

MWCIA News



2nd Quarter 2007 issue a publication of the Minnesota Workers' Compensation Insurers Association



PRESIDENT'S CORNER

By Bruce A. Tollefson

An Open Letter To Linda Hanson

TO OUR READERS: Linda Hanson, a long term and valued member of MWCIA's staff who many of you know, retired from full time employment in 2004. At the time, we were able to persuade her to stay on in her role as the manager of many of the national collaborative organizations to which MWCIA belongs. Linda is now retiring from those duties. I would like to share with each of you this open letter to Linda thanking her for her years of service to the industry.



LINDA M. HANSON

Dear Linda,

You have probably never received a letter of thanks and appreciation in this format before; for this situation, however, I felt it was most appropriate. As you know, the insurance industry doesn't give medals for years of dedicated service. And while this is hardly a medal, it is our way of acknowledging your real and significant impact on this organization and on the Minnesota workers' compensation marketplace.

The truth of the matter is although I have been in this job for a number of years now, I am still the new kid on the block when it comes to my contributions to the processes, procedures, systems and services that form the core of what we do and how we serve our membership and other key stakeholders within the workers' compensation system.

Some people contribute in big ways by making big sweeping changes. Others contribute in smaller day-to-day ways. You, however, have managed to do both. It is hard to believe that our Association, although it has changed over the years, has been around since the 1920s. We have seen many changes in the workers' compensation system and in the marketplace for delivering workers' compensation insurance. You haven't been here as long as that, of course, but you are truly the *Encyclopedia Britannica* of our Association. I remember asking a question once about the history of the Association. Others stared blankly, but you were able to pull out a yellowed copy of the original meeting at which we were formed.

But more than that, it seems that there was never a question we could raise about how systems, procedures, forms and the minutia of what makes us work that you could not answer or know where to look to figure it out. Small things on a daily basis, yes, but invaluable in providing guidance and help, which are essential to delivering high quality products and services. How does the saying go, "she forgot more than you'll ever learn." Whoever came up with that saying must have been thinking of you.

But it is the big things where your involvement and contributions have been critical. We, in Minnesota, are an "independent" data collection organization which means that the

Legislature has charged us with performing our functions as an independent organization, instead of part of a larger multi-state rating organization. Other states, like our neighbors in Wisconsin and large states like New York and California, have similar organizations. This status gives us the unique ability to focus on the needs of the Minnesota marketplace, but provides challenges in keeping our organization current and responsive as times and technologies change.

And, Linda, you have been a key part in our meeting these challenges. You and our former President, John Hildebrandt, were among the early pioneers who had the vision to bring the independent data collection organizations together so that they could pool their resources and harness technology to improve the data collection process.

Those who have read my column before know I have spoke often of the American Cooperative Council on Compensation Technology (ACCCT) which develops data collection software products, Compensation Data Exchange (CDX) which provides an internet data portal between insurers and the data collection organizations, and Spectrum Partners which built and maintains our data collection and management software.

Few know, however, that almost since their inception, you have served as manager of each of these organizations. Additionally, you have been a key player, and Minnesota's representative on the Business Advisory Groups for those organizations. It is not enough to have good programmers who can write computer code. The key to any system's success is being able to explain to those people what needs to be done and field testing what the programmers deliver. Only a few, like

you, have the ability to do both jobs and do them so well.

When a person has the level of experience and knowledge you have displayed, people outside of Minnesota notice. More than that, they want you to contribute that knowledge and experience. Linda, you have taken on that task on a national basis and continue to provide significant leadership and contributions to the International Association of Industrial Accident Boards (IAIABC) and the Insurance Data Managers Association (IDMA). Because of your efforts, these organizations have grown and contributed to the industry as a whole.

That is a part but just a part of the laundry list of your accomplishments, Linda. I could list more, but then I would not have room for the most important part of this letter — to thank you personally and publicly on behalf of your friends at the Association and in the industry for your leadership, service, and dedication. One more thing; you may be moving into retirement, but we will still be seeking your guidance and counsel into the future.

