

April 12, 2001

ALL ASSOCIATION MEMBERS

Circular Letter No. 01-1361

Re: Revised Minimum Assessment

The Association Board has recently completed a review of the assessment mechanism used by the Association to determine whether assessments of members continues to meet the Association's objectives and its statutory obligation to distribute its operating expenses among its members "on a fair and equitable basis". In undertaking this review, the Board looked at both the minimum annual fees charged and the allocation of additional expenses over and above that minimum fee. Consideration was given to both the level of general and special services provided and the costs arising from specific activities undertaken on behalf of members.

This review is part of an ongoing effort by the Association to make sure that the allocation of costs is equitable. For example, in recent years the Association and many of its members have moved to electronic filings. As a result, the Board has adjusted the distribution of costs through a fee or fining mechanism directed at giving greater cost relief to those members who use these cost saving mechanisms.

As a result of this year's review, the Board has determined that the general cost allocation formula is meeting its objectives but that the minimum assessment, which has not been adjusted in many years, needs to be revised. Accordingly, effective January 1, 2001 the annual minimum assessment of members was adjusted to \$1,000 for groups of five or less member carriers. For each group member over five, an additional \$250 minimum assessment per member will be due up to a maximum of \$2,500 per group. This adjustment more appropriately reflects the costs associated with ongoing communications and routine contacts with each member and group. In the future, the minimum assessment amount will be periodically reviewed and adjusted by the Board as appropriate.

Should you have any questions, please contact Linda Hanson at 952.897.6427 or email your questions to linda.hanson@mwcia.org.