



Minnesota Workers' Compensation
Insurers Association, Inc.

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September 16, 2020

ALL ASSOCIATION MEMBERS

Circular Letter No. 20-1772

RE: 1-1-2021 Assigned Risk Rates

Acting Commerce Commissioner Arnold issued a rate order on September 9, 2020 approving a 4.8% decrease in the average Assigned Risk premium level effective January 1, 2021. The following is an excerpt from the Acting Commissioner's Order:

"ORDERED

1. That effective January 1, 2021, the Minnesota Workers' Compensation Assigned Risk Plan will use a pure premium multiplier of 2.55 to be applied uniformly to the pure premium base rates of the 2021 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 4.8%."

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 Acting 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, 2021

<u>Class Code</u>	<u>1/1/2021 Assigned Risk Rate</u>	<u>Minimum Premium</u>	<u>Class Code</u>	<u>1/1/2021 Assigned Risk Rate</u>	<u>Minimum Premium</u>	<u>Class Code</u>	<u>1/1/2021 Assigned Risk Rate</u>	<u>Minimum Premium</u>
0005	6.02	341	2081	5.23	321	2881	6.66	357
0006	7.34	374	2089	7.17	369	2883	6.40	350
0008	4.74	309	2095	6.60	355	2915	5.43	326
0016	7.34	374	2105	7.19	370	2916	5.94	339
0034	7.96	389	2111	5.13	318	2923	2.91	263
0035	5.02	316	2121	2.91	263	2960	6.89	362
0042	12.09	492	2130	3.34	274	3004	2.65	256
0050	12.57	504	2131	3.52	278	3018	5.81	335
0079	4.74	309	2157	9.00	415	3022	5.30	323
0106	13.52	528	2172	2.75	259	3027	4.51	303
0113	7.96	389	2174	4.69	307	3028	4.34	299
0170	4.44	301	2211	12.44	501	3030	10.10	443
0251	5.94	339	2220	3.80	285	3040	8.01	390
0401	17.21	620	2288	6.12	343	3042	7.68	382
0908	283.33	473	2302	3.11	268	3064	5.94	339
0913	254.62	445	2305	4.85	311	3066	6.89	362
0917	7.09	367	2361	3.67	282	3076	5.43	326
1164	6.53	353	2362	3.67	282	3081	8.03	391
1165	3.19	270	2380	3.67	282	3082	6.32	348
1320	2.70	258	2388	3.67	282	3085	6.99	365
1322	14.33	548	2402	4.64	306	3110	7.65	381
1430	7.62	381	2413	3.29	272	3111	4.05	291
1438	9.41	425	2416	3.42	276	3113	3.54	279
1452	3.98	290	2417	3.29	272	3114	4.92	313
1463	11.91	488	2501	4.16	294	3126	2.63	256
1472	4.87	312	2503	3.67	282	3131	4.23	296
1624	4.74	309	2570	7.32	373	3132	4.21	295
1642	3.34	274	2585	6.40	350	3145	3.44	276
1654	4.74	309	2586	6.40	350	3146	6.66	357
1699	3.34	274	2587	4.74	309	3169	3.70	283
1701	3.34	274	2623	9.23	421	3179	3.34	274
1710	6.81	360	2651	4.28	297	3180	3.65	281
1747	5.00	315	2660	4.28	297	3188	3.85	286
1803	11.73	483	2683	4.08	292	3220	3.01	265
1924	3.90	288	2686	4.28	297	3224	4.97	314
1925	7.57	379	2688	4.28	297	3227	6.73	358
2002	5.28	322	2702	18.87	655	3241	4.82	311
2003	7.98	390	2710	14.61	555	3255	3.44	276
2014	8.06	392	2714	5.66	332	3257	4.18	295
2016	3.67	282	2729	9.59	430	3300	6.66	357
2021	8.03	391	2731	7.57	379	3303	6.27	347
2039	6.40	350	2735	7.88	387	3307	6.27	347
2041	5.23	321	2759	9.46	427	3315	5.38	325
2065	6.40	350	2790	2.78	260	3334	4.03	291
2070	6.40	350	2802	6.94	364	3341	4.16	294

