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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



Minnesota Workers' Compensation Insurers Association is a Data Services Organization (DSO). That may sound pretty dry, but it's an extremely busy organization providing the foundation of a strong and dependable workers' compensation rate environment in Minnesota. Our core function is to provide policy tracking, statistical

reporting and ratemaking services for Minnesota, but we are busy doing many other things. Spring is an especially busy time at MWCIA as we receive our financial call data, hold our annual meeting in April and work on our financial audit in addition to sending and receiving our assessments from members.

This year we are also busy putting the finishing touches on a new Manage Unit Stat Reporting (MUSR) system to be released in April. We are developing computer based training modules for unit stat reporting and ownership issues. We will continue to provide ongoing education efforts, and we are currently developing our State of the Market report for release in April at our annual luncheon.

Finally, we are in the process of rolling out our new logo which you will begin to see on letterhead and business cards as we prepare for our new website to be launched in June.

While we may appear to be a quiet, behind the scenes organization, our staff is constantly looking for ways to improve the way you do business in the Minnesota workers' compensation marketplace. Stay tuned - and watch for our future exciting developments.

## Circulars/Announcements/Links

[Circular Letter 16-1684](#)

[Manage Policy System Expansion and Web Membership FTP Capability](#)

[Circular Letter 16-1683](#)

[MWCARP – Change to the MWCARP Application Process for Coverage](#)

[Circular Letter 16-1682](#)

[NCCI Item E-1404 – Establishment of a Methodology to Calculate Experience Rating Premium Eligibility Amounts](#)

[Circular Letter 16-1681](#)

[Release Date for the Newly Redesigned Manage USR](#)

[Circular Letter 16-1680](#)

[2015 Test Audit Summary Report](#)

[Circular Letter 16-1679](#)

[The New Minnesota Statistical Plan Manual](#)

## Important Dates & Deadlines:

- [MN Contractors Premium Adjustment Program \(MCPAP\)](#)
  - **Does not automatically renew!** Applications must be received with a post mark **no later than 4/1/2016** in order to avoid a late penalty.
  - Average Hourly Wage: \$25.00
- Effective 1/1/2016 the Split Point is:
  - \$16,250
- Effective 1/1/2016 the State Per Claim Accident Limitation is:
  - \$216,000 Single
  - \$432,000 Multiple
- Minimum & Maximum Payrolls  
Effective 1/1/16 - Standard Market  
Effective 4/1/16 – Assigned Risk
  - Minimum: \$51,428
  - Maximum: \$205,712
  - Family: \$15,444

## Helpful Changes to the Online Assigned Risk (OAR) Application Process

**Attention agents** – we have some fabulous new changes to the Minnesota Online Assigned Risk (OAR) application process for you. We routinely get questions about completing the applications and specific sections. We are always striving to make improvements and to assist you by trying to make things as easy as possible. Please see the two most commonly requested help items and the updates below.

OAR Application – Section VI: New Informational Pop-Up Screen for Covered Individuals:

Once you select Save & Continue on the “Section V, VI and VII” tab, we will have a pop-up message box advising users that this section should only be completed if there are individuals who are subject to the election of coverage and are to be covered by this policy. These individuals are subject to minimum and maximum payroll limitations.

“Section VI of the application should be completed **ONLY** if there are sole proprietors, partners, certain officers of closely held corporations and members/managers of LLC’s and their immediate family members (spouses, parents, and children regardless of age) who are subject to the election of coverage and are to be covered by this policy. These individuals are subject to minimums and maximums for their payroll.  
Please refer to Minnesota statute 176.041”

### Example of Section VI. ELECTIONS AVAILABLE UNDER THE LAW:

**V. DECLINATION STATEMENT**  
COVERAGE WILL NOT BE PROVIDED IF THIS SECTION IS NOT COMPLETED

In order to obtain workers' compensation coverage through the Minnesota Workers' Compensation Assigned Risk Plan, you must first have been declined coverage by an insurance company licensed to write workers' compensation in the State of Minnesota within 90 days of the requested coverage effective date.

I (we) have been non-renewed by the insurance company listed below or I (we) have applied to the insurance company named below and have been refused Workers' Compensation Insurance.

NOTE: If you are currently insured, the company listed must be your present insurance company. The representative named must be a full time, salaried employee of the company.

