



# Transitioning With **STRENGTH**

[PRESIDENT'S  
LETTER](#)

[STATE OF  
THE MARKET](#)

[PRODUCTS  
& SERVICES](#)

[COLLABORATIONS](#)

[FINANCIALS &  
STATISTICALS](#)

[OUR  
MEMBERS](#)

[OUR  
BOARD](#)

[OUR  
STAFF](#)



## PRESIDENT'S Letter

---

2014 was a transitional year for MWCIA. When you think transition, oftentimes images of chaos or crisis come to mind. For our Association in 2014, transition meant continuing our years-long effort to improve and evolve how we operate on behalf of our members.

Early in the year, we revisited our mission statement to make sure it still resonates with how we provide services. We updated and refined the statement;

***The mission of the Minnesota Workers' Compensation Insurers Association is to collect, process, and analyze workers' compensation data so that we can provide high quality, consistent information to our insurer members and regulators.***

***We will develop and deliver useful services and products to the workers' compensation community.***

As you can see we are refocusing on accurate collection and analysis of data, which has always been our main goal, while also working to provide additional value and analysis for our members moving forward.

Throughout the years, we have highlighted and focused extensively on technological investments on our own and with other Data Service Organizations to improve our effectiveness and ease of access for our members and other users. On the expense side, we continue to see benefits through stabilized costs, a flatter organization and lower infrastructure costs. Our members are also able to report information in a more accurate and timely manner, leading to a significant reduction in penalties and fines assessed to the industry. With newer releases in some key applications we are making statistical and financial reporting easier and more seamless.



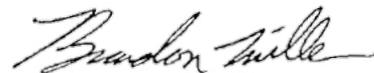
On the ratemaking side, we have seen the benefits of stability in the Minnesota system due to our long-term system understanding and ratemaking experience. For the 11th time in 12 years (including approved 2015 rates) we have seen advisory pure premiums drop. Most impressive is that the annual rate changes in each of those 12 years has not exceeded 4% in any one year. The Minnesota system is predictable and stable, which provides great opportunities for our members to file competitive and responsive rates. This in turn allows our business climate to benefit from stable rates, and our injured workers to be provided benefits from financially stable companies.

During 2014, we implemented a number of changes and enhancements in our operations and processes to tighten up our responsiveness and to provide more assurances that we are operating in a similar environment as our members who pay assessments. Our budget and staffing numbers have been flat or decreasing for 3 years and we are able to process more policies, USRs and Assigned Risk applications at a more highly cross-trained and efficiently staffed level.

Another evolutionary area has been Board Governance. Our Board has been instrumental this year in working with me and our legal counsel to revisit governance principles in order to become a more effective organization. We have revisited and proposed changes to our committee structure, roles and responsibilities. We have gained insight and input from a couple new Board members and have seen transition in our Board Chair and Executive Committee as well.

2014 was a good year. I am looking forward to working with our great staff and the Board to make our Association even more vibrant and responsive while continuing to provide our core responsibilities to the Minnesota workers' compensation industry.

Sincerely,



Brandon Miller

President

# STATE OF THE Market



**RESPONSIVE**



## STATE OF THE Market

---

The Minnesota workers' compensation market continues to be healthy and predictable. The underwriting cycle started to shift in 2011, increasing insured premium volume and dropping loss ratios. Pure premium levels continue their steady yet modest decline, and carrier LCMs continue to show stability. Case frequency is still decreasing, albeit at a slower rate, and carriers continue to release indemnity case reserves at a steady pace. Medical cost changes bear watching, with severity increases not atypical of countrywide averages, and case reserve levels showing consistent growth.



*You must  
welcome change  
as the rule  
but not as  
your ruler.*

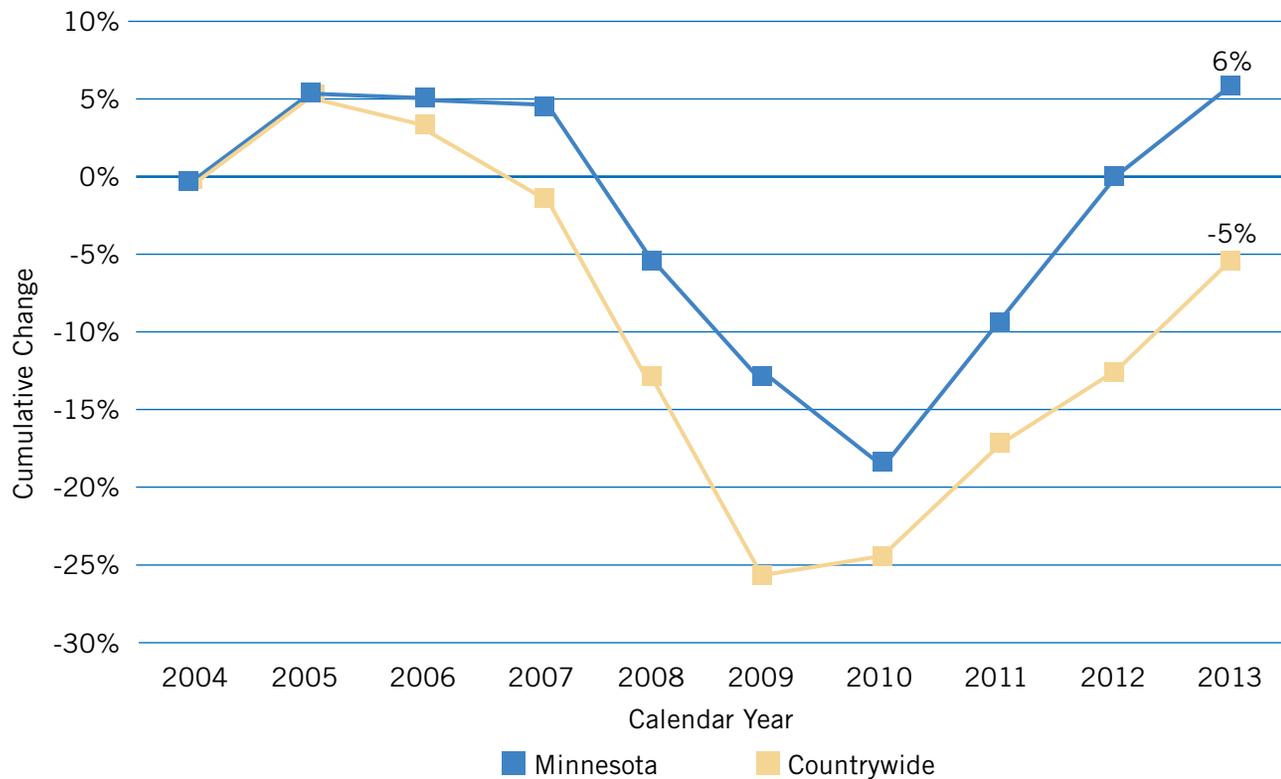
*Denis Waitley*





### PREMIUM CHANGES

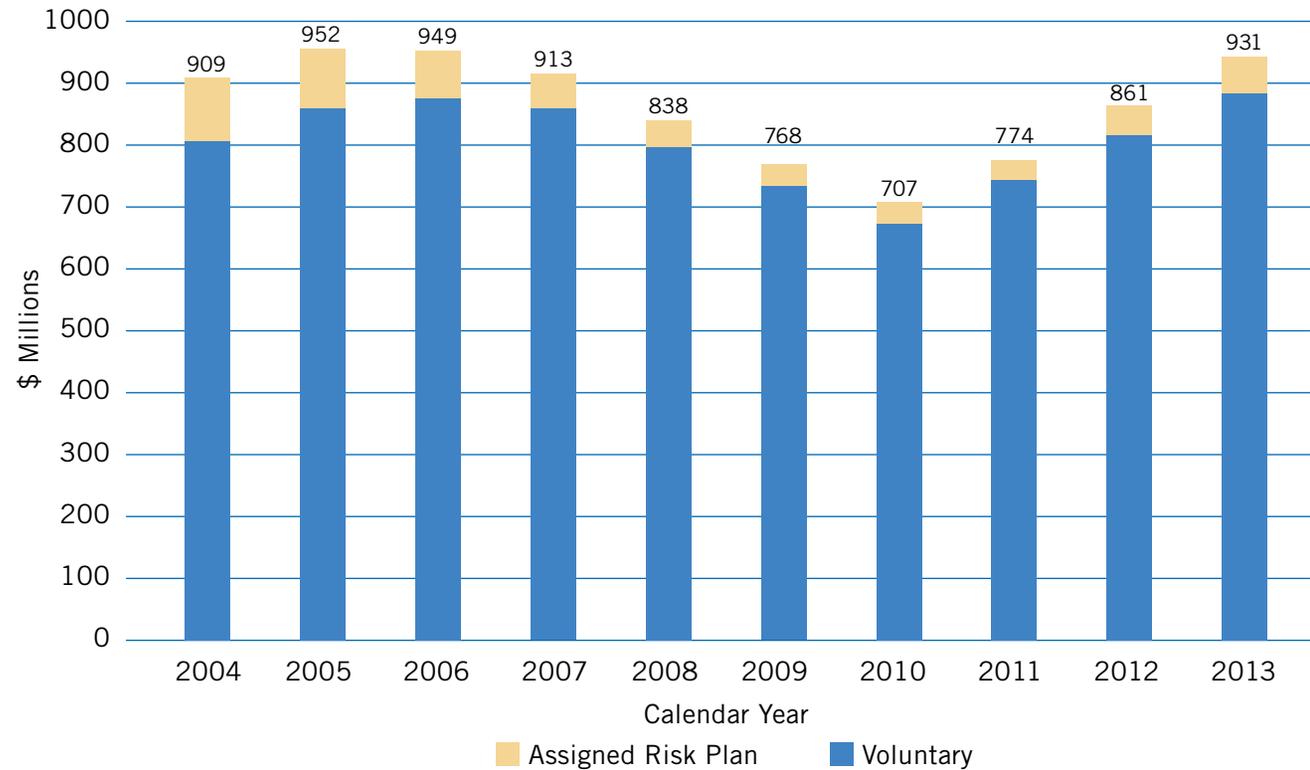
Changes in statewide premium volume have been less severe than countrywide trends.





