



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

December 22, 2010

ALL ASSOCIATION MEMBERS

Circular Letter No. 10-1586

RE: 4-1-2011 Assigned Risk Rates

Commerce Commissioner Wilson issued a rate order on December 20, 2010 approving a 1.2% decrease in the overall average Assigned Risk premium level effective April 1, 2011. The following is an excerpt from the Commissioner's Order:

"ORDERED

1. That effective April 1, 2011, the Minnesota Workers' Compensation Assigned Risk Plan will use a pure premium multiplier of 2.50 to be applied uniformly to the pure premium base rates of the 2011 Minnesota Ratemaking Report of the Minnesota Workers' Compensation Insurers Association.
2. That the expense constant on each policy will be \$180.
3. That the policyholder surcharge for the Special Compensation Fund (SCF) shall be 3.4% of premium.
4. That the policyholder surcharge for the Workers' Compensation Reinsurance Association (WCRA) Deficiency Assessment shall be 0.6% of premium.
5. That the policyholder surcharge for foreign and domestic terrorism coverage provided by the Terrorism Risk Insurance Program Reauthorization Act will be continued at \$0.02 per \$100 of payroll.
6. That the average premium level, including surcharges, will decrease by 1.2%."

These rates have also been adjusted by the application of the Minnesota Contractors' Premium Adjustment Program.

The intent of this circular is to highlight only the items in the Assigned Risk Rate Schedule and Miscellaneous Values Pages that will change due to the Commissioner's Order. A schedule of the approved rates and miscellaneous values for the Assigned Risk Plan is attached for your convenience.

Please direct any questions you may have regarding this item by email to kathleen.peterson@mwcia.org.

MINNESOTA WORKERS' COMPENSATION

Assigned Risk Plan Rates
Effective New and Renewal April 1, 2011

<u>Class Code</u>	<u>4/1/2011 Assigned Risk Rate</u>	<u>Minimum Premium</u>	<u>Class Code</u>	<u>4/1/2011 Assigned Risk Rate</u>	<u>Minimum Premium</u>	<u>Class Code</u>	<u>4/1/2011 Assigned Risk Rate</u>	<u>Minimum Premium</u>
0005	7.55	369	2016	7.25	361	2688	5.70	323
0006	9.50	418	2021	15.45	566	2702	13.00	505
0008	4.28	287	2039	7.30	363	2710	25.25	645
0016	9.50	418	2041	5.20	310	2714	8.70	398
0034	9.03	406	2065	7.30	363	2729	6.70	348
0035	4.20	285	2070	7.30	363	2731	13.98	530
0042	9.88	427	2081	7.68	372	2735	8.43	391
0050	19.68	645	2089	6.08	332	2759	12.38	490
0079	4.28	287	2095	5.98	330	2790	3.05	256
0106	19.10	645	2105	4.80	300	2802	6.00	330
0113	9.03	406	2111	5.88	327	2812	7.25	361
0170	2.98	255	2121	5.40	315	2881	4.65	296
0251	10.23	436	2130	4.45	291	2883	8.53	393
0400	13.85	526	2131	5.78	325	2915	5.85	326
0401	22.48	645	2157	16.80	600	2916	5.80	325
0908	237.80	418	2172	2.40	240	2923	4.40	290
0913	759.95	940	2174	4.98	305	2960	14.50	543
0917	5.83	326	2211	11.13	458	3004	8.23	386
1164	11.13	458	2220	3.63	271	3018	4.10	283
1165	4.25	286	2286	7.48	367	3022	5.88	327
1320	3.75	274	2288	7.68	372	3027	4.23	286
1322	46.70	645	2302	2.68	247	3028	5.83	326
1430	11.70	473	2305	5.13	308	3030	9.88	427
1438	5.90	328	2361	3.63	271	3040	7.73	373
1452	7.93	378	2362	3.63	271	3042	13.20	510
1463	28.53	645	2380	3.63	271	3064	9.48	417
1472	7.58	370	2388	3.63	271	3066	10.80	450
1624	5.43	316	2402	5.10	308	3076	7.43	366
1642	4.50	293	2413	5.73	323	3081	10.13	433
1654	5.43	316	2416	3.33	263	3082	16.15	584
1655	5.43	316	2417	5.73	323	3085	7.43	366
1699	4.50	293	2501	4.38	290	3110	4.08	282
1701	4.50	293	2503	3.63	271	3111	8.38	390
1710	7.98	380	2534	3.63	271	3113	4.18	285
1747	5.53	318	2570	5.83	326	3114	6.08	332
1803	9.85	426	2585	6.33	338	3126	6.25	336
1852	5.15	309	2586	6.33	338	3131	7.10	358
1853	5.98	330	2587	9.28	412	3132	11.50	468
1860	7.00	355	2623	7.65	371	3145	3.18	260
1924	11.20	460	2640	8.15	384	3146	4.40	290
1925	11.55	469	2651	5.70	323	3169	3.28	262
2001	5.80	325	2660	5.70	323	3175	3.28	262
2002	8.33	388	2670	5.70	323	3179	4.30	288
2003	6.10	333	2683	5.70	323	3180	3.50	268
2014	11.65	471	2686	5.70	323	3188	10.93	453

