



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

June 26, 2006

## **ALL ASSOCIATION MEMBERS**

Circular Letter 06-1486

### **RE: Revised Minnesota Cancellation & Nonrenewal Endorsement WC 22 06 01 C & *Minnesota Basic Manual* Rules**

The Minnesota Department of Commerce has approved the above filing effective August 1, 2006 in the State of Minnesota.

In 2005, the Minnesota Legislature amended M.S. § 176.185 subd. 1. Part which specifies the number of days and method under which employers are to be notified of cancellation, termination, and nonrenewals of their workers' compensation policies in Minnesota. The 2006 Minnesota Legislature has now revised M.S. § 176.185 subd. 1 to reinstate that the number of days notice required for cancelling a workers' compensation policy in Minnesota due to non-payment of premium will be 30 days. This statutory change will be effective August 1, 2006.

As a result of the change to the above law, Minnesota Cancellation & Nonrenewal Endorsement WC 22 06 01 C (now D) in the *Minnesota Forms Manual* as well as two areas in the *Minnesota Basic Manual* have been revised.

Exhibits I – III illustrate the changes necessary to the *Minnesota Forms Manual* and the *Minnesota Basic Manual* to implement the changes under M.S. § 176.185 subd. 1. Exhibit IV illustrates the changes necessary to the *Minnesota Forms Manual Index*. As you review the exhibits for this filing, please note that strikethroughs indicate deleted text while underlining indicates new or amended text.

To view copies of all currently approved forms and endorsements for Minnesota, please visit MWCIA's website at [www.mwcia.org](http://www.mwcia.org) and select the drop-down menu for "Minnesota Manuals" on the left-hand margin of our homepage.

Should you have any questions concerning implementation of this change in Minnesota, please contact one of our Member & Customer Services' staff by calling 952.897.1737 (Option 1) or emailing [info@mwcia.org](mailto:info@mwcia.org).

### **A NOTICE TO MEMBERSHIP:**

The Minnesota Department of Commerce requests that MWCIA remind its members that the above filing items were filed by MWCIA on behalf of all member carriers. Approval of the above filing by the Department of Commerce, therefore, applies automatically to all member carriers and separate filings of the manual rules and/or forms in connection with this filing by individual carriers is not required.

**MINNESOTA CANCELLATION AND NONRENEWAL ENDORSEMENT**

This endorsement applies only to the insurance provided because Minnesota is shown in Item 3.A. of the Information Page.

**Cancellation of a New Policy**

If this policy is a new policy and has been in effect for fewer than 90 days, we may cancel for any reason by giving you notice at least 60 days before the effective date of cancellation.

**Cancellation of Other Policies**

If this policy has been in effect for 90 days or more, or if it is a renewal of a policy we issued, we may cancel **for one or more** of the following reasons:

1. Nonpayment of premium;
2. Misrepresentation or fraud made by you or with your knowledge in obtaining the policy or in pursuing a claim under the policy;
3. An act or omission by you that substantially increases or changes the risk insured;
4. Refusal by you to eliminate known conditions that increase the potential for loss after notification by us that the condition must be removed;
5. Substantial change in the risk assumed, except to the extent that we should reasonably have foreseen the change or contemplated the risk in writing this policy;
6. Loss of reinsurance by us which provided coverage to us for a significant amount of the underlying risk insured. Any notice of cancellation pursuant to this item shall advise you that you have 10 days from the date of receipt of the notice to appeal the cancellation to the commissioner of commerce and that the commissioner will render a decision as to whether the cancellation is justified because of the loss of reinsurance within 30 business days after receipt of the appeal;
7. A determination by the commissioner that the continuation of the policy could place us in violation of the Minnesota insurance laws; or
8. Nonpayment of dues to an association or organization, other than an insurance association or organization, where payment of dues is a prerequisite to your obtaining or continuing this policy. This item shall not apply to persons who are retired at 62 years of age or older or who are disabled according to Social Security standards.

If we cancel your policy for any of the reasons listed in (2) through (8), we will give notice at least 60 days before the effective date of cancellation.

**Notice of Cancellation**

Any notice of cancellation under this endorsement shall be in writing and shall be sent by first class mail or delivered to you and any agent, to the last mailing addresses known to us. A cancellation notice for nonpayment of premium **must be sent at least 30 days before the actual date of cancellation and** shall state the amount of premium due and the due date, and shall state the effect of nonpayment by the due date. Cancellation shall not be effective if payment of the amount due is made prior to the effective date of cancellation in the notice. A cancellation notice for some other reason shall state the specific reason for cancellation and shall state the effective date of cancellation. The policy will end on that date.

**Refunds Due You**

If this policy is canceled, we will send you any premium refund due. If we cancel, the refund will be pro rata. If you cancel, the refund may be less than pro rata. The cancellation will be effective even if we have not made or offered a refund.

**Nonrenewal of Your Policy**

Any notice of nonrenewal shall be in writing and shall be sent by first class mail, or delivered to you and any agent, to the last mailing addresses known to us, at least 60 days before the expiration date.

