



Minnesota Workers' Compensation
Insurers Association, Inc.
7701 France Avenue South • Suite 450
Minneapolis, MN 55435-3200

January 2, 2008

ALL ASSOCIATION MEMBERS

Circular Letter No. 08-1526

RE: 4-1-2008 Assigned Risk Rates

Commerce Commissioner Wilson issued a rate order on December 17, 2007 approving a 1.8% decrease in the overall level of the Assigned Risk rates effective April 1, 2008. The following is an excerpt from the Commissioner's Order:

"ORDERED

1. That effective April 1, 2008, the Minnesota Workers' Compensation Assigned Risk Plan will use a pure premium multiplier of 2.50 to be applied uniformly to the pure premium base rates of the 2008 Minnesota Ratemaking Report of the Minnesota Workers' Compensation Insurers Association.
2. That the expense constant on each policy will continue to be \$170.
3. That to provide for expected assessments of the Special Compensation Fund; the Plan will apply a policyholder surcharge of 2.7% of premium.
4. That, if the Terrorism Risk Insurance Act is continued by Congress, the surcharge for foreign terrorism will be \$0.02 per \$100 of payroll.
5. That the average premium level, including surcharges, will decrease by 1.8%."

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 e-mail to kathleen.peterson@mwcia.org.

MINNESOTA WORKERS' COMPENSATION

Assigned Risk Plan Rates
Effective New and Renewal April 1, 2008

4/1/2008			4/1/2008			4/1/2008		
<u>Class</u>	<u>Assigned</u>	<u>Minimum</u>	<u>Class</u>	<u>Assigned</u>	<u>Minimum</u>	<u>Class</u>	<u>Assigned</u>	<u>Minimum</u>
<u>Code</u>	<u>Risk Rate</u>	<u>Premium</u>	<u>Code</u>	<u>Risk Rate</u>	<u>Premium</u>	<u>Code</u>	<u>Risk Rate</u>	<u>Premium</u>
0005	8.03	371	1925	8.53	383	2585	8.10	373
0006	8.90	393	2001	4.58	285	2586	8.10	373
0008	5.83	316	2002	14.48	532	2587	5.13	298
0016	8.90	393	2003	6.10	323	2623	6.10	323
0034	10.53	433	2014	9.00	395	2640	9.10	398
0035	4.98	295	2016	4.45	281	2651	8.85	391
0042	13.43	506	2021	8.53	383	2660	8.85	391
0050	12.05	471	2039	6.40	330	2670	8.85	391
0079	5.83	316	2041	7.68	362	2683	8.85	391
0106	25.38	635	2065	6.40	330	2686	8.85	391
0113	10.53	433	2070	6.40	330	2688	8.85	391
0170	2.73	238	2081	4.23	276	2702	9.13	398
0251	15.25	551	2089	4.85	291	2710	27.90	635
0400	15.83	566	2095	3.90	268	2714	5.23	301
0401	30.00	635	2105	4.50	283	2729	8.60	385
0908	195.30	365	2111	6.35	329	2731	8.48	382
0913	970.03	1140	2121	10.10	423	2735	4.68	287
0917	6.68	337	2130	6.03	321	2759	11.23	451
1164	13.58	510	2131	6.40	330	2790	3.40	255
1165	7.90	368	2157	28.48	635	2802	8.10	373
1320	4.03	271	2172	1.55	209	2812	6.55	334
1322	55.33	635	2174	4.98	295	2881	4.28	277
1430	15.10	548	2211	7.38	355	2883	9.85	416
1438	12.73	488	2220	4.20	275	2915	5.23	301
1452	11.20	450	2286	13.95	519	2916	9.88	417
1463	46.40	635	2288	10.15	424	2923	2.65	236
1472	10.70	438	2302	2.43	231	2960	10.88	442
1624	6.28	327	2305	6.95	344	3004	4.25	276
1642	3.30	253	2361	2.73	238	3018	4.05	271
1654	6.28	327	2362	2.73	238	3022	4.00	270
1655	6.28	327	2380	2.73	238	3027	4.08	272
1699	3.30	253	2388	2.73	238	3028	3.60	260
1701	3.30	253	2402	5.53	308	3030	15.33	553
1710	9.30	403	2413	8.05	371	3040	13.53	508
1747	5.40	305	2416	4.10	273	3042	6.68	337
1803	10.28	427	2417	8.05	371	3064	8.53	383
1852	5.40	305	2501	4.75	289	3066	9.98	420
1853	7.33	353	2503	2.73	238	3076	6.88	342
1860	7.40	355	2534	2.73	238	3081	9.45	406
1924	5.65	311	2570	10.05	421	3082	27.55	635

