



Minnesota Workers' Compensation  
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## Circular 26-1874

### RE: **Minnesota Wrap-up Program Revisions**

Date: April 20, 2026

To: External Stakeholders

### Overview

This circular details changes made to four manuals, the Minnesota Basic Manual, the Minnesota Forms Manual, the Minnesota Experience Rating Plan Manual, and the NCCI Retrospective Rating Plan Manual based on HF 3228 passed into law in 2025 as [statute 79.102](#). This statute removes the common terminology phrase of Wrap-ups in Minnesota and introduced the new Owner – Controlled Insurance Programs (OCIP) and Contractor – Controlled Insurance Programs (CCIP).

The Minnesota Department of Commerce approved these revisions for new and renewal policies effective on or after 12:01 a.m. on May 1, 2026.

Please see subsequent pages for the [Quick View](#) and [Detailed Breakdown](#) sections.

### Contact Information

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### *A Notice to Membership*

*Pursuant to Minn R. Part 2705.3200, the Manual, Forms, and/or endorsements included in this filing do not require independent filing by our members.*

## Quick View

Minnesota Manual	Manual Section	High level overview of change	Link to clean pages or exhibits
Basic Manual	Rule 3	<ul style="list-style-type: none"> <li>All references to Wrap- Ups have been removed and replaced with OCP or CCIP</li> <li>The Wrap – Up section for premium discount has been completely removed.</li> <li>New definitions added.</li> <li>New requirements added.</li> </ul>	R 42 R 43 R 44
Forms Manual	<ul style="list-style-type: none"> <li>New: WC 22 06 21</li> <li>New: WC 22 06 22</li> <li>New: WC 22 06 23</li> <li>New: WC 22 06 24</li> <li>Revision to WC 00 03 02</li> </ul>	<ul style="list-style-type: none"> <li>Four new forms were added that are required for use in Minnesota if writing OCIP/CCIP</li> <li>Revision to WC 00 03 02 to remove any reference to wrap – up.</li> </ul>	WC 22 06 21 WC 22 06 22 WC 22 06 23 WC 22 06 24 WC 00 03 02
Experience Rating Plan	Rule 5	<ul style="list-style-type: none"> <li>Updated to remove all references to Wrap-Ups and replace with OCIP/CCIP language</li> <li>Updates to combinability</li> <li>Updates to experience rating</li> <li>Added definitions</li> </ul>	R6 R11 R14 R15 R24 R26
NCCI Retrospective Rating Plan	Minnesota State Exception Pages	<ul style="list-style-type: none"> <li>Updated to remove all references to Wrap-Ups and replace with OCIP/CCIP language</li> </ul>	Minnesota State Exception Pages

## Detailed Breakdown

### Minnesota Basic Manual

The Minnesota Basic Manual has been revised to remove prior wrap-up construction project provisions and replace them with a Minnesota-specific framework for Owner - Controlled Insurance Programs (OCIP) and Contractor - Controlled Insurance Programs (CCIP). The revisions establish new Rule 3 language governing how large construction projects are identified, qualified, approved, and written in Minnesota.

The revised rule adds definitions for “project sponsor,” “owner-controlled insurance program,” “contractor-controlled insurance program,” and “program,” and sets clear eligibility thresholds requiring an aggregate project value in excess of \$100,000,000 and combined annual written workers’ compensation premium in Minnesota of at least \$500,000 for all policies issued as part of the program. The rule also requires prior approval by the Minnesota Department of Commerce before an OCIP or CCIP may operate in Minnesota.

In addition, the revised Basic Manual requires reporting to the commissioner when an approved program insurer deviates from approved rates or rating plans, and it adds detailed policy requirements for program identification, classification treatment, project-specific limitation of coverage, and use of endorsements to confine or exclude project exposures under related policies. These revisions ensure that OCIP and CCIP business is written through designated Minnesota forms and identified consistently across participating policies.

The Basic Manual changes also remove the former wrap-up premium discount treatment from Rule 3-A-19.c., so the clean pages reflect only the final approved Minnesota text without the prior wrap-up construction project provision. The attached clean pages R42, R43, and R44 show the final approved language effective May 1, 2026.

- Rule 3-A-19.c., relating to wrap-up construction projects and premium discount, was removed as part of this update
- Rule 3-A-23 was revised to replace the prior wrap-up construction project language with statutory provisions addressing Owner - Controlled Insurance Program (OCIP) and Contractor - Controlled Insurance Programs (CCIP)
- The revised rule adds definitions for “project sponsor,” “owner-controlled insurance program,” “contractor-controlled insurance program,” and “program,” and establishes qualification thresholds for project value and annual written workers’ compensation premium in Minnesota
- The revised rule also adds requirements for prior approval by the Minnesota Department of Commerce, insurer premium reporting when deviations are used, and policy identification and endorsement requirements for OCIP and CCIP policies
- The approved revisions are reflected in the attached updated manual pages. These clean pages contain the final approved language

Total the premium of all entities to determine the amount subject to the Retrospective Rating Plan. The remainder of that standard premium is subject to premium discount and is calculated as follows:

- (a) Determine the discount (x) as if none of the premium is subject to retrospective rating
- (b) Determine the discount (y) for the premium subject to retrospective rating only
- (c) The premium discount is the difference between (x) and (y)

The total premium discount is distributed by state by allocating the state portion of standard premium to the premium discount.

Refer to the **Minnesota User's Guide** for an example.

### (3) Other Methods

Any other method of determining premium discount may be used as long as the result does not differ by more than 0.1% of the standard premium from the premium discount produced by the methods outlined in this rule.

Refer to Appendix A for sample Premium Discount Tables.

### b. Combination of Policies

For the purpose of calculating premium discount for two or more policies that are issued to the same insured by one or more carriers that are under the same management, the total standard premium for those policies must be combined. This applies unless the insured instructs the carrier otherwise.

If the policies being combined have different expiration dates:

- (1) This portion of the rule does not apply in the State of Minnesota.
- (2) This portion of the rule does not apply in the State of Minnesota.
- (3) This portion of the rule does not apply in the State of Minnesota.

**Note:** Carriers who wish to use premium discounts in their premium calculations must file with the Minnesota Department of Commerce for approval prior to using their own premium discount tables or include as part of their rate filing that they plan to use the Advisory Premium Discount Tables published in the **Minnesota Basic Manual Appendix**.

Refer to the **Minnesota User's Guide** for an example.

## 20. Standard Premium

Standard Premium, for the purpose of this rule, is the premium before the application of the premium discount.

It is the state premium determined on the basis of:

- Carrier rates filed and approved for use by the Minnesota Department of Commerce
- Premium for increased limits of liability
- Experience rating modification
- Applicable schedule rating modification
- Minimum premiums

Total Standard Premium is the total premium for all states covered by the policy excluding expense constant, Special Compensation Fund Surcharge, and additional charges for Terrorism and before the application of the premium discount. Premium charges for disease loading and non-ratable elements do not apply in the State of Minnesota.

**Note:** The Annual Financial Calls for experience, which are used for ratemaking, contain a different definition of standard premium.

