



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

December 15, 2015

ALL ASSOCIATION MEMBERS

Circular Letter No. 15-1678

RE: 4-1-2016 Assigned Risk Rates

Commerce Commissioner Rothman issued a rate order on December 10, 2015 approving a 1.4% increase in the average Assigned Risk premium level effective April 1, 2016. The following is an excerpt from the Deputy Commissioner's Order:

"ORDERED

1. That effective April 1, 2016, the Minnesota Workers' Compensation Assigned Risk Plan will use a pure premium multiplier of 2.75 to be applied uniformly to the pure premium base rates of the 2016 Minnesota Ratemaking Report of the Minnesota Workers' Compensation Insurers Association.
2. That the expense constant on each policy will be \$190.
3. That the policyholder surcharge for the Special Compensation Fund (SCF) assessments shall be 2.8% of premium.
4. That the policyholder surcharge for foreign and domestic terrorism coverage provided by the Terrorism Risk Insurance Program Reauthorization Act will be continued at \$0.01 per \$100 of payroll.
5. That the average premium level, including surcharges, will increase by 1.4%."

These rates have also been adjusted by the application of the Minnesota Contractors' Premium Adjustment Program.

The intent of this circular is to highlight only the items in the Assigned Risk Rate Schedule and Miscellaneous Values Pages that will change due to the Commissioner's Order. A schedule of the approved rates and miscellaneous values for the Assigned Risk Plan is attached for your convenience.

Please direct any questions you may have regarding this item by email to kathleen.peterson@mwcia.org.

MINNESOTA WORKERS' COMPENSATION

Assigned Risk Plan Rates
Effective New and Renewal April 1, 2016

<u>Class Code</u>	<u>4/1/2016 Assigned Risk Rate</u>	<u>Minimum Premium</u>	<u>Class Code</u>	<u>4/1/2016 Assigned Risk Rate</u>	<u>Minimum Premium</u>	<u>Class Code</u>	<u>4/1/2016 Assigned Risk Rate</u>	<u>Minimum Premium</u>
0005	12.65	506	2021	14.80	560	2702	20.79	655
0006	9.65	431	2039	7.43	376	2710	21.12	655
0008	6.30	348	2041	8.11	393	2714	7.56	379
0016	9.65	431	2065	7.43	376	2729	9.46	427
0034	11.36	474	2070	7.43	376	2731	6.85	361
0035	6.71	358	2081	7.95	389	2735	9.27	422
0042	13.42	526	2089	9.96	439	2759	11.52	478
0050	21.59	655	2095	8.53	403	2790	4.87	312
0079	6.30	348	2105	7.37	374	2802	5.58	330
0106	18.81	655	2111	5.47	327	2881	6.60	355
0113	11.36	474	2121	6.33	348	2883	6.66	357
0170	8.77	409	2130	5.31	323	2915	5.03	316
0251	7.56	379	2131	5.36	324	2916	8.25	396
0400	12.46	502	2157	13.59	530	2923	4.46	302
0401	19.06	655	2172	4.13	293	2960	7.56	379
0908	231.88	422	2174	6.19	345	3004	6.57	354
0913	691.90	882	2211	13.48	527	3018	9.02	416
0917	10.37	449	2220	4.62	306	3022	6.77	359
1164	9.74	434	2286	4.18	295	3027	7.81	385
1165	3.74	284	2288	8.06	392	3028	7.65	381
1320	3.71	283	2302	3.85	286	3030	14.30	548
1322	20.27	655	2305	7.10	368	3040	11.55	479
1430	11.63	481	2361	5.14	319	3042	14.99	565
1438	8.55	404	2362	5.14	319	3064	8.91	413
1452	4.79	310	2380	5.14	319	3066	10.42	451
1463	24.53	655	2388	5.14	319	3076	8.36	399
1472	8.00	390	2402	4.59	305	3081	13.53	528
1624	5.83	336	2413	4.07	292	3082	6.27	347
1642	5.23	321	2416	3.99	290	3085	9.96	439
1654	5.83	336	2417	4.07	292	3110	7.98	390
1655	5.83	336	2501	5.28	322	3111	4.54	304
1699	5.23	321	2503	5.14	319	3113	3.96	289
1701	5.23	321	2534	5.14	319	3114	5.89	337
1710	6.99	365	2570	9.87	437	3126	5.50	328
1747	4.59	305	2585	9.05	416	3131	4.26	297
1803	11.41	475	2586	9.05	416	3132	5.86	337
1852	5.09	317	2587	8.25	396	3145	3.60	280
1853	4.26	297	2623	15.02	566	3146	7.21	370
1860	4.29	297	2640	7.78	385	3169	4.57	304
1924	6.79	360	2651	6.35	349	3175	4.57	304
1925	7.89	387	2660	6.35	349	3179	3.88	287
2002	6.74	359	2670	6.35	349	3180	6.22	346
2003	9.19	420	2683	6.35	349	3188	6.08	342
2014	8.50	403	2686	6.35	349	3220	6.49	352
2016	6.90	363	2688	6.35	349	3223	7.78	385