MINNESOTA WORKERS' COMPENSATION

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4/1/2008			4/1/2008			4/1/2008		
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<u>Code</u>	<u>Risk Rate</u>	<u>Premium</u>	<u>Code</u>	<u>Risk Rate</u>	<u>Premium</u>	<u>Code</u>	<u>Risk Rate</u>	<u>Premium</u>
3085	7.48	357	3574	1.23	201	4130	4.20	275
3110	6.35	329	3612	3.93	268	4131	5.43	306
3111	6.80	340	3620	8.50	383	4133	6.33	328
3113	4.83	291	3629	3.88	267	4150	1.95	219
3114	6.75	339	3632	6.55	334	4206	9.78	415
3126	6.05	321	3634	3.25	251	4207	1.13	198
3131	4.53	283	3635	4.78	290	4239	3.48	257
3132	8.78	390	3638	1.63	211	4240	1.13	198
3145	3.30	253	3642	5.88	317	4243	4.95	294
3146	4.15	274	3643	3.23	251	4244	6.25	326
3169	3.00	245	3647	4.05	271	4250	1.13	198
3175	3.00	245	3648	4.25	276	4251	6.40	330
3179	3.23	251	3681	2.75	239	4263	1.13	198
3180	2.58	235	3685	1.95	219	4273	5.15	299
3188	6.88	342	3719	5.03	296	4279	12.35	479
3220	5.45	306	3724	16.25	576	4283	9.08	397
3223	9.10	398	3726	17.33	603	4299	4.80	290
3224	9.38	405	3803	6.13	323	4304	4.80	290
3227	9.10	398	3807	2.80	240	4307	6.65	336
3241	5.65	311	3808	8.48	382	4314	3.48	257
3255	20.53	635	3821	22.55	635	4351	1.90	218
3257	11.20	450	3822	5.05	296	4352	1.90	218
3300	15.23	551	3824	4.23	276	4361	1.95	219
3303	6.93	343	3826	1.60	210	4410	8.65	386
3307	6.93	343	3827	3.40	255	4420	4.33	278
3315	6.45	331	3830	7.00	345	4432	17.65	611
3334	2.85	241	3851	7.78	365	4452	3.23	251
3341	3.88	267	3881	6.80	340	4459	4.98	295
3365	7.28	352	4000	23.70	635	4470	1.63	211
3372	6.18	325	4021	11.63	461	4484	5.78	315
3373	4.95	294	4024	11.20	450	4493	1.85	216
3382	1.95	219	4034	10.45	431	4511	0.80	190
3383	1.95	219	4036	9.78	415	4557	5.58	310
3385	1.95	219	4038	5.83	316	4558	2.33	228
3400	9.10	398	4053	3.43	256	4568	10.20	425
3507	5.65	311	4061	3.43	256	4581	2.05	221
3515	4.25	276	4062	3.43	256	4583	10.70	438
3548	0.75	189	4101	3.80	265	4611	2.53	233
3559	2.48	232	4112	0.78	190	4635	5.55	309
3571	1.65	211	4114	1.45	206	4653	3.65	261