## 21. States Added After Policy Effective Date

A state may be added after the effective date of the policy. For the additional state operations, apply:

- a. Carrier rates in effect on the anniversary rating date of the policy to which the state has been added subject to the rules of that state.
- b. Any rate change that applies to outstanding policies for the state being added subject to the rules of that state, and
- c. Any applicable experience rating modification for the policy to which the state has been added.  
*Refer to **Minnesota Experience Rating Plan Manual**.*

## 22. Waiver of Right to Recover From Others (Subrogation)

It is permissible in Minnesota to issue a Standard Policy with the provision that allows the carrier to waive its right of recovery against anyone liable for an injury covered by the policy. Attach the Waiver of Our Right to Recover From Others Endorsement (WC 00 03 13) to waive right of recovery in Minnesota.

The premium for this endorsement (WC 00 03 13) is based on a premium charge determined by the carrier from its evaluation of the exposures and approved by the Department of Commerce.

## 23. Owner Controlled Insurance Programs (OCIP) and Contractor Controlled Insurance Programs (CCIP)

### 1. Definitions

- a. "Project sponsor" means a person who engages the services of a contractor for the purpose of working on a single, specific, and large construction, erection, or demolition project.
- b. "Owner-controlled insurance program" is a single, specific, and large construction, erection, or demolition project for which a series of policies have been issued to a project sponsor and two or more contractors or subcontractors engaged in the project to cover liability for workers' compensation as provided in Minnesota Statute section 176.181.
- c. "Contractor-controlled insurance program" is a single, specific, and large construction, erection, or demolition project for which a series of policies have been issued to a general contractor or construction manager and two or more contractors or subcontractors engaged in the project to cover liability for workers' compensation as provided in Minnesota Statute section 176.181.
- d. "Program" means either of the programs under paragraphs (b) or (c).

### 2. Premium Requirement:

To qualify as an Owner Controlled Insurance Program (OCIP) or Contractor Controlled Insurance Program (CCIP), the project must have an aggregate value in excess of \$100,000,000 and the project generates a combined \$500,000 or more in annual written workers' compensation premium in Minnesota for the policies issued to all employers as part of the program.

### 3. Regulatory Approval:

To operate an Owner Controlled Insurance Program (OCIP), or Contractor Controlled Insurance Program (CCIP) in Minnesota, the Project Sponsor or General Contractor must submit an application to and obtain prior approval from the Department of Commerce.

### 4. Premium Reporting:

To the extent an approved program's insurer deviates from the rates and rating plan approved by the commissioner when determining rates for each employer in the program, the insurer shall submit to the commissioner data and calculations used by the insurer to calculate the deviations within 60 days of the program's policies' effective date.

**5. Policy Requirements:**

- a. Appropriate classifications are assigned to each separate legal entity based on the operations performed.
- b. Each policy must identify the program, under Item #1, as either “OCIP” for Owner Controlled Insurance Program or “CCIP” for Contractor Controlled Insurance Program.
- c. The policies are limited to providing insurance on the large construction project. To limit the insurance to a specific project, attach either a:
  - Minnesota Owner - Controlled Insurance Program (OCIP) Contractors Under an OCIP Endorsement (WC 22 06 21)
  - Minnesota Owner - Controlled Insurance Program (OCIP) Project Sponsor Endorsement – (WC 22 06 22)
  - Minnesota Contractor - Controlled Insurance Program (CCIP) General Contractor or Construction Manager Endorsement (WC 22 06 23)
  - Minnesota Contractor - Controlled Insurance Program (CCIP) Contractors Under a CCIP Endorsement (WC 22 06 24).
- d. To exclude large construction projects coverage under other workers’ compensation policies issued to the same entities participating in an Owner Controlled Insurance Program (OCIP) or Contractor Controlled Insurance Program (CCIP), attach the standard **Designated Workplaces Exclusion Endorsement** (WC 00 03 02) to those other policies.

**24. Terrorism**

Premium for Terrorism is calculated on the basis of total payroll according to Rule 2. An employer’s total payroll in Minnesota is divided by units of \$100 and multiplied by the Terrorism rate filed by each carrier and approved for use in Minnesota by the Department of Commerce. The **Minnesota Ratemaking Report** contains an advisory loss cost which carriers may apply to their loss cost multiplier to produce ultimate rates. The calculation is expressed as (Payroll/100 x Terrorism Rate x advisory loss cost multiplier = Premium). This premium is applied after standard premium and is not subject to any other modifications including, but not limited to, premium discount, experience rating, schedule rating, retrospective rating, MCPAP, the Special Compensation Fund Surcharge, or any other individual risk rating plan.

Premium developed for Terrorism coverage is not included in standard premium.

Unless an “If Any” policy develops premium during the policy term or at audit, policies issued on an “If Any” basis should not be charged a terrorism rate.

Expense constant and per capita charges are not subject to premium for Terrorism coverage.

## Minnesota Forms Manual

The Minnesota Forms Manual has been updated to support the new OCIP/CCIP framework by adding four Minnesota-specific endorsements for use on qualifying large construction projects and by revising the Designated Workplaces Exclusion Endorsement to remove prior wrap-up references. Together, these form changes provide the policy language needed to identify the project, define the covered workplaces, allocate payment and cancellation responsibilities, and coordinate project coverage with other policies issued to participating entities.

The attached clean endorsement pages for WC 22 06 21, WC 22 06 22, WC 22 06 23, WC 22 06 24, and WC 00 03 02 show the final approved language effective May 1, 2026.

- Minnesota Owner - Controlled Insurance Program (OCIP) Contractors Under an OCIP Endorsement (WC 22 06 21).
- Minnesota Owner - Controlled Insurance Program (OCIP) Project Sponsor Endorsement (WC 22 06 22).
- Minnesota Contractor - Controlled Insurance Program (CCIP) General Contractor or Construction Manager Endorsement (WC 22 06 23).
- Minnesota Contractor - Controlled Insurance Program (CCIP) Contractors Under a CCIP Endorsement (WC 22 06 24).

### **Updated Designated Workplaces Exclusion**

The Minnesota Designated Workplaces Exclusion Endorsement (WC 00 03 02) has been updated and is suggested for use with OCIP and CCIP. The endorsement continues to exclude only those workplaces properly excluded under workers' compensation law, and the Notes provide examples for excluding specific offices, construction projects, locations, or work insured by another policy. The Notes have also been revised to reference Owner - Controlled Insurance Programs and Contractor - Controlled Insurance Programs and to remove prior references to "wrap up" projects.

## **Minnesota Owner-Controlled Insurance Program (OCIP)**

### **Contractor Under an OCIP Endorsement**

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

This endorsement applies because this policy is providing workers compensation coverage, solely with respect to the Project identified in the Schedule, as part of an owner-controlled insurance program.

**GENERAL SECTION, Item E. Locations** is replaced with the following:

#### **E. Locations**

This policy covers the Project Workplaces described in the Schedule that are used in connection with the Project identified in the Schedule, including staging areas, material or equipment storage areas, field offices, and other locations adjacent to or near the Project site where work incidental to such Project is performed.

