



The mission of the Minnesota Workers' Compensation Insurers Association is to collect, process, and analyze workers' compensation data so that we can provide high quality, consistent information to our insurer members and regulators. We will develop and deliver useful services and products to the workers' compensation community.

September 2017

3rd Quarter 2017 Issue

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President's Message



Preparing to Ride the Waves of Change

According to a Greek Philosopher from 2500 years ago, "There is nothing permanent but for change." I think we can all attest to that. Think back five, ten, twenty years ago...lots of change. Humans are generally very adaptable to change and our industry is no exception. While many claim the insurance industry is slow to adapt to change, we see constantly evolving and changing

processes, alliances, products and changes to the way we do business.

This year at MWCIA, we have four staff members who are celebrating their 40th anniversary with the organization. Think how rare that is in this day and age. We strive to be a good place to work and seeing four staff who have dedicated their career to MWCIA and the industry since 1977 shows our commitment to the industry.

Those folks have seen a lot of change in technology, the workers' compensation system, and processes internally and externally. Along with the rest of our staff, they've worked to bring MWCIA from a heavily paper based, manual processing organization to the efficient, electronic organization it is today.

We are beginning to plan for the wave of retirements on the horizon that will result in turnover of more than one in four of our staff in the next few years. We have made some substantial investments and efforts in succession planning and we will continue to recruit and hire staff who are willing and able to adapt to future changes as well as provide knowledgeable and dependable service to our customers.

Watch us as we continue to improve our services and value to our members and customers.

[Circular Letter 17-1712](#)

NCCI Item B-1433— Revisions to Basic Manual Rule 1—Classification Assignment and Rule 2— Premium Basis and Payroll Allocation

[Circular Letter 17-1711](#)

New Policy Expected Report and Policy Overdue Report

[Circular Letter 17-1710](#)

NCCI Item B-1435 – Revisions to Basic Manual Classifications and Appendix E – Classifications by Hazard Group, Including Trucking and Towing

[Circular Letter 17-1709](#)

MWCIA Newly Adopted Articles and Bylaws

[Circular Letter 17-1708](#)

2016 Annual Report

[Circular Letter 17-1707](#)

Data Reporting - Workers' Compensation Terrorism Data for Federal Insurance Office - Section 111 of TRIPRA of 2015

[Circular Letter 17-1706](#)

NCCI Item P-1413 – Establishment of Experience Rating Modification Factor Revision Endorsement

[Circular Letter 17-1705](#)

WCSTAT Header Record – Basis of Deductible Calculation Code – Code 12 Added

[Circular Letter 17-1704](#)

2016 Test Audit Summary Report

[Circular Letter 17-1703](#)

Experience Modification Computer Based Training (CBT) from MWCIA

[Circular Letter 17-1702](#)

Enhancement to Experience Mod History – Carrier Notifications

[Circular Letter 16-1701](#)

4-1-2017 Assigned Risk Rates

[Circular Letter 16-1700](#)

Frequently Asked Questions Regarding NCCI Item B-1429 – Establishment of Audit Noncompliance Charge - Minnesota

Important Dates & Deadlines:

- MN Contractors Premium Adjustment Program (MCPAP)
 - 2018 MCPAP
 - Does not automatically renew! Applications received with a postmark after 4/1/2017 will have a late penalty applied.
 - Average Hourly Wage: \$26.00
 - The MCPAP factors for 2017 have been calculated and sent out.
- Effective 1/1/2017 the Split Point is:
 - \$16,250
- Effective 1/1/2018 the Split Point is:
 - \$16,500

2018 Minnesota Ratemaking Report

The Minnesota Department of Commerce has approved the 2018 Minnesota Ratemaking Report effective January 1, 2018. The overall average pure premium level change is -6.7%.

Please take note of a significant change in the requirements for safety program filings as detailed in Volume 1, Appendix 8, page 187, part d.

The 2018 experience rating eligibility threshold and primary actual split point values are posted in Volume 1, Part 3, page 20, items (a) and (b).

The 2018 Report is now available on our website at www.mwcia.org. Member carriers with Web Membership accounts can download the Report by using their Web Membership login username and password.

