin
- New Jersey
ADDITIONAL RELATIONSHIPS

MWCIA is an active participant in national organizations such as:

**WCIO** The Workers' Compensation Insurers' Organization was 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** The International Association of Industrial Accident Boards and Commissions; and **IDMA** The Insurance Data Management Association.

*Our extended relationships and audiences also include:*

The [Minnesota Department of Commerce](#);

The [Minnesota Department of Labor and Industry](#); and

The [Minnesota Workers’ Compensation Reinsurance Association (WCRA)](#), 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 we have been able to expand and enhance our capabilities.

What’s more, in the process, we are able to truly further our mission as the quality provider of information and services.
Documenting Results
**FINANCIALS & STATISTICS**

**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.

<table>
<thead>
<tr>
<th></th>
<th>Assigned Risk</th>
<th>Voluntary Market</th>
<th>Totals</th>
</tr>
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<tbody>
<tr>
<td>Policies (electronic)</td>
<td>27,659</td>
<td>106,635</td>
<td>134,294</td>
</tr>
<tr>
<td>Endorsements (electronic)</td>
<td>215,276</td>
<td>815,289</td>
<td>1,030,565</td>
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<tr>
<td>Cancellations/Reinstatements (electronic)</td>
<td>14,082</td>
<td>54,877</td>
<td>68,959</td>
</tr>
<tr>
<td>Cancellations/Reinstatements (paper)</td>
<td>188</td>
<td>188</td>
<td></td>
</tr>
<tr>
<td><strong>Grand Totals</strong></td>
<td><strong>257,017</strong></td>
<td><strong>976,989</strong></td>
<td><strong>1,234,006</strong></td>
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</tbody>
</table>
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 2013, a total of 157,334 reports were collected.

FINES

The Association has a fining procedure for delinquent unit statistical reports. This procedure generated $50,050 in 2013.

INSOLVENT FUND ACCOUNT

The Association continues to make regular payments to claimants of Security Casualty Company of Chicago. No assessments were levied in 2013.
**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 21,089 files were published for Merit Rating in 2013. The 2013 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>
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<tbody>
<tr>
<td>0.67</td>
<td>18,324</td>
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<tr>
<td>0.90</td>
<td>2,198</td>
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<tr>
<td>1.00</td>
<td>484</td>
</tr>
<tr>
<td>1.10</td>
<td>83</td>
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EXPERIENCE RATING

During 2013, we continued our activities in connection with the experience rating of employers. 23,810 Minnesota intrastate experience ratings were published, including revisions. The 2013 breakdown of current Minnesota intrastate ratings by modification factor is as follows:

<table>
<thead>
<tr>
<th>Rating Range</th>
<th>Total Ratings</th>
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<tbody>
<tr>
<td>0.01 &amp; 0.49</td>
<td>0</td>
</tr>
<tr>
<td>0.50 &amp; 0.59</td>
<td>6</td>
</tr>
<tr>
<td>0.60 &amp; 0.69</td>
<td>86</td>
</tr>
<tr>
<td>0.70 &amp; 0.79</td>
<td>1,176</td>
</tr>
<tr>
<td>0.80 &amp; 0.89</td>
<td>5,578</td>
</tr>
<tr>
<td>0.90 &amp; 0.99</td>
<td>10,382</td>
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<tr>
<td>1.00 &amp; 1.09</td>
<td>1,415</td>
</tr>
<tr>
<td>1.10 &amp; 1.19</td>
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<td>1.20 &amp; 1.29</td>
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<td>1.30 &amp; 1.39</td>
<td>1,256</td>
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<td>1.40 &amp; 1.49</td>
<td>682</td>
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<tr>
<td>1.50 &amp; 1.59</td>
<td>361</td>
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<tr>
<td>1.60 &amp; 1.69</td>
<td>230</td>
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<td>1.90 &amp; 1.99</td>
<td>69</td>
</tr>
<tr>
<td>Greater than 1.99</td>
<td>76</td>
</tr>
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</table>
REVENUE AND EXPENSES

MW CIA had revenues of $8,503,926 of which $7,394,545 was collected through the assessment process.

