



Minnesota Workers' Compensation
Insurers Association, Inc.
7701 France Avenue South • Suite 450
Minneapolis, MN 55435-3200

March 13, 2001

ALL ASSOCIATION MEMBERS

Circular Letter No. 01-1360

RE: Premium Due Date Endorsement

The Minnesota Department of Commerce has approved the above filing effective 12:01 A.M., February 20, 2001, applicable to new and renewal business only.

Standard Workers' Compensation & Employers Liability Policies (WC 00 00 00 A) currently do not address the due date of audit premiums or retrospective premiums. Due dates are key in determining whether or not premium balances are admitted. When due dates for receivables relating to a policy are not addressed by policy or contract provisions, however, the proposed endorsement language requires treating any uncollected audit premium, whether accrued or billed, as non-admittable. Beginning with the 2001 policy year, the National Association of Insurance Commissioners' (NAIC) Statement of Statutory Accounting Principles No. 6 establishes statutory accounting principles for direct and group billed uncollected premiums and bill receivable premiums as well as amounts due from agents and brokers. These items are admitted assets to the extent that they conform to the requirements of this statement. The language of the proposed endorsement establishes the due date for audit premiums and retrospective premiums as governed by policy or contract provisions.

The attached exhibit illustrates the changes necessary to the Forms Manual to implement the creation of a Premium Due Date Endorsement (WC 00 04 19). The language that is being added by this endorsement to *Part Five.D - Premium Payments* has been underlined. Additionally, the listing of applicable endorsements appearing in the Minnesota Exception pages of the *Basic Manual* will also be corrected to reflect the addition of WC 00 04 19.

Please direct any questions you may have concerning this item to one of our underwriters at 952-897-1737 or by e-mailing our office at underwriting@mwcia.org.

Very truly yours,

THOMAS J. McCARTY

Director of Member Services

A NOTICE TO MEMBERSHIP:

The Minnesota Department of Commerce requests that MWCIA remind its members that the above filing only applies automatically to insurance companies who have filed a Limited Power of Attorney agreement with our Commerce Department. A properly executed Limited Power of Attorney authorizes MWCIA to make filings on behalf of individual insurance companies. Any insurance company who has not filed a Limited Power of Attorney must independently submit the changes represented in each filing item to the Minnesota Department of Commerce for their approval.

EXHIBIT I
FORMS MANUAL

Proposed endorsement language as follows:

WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE POLICY

WC 00 04 19

Original Printing

Effective XX XX, 2001

Standard

PREMIUM DUE DATE ENDORSEMENT

Section D of Part Five of the policy is replaced by this provision:

**PART FIVE
PREMIUM**

D. **Premium** is amended to read:

You will pay all premium when due. You will pay the premium even if part or all of a workers compensation law is not valid. **The due date for audit and retrospective premiums is the date of the billing.**

EXHIBIT I

BASIC MANUAL

PART ONE – RULES

CURRENT NCCI PHRASEOLOGY:

RULE I - GENERAL

D. Policy and Endorsement Forms Manual

Refer to the Policy and Endorsement Forms Manual for complete description of coverages and instructions on use of policy and endorsement forms.

PROPOSED MINNESOTA EXCEPTION PHRASEOLOGY:

RULE I - GENERAL

D. Policy and Endorsement Forms Manual

The following forms and endorsements are applicable for use in Minnesota:

