



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

December 10, 2013

ALL ASSOCIATION MEMBERS

Circular Letter No. 13-1644

RE: 4-1-2014 Assigned Risk Rates

Deputy Commerce Commissioner Vande Hey issued a rate order on December 3, 2013 approving a 2.1% increase in the overall level of the Assigned Risk rates effective April 1, 2014. The following is an excerpt from the Deputy Commissioner's Order:

"ORDERED

1. That effective April 1, 2014, the Minnesota Workers' Compensation Assigned Risk Plan will use a pure premium multiplier of 2.75 to be applied uniformly to the pure premium base rates of the 2014 Minnesota Ratemaking Report of the Minnesota Workers' Compensation Insurers Association.
2. That the expense constant on each policy will be \$190.
3. That the policyholder surcharge for the Special Compensation Fund (SCF) assessments shall be 2.7% of premium.
4. That the policyholder surcharge for the Workers' Compensation Reinsurance Association (WCRA) Deficiency Assessment shall be 0.6% of premium.
5. That the policyholder surcharge for foreign and domestic terrorism coverage provided by the Terrorism Risk Insurance Program Reauthorization Act will be continued at \$0.01 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, 2014

<u>Class Code</u>	<u>4/1/2014 Assigned Risk Rate</u>	<u>Minimum Premium</u>	<u>Class Code</u>	<u>4/1/2014 Assigned Risk Rate</u>	<u>Minimum Premium</u>	<u>Class Code</u>	<u>4/1/2014 Assigned Risk Rate</u>	<u>Minimum Premium</u>
0005	10.20	445	2021	16.23	596	2702	21.84	655
0006	9.57	429	2039	7.70	383	2710	17.57	629
0008	7.34	374	2041	5.94	339	2714	8.09	392
0016	9.57	429	2065	7.70	383	2729	8.97	414
0034	9.41	425	2070	7.70	383	2731	6.55	354
0035	5.36	324	2081	8.88	412	2735	9.63	431
0042	12.87	512	2089	9.74	434	2759	10.45	451
0050	21.01	655	2095	9.74	434	2790	3.63	281
0079	7.34	374	2105	8.17	394	2802	4.79	310
0106	18.65	655	2111	5.50	328	2881	6.66	357
0113	9.41	425	2121	6.22	346	2883	6.44	351
0170	6.35	349	2130	5.06	317	2915	5.12	318
0251	8.22	396	2131	5.01	315	2916	7.59	380
0400	12.98	515	2157	12.24	496	2923	4.62	306
0401	17.93	638	2172	3.80	285	2960	9.24	421
0908	274.48	464	2174	5.50	328	3004	8.99	415
0913	830.58	1021	2211	11.83	486	3018	5.58	330
0917	8.77	409	2220	4.24	296	3022	7.67	382
1164	10.45	451	2286	4.81	310	3027	5.72	333
1165	5.50	328	2288	6.33	348	3028	11.41	475
1320	4.15	294	2302	2.94	264	3030	16.69	607
1322	25.36	655	2305	6.85	361	3040	8.22	396
1430	12.62	506	2361	5.23	321	3042	12.65	506
1438	7.15	369	2362	5.23	321	3064	10.70	458
1452	5.03	316	2380	5.23	321	3066	9.65	431
1463	23.38	655	2388	5.23	321	3076	8.06	392
1472	6.63	356	2402	4.65	306	3081	14.60	555
1624	6.05	341	2413	3.36	274	3082	9.21	420
1642	4.92	313	2416	3.14	269	3085	7.04	366
1654	6.05	341	2417	3.36	274	3110	5.64	331
1655	6.05	341	2501	4.51	303	3111	4.54	304
1699	4.92	313	2503	5.23	321	3113	4.76	309
1701	4.92	313	2534	5.23	321	3114	5.17	319
1710	7.54	379	2570	6.85	361	3126	6.41	350
1747	4.40	300	2585	7.48	377	3131	4.26	297
1803	9.79	435	2586	7.48	377	3132	6.57	354
1852	4.95	314	2587	10.51	453	3145	3.52	278
1853	4.54	304	2623	11.83	486	3146	6.08	342
1860	5.23	321	2640	7.56	379	3169	4.46	302
1924	10.12	443	2651	5.47	327	3175	4.46	302
1925	10.95	464	2660	5.47	327	3179	3.85	286
2002	7.59	380	2670	5.47	327	3180	6.85	361
2003	6.90	363	2683	5.47	327	3188	9.02	416
2014	9.41	425	2686	5.47	327	3220	6.19	345
2016	7.23	371	2688	5.47	327	3223	7.56	379

