

March 26, 2007

ALL ASSOCIATION MEMBERS

Circular Letter No. 07-1506

RE: NCCI Item B-1403—2006 Update to Hazard Group and Retro Rating Plan Parameters

In an effort to provide additional information and to help clarify filing expectations associated with the Hazard Group changes announced in MWCIA's March 1, 2007 Circular Letter 07-1504, please note the following:

Carriers opting to implement either of the newly approved four or seven hazard groups for use in any aspect of their individual pricing considerations are advised to amend any and all schedules of their current rate filing which are impacted by the changes detailed in Item B-1403.

- Carriers which have deductible plans, but no Retrospective Rating Plan parameters on file with the Minnesota Department of Commerce are required to amend the following item:
 - Deductible Credits
- Carriers which have both deductible plans **and** Retrospective Rating Plan parameters on file with the Minnesota Department of Commerce are required to amend the following items:
 - Deductible Credits
 - Excess Loss Factors
 - State and Hazard Group Differentials

If carrier class rates are not changing, no additional rate schedule filing is required. In these instances, carriers should state clearly that their rate schedules are not being amended.

Carriers who choose not to adopt either of the changes must continue to use the hazard group table already used in their current filing until such time that they have a new rate schedule and/or rating programs filed and approved for use in Minnesota.

Should you have any questions regarding this item, please direct them to MWCIA's Actuarial Service Department at 952-897-1737 (Option 3) or by sending an email to info@mwcia.org.