<u>FORM/ENDORSEMENT#</u>	<u>VERSION SUFFIX</u>	<u>DESCRIPTION</u>
Forms -		
WC000000	A	WORKERS COMP & EMPLOYERS LIAB. INS POLICY
WC000001	A	INFORMATION PAGE
WC890609	B	POLICY TERMINATION/CANCELLATION/REINSTATEMENT NOTICE
Endorsements -		
WC000101	A	DEFENSE BASE ACT COVERAGE
WC000102		FEDERAL COAL MINE HEALTH & SAFETY ACT COVERAGE
WC000104		FEDERAL EMPLOYERS' LIABILITY ACT COVERAGE
WC000106	A	LONGSHOREMEN'S & HARBOR WORKERS COMP ACT COVERAGE
WC000108	A	NONAPPROPRIATED FUND INSTRUMENTALITIES ACT COVERAGE
WC000109	A	OUTER CONTINENTAL SHELF LANDS ACT COVERAGE
WC000111		MIGRANT SEASONAL AGRICULTURAL WORKER PROTECT ACT
WC000201	A	MARITIME COVERAGE
WC000203		VOLUNTARY COMPENSATION MARITIME COVERAGE
WC000204		LIMITED MARITIME COVERAGE ENDORSEMENT
WC000301	A	ALTERNATE EMPLOYER
WC000302		DESIGNATED WORKPLACES EXCLUSION
WC000303	B	EMPLOYERS LIABILITY COVERAGE
WC000304		INSURANCE COMPANY AS INSURED
WC000305		JOINT VENTURE AS INSURED
WC000307		MEDICAL BENEFITS REIMBURSEMENT
WC000308		PARTNERS, OFFICERS, AND OTHERS EXCLUSION
WC000309	A	RURAL ELECTRIFICATION ADMINISTRATION
WC000310		SOLE PROPRIETORS, PARTNERS, OFFICERS, OTHERS COVERAGE
WC000311	A	VOL. COMP & EMPLOYERS LIABILITY COVERAGE
WC000313		WAIVER OF OUR RIGHT TO RECOVER FROM OTHERS
WC000315		DOMESTIC & AGRICULTURAL WORKERS EXCLUSION
WC000324		WORKERS COMP INS PLAN – OTHER STATES ENDORSEMENT
WC000401	A	AIRCRAFT PREMIUM
WC000403		EXPERIENCE RATING MODIFICATION FACTOR
WC000405		POLICY PERIOD
WC000406	A	PREMIUM DISCOUNT
WC000409		PREMIUM DETERMINATION – FORMER SELF INSURERS 1
WC000410		PREMIUM DETERMINATION – FORMER SELF INSURERS 2

Refer to the *Forms Manual of Workers' Compensation & Employers Liability Insurance* for complete descriptions of coverage and instructions on the use of specific policy forms and endorsements or visit the Minnesota Workers' Compensation Insurers Association, Inc.'s website @ www.mwcia.org.

EXHIBIT I

BASIC MANUAL

PART ONE – RULES

CURRENT NCCI PHRASEOLOGY:

RULE I - GENERAL

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PROPOSED MINNESOTA EXCEPTION PHRASEOLOGY:

RULE I - GENERAL

D. Policy and Endorsement Forms Manual

The following forms and endorsements are applicable for use in Minnesota:

<u>FORM/ENDORSEMENT#</u>	<u>VERSION SUFFIX</u>	<u>DESCRIPTION</u>
WC000412		CONTINGENT EXPERIENCE RATING MODIFICATION FACTOR
WC000414		NOTIFICATION OF CHANGE IN OWNERSHIP
WC000419		PREMIUM DUE DATE ENDORSEMENT
WC000503	A	RETRO PREMIUM RATING OPTS V ONE YEAR PLAN
WC000504	A	RETRO PREMIUM RATING OPTS V THREE YEAR PLAN
WC000505	A	RETRO PREM. RTG OPTS V LONG TERM CONSTRUCT PROJECT
WC000508		RETRO PREMIUM AVIATION EXCLUSION
WC000509	A	RETRO PREMIUM CHANGES
WC000510		RETRO PREM. NONRATABLE CATASTROPHE ELEMENT/SURCHARGE
WC000511		RETRO PREMIUM SHORT FORM
WC000512	A	RETRO PREMIUM ONE YEAR PLAN MULTIPLE LINES
WC000513	A	RETRO PREMIUM THREE YEAR PLAN MULTIPLE LINES
WC000514	A	RETRO PREM. LONG TERM CONSTRUCT PROJECT MULT LINES
WC000515		RETROSPECTIVE PREMIUM FLEXIBILITY OPTIONS
WC000603		BENEFITS DEDUCTIBLE
WC220000		MINNESOTA AMENDATORY ENDORSEMENT
WC220401		MINNESOTA CONTRACTING PREMIUM ADJUSTMENT PROGRAM
WC220402		MINNESOTA ANNIVERSARY RATING DATE ENDORSEMENT
WC220601	B	MINNESOTA CANCELLATION ENDORSEMENT

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