



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

December 30, 2008

**ALL ASSOCIATION MEMBERS**

Circular Letter 08-1545

**RE: 4-1-2009 Assigned Risk Rates**

Commerce Commissioner Wilson issued a rate order on December 17, 2008 approving a 2.6% increase in the overall level of the Assigned Risk rates effective April 1, 2009. The following is an excerpt from the Commissioner's Order:

**"ORDERED**

1. That effective April 1, 2009, 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 2009 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 the policyholder surcharge to provide for expected assessments of the Special Compensation Fund will be 3.0% 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 \$0.02 per \$100 of payroll.
5. That the average premium level, including surcharges, will increase by 2.6%."

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](mailto:kathleen.peterson@mwcia.org).

## MINNESOTA WORKERS' COMPENSATION

Assigned Risk Plan Rates  
Effective New and Renewal April 1, 2009

4/1/2009			4/1/2009			4/1/2009		
Class	Assigned	Minimum	Class	Assigned	Minimum	Class	Assigned	Minimum
<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	10.10	423	1925	9.98	420	2585	7.43	356
0006	9.73	413	2001	4.23	276	2586	7.43	356
0008	5.53	308	2002	12.90	493	2587	6.00	320
0016	9.73	413	2003	6.20	325	2623	7.63	361
0034	9.90	418	2014	10.40	430	2640	9.08	397
0035	4.45	281	2016	5.58	310	2651	7.20	350
0042	11.63	461	2021	10.65	436	2660	7.20	350
0050	14.90	543	2039	6.23	326	2670	7.20	350
0079	5.53	308	2041	6.38	330	2683	7.20	350
0106	26.35	635	2065	6.23	326	2686	7.20	350
0113	9.90	418	2070	6.23	326	2688	7.20	350
0170	2.63	236	2081	5.03	296	2702	8.68	387
0251	13.78	515	2089	3.83	266	2710	25.25	635
0400	15.95	569	2095	3.78	265	2714	6.25	326
0401	28.13	635	2105	3.98	270	2729	6.90	343
0908	153.43	323	2111	7.03	346	2731	10.58	435
0913	798.45	968	2121	8.45	381	2735	5.30	303
0917	6.55	334	2130	4.70	288	2759	9.90	418
1164	12.43	481	2131	6.08	322	2790	2.85	241
1165	5.85	316	2157	25.15	635	2802	7.90	368
1320	3.63	261	2172	1.53	208	2812	7.08	347
1322	61.30	635	2174	4.85	291	2881	3.80	265
1430	14.68	537	2211	7.63	361	2883	9.50	408
1438	9.55	409	2220	3.68	262	2915	4.90	293
1452	9.98	420	2286	12.98	495	2916	7.40	355
1463	35.88	635	2288	9.75	414	2923	3.30	253
1472	9.98	420	2302	2.48	232	2960	13.60	510
1624	5.80	315	2305	6.10	323	3004	5.30	303
1642	3.48	257	2361	2.53	233	3018	3.83	266
1654	5.80	315	2362	2.53	233	3022	3.80	265
1655	5.80	315	2380	2.53	233	3027	3.70	263
1699	3.48	257	2388	2.53	233	3028	3.68	262
1701	3.48	257	2402	5.25	301	3030	11.80	465
1710	8.58	385	2413	8.05	371	3040	11.05	446
1747	4.93	293	2416	3.93	268	3042	8.33	378
1803	8.55	384	2417	8.05	371	3064	7.85	366
1852	5.28	302	2501	4.95	294	3066	10.65	436
1853	7.15	349	2503	2.53	233	3076	6.85	341
1860	8.35	379	2534	2.53	233	3081	9.03	396
1924	7.05	346	2570	8.10	373	3082	23.58	635