MINNESOTA WORKERS' COMPENSATION

Assigned Risk Plan Rates
Effective New and Renewal April 1, 2016

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3224	6.57	354	3824	11.03	466	4459	5.31	323
3227	7.78	385	3826	2.09	242	4470	3.99	290
3241	6.79	360	3827	4.07	292	4484	5.56	329
3255	11.63	481	3830	2.31	248	4493	3.55	279
3257	5.50	328	3851	6.44	351	4511	0.80	210
3300	8.88	412	3881	9.21	420	4557	3.82	286
3303	6.08	342	4000	13.59	530	4558	4.32	298
3307	6.08	342	4021	7.81	385	4568	4.62	306
3315	9.08	417	4024	7.62	381	4581	2.31	248
3334	6.60	355	4034	11.96	489	4583	8.50	403
3341	6.68	357	4036	4.43	301	4611	2.42	251
3365	15.02	566	4038	5.80	335	4635	4.90	313
3372	7.81	385	4053	4.81	310	4653	2.81	260
3373	13.04	516	4061	4.81	310	4665	13.42	526
3382	1.73	233	4062	4.81	310	4670	13.78	535
3383	1.73	233	4101	6.11	343	4683	6.79	360
3385	1.73	233	4112	1.46	227	4686	4.70	308
3400	7.78	385	4114	4.13	293	4692	1.98	240
3507	6.88	362	4130	5.83	336	4693	2.70	258
3515	4.02	291	4131	7.76	384	4703	3.85	286
3548	2.70	258	4133	3.88	287	4720	4.13	293
3559	5.12	318	4150	1.73	233	4740	1.16	219
3571	1.98	240	4206	39.35	655	4741	2.56	254
3574	1.27	222	4207	2.45	251	4751	5.17	319
3612	4.35	299	4239	4.02	291	4767	4.84	311
3620	8.86	412	4240	2.45	251	4771	5.12	318
3629	3.82	286	4243	4.73	308	4777	8.28	397
3632	7.29	372	4244	5.53	328	4825	2.31	248
3634	5.61	330	4250	2.45	251	4828	2.83	261
3635	4.43	301	4251	7.73	383	4829	2.34	249
3638	3.11	268	4263	2.45	251	4902	4.15	294
3642	2.37	249	4273	5.28	322	4923	2.17	244
3643	3.88	287	4279	4.95	314	5020	14.30	548
3647	4.81	310	4283	6.02	341	5022	20.08	655
3648	3.05	266	4299	5.17	319	5037	47.60	655
3681	2.23	246	4304	5.17	319	5040	71.03	655
3685	1.73	233	4307	3.88	287	5057	8.06	392
3719	3.16	269	4314	9.43	426	5059	186.04	655
3724	11.99	490	4351	5.89	337	5102	14.47	552
3726	7.45	376	4352	5.89	337	5146	11.88	487
3803	7.04	366	4361	3.25	271	5160	6.41	350
3807	3.00	265	4410	7.54	379	5183	8.28	397
3808	5.75	334	4420	9.05	416	5188	9.76	434
3821	12.76	509	4432	4.57	304	5190	5.80	335
3822	8.36	399	4452	6.24	346	5191	2.20	245