**The following definition is added to the GENERAL SECTION:**

Owner-controlled insurance program means a single, specific, and large construction, erection, or demolition project for which a series of policies have been issued to a project sponsor and two or more contractors or subcontractors engaged in the project to cover liability for workers' compensation as provided in Minnesota Statute section 176.181.

**PART FIVE – PREMIUM, Item D. Premium Payments** is replaced with the following:

#### **D. Premium Payments**

The Project Sponsor identified in the Schedule will pay when due all premiums, surcharges, assessments, and other costs associated with the owner-controlled insurance program for the Project identified in the Schedule. The Project Sponsor must make these payments even if part or all of a workers' compensation law is not valid.

**PART FIVE – PREMIUM, Item E. Final Premium** is replaced with the following:

#### **E. Final Premium**

The premium shown on the Information Page, schedules, and endorsements is an estimate. The final premium will be determined after this policy ends by using the actual, not estimated, premium basis and the proper classifications and rates that lawfully apply to the business and work covered by this policy. If the final premium is more than the premium the Project Sponsor paid to us, the Project Sponsor must pay us the balance. If it is less, we will refund the balance to the Project Sponsor. The final premium will not be less than the highest minimum premium for the classifications covered by this policy.

If this policy is canceled, final premium will be determined in the following way unless our manuals provide otherwise:

1. If we cancel, final premium will be calculated pro rata based on the time this policy was in force. Final premium will not be less than the pro rata share of the minimum premium.

2. If the Project Sponsor cancels, final premium will be calculated using a short-rate table based on the time the policy was in force. Final premium will not be less than the minimum premium.

**The following new condition is added to PART SIX – CONDITIONS, D. Cancellation:**

**Cancellation – Owner-Controlled Insurance Program**

The Minnesota Cancellation and Nonrenewal Endorsement (WC 22 06 01) attached to this policy remains applicable, as modified by the following provisions:

**Cancellation Prior To Project Completion**

An approved program's insurance policies shall provide that upon cancellation of a policy prior to completion of the construction project, the Project Sponsor must either replace the insurance or pay the contractors or subcontractors to obtain replacement insurance in an amount equal to the premium paid by the contractors or subcontractors to obtain replacement insurance for the duration of the project.

**PART SIX – CONDITIONS, Item E. Sole Representative** is replaced with the following:

**E. Sole Representative**

The Project Sponsor will have the sole authority to act on your behalf to change the policy, provide collateral, make premium payments, receive return premium, and give notice of cancellation or nonrenewal.

**The following new condition is added to PART SIX – CONDITIONS:**

**Deductible Endorsement**

If this policy includes a deductible endorsement, the Project Sponsor is responsible for reimbursing us for all amounts owed related to that deductible endorsement. If the deductible endorsement requires collateral, the Project Sponsor is responsible for providing and maintaining such collateral in accordance with the terms of that deductible endorsement. All other terms of that deductible endorsement apply to you and to the Project Sponsor.

**Minnesota Owner-Controlled Insurance Program (OCIP) Schedule  
Contractor Under an OCIP Endorsement**

**1. Project Sponsor:**

Name:

Mailing Address:

**2. Name of Project:**

**3. Project Workplaces:**


**NOTES:**

1. Use the blank space in the endorsement schedule to identify the construction project and carefully describe the workplace(s) to be covered.
2. In Minnesota, use this endorsement when a contractor is covered under an owner-controlled insurance program (OCIP).

## **Minnesota Owner - Controlled Insurance Program (OCIP)**

### **Project Sponsor Endorsement**

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

This endorsement applies because this policy is providing workers compensation coverage, solely with respect to the Project identified in the Schedule, as part of an owner - controlled insurance program.

**GENERAL SECTION, Item E. Locations** is replaced with the following:

#### **E. Locations**

This policy covers the Project Workplaces described in the Schedule that are used in connection with the Project identified in the Schedule, including staging areas, material or equipment storage areas, field offices, and other locations adjacent to or near the Project site where work incidental to such Project is performed.

**The following definition is added to the GENERAL SECTION:**

Owner - controlled insurance program means a single, specific, and large construction, erection, or demolition project for which a series of policies have been issued to a project sponsor and two or more contractors or subcontractors engaged in the project to cover liability for workers' compensation as provided in Minnesota Statute section 176.181.

**PART FIVE – PREMIUM, Item D. Premium Payments** is replaced with the following:

#### **D. Premium Payments**

As the Project Sponsor identified in the Schedule, you will pay when due all premiums, surcharges, assessments, and other costs associated with all of the insurance policies purchased from us as part of this owner - controlled insurance program for the Project identified in the Schedule. The Project Sponsor will make these payments even if part or all of a workers' compensation law is not valid.

**PART FIVE – PREMIUM, Item E. Final Premium** is replaced with the following:

#### **E. Final Premium**

The premium shown on the Information Page, schedules, and endorsements of the insurance policies the Project Sponsor has purchased from us as part of this owner - controlled insurance program is an estimate. The final premium will be determined after those policies end by using the actual, not the estimated, premium basis and the proper classifications and rates that lawfully apply to the business and work covered by those policies. If the final premium for any such policy is more than the premium paid to us, the Project Sponsor must pay us the balance. If it is less, we will refund the balance to the Project Sponsor. The final premium will not be less than the highest minimum premium for the classifications covered by this policy.

If any of the insurance policies the Project Sponsor purchased from us as part of this owner - controlled insurance program are canceled, final premium will be determined in the following way unless our manuals provide otherwise:

1. If we cancel, final premium will be calculated pro rata based on the time the policy was in force. Final premium will not be less than the pro rata share of the minimum premium.
2. If the Project Sponsor cancels, final premium will be calculated using a short-rate table based on the time the policy was in force. Final premium will not be less than the minimum premium.

**The following new condition is added to PART SIX – CONDITIONS, D. Cancellation:**

#### **Cancellation – Owner Controlled Insurance Program**

The Minnesota Cancellation and Nonrenewal Endorsement (WC 22 06 01) attached to this policy remains applicable, as modified by the following provisions:

#### **Cancellation Prior To Project Completion**

An approved program's insurance policies shall provide that upon cancellation of a policy prior to completion of the construction project, the Project Sponsor must either replace the insurance or pay the contractors or subcontractors to obtain replacement insurance in an amount equal to the premium paid by the contractors or subcontractors to obtain replacement insurance for the duration of the project.

**PART SIX – CONDITIONS, Item E. Sole Representative** is replaced with the following:

#### **E. Sole Representative**

With respect to all of the insurance policies the Project Sponsor has purchased from us as part of this owner controlled insurance program, the Project Sponsor will have the sole authority to act on behalf of all insureds to change the policies, provide required collateral, make premium payments, receive return premium, and give notice of cancellation or nonrenewal.

