



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.

July 2020

2nd Quarter 2020 Issue

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Important Links

[MN Work Comp Assigned Risk Plan](#)
[Minnesota Department of Labor & Industry](#)
[Minnesota Department of Commerce](#)
[Minnesota Department of Employment & Economic Development \(MN Unemployment Insurance Program\)](#)

Circulars/Announcements/Links

[Circular Letter 20-1769](#)
NCCI Item P-1417—Terrorism Risk Insurance Program Reauthorization Act of 2019 Endorsements

[Circular Letter 20-1768](#)
NCCI Item E-1407—Exclusion Of COVID-19 Claims from Experience Rating and Merit Rating

[Circular Letter 20-1767](#)
NCCI Item B – 1439 – Revisions to Basic Manual Classifications and Appendix E, Including Construction Salespersons and Estimators

President's Message



Interesting Times – Part 2

Before I begin my message for this Second Quarter, I want to take a moment to say thank you to all those from across the country who have reached out to our colleagues at MWCIA concerned for their safety and well-being during the aftermath of George Floyd's homicide in Minneapolis on Memorial Day.

There are no quick or straightforward solutions.

Whatever changes come, let's work together to make things better in the long run.

When I composed my last message in Mid-March, we were just beginning to get our feet settled with remote working. Now we are close to the time when we may be able to allow more staff to work in the office with alternating days and physical distancing and other precautions taking place.

Certainly not back to "usual or normal" as I mentioned in the last newsletter, but a step closer perhaps.

Humans are nothing, if not adaptable. And we have some great humans here at MWCIA who have stepped it up and delivered on our promise to continue services without interruption.

I am really proud of all the work we have done to support you and everyone invested in the Minnesota workers' compensation arena. Elsewhere in this newsletter, we have some important information related to statistical and payroll tracking in light of unique changes brought to the way businesses are operating during this pandemic. Please read those, and check back frequently to our website for important and timely updates outlining the latest status in these fast-changing times.

Finally, we held our annual meeting in April and re-elected to our 100th board; Kevin Christy, Western National, Jim Kaynish, Zurich

[Circular Letter 20-1766](#)
NCCI Item B – 1441 – Revisions to Manual Rules Related to the COVID-19 (Coronavirus) Pandemic

[Circular Letter 20-1765](#)
2019 Annual Report

[Circular Letter 20-1764](#)
NCCI Item B-1438 – Revisions to Basic Manual Classifications for Oil and Gas Field Operations

[Circular Letter 20-1763](#)
Housekeeping Filing – Minnesota Statistical Plan Manual – COVID-19 Update New Cause of Injury, Nature of Injury and Catastrophe Codes Policy Valuation Effective Date August 1, 2020

[Circular Letter 20-1762](#)
Coronavirus Disease – 2019 (COVID-19) Claim Reporting Requirements

[Circular Letter 20-1761](#)
Group Dashboard

[Circular Letter 20-1760](#)
Terrorism Risk Insurance Program Reauthorization Act of 2019

[Circular Letter 20-1759](#)
Online Assigned Risk Application (OAR) – System Upgrade

[Circular Letter 20-1758](#)
2019 Test Audit Summary Report

Important Dates & Deadlines:

- MN Contractors Premium Adjustment Program (MCPAP)
 - 2021 MCPAP Application is available on the MWCIA website.
 - Does not automatically renew! Applications received with a postmark after 4/1 will have a late penalty applied.
 - Average Hourly Wage: \$28.00
 - [Online Training for MCPAP](#) – Found in Online Training under the “Underwriting” section
- Effective 1/1/2020 the Split Point is:
 - \$17,000
- Effective 1/1/2020 the State Per Claim Accident Limitation is:
 - \$216,000 Single
 - \$432,000 Multiple
- Minimum & Maximum Payrolls
Effective 1/1/2020 – Assigned Risk & Standard Market
 - Minimum: \$57,824
 - Maximum: \$231,296
 - Family: \$17,368

American, Susan Koshewa, State Auto and Ira Feuerlicht, AIG. The newly configured Board also appointed Diana Trent from Travelers and Kaitlin Keller from Auto Owners to fill two open spots.

COVID-19 Updates and changes:

Everyone is certainly aware by now that COVID-19 has left a lasting impact on our country for years to come. The immediate effects though are a constantly changing and fluid dynamic that has caused the workers’ compensation industry to make changes to adapt. New information is always coming out and we frequently post updates on our website. If you haven’t already, you can [sign up for our circular distribution list](#) to help you stay on top of the latest changes in Minnesota workers’ compensation.

Here are some of the changes and information that MWCIA has available on our website. Please note, as this is such a fluid situation, information is constantly changing and this is not a complete list. Please visit our website for complete up to date information.

[Filing B-1441: The purpose of this item is to revise and establish rules related to:](#)

- Definitions, treatment, and reporting of payments by an employer to paid furloughed employees as a result of federal, state, and/or local emergency orders, laws or regulations, issued due to the COVID-19 (coronavirus) pandemic which impact an employer’s staffing or business operations
- Any claims attributable to paid furloughed employees
- Reporting final premium for employers affected by the COVID-19 pandemic

[Feature Article on COVID-19 Workers’ Compensation Bill HF4537:](#) Creates a presumption for workers’ compensation coverage for first responders and certain health and child care workers who contract COVID-19. Updates can be found by clicking [here](#).

[Circular Letter 20-1763 Filing – Minnesota Statistical Plan Manual – COVID-19 Update New Cause of Injury, Nature of Injury and Catastrophe Codes Policy Valuation Effective Date August 1, 2020:](#) Establishes a new Cause of Injury, Nature of Injury, and Catastrophe codes to identify workers’ compensation claims associated with the COVID-19 virus.