## DIRECT EARNED PREMIUM

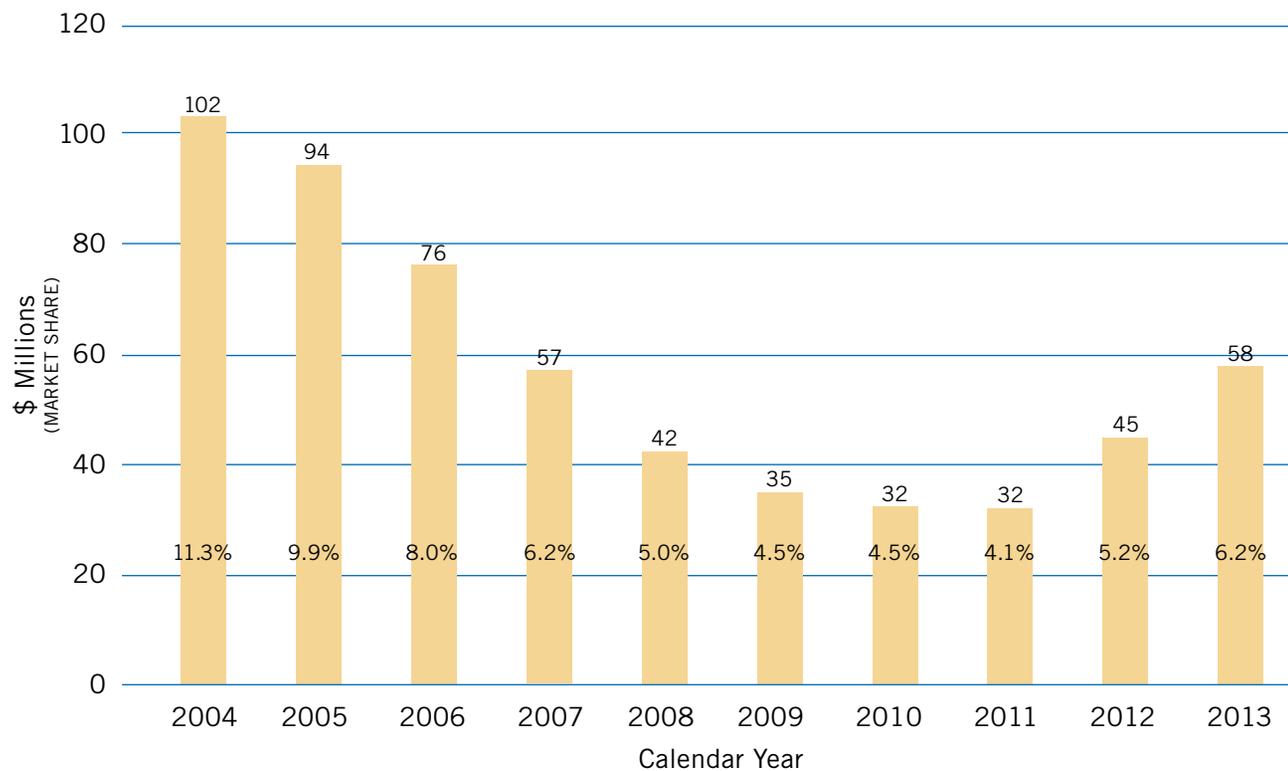
Following five years of decreases, premium has grown over 30% since 2010.





### ASSIGNED RISK PREMIUM

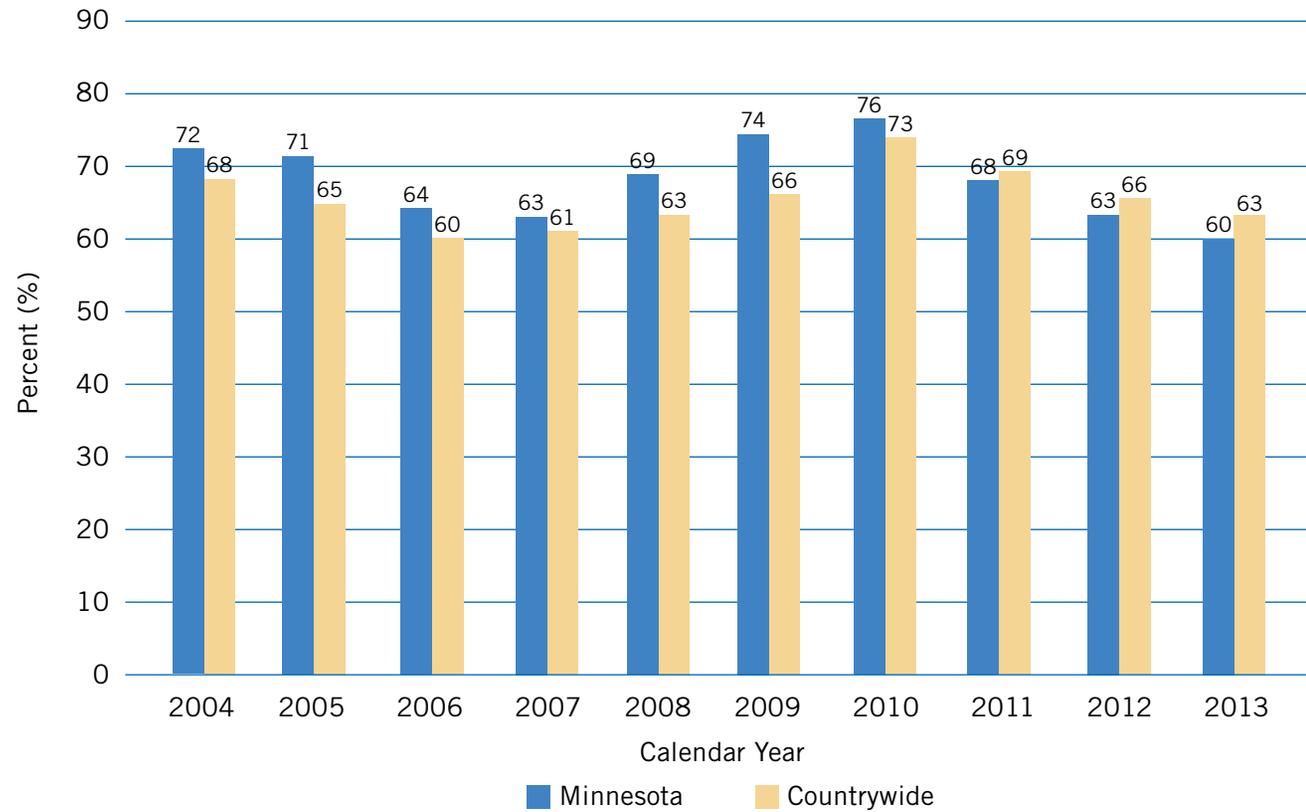
Although almost doubling over 2011-2013, the assigned risk market share has been less than 6.5% of total insured premium since 2007.





## LOSS RATIOS

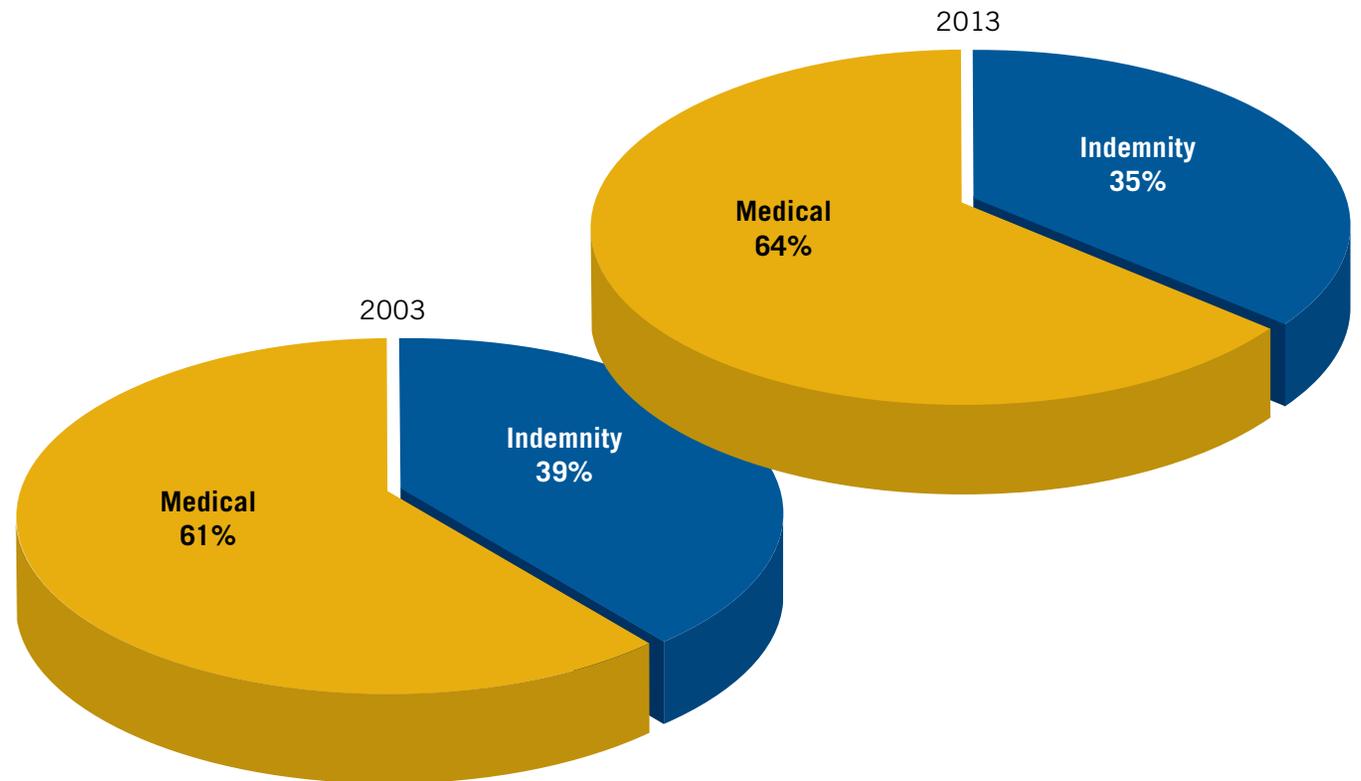
Statewide incurred to earned loss ratios have improved faster than countrywide averages since 2010.





