



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

August 2, 2001

**ALL ASSOCIATION MEMBERS**

Circular Letter 01-1363

**RE: *Basic Manual* Minnesota Exception Pages – Excess Insurance**

The Minnesota Department of Commerce has approved the above filing effective 12:01 A.M., August 15, 2001, applicable to new and renewal business only.

The Minnesota Department of Commerce recently reviewed the Excess Insurance rule as it applies in Minnesota and found the current language in the Minnesota Exception pages of the *Basic Manual* to be out dated. Association staff worked with the Department of Commerce to develop updated language for this rule.

Exhibit I illustrates the changes to the Minnesota Exception pages of the *Basic Manual* to implement this filing. Please note that the proposed language contains underlined and strikethrough text. The underlining represents new or added text while the strikethroughs indicate deleted text. There will be no impact on premium as a result of this filing.

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](mailto:underwriting@mwcia.org).

**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 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**

**BASIC MANUAL**

**MISCELLANY**

**MINNESOTA EXCEPTION PAGES**

<b>PRESENT MINNESOTA PHRASEOLOGY:</b>	<b>PROPOSED MINNESOTA PHRASEOLOGY:</b>
<b>EXCESS INSURANCE</b>	<b>EXCESS INSURANCE</b>
<p><del>Excess insurance is available only to employers who have been granted permission by the Department of Commerce to self-insure their own liability resulting from injuries to their employees.</del></p> <p><del>Excess compensation insurance is defined as coverage issued to qualified self-insurers covering the liability as such for a specific amount in excess of at least \$10,000 per accident. (Each occupational disease claim should be considered to be a separate accident.)</del></p> <p><del>The Minnesota Department of Commerce has ruled that the filing of Excess workers compensation policies with the Department is not necessary. For each Specific/Aggregate Excess W/C policy written, the underwriter must maintain a file detailing what "a" rate was charged and how that "a" rate was developed. Such files shall be retained by the company for a minimum of three years. The company must make any Excess policy file available to either the Commerce Department or the MWCIA, upon request.</del></p>	<p><u>The use by insurers and self-insurers of reinsurance in Minnesota is generally restricted by Minnesota law governing the operation of the Workers' Compensation Reinsurance Association. Any policy of Excess insurance, which insurers or self-insurers believe are not covered by this law, must be filed with and approved by the Minnesota Department of Commerce.</u></p>