[Circular Letter 20-1762: Coronavirus Disease – 2019 \(COVID-19\) Claim Reporting Requirements:](#)

The Workers’ Compensation Insurance Organizations (WCIO) have established a Catastrophe Number and added a Nature of Injury Code and a Cause of Injury Code to track claims involving a diagnosis of Coronavirus Disease – 2019 (COVID-19) with accident dates on or after December 1, 2019.

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COVID-19 FAQ's:

COVID-19 and Minnesota Workers' Compensation Note: This is a **LIVE** document and subject to change as additional questions and issues arise.

1 - Treatment of furlough pay. Employees continue to be paid although they are at home and not working. Is this payroll included in the premium calculation?

Note: This answer has been revised 5-5-20.

NCCI Item B-1441 Revisions to Manual Rules Related to the COVID-19 (Coronavirus) Pandemic has been approved for use in MN. Rule 2-F-3 in the *Minnesota Basic Manual* has been established to define and address payments to paid furloughed employees. Statistical Code 0012 will be created for reporting these payments. These payments will not be used in the calculation of premium only if the employer keeps separate, accurate, and verifiable records. For more information, please refer to [Circular Number 20-1766](#) dated May 5, 2020, located on our website.

2 - Some employees are placed into different roles within the company for the duration of the pandemic. Can the classification of those employees change?

In the *Minnesota Basic Manual*, Rule 1 A states: Subject to certain exceptions, it is the business of the employer within a state that is classified, not separate employments, occupations or operations within the business.

Rule 2 G in the *Minnesota Basic Manual* explains Interchange of Labor. An employer would be responsible for maintaining separate payroll records for the change in operations or the wages earned for an employee whose occupation has changed. If these records are not maintained, then all payroll would be assigned to the highest rated applicable class code.

3 - Audit noncompliance charge and COVID 19. Is it still mandatory to apply the ANC when an audit cannot be obtained?

All carriers are required to attach the endorsement to a MN policy, but is not required to apply the penalty. The ANC charge or penalty is only mandatory for MN Assigned Risk Plan policies. The *Minnesota Basic Manual* states: the carrier **may** apply an Audit Noncompliance Charge (ANC) subject to the 4/15/2020 conditions in this rule. Please refer to Rule 3-A-13-b in the *Minnesota Basic Manual*.

4 - Will there be any changes in how experience ratings are calculated?

Note: This answer has been revised 6-24-20.

Claims attributable to the COVID-19 pandemic and reported to Catastrophe Number 12 will be excluded from experience rating calculations and merit ratings. Catastrophe Number 12 applies to claims with accident dates of December 1, 2019 and subsequent. At this time, no ending claim accident date has been established. Once established, claims occurring after the ending claim accident date must not be reported with Catastrophe Number 12. Such claims will be included in experience rating calculations and merit ratings.

For more information, please refer to [Circular Number 20-1768](#) dated June 24, 2020 located on our website.

5 – COVID-19 Update New Cause of Injury, Nature of Injury and Catastrophe Codes Valuation Effective Date August 1, 2020.

For more information, please refer to [Circular Number 20-1763](#) dated April 7, 2020, located on our website.

6 – Is there any limit as to when Class Code 0012 can be added to a policy?

Class code 0012 is effective 3-1-2020. This code can be added to a policy mid-term, effective 3-1-2020 or after, or, at time of audit.

7 – Are Carriers able to report estimated audits due to COVID-19?

Yes. Use Estimated Audit Code as an “N”. For more information, please refer to [Circular Number 20-1766](#) dated May 5, 2020, located on our website, or, Rule 3-8-G located in the *Minnesota Statistical Plan Manual*.

8 – Are furloughed payrolls assigned to Code 0012 included for calculating terrorism?

No. Payroll assigned to Code 0012 is excluded from terrorism surcharge calculations.

[You can view the document on MWCIA’s website by clicking here.](#)

2nd Annual MWCIA Webzone Madness Event:

MWCIA started its 2nd Annual Webzone Madness event on March 24, 2020. We appreciate everyone who participated and had fun with us, even though we had a couple of odd times where the postings had to go out on unscheduled days due to priority postings for COVID-19.

It was a fun event with the winners being posted on our social media pages and our website in the newsfeed sections. The Champion, with a crazy shot from “Way Downtown BANG!” was the Statistical Plan Manual Scorpions!

The winners of the gift cards were notified via email.

Approved Filing Item B - 1439 - Revisions to Basic Manual Classifications and Appendix E, Including Construction Salespersons and Estimators:

The purpose of this item is to eliminate national and state special classifications with low credibility and to reassign that experience to other national or state special classifications with similar operations. This item also revises the classification treatment of construction job site salespersons and estimators. As part of this filing, MWCIA is also proposing a two year transition program for the discontinuation of Code 2683 and reassignment to Code 2501.

For complete information see [Circular No. 20-1767](#).

The Minnesota Work Comp Forum has been postponed

The Minnesota Workers' Compensation Insurers Association (MWCIA) and the Workers' Compensation Reinsurance Association (WCRA) teamed up to provide educational workshops relevant to the Minnesota workers' compensation community. After closely monitoring the evolving situation with the coronavirus disease (COVID-19) outbreak, the MWCIA and WCRA have made the difficult decision to reschedule the 2020 event to October 1, 2021.

For more information about transferring your reservation visit us at:

<https://www.mnworkcompforum.com/>



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