## MEDICAL BENEFIT PERCENT

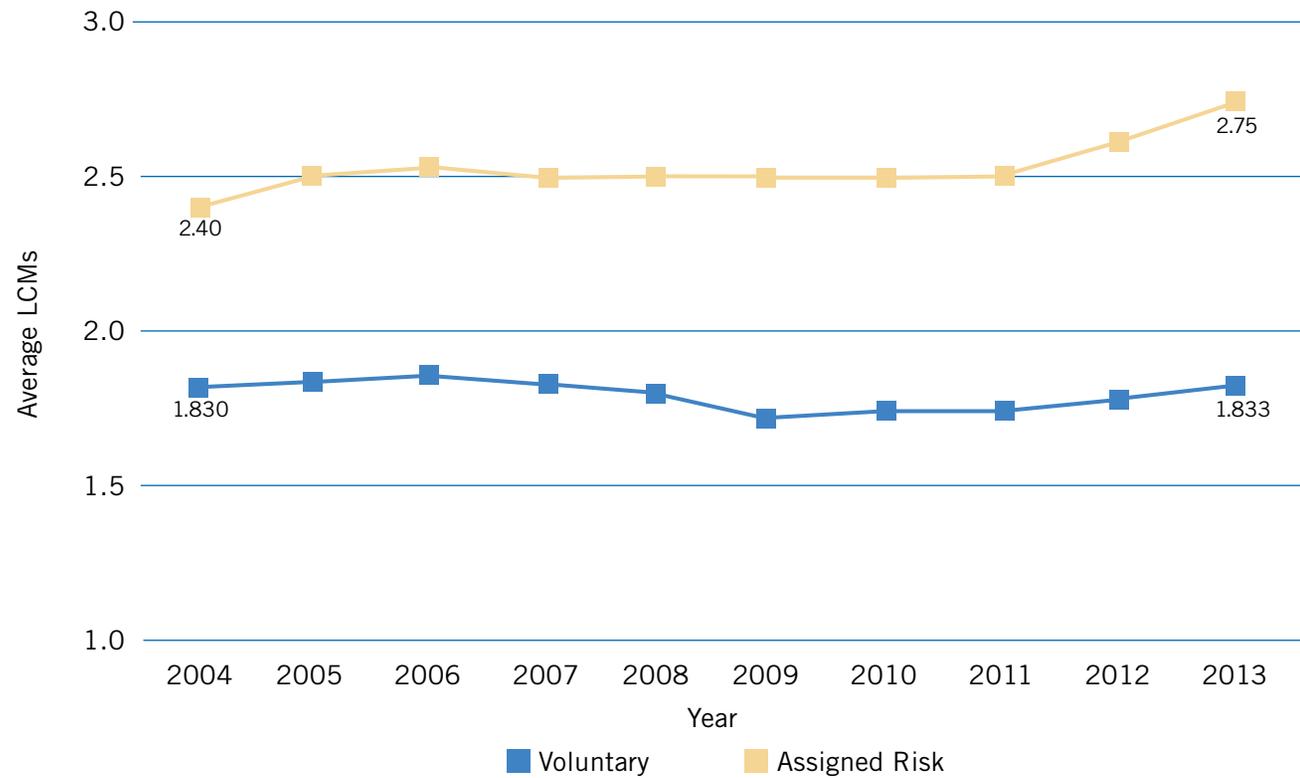
The medical benefit portion of the claim dollar continues to grow, now standing at 64%.





### STANDARD TO DSR PREMIUM

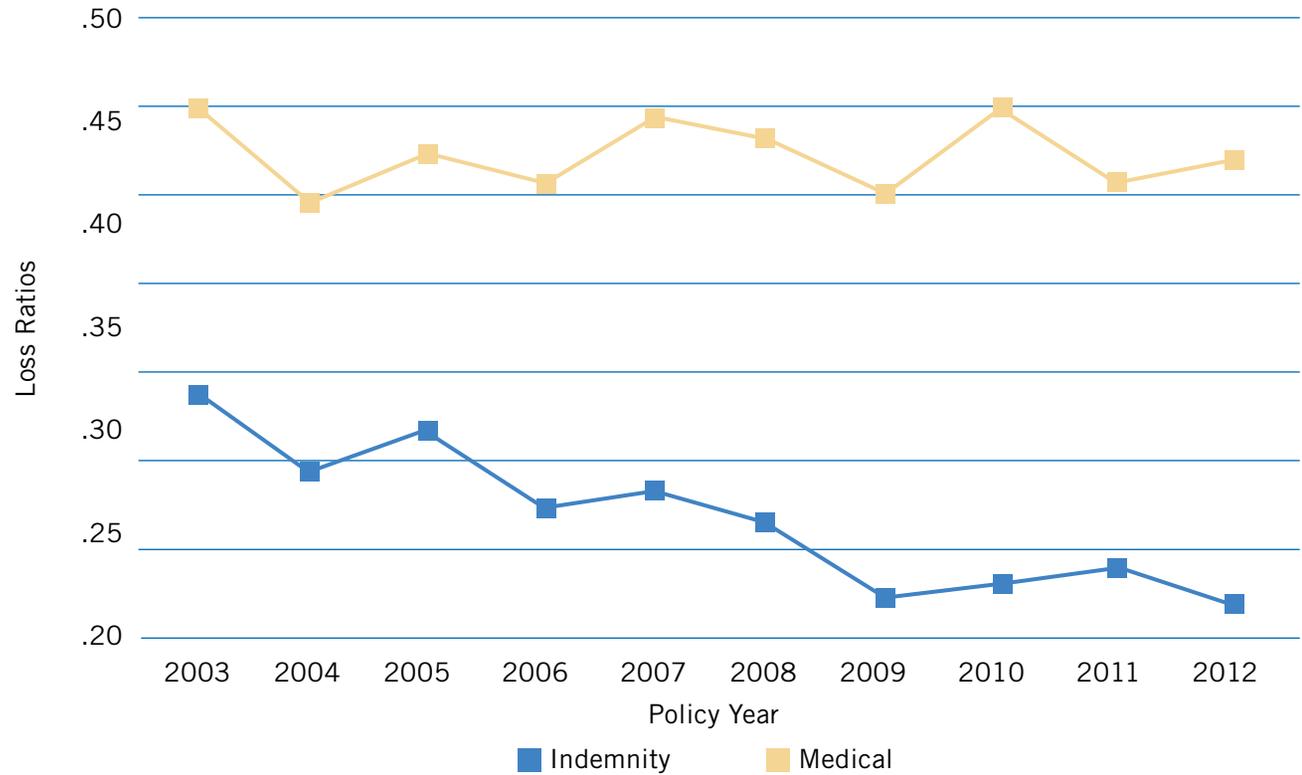
While assigned risk loss cost multipliers have increased close to 15% over the last 10 years, voluntary market LCMs have remained fairly stable.