MINNESOTA WORKERS' COMPENSATION

Assigned Risk Plan Rates
Effective New and Renewal April 1, 2011

<u>Class Code</u>	<u>4/1/2011 Assigned Risk Rate</u>	<u>Minimum Premium</u>	<u>Class Code</u>	<u>4/1/2011 Assigned Risk Rate</u>	<u>Minimum Premium</u>	<u>Class Code</u>	<u>4/1/2011 Assigned Risk Rate</u>	<u>Minimum Premium</u>
3220	6.28	337	3821	28.83	645	4432	11.23	461
3223	8.15	384	3822	6.90	353	4452	5.18	310
3224	7.13	358	3824	6.03	331	4459	5.23	311
3227	8.15	384	3826	3.18	260	4470	2.25	236
3241	5.08	307	3827	2.80	250	4484	6.28	337
3255	31.68	645	3830	4.93	303	4493	2.80	250
3257	10.53	443	3851	8.08	382	4511	0.93	203
3300	26.98	645	3881	5.08	307	4557	3.30	263
3303	7.25	361	4000	15.65	571	4558	3.08	257
3307	7.25	361	4021	9.13	408	4568	5.45	316
3315	6.68	347	4024	8.85	401	4581	3.13	258
3334	4.30	288	4034	14.15	534	4583	10.95	454
3341	5.13	308	4036	11.78	475	4611	2.83	251
3365	8.43	391	4038	4.58	295	4635	5.78	325
3372	6.43	341	4053	4.30	288	4653	1.95	229
3373	8.38	390	4061	4.30	288	4665	8.68	397
3382	2.00	230	4062	4.30	288	4670	8.73	398
3383	2.00	230	4101	3.03	256	4683	6.90	353
3385	2.00	230	4112	1.13	208	4686	9.78	425
3400	8.15	384	4114	2.45	241	4692	1.48	217
3507	6.38	340	4130	6.33	338	4693	2.25	236
3515	4.03	281	4131	5.75	324	4703	4.38	290
3548	0.85	201	4133	5.40	315	4720	1.48	217
3559	2.90	253	4150	2.00	230	4740	1.53	218
3571	1.93	228	4206	13.90	528	4741	1.75	224
3574	0.95	204	4207	1.50	218	4751	7.83	376
3612	3.78	275	4239	5.05	306	4767	1.53	218
3620	8.98	405	4240	1.50	218	4771	4.23	286
3629	4.03	281	4243	5.03	306	4777	10.25	436
3632	6.40	340	4244	7.13	358	4825	1.43	216
3634	4.45	291	4250	1.50	218	4828	1.43	216
3635	5.15	309	4251	9.95	429	4829	1.40	215
3638	2.18	235	4263	1.50	218	4902	2.73	248
3642	3.20	260	4273	5.50	318	4923	4.38	290
3643	4.30	288	4279	6.53	343	5000	104.65	645
3647	5.93	328	4283	6.43	341	5020	13.25	511
3648	3.78	275	4299	5.23	311	5022	15.00	555
3681	2.35	239	4304	5.23	311	5037	28.83	645
3685	2.00	230	4307	5.88	327	5040	124.08	645
3719	6.43	341	4314	6.80	350	5057	8.93	403
3724	10.90	453	4351	3.00	255	5059	84.70	645
3726	16.58	595	4352	3.00	255	5102	9.73	423
3803	5.13	308	4361	2.03	231	5146	9.15	409
3807	2.15	234	4410	5.53	318	5160	5.65	321
3808	6.83	351	4420	5.30	313	5183	8.08	382

