



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

March 27, 2012

**ALL ASSOCIATION MEMBERS**

Circular Letter 12-1611

**RE: Three-Year Variable Rate Policies not Permitted in Minnesota**

The Minnesota Workers' Compensation Insurers Association, Inc. (MWCIA) wants to remind member carriers that Three-Year Variable Rate Policies are not permitted in Minnesota, under Minnesota Statute 60A.351, which clarifies how a member carrier may implement rate increases in Minnesota. Specifically, this statute states that carriers may only impose less favorable economic terms on a policy if notice of such new terms is sent to the insured not less than 30 days prior to the policy expiration date.

Accordingly carriers may not utilize Three-Year Variable Rate Policies which seeks to increase rates during the policy term. However, as outlined in the ***Minnesota Basic Manual***, Three-Year Fixed-Rate Policies are permitted in Minnesota.

Please direct any questions you may have concerning this item to MWCIA's Member & Customer Services staff at 952.897.1737 (Option 1) or email at [underwriting@mwcia.org](mailto:underwriting@mwcia.org).