**The following new condition is added to PART SIX – CONDITIONS:**

#### **Deductible Endorsements**

If any of the insurance policies the Project Sponsor has purchased from us as part of this owner-controlled insurance program includes a deductible endorsement, the Project Sponsor is solely responsible for reimbursing us for all amounts owed related to that deductible endorsement. If the deductible endorsement requires collateral, the Project Sponsor is responsible for providing and maintaining such collateral in accordance with the terms of that deductible endorsement. All other terms of that deductible endorsement apply to the Project Sponsor and the contractor or subcontractor insured under such policy.

If this policy includes a deductible endorsement with an applicable aggregate deductible, the aggregate deductible applies to amounts the Project Sponsor reimburses us under this policy and any other workers compensation insurance policies the Project Sponsor has purchased from us as part of this owner - controlled insurance program.

If this policy includes a maximum amount the Project Sponsor is responsible for paying under this policy and under all other insurance policies purchased from us as a part of this owner - controlled insurance program, the maximum amount applies to all such policies.

**Minnesota Owner - Controlled Insurance Program (OCIP)  
Project Sponsor Endorsement**

**1. Project Sponsor:**

Name:

Mailing Address:

**2. Name of Project:**

**3. Project Workplaces:**


**NOTES:**

1. Use the blank space in the endorsement schedule to identify the construction project and carefully describe the workplace(s) to be covered.
2. In Minnesota, use this endorsement when a project sponsor is covered under a owner-controlled insurance program (OCIP).

**Minnesota Contractor-Controlled Insurance Program (CCIP) –  
General Contractor or Construction Manager Endorsement**

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

This endorsement applies because this policy is providing workers compensation coverage, solely with respect to the Project identified in the Schedule, as part of a contractor controlled insurance program.

**GENERAL SECTION, Item E. Locations** is replaced with the following:

**E. Locations**

This policy covers the Project Workplaces described in the Schedule that are used in connection with the Project identified in the Schedule, including staging areas, material or equipment storage areas, field offices, and other locations adjacent to or near the Project site where work incidental to such Project is performed.

**The following definition is added to the GENERAL SECTION:**

Contractor-controlled insurance program means a single, specific, and large construction, erection, or demolition project for which a series of policies have been issued to a general contractor or construction manager and two or more contractors or subcontractors engaged in the project to cover liability for workers' compensation as provided in Minnesota Statute section 176.181.

**PART FIVE – PREMIUM, Item D. Premium Payments** is replaced with the following:

**D. Premium Payments**

As the General Contractor or Construction Manager identified in the Schedule, you will pay when due all premiums, surcharges, assessments, and other costs associated with all of the insurance policies purchased from us as part of this contractor-controlled insurance program for the Project identified in the Schedule. The General Contractor or Construction Manager will make these payments even if part or all of a workers' compensation law is not valid.

**PART FIVE – PREMIUM, Item E. Final Premium** is replaced with the following:

**E. Final Premium**

The premium shown on the Information Page, schedules, and endorsements of the insurance policies the General Contractor or Construction Manager has purchased from us as part of this contractor-controlled insurance program is an estimate. The final premium will be determined after those policies end by using the actual, not the estimated, premium basis and the proper classifications and rates that lawfully apply to the business and work covered by those policies. If the final premium for any such policy is more than the premium paid to us, the General Contractor or Construction Manager must pay us the balance. If it is less, we will refund the balance to the General Contractor or Construction Manager. The final premium will not be less than the highest minimum premium for the classifications covered by this policy.

If any of the insurance policies the General Contractor or Construction Manager purchased from us as part of this contractor-controlled insurance program are canceled, final premium will be determined in the following way unless our manuals provide otherwise:

1. If we cancel, final premium will be calculated pro rata based on the time the policy was in force. Final premium will not be less than the pro rata share of the minimum premium.
2. If the General Contractor or Construction Manager cancels, final premium will be calculated using a short-rate table based on the time the policy was in force. Final premium will not be less than the minimum premium.

**The following new condition is added to PART SIX – CONDITIONS, D. Cancellation:**

#### **Cancellation –Contractor-Controlled Insurance Program**

The Minnesota Cancellation and Nonrenewal Endorsement (WC 22 06 01) attached to this policy remains applicable, as modified by the following provisions:

#### **Cancellation Prior To Project Completion**

An approved program's insurance policies shall provide that upon cancellation of a policy prior to completion of the construction project, the General Contractor or Construction Manager must either replace the insurance or pay the contractors or subcontractors to obtain replacement insurance in an amount equal to the premium paid by the contractors or subcontractors to obtain replacement insurance for the duration of the project.

**PART SIX – CONDITIONS, Item E. Sole Representative** is replaced with the following:

#### **E. Sole Representative**

With respect to all of the insurance policies the General Contractor or Construction Manager has purchased from us as part of this contractor-controlled insurance program, the General Contractor or Construction Manager will have the sole authority to act on behalf of all insureds to change the policies, provide required collateral, make premium payments, receive return premium, and give notice of cancellation or nonrenewal.

**The following new condition is added to PART SIX – CONDITIONS:**

#### **Deductible Endorsements**

If any of the insurance policies the General Contractor or Construction Manager has purchased from us as part of this contractor-controlled insurance program includes a deductible endorsement, the General Contractor or Construction Managers are solely responsible for reimbursing us for all amounts owed related to that deductible endorsement. If the deductible endorsement requires collateral, the General Contractor or Construction Manager are responsible for providing and maintaining such collateral in accordance with the terms of that deductible endorsement. All other terms of that deductible endorsement apply to the General Contractor or Construction Manager and the contractor or subcontractor insured under such policy.

If this policy includes a deductible endorsement with an applicable aggregate deductible, the aggregate deductible applies to amounts the General Contractor or Construction Manager reimburses us under this policy and any other workers compensation insurance policies the General Contractor or Construction Manager has purchased from us as part of this contractor-controlled insurance program.

If this policy includes a maximum amount the General Contractor or Construction Manager are responsible for paying under this policy and under all other insurance policies purchased from us as a part of this contractor-controlled insurance program, the maximum amount applies to all such policies.

**Minnesota Contractor-Controlled Insurance Program (CCIP) –  
General Contractor or Construction Manager Endorsement**

**1. General Contractor or Construction Manager:**

Name:

Mailing Address:

**2. Name of Project:**

**3. Project Workplaces:**


**NOTES:**

1. Use the blank space in the endorsement schedule to identify the construction project and carefully describe the workplace(s) to be covered.
2. In Minnesota, use this endorsement when a general contractor or construction manager is covered under a contractor-controlled insurance program (CCIP).

## **Minnesota Contractor-Controlled Insurance Program (CCIP)**

### **Contractor Under a CCIP Endorsement**

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

This endorsement applies because this policy is providing workers compensation coverage, solely with respect to the Project identified in the Schedule, as part of a contractor-controlled insurance program.

**GENERAL SECTION, Item E. Locations** is replaced with the following:

#### **E. Locations**

This policy covers the Project Workplaces described in the Schedule that are used in connection with the Project identified in the Schedule, including staging areas, material or equipment storage areas, field offices, and other locations adjacent to or near the Project site where work incidental to such Project is performed.