MINNESOTA WORKERS' COMPENSATION

Assigned Risk Plan Rates
Effective New and Renewal January 1, 2021

<u>Class Code</u>	<u>1/1/2021 Assigned Risk Rate</u>	<u>Minimum Premium</u>	<u>Class Code</u>	<u>1/1/2021 Assigned Risk Rate</u>	<u>Minimum Premium</u>	<u>Class Code</u>	<u>1/1/2021 Assigned Risk Rate</u>	<u>Minimum Premium</u>
3365	8.98	415	4112	0.89	212	4692	1.56	229
3372	5.28	322	4114	3.98	290	4693	1.71	233
3373	5.81	335	4130	5.18	320	4703	3.52	278
3383	1.61	230	4131	5.74	334	4720	3.60	280
3385	1.61	230	4133	4.79	310	4740	1.33	223
3400	6.73	358	4150	1.61	230	4741	2.81	260
3507	6.02	341	4206	14.92	563	4751	3.24	271
3515	3.62	281	4207	3.57	279	4771	3.19	270
3548	1.76	234	4239	3.70	283	4777	5.69	332
3559	3.88	287	4240	3.57	279	4825	1.50	228
3574	1.48	227	4243	3.29	272	4828	3.09	267
3612	3.57	279	4244	4.13	293	4829	1.73	233
3620	5.33	323	4250	3.57	279	4902	3.49	277
3629	2.83	261	4251	6.12	343	4923	1.53	228
3632	5.71	333	4263	3.57	279	5020	10.05	441
3634	3.19	270	4273	3.95	289	5022	13.67	532
3635	3.70	283	4279	3.72	283	5037	27.18	655
3638	2.73	258	4283	2.45	251	5040	17.77	634
3642	2.09	242	4299	4.34	299	5057	5.84	336
3643	3.34	274	4304	4.34	299	5059	42.81	655
3647	4.46	302	4307	3.37	274	5102	9.49	427
3648	2.68	257	4314	8.03	391	5146	9.31	423
3681	1.58	230	4351	4.23	296	5160	3.90	288
3685	1.61	230	4352	4.23	296	5183	5.46	327
3719	3.16	269	4361	2.19	245	5188	7.22	371
3724	8.08	392	4410	5.66	332	5190	5.13	318
3726	6.40	350	4420	7.29	372	5191	1.89	237
3803	4.21	295	4432	2.32	248	5192	4.82	311
3807	4.11	293	4452	4.31	298	5213	10.33	448
3808	6.40	350	4459	4.67	307	5215	10.05	441
3821	12.24	496	4470	3.11	268	5221	10.07	442
3822	6.02	341	4484	4.59	305	5222	15.25	571
3824	9.72	433	4493	3.65	281	5348	9.28	422
3826	1.45	226	4511	0.74	209	5403	13.06	517
3827	3.49	277	4557	3.77	284	5437	15.45	576
3830	1.94	239	4558	2.96	264	5445	9.51	428
3851	3.42	276	4568	2.96	264	5462	13.74	534
3881	6.38	350	4581	1.53	228	5472	14.46	552
4000	8.57	404	4583	10.91	463	5473	15.56	579
4021	7.45	376	4611	2.19	245	5474	10.63	456
4024	6.83	361	4635	4.77	309	5478	10.94	464
4034	9.05	416	4653	1.91	238	5479	13.49	527
4036	5.28	322	4665	11.93	488	5480	11.55	479
4038	5.28	322	4683	8.29	397	5491	3.32	273
4062	4.62	306	4686	3.62	281	5506	9.41	425

MINNESOTA WORKERS' COMPENSATION

Assigned Risk Plan Rates
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5507	10.00	440	7390	9.51	428	8052	4.64	306
5537	6.76	359	7403	7.29	372	8058	4.44	301
5538	11.35	474	7405	2.17	244	8072	1.15	219
5551	37.89	655	7420	6.81	360	8102	4.44	301
5606	2.04	241	7421	1.22	221	8103	4.31	298
5645	15.17	569	7422	2.40	250	8106	8.34	399
5649	8.11	393	7425	4.72	308	8107	4.51	303
5651	14.92	563	7431	2.40	250	8111	4.00	290
5703	41.21	655	7502	2.60	255	8116	4.85	311
5705	24.91	655	7515	1.48	227	8203	9.74	434
5951	2.42	251	7520	4.54	304	8204	6.73	358
6003	13.69	532	7538	8.47	402	8209	6.76	359
6204	14.76	559	7539	1.94	239	8215	6.20	345
6213	2.96	264	7540	4.54	304	8227	6.58	355
6216	9.66	432	7580	3.90	288	8232	6.78	360
6217	8.57	404	7590	6.68	357	8233	5.02	316
6229	9.36	424	7600	7.98	390	8235	10.30	448
6233	4.79	310	7601	19.07	655	8263	9.69	432
6235	9.36	424	7605	1.89	237	8264	7.73	383
6236	7.93	388	7610	0.74	209	8265	10.07	442
6237	0.54	204	7705	7.60	380	8279	10.99	465
6248	12.16	494	7706	5.81	335	8280	11.04	466
6251	10.10	443	7708	42.59	233	8285	18.79	655
6252	7.73	383	7720	3.93	288	8291	6.58	355
6306	11.27	472	7855	13.29	522	8292	6.73	358
6319	4.87	312	8001	4.16	294	8293	14.31	548
6325	8.85	411	8002	2.58	255	8304	7.37	374
6400	11.37	474	8006	2.98	265	8350	8.85	411
6504	5.51	328	8008	1.99	240	8353	8.06	392
6811	6.43	351	8013	0.71	208	8380	4.67	307
6834	5.53	328	8015	1.40	225	8381	2.70	258
6836	5.53	328	8017	2.58	255	8385	4.95	314
6854	5.97	339	8018	5.51	328	8392	4.16	294
6882	6.30	348	8021	4.92	313	8393	4.67	307
6884	10.40	450	8029	2.81	260	8395	4.67	307
7219	11.83	486	8031	3.77	284	8500	10.43	451
7222	7.60	380	8032	3.75	284	8601	0.54	204
7225	12.06	492	8033	3.44	276	8606	3.72	283
7230	13.03	516	8034	3.90	288	8719	4.44	301
7231	13.03	516	8036	3.14	269	8720	1.79	235
7232	11.22	471	8039	3.03	266	8721	0.48	202
7360	6.89	362	8044	4.39	300	8723	0.20	195
7370	7.50	378	8045	1.20	220	8742	0.46	202
7380	9.44	426	8047	1.81	235	8745	9.95	439
7382	6.83	361	8048	3.90	288	8748	0.89	212