**Revenues**

- Assessments: 7,394,545 (86.95%)
- Contract Services: 695,909 (8.18%)
- USP Fines: 50,050 (0.59%)
- Other: 348,494 (4.1%)
- Paper Processing: 14,928 (0.18%)
- **Total Revenues**: 8,503,926 (100%)

**Expenses**

- Compensation: 4,901,515 (63.99%)
- Management, General and Other: 1,247,345 (16.28%)
- Management Information Systems: 1,018,212 (13.29%)
- Rent & Utilities: 493,356 (6.44%)
- **Total Expenses**: 7,660,428 (100%)
**COMMITMENTS AND CONTINGENCIES**

Future lease and rent obligations have continued to drop, with future lease obligations of $1,435,103 for 2014 and forward.

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
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<tbody>
<tr>
<td>2014</td>
<td>224,280.00</td>
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<tr>
<td>2015</td>
<td>224,446.00</td>
</tr>
<tr>
<td>2016</td>
<td>209,685.00</td>
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<tr>
<td>2017</td>
<td>203,361.00</td>
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<tr>
<td>Thereafter</td>
<td>573,331.00</td>
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<tr>
<td>TOTAL</td>
<td>1,435,103.00</td>
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Our Members
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<tr>
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<th>Our Members</th>
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<tbody>
<tr>
<td><strong>ACCIDENT FUND COMPANY OF AMERICA</strong></td>
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<td></td>
<td>Accident Fund Insurance Company of America</td>
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<td><strong>ACE LIMITED</strong></td>
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<td>Penn Millers Insurance Company</td>
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<td>Westchester Fire Insurance Company</td>
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<td><strong>ACUITY, A MUTUAL INSURANCE COMPANY</strong></td>
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<td><strong>ADVANTAGE WORKERS COMPENSATION INSURANCE COMPANY</strong></td>
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<td>Insurance Company Of The State Of Pennsylvania</td>
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<td>National Union Fire Insurance Company Pittsburgh</td>
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<td>New Hampshire Insurance Company</td>
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<td>Capitol Indemnity Corporation</td>
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<td><strong>ALLIANZ GLOBAL RISKS US INSURANCE COMPANY</strong></td>
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<td>Allied World Insurance Company</td>
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<td>Allstate Property &amp; Casualty Insurance Company</td>
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<td>Esurance Insurance Company of New Jersey</td>
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<td>Northbrook Indemnity Company</td>
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<td>RepWest Insurance Company</td>
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<td>American Family Mutual Insurance Company</td>
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<td>ArgonautMidwest Insurance Company</td>
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<td>Rockwood Casualty Insurance Company</td>
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<td><strong>ARROWPOINT CAPITAL GROUP</strong></td>
<td>Arrowpoint Indemnity Company</td>
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<td>ATLANTIC MUTUAL INSURANCE GROUP</td>
<td>Atlantic Mutual Insurance Company</td>
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<td>AUTO-OWNERS INSURANCE GROUP</td>
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<td>AXA Insurance Company, Coliseum Reinsurance Company</td>
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<td>AXIS U.S. INSURANCE</td>
<td>AXIS Insurance Company, AXIS Reinsurance Company</td>
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<td>BALDWIN AND LYONS INCORPORATED</td>
<td>Protective Insurance Company, Sagamore Insurance Company</td>
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<td>BANCINSURE, INCORPORATED</td>
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<td>BENCHMARK INSURANCE COMPANY</td>
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<td>BERKSHIRE HATHAWAY HOMESTATE INSURANCE COMPANY</td>
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<td>CHURCH MUTUAL INSURANCE COMPANY</td>
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<td>CINCINNATI INSURANCE COMPANY</td>
<td>Cincinnati Casualty Company, Cincinnati Indemnity Company, Cincinnati Insurance Company</td>
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<td>CLARENDON NATIONAL INSURANCE COMPANY</td>
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<td>COMPANION PROPERTY &amp; CASUALTY INSURANCE GROUP</td>
<td>Companion Commercial Insurance Company, Companion Property &amp; Casualty Insurance Company</td>
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<td>COMPASS INSURANCE COMPANY</td>
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<td>CRUM &amp; FORSTER INSURANCE GROUP</td>
<td>Crum &amp; Forster Indemnity Company, North River Insurance Company, United States Fire Insurance Company</td>
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<td>DAKOTA TRUCK UNDERWRITERS</td>
<td>Dakota Truck Underwriters, First Dakota Indemnity Company</td>
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<td>DENTISTS INSURANCE COMPANY</td>
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<td>DIAMOND INSURANCE COMPANY</td>
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<td>EASTERN ALLIANCE INSURANCE GROUP</td>
<td>Allied Eastern Indemnity Company, Eastern Advantage Assurance Company, Eastern Alliance Insurance Company</td>
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<td>ELECTRIC INSURANCE COMPANY</td>
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<td>EMPLOYERS HOLDINGS INC.</td>
<td>Employers Assurance Company, Employers Compensation Insurance Company, Employers Preferred Insurance Company</td>
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<td>ENDURANCE SPECIALTY GROUP</td>
<td>Endurance Reinsurance Corporation of America, Endurance Risk Solutions Assurance Company</td>
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<td>EVEREST REINSURANCE GROUP</td>
<td>Everest National Insurance Company, Everest Reinsurance Company</td>
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<td>FAIRFAX FINANCIAL INCORPORATED</td>
<td>Clearwater Select Insurance Company, Hudson Insurance Company, Odyssey America Reinsurance Corporation</td>
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FARM BUREAU MUTUAL GROUP
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
Foremost Insurance Company
Foremost Property and Casualty Company
Foremost Signature Insurance Company
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
Associated Indemnity Corporation
Fireman’s Fund Insurance Company
National Surety Corporation
San Francisco Reinsurance Company