## INDEMNITY & MEDICAL LOSS RATIOS

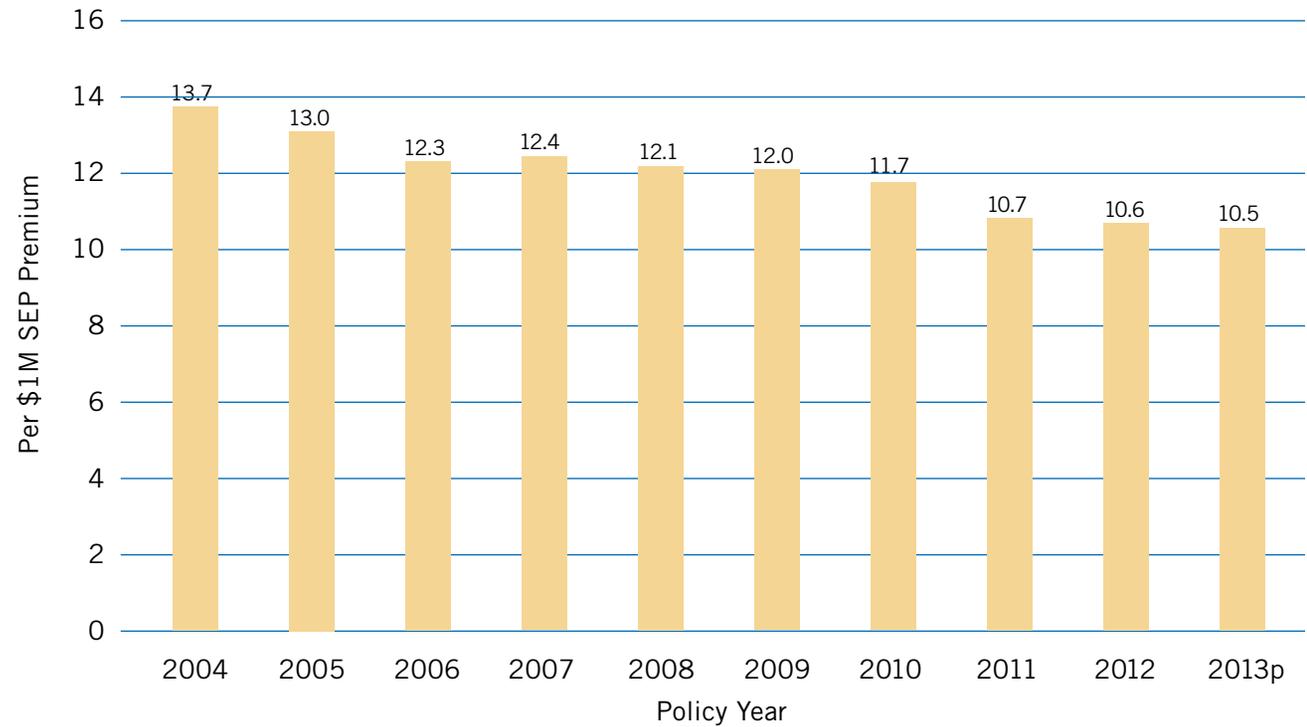
First report indemnity loss ratios have decreased over 30% since 2003, while medical loss ratios have stagnated.





### LOST-TIME FREQUENCY

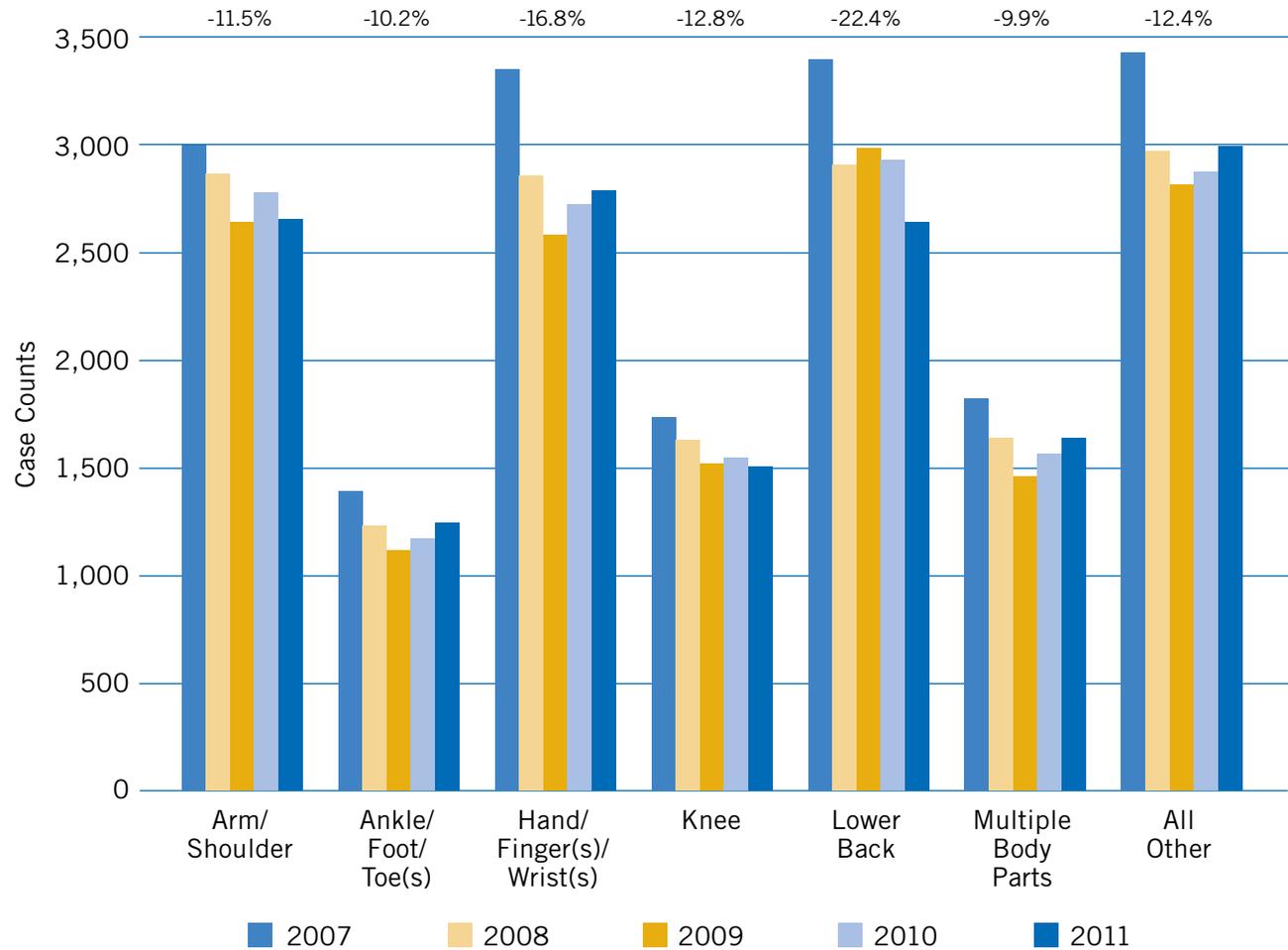
Although slowing, indemnity case frequency has decreased over 23% since 2004.





### INJURY BODY PARTS

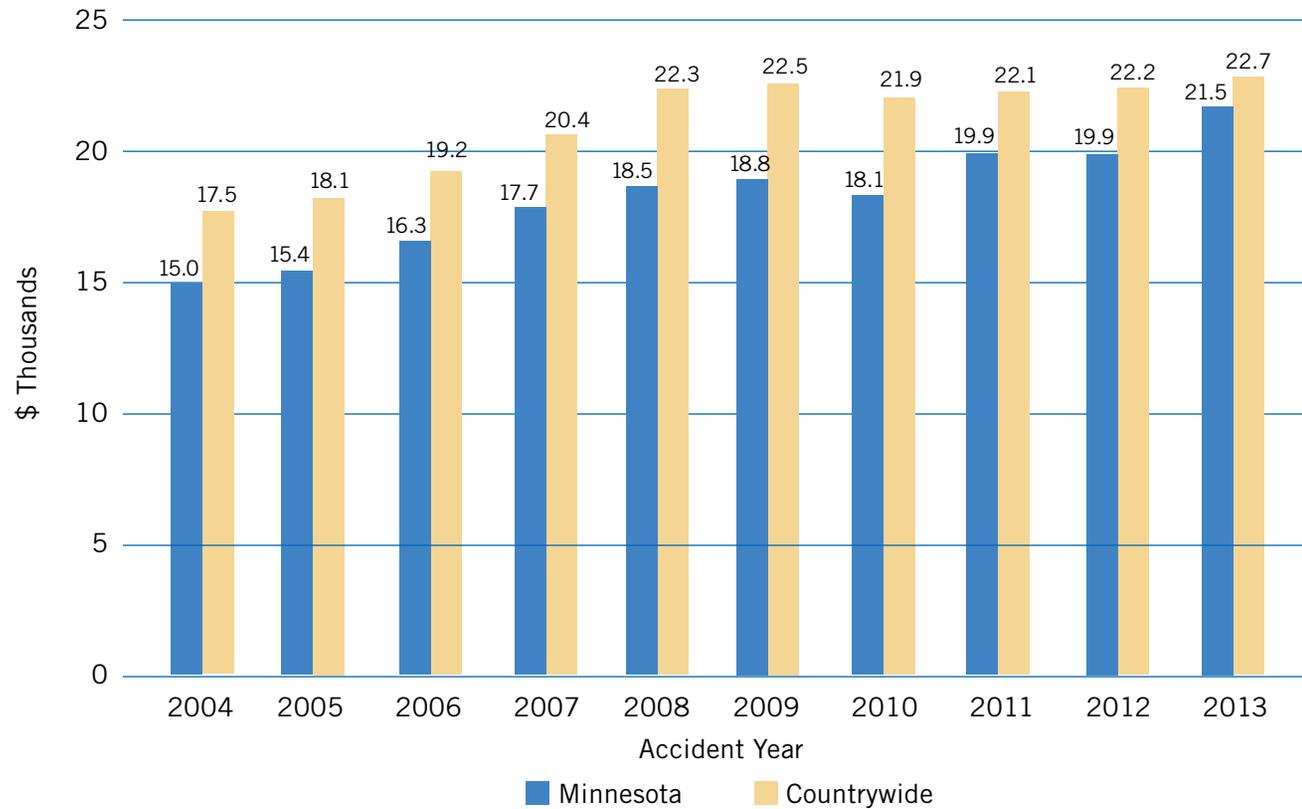
A 22% drop in lower back injuries is the most significant driver of the frequency decreases.





