



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.

December 2017

4th Quarter 2017 Issue

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President's Message



Last quarter I focused on our preparation and plans for transitioning and succession as we face some retirements from our staff.

Well, the transition has begun to happen already. In January we will have four of our colleagues retiring to focus on the next stage in their life. They have provided high quality service to our co-workers, the organization and our membership for many years.

Debbie Peterson in our IT support area has been with MWCIA for 40 years, as has Ora Lowery our USR and Experience Mod supervisor. Jane Payne will be assuming Ora's role. If you have dealt with carrier reporting over the years, you have likely dealt with one or more of these great employees.

Joining them are Linda Monson from our Administrative team, who has been with us for 5 years, and Caroline Timmerman, one of our Field Auditors, who has been with MWCIA for 13 years.

If you know them – feel free to reach out and thank them for their many years of quality service.

As we transition, we have hired some new staff. Terri Doeden joined our Underwriting team in May. Jenifer LeGro joined our staff as a Project Specialist in October and in late November, Kathi Mocol joined us to train in behind Linda. Finally, we hired Loraine Schirmer as a new Field Auditor in late December.

Thanks to all of our dedicated and knowledgeable staff for making MWCIA the credible and dependable source of industry information that we are today.

Taking the Mystery out of Experience Modification Factors.

First, I'd like to take a moment to discuss the process here at MWCIA for releasing new mods for the upcoming year. We get

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MWCARP – New Rate Pages Effective January 1, 2018 thru March 31, 2018

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2018 Minnesota Ratemaking Report

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

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New Policy Expected Report and Policy Overdue Report

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

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2016 Annual Report

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

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2016 Test Audit Summary Report

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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

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

a lot of calls each year, as it can be very confusing. Because we strive to make our processes as easy to understand as we can, we wanted to shed a little bit of light on what these processes are and when you can typically expect the next year's mods to start being released.

For example, when we started the process to release the 2018 experience mods the first step was the release of our Ratemaking Report.

Then the upcoming year's MCPAP factors must be completed. As the MCPAP factors directly impact the mod, we can't start issuing new mods until this step is completed. For information on MCPAP please [click here](#).

Once the MCPAPs have been issued, we rigorously test our systems to make sure our updated factors go into the calculation and that it processes smoothly and without error. This can take anywhere from 5 to 10 days.

Once the testing is completed and found to be functioning satisfactorily, we will allow the algorithm to run and you will see mods starting to get issued.

This annual process normally begins around the end of September to the beginning of October.

Second, these are the training tools regarding experience modification factors that we have available for free on our website. These training tools are available for anyone in the insurance industry or the general public to better understand how experience modification factors are calculated and how to read and understand the experience modification worksheets.

Please [click here for a printable brochure](#) that will give a very quick overview of experience mods.

Please click the links below to watch our Computer Based Trainings (CBTs) about:

[Experience Rating Basics](#)

[Breaking Down the Experience Mod and How to Read Your Worksheets](#)

[Calculating Your Mod](#)

Worker's Compensation Coverage for Farms
[\(reprinted with permission from the MN Department of Labor & Industry COMPACT Newsletter\)](#)

A farm operation must provide workers' compensation insurance for its employees, unless it paid or was obligated to pay cash wages to farm laborers during the previous calendar year less than a certain dollar amount. That threshold dollar amount depends on whether the farm operation maintains specified liability insurance.

Important Dates & Deadlines:

- MN Contractors Premium Adjustment Program (MCPAP)
 - 2019 MCPAP
 - Does not automatically renew! Applications received with a postmark after 4/1/2018 will have a late penalty applied.
 - Average Hourly Wage: \$27.00
 - [Online Training for MCPAP](#) – Found in Online Training under the “Underwriting” section
- Effective 1/1/2018 the Split Point is:
 - \$16,500
- 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 Until 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

If the farm operation has a farm liability insurance policy with \$300,000 total liability coverage and \$5,000 medical payment coverage for farm laborers, then the farm operation is not required to maintain workers' compensation insurance if the total wages to farm laborers during the previous calendar year were less than the statewide average annual wage.¹ If the farm operation does not maintain the specified liability insurance, then the farm operation must maintain workers' compensation insurance unless the total wages to farm laborers during the previous calendar year were less than \$8,000.²

The chart below may be used to determine if the farm operation's wages to farm laborers (roughly payroll) during the previous calendar year are less than the statewide average annual wage for the year in which the farm liability policy is written.