MINNESOTA WORKERS' COMPENSATION

Assigned Risk Plan Rates
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5192	6.22	346	6306	13.48	527	7706	6.88	362
5213	13.28	522	6319	5.47	327	7708	42.24	232
5215	10.95	464	6325	11.61	480	7720	4.32	298
5221	14.00	540	6400	15.46	577	7855	20.24	655
5222	20.90	655	6504	5.97	339	8001	5.39	325
5348	13.50	528	6811	11.03	466	8002	2.81	260
5403	21.97	655	6834	6.60	355	8006	4.76	309
5437	23.02	655	6836	6.60	355	8008	2.48	252
5445	12.40	500	6854	6.27	347	8013	0.77	209
5462	22.14	655	6882	9.43	426	8015	1.51	228
5472	18.23	646	6884	22.61	655	8017	2.81	260
5473	19.33	655	7201	19.09	655	8018	8.11	393
5474	13.06	517	7207	19.09	655	8021	5.45	326
5478	21.15	655	7222	12.65	506	8029	4.57	304
5479	13.09	517	7228	12.07	492	8031	4.02	291
5480	14.19	545	7229	17.52	628	8032	4.73	308
5491	4.51	303	7230	16.12	593	8033	4.10	293
5506	11.39	475	7231	16.12	593	8034	4.62	306
5507	11.63	481	7232	10.78	460	8036	4.32	298
5508	34.82	655	7360	10.18	445	8039	2.61	255
5537	8.20	395	7370	9.30	423	8044	5.97	339
5538	15.76	584	7380	11.61	480	8045	0.88	212
5551	66.94	655	7382	7.65	381	8047	2.86	262
5606	2.89	262	7390	11.94	489	8048	4.62	306
5645	21.75	655	7403	11.50	478	8052	6.55	354
5649	12.95	514	7405	2.23	246	8058	4.43	301
5651	22.50	655	7420	10.75	459	8072	1.35	224
5703	28.82	655	7421	1.46	227	8102	5.67	332
5705	26.62	655	7422	2.06	242	8103	4.92	313
5951	2.86	262	7425	5.64	331	8106	8.77	409
6003	16.78	610	7431	2.06	242	8107	6.57	354
6017	19.44	655	7502	4.65	306	8111	5.58	330
6204	22.39	655	7515	1.82	236	8116	4.73	308
6213	5.75	334	7520	5.61	330	8203	17.44	626
6216	13.72	533	7529	18.40	650	8204	7.67	382
6217	12.98	515	7538	11.69	482	8209	6.41	350
6229	11.50	478	7539	2.37	249	8215	8.20	395
6233	7.45	376	7540	6.11	343	8227	8.66	407
6235	14.22	546	7580	4.57	304	8232	8.44	401
6236	19.47	655	7590	6.99	365	8233	6.49	352
6237	2.31	248	7600	6.57	354	8235	16.80	610
6248	22.55	655	7601	21.84	655	8263	14.91	563
6251	15.73	583	7605	2.20	245	8264	13.23	521
6252	12.29	497	7610	0.77	209	8265	18.29	647
6260	30.03	655	7705	8.86	412	8279	19.09	655