**The following definition is added to the GENERAL SECTION:**

Contractor-controlled insurance program means a single, specific, and large construction, erection, or demolition project for which a series of policies have been issued to a general contractor or construction manager and two or more contractors or subcontractors engaged in the project to cover liability for workers' compensation as provided in Minnesota Statute section 176.181.

**PART FIVE – PREMIUM, Item D. Premium Payments** is replaced with the following:

#### **D. Premium Payments**

The General Contractor or Construction Manager identified in the Schedule will pay when due all premiums, surcharges, assessments, and other costs associated with the contractor-controlled insurance program for the Project identified in the Schedule. The General Contractor or Construction Manager must make these payments even if part or all of a workers' compensation law is not valid.

**PART FIVE – PREMIUM, Item E. Final Premium** is replaced with the following:

#### **E. Final Premium**

The premium shown on the Information Page, schedules, and endorsements is an estimate. The final premium will be determined after this policy ends by using the actual, not estimated, premium basis and the proper classifications and rates that lawfully apply to the business and work covered by this policy. If the final premium is more than the premium the General Contractor or Construction Manager paid to us, the General Contractor or Construction Manager must pay us the balance. If it is less, we will refund the balance to the General Contractor or Construction Manager. The final premium will not be less than the highest minimum premium for the classifications covered by this policy.

If this policy is canceled, final premium will be determined in the following way unless our manuals provide otherwise:

1. If we cancel, final premium will be calculated pro rata based on the time this policy was in force. Final premium will not be less than the pro rata share of the minimum premium.

2. If the General Contractor or Construction Manager cancels, final premium will be calculated using a short-rate table based on the time the policy was in force. Final premium will not be less than the minimum premium.

**The following new condition is added to PART SIX – CONDITIONS, D. Cancellation:**

**Cancellation – Contractor-Controlled Insurance Program**

The Minnesota Cancellation and Nonrenewal Endorsement (WC 22 06 01) attached to this policy remains applicable, as modified by the following provisions:

**Cancellation Prior To Project Completion**

An approved program's insurance policies shall provide that upon cancellation of a policy prior to completion of the construction project, the General Contractor or Construction Manager must either replace the insurance or pay the contractors or subcontractors to obtain replacement insurance in an amount equal to the premium paid by the contractors or subcontractors to obtain replacement insurance for the duration of the project.

**PART SIX – CONDITIONS, Item E. Sole Representative is replaced with the following:**

**E. Sole Representative**

The General Contractor or Construction Manager will have the sole authority to act on your behalf to change the policy, provide collateral, make premium payments, receive return premium, and give notice of cancellation or nonrenewal.

**The following new condition is added to PART SIX – CONDITIONS:**

**Deductible Endorsement**

If this policy includes a deductible endorsement, the General Contractor or Construction Manager is responsible for reimbursing us for all amounts owed related to that deductible endorsement. If the deductible endorsement requires collateral, the General Contractor or Construction Manager is responsible for providing and maintaining such collateral in accordance with the terms of that deductible endorsement. All other terms of that deductible endorsement apply to you and to the General Contractor or Construction Manager.

**Minnesota Contractor-Controlled Insurance Program (CCIP) Schedule  
Contractor Under a CCIP Endorsement**

**1. General Contractor or Construction Manager:**

Name:

Mailing Address:

**2. Name of Project:**

**3. Project Workplaces:**


**NOTES:**

1. Use the blank space in the endorsement schedule to identify the construction project and carefully describe the workplace(s) to be covered.
2. In Minnesota, use this endorsement when a contractor is covered under a contractor-controlled insurance program (CCIP).

## DESIGNATED WORKPLACES EXCLUSION ENDORSEMENT

The policy does not cover work conducted at or from \_\_\_\_\_.

## Notes

1. Use this endorsement to exclude designated workplaces only when it is proper to do so under the workers compensation law. The use of this endorsement is also limited by Note 2.
2. Use the blank space in the endorsement to carefully describe the work or workplace to be excluded.
  - a. Example excluding an office address:  
(Street, City, State)
  - b. Example excluding a construction site:  
"or in connection with the construction of ..." (describe the project, location, contract, etc.)
  - c. Example covering a location and excluding all others within a state:  
"any place in the State of \_\_\_\_\_ except (Street, City)."
  - d. Example excluding work insured by another policy:  
"any workplace covered by insurance policy number \_\_\_\_\_ issued by Blank Insurance Company."
3. Kansas employers must comply with requirements of the Kansas Workers Compensation Act by insuring all employees whether one or more policies are issued to the same employer. This Note does not apply in Minnesota.
4. In Minnesota this form is suggested for use with Owner Controlled Insurance Programs and Contractor Controlled Insurance Programs.

## Minnesota Experience Rating Plan Manual

The Minnesota Experience Rating Plan Manual has been revised to replace prior “wrap-up construction project” references with OCIP/CCIP terminology and to align the Plan with Minnesota’s updated treatment of large construction programs. The changes make clear that each participating employer continues to receive its own experience rating modification, that payroll and losses under OCIP/CCIP policies remain part of the participating entities’ future experience, and that no project-level experience rating modification applies.

Conforming revisions were also made throughout the Plan to update cross-references and rule language involving rating effective dates, experience periods, ownership change treatment, combinability, and Rule 5 headings. These edits ensure the experience rating rules now use OCIP/CCIP terminology consistently wherever the manual previously referred to wrap-up policies or wrap-up projects.

The attached clean pages R6, R11, R14, R15, R24, and R26 show the final approved language effective May 1, 2026.

- Rule 5-D-1 was revised to replace the former “Wrap-Up Construction Project” rule with a new rule for Owner Controlled Insurance Programs (OCIP) and Contractor Controlled Insurance Programs (CCIP), including definitions for “project sponsor,” “owner-controlled insurance program,” “contractor-controlled insurance program,” and “program.”
- The revised Rule 5-D-1 confirms that each policy issued for an entity participating in an OCIP or CCIP project is subject to that entity’s own experience rating modification, and that payroll and loss experience from those policies will be used in future experience rating modifications of the participating entities. It also clarifies that there is no single experience rating modification for the OCIP or CCIP project as a whole.
- Rule 2-B-2 was updated so that the note formerly referring to wrap-up policies now refers to OCIP and CCIP policies, and clarifies that those policies are not used to determine rating effective dates.
- Rule 2-E-1 was revised to replace the former reference to wrap-up policies in the experience period rule with OCIP and CCIP policies, so the treatment of experience-period timing now uses the new statutory program terminology.
- Rule 3-C-1 was updated so that OCIP and CCIP projects, rather than wrap-up projects, are listed among the situations that do not constitute a change in ownership, with a corresponding conforming note directing readers to Rule 5 for more information.
- Rule 3-D-1 now includes a note stating that Rule 5-D-1 governs combination of entities for OCIP and CCIP arrangements, and that no other provisions of Rule 3-D apply to OCIPs or CCIPs.

- Rule 5 and related headings were revised to replace wrap-up terminology with OCIP/CCIP terminology in the table of contents and rule heading structure so the Plan reads consistently throughout.