## LOST-TIME SEVERITY

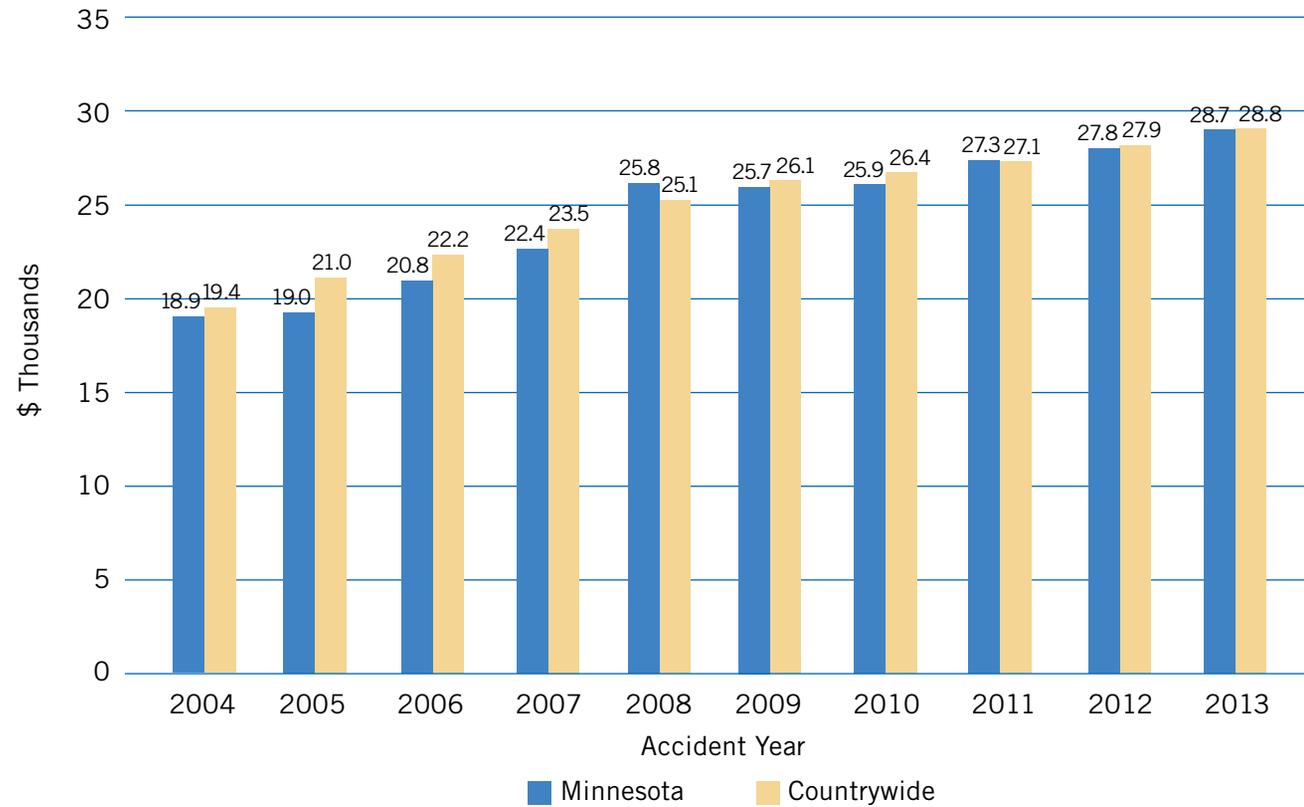
Although increasing in recent years, indemnity severities still remain well below national averages.





## LOST-TIME MEDICAL SEVERITY

Lost-time medical severity averages and changes have been typical of their countrywide counterparts.

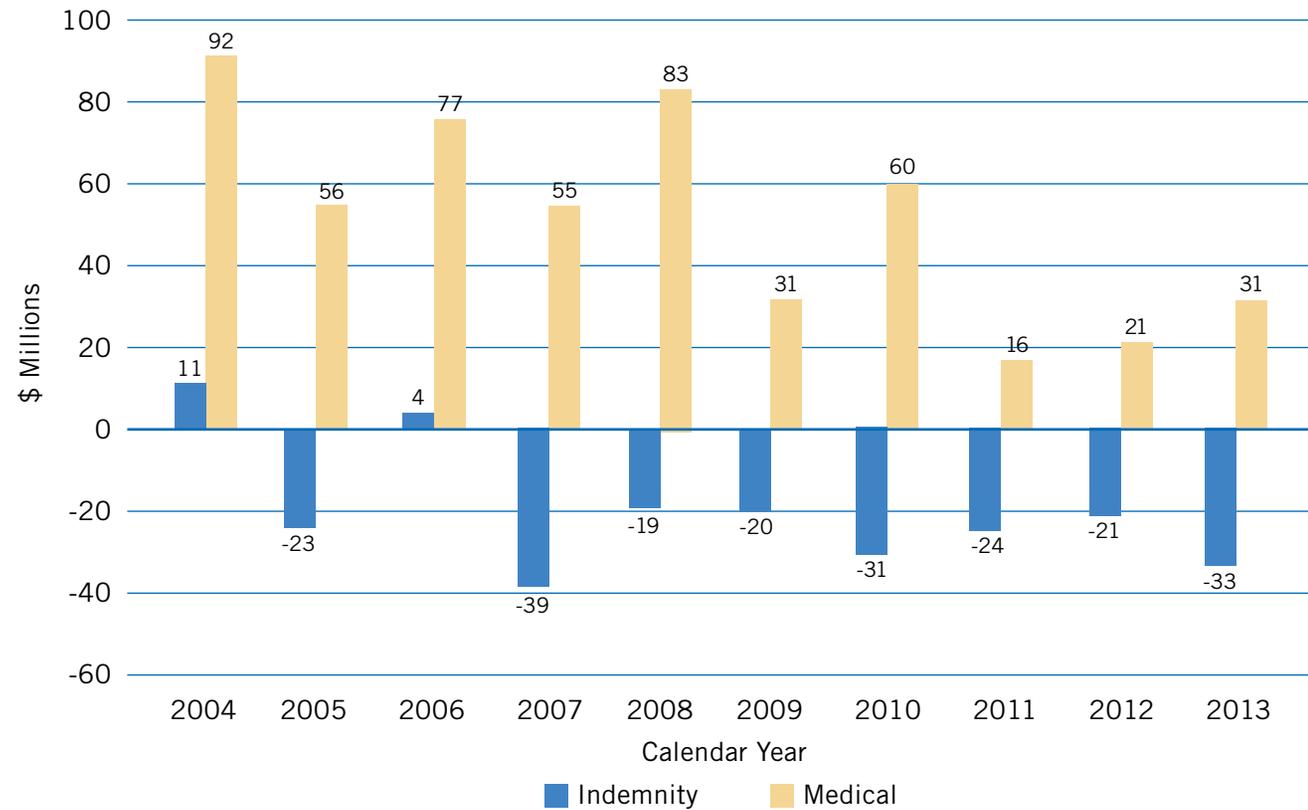




### CASE RESERVE CHANGES

Consistent indemnity case reserve reductions continue, averaging -3% per year since 2006.

Medical case reserves continue to increase, but at somewhat slower increments in recent years.



# PRODUCTS & Services

A photograph of four women in a professional office setting. They are gathered around a table, looking at a laptop. The woman on the left is wearing a pink sweater. The woman in the center is wearing a blue sweater and glasses. The woman on the right is wearing a red sweater and glasses. The woman on the far right is wearing a green sweater and glasses. The laptop is a Dell. There are papers and pens on the table.

**RELIABLE**



## PRODUCTS & Services

---

### OPERATION SERVICES, KATHLEEN PETERSON

2014 was a year of transition and opportunity for the Operational Services staff. We were able to take advantage of the technological investments, made over the past few years, in developing new software tools that created efficiencies for member carriers and MWCIA.

With less staff, we were able to maintain our standard of excellent customer care when responding to carrier and agent inquiries, processing data, maintaining Minnesota Workers' Compensation manuals, providing external training, conducting on-going communications with industry stakeholders and providing an array of other miscellaneous services.

To meet the challenges in 2014, Operational Services refocused our energy on streamlining responsibilities by continuing to cross-train staff, revising and/or creating new internal user manuals, updating workflow procedures and taking a closer look at succession planning.

*Examples of 2014 initiatives are as follows:*

#### WORKFLOW AND PROCEDURE UPDATE PROJECT

Some of the workflow and procedures updated in 2014 concerned the following:

- > Policy
- > Proof of Coverage
- > Carrier Membership
- > Unit Statistical Report
- > Experience Ratings
- > Web Membership
- > Filings
- > Insolvent Insurers
- > Financial Data

---

*Employ every  
economy consistent  
with thoroughness,  
accuracy and  
reliability.*

*Arthur C. Nielsen*

---



## **REVISED OR CREATED NEW INTERNAL MANUALS/USER GUIDES**

- > Accounting/HR Handbook (revised)
- > MCPAP User Guide (new)
- > Ownership User Guide (new)
- > Web Membership User Guide (new)

## **MANAGE USR REWRITE**

This web-based application enables our registered data providers to manage submissions and to facilitate full online management of their USR data. The Data Provider has the ability to create new USRs as well as do replacements, corrections, subsequent reports, and revisions to un-submitted data.

During 2014, Operations staff was actively involved, along with IT staff, in determining the business requirements for the Manage USR rewrite.

## **MWCIA QUARTERLY NEWSLETTER PROJECT TEAM**

During 2014, MWCIA formed a project team to begin to review how to best communicate with our audience on an on-going basis. Items being considered include revising format, frequency, length and content.

## **ASSIGNED RISK PREMIUM AUDIT PILOT PROGRAM**

During the first two quarters of 2014, MWCIA worked on a special project conducting premium audits for the Minnesota Assigned Risk Plan. Our results were summarized and provided to the Minnesota Assigned Risk Plan Administrator.