We need not mail or deliver this nonrenewal notice if you have:

1. Insured elsewhere;
2. Accepted replacement coverage; or
3. Requested or agreed not to renew this policy.

This endorsement changes the policy to which it is attached and is effective on the date issued unless otherwise stated.

## Notes:

1. In order to conform each carriers' information page with other provisions of the Standard Workers' Compensation Policy, the Information Page must, at a minimum, comply with the sequence of Items 1 through 4 of WC 00 00 01 which may not be changed.
2. This endorsement conforms to the minimum notice requirements of Minnesota Statutes 60A.36, 60A.37 and 176.185, subd.1 and 1a. An insurer may modify this endorsement to provide for notice periods that exceed the statutory minimums.

**EXHIBIT II**

**MINNESOTA BASIC MANUAL**

**PART ONE — RULES**

*Effective August 1, 2006*

CURRENT PHRASEOLOGY:	PROPOSED PHRASEOLOGY:	COMMENTS:
<b>RULE 3—RATING DEFINITIONS AND APPLICATION OF PREMIUM ELEMENTS</b>	<b>RULE 3—RATING DEFINITIONS AND APPLICATION OF PREMIUM ELEMENTS</b>	
<b>A. EXPLANATION AND APPLICATION</b>	<b>A. EXPLANATION AND APPLICATION</b>	
<b>3. Cancellation Provisions</b>	<b>3. Cancellation Provisions</b>	
<p><b>a. Cancellation</b></p> <p>The cancellation conditions of the Standard Policy permit cancellation by the insured or by the insurance carrier. In Minnesota, the terms of cancellation are set forth on the Minnesota Cancellation &amp; Nonrenewal Endorsement (WC 22 06 01 ☺).</p>	<p><b>a. Cancellation</b></p> <p>The cancellation conditions of the Standard Policy permit cancellation by the insured or by the insurance carrier. In Minnesota, the terms of cancellation are set forth on the Minnesota Cancellation &amp; Nonrenewal Endorsement (WC 22 06 01 <b>D</b>).</p>	<p>AMENDED TO REVISE MINNESOTA CANCELLATION ENDORSEMENT VERSION NUMBER FROM 'C' TO 'D'.</p>

**EXHIBIT III**

**MINNESOTA BASIC MANUAL**

**SUPPLEMENTAL PAGES**

*Effective August 1, 2006*

CURRENT PHRASEOLOGY:	PROPOSED PHRASEOLOGY:	COMMENTS:
<b>MINNESOTA SPECIAL RATING PLANS AND PROGRAMS</b>	<b>MINNESOTA SPECIAL RATING PLANS AND PROGRAMS</b>	
<b>D. POLICY CANCELLATION OR NONRENEWAL</b>	<b>D. POLICY CANCELLATION OR NONRENEWAL</b>	
Minnesota Statutes 60A.36, 176.185, subd. 1, and 176.185.subd. 1a define the minimum notice requirements required for the cancellation or nonrenewal of a workers' compensation policy in Minnesota. The <b><i>Minnesota Forms Manual</i></b> contains the Minnesota Cancellation and Nonrenewal Endorsement (WC 22 06 01 <b>C</b> ) which conforms to these minimum notice requirements. A carrier may modify that endorsement to provide for notice periods that exceed the statutory minimums.	Minnesota Statutes 60A.36, 176.185, subd. 1, and 176.185.subd. 1a define the minimum notice requirements required for the cancellation or nonrenewal of a workers' compensation policy in Minnesota. The <b><i>Minnesota Forms Manual</i></b> contains the Minnesota Cancellation and Nonrenewal Endorsement (WC 22 06 01 <b>D</b> ) which conforms to these minimum notice requirements. A carrier may modify that endorsement to provide for notice periods that exceed the statutory minimums.	AMENDED TO REVISE MINNESOTA CANCELLATION ENDORSEMENT VERSION NUMBER FROM 'C' TO 'D'.

**EXHIBIT IV**  
**INDEX**  
**MINNESOTA FORMS MANUAL**

The following forms and endorsements in this Minnesota Forms Manual have been approved by the Minnesota Commerce Department and are available for use in Minnesota.

- Introduction
- Workers' Compensation and Employers Liability Insurance Policy Rules
- WC 00 00 00 A Workers Compensation and Employers Liability Insurance Policy
- WC 00 01 01 A Defense Base Act Coverage Endorsement
- WC 00 01 04 A Federal Employers' Liability Act Coverage Endorsement
- WC 00 01 06 A Longshore and Harbor Workers' Compensation Act Coverage Endt.
- WC 00 01 08 A Nonappropriated Fund Instrumentalities Act Coverage Endorsement
- WC 00 01 09 A Outer Continental Shelf Lands Act Coverage Endorsement
- WC 00 01 11 Migrant and Seasonal Agricultural Worker Protection Act Coverage Endorsement
- WC 00 01 13 Terrorism Risk Insurance Extension Act Endorsement
- WC 00 02 01 A Maritime Coverage Endorsement
- WC 00 02 03 Voluntary Compensation Maritime Coverage Endorsement
- WC 00 02 04 Limited Maritime Coverage Endorsement
- WC 00 03 01 A Alternate Employer Endorsement
- WC 00 03 02 Designated Workplaces Exclusion Endorsement
- WC 00 03 03 C Employers Liability Coverage Endorsement
- WC 00 03 04 Insurance Company as Insured Endorsement
- WC 00 03 05 Joint Venture as Insured Endorsement
- WC 00 03 09 A Rural Electrification Administration Endorsement
- WC 00 03 10 Sole Proprietors, Partners, Officers and Others Coverage Endorsement
- WC 00 03 11 A Voluntary Compensation and Employers Liability Coverage Endt.
- WC 00 03 13 Waiver of Our Right to Recover from Others Endorsement
- WC 00 04 01 A Aircraft Premium Endorsement
- WC 00 04 03 Experience Rating Modification Factor Endorsement
- WC 00 04 05 Policy Period Endorsement
- WC 00 04 06 A Premium Discount Endorsement
- WC 00 04 09 Premium Determination Endorsement — Former Self-Insurers 1

