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Important Links

- [MCPAP renewal/sign up](#)
- [MWCIA Web Membership](#)
- [CDX User Guide and Support](#)
- [MN Work Comp Assigned Risk Plan](#)
- [Minnesota Department of Labor & Industry](#)
- [Minnesota Department of Commerce](#)
- [Minnesota Department of Employment & Economic Development \(MN Unemployment Insurance Program\)](#)
- [Minnesota Statute 176.041 Excluded Employments; Application, Exceptions, Election of Coverage](#)

President's Message - The Future

"The future belongs to those who see possibilities before they become obvious."



-John Sculley (Former CEO of Apple)

In last year's *corners*, I spent a lot of time conveying progress and past accomplishments of the MWCIA. This year, I am really focusing on the future – And how that future will impact not just MWCIA, but the entire workers' compensation arena. In the past couple months I have read and listened to a number of very smart people opine on the future of work,

and what it means. The keynote speaker from our annual luncheon, Dr. Robert Hartwig, touched on a number of issues, as has Peter Rousmaniere who has written a number of articles on this topic for Work Comp Central. I also listened with great interest to NCCI President, Steve Klingel, and futurist Salim Ismail at the recent NCCI Issues conference. They spoke to some of the challenges we face as an industry which may witness sea-changes in the labor force.

All provided a great array of issues which will likely impact the way we do business as workers' compensation professionals and as the Minnesota Data Services Organization.

What will the workplace of the future look like?

Will there be employee payroll to cover or will there be more and more free-lancers who must purchase transitory and short-term coverage? Think about what the labor force will look like if we are all Uber Drivers or Task Rabbits in 10 years. There have been fantastic gains in algorithms and computer capabilities to perform smart tasks. What will happen if all our underwriting and ratemaking processes are automated with instant coverage provided?

I saw an example of a computer that can mimic a manufacturing expert's moves in 4 hours, and can replicate those processes without having to program a computer extensively. The robotic arms on that computer are soon to drop under \$40,000 apiece. Will we need workers to do manufacturing, delivery driving, healthcare?

Circulars/Announcements/Links

[Circular Letter 15-1671](#)

Minnesota Experience Rating Split Point

[Circular Letter 15-1670](#)

Analytic Report Resource on the Web (ARROW) Online Training

[Circular Letter 15-1669](#)

2014 Annual Report

[Circular Letter 15-1668](#)

2014 Test Audit Summary Report

[Circular Letter 15-1667](#)

NCCI Item P-1412- Terrorism Risk Insurance Program Reauthorization Act of 2015 Endorsements

[Circular Letter 15-1666](#)

MWCARP – Launches its “Agent Guide”, Completes its Servicing Carrier Bid Process and Enhances Payroll Audit Standards

[Circular Letter 15-1665](#)

Carrier Membership Contact Update

Important Dates & Deadlines:

- Minnesota Work Comp Tech Expo – Wednesday, Sept 30, 2015. See [Page 5](#) for further details.
- MN Contractors Premium Adjustment Program (MCPAP)
 - Does not automatically renew! Applications received after 4/1/15 are subject to a .02 late penalty.
 - Avg Hr Wage: \$23.50
 - MCPAPs can be removed by the employer only. They must send in a letter on their company stationary showing their name, title, the date and stating that they want the MCPAP credit to be removed. These letters can be emailed in via attachment (we must have the letter on the stationary) <mailto:underwriting@mwcia.org>.
- Effective 1/1/2015 the Split Point is:
 - \$16,250.
- Effective 1/1/2015 the State Per Claim Accident Limitation is:
 - \$213,500 Single
 - \$427,000 Multiple
- Effective 1/1/2015 Min & Max Payrolls
 - Minimum: \$49,972
 - Maximum: \$199,888
 - Family: \$14,976

The hot trend in education is Science Technology Engineering and Math (STEM) curricula. Employers are saying we need to have programming taught in the schools. What if in ten years, there is no such thing as “programming”? What if in ten years, computers can program themselves with logic learned from previous programs and a few tweaks entered by voice control? As we have more non-employees making up our workforce in the future, what will that do to loss ratios, losses in general, covered payroll, premium levels and loss control? These are all big and potentially scary ideas when we think about them from this point in time. While we prepare for these and other changes impacting us in this industry, it heartens me to remember two things:

- 1) Predictions based on past experience usually don’t come true. My 11th grade Jobs class teacher assured us back in 1978, that being a keypunch operator would give us a career for life. Good thing I didn’t listen to her because keypunch operators were pretty much extinct within 5 years.
- 2) The workplace will always need people in one capacity or another. Personal and professional knowledge and relationships are the oil that lubricate the machinery.