*Examples of other services, tools and communications afforded by MWCIA to member carriers, agents and other industry stakeholders are as follows:*

## **MWCIA CROSS INDEX**

The MWCIA website includes a Cross Index for Minnesota Endorsement and the Workers' Compensation Insurance Organization (WCIO) WCPOLS Record Type Codes. This cross index allows a carrier to easily determine whether an endorsement contains information required to be reported via WCIO WCPOLS and if so, where the Record Type Code specifications are located in the WCIO WCPOLS manual.



### **EXPERIENCE MOD HISTORY AND EXPERIENCE MOD CALCULATOR**

The Experience Mod History application allows you to search for employer experience.

The Experience Mod Calculator application allows interested parties to estimate Minnesota intrastate experience modifications. This program is not intended to cover all the rules and exceptions found in the Experience Rating Plan Manual and cannot 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 this 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**

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



*Perfection is  
not attainable,  
but if we chase  
perfection we can  
catch excellence.*

*Vince Lombardi*





### **CARRIER DATA QUALITY REPORT**

In 2014, MWCIA distributed carrier data quality reports for data received or due in 2013. The objective of this report is to provide carriers with useful feedback regarding the quality and timeliness of data they submitted to our organization during 2013.

### **MWCIA CIRCULAR LETTERS**

The MWCIA Circular Letters provides a method for providing 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. Circular Letters are written by MWCIA staff and are posted on our website.

### **MWCIA BROCHURES**

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

### **MWCIA EDUCATION AND INFORMATIONAL PRESENTATIONS**

The Member and Customer Services staff continued to “reach out” to members, agents and the business community at large to provide educational and informational presentations. During 2014, staff provided external presentations to carriers, agents and business owners.

### **COMPASK**

MWCIA’s website CompAsk feature continues to provide yet another source of valuable and timely Workers’ Compensation information. CompAsk’s content is a by-product of inquiries MWCIA receives from the insurance community (employers, agents, and carriers). As the content changes with time, “old” information is archived in the Learning Center to make room for the “new” content. This “archiving” feature allows us to “bring back” or recycle information that is more time sensitive or cyclic in nature.



## ACTUARIAL SERVICES, CRAIG ANDERSON

### RATEMAKING REPORT

The 2015 Ratemaking Report was released on August 5. 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 2.5 percent this year. By specific industry, this breaks down as follows:

Manufacturing	+1.2%
Contracting	-1.8%
Office & Clerical	-5.2%
Goods & Services	-3.4%
Miscellaneous	-3.7%

---

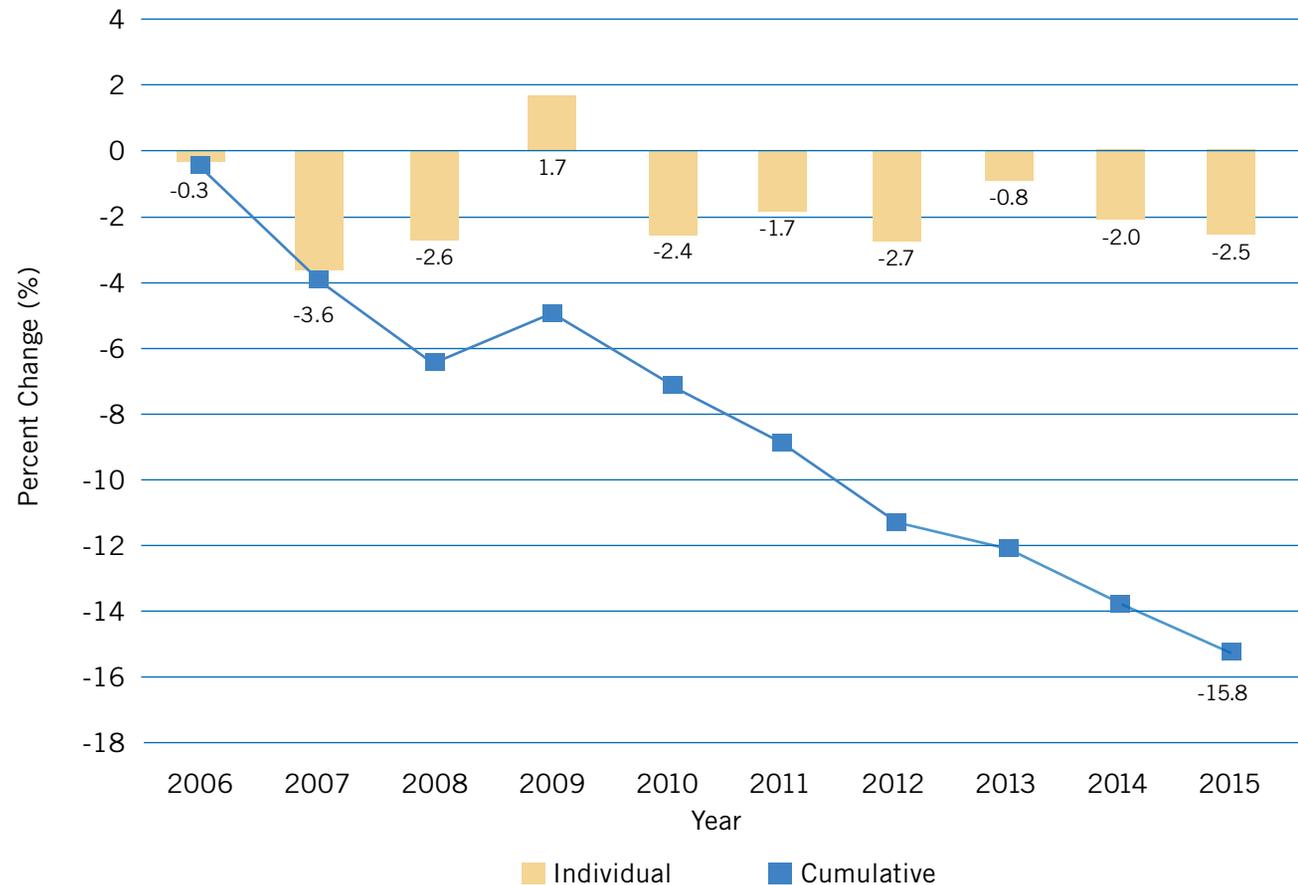
*I can't change  
the direction of the wind,  
but I can adjust  
my sails to always  
reach my destination.*

*Jimmy Dean*

---



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, 2015 base rates are 15.8 percent lower than their 2005 counterparts.





## **ACTUARIAL**

MWCIA's Actuarial and Information Technology departments continue to work hand-in-hand to develop and refine valuable resources for the industry. From internal research and production software such as TRACER and XRAY, to external tools like ARROW and ACCEDE™, actuarial staff continue to pursue more efficient methods to collect and analyze carrier data.

### **ARROW**

ARROW (Analytic Report Resource on the Web) is a web-based product developed to query against statewide and carrier-specific experience rating and statistical plan data. Three report formats are currently available: Summarized Class Experience, Custom Historical Triangle, and Average Experience Modification. During 2014 staff added two features to enhance ARROW: (1) new part/nature/cause of injury filters to the Custom Historical Triangle report (2) queries to summarize experience rating data via the Average Experience Modification report.

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, claims status, and now, part/nature/cause of injuries. Both queries are available through the latest 10 policy years. Average Experience Modification queries provide access to experience modification data for the three most recent completed experience rating years. Output from all three report formats can be grouped by class/industry group, premium range and geographical region within the state of Minnesota.

### **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.

ACCEDE™ Online includes an online Acknowledgment Form, a Loss Cost Multiplier screen, and a Self-Audit Form to assist with accurate carrier data submissions. ACCEDE™ also allows carriers to efficiently download and edit their data, as well as view up to five report year submissions. The online features and internal processes are robust and up to date with current technologies.



### **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 produces pure premium rates based on the likely/not-likely loss development methodology, consistent with the procedure implemented in the NCCI states.

### **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 workers' compensation data reporting needs. Here are some of the initiatives we pursued in 2014:

### **WEB EXPERIENCE MOD HISTORY**

In January, we rolled out a new and improved system for carriers and agents to look up employer history, review experience mod history, and download experience ratesheets. Of particular note, carriers can now download multiple experience ratesheets in bulk in PDF, WCRATING text format, and WCRATING XML format.

### **WEBSITE**

In February, we upgraded our website to Microsoft .Net 4.0. This makes the site HTML-5 compliant and therefore more compatible with browsers such as Safari, Chrome, Firefox, and the latest versions of Internet Explorer.

### **CDX**

In June, ACCCT (American Cooperative Council on Compensation Technology) rolled out a new version of CDX (Compensation Data Exchange) which carriers and TPAs can use to manage their data submissions to MWCIA and other participating data collection organizations. Improvements to the CDX site include a new look and feel, top-down navigation, and better management features. MWCIA is proud to participate actively in ACCCT and CDX. For more information, please see the Collaboration section.