MINNESOTA WORKERS' COMPENSATION

Assigned Risk Plan Rates
Effective New and Renewal April 1, 2014

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3224	6.08	342	3824	10.42	451	4459	5.39	325
3227	7.56	379	3826	3.52	278	4470	3.22	271
3241	6.63	356	3827	3.33	273	4484	5.50	328
3255	19.61	655	3830	3.05	266	4493	3.19	270
3257	7.34	374	3851	5.14	319	4511	0.83	211
3300	14.88	562	3881	6.88	362	4557	3.85	286
3303	6.46	352	4000	13.94	539	4558	3.49	277
3307	6.46	352	4021	8.11	393	4568	4.57	304
3315	9.96	439	4024	7.84	386	4581	2.89	262
3334	6.46	352	4034	12.65	506	4583	8.72	408
3341	6.44	351	4036	6.02	341	4611	2.83	261
3365	11.44	476	4038	4.73	308	4635	4.81	310
3372	6.71	358	4053	4.92	313	4653	2.72	258
3373	12.90	513	4061	4.92	313	4665	11.91	488
3382	1.71	233	4062	4.92	313	4670	10.26	447
3383	1.71	233	4101	4.46	302	4683	5.83	336
3385	1.71	233	4112	1.68	232	4686	5.58	330
3400	7.56	379	4114	3.88	287	4692	1.57	229
3507	5.97	339	4130	5.97	339	4693	2.92	263
3515	4.10	293	4131	6.82	361	4703	3.49	277
3548	1.68	232	4133	3.80	285	4720	2.86	262
3559	4.35	299	4150	1.71	233	4740	1.51	228
3571	1.93	238	4206	27.25	655	4741	2.17	244
3574	1.02	216	4207	2.92	263	4751	5.58	330
3612	3.41	275	4239	3.82	286	4767	3.00	265
3620	9.02	416	4240	2.92	263	4771	4.40	300
3629	3.80	285	4243	4.46	302	4777	8.14	394
3632	6.66	357	4244	5.75	334	4825	1.82	236
3634	5.78	335	4250	2.92	263	4828	2.26	247
3635	4.81	310	4251	7.29	372	4829	1.95	239
3638	3.36	274	4263	2.92	263	4902	3.71	283
3642	2.39	250	4273	5.61	330	4923	2.28	247
3643	3.85	286	4279	5.12	318	5020	13.17	519
3647	5.34	324	4283	7.62	381	5022	16.31	598
3648	3.69	282	4299	4.81	310	5037	36.88	655
3681	2.20	245	4304	4.81	310	5040	101.09	655
3685	1.71	233	4307	3.80	285	5057	9.05	416
3719	5.14	319	4314	12.16	494	5059	158.59	655
3724	12.62	506	4351	3.66	282	5102	11.36	474
3726	8.09	392	4352	3.66	282	5146	12.90	513
3803	6.08	342	4361	2.17	244	5160	6.08	342
3807	3.41	275	4410	6.44	351	5183	8.50	403
3808	5.53	328	4420	10.37	449	5188	7.98	390
3821	14.05	541	4432	5.53	328	5190	5.42	326
3822	8.58	405	4452	7.21	370	5191	2.23	246

