



Minnesota Workers' Compensation
Insurers Association, Inc.

7701 France Avenue South
Suite 450
Minneapolis, MN 55435-3203

952-897-1737 general
952-897-6495 fax

www.mwcia.org

September 13, 2018

ALL ASSOCIATION MEMBERS

Circular Letter No. 18-1737

RE: 1-1-2019 Assigned Risk Rates

Commerce Commissioner Looman issued a rate order on September 5, 2018 approving a 0.7% decrease in the average Assigned Risk premium level effective January 1, 2019. The following is an excerpt from the Commissioner's Order:

"ORDERED

1. That effective January 1, 2019, 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 2019 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 2.3% of premium.
4. That the policyholder surcharge for foreign and domestic terrorism coverage provided by the Terrorism Risk Insurance Program Reauthorization Act will be \$0.01 per \$100 of payroll.
5. That the average premium level, including surcharges, will decrease by 0.7%."

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 January 1, 2019

<u>Class Code</u>	<u>1/1/2019 Assigned Risk Rate</u>	<u>Minimum Premium</u>	<u>Class Code</u>	<u>1/1/2019 Assigned Risk Rate</u>	<u>Minimum Premium</u>	<u>Class Code</u>	<u>1/1/2019 Assigned Risk Rate</u>	<u>Minimum Premium</u>
0005	7.01	365	2081	6.71	358	2790	3.27	272
0006	8.00	390	2089	7.45	376	2802	6.57	354
0008	5.14	319	2095	6.71	358	2881	7.29	372
0016	8.00	390	2105	7.48	377	2883	6.46	352
0034	9.87	437	2111	5.39	325	2915	5.17	319
0035	5.45	326	2121	3.27	272	2916	6.63	356
0042	12.57	504	2130	3.69	282	2923	3.30	273
0050	16.03	591	2131	4.07	292	2960	6.93	363
0079	5.14	319	2157	10.01	440	3004	3.11	268
0106	14.52	553	2172	3.00	265	3018	7.81	385
0113	9.87	437	2174	5.03	316	3022	5.69	332
0170	5.42	326	2211	14.52	553	3027	5.89	337
0251	6.46	352	2220	3.74	284	3028	4.84	311
0401	18.78	655	2286	3.00	265	3030	11.83	486
0908	248.46	438	2288	6.85	361	3040	9.46	427
0913	303.08	493	2302	3.69	282	3042	9.43	426
0917	9.05	416	2305	4.62	306	3064	6.38	350
1164	8.28	397	2361	4.24	296	3066	7.87	387
1165	3.19	270	2362	4.24	296	3076	5.58	330
1320	2.86	262	2380	4.24	296	3081	9.54	429
1322	15.46	577	2388	4.24	296	3082	6.19	345
1430	8.61	405	2402	4.87	312	3085	9.05	416
1438	10.37	449	2413	3.85	286	3110	8.17	394
1452	3.49	277	2416	3.66	282	3111	3.93	288
1463	15.57	579	2417	3.85	286	3113	3.49	277
1472	5.67	332	2501	4.29	297	3114	5.28	322
1624	5.06	317	2503	4.24	296	3126	3.19	270
1642	3.71	283	2570	7.43	376	3131	4.98	315
1654	5.06	317	2585	6.57	354	3132	4.46	302
1699	3.71	283	2586	6.57	354	3145	3.33	273
1701	3.71	283	2587	6.08	342	3146	6.52	353
1710	6.52	353	2623	11.74	484	3169	3.63	281
1747	5.42	326	2651	4.79	310	3179	3.41	275
1803	11.63	481	2660	4.79	310	3180	4.48	302
1924	4.15	294	2670	4.79	310	3188	4.65	306
1925	8.03	391	2683	4.79	310	3220	3.96	289
2002	5.47	327	2686	4.79	310	3224	5.14	319
2003	9.85	436	2688	4.79	310	3227	6.66	357
2014	6.99	365	2702	20.35	655	3241	5.58	330
2016	4.10	293	2710	18.59	655	3255	4.10	293
2021	11.44	476	2714	6.08	342	3257	4.54	304
2039	6.41	350	2729	10.04	441	3300	6.74	359
2041	6.66	357	2731	7.87	387	3303	6.49	352
2065	6.41	350	2735	8.99	415	3307	6.49	352
2070	6.41	350	2759	10.07	442	3315	6.19	345