### **ARROW**

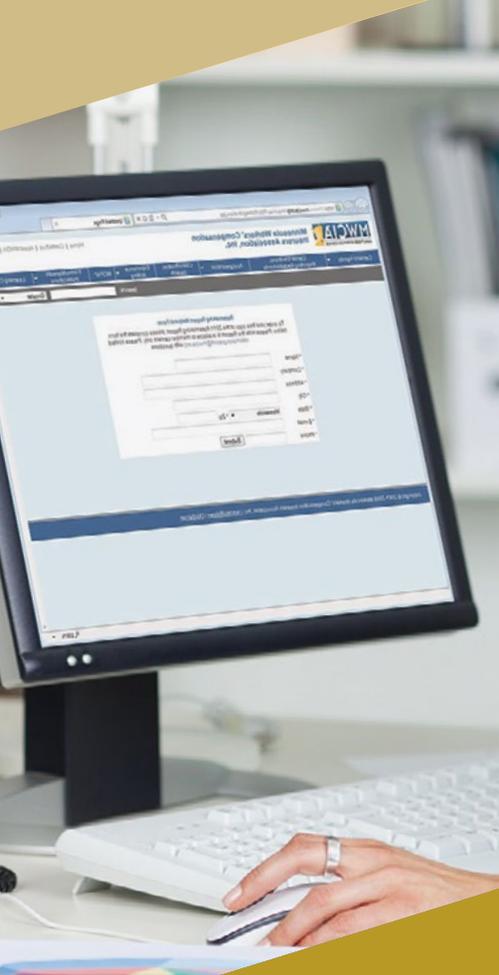
In October, we expanded ARROW (Analytic Report Resource on the Web) to include a new average experience mod report type and additional custom historical triangle parameters. The database backend was also rewritten. For more information, please see the Actuarial section.

---

*The aim of marketing is  
to know and understand  
the customer so well the  
product or service fits  
him and sells itself.*

*Peter Drucker*

---



### MANAGE USR

During 2014, we gathered requirements for a new and improved unit statistical reporting system for our members. As part of this process, we solicited input directly from members via surveys and email. Like our Manage Policy System, this system will incorporate near-real-time processing. We look forward to developing and testing the new Manage USR in 2015.

### INTRANET

MWCIA staff uses a Microsoft Sharepoint intranet system to share internal information related to projects, committees, departments, and other company matters. In October, we upgraded the intranet to Sharepoint 2013. As part of this process, we reviewed all content, eliminated or archived obsolete material, and redesigned the site. We hope that the new intranet will help staff to collaborate and share even more effectively.

### 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 payments online. In 2014, 88 percent of approved applications were submitted electronically:

Description	OAR Count	Paper Count
ASSIGNED	8380	1127
RETURNED	4655	160

### WEB MEMBERSHIP AND WEB PRODUCTS

MWCIA continues to introduce new products and enhancements to our Web Membership system. This system allows MWCIA customers to manage their own accounts and permissions for MWCIA web products. For example, in January, 2014, the new Web Experience Mod History product was integrated. In 2015, we look forward to pursuing additional improvements to help our customers manage their data more effectively.

# Collaborations

**DYNAMIC**



## Collaborations

---

MWCIA fills 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 forces with a number of other associations and organizations in our industry. It is through 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 web-based products include:

- > BEEP<sup>™</sup> (Bureau Entry and Edit Package) allows reporting organizations to import, enter, edit, and submit unit statistical information to participating Data Collection Organizations.
- > PEEP<sup>™</sup> (Policy Entry and Edit Package) allows reporting organizations to import, enter, edit, and submit policy information to participating Data Collection Organizations.
- > EXR (Experience Rating) allows reporting organizations to download or receive experience and merit rating data from participating Data Collection Organizations.

—◆—  
*Unity is strength...  
when there is teamwork  
and collaboration,  
wonderful things  
can be achieved.*

*Mattie Stepanek*

—◆—



### **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. Members 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. The Spectrum suite of products continues to grow and evolve. Enhancements and ongoing maintenance allow us to continue to serve our customers effectively.

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 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 to better serve its audiences.

Through this cooperation and overlap among our fellow state associations, government and regulatory bodies, our members, and our internal departments we have been able to expand and enhance our own capabilities as well as those of our members.

# DOCUMENTING Results

**ACCURATE**



# 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 Minnesota Department of Labor and Industry with computer-generated online information on workers' compensation insurance coverage and eliminates the carrier's obligation to file notifications of coverage and cancellation with the Department.

	Assigned Risk	Voluntary Market	Totals
Policies Counts	28,505	107,179	135,684
Transaction Counts	71,193	309,306	380,499
Cancellations/Reinstatements Counts	14,638	55,026	69,664
<b>Grand Totals</b>	<b>114,336</b>	<b>471,511</b>	<b>585,847</b>

### 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 2014, a total of 162,136 reports were collected.



### FINES

The Association has a fining procedure for delinquent unit statistical reports. This procedure generated \$75,512 in 2014.

### INSOLVENT FUND ACCOUNT

The Association continues to make regular payments to claimants of Security Casualty Company of Chicago. No assessments were levied to members for this ongoing liability in 2014.

### 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 21,009 files were published for Merit Rating in 2014. The 2014 Merit Ratings were distributed as indicated on the chart below.

Merit Rating Factor	Number of Assigned Risk Files
0.67	18,233
0.90	2,221
1.00	475
1.10	80

  
*Employ every  
 economy consistent  
 with thoroughness,  
 accuracy and  
 reliability.*  
*Arthur C. Nielsen*  




## EXPERIENCE RATING

During 2014, we continued our activities in connection with the experience rating of employers. 25,191 Minnesota intrastate experience ratings were published, including revisions. The 2014 breakdown of current Minnesota intrastate ratings by modification factor is as follows:

Total Ratings between 0.01 & 0.49	0
Total Ratings between 0.50 & 0.59	10
Total Ratings between 0.60 & 0.69	242
Total Ratings between 0.70 & 0.79	1,878
Total Ratings between 0.80 & 0.89	7,000
Total Ratings between 0.90 & 0.99	9,197
Total Ratings between 1.00 & 1.09	1,391
Total Ratings between 1.10 & 1.19	1,063
Total Ratings between 1.20 & 1.29	1,089
Total Ratings between 1.30 & 1.39	1,344
Total Ratings between 1.40 & 1.49	841
Total Ratings between 1.50 & 1.59	427
Total Ratings between 1.60 & 1.69	294
Total Ratings between 1.70 & 1.79	149
Total Ratings between 1.80 & 1.89	105
Total Ratings between 1.90 & 1.99	59
Total Ratings greater than 1.99	102

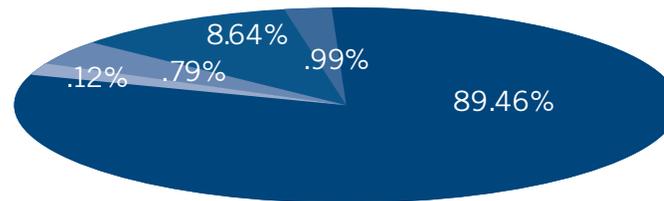


## REVENUE AND EXPENSES

MWCIA had revenues of \$7,648,616 of which \$6,842,393 was collected through the assessment process.

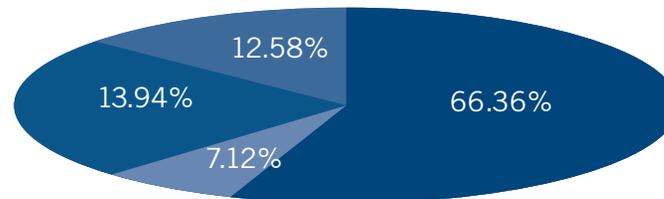
### Revenues

Assessments	6,842,393	89.46%
Contract Services	661,016	8.64%
USP Fines	75,512	.99%
Other	60,507	.79%
Paper Processing	9,188	.12%
	7,648,616	100%



### Expenses

Compensation	4,688,977	66.36%
Management, General and Other	985,066	13.94%
Management Information Systems	889,206	12.58%
Rent & Utilities	503,037	7.12%
	7,066,286	100%





## COMMITMENTS AND CONTINGENCIES

Future lease and rent obligations have continued to drop, with future lease obligations of \$1,210,823 for 2015 and forward.

2015	224,446.00
2016	209,685.00
2017	203,361.00
2018	205,705.00
2019	209,010.00
Thereafter	158,616.00
TOTAL	1,210,823.00

## OUR Members



# ENERGETIC



## OUR Members

---

### ACCIDENT FUND COMPANY OF AMERICA

Accident Fund General Insurance Company  
Accident Fund Insurance Company of America  
Accident Fund National 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  
Penn Millers Insurance Company  
Westchester Fire Insurance Company

### ACUITY, A MUTUAL INSURANCE COMPANY

### ADVANTAGE WORKERS COMPENSATION INSURANCE COMPANY

### AETNA INSURANCE COMPANY OF CONNECTICUT

### AIG

AIU Insurance Company  
AIG Property Casualty Company  
American Home Assurance 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

### 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 ASSURANCE GROUP Allied World Insurance Company

### ALLSTATE INSURANCE GROUP

Allstate Indemnity Company  
Allstate Insurance Company  
Allstate Northbrook Indemnity Company  
Allstate Property & Casualty Insurance Company  
Esurance Insurance Company of New Jersey

### AMERCO

RepWest Insurance Company

### AMERICAN CONTRACTORS INSURANCE GROUP

ACIG Insurance Company

### AMERICAN EMPIRE INSURANCE COMPANY

### AMERICAN FAMILY MUTUAL INSURANCE GROUP

American Family Insurance Company  
American Family Mutual Insurance Company  
Midvale Indemnity 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  
Amerisure Partners Insurance Company

### AMTRUST FINANCIAL COMPANY

AmTrust Insurance Company of Kansas  
First Nonprofit Insurance Company  
Milwaukee Casualty Insurance Company  
Security National Insurance Company, Inc.  
Sequoia Insurance Company  
Technology Insurance Company  
Wesco Insurance Company

### ARCH INSURANCE GROUP

Arch Indemnity Insurance Company  
Arch Insurance Company  
Arch Reinsurance Company