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4665	8.93	393	5437	22.10	635	6325	17.48	607
4670	10.18	425	5445	14.25	526	6400	28.70	635
4683	7.40	355	5462	21.20	635	6504	5.38	305
4686	4.93	293	5472	13.08	497	6811	6.18	325
4692	1.48	207	5473	6.93	343	6834	6.48	332
4693	2.08	222	5474	13.18	500	6836	6.48	332
4703	5.13	298	5478	17.10	598	6854	8.83	391
4720	1.28	202	5479	15.48	557	6882	22.38	635
4740	1.28	202	5480	15.83	566	6884	71.80	635
4741	1.18	200	5491	3.75	264	7201	18.13	623
4751	13.00	495	5506	13.78	515	7207	18.13	623
4767	1.53	208	5507	14.03	521	7222	20.83	635
4771	3.55	259	5508	19.70	635	7228	14.30	528
4777	15.35	554	5537	8.53	383	7229	21.03	635
4825	1.85	216	5538	16.13	573	7230	12.95	494
4828	1.20	200	5551	50.48	635	7231	12.95	494
4829	1.65	211	5606	4.10	273	7232	5.68	312
4902	1.80	215	5645	20.85	635	7360	5.45	306
4923	2.68	237	5649	11.08	447	7370	8.33	378
5000	137.35	635	5651	21.25	635	7380	10.48	432
5020	15.48	557	5703	34.90	635	7382	8.25	376
5022	19.15	635	5705	13.20	500	7390	11.58	460
5037	24.95	635	5951	4.98	295	7403	6.00	320
5040	152.80	635	6003	17.63	611	7405	1.28	202
5057	16.43	581	6017	16.50	583	7420	13.40	505
5059	133.33	635	6204	51.90	635	7421	3.48	257
5102	10.50	433	6213	15.65	561	7422	5.40	305
5146	11.08	447	6216	10.75	439	7425	6.75	339
5160	5.60	310	6217	10.60	435	7431	5.40	305
5183	10.98	445	6229	11.75	464	7502	3.93	268
5188	6.98	345	6233	25.03	635	7515	3.60	260
5190	6.43	331	6235	30.90	635	7520	23.35	635
5191	2.13	223	6236	88.35	635	7529	28.40	635
5192	8.10	373	6237	10.13	423	7538	25.10	635
5213	9.58	410	6248	25.30	635	7539	3.65	261
5215	10.90	443	6251	14.20	525	7540	4.95	294
5221	11.60	460	6252	26.68	635	7580	2.65	236
5222	18.83	635	6260	56.58	635	7590	9.43	406
5348	11.93	468	6306	13.85	516	7600	7.70	363
5403	35.63	635	6319	8.20	375	7601	28.93	635

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7605	2.13	223	8227	8.95	394	8828	6.93	343
7610	0.58	185	8232	7.15	349	8829	5.95	319
7705	10.48	432	8233	20.45	635	8830	6.98	345
7706	3.48	257	8235	10.25	426	8831	4.35	279
7708	79.05	249	8263	6.33	328	8832	0.83	191
7720	4.65	286	8264	4.75	289	8833	2.95	244
7855	34.15	635	8265	18.33	628	8835	6.00	320
8001	2.75	239	8279	18.13	623	8842	3.73	263
8002	2.03	221	8280	12.25	476	8844	1.50	208
8006	3.40	255	8284	7.90	368	8845	2.45	231
8008	1.93	218	8285	9.20	400	8864	3.73	263
8013	0.58	185	8286	10.10	423	8868	0.88	192
8015	1.65	211	8291	11.95	469	8869	1.28	202
8017	2.03	221	8292	10.03	421	8901	0.33	178
8018	6.43	331	8293	15.45	556	9012	2.13	223
8021	3.93	268	8304	8.88	392	9014	6.53	333
8029	4.53	283	8350	7.70	363	9015	6.53	333
8031	4.80	290	8353	6.48	332	9016	7.20	350
8032	3.08	247	8380	6.50	333	9033	4.63	286
8033	4.73	288	8381	2.08	222	9040	5.95	319
8034	5.13	298	8385	7.25	351	9044	4.38	280
8036	3.08	247	8392	4.18	275	9052	4.75	289
8039	3.43	256	8393	6.50	333	9054	7.15	349
8044	8.05	371	8395	6.50	333	9058	4.75	289
8045	0.70	188	8500	12.45	481	9059	3.38	255
8047	5.43	306	8601	1.55	209	9060	1.68	212
8048	5.13	298	8606	2.35	229	9061	2.03	221
8052	2.43	231	8719	4.33	278	9062	2.98	245
8058	4.58	285	8720	2.13	223	9063	1.93	218
8072	0.78	190	8721	2.38	230	9082	2.60	235
8102	9.35	404	8742	0.90	193	9083	2.43	231
8103	7.93	368	8745	4.40	280	9084	3.95	269
8106	9.68	412	8748	1.05	196	9088	95.83	635
8107	6.43	331	8800	4.48	282	9093	2.30	228
8111	7.65	361	8803	0.10	173	9101	5.63	311
8116	3.35	254	8810	0.33	178	9102	3.80	265
8203	8.25	376	8820	0.33	178	9149	3.28	252
8204	18.45	631	8824	6.00	320	9154	2.95	244
8209	11.48	457	8825	2.88	242	9156	7.33	353
8215	5.30	303	8826	2.75	239	9178	14.45	531

