



Minnesota Workers' Compensation Insurers Association, Inc.

7701 France Avenue South, Suite 450, Minneapolis MN 55435 * 612/897-1737 (Voice) * 612/897-6495 (Fax)

Bruce A. Tollefson, President

www.mwcia.org

Special Attention: Policy Issuing Offices

April 14, 1999

ALL ASSOCIATION MEMBERS

Circular Letter No. 99-1315

Re: Handling Charges for Paper Submission of Policy Information

The MWCIA, through a contractual relationship with the Department of Labor and Industry (DOLI), serves as the official repository of Minnesota policy information for proof of coverage. As such, DOLI uses an electronic connection to our policy database to fulfill their proof of coverage regulatory and enforcement responsibilities. Minnesota Rule Chapter 5222.2000-2006 outlines the responsibilities of the insurance carrier, MWCIA, and DOLI. According to these rules, it is the responsibility of the insurance carrier to provide notices of policy coverage (policies, endorsements, and cancellations/reinstatements) to the MWCIA in a timely manner to fulfill their filing obligations under Minnesota Statute 176.185.

For the past several years, MWCIA has taken many steps to encourage the use of electronic submission of policy data in Minnesota as a more efficient way for insurance carriers to meet their statutory requirements. Although we receive approximately 56% of all policy information electronically today, this percentage has not increased in the past year since additional carriers have not elected to eliminate their paper by reporting electronically. Electronic submission of policy data has several benefits to the insurance industry including increased data quality and improved timeliness of submissions as well as the cost savings realized through the elimination of the manual handling of paper and postage.

At our last Board of Director's meeting, MWCIA staff recommended a handling charge of \$12.00 for each new and renewal policy submitted to MWCIA in paper format to help offset the expense to our membership of manually handling paper submissions from individual member companies who continue to require this service. The Board has approved the implementation of the new handling charge for all policy data submitted in paper format beginning April 1, 2000.

All member carriers will be notified during the next several months of the number of policies currently filed with our office as well as a timeliness report. MWCIA will make every reasonable effort to assist member carriers in their efforts to electronically submit their policy data. Additionally, carriers will be expected to review their timeliness requirements under Minnesota law.

Any questions or comments regarding the above procedure should be directed to Linda Hanson, Vice President, at either 612.897.6427 or her email address linda.hanson@mwcia.org.

Very truly yours,

BRUCE A. TOLLEFSON, CIC
President