MINNESOTA WORKERS' COMPENSATION

Assigned Risk Plan Rates
Effective New and Renewal April 1, 2011

<u>Class Code</u>	<u>4/1/2011 Assigned Risk Rate</u>	<u>Minimum Premium</u>	<u>Class Code</u>	<u>4/1/2011 Assigned Risk Rate</u>	<u>Minimum Premium</u>	<u>Class Code</u>	<u>4/1/2011 Assigned Risk Rate</u>	<u>Minimum Premium</u>
5188	7.65	371	6251	17.33	613	7605	2.30	238
5190	5.50	318	6252	22.95	645	7610	0.75	199
5191	2.30	238	6260	67.53	645	7705	8.45	391
5192	9.08	407	6306	16.20	585	7706	3.18	260
5213	10.35	439	6319	8.28	387	7708	96.00	276
5215	13.10	508	6325	16.65	596	7720	4.35	289
5221	13.68	522	6400	15.08	557	7855	16.70	598
5222	26.73	645	6504	5.80	325	8001	3.15	259
5348	11.70	473	6811	5.18	310	8002	3.10	258
5403	29.85	645	6834	6.75	349	8006	4.00	280
5437	20.00	645	6836	6.75	349	8008	1.63	221
5445	11.20	460	6854	7.50	368	8013	0.73	198
5462	33.05	645	6882	14.48	542	8015	1.03	206
5472	17.28	612	6884	56.88	645	8017	3.10	258
5473	8.15	384	7201	15.20	560	8018	6.03	331
5474	14.53	543	7207	15.20	560	8021	4.08	282
5478	18.00	630	7222	12.48	492	8029	4.75	299
5479	22.80	645	7228	11.05	456	8031	3.88	277
5480	10.63	446	7229	17.63	621	8032	3.48	267
5491	4.13	283	7230	12.43	491	8033	3.30	263
5506	15.00	555	7231	12.43	491	8034	4.55	294
5507	16.28	587	7232	8.23	386	8036	3.40	265
5508	28.63	645	7360	8.88	402	8039	3.05	256
5537	9.48	417	7370	10.30	438	8044	6.83	351
5538	17.35	614	7380	8.45	391	8045	1.33	213
5551	62.73	645	7382	7.05	356	8047	9.18	410
5606	3.93	278	7390	12.18	485	8048	4.55	294
5645	19.30	645	7403	10.03	431	8052	3.55	269
5649	10.05	431	7405	2.03	231	8058	5.15	309
5651	19.68	645	7420	16.50	593	8072	0.75	199
5703	41.35	645	7421	1.38	215	8102	5.33	313
5705	22.08	645	7422	3.58	270	8103	6.55	344
5951	3.35	264	7425	5.63	321	8106	7.58	370
6003	30.90	645	7431	3.58	270	8107	7.30	363
6017	24.85	645	7502	4.43	291	8111	5.48	317
6204	40.65	645	7515	2.90	253	8116	3.25	261
6213	19.63	645	7520	10.88	452	8203	16.10	583
6216	13.75	524	7529	21.10	645	8204	8.63	396
6217	10.18	435	7538	19.03	645	8209	6.78	350
6229	14.85	551	7539	2.58	245	8215	5.55	319
6233	14.05	531	7540	7.65	371	8227	8.98	405
6235	27.15	645	7580	4.93	303	8232	7.40	365
6236	74.33	645	7590	5.85	326	8233	14.63	546
6237	8.70	398	7600	8.08	382	8235	6.28	337
6248	23.08	645	7601	28.75	645	8263	8.83	401