### ARGO GROUP U.S.

Argonaut Great Central Insurance Company  
Argonaut Insurance Company  
Argonaut-Midwest Insurance Company  
Rockwood Casualty Insurance Company



**ARMOUR RISK MANAGEMENT**  
Employers Fire Insurance Company  
OneBeacon America Insurance Company  
OneBeacon Insurance Company

**ARROWPOINT CAPITAL GROUP**  
Arrowpoint Indemnity Company

**ASHMERE INSURANCE COMPANY**

**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

**BENCHMARK INSURANCE COMPANY**

**BERKSHIRE HATHAWAY HOMESTATE INSURANCE COMPANY**  
Oak River Insurance Company  
Redwood Fire & Casualty Insurance Company

**BROTHERHOOD MUTUAL INSURANCE COMPANY**

**BURLINGTON INSURANCE GROUP**  
First Financial Insurance Company

**CATERPILLAR INSURANCE COMPANY**

**CENTRE INSURANCE COMPANY**

**CENTURION CASUALTY COMPANY**

**CHEROKEE 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 Casualty Company  
Cincinnati Indemnity 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**

**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

**DENTISTS INSURANCE COMPANY**

**DIAMOND INSURANCE COMPANY**

**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  
EMCASCO Insurance Company  
Employers Mutual Casualty Company  
Hamilton Mutual Insurance Company  
Union Insurance Company of Providence

**EMPLOYERS HOLDINGS INC.**  
Employers Assurance Company  
Employers Compensation Insurance Company  
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 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
  - American 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
- 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
- ICW GROUP
  - Insurance Company of the West
- ILLINOIS CASUALTY COMPANY
- IMT MUTUAL HOLDING COMPANY
  - IMT Insurance Company
  - Wadena Insurance Company
- INDIANA LUMBERMENS MUTUAL INSURANCE COMPANY
- IOWA MUTUAL INSURANCE COMPANY
- IRONSHORE INDEMNITY, INCORPORATED
- KINGSWAY AMERICA, INC.
  - American Country Insurance Company
  - Mendakota Insurance Company
  - Mendota Insurance Company
- KNIGHTBROOK INSURANCE COMPANY
- LANCER INSURANCE COMPANY
- LIBERTY MUTUAL INSURANCE GROUP
  - American Economy Insurance Company
  - American Fire and Casualty Company
  - American States Insurance Company
  - Consolidated Insurance Company
  - Employers Insurance Company of Wausau
  - First Liberty Insurance Corporation
  - First National Insurance Company of America
  - General Insurance Company of America
  - Hawkeye-Security Insurance Company
  - Indiana Insurance Company
  - Liberty Insurance Corporation
  - Liberty Mutual Fire Insurance Company
  - Liberty Mutual Insurance Company
  - LM General Insurance Company
  - LM Insurance Corporation
  - LM Property and Casualty Insurance Company
  - Midwestern Indemnity Company
  - Netherlands Insurance Company
- LIBERTY MUTUAL INSURANCE GROUP (continued)
  - Ohio Casualty Insurance Company
  - Ohio Security Insurance Company
  - Peerless Indemnity Insurance Company
  - Peerless Insurance Company
  - Safeco Insurance Company of America
  - Wausau Business Insurance Company
  - Wausau Underwriters Insurance Company
  - West American Insurance 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 Indemnity Insurance Company
  - Occidental Fire & Casualty Company of North Carolina
- MEADOWBROOK INSURANCE GROUP
  - Star Insurance Company
- MEDMARC CASUALTY INSURANCE COMPANY
- MEMIC INDEMNITY COMPANY
- MEEMIC INSURANCE COMPANY
- METLIFE AUTO & HOME GROUP
  - Economy Fire & Casualty Company
- MHA INSURANCE COMPANY
- MICHIGAN MILLERS MUTUAL INSURANCE COMPANY
- MIDSTATES REINSURANCE CORPORATION
- MIDWEST FAMILY MUTUAL INSURANCE COMPANY
- MIDWEST INSURANCE COMPANY
- MILLERS GENERAL GROUP
  - Millers First Insurance Company Insurance
- MOTORISTS INSURANCE GROUP
  - Motorists Commercial Mutual Insurance Company
  - Wilson Mutual Insurance Company
- MS & AD INSURANCE GROUP
  - Aioi Nissay Dowa Insurance Company of America
  - Mitsui Sumitomo Insurance Company of America
  - Mitsui Simitoma Insurance USA Inc.



**MUNICH RE AMERICA CORPORATION GROUP**  
American Alternative Insurance Corporation  
American Family Home Insurance Company  
American Modern Home Insurance Company  
Munich Reinsurance America, Inc.

**NATIONAL AMERICAN INSURANCE COMPANY**

**NATIONAL INDEMNITY GROUP**  
American Centennial Insurance Company  
Atlanta International Insurance Company  
National Indemnity Company  
National Liability & Fire Insurance Company  
Philadelphia Reinsurance Corporation

**NATIONWIDE INSURANCE GROUP**  
Allied Insurance Company of America  
Allied Property & Casualty Insurance Company  
Amco Insurance Company  
Crestbrook 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 GROUP**  
NAU Country Insurance Company

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

**OLD REPUBLIC INSURANCE GROUP**  
American Business & Mercantile Insurance Mutual Inc  
BITCO General Insurance Corporation  
BITCO National Insurance Company  
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  
OBI National Insurance Company

**PARTNERRE GROUP**  
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

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 Safe Insurance Company  
SFM Select Insurance 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 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.

Transatlantic Reinsurance Company  
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.  
 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**

**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

# PROGRESSIVE Leadership

**PROACTIVE**



## PROGRESSIVE Leadership

---

Our 2014 Annual Meeting was called to order at 9:30 a.m. Tuesday, April 22, 2014, 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. Brian Bent  
Mr. Keith Krueger

**Representing:**

SFM Mutual Insurance Company  
American Compensation Insurance Company

During 2014, we held four Board Meetings at which we focused our discussions on the 2015 Ratemaking Report, web-based delivery of MWCIA products and services, industry-wide collaborative efforts, MWCIA manuals, and communications. We also spent considerable time on reviewing and adopting strong governance practices.

—◆—  
*Hold yourself  
responsible for a  
higher standard than  
anybody expects of you.*

*Never excuse yourself.*

*Henry Ward Beecher*  
—◆—



As of December 31, 2014, 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](#)

AIG

[Mr. Paul Larson](#)

Federated Insurance Companies

Open

Liberty Mutual Insurance Companies

[Mr. Gary Thaden\\*](#)

MN Mechanical Contractors Association

[Mr. Barry Preslaski](#)

Owners Insurance Company

[Mr. Brian Bent](#)

SFM Mutual Insurance Company

[Mr. Kevin Christy](#)

Western National Mutual Insurance Company

[Mr. Kevin Gregerson\\*](#)

Wilson-McShane Corporation

[Mr. Andrew Doonan](#)

Zurich American Insurance Company

[Mr. Wes Mattsfield](#)

RAM Mutual Insurance Company

[Ms. Jessica Mayer](#)

Travelers

\*Public member appointed by the Minnesota Department of Commerce



---

## **BIOGRAPHY OF BRIAN R. BENT**

### **VICE PRESIDENT 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 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 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-MC SHANE 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**

### **VICE 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 JESSICA MAYER**

### **SECOND VICE PRESIDENT WORKERS COMPENSATION UNDERWRITING & PRODUCT TRAVELERS INSURANCE COMPANIES**

Jessica Mayer began her underwriting career in 1976 and held positions of increasing responsibility from underwriter through branch manager, prior to moving into a home office role as Workers Compensation line of business head in 1997. She has been Workers Compensation line of business head at Atlantic Mutual, Crum and Forster and Hanover Insurance prior to joining Travelers in 2012 as second Vice President Workers Compensation Business Insurance. She currently serves on the Workers Compensation Boards in Wisconsin, Delaware and the North Carolina Guaranty Association. Prior to that she represented the PCA and AIA at the WCIO meetings for 10 years.



---

## **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 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 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.

## OUR DEDICATED Staff



**DILIGENT**



## **MWCIA MANAGEMENT TEAM**

Sue Levey, Vice President, Information Technology

Brandon Miller, President

Kathleen Peterson, Senior Vice President, Operations, Treasurer and Secretary

Craig Anderson, Vice President, Actuarial Services



## MWCIA MEMBER & CUSTOMER SERVICES

**Staff:** Jennifer Glywasky, Jeff Kvam (supervisor), Caroline Timmerman, Melodie LaChapelle, Sue Grover and Dani Main (not pictured).

### MAIN FUNCTIONS

- Member & Customer Services is the primary link to the public, providing assistance to employers, agents, carriers, state regulators, legislative representatives and other interested parties. Staff answers questions related to such things as classifications, experience modification calculations and rules, basic manual rules, Assigned Risk rules, procedures and classifications, MCPAP application assistance, audit procedures, ownership, etc.
- Includes Field Service staff that performs Test Audits and Classification Surveys.
- Publishes Circular Letters and MWCIA's quarterly newsletters.
- Coordinates, researches and/or prepares filings of various manual rules, forms and classification changes with the Department of Commerce.
- Develops and publishes informational brochures on a variety of workers' compensation topics.
- Provides education and information to agents, employers and member carriers through outside speaking engagements and by attending industry trade shows.



## 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 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.
- 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**

**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 (Vice President), Deb Ronald, Scott Gatzke, Deanne Reese, Pat Riley, Angeli Hoie and Don Peterson (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.

**OUR DEDICATED** Staff