“There’s a great future in plastics. Think about it. Will you think about it?”

-Mr. McGuire (Walter Brooke to Dustin Hoffman in *The Graduate*)

MWCIA 2015 Annual Luncheon

The MWCIA Annual Luncheon was held on 4/27/15 at the McNamara Center on the University of MN Minneapolis campus. We had one of our largest turn-outs ever with over 100 in attendance. If you have never had the wonderful opportunity to visit with us during our annual luncheon I’ll give you a quick overview of what goes on and maybe even share a picture or two. (For those of you that did attend, I promise, there are no pictures of you eating!) Every year at our Annual Luncheon our very own Craig Anderson gives us a look at the Minnesota State of the Market.

For anyone who isn’t aware of what the State of the Market report is, the report gives an overview of premium and cost factors in the state as well as trends and changes from previous years. Here are some examples; if you are an agent, you would probably find the information cited about the marketplace claims information useful.

For underwriters, you would probably be more interested in the aggregate case reserve information.

To view the report in its entirety please follow this link:

[Minnesota Workers’ Compensation State of the Market](#)

After Craig’s State of the Market report our guest speaker, Dr. Robert P. Hartwig, CPCU, presented [Workers Compensation and the New Economy: Trends, Challenges and Opportunities](#). Dr. Hartwig’s presentation gave an overview of 2014 industry financials, and discussed what is possible for 2015. It also outlined the workers’

Contact Us:

<http://www.mwcia.org>
underwriting@mwcia.org
952-897-1737

- Opt 1 – Underwriting Department
- Opt 2 – Assigned Risk Department
- Opt 3 – Actuarial Department
- Opt 4 – Unit Stat/MOD Department
- Web Membership:

Debbie Peterson - debbie.peterson@mwcia.org
President:
Brandon Miller – Brandon.miller@mwcia.org

Gift Card Anyone?:

Crypto-Quip Fun!
If E=E, S=U, and W=G solve the following:

YOB MJUUYK VESPOUE GE SWYUE CY
PSSEFC JC, JU CY SYHESC, FBYSEUU, PKX
PKPHIDE GYBNEBU' SYMFEKUPCJYK XPCP UY
CWPC GE SPK FBYAJXE WJQW ROPHJCI
SYKUJUKEKC JKZYBMPCJYK CY YOB JKUOBEB
MEMVEBU PKX BEQOHP CYBU. GE GJHH
XEAHYF PKX XEHJAEB OUEZOH UEBAJSEU
PKX FBYXOSCU CY CWE GYBNEBU SYMFEK
UPCJYK SYMMOKJCI. CWJU MEUUPQE GJHH
KYC UEHZ – XEUCBOSC.

A winner of a \$10 gift card will be drawn from the first ten correct responses that are emailed to: newsletter@mwcia.org.

Last Quarters Answer: 3.14.15 - Pi Day
Last Quarters Winner: Patricia Rauth of United Heartland

compensation operating environment, pricing trends in commercial lines and how economic factors will influence property and casualty growth opportunities. As always when you get a bunch of insurance professionals together in a room, the networking was fabulous. Add to that our fabulous presentations and amazing food and it was a lunch to remember. We'd like to thank all of you that came out to visit with us and meet us and we hope you had a phenomenal time.



Editor:

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 for articles you may have concerning this publication to:

*Dani Main – CISR, DAE, CIIP,
editor of MWCIA News,
c/o MWCIA
7701 France Avenue South, Suite 450;
Minneapolis, MN 55435.*

*You may also contact Dani via
Phone: (952)897-6410,
fax: (952)897-6495,
e-mail: newsletter@mwcia.org*



Educational Outreach

MWCIA is committed to providing educational outreach on varying workers' compensation topics. Classes are FREE, tailored to the needs of your group, and are suitable for agents, carriers, brokers, trade associations, as well as employer groups. A sample of topics reviewed in the last few months include:

- Policy application of automatically excluded employments (MN Statute §176.041);
- How to classify a risk: Overview of risk classification;
- Fundamentals of experience rating;
- Challenges of auditing contracting risks.

MWCIA also continues to have the privilege of participating with the Minnesota Department of Employment and Economic Development (DEED) for their free employer seminar entitled, "Employment Taxes and Employer Responsibilities". MWCIA has been a participant in this highly recommended employer seminar for many years. Please contact Jen Wolf at MWCIA by calling her at 952.897.6454 or emailing her at <mailto:Jen.Wolf@mwcia.org?subject=Educational Classes> to schedule a presentation.

Aggravated Inequity: How and When

First and foremost, every situation is different. Please do not hesitate to contact our underwriting department if you have questions about Aggravated Inequity.