All our best.

Bruce



ASSIGNED RISK PLAN NEWS

Attention Agents:

[MWCARP Online Application](#)
[Now Available](#)

The Minnesota Workers' Compensation Assigned Risk Plan (MWCARP) began accepting applications online the beginning of April. MWCIA staff are noticing a marked improvement in the quality of ARP applications for agents, and employers without agents, who choose to use this new online system.

By using OAR to submit applications, agents are now able to streamline the amount of time it takes them to assist clients in securing Assigned Risk coverage by eliminating most of the errors that frequently cause hard copy applications to be rejected.

Here are a few of the reasons why implementation of OAR (Online Assigned Risk) has been such a success:

- fewer advance premium quotes are requested due to increased use of our online Assigned Risk Calculator tool
- electronic handling of premium deposits has eliminated application rejection because of unacceptable deposits (inadequate premium deposit; incorrect check formats; and/or checks that are unsigned, wrong "pay to the order of", etc.)
- fewer phone inquiries regarding processing status because OAR automatically sends status updates
- improved quality of application information requiring less follow-up with agents by MWCIA staff and/or Assigned Risk 'carriers'

Common Errors

Here is a short list of the most common reasons that OAR applications will be rejected:

- Incorrect/Incomplete Declination (Section V) — insurance company listed isn't licensed to write work comp in MN
- Money owing and/or audit dispute (MWCARP cannot process applications when records show an audit dispute or if past premium is still owed)

The following reasons also affect application processing:

- Section VI completed but the owners or family members do not want coverage
- Responses for additional info emailed to OAR (all responses for info on pending assignments must be sent directly to the assigned 'carrier')
- Application assigned pending a complete business description (additional info responses must be sent directly to assigned 'carrier' to determine if additional premium is necessary)
- Premium check mailed for OAR submission (premium for all

online applications must be paid electronically)

Common Questions

QUESTION: When do I pay?

ANSWER: Payment is made after an email is received advising "Assigned Risk Application Assigned Pending Payment" notice.

QUESTION: How do I make a payment?

ANSWER: Payment must be made online once email is received advising "Assigned Risk Application Assigned Pending Payment"

QUESTION: What types of payment forms are available using OAR?

ANSWER: Electronic Payments must be made within two business days. VISA, MasterCard, and Electronic checks are the only acceptable forms of payment online.

QUESTION: How do I correct information for an application that has already been assigned pending payment?

ANSWER: Any corrections needed after an assignment is made pending payment must be made through the assigned 'carrier' but only after the payment is made.

OAR -vs- Hard Copy

A total of 532 Assigned Risk applications were submitted online using OAR from 4/2/07 to 6/26/07.

By comparison, MWCIA received 831 hard copy applications in April; 787 hard copy applications in May; and 716 hard copy applications in June.

For more info regarding the Assigned Risk Plan's online application system visit www.mwcarp.org, or refer to Circular Letter No. 07-1507 located on the righthand side of MWCIA's website (www.mwcia.org) under 'More Circular Letters'.

An *OAR User Manual* is available online just below the registration area on the **OAR** registration page and help

text is provided throughout the application.

Please direct any questions you may have regarding OAR procedures by emailing oar@mwcia.org. ☞



MWCARP Annual Averages
(June 2006 – June 2007)

Total Employer Count:
34,353

Total Premium Volume:
\$60,765,394

Average Policy Premium:
\$1,769

Questions regarding the Assigned Risk Plan may be directed to MWCIA's staff by emailing info@mwcia.org, or by calling us at 952.897.1737 (Option 1). ☞

MCPAP Update

2008 MCPAP ENROLLMENT

The official enrollment period to apply for 2008 MCPAP credit factors ended April 1st.

Every year MWCIA staff responds to calls from employers who aren't aware they missed applying for a MCPAP credit factor until their policy renewal date. Eligible contracting employers may continue to apply until 90 days past their 2008 experience modification effective date. All late applicants, however, will automatically have a .02 late penalty assessment factor applied to their MCPAP credit factor calculation. [Note: MCPAP is a credit only program and all MCPAP factors are limited to 1.00 regardless of the impact of a .02 late penalty assessment.]