- WC 00 04 10 Premium Determination Endorsement — Former Self-Insurers 2
- WC 00 04 12 Contingent Experience Rating Modification Factor Endorsement
- WC 00 04 14 Notification of Change in Ownership Endorsement
- WC 00 04 19 Premium Due Date Endorsement
- Policyholder Disclosure Notice of Terrorism Insurance Coverage
- WC 00 04 22 Foreign Terrorism Premium Endorsement
- WC 00 05 03 A Retrospective Premium Endorsement — One Year Plan
- WC 00 05 04 A Retrospective Premium Endorsement — Three Year Plan
- WC 00 05 05 A Retrospective Premium Endorsement — Long-Term Construction Project
- WC 00 05 08 Retrospective Premium Endorsement Aviation Exclusion
- WC 00 05 09 A Retrospective Premium Endorsement Changes
- WC 00 05 10 Retrospective Premium Endorsement Non-Ratable Catastrophe Element or Surcharge
- WC 00 05 11 Retrospective Premium Endorsement Short Form
- WC 00 05 12 A Retrospective Premium Endorsement One Year Plan — Multiple Lines
- WC 00 05 13 A Retrospective Premium Endorsement Three Year Plan — Multiple Lines
- WC 00 05 14 A Retrospective Premium Endorsement Long Term Construction Project — Multiple Lines
- WC 00 05 15 Retrospective Premium Endorsement Flexibility Options
- WC 00 06 03 Benefits Deductible Endorsement
- WC 89 06 09 B Policy Termination/Cancelation/Reinstatement Notice
- WC 22 00 00 A Minnesota Amendatory Endorsement
- WC 22 00 01 Information Page
- WC 22 03 01 Minnesota Compliance with Applicable Trade Sanction Laws
- WC 22 03 02 Minnesota Independent Contractors Coverage Endorsement
- WC 22 03 03 Minnesota Third Degree of Kindred Family Member Exclusion Endt.
- WC 22 03 04 Minnesota Employee Leasing Endorsement
- WC 22 03 05 Minnesota Exclusion of Coverage for Leased Employees Endorsement
- WC 22 04 01 Minnesota Contracting Premium Adjustment Program Endorsement
- WC 22 04 02 Minnesota Anniversary Rating Date Endorsement
- WC 22 06 00 Minnesota Policy Change Endorsement
- WC 22 06 01 **D** Minnesota Cancellation and Nonrenewal Endorsement

- WC 22 06 02 Minnesota Policy Information Page Endorsement Insured's Name
- WC 22 06 03 Minnesota Policy Information Page Endorsement Policy Number
- WC 22 06 04 Minnesota Policy Information Page Endorsement Effective Date
- WC 22 06 05 Minnesota Policy Information Page Endorsement Expiration Date
- WC 22 06 06 Minnesota Policy Information Page Endorsement —  
Insured's Mailing Address
- WC 22 06 07 Minnesota Policy Information Page Endorsement —  
Experience Modification
- WC 22 06 08 Minnesota Policy Information Page Endorsement Producer's Name
- WC 22 06 09 Minnesota Policy Information Page Endorsement —  
Change in Workplace of Insured
- WC 22 06 10 Minnesota Policy Information Page Endorsement—  
Insured's Legal Status
- WC 22 06 11 Minnesota Policy Information Page Endorsement Add States
- WC 22 06 12 Minnesota Policy Information Page Endorsement Employer Limits
- WC 22 06 13 Minnesota Policy Information Page Endorsement Change in State
- WC 22 06 14 Minnesota Policy Information Page Endorsement —  
Endorsement Numbers
- WC 22 06 15 Minnesota Policy Information Page Endorsement —  
Class, Rate, Other Change
- WC 22 06 16 Minnesota Policy Information Page Endorsement —  
Interim Adjustment of Premium
- WC 22 06 17 Minnesota Policy Information Page Endorsement —  
Carrier Servicing Office
- WC 22 06 18 Minnesota Policy Information Page Endorsement —  
Interstate/Intrastate Risk ID Number
- WC 22 06 19 Minnesota Policy Information Page Endorsement Carrier Number
- WC 22 06 20 Minnesota Entity Address Schedule