MINNESOTA WORKERS' COMPENSATION

Assigned Risk Plan Rates
Effective New and Renewal January 1, 2019

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3334	4.62	306	4038	5.97	339	4670	12.76	509
3341	4.18	295	4062	4.95	314	4683	7.56	379
3365	12.93	513	4112	0.99	215	4686	3.55	279
3372	6.74	359	4114	4.24	296	4692	1.87	237
3373	6.44	351	4130	4.98	315	4693	1.93	238
3383	1.79	235	4131	4.92	313	4703	3.44	276
3385	1.79	235	4133	4.57	304	4720	3.80	285
3400	6.66	357	4150	1.79	235	4740	1.10	218
3507	6.13	343	4206	22.80	655	4741	2.72	258
3515	3.69	282	4207	2.59	255	4751	3.44	276
3548	2.56	254	4239	4.32	298	4771	3.66	282
3559	3.74	284	4240	2.59	255	4777	6.22	346
3574	1.49	227	4243	3.55	279	4825	1.98	240
3612	3.91	288	4244	4.46	302	4828	3.00	265
3620	5.64	331	4250	2.59	255	4829	1.79	235
3629	3.22	271	4251	6.08	342	4902	3.85	286
3632	6.66	357	4263	2.59	255	4923	1.54	229
3634	4.04	291	4273	4.18	295	5020	11.85	486
3635	4.21	295	4279	4.51	303	5022	17.60	630
3638	2.56	254	4283	2.89	262	5037	36.27	655
3642	2.34	249	4299	4.81	310	5040	26.26	655
3643	3.41	275	4304	4.81	310	5057	5.31	323
3647	4.35	299	4307	3.47	277	5059	67.16	655
3648	2.53	253	4314	8.11	393	5102	11.33	473
3681	1.87	237	4351	7.56	379	5146	10.34	449
3685	1.79	235	4352	7.56	379	5160	5.47	327
3719	3.22	271	4361	3.58	280	5183	6.49	352
3724	8.99	415	4410	6.49	352	5188	7.62	381
3726	7.59	380	4420	7.56	379	5190	5.06	317
3803	4.65	306	4432	2.78	260	5191	2.01	240
3807	3.66	282	4452	4.57	304	5192	5.34	324
3808	5.97	339	4459	4.48	302	5213	10.89	462
3821	11.77	484	4470	3.55	279	5215	10.62	456
3822	6.46	352	4484	5.03	316	5221	10.75	459
3824	10.95	464	4493	3.93	288	5222	15.57	579
3826	1.57	229	4511	0.72	208	5348	11.22	471
3827	3.88	287	4557	3.25	271	5403	13.42	526
3830	2.06	242	4558	2.92	263	5437	17.49	627
3851	4.37	299	4568	3.22	271	5445	10.78	460
3881	7.56	379	4581	1.57	229	5462	12.38	500
4000	9.13	418	4583	12.24	496	5472	12.68	507
4021	7.01	365	4611	2.01	240	5473	16.78	610
4024	6.44	351	4635	5.23	321	5474	12.68	507
4034	8.94	414	4653	1.95	239	5478	12.93	513
4036	4.73	308	4665	12.07	492	5479	13.26	522