The 2008 MCPAP online application will continue to be available on MWCIA's website at www.mwcia.org. Employers with late in the year renewal dates who still wish to apply for the 2007 program, however, will need to apply by submitting a hard copy version of the 2007 MCPAP application which is also available on MWCIA's website.

Please remind your clients who are contractors to verify their program eligibility every year as an employer may not meet the average hourly wage requirements this year but could become eligible to apply for a MCPAP credit factor in a future year.

To date, MWCIA has received 2,609 MCPAP applications for the 2008 credit factors with over 60% submitted electronically! MWCIA staff anticipates that Minnesota contracting employers will continue to apply for their 2008 MCPAP credit factors throughout the year as they become aware that they missed the normal enrollment season. Agents and carriers can assist their clients today by checking with all of their contracting clients to make sure those that are eligible for this credit-only program have taken the opportunity to apply.

For more information on the Minnesota Contractor's Premium Adjustment Program — check out MWCIA's website at www.mwcia.org or call one of our staff at 952.897.1737, Option 1. ☞

Circular Letter Overview

The following items were approved by Minnesota's Commerce Department for use in this State since our last issue of *MWCIA News*. Since the information in these documents could have a direct impact on how your company writes and/or reports data on workers' compensation policies in Minnesota, MWCIA staff recommends the information contained in these circulars be distributed to appropriate staff within your organization.

Attn: Rate Filing Staff

- **Revised SERFF General Instructions for Minnesota Workers' Compensation Filings**

The purpose of the above item is to advise our member carriers that SERFF's filing instructions have changed. Carriers who have not already familiarized themselves with the changes announced in this circular will want to do so prior to making any new filings.

(Refer to **Circular Letter No. 07-1509** for further details.)



Attn: Underwriters

- **NCCI Item B-1387-A – Revisions to Basic Manual Classifications**

The purpose of this filing is to assign new hazard group codes created as a result of NCCI Item B-1403 to the new classifications that were established as part of Item B-1387.

(Refer to **Circular Letter No. 07-1510** for further details.) ☞



MWCIA's Annual Luncheon

was held this year on Monday, April 16th, at the McNamara Center on the University of Minnesota Campus.

Our guest speaker, Amy Dewey Westbrook, MPH — District Epidemiologist for the Minnesota Department of Health provided attendees with some very interesting facts during her presentation entitled "The H5N1 Avian Influenza Virus, Preparing for an Influenza Pandemic". Members and their guests were also treated to a fantastic lunch.

Each year MWCIA hosts this annual event to provide members and their guests with an opportunity to network with other industry folk, representatives of Minnesota's Department of Commerce and Department of Labor & Industry, MWCIA's staff and Board of Directors.

MWCIA's Annual Luncheon is open to all of our Membership's branch management. Each invitation allows a representative of your insurance company's management team and their guest to attend the reception, luncheon, and presentation.

If you missed out this year but would like to be included on next year's invitation list, please email your request to jan.olson@mwcia.org.

Are Your Rates Approved?

Carrier rates are **not** approved until formal approval is received from the Commerce Department. Copies of rate filings submitted as hard copies should be sent to MWCIA's office for our records only **after** Commerce approval is received.

To view copies of Minnesota's currently approved forms and endorsements, visit MWCIA's website at www.mwcia.org and select "Minnesota Manuals" from the drop-down menu in the left-hand margin.

Free Workshops

For Minnesota Employers

The "Business & Employment Tax" Workshop sponsored by the State of Minnesota is designed to provide new and established business owners and/or employers with information they need to know to do business in Minnesota including purchasing workers' compensation insurance.

This day-long class is packed with examples and resource information on State and Federal withholding, UI taxes, Social Security taxes, new hire reporting, state and federal labor standards, **workers' compensation insurance requirements**, and much more. There is also a good overall presentation on **independent contractor vs. employee status** with practical examples.