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8800	2.75	259	9178	8.42	401			
8803	0.08	192	9179	11.93	488			
8810	0.18	195	9180	8.11	393			
8820	0.18	195	9182	3.37	274			
8824	5.25	321	9186	40.72	655			
8825	3.11	268	9220	7.93	388			
8826	4.31	298	9402	10.38	450			
8829	3.11	268	9403	10.38	450			
8830	9.15	419	9410	3.98	290			
8831	2.24	246	9501	5.25	321			
8832	0.51	203	9516	7.27	372			
8833	1.63	231	9519	6.07	342			
8835	2.40	250	9521	6.25	346			
8842	3.01	265	9522	6.20	345			
8844	2.01	240	9534	7.91	388			
8845	2.52	253	9539	12.34	499			
8855	0.18	195	9554	16.22	596			
8856	0.77	209	9586	1.05	216			
8864	3.24	271	9600	6.20	345			
8868	0.71	208	9620	1.76	234			
8869	1.66	232						
8901	0.20	195						
9012	1.45	226						
9014	5.33	323						
9015	5.33	323						
9016	5.05	316						
9033	4.03	291						
9040	5.64	331						
9044	2.17	244						
9052	3.29	272						
9054	4.39	300						
9058	3.29	272						
9060	2.70	258						
9061	2.04	241						
9062	2.32	248						
9063	1.68	232						
9082	2.22	246						
9083	2.01	240						
9084	2.52	253						
9088	8.11	393						
9093	2.14	244						
9101	6.96	364						
9102	5.30	323						
9154	2.96	264						
9156	4.21	295						

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"S" Codes			Maritime and Federal Codes					
6845	8.98	415	6702	16.19	595			
7309	7.91	388	6703	25.96	655			
7313	2.78	260	6704	17.93	638			
7317	3.75	284	7016	11.35	474			
7327	21.39	655	7024	12.60	505			
8726	2.22	246	7038	5.69	332			
9077	1.10	218	7046	8.36	399			
			7047	13.54	529			
			7050	6.78	360			
			7090	6.32	348			
			7098	9.31	423			
			7099	10.00	440			
			7151	8.34	399			
			7152	13.39	525			
			7153	9.23	421			
			7333	10.40	450			
			7335	11.55	479			
			7337	12.39	500			
			7394	11.35	474			
			7395	12.62	506			
			7398	13.54	529			
			8734	0.61	205			
			8737	0.54	204			
			8738	0.87	212			
			8805	0.23	196			
			8814	0.20	195			
			8815	0.36	199			
"F" Codes								
6801	6.73	358						
6824	11.53	478						
6826	10.74	459						
6843	37.61	655						
6845	23.56	655						
6872	13.52	528						
6874	65.18	655						
7309	13.59	530						
7313	18.44	651						
7317	12.85	511						
7327	64.92	655						
7350	6.94	364						
8709	11.76	484						
8726	19.58	655						
9077	4.97	314						

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:		
<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" 	\$4,576	
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 	\$1,144	
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>	\$343	
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 \$12,000. If more than two years, an average annual premium of at least \$6,000 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:

<u>Recommendation Level</u>	<u>Disposition</u>	<u>Result</u>
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.