FLORISTS MUTUAL INSURANCE COMPANY

FM GLOBAL GROUP
Affiliated FM Insurance Company

FRANKENMUTH MUTUAL INSURANCE COMPANY

FREESTONE INSURANCE COMPANY

GATEWAY INSURANCE COMPANY

GENERAL REINSURANCE GROUP
General Reinsurance Corporation
Genesis Insurance Company

GENERAlI UNITED STATES BRANCH

GLOBAL REINSURANCE CORPORATION OF AMERICA

GMAC GROUP HOLDINGS
Integon National Insurance Company

GMAC INSURANCE GROUP
MIC Property and Casualty Insurance Corporation

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
Triumph Casualty Company

GREATER NEW YORK MUTUAL INSURANCE COMPANY

GRINNELL MUTUAL GROUP
Grinnell Mutual Reinsurance Company
Grinnell Select Insurance Company

GUARD INSURANCE GROUP
Amguard Insurance Company
Eastguard Insurance Company
Norguard Insurance Company

GUIDEONE INSURANCE
Guideone Elite Insurance Company
Guideone Mutual Insurance Company

HANOVER INSURANCE GROUP
Allmerica Financial Benefit Insurance Company
Citizens Insurance Company of America
Hanover American Insurance
Hanover Insurance Company
Massachusetts Bay Insurance Company
Nova Casualty Company

HARCO NATIONAL INSURANCE COMPANY

HARLEYSVILLE INSURANCE GROUP
Harleysville Insurance Company
Harleysville Lake States Insurance Company
Harleysville Worcester 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, Ltd
Twin City Fire Insurance Company

HDI GERLING GROUP
HDI Gerling America Insurance Company

HEALTH CARE INSURANCE RECIPROCAL

HIGHLANDS INSURANCE COMPANY

HOME INSURANCE COMPANY

HORACE MANN INSURANCE GROUP
Horace Mann Insurance Company
Teachers Insurance Company

