



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

February 6, 2012

ALL ASSOCIATION MEMBERS

Circular Letter No. 12-1609

RE: AMENDED: 4-1-2012 Assigned Risk Rates

Commerce Commissioner Rothman issued an amended rate order on January 23, 2012 approving a 2.1% increase in the overall level of the Assigned Risk rates effective April 1, 2012. This amended rate order affects the treatment of the domestic and foreign terrorism charge as outlined in # 5 below. The following is an excerpt from the Commissioner's Order:

"ORDERED

1. That effective April 1, 2012, the Minnesota Workers' Compensation Assigned Risk Plan will use a pure premium multiplier of 2.60 to be applied uniformly to the pure premium base rates of the 2012 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) assessments shall be 3.5% 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 \$0.01 per \$100 of payroll.
6. That the average premium level, including surcharges, will increase by 2.1%."

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, 2012

<u>Class Code</u>	<u>4/1/2012 Assigned Risk Rate</u>	<u>Minimum Premium</u>	<u>Class Code</u>	<u>4/1/2012 Assigned Risk Rate</u>	<u>Minimum Premium</u>	<u>Class Code</u>	<u>4/1/2012 Assigned Risk Rate</u>	<u>Minimum Premium</u>
0005	7.98	380	2021	13.57	519	2702	16.77	599
0006	8.19	385	2039	8.09	382	2710	22.85	645
0008	5.46	317	2041	4.81	300	2714	8.35	389
0016	8.19	385	2065	8.09	382	2729	8.14	384
0034	9.28	412	2070	8.09	382	2731	12.71	498
0035	3.82	276	2081	9.91	428	2735	10.87	452
0042	9.10	408	2089	7.44	366	2759	11.18	460
0050	24.36	645	2095	7.72	373	2790	3.15	259
0079	5.46	317	2105	6.19	335	2802	5.90	328
0106	23.19	645	2111	6.63	346	2881	4.84	301
0113	9.28	412	2121	6.45	341	2883	6.76	349
0170	3.80	275	2130	5.17	309	2915	5.59	320
0251	9.36	414	2131	5.23	311	2916	6.37	339
0400	12.95	504	2157	13.62	521	2923	4.39	290
0401	20.77	645	2172	3.12	258	2960	13.57	519
0908	255.16	435	2174	4.99	305	3004	9.78	425
0913	817.08	997	2211	12.43	491	3018	4.97	304
0917	6.34	339	2220	4.03	281	3022	6.86	352
1164	10.30	438	2286	5.80	325	3027	4.50	293
1165	3.74	274	2288	6.60	345	3028	7.51	368
1320	4.03	281	2302	2.68	247	3030	12.25	486
1322	40.22	645	2305	5.43	316	3040	6.53	343
1430	12.17	484	2361	4.42	291	3042	17.03	606
1438	5.38	315	2362	4.42	291	3064	9.57	419
1452	7.70	373	2380	4.42	291	3066	10.82	451
1463	29.07	645	2388	4.42	291	3076	8.74	399
1472	6.76	349	2402	4.97	304	3081	12.71	498
1624	5.54	319	2413	4.39	290	3082	15.11	558
1642	5.28	312	2416	3.17	259	3085	6.55	344
1654	5.54	319	2417	4.39	290	3110	4.08	282
1655	5.54	319	2501	4.08	282	3111	7.28	362
1699	5.28	312	2503	4.42	291	3113	4.45	291
1701	5.28	312	2534	4.42	291	3114	6.14	334
1710	7.62	371	2570	5.49	317	3126	6.66	347
1747	4.99	305	2585	6.06	332	3131	6.08	332
1803	9.85	426	2586	6.06	332	3132	9.15	409
1852	5.33	313	2587	11.88	477	3145	3.12	258
1853	5.15	309	2623	7.77	374	3146	5.12	308
1860	7.77	374	2640	8.74	399	3169	3.90	278
1924	13.81	525	2651	6.21	335	3175	3.90	278
1925	14.01	530	2660	6.21	335	3179	4.08	282
2002	8.24	386	2670	6.21	335	3180	4.50	293
2003	6.45	341	2683	6.21	335	3188	14.09	532
2014	12.06	482	2686	6.21	335	3220	6.92	353
2016	7.10	358	2688	6.21	335	3223	8.74	399

