



Minnesota Workers' Compensation
Insurers Association, Inc.

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December 13, 2017

ALL ASSOCIATION MEMBERS

Circular Letter No. 17-1722

RE: 4-1-2018 Assigned Risk Rates

Deputy Commerce Commissioner O'Connor issued a rate order on December 8, 2017 approving a 7.1% decrease in the average Assigned Risk premium level effective April 1, 2018. The following is an excerpt from the Commissioner's Order:

"ORDERED

1. That effective April 1, 2018, 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 2018 Minnesota Ratemaking Report of the MWCIA.
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 2.4% of premium.
4. 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.
5. That the average premium level, including surcharges, will decrease by 7.1%."

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, 2018

<u>Class Code</u>	<u>4/1/2018 Assigned Risk Rate</u>	<u>Minimum Premium</u>	<u>Class Code</u>	<u>4/1/2018 Assigned Risk Rate</u>	<u>Minimum Premium</u>	<u>Class Code</u>	<u>4/1/2018 Assigned Risk Rate</u>	<u>Minimum Premium</u>
0005	8.25	396	2070	6.05	341	2735	8.80	410
0006	7.59	380	2081	6.30	348	2759	9.41	425
0008	5.09	317	2089	7.12	368	2790	3.38	275
0016	7.59	380	2095	6.66	357	2802	5.53	328
0034	10.42	451	2105	6.93	363	2881	7.37	374
0035	5.56	329	2111	5.06	317	2883	5.69	332
0042	12.65	506	2121	3.77	284	2915	4.35	299
0050	16.25	596	2130	3.74	284	2916	6.19	345
0079	5.09	317	2131	3.96	289	2923	3.19	270
0106	13.53	528	2157	10.51	453	2960	6.33	348
0113	10.42	451	2172	3.03	266	3004	3.38	275
0170	6.05	341	2174	4.87	312	3018	9.16	419
0251	6.38	350	2211	14.05	541	3022	5.23	321
0401	18.48	652	2220	3.80	285	3027	6.41	350
0908	234.19	424	2286	2.97	264	3028	4.73	308
0913	328.24	518	2288	6.74	359	3030	12.13	493
0917	8.88	412	2302	3.74	284	3040	9.90	438
1164	8.28	397	2305	4.95	314	3042	9.46	427
1165	2.89	262	2361	4.04	291	3064	6.08	342
1320	2.72	258	2362	4.04	291	3066	8.61	405
1322	15.35	574	2380	4.04	291	3076	5.01	315
1430	8.64	406	2388	4.04	291	3081	10.31	448
1438	10.31	448	2402	4.48	302	3082	5.25	321
1452	3.14	269	2413	3.77	284	3085	8.06	392
1463	15.95	589	2416	3.55	279	3110	7.40	375
1472	5.53	328	2417	3.77	284	3111	3.58	280
1624	5.23	321	2501	4.40	300	3113	3.05	266
1642	3.77	284	2503	4.04	291	3114	4.95	314
1654	5.23	321	2534	4.24	296	3126	3.60	280
1699	3.77	284	2570	7.34	374	3131	4.70	308
1701	3.77	284	2585	7.10	368	3132	4.26	297
1710	6.24	346	2586	7.10	368	3145	3.11	268
1747	4.57	304	2587	6.52	353	3146	6.55	354
1803	10.18	445	2623	13.12	518	3169	3.14	269
1860	4.43	301	2651	4.76	309	3179	3.44	276
1924	3.93	288	2660	4.76	309	3180	4.24	296
1925	6.68	357	2670	4.76	309	3188	4.65	306
2002	5.25	321	2683	4.76	309	3220	4.24	296
2003	9.57	429	2686	4.76	309	3224	5.06	317
2014	5.89	337	2688	4.76	309	3227	6.27	347
2016	4.18	295	2702	19.42	655	3241	5.80	335
2021	12.49	502	2710	17.52	628	3255	5.06	317
2039	6.05	341	2714	5.97	339	3257	4.13	293
2041	6.77	359	2729	9.24	421	3300	6.38	350
2065	6.05	341	2731	7.21	370	3303	5.83	336