- b. The experience developed in each additional state does not have to meet the premium requirement for intrastate rating.
- c. The interstate modification applies to all of the employer's operations even if coverage is written under separate policies.
- d. If an employer expands operations into one or more additional states, its experience rating modification applies to the additional state(s) operations as of the date of expansion. Experience for such operations will be included in the calculation of future modifications.
- e. If an employer is intrastate rated in an independent bureau state that participates in the interstate experience rating plan, Rule 2-A-5-a through d applies.

Refer to the *User's Guide of NCCI's Experience Rating Plan Manual* for examples of interstate eligibility.

## B. RATING DATES

### 1. Anniversary Rating Date (ARD)

The anniversary rating date is the effective month and day of the policy in effect and each anniversary thereafter unless a different date has been established by MWCIA (or NCCI if interstate rated).

Refer to Rule 2-B-2, Rule 4-D, and the *Minnesota Basic Manual* for more information on anniversary rating dates and changes in policy dates. Refer to the *Minnesota Basic Manual User's Guide* and the *Minnesota Experience Rating Plan Manual User's Guide* for examples on the application of this rule to rewritten or long-term policies for single and multiple policy employers.

Note: In Minnesota, anniversary rating dates are used to establish the effective dates of experience modifications only and have no impact on policy rates or manual rule changes.

### 2. Rating Effective Date

- a. The rating effective date appears on an employer's experience rating worksheet. It is the earliest date that a specific modification is applied to a policy. To determine experience rating modification application, refer to Rule 4-D.

In Minnesota, MWCIA establishes the rating effective date. In most cases, an employer's rating effective date is the same as its policy effective date.

Note: Owner Controlled Insurance Programs (OCIP) and Contractor Controlled Insurance Programs (CCIP) policies are not used to determine rating effective dates. Refer to Rule 5-D-1 for information on Owner Controlled Insurance Programs (OCIP) and Contractor Controlled Insurance Programs (CCIP) policies.

- b. The rating effective date may differ from an employer's policy effective date for reasons including, but not limited to:
  - Short-term policies
  - Cancellations
  - Gaps in coverage
  - Changes in ownership or combinability status
  - Multiple policy effective dates
  - Interstate operations
  - A policy that is longer than one year and 16 days
  - Late receipt of current policy information by MWCIA

To determine an employer's rating effective date, MWCIA will apply the *Rating Effective Date Determination Table* in conjunction with a review of the most recent full-term policies and unit statistical data. For purposes of this rule, a full-term policy is written for 12 months and is not cancelled prior to its expiration date.

Refer to Rule 2-B-1 for more information on determining anniversary rating dates.

## 2. Maximum Debit Modification

Experience rating modification factors determined by the formula in Rule 2-D-1 are subject to a cap if the debit modification exceeds a specific amount. The employer-specific maximum debit modification is determined as follows:

$$\text{Maximum Debit Modification} = 1.10 + (0.0004 \times (\text{Total Expected Losses})/G)$$

The maximum debit modification for an interstate employer is limited to the cap for the state with the largest amount of expected losses.

“G” is a value equal to the average cost per claim for losses used in experience rating, divided by 1000. “G” is located in the current **Minnesota Ratemaking Report**.

Refer to the **Minnesota User’s Guide** for an example.

## 3. United States Longshore & Harbor Workers’ Compensation (USL&HW) Act Coverage

Experience ratings containing classifications where the rates include coverage under the USL&HW Act are calculated using the formula described in Rule 2-D-1.

Classifications subject to the USL&HW Act, but not followed by the letter “F” on the Pure Premium Base Rate Schedule in the current **Minnesota Ratemaking Report** have their expected losses determined by applying the USL&HW Act Expected Loss Factor on the Table of Weighting Values to the expected loss rate (ELR) for such classifications.

## E. EXPERIENCE TO BE USED IN A RATING

### 1. Experience Period

Experience rating uses past payroll and losses to predict future losses. The experience period represents the total amount of this data used in an experience rating. The calculation of an employer’s experience rating modification must include all eligible experience developed during the experience period for all combinable employers. All experience is subject to verification by MWCIA.

- a. An employer’s rating effective date determines its experience period and generally consists of three completed years of experience ending one year prior to the effective date of the modification. Experience for each of an employer’s policies is included if the policy effective date is:
  - (1) Not less than 21 months before the rating effective date, and
  - (2) Not more than 57 months before the rating effective date
- b. An employer’s experience period cannot contain more than 45 months (3 <sup>3</sup>/<sub>4</sub> years) of data. The 45-month limitation is a maximum period of time between the expiration date of the most recent policy and the effective date of the oldest policy. While the experience period may not exceed 45 months, an experience rating modification may be produced with less than 12 months of data.

The amount of data included in an employer’s experience period may be impacted for reasons including, but not limited to:

- Short-term policies
  - Cancellations
  - Gaps in coverage
  - Changes in ownership or combinability status
  - Rating effective date changes
  - Multiple policy effective dates
  - Policies longer than one year and 16 days
  - Owner Controlled Insurance Programs (OCIP) and Contractor Controlled Insurance Programs (CCIP) policies
  - Interstate operations
- c. If both the most recent and oldest policies fit within this experience period, and the inclusion of both policies would exceed 45 months, the oldest policy is not used.

## **RULE 3—OWNERSHIP CHANGES & COMBINATION OF ENTITIES**

### **A. REPORTING REQUIREMENT**

The 90-Day Reporting Requirement-Notification of Change in Ownership Endorsement (WC 00 04 14 A) provides that changes in ownership and/or combinability status must be reported by the employer to its carrier(s) within 90 days of the date of the change. This shall be accomplished by submitting:

- A completed Confidential Request for Information Form (see the ERM-14 Form in Appendix), or
- The information in narrative form on the letterhead of the employer, signed by an officer of the insured entity

Failure to report changes in ownership according to Endorsement WC 00 04 14 A may be considered modification evasion. Refer to Rule 3-F.

### **B. RESEARCH & DECISION**

The employer, carrier(s), or agent(s) of the employer may submit the ownership and/or combinability status information to MWCIA. MWCIA reviews the information submitted regarding each change and determines the impact, if any, on the experience rating modification(s) of the entities involved.

The complexity of certain transactions may require MWCIA to request additional information. MWCIA may also research public and/or other available records to verify provided information. This information is used to assist in clarifying complex situations or possible modification evasion. Refer to Rule 3-F.

### **C. OWNERSHIP CHANGES**

Changes in ownership interest may affect the use of an entity's experience in future experience ratings. Based on the rules of this Plan, when a change occurs, MWCIA will determine whether to exclude or retain an entity's experience. Refer to Rule 3-A for reporting requirements.

In addition, if MWCIA determines that the ownership transaction improperly affected the experience rating modification, it will take necessary actions according to Rule 3-F.