MINNESOTA WORKERS' COMPENSATION

Assigned Risk Plan Rates
Effective New and Renewal April 1, 2011

<u>Class Code</u>	<u>4/1/2011 Assigned Risk Rate</u>	<u>Minimum Premium</u>	<u>Class Code</u>	<u>4/1/2011 Assigned Risk Rate</u>	<u>Minimum Premium</u>	<u>Class Code</u>	<u>4/1/2011 Assigned Risk Rate</u>	<u>Minimum Premium</u>
8264	8.00	380	8864	3.50	268	9586	1.70	223
8265	33.25	645	8868	0.93	203	9600	18.03	631
8279	15.20	560	8869	1.80	225	9620	1.33	213
8280	11.78	475	8901	0.30	188			
8284	6.53	343	9012	3.88	277			
8285	13.40	515	9014	7.20	360			
8286	8.63	396	9015	7.20	360			
8291	8.80	400	9016	7.58	370			
8292	9.18	410	9033	4.05	281			
8293	19.08	645	9040	5.73	323			
8304	11.43	466	9044	3.73	273			
8350	7.40	365	9052	4.68	297			
8353	7.83	376	9054	7.50	368			
8380	5.80	325	9058	4.68	297			
8381	3.55	269	9060	2.63	246			
8385	4.75	299	9061	2.13	233			
8392	4.28	287	9062	5.80	325			
8393	5.80	325	9063	1.53	218			
8395	5.80	325	9082	2.53	243			
8500	13.33	513	9083	2.73	248			
8601	1.78	225	9084	3.53	268			
8606	2.95	254	9088	65.33	645			
8719	3.75	274	9093	2.15	234			
8720	1.65	221	9101	6.65	346			
8721	1.00	205	9102	5.20	310			
8742	0.80	200	9149	2.73	248			
8745	6.48	342	9154	3.38	265			
8748	1.20	210	9156	7.23	361			
8800	4.58	295	9178	10.73	448			
8803	0.10	183	9179	22.08	645			
8810	0.33	188	9180	7.03	356			
8820	0.33	188	9182	4.45	291			
8824	6.90	353	9186	108.95	645			
8825	3.08	257	9220	7.23	361			
8826	3.85	276	9402	11.35	464			
8828	7.68	372	9403	11.35	464			
8829	5.75	324	9410	1.05	206			
8830	7.23	361	9501	4.45	291			
8831	3.45	266	9516	13.30	513			
8832	0.75	199	9519	7.35	364			
8833	2.55	244	9521	18.40	640			
8835	5.58	320	9522	18.03	631			
8842	3.50	268	9534	13.33	513			
8844	2.05	231	9539	28.08	645			
8845	3.00	255	9554	16.25	586			

MINNESOTA WORKERS' COMPENSATION

Assigned Risk Plan Rates
Effective New and Renewal April 1, 2011

<u>Class Code</u>	<u>4/1/2011 Assigned Risk Rate</u>	<u>Minimum Premium</u>	<u>Class Code</u>	<u>4/1/2011 Assigned Risk Rate</u>	<u>Minimum Premium</u>	<u>Class Code</u>	<u>4/1/2011 Assigned Risk Rate</u>	<u>Minimum Premium</u>
"S" Codes			Maritime and Federal Codes					
6845	10.43	441	6702	20.38	645			
7309	14.28	537	6703	33.18	645			
7313	4.78	300	6704	22.55	645			
7317	9.55	419	7016	16.08	582			
7327	24.30	645	7024	17.88	627			
8726	3.15	259	7038	11.18	460			
9077	1.33	213	7046	13.13	508			
			7047	19.60	645			
			7050	13.60	520			
			7090	12.43	491			
			7098	14.60	545			
			7099	15.90	578			
			7151	8.60	395			
			7152	13.98	530			
			7153	9.50	418			
			7333	23.18	645			
			7335	25.78	645			
			7337	28.08	645			
			7394	17.88	627			
			7395	19.85	645			
			7398	21.78	645			
			8734	1.08	207			
			8737	0.95	204			
			8738	1.58	220			
			8805	0.43	191			
			8814	0.40	190			
			8815	0.63	196			
"F" Codes								
6801	6.80	350						
6824	13.65	521						
6826	13.10	508						
6843	38.00	645						
6845	23.78	645						
6872	13.38	515						
6874	65.83	645						
7309	22.30	645						
7313	48.75	645						
7317	24.55	645						
7327	65.55	645						
7350	11.70	473						
8709	13.28	512						
8726	27.53	645						
9077	5.03	306						