MINNESOTA WORKERS' COMPENSATION

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5480	11.36	474	7360	7.51	378	8044	5.34	324
5491	3.19	270	7370	8.42	401	8045	1.07	217
5506	10.92	463	7380	9.57	429	8047	2.23	246
5507	10.95	464	7382	7.15	369	8048	4.21	295
5508	24.61	655	7390	10.73	458	8052	4.92	313
5537	6.77	359	7403	8.53	403	8058	3.88	287
5538	12.46	502	7405	2.17	244	8072	1.27	222
5551	47.08	655	7420	7.67	382	8102	5.47	327
5606	2.45	251	7421	1.13	218	8103	4.32	298
5645	17.05	616	7422	1.95	239	8106	8.66	407
5649	10.40	450	7425	6.46	352	8107	4.92	313
5651	17.13	618	7431	1.95	239	8111	4.48	302
5703	40.45	655	7502	3.25	271	8116	4.65	306
5705	28.27	655	7515	1.62	231	8203	12.21	495
5951	3.85	286	7520	4.98	315	8204	6.08	342
6003	18.15	644	7538	9.49	427	8209	6.05	341
6204	18.59	655	7539	1.95	239	8215	6.66	357
6213	3.60	280	7540	5.03	316	8227	8.11	393
6216	10.81	460	7580	4.10	293	8232	7.67	382
6217	10.75	459	7590	6.93	363	8233	5.61	330
6229	11.00	465	7600	6.71	358	8235	16.23	596
6233	5.58	330	7601	20.19	655	8263	10.51	453
6235	10.12	443	7605	2.01	240	8264	8.99	415
6236	8.86	412	7610	0.77	209	8265	14.44	551
6237	0.74	209	7705	8.06	392	8279	13.37	524
6248	17.55	629	7706	5.89	337	8280	12.07	492
6251	11.44	476	7708	54.01	244	8284	15.65	581
6252	8.47	402	7720	4.13	293	8285	22.50	655
6306	11.33	473	7855	16.03	591	8286	16.09	592
6319	5.06	317	8001	4.10	293	8291	6.96	364
6325	10.45	451	8002	2.59	255	8292	7.12	368
6400	12.76	509	8006	3.41	275	8293	16.86	612
6504	5.94	339	8008	1.95	239	8304	7.59	380
6811	7.10	368	8013	0.69	207	8350	8.00	390
6834	6.00	340	8015	1.40	225	8353	8.20	395
6836	6.00	340	8017	2.59	255	8380	5.58	330
6854	6.33	348	8018	6.22	346	8381	2.83	261
6882	7.48	377	8021	4.54	304	8385	5.42	326
6884	12.43	501	8029	3.80	285	8392	4.73	308
7219	13.53	528	8031	3.93	288	8393	5.58	330
7222	8.31	398	8032	4.15	294	8395	5.58	330
7225	12.54	504	8033	3.60	280	8500	11.11	468
7230	13.83	536	8034	4.21	295	8601	0.66	207
7231	13.83	536	8036	3.49	277	8606	4.10	293
7232	10.64	456	8039	2.59	255	8719	5.20	320

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8720	2.09	242	9088	8.80	410			
8721	0.63	206	9093	2.45	251			
8723	0.25	196	9101	6.77	359			
8742	0.52	203	9102	6.08	342			
8745	11.66	482	9154	3.19	270			
8748	1.07	217	9156	5.06	317			
8800	3.11	268	9178	10.70	458			
8803	0.08	192	9179	10.75	459			
8810	0.19	195	9180	8.80	410			
8820	0.19	195	9182	3.91	288			
8824	6.16	344	9186	59.79	655			
8825	3.11	268	9220	8.86	412			
8826	4.95	314	9402	10.40	450			
8829	4.07	292	9403	10.40	450			
8830	9.74	434	9410	4.95	314			
8831	2.56	254	9501	5.47	327			
8832	0.55	204	9516	8.88	412			
8833	1.87	237	9519	7.62	381			
8835	3.05	266	9521	7.32	373			
8842	3.14	269	9522	7.26	372			
8844	2.09	242	9534	9.02	416			
8845	2.97	264	9539	12.76	509			
8855	0.22	196	9554	17.33	623			
8856	0.55	204	9586	1.16	219			
8864	3.58	280	9600	7.26	372			
8868	0.72	208	9620	1.82	236			
8869	1.71	233						
8901	0.28	197						
9012	2.04	241						
9014	6.08	342						
9015	6.08	342						
9016	6.41	350						
9033	4.07	292						
9040	5.61	330						
9044	2.50	253						
9052	4.07	292						
9054	4.87	312						
9058	4.07	292						
9060	2.61	255						
9061	2.39	250						
9062	2.83	261						
9063	1.79	235						
9082	2.53	253						
9083	2.48	252						
9084	3.05	266						