There are many factors that must apply before the claim can qualify as Aggravated Inequity.

Per the [MN Experience Rating Plan Manual](#)– Rule 4 page R19 –

B. Inclusion of Payroll – sub2. Revision of Losses –

h. As specified in Minnesota Statute 79.211, subd.4, “an insurer or an employer insured under a workers’ compensation policy subject to the Experience Rating Plan may request in writing of MWCIA that the most recent factor be revised **if each of the following criteria is met:**

- (1) A workers’ compensation claim under that policy is closed between the normal valuation date for that claim and the next time that valuation is used in computing the experience rating modification factor on the policy;
- (2) MWCIA receives a revised unit statistical report containing data on the closed claim in a form consistent with its filed unit statistical plan; and
- (3) Inclusion of the closed claim in the experience rating modification factor calculation would impact that factor by five percentage points or more.”

So what does this mean? If your claim doesn’t meet all of the three items above, you **DO NOT** have an Aggravated Inequity situation.

So now what is the process? Well, there are other things from the company/carrier perspective that may apply.

Reference the [MN Experience Rating Plan Manual](#), *Rule 4-B-2-a.-i.* for information regarding when correction units are required. MWCIA is unable to know the claim details and we are unable to suggest how the claim should be reported.

That being said, there are times that you may, as a carrier, be able to simply submit the change as a regular correction. MWCIA only accepts claims data received from insurance carriers when properly reported on their unit stat reports.

Reference the [MN Statistical Plan Manual](#), *Part V* for information on how to submit corrected units.

Insurance agents should work with the carrier to identify and resolve any claim discrepancies.

Minnesota Work Comp Tech Expo

MWCIA and the WCRA (Workers’ Compensation Reinsurance Association) are co-sponsoring the first **Minnesota Work Comp Tech Expo** at the [Embassy Suites](#) airport location on **Wednesday, September 30, 2015**. The event is free and will run from 8 a.m. to 1 p.m. Representatives from the Minnesota Department of Labor and Industry, Minnesota Department of Commerce, and Minnesota Assigned Risk Plan will also have exhibits at the Expo.

The Expo is intended to educate and provide outreach to interested parties in the workers’ compensation community

by demonstrating software products, website services, and information that the various entities have to offer. We expect a wide range of attendees, including insurance company underwriters, claims adjusters, and individuals responsible for reporting data, along with staff from insurance agencies, third-party administrators, and lawyers handling workers' compensation insurance matters in Minnesota.

Registration will be available soon on MWCIA's website. For more information, please contact Jen Wolf at 952-897-6454 or [mailto:jen.wolf@mwcia.org ?subject=Minnesota Work Comp Tech Expo](mailto:jen.wolf@mwcia.org?subject=Minnesota%20Work%20Comp%20Tech%20Expo)

MWCIA.ORG Tips and Tricks

Welcome to the third installment of Tips and Tricks. This quarter we are going to offer our carriers a friendly reminder about our Manage USR System and how to look up fines.

The Manage USR System is a tool for carrier members to use to review, submit and make corrections to unit reports and review fines.

Step 1: Log in – Hover your mouse over the "Carriers/Agents" tab, then choose Manage USR System.

Enter your Username and Password, then click Sign In

The screenshot shows the MWCIA website interface. At the top left is the MWCIA logo with the tagline "Quality Provider of Information & Services" and the full name "Minnesota Workers' Compensation Insurers Association, Inc.". To the right are links for "Home | Contact us | About MWCIA | Site Map". Below the header is a blue navigation bar with tabs: "Carriers/ Agents", "Carrier Electronic Reporting Requirements", "Assigned Risk", "Classification Search", "Experience Rating", "MCPAP", "Forms/Manuals Publications", and "Learning Center". A search bar is located to the right of the navigation bar. The "Carriers/ Agents" tab is expanded, showing a list of options: ACCEDE, ARROW, Manage USR System (highlighted in orange), Manage Policy System, Web Membership, Pure Premium Base Rates, Ratemaking Report, Ratemaking Report Request Form, Carrier Rate Summary, New Carrier Filing Requirements, Carrier Data Quality Report, Product Request Form, Classification Survey Request Form, and Carrier Membership Contact Update Forms. A black arrow points from a box labeled "Step 1:" to the "Manage USR System" option. To the right of the navigation menu is a "User Guide for the Manage USR System" box. Below the navigation menu are input fields for "Conditions", "Sign In", and "Forgot Password". On the right side of the page, there are sections for "User Guide", "Carrier Products", and "Web Membership Sign-up".