MINNESOTA WORKERS' COMPENSATION

Assigned Risk Plan Rates
Effective New and Renewal April 1, 2012

<u>Class Code</u>	<u>4/1/2012 Assigned Risk Rate</u>	<u>Minimum Premium</u>	<u>Class Code</u>	<u>4/1/2012 Assigned Risk Rate</u>	<u>Minimum Premium</u>	<u>Class Code</u>	<u>4/1/2012 Assigned Risk Rate</u>	<u>Minimum Premium</u>
3224	6.66	347	3824	7.77	374	4459	5.82	326
3227	8.74	399	3826	4.11	283	4470	2.68	247
3241	5.12	308	3827	2.91	253	4484	6.19	335
3255	38.12	645	3830	4.03	281	4493	3.02	256
3257	8.71	398	3851	6.21	335	4511	1.01	205
3300	28.94	645	3881	5.41	315	4557	3.67	272
3303	7.25	361	4000	13.36	514	4558	3.48	267
3307	7.25	361	4021	8.89	402	4568	4.55	294
3315	8.32	388	4024	8.06	382	4581	3.30	263
3334	5.17	309	4034	13.62	521	4583	10.71	448
3341	5.20	310	4036	11.70	473	4611	2.76	249
3365	8.16	384	4038	4.34	289	4635	5.20	310
3372	6.84	351	4053	4.26	287	4653	2.29	237
3373	10.82	451	4061	4.26	287	4665	9.78	425
3382	2.11	233	4062	4.26	287	4670	8.32	388
3383	2.11	233	4101	3.61	270	4683	7.80	375
3385	2.11	233	4112	1.35	214	4686	8.94	404
3400	8.74	399	4114	3.15	259	4692	1.48	217
3507	6.50	343	4130	6.73	348	4693	2.44	241
3515	4.08	282	4131	6.08	332	4703	4.34	289
3548	1.09	207	4133	4.76	299	4720	1.90	228
3559	3.54	269	4150	2.11	233	4740	1.51	218
3571	1.92	228	4206	17.94	629	4741	1.87	227
3574	0.96	204	4207	1.92	228	4751	6.60	345
3612	3.46	267	4239	4.78	300	4767	1.98	230
3620	9.59	420	4240	1.92	228	4771	3.80	275
3629	4.13	283	4243	4.94	304	4777	7.96	379
3632	6.32	338	4244	7.51	368	4825	1.46	217
3634	4.89	302	4250	1.92	228	4828	1.59	220
3635	4.55	294	4251	10.30	438	4829	1.56	219
3638	2.60	245	4263	1.92	228	4902	3.04	256
3642	2.47	242	4273	5.69	322	4923	3.38	265
3643	4.08	282	4279	5.88	327	5000	79.82	645
3647	5.56	319	4283	6.71	348	5020	12.19	485
3648	3.95	279	4299	5.85	326	5022	14.01	530
3681	2.37	239	4304	5.85	326	5037	39.52	645
3685	2.11	233	4307	5.28	312	5040	125.84	645
3719	6.79	350	4314	8.71	398	5057	6.99	355
3724	12.35	489	4351	3.51	268	5059	99.71	645
3726	13.39	515	4352	3.51	268	5102	9.02	406
3803	4.50	293	4361	1.90	228	5146	9.36	414
3807	2.78	250	4410	5.12	308	5160	5.54	319
3808	6.55	344	4420	6.84	351	5183	7.70	373
3821	23.32	645	4432	8.63	396	5188	6.81	350
3822	8.19	385	4452	5.98	330	5190	5.59	320