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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	7.25	351	3574	1.10	198	4130	4.48	282
3110	5.10	298	3612	3.78	265	4131	5.28	302
3111	7.30	353	3620	7.25	351	4133	6.45	331
3113	3.98	270	3629	3.90	268	4150	1.78	215
3114	8.43	381	3632	6.55	334	4206	8.78	390
3126	6.03	321	3634	3.63	261	4207	0.95	194
3131	5.65	311	3635	4.03	271	4239	4.30	278
3132	10.98	445	3638	1.55	209	4240	0.95	194
3145	3.73	263	3642	5.55	309	4243	5.10	298
3146	3.53	258	3643	3.85	266	4244	5.80	315
3169	3.58	260	3647	5.08	297	4250	0.95	194
3175	3.58	260	3648	4.05	271	4251	7.10	348
3179	3.85	266	3681	2.33	228	4263	0.95	194
3180	2.20	225	3685	1.78	215	4273	5.90	318
3188	6.90	343	3719	5.50	308	4279	9.28	402
3220	5.03	296	3724	15.55	559	4283	7.93	368
3223	9.08	397	3726	22.03	635	4299	5.45	306
3224	9.18	400	3803	5.43	306	4304	5.45	306
3227	9.08	397	3807	2.30	228	4307	6.60	335
3241	5.10	298	3808	7.63	361	4314	4.40	280
3255	24.73	635	3821	28.43	635	4351	2.33	228
3257	12.03	471	3822	4.35	279	4352	2.33	228
3300	19.03	635	3824	4.80	290	4361	2.38	230
3303	8.65	386	3826	2.00	220	4410	8.68	387
3307	8.65	386	3827	3.03	246	4420	3.70	263
3315	5.55	309	3830	7.03	346	4432	17.25	601
3334	2.70	238	3851	9.73	413	4452	3.58	260
3341	3.38	255	3881	5.60	310	4459	5.10	298
3365	7.95	369	4000	20.03	635	4470	1.43	206
3372	5.60	310	4021	11.20	450	4484	5.68	312
3373	5.65	311	4024	10.98	445	4493	1.95	219
3382	1.78	215	4034	12.20	475	4511	0.98	195
3383	1.78	215	4036	10.80	440	4557	4.63	286
3385	1.78	215	4038	4.95	294	4558	2.43	231
3400	9.08	397	4053	3.28	252	4568	8.78	390
3507	5.38	305	4061	3.28	252	4581	2.03	221
3515	4.05	271	4062	3.28	252	4583	11.55	459
3548	0.65	186	4101	3.13	248	4611	3.00	245
3559	2.20	225	4112	0.78	190	4635	4.60	285
3571	1.68	212	4114	1.55	209	4653	2.80	240

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4665	7.28	352	5437	23.13	635	6325	20.63	635
4670	9.95	419	5445	13.35	504	6400	23.78	635
4683	9.23	401	5462	27.48	635	6504	6.15	324
4686	6.18	325	5472	11.70	463	6811	5.80	315
4692	1.48	207	5473	6.45	331	6834	7.30	353
4693	2.20	225	5474	14.58	535	6836	7.30	353
4703	4.23	276	5478	15.45	556	6854	8.35	379
4720	1.23	201	5479	16.33	578	6882	20.90	635
4740	1.40	205	5480	12.68	487	6884	68.13	635
4741	1.10	198	5491	3.50	258	7201	19.13	635
4751	11.80	465	5506	15.80	565	7207	19.13	635
4767	1.15	199	5507	16.20	575	7222	21.28	635
4771	3.58	260	5508	20.95	635	7228	15.18	550
4777	13.78	515	5537	9.25	401	7229	18.00	620
4825	1.73	213	5538	16.13	573	7230	13.80	515
4828	0.95	194	5551	54.88	635	7231	13.80	515
4829	1.23	201	5606	3.70	263	7232	5.48	307
4902	2.10	223	5645	21.98	635	7360	5.90	318
4923	3.35	254	5649	11.93	468	7370	10.05	421
5000	153.93	635	5651	22.68	635	7380	9.35	404
5020	13.68	512	5703	43.45	635	7382	7.60	360
5022	19.35	635	5705	15.55	559	7390	11.50	458
5037	20.00	635	5951	5.00	295	7403	7.43	356
5040	170.88	635	6003	22.85	635	7405	1.43	206
5057	13.03	496	6017	17.78	615	7420	11.00	445
5059	133.13	635	6204	41.15	635	7421	2.58	235
5102	11.90	468	6213	22.30	635	7422	4.20	275
5146	8.83	391	6216	11.98	470	7425	5.25	301
5160	4.48	282	6217	11.88	467	7431	4.20	275
5183	11.28	452	6229	12.05	471	7502	4.35	279
5188	8.63	386	6233	23.18	635	7515	3.33	253
5190	6.68	337	6235	34.28	635	7520	20.70	635
5191	2.18	225	6236	97.75	635	7529	26.45	635
5192	9.00	395	6237	10.95	444	7538	27.38	635
5213	10.25	426	6248	32.55	635	7539	3.40	255
5215	11.83	466	6251	15.53	558	7540	6.15	324
5221	13.85	516	6252	29.78	635	7580	3.28	252
5222	22.53	635	6260	58.45	635	7590	8.73	388
5348	11.23	451	6306	14.53	533	7600	8.93	393
5403	32.18	635	6319	8.98	395	7601	30.75	635