Family farm coverage Minnesota Statutes § 176.011, subd. 11a (a)(2)

Average annual wage under M.S. § 176.011, subd. 20	Services rendered (roughly payroll) year	Policy written year
\$45,095	Jan. 1-Dec. 31, 2010	Jan. 1-Dec. 31, 2011
\$46,572	Jan. 1-Dec. 31, 2011	Jan. 1-Dec. 31, 2012
\$47,616	Jan. 1-Dec. 31, 2012	Jan. 1-Dec. 31, 2013
\$49,134	Jan. 1-Dec. 31, 2013	Jan. 1-Dec. 31, 2014
\$49,924	Jan. 1-Dec. 31, 2014	Jan. 1-Dec. 31, 2015
\$51,420	Jan. 1-Dec. 31, 2015	Jan. 1-Dec. 31, 2016
\$53,349	Jan. 1-Dec. 31, 2016	Jan. 1-Dec. 31, 2017
\$54,103	Jan. 1-Dec. 31, 2017	Jan. 1-Dec. 31, 2018

Enhancement to Experience Mod History - MCPAP Credit Worksheets

The Minnesota Workers' Compensation Insurers Association, Inc. (MWCIA) is pleased to announce that Minnesota Contractors Premium Adjustment Program (MCPAP) worksheets are now available to be downloaded within the Experience Mod History product on the MWCIA website.

Member carriers and agents with a Web Membership account now have the ability to download the five most recent years' MCPAP worksheets in PDF format, in the same manner as they download experience modification rate sheets. For agents with a Silver membership account, each MCPAP worksheet obtained reduces the number of remaining downloads available under

¹ The statewide average annual wage is received from the Department of Employment and Economic Development and is the number from which the statewide average weekly wage is derived.

² Farm laborer does not include machine hire and other persons specified in [Minnesota Statutes § 176.011, subds. 11a and 12](#). Other farm employees excluded from workers' compensation coverage in certain circumstances are described in [Minnesota Statutes § 176.041, subd. 1](#).

Gift Card Anyone:

Despite having an evil father, I'm actually the last good guy. At least in one series... In the other I'm the creepiest, scariest clown that everyone, even kids, know. Who 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: Bluetooth
Last Quarter's Winner: Mary Youngpeter
– State Auto Insurance Companies

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

President:

Brandon Miller –

Brandon.miller@mwcia.org

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
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*

the membership plan just the same as downloading an experience modification rate sheet.

Access to Experience Mod History is provided through MWCIA's Web Membership system. For more information on Web Membership or to access user guides for Web Membership or Experience Mod History, please [click here](#).

If you have questions about Experience Mod History or this enhancement, please contact our Underwriting Department staff at 952.897.1737, Option 1. If you have questions about Web Membership, please email WebMembership@mwcia.org.

New MWCARP Rate Pages Effective - Jan 1, 2018 thru March 31, 2018

[Please see Circular 17-1720:](#) Due to the elimination of certain classification codes and the creation of two new classification codes effective on January 1, 2018, it was necessary for the MWCARP to publish new rate pages for all new and renewal policies effective January 1, 2018 thru March 31, 2018. The following classification codes will be eliminated, for new and renewal policies that are effective January 1, 2018 and thereafter, as follows: 1655, 1853, 3175, 3223, 4053, 4061, 4101, 6017, 7228, 7229, and 9149.

As a result of this change, two new classification codes were established for employers with trucking-related exposures. Those new classification codes are 7219 and 7225. Since these two new classification codes are not in the current rate pages that were effective on April 1, 2017, it was necessary to publish new rate pages to encompass these new codes. Therefore, the new rate pages effective January 1, 2018 thru March 31, 2018 have rates for classification codes 7219 and 7225, and do not show rates for the above-referenced classification codes that are being eliminated. THIS IS THE ONLY DIFFERENCE BETWEEN THE APRIL 1, 2017 RATES AND THE JANUARY 1, 2018 RATES.

As usual, the MWCARP will have an entirely new set of rates that will be effective on April 1, 2018 for new and renewal policies effective on that date and thereafter.

Please direct any questions you may have concerning this issue to: Ms. Cheryl Perkins – Cheryl.L.Perkins@aon.com
Affinity Insurance Services, Inc. (Aon) – Plan Administrator
5600 W. 83rd Street, Suite 1100; Minneapolis, MN 55437
Tel: 612-202-7192.