MINNESOTA WORKERS' COMPENSATION

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3307	5.83	336	4034	8.00	390	4653	1.95	239
3315	5.94	339	4036	4.21	295	4665	12.10	493
3334	4.68	307	4038	5.75	334	4670	12.73	508
3341	4.24	296	4062	4.70	308	4683	7.18	370
3365	13.04	516	4112	0.96	214	4686	3.22	271
3372	6.60	355	4114	3.66	282	4692	1.79	235
3373	6.30	348	4130	4.48	302	4693	2.09	242
3383	1.68	232	4131	4.76	309	4703	2.92	263
3385	1.68	232	4133	3.82	286	4720	3.36	274
3400	6.27	347	4150	1.68	232	4740	0.91	213
3507	6.05	341	4206	22.17	655	4741	2.50	253
3515	3.49	277	4207	2.20	245	4751	3.49	277
3548	2.64	256	4239	3.71	283	4771	3.47	277
3559	3.41	275	4240	2.20	245	4777	6.22	346
3574	1.24	221	4243	3.47	277	4825	2.01	240
3612	3.91	288	4244	4.70	308	4828	2.67	257
3620	5.45	326	4250	2.20	245	4829	1.82	236
3629	2.83	261	4251	6.24	346	4902	3.52	278
3632	6.08	342	4263	2.20	245	4923	1.54	229
3634	4.24	296	4273	4.13	293	5020	11.52	478
3635	4.10	293	4279	5.42	326	5022	17.88	637
3638	2.31	248	4283	3.22	271	5037	36.03	655
3642	2.15	244	4299	4.54	304	5040	35.37	655
3643	3.44	276	4304	4.54	304	5057	4.32	298
3647	3.88	287	4307	3.00	265	5059	93.01	655
3648	2.31	248	4314	7.56	379	5102	12.02	491
3681	1.90	238	4351	7.12	368	5146	9.35	424
3685	1.68	232	4352	7.12	368	5160	5.50	328
3719	3.38	275	4361	3.99	290	5183	6.35	349
3724	9.52	428	4410	5.78	335	5188	7.92	388
3726	7.67	382	4420	6.82	361	5190	4.73	308
3803	4.79	310	4432	2.81	260	5191	1.90	238
3807	2.92	263	4452	4.43	301	5192	5.06	317
3808	5.64	331	4459	4.07	292	5213	10.23	446
3821	11.00	465	4470	3.25	271	5215	9.71	433
3822	6.13	343	4484	4.59	305	5221	10.62	456
3824	11.14	469	4493	3.22	271	5222	17.90	638
3826	1.51	228	4511	0.63	206	5348	11.77	484
3827	3.99	290	4557	3.03	266	5403	13.50	528
3830	2.04	241	4558	2.94	264	5437	18.62	655
3851	4.29	297	4568	3.14	269	5445	10.01	440
3881	7.84	386	4581	1.49	227	5462	13.26	522
4000	10.12	443	4583	11.44	476	5472	11.19	470
4021	6.22	346	4611	1.87	237	5473	14.96	564
4024	5.86	337	4635	5.01	315	5474	13.23	521