HOUSTON INTERNATIONAL INSURANCE GROUP
Great Midwest Insurance Company
Imperium Insurance Company
NATIONWIDE INSURANCE GROUP
- Allied Insurance Company of America
- Allied Property & Casualty Insurance Company
- Amco Insurance Company
- Depositors Insurance Company
- Farmland Mutual Insurance Company
- Freedom Specialty Insurance Company
- Harleysville Preferred 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
- NAU Country Insurance Company

NAU GROUP

NORTH AMERICAN CASUALTY GROUP
- Continental Indemnity Company
- Illinois Insurance Company
- Pennsylvania Insurance Company

OLD REPUBLIC INSURANCE GROUP
- American Business & Mercantile Insurance Mutual Inc
- 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
- Employers Fire Insurance Company
- OBI National Insurance Company
- OneBeacon America Insurance Company
- OneBeacon Insurance Company

PARTNERRE GROUP
- PartnerRe Insurance Company of New York

PARTNERRE INSURANCE COMPANY OF NEW YORK

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
- ProAssurance Indemnity Company, Inc.

PROSIGHT SPECIALTY INSURANCE GROUP
- New York Marine and General Insurance Company

PROVIDENCE HOLDINGS GROUP
- Imperial Casualty and Indemnity Company

PROVIDENCE WASHINGTON INSURANCE COMPANY
- American Physicians Assurance Corporation
- Providence Washington Insurance Company

PUBLIC SERVICE MUTUAL INSURANCE COMPANY

PXRE REINSURANCE COMPANY

QBE INSURANCE COMPANY
- North Pointe Insurance Company
- Praetorian Insurance Company
- QBE Insurance Company
- QBE Reinsurance Company
- Stonington Insurance Company

QBE REGIONAL INSURANCE GROUP
- General Casualty Company of Wisconsin
- General Casualty Insurance Company
- National Farmers Union Property and Casualty Company
- Regent Insurance Company

QUANTA INDEMNITY COMPANY

RAM MUTUAL INSURANCE COMPANY

RAMPART INSURANCE COMPANY

REPUBLIC COMPANIES GROUP
- Southern Insurance Company

RLI INSURANCE COMPANY

RTW, INC.
- American Compensation Insurance Company
- Bloomington Compensation Insurance Company
- Plaza Insurance Company

RURAL COMMUNITY INSURANCE COMPANY

SAFETY NATIONAL GROUP
- Safety First Insurance Company
- Safety National Casualty Corporation

SAMSUNG FIRE & MARINE INSURANCE COMPANY LTD

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.

SENTRY INSURANCE, A MUTUAL GROUP
Middlesex Insurance Company
Patriot General Insurance Company
Sentry Casualty Company
Sentry Insurance, A Mutual Company
Sentry Select Insurance Company

SFM MUTual INSURANCE COMPANY
SFM Mutual Insurance Company
SFM Select Insurance Company

Society INSURANCE, A MUTUAL COMPANY

SOcIETY INSURANCE, A MUTUAL COMPANY

SOMpo JAPAN INSURANCE COMPANY OF AMERICA

SPARTA INSURANCE HOLDINGS INC.
Sparta Insurance Company

STARR INTERNATIONAL USA INC.
Starr Indemnity & Liability Company

STATE AUTOMOBILE MUTUAL INSURANCE GROUP
Meridian Citizens Mutual Insurance Company
Meridian Security Insurance Company
Milbank Insurance Company
State Auto Property & Casualty Insurance Company
State Automobile Mutual Insurance Company

STATE FARM FIRE & CASUALTY GROUP
State Farm Fire & Casualty Company
State Farm General Insurance Company

STATE NATIONAL GROUP
National Specialty Insurance Company
State National Insurance Company

SWISS REINSURANCE GROUP
North American Elite Insurance Company
North American Specialty Insurance Company
Swiss Reinsurance America Corporation
Washington International Insurance Company
Westport Insurance Corporation

TAWA GROUP
Lincoln General Insurance Company

T.H.E. INSURANCE COMPANY

TIG INSURANCE GROUP
Fairmont Insurance Company
Fairmont Premier Insurance Company
Fairmont Specialty Insurance Company
TIG Insurance Company

Tokio Marine Holdings

TNUS Insurance Company
Tokio Marine America Insurance Company
Trans Pacific Insurance Company

TOWER GROUP COMPANIES
CastlePoint National Insurance Company
Preserver Insurance Company
Tower Insurance Company of New York
Tower National Insurance Company

TRANSATLANTIC HOLDINGS INC.

