



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

February 14, 2002

ALL ASSOCIATION MEMBERS

Circular Letter No. 02 – 1381

RE: Exclusions for Workers' Compensation Products for Terrorism

The Minnesota Department of Commerce has issued a memorandum advising all workers' compensation insurers licensed in Minnesota on the utilization of exclusions for acts of terrorism. Please see the corresponding memorandum that describes their position.

If you have questions or need additional information concerning this matter, please contact Tammy Lohmann, Senior Analyst for the Minnesota Department of Commerce at 651.296.2327.

MINNESOTA DEPARTMENT OF COMMERCE MEMORANDUM

DATE: February 6, 2002

TO: ALL WORKERS' COMPENSATION INSURERS LICENSED IN MINNESOTA

FROM: Minnesota Department of Commerce, Policy Analysis Division, Property & Casualty Section

RE: Exclusions for Terrorism in Workers' Compensation Products

The purpose of this memorandum is to inform all workers' compensation insurers licensed in Minnesota of the Department's position on the utilization of exclusions for acts of terrorism in workers' compensation products. **For workers' compensation coverage only this memorandum supersedes the Minnesota Department of Commerce Memorandum regarding Exclusions for Acts of Terrorism and Sworn Statement of Inability to Obtain Reinsurance for Damages Resulting from Acts of Terrorism dated January 16, 2002.**

The Department will **NOT** approve terrorism exclusions for workers' compensation products due to the fact that the Workers' Compensation Reinsurance Association (WCRA) has announced that it will continue to provide reinsurance coverage for any future terrorism losses. All workers' compensation insurers licensed in Minnesota are required to be a member of the WCRA under Minnesota Statute 79.34. According to the statute, the WCRA is required to provide 100 percent indemnification for ultimate loss sustained by its members in each loss occurrence relating to one or more claims arising out of a single compensable event in excess of the retention limit selected by the member.

If you should have any questions regarding this matter, please contact Tammy Lohmann at (651) 296-2327.