MINNESOTA WORKERS' COMPENSATION

Assigned Risk Plan Rates
Effective New and Renewal April 1, 2011

Miscellaneous Values

Expense Constant applicable to all policies	\$180.00	
Maximum Individual Remuneration applicable to:		
<ul style="list-style-type: none"> • executive officers, partners and sole proprietors in connection with Minnesota Basic Manual Rule 2-E-1-b and Rule 2-E-3-a • members/owners of a Limited Liability Company in connection with Minnesota Basic Manual Rule 2-e-2-b • Code 9178—"Athletic Sports or Park: Non-Contact Sports" • Code 9179—"Athletic Sports or Park: Contact Sports" 	\$1,736.00	
Minimum Individual Remuneration applicable to:		
<ul style="list-style-type: none"> • executive officers, partners and sole proprietors in connection with Minnesota Basic Manual Rule 2-E-1-b and Rule 2-E-3-a • members/owners of a Limited Liability Company in connection with Minnesota Basic Manual Rule 2-E-2-b 	\$434.00	
Minimum Remuneration for Spouse, Parent or Child Elections		
<p>If a parent, spouse or child of an individual sole proprietor or a partner of a partnership or an executive officer of a closely held corporation, who is eligible for coverage under 176.041, is employed by such entity to perform work in connection with the operations of the employer and for whom coverage has been elected in writing, the actual payroll of such spouse, parent or child as indicated in the insured's records shall be included in the basis of premium computation subject to a minimum amount per each week actually worked (a part of a week shall be considered a full week). There is no maximum.</p>	\$260.00	
United States Longshore and Harbor Workers' Compensation Coverage Percentage applicable only in connection with Minnesota Basic Manual Rule 3-A-4-b (Multiply a Non-F classification rate by a factor of 1.48)		
	48%	
Terrorism per \$100 of payroll	\$0.02	
Minnesota Special Compensation Fund Assessment	3.4%	
Workers' Compensation Reinsurance Association (WCRA) Deficiency Assessment	0.6%	
Limits of Employers Liability		
Standard:		
Bodily Injury by Accident	\$100,000 Each Accident	
Bodily Injury by Disease:	\$500,000 Policy Limit	
Bodily Injury by Disease:	\$100,000 Each Employee	
Increased Limits to:		
Bodily Injury by Accident	\$500,000 Each Accident	1% of the total premium or \$50, whichever is greater
Bodily Injury by Disease:	\$500,000 Policy Limit	
Bodily Injury by Disease:	\$500,000 Each Employee	
Increased Limits to:		
Bodily Injury by Accident	\$1,000,000 Each Accident	5% of the total premium or \$150, which ever is greater
Bodily Injury by Disease:	\$1,000,000 Policy Limit	
Bodily Injury by Disease:	\$1,000,000 Each Employee	

Taxicab Driver Payroll

When the payroll of taxicab drivers is not verifiable in the payroll records of the insured, the payroll of such drivers shall be established as 150% of the statewide average weekly wage extended for the period of employment during the policy term.

If the owner also rents or leases the vehicle, an additional premium will be charged for each leased or rented vehicle per policy year based on 100% of the statewide average weekly wage extended to an annual basis.

Experience Rating Eligibility

A risk is eligible for intrastate experience rating when the payrolls or other exposures developed in the last year or last two years of the experience period produced a premium of at least \$10,000. If more than two years, an average annual premium of at least \$5,000 is required. Page R5 of the **Minnesota Experience Rating Plan Manual** should be referenced for the latest approved eligibility amounts.

Merit Rating Eligibility

A risk is eligible for Minnesota merit rating when payrolls or other exposures developed within the rating period do not qualify an employer in the Minnesota Assigned Risk Plan for an experience modification factor. Refer to the **Minnesota Experience Rating Plan Manual** for information on the Minnesota Assigned Risk Plan Merit Rating Program.