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"S" Codes			Maritime and Federal Codes					
6845	9.90	438	6702	19.11	655			
7309	8.64	406	6703	31.10	655			
7313	3.08	267	6704	21.15	655			
7317	4.29	297	7016	12.10	493			
7327	23.51	655	7024	13.45	526			
8726	2.45	251	7038	6.05	341			
9077	1.24	221	7046	9.13	418			
			7047	14.63	556			
			7050	7.32	373			
			7090	6.71	358			
			7098	10.12	443			
			7099	11.03	466			
			7151	8.72	408			
			7152	14.19	545			
			7153	9.65	431			
			7333	11.08	467			
			7335	12.32	498			
			7337	13.42	526			
			7394	12.10	493			
			7395	13.45	526			
			7398	14.63	556			
			8734	0.72	208			
			8737	0.63	206			
			8738	1.05	216			
			8805	0.28	197			
			8814	0.25	196			
			8815	0.41	200			
"F" Codes								
6801	7.29	372						
6824	12.46	502						
6826	11.52	478						
6843	40.67	655						
6845	25.47	655						
6872	14.66	557						
6874	70.46	655						
7309	14.63	556						
7313	21.78	655						
7317	14.80	560						
7327	70.18	655						
7350	7.76	384						
8709	12.71	508						
8726	21.37	655						
9077	5.36	324						

MINNESOTA WORKERS' COMPENSATION

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Miscellaneous Values

Expense Constant applicable to all policies	\$190	
Maximum Individual Remuneration applicable to:		
<ul style="list-style-type: none"> • 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" 	\$4,308	
Minimum Individual Remuneration applicable to:		
<ul style="list-style-type: none"> • 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 	\$1,077	
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>	\$323	
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	2.3%	
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, whichever 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 \$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 Safety Program Rating Plan is established pursuant to MN Statute 79.253. This plan is applicable to small employers insured in the Assigned Risk Plan. Assigned Risk policyholders meeting the following criteria are eligible for this program, as follows:

- Total estimated annual premium is less than \$15,000; AND
 - The premium rate for their governing classification code is in the top 25% of premium rates for all classification codes; OR
 - The Experience Modification Factor is 1.25 or higher.

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

Assigned Risk Plan policyholders subject to this plan shall receive an on-site safety inspection, provided by the Assigned Risk Plan, at no cost to the policyholder. The applicable credit or debit shall be based on the results of the on-site safety inspection, the recommendation(s) level for safety improvement and the employer's compliance with the recommendation(s).

Employers receiving Critical or Important Recommendations will receive a follow-up on-site safety inspection not less than sixty (60) days nor more than ninety (90) days following the issuance of the Recommendation Letter in order to confirm compliance with the recommendation(s). The credit or debit shall be applied at the time of the final payroll audit as follows:

Recommendation Level	Disposition	Result
Critical Recommendation(s)	Uncorrected	Cancellation
Critical Recommendation(s)	Corrected	10% Credit
Important Recommendation(s)	Uncorrected	5% Debit
Important Recommendation(s)	Corrected	5% Credit
Advisory Recommendation(s)	N/A	No Credit or Debit

The Recommendation levels are defined as follows:

- **Critical Recommendations** – These are recommendations related to a condition or practice creating a high potential for loss of life and/or severe bodily injury.
- **Important Recommendations** – These are recommendations related to conditions or practices that need improvement to make the risk more desirable from an insurance perspective, but do not create a high potential for loss of life and/or severe bodily injury.
- **Advisory Recommendations** – These are recommendations related to improvement to administrative functions and oversight, including the establishment of written safety programs and protocols.

Participation in the Safety Program Rating Plan is automatic for employers meeting the eligibility criteria. For additional information regarding this plan, inquiries should be directed to Cheryl Perkins at the MWCARP by writing MWCARP – Attn: Safety Program Rating Plan; 5600 West 83rd Street, 8200 Tower, Suite 1100; Minneapolis, MN 55437, by phone at 612-202-7192 or by email at 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.