MINNESOTA WORKERS' COMPENSATION

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8280	16.01	590	8864	4.68	307	9586	1.65	231
8284	11.06	467	8868	0.96	214	9600	8.33	398
8285	19.44	655	8869	1.90	238	9620	1.79	235
8286	12.87	512	8901	0.52	203			
8291	8.53	403	9012	3.36	274			
8292	7.98	390	9014	7.40	375			
8293	20.13	655	9015	7.40	375			
8304	10.81	460	9016	9.79	435			
8350	7.78	385	9033	4.40	300			
8353	9.43	426	9040	6.60	355			
8380	6.00	340	9044	3.08	267			
8381	3.80	285	9052	5.45	326			
8385	5.97	339	9054	7.48	377			
8392	5.45	326	9058	5.45	326			
8393	6.00	340	9060	3.11	268			
8395	6.00	340	9061	2.92	263			
8500	11.47	477	9062	3.77	284			
8601	1.10	218	9063	1.95	239			
8606	4.79	310	9082	3.22	271			
8719	7.45	376	9083	3.11	268			
8720	2.81	260	9084	4.65	306			
8721	1.46	227	9088	23.46	655			
8723	0.33	198	9093	3.08	267			
8742	0.77	209	9101	8.11	393			
8745	10.62	456	9102	7.51	378			
8748	1.57	229	9149	3.27	272			
8800	3.14	269	9154	3.88	287			
8803	0.17	194	9156	8.28	397			
8810	0.30	198	9178	11.19	470			
8820	0.30	198	9179	17.08	617			
8824	7.40	375	9180	13.04	516			
8825	4.04	291	9182	4.81	310			
8826	6.13	343	9186	50.22	655			
8828	4.57	304	9220	11.50	478			
8829	5.09	317	9402	10.56	454			
8830	9.21	420	9403	10.56	454			
8831	3.99	290	9410	3.47	277			
8832	0.88	212	9501	5.86	337			
8833	2.53	253	9516	10.40	450			
8835	4.29	297	9519	8.00	390			
8842	3.77	284	9521	8.39	400			
8844	2.17	244	9522	8.33	398			
8845	3.96	289	9534	13.39	525			
8855	0.28	197	9539	16.03	591			
8856	0.36	199	9554	21.40	655			

MINNESOTA WORKERS' COMPENSATION

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"S" Codes			Maritime and Federal Codes					
6845	12.21	495	6702	24.70	655			
7309	11.06	467	6703	40.18	655			
7313	4.10	293	6704	27.31	655			
7317	6.52	353	7016	13.12	518			
7327	28.88	655	7024	14.58	555			
8726	3.00	265	7038	7.29	372			
9077	1.54	229	7046	12.35	499			
			7047	15.87	587			
			7050	8.83	411			
			7090	8.11	393			
			7098	13.72	533			
			7099	14.96	564			
			7151	9.32	423			
			7152	15.18	570			
			7153	10.31	448			
			7333	16.50	603			
			7335	18.34	649			
			7337	19.97	655			
			7394	13.56	529			
			7395	15.04	566			
			7398	16.39	600			
			8734	1.02	216			
			8737	0.94	214			
			8738	1.51	228			
			8805	0.39	200			
			8814	0.36	199			
			8815	0.58	205			
"F" Codes								
6801	7.26	372						
6824	12.93	513						
6826	11.91	488						
6843	40.62	655						
6845	25.44	655						
6872	15.13	568						
6874	70.40	655						
7309	17.66	632						
7313	31.24	655						
7317	17.99	640						
7327	70.10	655						
7350	8.88	412						
8709	12.82	511						
8726	23.05	655						
9077	5.36	324						