#### **1. Types of Ownership Changes**

**a.** For purposes of this Plan, a change in ownership includes any of the following:

- (1) Sale, transfer, or conveyance of all or a portion of an entity's ownership interest
- (2) Sale, transfer, or conveyance of an entity's physical assets to another entity that takes over its operations
- (3) Merger or consolidation of two or more entities
- (4) Formation of a new entity that acts as, or in effect is, a successor to another entity that:
  - (a) Has dissolved
  - (b) Is non-operative
  - (c) May continue to operate in a limited capacity
- (5) An irrevocable trust or receiver, established either voluntarily or by court mandate

**b.** For purposes of this Plan, a change in ownership does not include the following:

- (1) Entities entering or leaving employee leasing arrangements
- (2) Creation or dissolution of joint ventures
- (3) Owner Controlled Insurance Programs (OCIP) and Contractor Controlled Insurance Programs (CCIP)
- (4) Establishment of or change in a revocable trust
- (5) Establishment of "debtor in possession" status
- (6) Entities entering or leaving affiliation, franchise and/or management agreements
- (7) Probate proceedings (until a disposition of the estate is complete)

**Note:** For more information on experience rating of employee leasing arrangements, joint ventures, and Owner Controlled Insurance Programs (OCIP) and Contractor Controlled Insurance Programs (CCIP) projects, *refer to Rule 5.*

## 2. Impact of Ownership Changes

Ownership changes may result in a change in:

- a. Experience rating modification.
- b. Combinability status with other entities.
- c. Premium eligibility status—an entity may or may not qualify to be experience rated.  
*Refer to Rule 2-A for more information regarding premium eligibility.*
- d. Anniversary rating date
- e. Rating effective date

*Refer to the Minnesota User's Guide for examples.*

## D. COMBINATION OF ENTITIES

### 1. The combination of two or more entities requires common majority ownership

Combination requires that:

- a. The same person, group of persons or corporation owns more than 50% of each entity, or
- b. An entity owns a majority interest in another entity, which in turn owns a majority interest in another entity.  
All entities are combinable for experience rating purposes regardless of the number of entities involved.

**Note:** See Rule 5.D.1 for information on combination of entities for Owner Controlled Insurance Programs (OCIP) and Contractor Controlled Insurance Programs (CCIP). No other provisions of Rule 3.D. are applicable to OCIPs or CCIPs.

*Refer to the Minnesota User's Guide for examples.*

### 2. Determination of majority ownership interest is based on the following:

- a. Majority of issued voting stock.
- b. Majority of the owners, partners or members if no voting stock is issued.
- c. Majority of the board of directors or comparable governing body if a. or b. are not applicable.
- d. Participation of each general partner in the profits of a partnership. Limited partners are not considered in determining majority interest.
- e. Ownership interest held by an entity as a fiduciary. Such an entity's total ownership interest will also include any ownership held in a non-fiduciary capacity.

For purposes of this rule, fiduciary does not include a debtor in possession, a trustee under a revocable trust, or a franchisor.

*Refer to the Minnesota User's Guide for examples.*

### 3. Multiple Combinations

- a. More than one combination of entities may be possible within a group of entities. The selection of combinations is based on the combination that involves the most entities.
- b. If Rule 3-D-3-a does not result in a single group with a majority of entities, the combination will be based on the largest group of entities that can be combined unless the policy names dictate a clear group for determining combinability.
- c. The experience of any entity may be used in only one combination.

*Refer to the Minnesota User's Guide for examples.*

## E. TREATMENT OF EXPERIENCE

### 1. Transfer of Experience

Changes in ownership or combination status may or may not result in revisions of experience rating modifications. MWCIA may issue, retract and/or revise the current and up to two preceding modifications due to ownership or combination status changes.

The experience for any entity undergoing a change in ownership will be retained or transferred to the experience ratings of the acquiring, surviving or new entity unless specifically excluded by this Plan.

## **RULE 5—SPECIAL RATING CONDITIONS**

Under this Plan the following rules represent specialized rating treatment for employee leasing arrangements, joint ventures, interstate rating considerations and considerations, Owner Controlled Insurance Programs (OCIP) and Contractor Controlled Insurance Programs (CCIP).

### **A. EMPLOYEE LEASING/PROFESSIONAL EMPLOYER ORGANIZATIONS**

#### **1. Employee Leasing/Professional Employer Organization (PEO) Arrangements**

The *Minnesota Basic Manual* provides the rules under which policies involving employee leasing arrangements are written. *Refer to the Minnesota Basic Manual Supplemental Pages for these rules.* An employee leasing company may also be referred to as a labor contractor, professional employer organization, or PEO.

In a normal business environment, an employer may be insured for many years through a direct relationship with one or more insurance carriers. Under employee leasing, clients may move in and out of leasing arrangements or from one arrangement to another. These Plan rules address the calculation and application of experience rating modifications for such arrangements.

*Employee Leasing Arrangements* are contractual arrangements where an entity (the client company) leases for a fee or other compensation any or all of its employees from another entity (the leasing company). Employee leasing arrangements include but are not limited to full service or long term leasing arrangements where a leasing company provides employees to a client company and undertakes some of the employment responsibilities for those leased employees. An employee leasing arrangement does not include arrangements to provide temporary help services.

In Minnesota, it is the responsibility of the leasing company to purchase and maintain a separate workers' compensation policy for each client company to cover the exposure of the employees leased under an employee leasing agreement to a particular client company. The experience of any employees leased to a client company shall be combined with the experience of all other employees of the client company for the purposes of calculating an experience modification factor for the client company. The experience modification of the client company shall apply to the client company's main policy for their non-leased employees as well as any policy maintained by an employee leasing company in their name for their leased employees.

*For rules regarding the writing of policies where employee leasing arrangements exist, refer to the Minnesota Special Rating Plans & Programs section in the Supplemental Pages of the Minnesota Basic Manual.*

#### **2. Calculation and Application of Experience Rating Modification**

##### **a. While a Client Is Involved in an Employee Leasing Arrangement**

If an entity (client company) leases employees from another entity (leasing company) under an employee leasing agreement, the leased employees will be viewed as employees of the client company for experience rating purposes. The experience of the client company in an employee leasing arrangement shall be developed and separately reported to MWCIA by the insurance carrier, for use in the development of an experience modification for the client with data from any of the client company's non-leased employees.

All applicable experience prior to the leasing arrangement and during the leasing arrangement will continue to be included in the calculation of the client company's experience modification.

*Refer to Rule 3.E.2 and Rule 4.E of this Manual for more information regarding experience rating and employee leasing arrangements.*

*Refer to the Minnesota User's Guide for examples.*

**Note:** Only the experience of the leasing company's non-leased employees shall be used in the calculation of an experience modification factor for the leasing company.

**D. CONSTRUCTION/CONTRACTING EMPLOYERS**

**1. Owner Controlled Insurance Programs (OCIP) and Contractor Controlled Insurance Programs (CCIP)**

**Definition:**

- a. "Project sponsor" means a person who engages the services of a contractor for the purpose of working on a single, specific, and large construction, erection, or demolition project
- b. "Owner-controlled insurance program" is a single, specific, and large construction, erection, or demolition project for which a series of policies have been issued to a project sponsor and two or more contractors or subcontractors engaged in the project to cover liability for workers' compensation as provided in Minnesota Statute section 176.181
- c. "Contractor-controlled insurance program" is a single, specific, and large construction, erection, or demolition project for which a series of policies have been issued to a general contractor or construction manager and two or more contractors or subcontractors engaged in the project to cover liability for workers' compensation as provided in Minnesota Statute section 176.181
- d. "Program" means either of the programs under paragraphs (b) or (c)

Refer to the **Minnesota Basic Manual** for OCIP and CCIP requirements.