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<u>Code</u>	<u>Risk Rate</u>	<u>Premium</u>	<u>Code</u>	<u>Risk Rate</u>	<u>Premium</u>	<u>Code</u>	<u>Risk Rate</u>	<u>Premium</u>
9179	31.15	635	"S" Codes			Maritime and Federal Codes		
9180	3.78	265				6702	(A)	(A)
9182	2.65	236	6845	11.55	459	6703	(A)	(A)
9186	68.63	635	7309	15.88	567	6704	(A)	(A)
9220	9.83	416	7313	7.28	352	7016	21.25	50
			7317	10.55	434	7024	23.63	100
9402	13.18	500	7327	26.88	635	7038	11.93	50
9403	13.18	500	8726	4.33	278	7046	8.08	50
9410	0.70	188	9077	1.48	207	7047	26.43	100
9501	3.38	255				7050	14.83	100
9516	6.98	345				7090	13.25	100
			"F" Codes			7098	8.98	100
9519	7.03	346				7099	10.08	100
9521	22.33	635				7151	(A)	(A)
9522	21.50	635	6801	6.68	337	7152	(A)	(A)
9534	21.95	635	6824	14.13	523	7153	(A)	(A)
9539	14.88	542	6826	13.15	499	7333	35.13	50
			6843	35.93	635	7335	39.03	100
9554	21.50	635	6845	22.48	635	7337	43.80	100
9586	2.13	223	6872	20.53	635	7394	22.03	50
9600	21.50	635	6874	62.25	635	7395	24.45	100
9620	1.90	218	7309	24.30	635	7398	27.35	100
			7313	45.50	635	8734	(A)	(A)
			7317	25.48	635	8737	(A)	(A)
			7327	61.98	635	8738	(A)	(A)
			7350	14.65	536	8805	(A)	(A)
			8709	13.68	512	8814	(A)	(A)
			8726	17.20	600	8815	(A)	(A)
			9077	4.75	289			

MINNESOTA WORKERS' COMPENSATION

Assigned Risk Plan Rates
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Miscellaneous Values

Expense Constant applicable to all policies	\$170.00	
Maximum Individual Remuneration applicable to:		
<ul style="list-style-type: none"> • executive officers, partners and sole proprietors in connection with Minnesota Basic Manual Rule 2-E-1-b and Rule 2-E-3-a • members/owners of a Limited Liability Company in connection with Minnesota Basic Manual Rule 2-e-2-b • Code 9178—"Athletic Teams: Non-Contact Sports" • Code 9179—"Athletic Teams: Contact Sports" 	\$1,615.00	
Minimum Individual Remuneration applicable to:		
<ul style="list-style-type: none"> • executive officers, partners and sole proprietors in connection with Minnesota Basic Manual Rule 2-E-1-b and Rule 2-E-3-a • members/owners of a Limited Liability Company in connection with Minnesota Basic Manual Rule 2-E-2-b 	\$330.00	
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>	\$242.00	
United States Longshore and Harbor Workers' Compensation Coverage		
Percentage applicable only in connection with Minnesota Basic Manual Rule 3-A-4-b (Multiply a Non-F classification rate by a factor of 1.51)	51%	
Foreign Terrorism per \$100 of payroll	\$0.02	
Minnesota Special Compensation Fund Assessment	2.7%	
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
Bodily Injury by Disease:	\$500,000 Policy Limit	premium or \$50,
Bodily Injury by Disease:	\$500,000 Each Employee	whichever is greater
Increased Limits to:		
Bodily Injury by Accident	\$1,000,000 Each Accident	5% of the total
Bodily Injury by Disease:	\$1,000,000 Policy Limit	premium or \$150,
Bodily Injury by Disease:	\$1,000,000 Each Employee	which ever is greater

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. Rule 2 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 Page ARP1 in the **Minnesota Experience Rating Plan Manual** for information on the Minnesota Assigned Risk Plan Merit Rating Program.

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, Devises

-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; 4500 Park Glen Road, Suite 410; Minneapolis, MN 55416, by phone at 952-924-6972 or by email info@mwcarp.org.

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.