Fair American Insurance and Reinsurance Company

TRANSGUARD INSURANCE COMPANY OF AMERICA, INCORPORATED

TRANSPORT INSURANCE COMPANY

TRAVELERS INSURANCE GROUP
Automobile Insurance Company of Hartford, Connecticut
Charter Oak Fire Insurance Company
Discover Property & Casualty Insurance Company
Farmington Casualty Company
Fidelity & Guaranty Insurance Company
Fidelity & Guaranty Insurance Underwriters, Inc.
Nipponkoa Insurance Company Ltd.
Northland Insurance Company
Phoenix Insurance Company
Select Insurance Company
St. Paul Fire & Marine Insurance Company
St. Paul Guardian Insurance Company
St. Paul Mercury Insurance Company
St. Paul Protective Insurance Company
Standard Fire Insurance Company
Travelers Casualty & Surety Company
Travelers Casualty & Surety Company of America
Travelers Casualty Company of Connecticut
Travelers Casualty Insurance Company of America
Travelers Commercial Insurance Company
Travelers Constitution State Insurance Company
Travelers Indemnity Company
Travelers Indemnity Company of America
Travelers Indemnity Company of Connecticut
Travelers Property Casualty Company of America
United States Fidelity & Guaranty Company

TRENWICK AMERICA GROUP, INCORPORATED

Insurance Corporation of New York
Trenwick America Reinsurance Corporation

TRIANGLE INSURANCE COMPANY INC

ULLICO 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
UTICA MUTUAL INSURANCE COMPANY
VANLINER INSURANCE COMPANY
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
Riverport Insurance 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 Insurance Company of New York
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
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
Our 2013 Annual Meeting was called to order at 9:30 a.m. Tuesday, April 16, 2013, 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. Gary Preslaski
- Mr. Michael Levy
- Mr. Andrew Doonan
- Mr. Kevin Christy

**Representing:**
- Owners Insurance Group (Stock)
- AIG (Stock)
- Zurich American Insurance Company (Stock)
- Western National Insurance Group (Non-Stock)

During 2012-13, we held four Board Meetings at which we focused our discussions on the 2014 Ratemaking Report, web-based delivery of MWCIA products and services, industry-wide collaborative efforts, MWCIA manuals, and communications.
As of December 31, 2013, 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.

<table>
<thead>
<tr>
<th>Director</th>
<th>Representing</th>
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<tbody>
<tr>
<td>Mr. Keith Krueger</td>
<td>American Compensation Insurance Company</td>
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<td>Mr. Michael Levy</td>
<td>AIG</td>
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<td>Mr. Paul Larson</td>
<td>Federated Insurance Companies</td>
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<td>Mr. Peter Caminiti</td>
<td>Liberty Mutual Insurance Company</td>
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<td>Mr. Gary Thaden*</td>
<td>MN Mechanical Contractors Association</td>
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<td>Mr. Barry Preslaski</td>
<td>Owners Insurance Company</td>
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<td>Mr. Brian Bent</td>
<td>SFM Mutual Insurance Company</td>
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<td>Ms. Mary Wachholz</td>
<td>Travelers</td>
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<td>Mr. Kevin Christy</td>
<td>Western National Mutual Insurance Company</td>
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<td>Mr. Kevin Gregerson*</td>
<td>Wilson-McShane Corporation</td>
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<tr>
<td>Mr. Andrew Doonan</td>
<td>Zurich American Insurance Company</td>
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<tr>
<td>Mr. Wes Mattsfield</td>
<td>RAM Mutual Insurance Company</td>
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*Public member appointed by the Minnesota Department of Commerce
BIOGRAPHY OF BRIAN R. BENT
AVP AND DIRECTOR OF UNDERWRITING
SFML 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 Fund 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.