MINNESOTA WORKERS' COMPENSATION

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Miscellaneous Values

Expense Constant applicable to all policies	\$190	
Maximum Individual Remuneration applicable to:		
<ul style="list-style-type: none"> • executive officers, partners and sole proprietors in connection with <i>Minnesota Basic Manual</i> Rule 2-E-1-b and Rule 2-E-3-a • members/owners of a Limited Liability Company in connection with <i>Minnesota Basic Manual</i> Rule 2-e-2-b • Code 9178—"Athletic Sports or Park: Non-Contact Sports" • Code 9179—"Athletic Sports or Park: Contact Sports" 	\$3,956	
Minimum Individual Remuneration applicable to:		
<ul style="list-style-type: none"> • executive officers, partners and sole proprietors in connection with <i>Minnesota Basic Manual</i> Rule 2-E-1-b and Rule 2-E-3-a • members/owners of a Limited Liability Company in connection with <i>Minnesota Basic Manual</i> Rule 2-E-2-b 	\$989	
Minimum Remuneration for Spouse, Parent or Child Elections		
<p>If a parent, spouse or child of an individual sole proprietor or a partner of a partnership or an executive officer of a closely held corporation, who is eligible for coverage under 176.041, is employed by such entity to perform work in connection with the operations of the employer and for whom coverage has been elected in writing, the actual payroll of such spouse, parent or child as indicated in the insured's records shall be included in the basis of premium computation subject to a minimum amount per each week actually worked (a part of a week shall be considered a full week). There is no maximum.</p>	\$297	
United States Longshore and Harbor Workers' Compensation Coverage Percentage applicable only in connection with <i>Minnesota Basic Manual Rule 3-A-4-b</i> (Multiply a Non-F classification rate by a factor of 1.47)		
	47%	
Terrorism per \$100 of payroll – included in multiplier	\$0.01	
Minnesota Special Compensation Fund Assessment	2.8%	
Limits of Employers Liability		
Standard:		
Bodily Injury by Accident	\$100,000 Each Accident	
Bodily Injury by Disease:	\$500,000 Policy Limit	
Bodily Injury by Disease:	\$100,000 Each Employee	
Increased Limits to:		
Bodily Injury by Accident	\$500,000 Each Accident	1% of the total premium or \$50, whichever is greater
Bodily Injury by Disease:	\$500,000 Policy Limit	
Bodily Injury by Disease:	\$500,000 Each Employee	
Increased Limits to:		
Bodily Injury by Accident	\$1,000,000 Each Accident	5% of the total premium or \$150, whichever is greater
Bodily Injury by Disease:	\$1,000,000 Policy Limit	
Bodily Injury by Disease:	\$1,000,000 Each Employee	

Taxicab Driver Payroll

When the payroll of taxicab drivers is not verifiable in the payroll records of the insured, the payroll of such drivers shall be established as 150% of the statewide average weekly wage extended for the period of employment during the policy term.

If the owner also rents or leases the vehicle, an additional premium will be charged for each leased or rented vehicle per policy year based on 100% of the statewide average weekly wage extended to an annual basis.

Experience Rating Eligibility

A risk is eligible for intrastate experience rating when the payrolls or other exposures developed in the last year or last two years of the experience period produced a premium of at least \$10,000. If more than two years, an average annual premium of at least \$5,000 is required. Page R5 of the *Minnesota Experience Rating Plan Manual* should be referenced for the latest approved eligibility amounts.

Merit Rating Eligibility

A risk is eligible for Minnesota merit rating when payrolls or other exposures developed within the rating period do not qualify an employer in the Minnesota Assigned Risk Plan for an experience modification factor. Refer to the *Minnesota Experience Rating Plan Manual* for information on the Minnesota Assigned Risk Plan Merit Rating Program.

Waiver of Subrogation

A risk may be eligible to request that the Waiver of Our Right To Recover Endorsement - WC 00 03 13 (waiver of subrogation) be applied to a specific job only. The risk must provide the Servicing Carrier with the following information: job location; a copy of the construction contract; duration of the job (including beginning date and ending date); a description of the work to be performed; the estimated payroll dollars expended on the job; the class code(s) of the employees on the job; and the number of employees on the job.

The inclusion of this endorsement will generate an additional premium charge of 5% of the payroll for the specific job times the appropriate classification rate(s), divided by 100; subject to a minimum premium charge of \$100.

Safety Program Rating Plan — Rule

The total net debit or credit produced by this rating plan is added to unity then applied multiplicatively to the risk's standard (i.e., after the application of experience rating) premium. The result is the risk's net premium.