A policy issued for an entity participating in an Owner Controlled Insurance Programs (OCIP) and Contractor Controlled Insurance Programs (CCIP) construction project shall be subject to its own experience rating modification. Payroll and loss experience developed for all such policies shall be used in future experience rating modifications of the participating entities. There is no experience rating modification for the Owner Controlled Insurance Programs (OCIP) and Contractor Controlled Insurance Programs (CCIP) construction project as a unit.

**2. Joint Ventures**

Two or more contractors, not combinable for experience rating under the rules of this Plan, may associate for the purpose of undertaking one or more projects as a joint venture.

A joint venture may qualify for its own experience rating provided all of the following conditions are met:

- The contract(s) for the participating entities is awarded in the name of the joint venture; and
- The participating entities share the control, direction, and supervision of all work undertaken; and
- The participating entities maintain a common bank account, payroll, and business records

The experience of the joint venture is excluded from each individual participant's experience rating modification.

If the above qualifications are met, the premium for all operations subject to the joint venture shall be subject to an experience modification which is calculated as follows:

**Experience Rating Modification Determination**

<b>A joint venture . . .</b>	<b>The experience rating modification is calculated . . .</b>
Will not qualify for its own modification in the first year or two year(s) of operation(s)	By MWCIA using an arithmetic average of the experience rating modifications of the participating entities
May qualify for its own modification in the third and subsequent year(s) of operation(s)	By MWCIA using the experience developed by the joint venture

Once the joint venture qualifies for its own experience modification, future experience ratings shall be based exclusively on the experience of the joint venture.

**3. Cost-Plus Contracts**

Under a cost-plus contract, the principal agrees to compensate the contractor based on the cost of the work performed plus a fixed fee. A policy covering both the contractor and the principal is:

- Assigned the experience rating modification of the contractor
- Included in the experience of the contractor

**4. Uninsured Contractors**

The experience of an uninsured contractor is included in the experience of the principal contractor or the principal owner.

## NCCI Retrospective Rating Plan Manual

### Minnesota Exception Pages

For practitioners used to NCCI's older wrap-up terminology, the key takeaway is that Minnesota's retrospective rules are now written around OCIP/CCIP programs rather than generic 'wrap-ups.' The underlying retrospective mechanics have not changed, but the eligibility, definitions, and explanatory note in the Minnesota exception pages now track the statutory OCIP/CCIP framework and the related Basic and Experience Rating Plan Manual revisions.

- The Minnesota state exception to Rule 2-F has been revised to remove prior "wrap-up construction project" terminology and instead reference Owner-Controlled Insurance Programs (OCIP) and Contractor-Controlled Insurance Programs (CCIP) created under Minn. Stat. 79.102 and Minn. Stat. 176.181.
- The revised Rule 2-F now includes explicit definitions for "project sponsor," "owner-controlled insurance program," "contractor-controlled insurance program," and "program," providing a clear framework for how retrospective rating applies to large construction projects written on an OCIP or CCIP basis in Minnesota.
- Prior language describing "wrap-up construction projects" and eligibility/combination limited to the sponsoring entity and subcontractors has been deleted and replaced with OCIP/CCIP-focused language that mirrors the new Minnesota Basic Manual Rule 3 provisions and reflects the statutory criteria for program approval, project size, and premium thresholds.
- The note concerning long-term and three-year retrospective rating plans has been updated so that it now applies to OCIP and CCIP programs: for three-year, long-term, or OCIP/CCIP arrangements, tax multipliers and excess loss factors are not revised after the inception of the program policies, maintaining rating stability over the project term.
- As part of this update, Minnesota removed legacy NCCI strikeouts that were already effective in prior national filings; the Minnesota state exception pages now present only the final, approved OCIP/CCIP language, without showing historical deletions or prior "wrap-up" references.

**Effective May 1, 2026**

**Retrospective Rating Plan Manual**

Rule 2 – Eligibility for the Plan

F. Wrap-Up Construction Projects

Minnesota Exception

**EXHIBIT I**

CURRENT PHRASEOLOGY	PROPOSED PHRASEOLOGY	NOTES
<p>F. Wrap-Up Construction Projects</p> <p>Change Rule 2-F as follows:</p> <p><del>A wrap-up construction project is a single large construction, erection, or demolition project for which policies have been issued to insure two or more legal entities engaged in such a project.</del></p> <p><del>Separate policies will be issued to each eligible entity involved in the wrap-up construction project. Separate legal entities may be insured in one policy under a wrap-up project only if the same person or group of persons owns the majority interest in such entities as permitted under Rule 2-A.</del></p> <p><del>Entities eligible for combination will be limited to the sponsoring entity (including any owner, general contractor, or principal acting as a general contractor) and the subcontractors performing work under contracts to let on an ex-insurance basis. In addition, if the contract</del></p>	<p><del>F. <u>Wrap-Up Construction Projects</u> Owner-Controlled Insurance Program (OCIP) and Contractor-Controlled Insurance Program (CCIP)</del></p> <p>Replace Rule 2-F as follows:</p> <p><b>1. <u>Definitions</u></b></p> <p>a. <u>"Project sponsor" means a person who engages the services of a contractor for the purpose of working on a single, specific, and large construction, erection, or demolition project.</u></p> <p>b. <u>"Owner-controlled insurance program" is a single, specific, and large construction, erection, or demolition project for which a series of policies have been issued to a project sponsor and two or more contractors or subcontractors engaged in the project to cover liability for workers' compensation as provided in Minnesota Statute section 176.181.</u></p> <p>c. <u>"Contractor-controlled insurance program" is a single, specific, and large construction, erection, or demolition project for which a series of policies</u></p>	<p>Change due to HF 3228 legislative session 2025.</p>

**Effective May 1, 2026**

<p><del>between the owner or principal and such general contractor is on an ex- insurance basis, the owner will be an eligible entity under the rule.</del></p> <p>Note: For determining retrospective premium for plans applied on a three-year basis, or long-term or <del>wrap-up construction projects</del>, there will be no revision in tax multipliers and excess loss factors after the inception of the <del>wrap-up</del> policies.</p>	<p><u>have been issued to a general contractor or construction manager and two or more contractors or subcontractors engaged in the project to cover liability for workers' compensation as provided in Minnesota Statute section 176.181.</u></p> <p>d. <u>"Program" means either of the programs under paragraphs (b) or (c).</u></p> <p>Note: For determining retrospective premium for plans applied on a three-year basis, or long-term or <u>Owner Controlled Insurance Programs (OCIP) and Contractor Controlled Insurance Programs (CCIP)</u>, there will be no revision in tax multipliers and excess loss factors after the inception of the <u>OCIP and CCIP</u> policies.</p>	
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