Safety Program Rating Plan — Rule

The total net debit or credit produced by this rating plan is added to unity then applied multiplicatively to the risk's standard (i.e., after the application of experience rating) premium. The result is the risk's net premium.

Each individual debit or credit shall be based on relevant evidence that is contained in the file of the inspecting underwriter. Rate modifications will not be made effective until supporting evidence is received by the underwriter.

The basis for determining a risk's overall rate factor shall be made available to the employer so that corrective measures may be taken by the employer to improve safety and reduce premium.

Each employer shall maintain the right of appeal with respect to its assigned rating modification factor. A written response detailing the basis for its rebuttal shall be provided by the employer to the Assigned Risk Plan Administrative office. An admissible basis for appealing a rate is an employer's claim that financial constraints make required improvements infeasible.

<u>RATING ITEM</u>	<u>RANGE OF ALLOWABLE MODIFICATION</u>
1. <u>AWAIR/OSHA Compliance</u>	-5% to 5%
Evaluation of general level of compliance with Minnesota OSHA standard, "AWAIR" which defines essential elements of a formal program, and management and employee commitment to safety.	
<ul style="list-style-type: none">• written accident and injury reduction plan• management participation, established,• measured and maintained• implementation of plan, how and by who• communication of plan to all employees• enforcement of safe work practices and rules• copy of OSHA 300 log, accident summary – 3 years	

2. Other Operational Methods

-5% to 5%

Employee selection and training procedures, internal inspection, and organizational directives toward safety (e.g., safety incentive programs). Also includes employee interviews, drivers training, ergonomic awareness and established emergency procedures.

- employee selection
- employee training
- employee supervision
- safety committees
- internal inspections
- driver training
- ergonomic awareness
- safety incentives
- emergency incentives

3. Premises

-2% to 2%

Includes cleanliness of work site, density of people relative to capacity, noise levels, number of exits, lighting, electrical lockout, chemical and various physical hazards unique to work site.

- age of building
- lighting
- placement of emergency equipment
- number of emergency exits
- unique physical hazards
- hazards of entrance and exit area
- electrical lockout/tagout
- other emergency controls
- unique chemical hazards

4. Equipment, Machinery, Devises

-2% to 2%

Includes machine safeguards, state-of-the-art conformity of equipment, warnings, machine electrical and chemical hazards.

- age of machinery
- care, maintenance and replacement practices
- hazard warnings
- posted usage instructions
- personal protective items
- inherent hazards of machinery including physical, electrical, chemical, radioactivity
- condition and type of motor vehicles
- quality of office furniture

5. Medical Facilities

-3% to 3%

Includes first aid stations, eye wash facilities, presence of medical personnel, CPR awareness, etc.

- availability of medical professionals
- CPR training and posting
- quality of first aid facilities
- designated clinics
- bloodborne prevention
- emergency medical procedures
- return to work program

6. Accident Reporting and Investigation

-4% to 4%

Level of reporting, record keeping, investigation and researching accidents. Also includes related follow-up procedures.

- record keeping
- reporting procedures
- near miss evaluation
- studies of underlying causes
- investigation of work place accidents and illness
- inquiries directed to injured and fellow employees
- level of follow-up procedures
- corrective action implementation

Maximum Debit or Credit for this rating Plan is plus or minus 15%.

Participation in Assigned Risk's Safety Plan requires prior approval and a physical inspection. Requests for an inspection should be directed to MWCARP by writing MWCARP – Attn: Safety Plan; 8300 Norman Center Drive, 4th Floor; Minneapolis, MN 55437, by phone at 800-471-6767 or by email kim_zersen@ars.aon.com.

Deductible Plan — Rule

The Minnesota Workers' Compensation Assigned Risk Plan will use the following deductible credits:

<u>Per Claim Medical Loss Deductible</u>	<u>Deductible</u>	<u>Premium Credit</u>
\$250		1.2%
\$500		2.1%
\$1,000		3.6%
\$2,500		6.2%
\$5,000		9.0%
\$10,000		13.2%

Participation in MWCARP's Deductible Plan requires prior approval. For copies of the applications and complete rules, refer to MWCARP's website at www.mwcarp.org.