Step 2: Click on the "Reports" Tab in the blue tab bar

Manage USR

Dani Main

- Log Off
- User Guide
- Ask a Question
- WCSTAT Manual

Step 2



Search USR | New USR | My List | Unvalidated WCSTAT Upload | Reports | Activity Log

SEARCH USR

General Search

General Search | Search By Claim | Search Submission(s) | Current View Search | Subsequent Report

Group ID [] Carrier ID [] Combo ID [] Policy No. [] Coverage ID [] Policy Eff. Date [] Report No. [] Corr. Rpt. No. [] Status [All] Edit Failure Code []

Search [] Reset []

Step 3: Click on the PDF link found directly under the "Carrier Fines Unpaid – Notice of Fines Invoice" area.

Manage USR

Dani Main

- Log Off
- User Guide
- Ask a Question
- WCSTAT Manual

Search USR | New USR | My List | Unvalidated WCSTAT Upload | Reports | Activity Log

REPORTS

The reports will be refreshed on the first Sunday of each month.

Select Carrier : All [v]

Late USRs [PDF](#)

Carrier Fines Unpaid - Notice of Fines Invoice [PDF](#)


Policy Verification [PDF](#) [WCCNTL](#)

Expected Cards [PDF](#) [WCCNTL](#)


Stat Cards Overdue [PDF](#) [WCCNTL](#)

Fine Notification Schedule [PDF](#)

Step 3:



You will only be able to view information specific to your company




Step 4: Illustrates how the PDF will appear once it's opened. Carrier specific information has been hidden on this example for security purposes, but these fields will be visible on your specific PDF.

Reminder - Payment of fines does not negate a carrier's obligation to submit the missing USR data, nor does submitting the missing USR data negate the carrier's obligation to pay outstanding fines.

Musr_FineInvoice.PDF - Adobe Reader

File Edit View Window Help

Open [Icons] 3 / 135 73.9%



MWCIA
Quality Provider of Information & Services

Minnesota Workers' Compensation
Insurers Association, Inc.
7701 France Avenue South - Suite 450
Minneapolis, MN 55435-3203

Invoice generated on: 06/07/2015

NOTICE OF FINES - INVOICE

We have not received the required unit reports for the policies listed below. A \$50.00 fine has been levied for each policy in accordance with the MWCIA approved fine procedures. The filing of an incorrect or incomplete unit report does not negate the issuance of future fines.

The Minnesota fine system applies to these unit reports. Additional fines will be levied for unit reports not received by the due date published in the Fine Notification Schedule. We expect to receive the requested unit report by electronic submission. To ensure prompt attention, please attach payment to a copy of this letter.

GROUP: [Redacted]
CARRIER: [Redacted]

Select	Invoice # Letter ID	Invoice Date	Policy Number	Effective Date	Status	Rpt No	Corr No	Coverage ID	Insured Name	Inv Amt
<input type="checkbox"/>	[Redacted]	09/07/2014	[Redacted]	11/01/2012	CANCELLED	01	00	[Redacted]	[Redacted]	\$50.00
<input type="checkbox"/>	[Redacted]	10/05/2014	[Redacted]	11/01/2012	CANCELLED	01	00	[Redacted]	[Redacted]	\$50.00
<input type="checkbox"/>	[Redacted]	11/02/2014	[Redacted]	11/01/2012	CANCELLED	01	00	[Redacted]	[Redacted]	\$50.00
<input type="checkbox"/>	[Redacted]	12/07/2014	[Redacted]	11/01/2012	CANCELLED	01	00	[Redacted]	[Redacted]	\$50.00
<input type="checkbox"/>	[Redacted]	01/04/2015	[Redacted]	11/01/2012	CANCELLED	01	00	[Redacted]	[Redacted]	\$50.00
<input type="checkbox"/>	[Redacted]	02/01/2015	[Redacted]	11/01/2012	CANCELLED	01	00	[Redacted]	[Redacted]	\$50.00
<input type="checkbox"/>	[Redacted]	03/01/2015	[Redacted]	11/01/2012	CANCELLED	01	00	[Redacted]	[Redacted]	\$50.00
<input type="checkbox"/>	[Redacted]	10/05/2014	[Redacted]	12/12/2012	CANCELLED	01	00	[Redacted]	[Redacted]	\$50.00
<input type="checkbox"/>	[Redacted]	11/02/2014	[Redacted]	12/12/2012	CANCELLED	01	00	[Redacted]	[Redacted]	\$50.00
<input type="checkbox"/>	[Redacted]	12/07/2014	[Redacted]	12/12/2012	CANCELLED	01	00	[Redacted]	[Redacted]	\$50.00

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