He is a current officer and board member of the CPCU (Charter Property Casualty Underwriter) Chapter. Brian has served the Boy Scouts of America since 2004 in a number of leadership positions. 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

SENIOR DIRECTOR OF STATE OPERATIONS
LIBERTY MUTUAL INSURANCE COMPANY

A native New Englander, 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 Insurance in 2002 and has served in a variety of commercial property & casualty home office and field operation roles. His responsibilities have spanned several functions and business units.

He has held position across finance, underwriting and product management throughout small, mid and national business units. His diverse background includes responsibilities with field underwriting operations, servicing carrier operations, national construction wrap programs, captives and other complex transactions, product costing, ratemaking, pricing and modeling.

Peter currently is the Senior Director of State Operations for the Midwest, part of Liberty’s Commercial Insurance Product Management group. He makes his home in Southborough, MA.
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. He began his career in the insurance industry as an Actuarial Analyst with Capitol Indemnity Company in 1995. In 1999 he joined Western National as an actuary. Kevin worked his way up through the ranks, becoming vice president and chief actuary in 2008.

Over the years, Mr. Christy has served his industry as a board member of the MJUA (Minnesota Joint Underwriters Association), 2005 – 2013; as a member of the ISO (Insurance Services Office) Personal Lines Actuarial Panel, 2007 – 2012, as a member of the ISO Actuarial Panel 2012 – Present and as a member of various Casualty Actuarial Society Committees.

He is a Fellow of the Casualty Actuarial Society (FCAS) a member of the American Academy of Actuaries (MAAA), and a Chartered Property & Casualty Underwriter (CPCU).

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 Eden Prairie, MN with his wife, Kerrie.
BIography of Andrew J. Doonan

Senior Account Executive,
Zurich Insurance Group

A native of the Twin Cities, Andrew J. Doonan graduated with a Bachelors of Science degree from Drake University in Des Moines, Iowa where he earned a double major in Insurance and Marketing.

Andrew started his underwriting career in 1996 with The Hartford as a commercial lines underwriter. He also spent seven years with Chubb Insurance and has been in Zurich’s construction department for the last seven years as a casualty underwriter.

Andrew enjoys his Minnesota summers by golfing and fishing in the Land of 10,000 Lakes. He currently resides in Edina, MN.
BIOGRAPHY OF KEVIN S. GREGERSON

DIRECTOR, NEGOTIATED WORKERS' COMPENSATION PROGRAMS
WILSON-MCSHANE CORPORATION

A native of Minnesota, Kevin S. Gregerson earned a Bachelor of Arts in Counseling Psychology from Metropolitan State University, St. Paul, MN (1981).

In 1989, he joined the Minnesota Department of Labor and Industry as a dispute resolution specialist in the Administrative Conferences Section, a position he held until his 1993 promotion to vocational rehabilitation policy analyst. In 1995, Kevin was named Director of the Department's Negotiated Workers' Compensation programs.

Also, while at the Department, he served a four-year term as the executive membership secretary for a public employee union (MAPE- Minnesota Association of Professional Employees), where he was involved in grievance resolution, contract negotiations and membership services.

In 1997, Kevin joined Wilson-McShane Corporation – a plan administrator providing services to over 70 Taft-Hartley trust funds with offices in several states – to develop a negotiated workers’ compensation program for Minnesota's construction industry.

Kevin is an avid road bicyclist, backpacker and Nordic ski racer. He makes his home in Edina, MN.
BIOGRAPHY OF KEITH D. KRUEGER

VICE PRESIDENT
RTW

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 vice president of underwriting WC and Operations for RTW.