Name of Insurance Company: abc Full Name of Underwriter: def Solicitation Date or Non-Renewal Date: 8/12/2015

**VI. ELECTIONS AVAILABLE UNDER THE LAW**  
COVERAGE WILL NOT BE PROVIDED TO EXCLUDED INDIVIDUALS UNLESS THEY ARE LISTED IN THIS SECTION  
READ CAREFULLY

Minnesota statutes 176.041 exclude from coverage certain persons such as sole proprietors, partners, certain executive officers of family farms or closely held corporations, and their spouses, parents and children (regardless of age). An election may be made to provide coverage for those excluded by completing the information below. The following named individuals who are subject to the election of coverage are to be covered by this policy. List only the individuals who elect coverage. [Statuses for elections](#)

[Add New Row](#)

Name of Person to be Insured			Title or Relationship	Duties	Estimated Remuneration or Draw - Included in Section IV	
First Name	Middle Initial	Last Name				
	T		Officer-Board of Directors	Officer Duties	150000	Details
						Delete
						Delete
						Delete

**My Applications Screen: Added a clickable icon for carriers which provides a link to the carrier contact info:**

A new icon was added to the My Applications screen for servicing carrier information. The new icon when clicked, will open a pop-up screen with carrier contact information (carrier name, address, and phone number). The new carrier icon will be populated for **paid** applications only. Please see the next page for how the image of the new screen will look.

## Gift Card Anyone:

Solve the Cryptoquip *and answer the question "What am I" with the clues in the Cryptoquip to be eligible for the gift card.*

Hint: N=H

R HE QLWK KHRFX HMDQPK BNW YDMFK  
RP NDEWL, ZQLRPWLLWL, HPK LINDDFL.  
R HE BNW EDLB YWFF-APDYP DO HFF DO  
EX ARPK. EX IMWHBRDP ZWUHP RP 1857.  
DPW DO EX FHMUWLB IDPBMZRQBDML  
YHL HP RPEHBW HB HP HLXFQE ODM BNW  
IMRERPHFFX RPLHPW. YNHB HE R?

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

Last Quarter's Answer:  
Newton's Law of Universal Gravitation  
Winner:  
David Bandkau of Auto-Owners Insurance

## Contact Us:

<http://www.mwcia.org>  
[underwriting@mwcia.org](mailto:underwriting@mwcia.org)  
[952-897-1737](tel:952-897-1737)

Opt 1 – Underwriting Department  
Opt 2 – Assigned Risk Department  
Opt 3 – Actuarial Department  
Opt 4 – Unit Stat/Experience Mod Department

Web Membership:

Debbie Peterson -  
[debbie.peterson@mwcia.org](mailto:debbie.peterson@mwcia.org)

President:

Brandon Miller –  
[Brandon.miller@mwcia.org](mailto:Brandon.miller@mwcia.org)

Home | [Create Application](#) | [My Applications](#) | [Assigned Risk Premium Calculator](#) | [My Account](#) | [FAQs](#)

## MY APPLICATIONS

NOTE: Please turn off any pop-up blockers for the OAR site.

Operations Key

- Edit Application
- Delete Application
- View Application & Components
- Make Premium Payment
- Create New Version
- View Carrier Information

OAR Application ID:  Application Status:   
FEIN:  Coverage ID:   
Employer Name:

Icon Key

Clickable Icon

App. ID	Status	Status Date	Employer Name	FEIN	Coverage Date	Coverage	Operation
94699	Assigned	3/15/2016 10:10:25 AM	kim		3/31/2016		
94743	Assigned (With Restrictions)	3/15/2016 10:10:25 AM	kime		4/1/2016		

## MWCARP- Change to the MWCARP Application Process for Coverage

**Attention agents** - Effective on April 1, 2016, there will be a change regarding the MWCARP application process. One of the eligibility requirements for coverage in the MWCARP has always been that you must have been declined coverage by an insurance company licensed to write workers' compensation insurance in the state of Minnesota. This notice of refusal must now be provided in writing. This is required by Minnesota Statute 79.252 as stated below (emphasis added):

### **79.252 ASSIGNED RISK PLAN.**

Subdivision 1. **Purpose.** The purpose of the assigned risk plan is to provide workers' compensation coverage to employers rejected by a licensed insurance company pursuant to subdivision 2.

Subd. 2. **Rejected risks.** An insurer that refuses to write insurance for an employer **shall furnish the employer a written notice of refusal.** The employer shall file a copy of the notice of refusal with the data service organization under contract with the commissioner pursuant to section 79.251, subdivision 4.