Each individual debit or credit shall be based on relevant evidence that is contained in the file of the inspecting underwriter. Rate modifications will not be made effective until supporting evidence is received by the underwriter.

The basis for determining a risk's overall rate factor shall be made available to the employer so that corrective measures may be taken by the employer to improve safety and reduce premium.

Each employer shall maintain the right of appeal with respect to its assigned rating modification factor. A written response detailing the basis for its rebuttal shall be provided by the employer to the Assigned Risk Plan Administrative office. An admissible basis for appealing a rate is an employer's claim that financial constraints make required improvements infeasible.

<u>RATING ITEM</u>	<u>RANGE OF ALLOWABLE MODIFICATION</u>
1. <u>AWAIR/OSHA Compliance</u>	-5% to 5%
Evaluation of general level of compliance with Minnesota OSHA standard, "AWAIR" which defines essential elements of a formal program, and management and employee commitment to safety.	
<ul style="list-style-type: none">• written accident and injury reduction plan• management participation, established,• measured and maintained	

- implementation of plan, how and by who
- communication of plan to all employees
- enforcement of safe work practices and rules
- copy of OSHA 300 log, accident summary – 3 years

2. Other Operational Methods -5% to 5%

Employee selection and training procedures, internal inspection, and organizational directives toward safety (e.g., safety incentive programs). Also includes employee interviews, drivers training, ergonomic awareness and established emergency procedures.

- employee selection
- employee training
- employee supervision
- safety committees
- internal inspections
- driver training
- ergonomic awareness
- safety incentives
- emergency incentives

3. Premises -2% to 2%

Includes cleanliness of work site, density of people relative to capacity, noise levels, number of exits, lighting, electrical lockout, chemical and various physical hazards unique to work site.

- age of building
- lighting
- placement of emergency equipment
- number of emergency exits
- unique physical hazards
- hazards of entrance and exit area
- electrical lockout/tagout
- other emergency controls
- unique chemical hazards

4. Equipment, Machinery, Devices -2% to 2%

Includes machine safeguards, state-of-the-art conformity of equipment, warnings, machine electrical and chemical hazards.

- age of machinery
- care, maintenance and replacement practices
- hazard warnings
- posted usage instructions
- personal protective items
- inherent hazards of machinery including physical, electrical, chemical, radioactivity
- condition and type of motor vehicles
- quality of office furniture

5. Medical Facilities -3% to 3%

Includes first aid stations, eye wash facilities, presence of medical personnel, CPR awareness, etc.

- availability of medical professionals
- CPR training and posting
- quality of first aid facilities
- designated clinics
- bloodborne prevention
- emergency medical procedures
- return to work program

6. Accident Reporting and Investigation -4% to 4%

Level of reporting, record keeping, investigation and researching accidents. Also includes related follow-up procedures.

- record keeping
- reporting procedures
- near miss evaluation
- studies of underlying causes
- investigation of work place accidents and illness
- inquiries directed to injured and fellow employees
- level of follow-up procedures
- corrective action implementation

Maximum Debit or Credit for this rating Plan is plus or minus 15%.

Participation in Assigned Risk's Safety Plan requires prior approval and a physical inspection. Requests for an inspection should be directed to MWCARP by writing MWCARP – Attn: Safety Plan; 5600 West 83rd Street, 8200 Tower, Suite 1100; Minneapolis, MN 55437, by phone at 800-471-6767 or by email kim.zersen@aon.com.

Deductible Plan — Rule

The Minnesota Workers' Compensation Assigned Risk Plan will use the following deductible credits:

<u>Per Claim Medical Loss Deductible</u>	<u>Deductible</u>	<u>Premium Credit</u>
	\$250	1.2%
	\$500	2.1%
	\$1,000	3.6%
	\$2,500	6.2%
	\$5,000	9.0%
	\$10,000	13.2%

Participation in MWCARP's Deductible Plan requires prior approval. For copies of the applications and complete rules, refer to MWCARP's website at www.mwcarp.org.