MINNESOTA WORKERS' COMPENSATION

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5478	15.37	574	7231	14.16	544	8036	3.52	278
5479	12.79	510	7232	9.57	429	8039	2.26	247
5480	10.26	447	7360	8.14	394	8044	4.62	306
5491	3.22	271	7370	8.03	391	8045	0.88	212
5506	10.75	459	7380	9.02	416	8047	2.37	249
5507	10.81	460	7382	7.07	367	8048	3.33	273
5508	24.72	655	7390	11.22	471	8052	4.90	313
5537	6.41	350	7403	7.87	387	8058	3.74	284
5538	12.54	504	7405	2.12	243	8072	1.24	221
5551	56.71	655	7420	7.65	381	8102	6.02	341
5606	2.48	252	7421	1.18	220	8103	4.37	299
5645	17.93	638	7422	1.54	229	8106	8.55	404
5649	10.53	453	7425	6.90	363	8107	5.09	317
5651	18.34	649	7431	1.54	229	8111	4.73	308
5703	39.33	655	7502	3.52	278	8116	4.65	306
5705	27.80	655	7515	1.49	227	8203	13.89	537
5951	3.82	286	7520	4.59	305	8204	6.11	343
6003	20.19	655	7538	8.75	409	8209	4.81	310
6204	19.50	655	7539	1.84	236	8215	7.07	367
6213	3.85	286	7540	5.20	320	8227	8.06	392
6216	10.78	460	7580	3.96	289	8232	7.21	370
6217	10.89	462	7590	6.90	363	8233	5.36	324
6229	11.03	466	7600	6.38	350	8235	19.28	655
6233	6.46	352	7601	20.32	655	8263	10.62	456
6235	9.96	439	7605	1.90	238	8264	9.65	431
6236	9.38	425	7610	0.72	208	8265	15.35	574
6237	0.99	215	7705	7.43	376	8279	14.55	554
6248	17.00	615	7706	5.64	331	8280	12.68	507
6251	10.42	451	7708	57.23	247	8284	13.81	535
6252	8.44	401	7720	4.07	292	8285	23.43	655
6306	11.19	470	7855	19.55	655	8286	14.66	557
6319	4.81	310	8001	4.29	297	8291	7.12	368
6325	11.06	467	8002	2.48	252	8292	7.48	377
6400	12.79	510	8006	3.44	276	8293	17.71	633
6504	5.67	332	8008	1.98	240	8304	8.61	405
6811	7.56	379	8013	0.69	207	8350	7.21	370
6834	5.69	332	8015	1.29	222	8353	7.65	381
6836	5.69	332	8017	2.48	252	8380	5.67	332
6854	5.97	339	8018	5.97	339	8381	2.81	260
6882	7.54	379	8021	4.26	297	8385	5.56	329
6884	12.93	513	8029	3.93	288	8392	4.84	311
7219	12.84	511	8031	3.52	278	8393	5.67	332
7222	9.96	439	8032	3.80	285	8395	5.67	332
7225	12.16	494	8033	3.71	283	8500	10.70	458
7230	14.16	544	8034	3.33	273	8601	0.69	207

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8606	4.07	292	9083	2.48	252			
8719	5.42	326	9084	3.36	274			
8720	2.12	243	9088	10.53	453			
8721	0.69	207	9093	2.45	251			
8723	0.25	196	9101	6.77	359			
8742	0.58	205	9102	6.66	357			
8745	9.35	424	9154	3.52	278			
8748	1.07	217	9156	5.97	339			
8800	2.94	264	9178	12.24	496			
8803	0.11	193	9179	10.09	442			
8810	0.19	195	9180	8.03	391			
8820	0.19	195	9182	4.24	296			
8824	6.22	346	9186	62.48	655			
8825	2.81	260	9220	8.91	413			
8826	5.25	321	9402	10.26	447			
8829	4.04	291	9403	10.26	447			
8830	9.54	429	9410	4.70	308			
8831	2.83	261	9501	5.12	318			
8832	0.63	206	9516	9.02	416			
8833	2.06	242	9519	7.65	381			
8835	3.22	271	9521	7.43	376			
8842	3.16	269	9522	7.37	374			
8844	1.90	238	9534	10.40	450			
8845	3.33	273	9539	13.23	521			
8855	0.19	195	9554	16.83	611			
8856	0.44	201	9586	1.27	222			
8864	3.85	286	9600	7.37	374			
8868	0.72	208	9620	1.68	232			
8869	1.62	231						
8901	0.30	198						
9012	2.50	253						
9014	5.94	339						
9015	5.94	339						
9016	7.78	385						
9033	4.02	291						
9040	5.28	322						
9044	2.50	253						
9052	4.07	292						
9054	5.45	326						
9058	4.07	292						
9060	2.56	254						
9061	2.48	252						
9062	2.94	264						
9063	1.73	233						
9082	2.53	253						