Subd. 2a. **Minimum qualifications.** Any employer that (1) is required to carry workers' compensation insurance

**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:**

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pursuant to chapter 176 and (2) **has a current written notice of refusal to insure** pursuant to sub-division 2, is entitled to coverage upon making written application to the assigned risk plan, and paying the applicable premium.

The written notice of refusal may be attached with the online application or included with the paper application form when you apply for coverage. However, if it is not attached to the online application or included with the paper application, it **must** be provided to the Servicing Carrier within the first ninety (90) days of the policy period in order to **avoid cancellation** of the policy. Please direct any questions you may have concerning this issue to the following:

Ms. Kim Zersen – [kim.zersen@aon.com](mailto:kim.zersen@aon.com)  
Affinity Insurance Services, Inc. (Aon) – Plan Administrator  
5600 W. 83rd Street, Suite 1100  
Minneapolis, MN 55437  
Tel: (800) 471-6767

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## Minnesota's Test Audit Program

The purpose of the Minnesota Test Audit Program is to verify the accuracy of the statistics reported to the MWCIA. A Test Audit includes a physical examination of the employer's books and records upon which the unit statistical information is filed to ensure the highest degree of accurate information entering MWCIA's database.

Test Audits are selected at random based upon set criteria.

Test Audits may also be requested in writing by:

- Employer
- Carrier
- Employer's Representative
- Authorized Governmental Agency

The test auditor advises the employer of MWCIA's intent to complete an audit. The carrier is instructed to file a copy of their company's premium statement payroll audit for the period in question and any supplementary worksheets. A Test Audit is conducted by applying the standard reporting classifications, rating plans, and rules set forth in MWCIA's filed manuals.

The results of a Test Audit will be distributed as follows:

- Employer
- Carrier or their authorized representative

- Employer's Representative
- Authorized Governmental Agency

In addition, quarterly reports are filed with the carriers summarizing the results of the Test Audit Program and an annual report is filed with each carrier and with the Commerce Department outlining the results of the Test Audit Program.

For Test Audits that do not develop a reportable payroll or classification code difference, a letter will notify the carrier that the Test Audit confirmed the carrier's audit. For Test Audits that develop a reportable difference in payroll (\$3,000 difference in reportable payroll or in excess of 2% of total payroll) or classification code (a change in governing code), the carrier will be sent a copy of the Test Audit summary sheet. In addition to the summary sheet, the carrier will receive a letter briefly outlining the reason(s) for the difference. Carriers will be required to submit revised unit statistical data, within sixty (60) days of the initial notice, to reflect the results of the Test Audit Program's audit. **Premium adjustments resulting from MWCIA's Test Audit shall not be utilized in any manner to enforce premium collection.**

In cases where a carrier disagrees with the findings of the test auditor, the carrier must submit their reasons for disputing the Test Audit results in writing to MWCIA within sixty (60) days of the initial notice with the name of a contact person at the carrier authorized to resolve the dispute. In cases where a written dispute is not received within sixty (60) days, the results of the Test Audit will be considered correct.

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## Notable Changes Coming Soon from MWCIA:

- A new and improved MWCIA website will be rolled out in June of 2016.
- An improved Manage USR System for the carriers will be rolled out in April. Please refer to [Circular Letter 16-1681](#).
- Manage Policy System (MPS) for the carriers recently went through an update to include expansion of policy history and some updated edits. For more information please review [Circular Letter 16-1684](#).

- The Online Assigned Risk changes which were mentioned earlier in the newsletter.
- Starting 7/1/16 we will be charging carriers for hard copy ratesheets. A circular was sent out 11/12/15 with all of the details and is linked here: [Circular Letter 15-1675](#)
- The new PEEP (Policy Entry) and CDX Computer Based Training (CBT) modules for carriers were recently rolled out. You can access these training modules by using your CDX log in.

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## MWCIA Approved as a Standard Insurance Education Provider by Minnesota Department of Commerce:

We are excited announce that MWCIA has been approved as a Standard Insurance Education Provider by the Minnesota Department of Commerce. The approval of the application will allow us to offer Continuing Education credits to any licensed agent for attending our educational seminars. In the past, we have had the privilege of partnering with some great organizations that have offered CE credits for our courses. MWCIA will continue to partner with organizations that desire to offer CE credits for our sessions as well as offering some independent courses. Stay tuned for upcoming workers' compensation workshops sponsored by MWCIA. To arrange an individual training session for your group, contact Jen Wolf via email [jen.wolf@mwcia.org](mailto:jen.wolf@mwcia.org) or via phone 952-897-6454.