MINNESOTA WORKERS' COMPENSATION

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5192	6.82	361	6306	16.09	592	7706	6.60	355
5213	11.25	471	6319	6.77	359	7708	47.19	237
5215	13.56	529	6325	13.39	525	7720	4.13	293
5221	14.41	550	6400	12.51	503	7855	16.72	608
5222	33.52	655	6504	5.86	337	8001	5.91	338
5348	15.26	572	6811	10.56	454	8002	3.38	275
5403	33.17	655	6834	6.57	354	8006	4.81	310
5437	22.22	655	6836	6.57	354	8008	2.39	250
5445	11.66	482	6854	7.51	378	8013	0.74	209
5462	30.66	655	6882	10.78	460	8015	1.57	229
5472	31.24	655	6884	38.36	655	8017	3.38	275
5473	15.92	588	7201	16.06	592	8018	8.09	392
5474	17.68	632	7207	16.06	592	8021	4.65	306
5478	22.03	655	7222	11.17	469	8029	4.13	293
5479	16.06	592	7228	12.76	509	8031	3.80	285
5480	13.92	538	7229	16.53	603	8032	4.70	308
5491	6.77	359	7230	13.39	525	8033	3.41	275
5506	13.92	538	7231	13.39	525	8034	6.77	359
5507	14.27	547	7232	13.15	519	8036	3.93	288
5508	33.28	655	7360	10.45	451	8039	3.00	265
5537	8.91	413	7370	10.31	448	8044	5.20	320
5538	18.07	642	7380	9.71	433	8045	1.10	218
5551	71.61	655	7382	7.10	368	8047	5.17	319
5606	3.63	281	7390	11.99	490	8048	6.77	359
5645	21.26	655	7403	11.03	466	8052	5.83	336
5649	11.03	466	7405	1.90	238	8058	5.14	319
5651	21.62	655	7420	11.63	481	8072	1.10	218
5703	32.62	655	7421	1.73	233	8102	5.01	315
5705	28.35	655	7422	2.48	252	8103	5.64	331
5951	1.76	234	7425	4.98	315	8106	8.86	412
6003	19.09	655	7431	2.48	252	8107	7.67	382
6017	23.35	655	7502	5.23	321	8111	5.69	332
6204	30.53	655	7515	2.92	263	8116	4.43	301
6213	10.29	447	7520	6.63	356	8203	19.55	655
6216	14.63	556	7529	20.90	655	8204	8.28	397
6217	11.08	467	7538	13.83	536	8209	6.63	356
6229	11.22	471	7539	2.50	253	8215	7.76	384
6233	7.01	365	7540	6.38	350	8227	8.91	413
6235	19.64	655	7580	7.76	384	8232	8.25	396
6236	37.02	655	7590	6.79	360	8233	8.64	406
6237	4.40	300	7600	7.67	382	8235	10.86	462
6248	22.85	655	7601	21.56	655	8263	17.05	616
6251	30.39	655	7605	2.23	246	8264	13.09	517
6252	18.21	645	7610	0.83	211	8265	22.17	655
6260	70.57	655	7705	9.16	419	8279	16.06	592

MINNESOTA WORKERS' COMPENSATION

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8280	12.95	514	8864	4.73	308	9586	1.82	236
8284	10.59	455	8868	0.96	214	9600	11.91	488
8285	17.74	634	8869	2.01	240	9620	1.82	236
8286	11.99	490	8901	0.44	201			
8291	9.24	421	9012	3.71	283			
8292	7.73	383	9014	8.50	403			
8293	20.30	655	9015	8.50	403			
8304	10.73	458	9016	11.63	481			
8350	6.99	365	9033	3.88	287			
8353	8.83	411	9040	7.54	379			
8380	5.97	339	9044	3.30	273			
8381	4.21	295	9052	4.84	311			
8385	5.58	330	9054	8.77	409			
8392	5.03	316	9058	4.84	311			
8393	5.97	339	9060	3.25	271			
8395	5.97	339	9061	2.56	254			
8500	12.57	504	9062	4.40	300			
8601	1.49	227	9063	2.09	242			
8606	4.87	312	9082	3.00	265			
8719	7.70	383	9083	3.16	269			
8720	2.75	259	9084	3.99	290			
8721	1.60	230	9088	39.79	655			
8723	0.33	198	9093	2.89	262			
8742	0.80	210	9101	8.14	394			
8745	8.14	394	9102	7.07	367			
8748	1.43	226	9149	3.19	270			
8800	3.11	268	9154	4.26	297			
8803	0.17	194	9156	6.85	361			
8810	0.33	198	9178	8.97	414			
8820	0.33	198	9179	22.00	655			
8824	5.94	339	9180	14.60	555			
8825	3.88	287	9182	4.46	302			
8826	5.25	321	9186	77.41	655			
8828	5.01	315	9220	10.45	451			
8829	5.25	321	9402	10.20	445			
8830	7.98	390	9403	10.20	445			
8831	4.04	291	9410	2.23	246			
8832	0.94	214	9501	5.20	320			
8833	2.56	254	9516	10.18	445			
8835	5.06	317	9519	6.71	358			
8842	4.18	295	9521	12.05	491			
8844	2.23	246	9522	11.91	488			
8845	3.82	286	9534	12.16	494			
8855	0.33	198	9539	27.80	655			
8856	0.33	198	9554	19.36	655			