The 'New Employer' Workshops are coordinated by Gary Johnson of the Minnesota Department of Employment and Economic Development. And they include representatives from various state and federal offices as well as MWCIA. This popular class is the only 'one stop' resource of its kind in Minnesota. The class is offered once a month and locations rotate around the Twin Cities area which makes it convenient for all to attend. [An abbreviated version of the Workshop is also available in outstate Minnesota.] But the best news about the "Business & Employment Tax" Workshop is that it is **FREE!** And attendees can repeat the class as often as they'd like as a

refresher to get clarification on new rules.

Although this Workshop is designed for new and potential Minnesota employers and their HR/payroll staff, it is well suited as a refresher class or for anyone else interested in learning more about the requirements of being a business in Minnesota. The State of Minnesota and MWCIA would like to encourage all employers who do business in Minnesota as well as potential Minnesota business owners and others who work with employers to attend the "Business & Employment Tax" Workshop.

Please help spread the word on this important opportunity by telling your clients about the Minnesota "Business & Employment Tax" Workshop. Online registration and a copy of the current schedule is available by logging onto www.uimn.org/tax/irs.htm.

For more information about Minnesota's "Business & Employment Tax" Workshop, please email Gary Johnson, the workshop's coordinator, at deed.tax@state.mn.us or give him a call at 651.297.2744. ☞

RECENT CIRCULARS, ETC.

As a quick reference tool, the following list indicates all MWCIA Circulars published since the release of our last newsletter.

Circular Letter No. 07-1508
04/18/07 — **2006 Annual Report**

Circular Letter No. 07-1509
05/02/07 — **Revised SERFF General Instructions for Minnesota Workers' Compensation Filings**

Circular Letter No. 07-1510
06/14/07 — **NCCI Item B-1387-A – Revisions to Basic Manual Classifications**

MWCIA's current circulars plus an archive index of prior circular letters are available for *free* online at www.mwcia.org. ☞

NON-APPROVED NCCI ITEMS

As the sole data service organization in Minnesota, MWCIA is the only organization authorized to file workers' compensation manual rules, standard forms and endorsements,

and classification and statistical codes on behalf of member carriers in this state.

When preparing policies for Minnesota, please keep in mind that the following NCCI items are not approved for use in Minnesota:

B-1369	2001 Basic Manual For Workers' Compensation & Employers' Liability Insurance
U-1372	Issuing Agency/Producer Office Address Endt. WC 89 06 25
B-1373	Basic Manual Rules & Enhancements
E-1379	2003 New Experience Rating Plan Manual

If you have any questions regarding these items, please email our staff at info@mwcia.org. ☞

Have You Forgotten Something?

As a licensed workers' compensation carrier in Minnesota and member of MWCIA, it is your responsibility to keep the following organizations informed of any company address/contact information changes on a timely basis:

- [MN Commerce Department](#)
- [MWCIA](#)

Many carriers believe they inform MWCIA of name/address/contact changes when they notify a state office such as the Commerce Department. MWCIA is a separate organization and members must send separate notification of all changes to our office.

Please remind your filing and licensing staff to send separate notification of any company name/address/contact changes to MWCIA on a timely basis. By keeping MWCIA informed of all changes, your company will never miss valuable notices and mailings from our office that our members have learned to depend on. ☞

MISSING A CIRCULAR?

MWCIA's circular letters are available online 24 hours a day at www.mwcia.org. There is also an index of all archived circular letters dating back to 1996.

MWCIA'S PURPOSE

As the preferred provider of quality Minnesota Workers' Compensation information, we are committed to developing products, services and markets that meet our customers' evolving needs, and to providing a work environment rich in opportunities for personal and professional growth.

MWCIA News is a periodic publication of the Minnesota Workers' Compensation Insurers Association as a service to its members and the workers' compensation industry. Please direct any questions, comments or suggestions you may have concerning this publication to Marie Johnson, editor of *MWCIA News*, by calling her at 952.897.6410 or emailing her at marie.johnson@mwcia.org.

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