MINNESOTA WORKERS' COMPENSATION

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5191	2.26	237	6260	73.14	645	7705	8.22	386
5192	8.11	383	6306	15.73	573	7706	4.11	283
5213	10.69	447	6319	7.07	357	7708	79.64	260
5215	12.12	483	6325	16.85	601	7720	4.21	285
5221	13.05	506	6400	12.58	495	7855	13.73	523
5222	33.83	645	6504	5.95	329	8001	3.93	278
5348	13.08	507	6811	6.68	347	8002	3.43	266
5403	32.94	645	6834	6.73	348	8006	4.08	282
5437	19.63	645	6836	6.73	348	8008	1.69	222
5445	11.21	460	6854	7.77	374	8013	0.62	196
5462	35.70	645	6882	13.00	505	8015	1.07	207
5472	22.67	645	6884	55.35	645	8017	3.43	266
5473	10.19	435	7201	13.52	518	8018	6.42	341
5474	15.96	579	7207	13.52	518	8021	3.85	276
5478	21.58	645	7222	9.59	420	8029	4.32	288
5479	23.79	645	7228	10.32	438	8031	3.61	270
5480	9.93	428	7229	19.29	645	8032	3.54	269
5491	5.10	308	7230	12.53	493	8033	3.15	259
5506	13.47	517	7231	12.53	493	8034	4.60	295
5507	13.88	527	7232	10.61	445	8036	3.54	269
5508	31.41	645	7360	11.44	466	8039	3.02	256
5537	10.14	434	7370	10.48	442	8044	6.60	345
5538	18.46	642	7380	9.18	410	8045	1.20	210
5551	68.07	645	7382	7.77	374	8047	7.88	377
5606	4.00	280	7390	14.14	534	8048	4.60	295
5645	18.80	645	7403	9.59	420	8052	4.55	294
5649	10.45	441	7405	1.79	225	8058	5.10	308
5651	19.08	645	7420	14.79	550	8072	0.83	201
5703	34.92	645	7421	1.43	216	8102	4.03	281
5705	27.82	645	7422	3.22	261	8103	5.38	315
5951	2.81	250	7425	5.15	309	8106	8.32	388
6003	34.92	645	7431	3.22	261	8107	7.28	362
6017	24.91	645	7502	4.89	302	8111	4.55	294
6204	41.31	645	7515	2.81	250	8116	3.59	270
6213	16.85	601	7520	8.37	389	8203	20.62	645
6216	14.17	534	7529	20.64	645	8204	7.41	365
6217	10.82	451	7538	15.91	578	8209	6.42	341
6229	11.15	459	7539	2.57	244	8215	5.93	328
6233	10.30	438	7540	9.18	410	8227	8.66	397
6235	25.17	645	7580	6.34	339	8232	8.66	397
6236	62.17	645	7590	6.58	345	8233	11.73	473
6237	7.38	365	7600	7.36	364	8235	6.53	343
6248	21.84	645	7601	25.56	645	8263	10.97	454
6251	25.12	645	7605	2.26	237	8264	10.22	436
6252	21.19	645	7610	0.75	199	8265	27.40	645

