



Minnesota Workers' Compensation Insurers Association, Inc.

7760 France Avenue South, Suite 640, Minneapolis MN 55435 * 612/897-1737 (Voice) * 612/897-6495 (Fax)

J.P. Hildebrandt, President

MWCIA

April 23, 1996

ALL ASSOCIATION MEMBERS

Circular Letter No. 96-1250

RE: NCCI Item R-1329 -- 1996 Update to Retrospective Rating State and Hazard Group Relativities

The Minnesota Department of Commerce has approved the updating of the Retrospective Rating Plan's State and Hazard Group Relativities effective July 1, 1996.

The purpose of this item is to update the Retrospective Rating Plan parameters. We are not updating the Table of Expected Loss Ranges at this time. However, we have updated the State and Hazard Group Relativities which are applied to the expected losses prior to the determination of the Expected Loss Size Range. The impact of this filing will vary by individual insured employers. Insurance charges and premiums will be higher for some insureds and lower for others. For most of the large insured employers electing retrospective rating, these changes will be negligible.

The attached Exhibit I shows the updated State and Hazard Group Differentials.

The Department of Commerce requests that we remind Minnesota Workers' Compensation Insurers Association members that the above filing will automatically apply to each member of MWCIA unless that member files an exception with the Department of Commerce. This filing should indicate the member does not intend to utilize the filing or adopt a filing of their own. It must be submitted to the Department of Commerce for review and approval.

Very truly yours,

JOHN P. HILDEBRANDT

President