MINNESOTA WORKERS' COMPENSATION

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<u>Class</u> <u>Code</u>	<u>4/1/2018</u> <u>Assigned</u> <u>Risk Rate</u>	<u>Minimum</u> <u>Premium</u>
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"S" Codes

6845	9.57	429
7309	8.17	394
7313	3.00	265
7317	4.24	296
7327	22.61	655
8726	2.37	249
9077	1.21	220

"F" Codes

6801	7.37	374
6824	12.62	506
6826	11.66	482
6843	41.17	655
6845	25.77	655
6872	15.04	566
6874	71.34	655
7309	15.24	571
7313	23.29	655
7317	15.43	576
7327	71.03	655
7350	7.92	388
8709	12.87	512
8726	21.75	655
9077	5.45	326

<u>Class</u> <u>Code</u>	<u>4/1/2018</u> <u>Assigned</u> <u>Risk Rate</u>	<u>Minimum</u> <u>Premium</u>
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Maritime and Federal Codes

6702	23.73	655
6703	38.61	655
6704	26.26	655
7016	12.49	502
7024	13.86	537
7038	6.30	348
7046	9.90	438
7047	15.10	568
7050	7.62	381
7090	6.99	365
7098	10.97	464
7099	11.96	489
7151	8.64	406
7152	14.03	541
7153	9.54	429
7333	12.29	497
7335	13.67	532
7337	14.88	562
7394	12.51	503
7395	13.89	537
7398	15.13	568
8734	0.77	209
8737	0.69	207
8738	1.13	218
8805	0.28	197
8814	0.25	196
8815	0.41	200

<u>Class</u> <u>Code</u>	<u>4/1/2018</u> <u>Assigned</u> <u>Risk Rate</u>	<u>Minimum</u> <u>Premium</u>
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MINNESOTA WORKERS' COMPENSATION

Assigned Risk Plan Rates
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Miscellaneous Values

Expense Constant applicable to all policies	\$190	
Maximum Individual Remuneration applicable to:		
- executive officers, partners and sole proprietors in connection with <i>Minnesota Basic Manual</i> Rule 2-E-1-b and Rule 2-E-3-a - members/owners of a Limited Liability Company in connection with <i>Minnesota Basic Manual</i> Rule 2-e-2-b - Code 9178—"Athletic Sports or Park: Non-Contact Sports" - Code 9179—"Athletic Sports or Park: Contact Sports"	\$4,164	
Minimum Individual Remuneration applicable to:		
- executive officers, partners and sole proprietors in connection with <i>Minnesota Basic Manual</i> Rule 2-E-1-b and Rule 2-E-3-a - members/owners of a Limited Liability Company in connection with <i>Minnesota Basic Manual</i> Rule 2-E-2-b	\$1,041	
Minimum Remuneration for Spouse, Parent or Child Elections		
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.	\$312	
United States Longshore and Harbor Workers' Compensation Coverage Percentage applicable only in connection with <i>Minnesota Basic Manual Rule 3-A-4-b</i> (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	2.4%	
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:		5% of the total premium or \$150, whichever is greater
Bodily Injury by Accident	\$1,000,000 Each Accident	
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 \$11,000. If more than two years, an average annual premium of at least \$5,500 is required. The **Minnesota Ratemaking Report** 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.

Waiver of Subrogation

A risk may be eligible to request that the Waiver of Our Right To Recover Endorsement - WC 00 03 13 (waiver of subrogation) be applied to a specific job only. The risk must provide the Servicing Carrier with the following information: job location; a copy of the construction contract; duration of the job (including beginning date and ending date); a description of the work to be performed; the estimated payroll dollars expended on the job; the class code(s) of the employees on the job; and the number of employees on the job.

The inclusion of this endorsement will generate an additional premium charge of 5% of the payroll for the specific job times the appropriate classification rate(s), divided by 100; subject to a minimum premium charge of \$100.

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.

RATING ITEM

RANGE OF ALLOWABLE MODIFICATION

1. AWAIR/OSHA Compliance

-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.

- written accident and injury reduction plan
 - management participation, established,
 - measured and maintained
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- 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 cheryl.l.perkins@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.