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.
BIOGRAPHY OF PAUL D. LARSON

P&C PRODUCT ANALYST
FEDERATED INSURANCE

A native of Farmington, MN, Paul Larson holds a masters degree in Counseling and Student Personnel from Mankato State University (1993).

After holding a position in college student affairs, Paul began his career with Federated Insurance. For the past 17 years, he has served in various positions including Commercial Underwriter, Risk Analyst, and District Underwriting Manager as he rose to his current position of P&C Product Analyst.

In addition to his professional career, Paul has served as Deacon at Grace Baptist Church (1995-present), as an Awana Leader/Commander (1997-present) and as an adult Bible teacher (1994-present).

He makes his home in Owatonna, MN with his wife, Wendy, and their four children. Paul enjoys playing and coaching basketball, as well as watching his children participate in sports.
BIOGRAPHY OF MICHAEL D. LEVY

BRANCH MANAGER
AIG

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 AIG 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 children, 2 girls and a boy.
BIOGRAPHY OF WES MATTSFIELD

PRESIDENT, COMMERCIAL LINES
RAM MUTUAL INSURANCE COMPANY

A native of Hutchinson, MN, Wes Mattsfield served as board member, vice president and president of the Woodland Mutual Insurance Company (1990-2008).

Concurrently, he served as a parent member of: Northern Lights Special Education Cooperative (1991-1995); Governor’s Interagency Coordinating Council on Early Childhood Intervention (also as co-chair and chair, 1995-2003); Minnesota Self-Assessment Process (1998-2000); and The Duluth Region Care Center Board of Directors (also as vice president and president 2007-2014).

Wes enjoys cooking, gardening, hunting and fishing.

He makes his home in Esko, MN with his son, Lucas.
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 master’s 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, holding the positions of commercial lines underwriter and home office line underwriter before becoming marketing representative for the Lansing office.

In 1996, Mr. Preslaski returned to West Des Moines, IA, as marketing representative. By 1999, he was promoted to underwriting supervisor, becoming underwriting manager in 2000.

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 Hugo, 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 for 12 years served 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 Vice President of the Hennepin County 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.
BIOGRAPHY OF MARY WACHHOLZ
SECOND VICE PRESIDENT
WORKERS COMPENSATION UNDERWRITING & PRODUCT
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 underwriting & product 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.
Our Dedicated Staff
MWCIA MANAGEMENT TEAM

Sue Levey, Director, Information Technology
Brandon Miller, Executive Vice President
Bruce Tollefson, President
Kathleen Peterson, Vice President, Operations, Treasurer and Secretary
Craig Anderson, Vice President, Actuarial Services
MWCI MEMBER & CUSTOMER SERVICES

Staff: Jennifer Glywasky, Glenn Colby, Belinda Seitzer, Jeff Kvam (supervisor), Caroline Timmerman, Melodie LaChapelle and Sue Grover

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'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: Jane Payne, Jennifer Lapke, Ora Lowery (supervisor), Cindy Westphal and Letha Kuehn (not pictured)

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 DATA QUALITY

Staff: Pam Flaten (manager)

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 ADMINISTRATIVE SERVICES

Staff: Gretchen Steinwall, Leann Hayes (manager), Linda Monson, Phyllis Rence and Karen Ose (not pictured)

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.
- 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 ELECTRONIC DATA

MAIN FUNCTIONS

Staff: Jody Hetrick, Kim LaHoud (supervisor) 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.
MWCIA ASSIGNED RISK

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

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.
MWCIA INFORMATION TECHNOLOGY

Staff: Debbie Peterson, Ailyna Khath, Tom Goodrich, Muhammad Kashif, Marc Coleman, Sue Levey (director), Deb Ronald, Scott Gatzke, Deanne Reese, Pat Riley, Angeli Lintag and Savitha Venkateshaiah (not pictured)

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.
Membership Events
ANNUAL Luncheon
ANNUAL Golf Outing
ANNUAL Golf Outing