MINNESOTA WORKERS' COMPENSATION

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8279	13.52	518	8856	0.34	189	9554	18.46	642
8280	8.97	404	8864	3.93	278	9586	1.59	220
8284	7.51	368	8868	0.81	200	9600	15.57	569
8285	13.94	529	8869	1.92	228	9620	1.56	219
8286	9.23	411	8901	0.36	189			
8291	8.76	399	9012	4.00	280			
8292	7.64	371	9014	7.38	365			
8293	19.63	645	9015	7.38	365			
8304	10.63	446	9016	8.92	403			
8350	5.77	324	9033	4.19	285			
8353	8.58	395	9040	6.34	339			
8380	5.98	330	9044	3.46	267			
8381	3.74	274	9052	4.42	291			
8385	4.63	296	9054	8.76	399			
8392	4.81	300	9058	4.42	291			
8393	5.98	330	9060	2.73	248			
8395	5.98	330	9061	2.29	237			
8500	11.52	468	9062	6.79	350			
8601	1.61	220	9063	1.92	228			
8606	3.77	274	9082	2.65	246			
8719	4.78	300	9083	2.83	251			
8720	1.79	225	9084	3.51	268			
8721	1.25	211	9088	60.09	645			
8723	0.34	189	9093	2.29	237			
8742	0.75	199	9101	7.18	360			
8745	6.86	352	9102	5.62	321			
8748	1.25	211	9149	2.89	252			
8800	4.11	283	9154	3.20	260			
8803	0.10	183	9156	6.16	334			
8810	0.34	189	9178	8.74	399			
8820	0.34	189	9179	25.92	645			
8824	6.55	344	9180	9.05	406			
8825	3.12	258	9182	5.46	317			
8826	3.98	280	9186	107.17	645			
8828	6.24	336	9220	8.81	400			
8829	5.62	321	9402	11.88	477			
8830	8.14	384	9403	11.88	477			
8831	3.85	276	9410	1.35	214			
8832	0.78	200	9501	5.04	306			
8833	2.47	242	9516	10.40	440			
8835	5.33	313	9519	8.06	382			
8842	3.61	270	9521	15.83	576			
8844	2.26	237	9522	15.57	569			
8845	3.09	257	9534	9.78	425			
8855	0.34	189	9539	30.34	645			

MINNESOTA WORKERS' COMPENSATION

Assigned Risk Plan Rates
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<u>Class Code</u>	<u>4/1/2012 Assigned Risk Rate</u>	<u>Minimum Premium</u>	<u>Class Code</u>	<u>4/1/2012 Assigned Risk Rate</u>	<u>Minimum Premium</u>	<u>Class Code</u>	<u>4/1/2012 Assigned Risk Rate</u>	<u>Minimum Premium</u>
"S" Codes			Maritime and Federal Codes					
6845	11.05	456	6702	16.77	599			
7309	13.86	527	6703	27.27	645			
7313	4.76	299	6704	18.54	644			
7317	9.36	414	7016	14.53	543			
7327	25.79	645	7024	16.15	584			
8726	3.09	257	7038	10.50	443			
9077	1.40	215	7046	16.95	604			
			7047	17.71	623			
			7050	12.82	501			
			7090	11.67	472			
			7098	18.82	645			
			7099	20.51	645			
			7151	9.49	417			
			7152	15.44	566			
			7153	10.50	443			
			7333	19.79	645			
			7335	22.00	645			
			7337	23.95	645			
			7394	16.38	590			
			7395	18.20	635			
			7398	19.97	645			
			8734	1.04	206			
			8737	0.94	204			
			8738	1.51	218			
			8805	0.44	191			
			8814	0.39	190			
			8815	0.65	196			
"F" Codes								
6801	6.68	347						
6824	13.16	509						
6826	12.56	494						
6843	37.36	645						
6845	23.40	645						
6872	11.73	473						
6874	64.74	645						
7309	20.98	645						
7313	43.24	645						
7317	22.33	645						
7327	64.48	645						
7350	10.71	448						
8709	12.66	497						
8726	25.69	645						
9077	4.94	304						

MINNESOTA WORKERS' COMPENSATION

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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" 	\$1,792.00	
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 	\$448.00	
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>		
	\$269.00	
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	\$0.01	
Minnesota Special Compensation Fund Assessment	3.5%	
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
Bodily Injury by Disease:	\$500,000 Policy Limit	premium or \$50,
Bodily Injury by Disease:	\$500,000 Each Employee	whichever is greater
Increased Limits to:		
Bodily Injury by Accident	\$1,000,000 Each Accident	5% of the total
Bodily Injury by Disease:	\$1,000,000 Policy Limit	premium or \$150,
Bodily Injury by Disease:	\$1,000,000 Each Employee	which ever is greater

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.