MINNESOTA WORKERS' COMPENSATION

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"S" Codes			Maritime and Federal Codes					
6845	11.36	474	6702	20.21	655			
7309	12.07	492	6703	32.89	655			
7313	4.13	293	6704	22.36	655			
7317	7.62	381	7016	15.57	579			
7327	26.70	655	7024	17.30	623			
8726	2.78	260	7038	9.74	434			
9077	1.43	226	7046	14.60	555			
			7047	18.81	655			
			7050	11.80	485			
			7090	10.84	461			
			7098	16.23	596			
			7099	17.68	632			
			7151	8.66	407			
			7152	14.08	542			
			7153	9.57	429			
			7333	19.31	655			
			7335	21.45	655			
			7337	23.35	655			
			7394	16.69	607			
			7395	18.54	654			
			7398	20.19	655			
			8734	1.07	217			
			8737	0.99	215			
			8738	1.60	230			
			8805	0.44	201			
			8814	0.39	200			
			8815	0.63	206			
"F" Codes								
6801	7.34	374						
6824	13.78	535						
6826	12.93	513						
6843	41.00	655						
6845	25.66	655						
6872	14.71	558						
6874	71.03	655						
7309	20.68	655						
7313	40.04	655						
7317	21.31	655						
7327	70.73	655						
7350	10.26	447						
8709	13.34	524						
8726	25.38	655						
9077	5.42	326						

MINNESOTA WORKERS' COMPENSATION

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Miscellaneous Values

Expense Constant applicable to all policies	\$190.00	
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" 	\$3,780.00	
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 	\$788.00	
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>	\$284.00	
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 1.47)		
	47%	
Terrorism per \$100 of payroll – included in multiplier	\$0.01	
Minnesota Special Compensation Fund Assessment	2.7%	
Workers' Compensation Reinsurance Association (WCRA) Deficiency Assessment	0.6%	
Limits of Employers Liability		
Standard:		
Bodily Injury by Accident	\$100,000 Each Accident	
Bodily Injury by Disease:	\$500,000 Policy Limit	
Bodily Injury by Disease:	\$100,000 Each Employee	
Increased Limits to:		
Bodily Injury by Accident	\$500,000 Each Accident	1% of the total premium or \$50, whichever is greater
Bodily Injury by Disease:	\$500,000 Policy Limit	
Bodily Injury by Disease:	\$500,000 Each Employee	
Increased Limits to:		
Bodily Injury by Accident	\$1,000,000 Each Accident	5% of the total premium or \$150, which ever is greater
Bodily Injury by Disease:	\$1,000,000 Policy Limit	
Bodily Injury by Disease:	\$1,000,000 Each Employee	

Taxicab Driver Payroll

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

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

Experience Rating Eligibility

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

Merit Rating Eligibility

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

Safety Program Rating Plan — Rule

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

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

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

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

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

2. Other Operational Methods

-5% to 5%

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

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

3. Premises

-2% to 2%

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

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

4. Equipment, Machinery, Devices

-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; 5600 West 83rd Street, 8200 Tower, Suite 1100; Minneapolis, MN 55437, by phone at 800-471-6767 or by email kim.zersen@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.