For all other subscribers, electronic or hard copy, the 2018 Report may be obtained by writing our office and accompanying your request with a check made payable to MWCIA in the appropriate amount:

Volume 1

\$175 Hard Copy (includes base rate CD)

\$30 CD/Email

Includes: pure premium base rates, alternate actuarial calculations, technical documentation

Volume 2 and 3 (combined)

\$175 Hard Copy

\$30 CD/Email

Includes: unmodified class data, pure premium exhibits

Pure Premium Base Rates (separately)

\$25 Hard Copy

\$10 CD/Email

Includes:

Microsoft Excel spreadsheet of 1-1-2018 pure premium base rates and rating values by class code

Complete Report

\$300 Hard Copy

\$50 CD/Email

Includes: Volumes 1, 2 and 3 and CD

Please direct any questions to our Actuarial Services Department at 952-897-1737, Option 3, or by emailing our office at ratemakingreport@mwcia.org.

Minnesota Experience Rating Eligibility and Split Point

The Minnesota Workers' Compensation Insurers Association, Inc. (MWCIA) would like to communicate to member carriers that based upon actuarial review, Experience Rating Plan

- Effective 1/1/2017 the State Per Claim Accident Limitation is:

- \$220,500 Single
- \$441,000 Multiple

- Effective 1/1/2018 the State Per Claim Accident Limitation is:

- \$221,500 Single
- \$443,000 Multiple

- Minimum & Maximum Payrolls

Effective 1/1/2017 – Standard Market
Effective 4/1/2017 – Assigned Risk

- Minimum: \$53,352
- Maximum: \$213,408
- Family: \$16,016

Effective 1/1/2018 – Standard Market
Effective 4/1/2018 – Assigned Risk

- Minimum: \$54,132
- Maximum: \$216,528
- Family: \$16,224

Gift Card Anyone:

Unlike the King I was named after, my frequencies frequently fail to bring people together. It makes me feel quite blue. What am I?

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

Last Quarter's Answer: Hole in One - Golf
Last Quarter's Winner: Mary Randol – SFM Mutual Insurance Company

Contact Us:

<https://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:

WebMembership@mwcia.org

premium eligibility threshold will increase to \$11,000/\$5,500, and the primary/excess loss split point will increase to \$16,500 effective 1-1-2018. These values are posted in Volume 1, Section 1, Part 3, page 20, items (a) and (b) of the 2018 Minnesota Ratemaking Report.

If you have any questions regarding this matter please direct them to MWCIA's Member & Customer Services staff at 952.897.1737 (Option 1) or via email at underwriting@mwcia.org.

Attention Web Membership Group Administrators

Are you a Carrier Group Administrator in MWCIA's Web Membership system? If so, keep your eyes open for our annual request to verify that your Group Administrator account is active and current.

Sometime in September, you'll receive an email requesting your verification that your Web Membership Group Administrator account is still valid and active. You'll also see a pop-up message when you next log in to Web Membership. Just follow the instructions in the email or pop-up message to verify your account – and thanks for your prompt response!

As a reminder, the MWCIA Web Membership system provides you a way to easily manage individual user accounts for MWCIA web products such as Manage USR and Manage Policy. As a Carrier Group Administrator, you should also periodically log in to Web Membership to review and maintain the individual user accounts you have set up. If users no longer need access to Web Membership web products, their accounts should be deactivated.

Home Health Care Agency or Domestic Worker?

One of the common questions we receive is how to properly classify a home nursing exposure. It all depends on who is performing the nursing services. Code 8835 would apply to a home health care agency. Families will contact these agencies to have nurses and/or personal care attendants come into their homes to care for a family member.

In other instances, the family will directly hire nurses and/or personal care attendants to care for a family member in their home. We assign the domestic worker code(s) for this type of exposure and the class code(s) will vary depending upon the number of hours these individuals are working in a week. If each individual is working under 20 hours per week, code 0908 would apply. If each individual is working over 20 hours per week, then code 0913 would be assigned. Please keep in mind that the rates for codes 0908 and 0913 are based on a per capita (per person) basis and not on payroll.

President:

Brandon Miller –

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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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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 an 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.