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7605	2.18	225	8227	9.25	401	8828	8.73	388
7610	0.53	183	8232	7.35	354	8829	6.10	323
7705	9.35	404	8233	19.93	635	8830	7.60	360
7706	2.83	241	8235	8.48	382	8831	3.73	263
7708	97.35	267	8263	5.68	312	8832	0.85	191
7720	4.58	285	8264	5.50	308	8833	2.35	229
7855	26.98	635	8265	23.08	635	8835	5.48	307
8001	2.68	237	8279	19.13	635	8842	3.80	265
8002	2.45	231	8280	15.43	556	8844	1.63	211
8006	3.05	246	8284	6.58	335	8845	2.38	230
8008	1.68	212	8285	8.45	381	8864	3.80	265
8013	0.63	186	8286	9.40	405	8868	0.93	193
8015	1.43	206	8291	11.38	455	8869	1.30	203
8017	2.45	231	8292	12.65	486	8901	0.33	178
8018	6.43	331	8293	18.10	623	9012	2.73	238
8021	3.38	255	8304	11.20	450	9014	6.85	341
8029	5.18	300	8350	8.03	371	9015	6.85	341
8031	4.23	276	8353	5.25	301	9016	7.63	361
8032	3.60	260	8380	6.48	332	9033	5.40	305
8033	3.98	270	8381	2.40	230	9040	5.80	315
8034	6.45	331	8385	6.78	340	9044	4.30	278
8036	3.05	246	8392	4.13	273	9052	4.50	283
8039	3.40	255	8393	6.48	332	9054	7.23	351
8044	7.95	369	8395	6.48	332	9058	4.50	283
8045	0.88	192	8500	12.58	485	9059	4.25	276
8047	6.85	341	8601	1.80	215	9060	2.03	221
8048	6.45	331	8606	2.28	227	9061	2.10	223
8052	2.30	228	8719	4.15	274	9062	3.75	264
8058	4.98	295	8720	1.63	211	9063	1.55	209
8072	0.65	186	8721	1.88	217	9082	2.45	231
8102	7.10	348	8742	0.93	193	9083	2.45	231
8103	8.60	385	8745	4.83	291	9084	4.05	271
8106	8.78	390	8748	1.08	197	9088	81.35	635
8107	7.23	351	8800	5.13	298	9093	2.15	224
8111	7.23	351	8803	0.10	173	9101	5.33	303
8116	2.68	237	8810	0.35	179	9102	4.03	271
8203	10.40	430	8820	0.35	179	9149	2.90	243
8204	15.18	550	8824	7.25	351	9154	2.78	240
8209	10.20	425	8825	2.63	236	9156	7.43	356
8215	5.50	308	8826	3.13	248	9178	13.93	518

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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	33.55	635	"S" Codes			Maritime and Federal Codes		
9180	4.68	287						
9182	3.13	248	6845	10.98	445	6702	32.68	635
9186	85.08	635	7309	15.10	548	6703	54.78	635
9220	9.40	405	7313	6.13	323	6704	36.15	635
			7317	10.08	422	7016	18.78	635
9402	13.80	515	7327	25.63	635	7024	20.85	635
9403	13.80	515	8726	4.00	270	7038	11.68	462
9410	0.68	187	9077	1.40	205	7046	8.75	389
9501	4.23	276				7047	23.33	635
9516	8.78	390				7050	14.53	533
			"F" Codes			7090	12.98	495
9519	8.48	382				7098	9.73	413
9521	18.20	625				7099	10.90	443
9522	17.88	617	6801	6.65	336	7151	9.28	402
9534	21.93	635	6824	13.85	516	7152	15.58	560
9539	19.18	635	6826	13.10	498	7153	10.28	427
			6843	36.45	635	7333	29.68	635
9554	20.68	635	6845	22.83	635	7335	32.98	635
9586	1.80	215	6872	17.13	598	7337	37.03	635
9600	17.88	617	6874	63.15	635	7394	20.10	635
9620	2.03	221	7309	23.80	635	7395	22.33	635
			7313	59.28	635	7398	24.98	635
			7317	25.85	635	8734	1.25	201
			7327	62.90	635	8737	1.13	198
			7350	13.43	506	8738	1.88	217
			8709	13.45	506	8805	0.48	182
			8726	22.53	635	8814	0.43	181
			9077	4.83	291	8815	0.73	188

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## Miscellaneous Values

<b>Expense Constant applicable to all policies</b>	\$170.00	
<b>Maximum Individual Remuneration applicable to:</b>		
<ul style="list-style-type: none"> <li>• executive officers, partners and sole proprietors in connection with <b>Minnesota Basic Manual</b> Rule 2-E-1-b and Rule 2-E-3-a</li> <li>• members/owners of a Limited Liability Company in connection with <b>Minnesota Basic Manual</b> Rule 2-e-2-b</li> <li>• Code 9178—"Athletic Sports or Park: Non-Contact Sports"</li> <li>• Code 9179—"Athletic Sports or Park: Contact Sports"</li> </ul>	\$1,700.00	
<b>Minimum Individual Remuneration applicable to:</b>		
<ul style="list-style-type: none"> <li>• executive officers, partners and sole proprietors in connection with <b>Minnesota Basic Manual</b> Rule 2-E-1-b and Rule 2-E-3-a</li> <li>• members/owners of a Limited Liability Company in connection with <b>Minnesota Basic Manual</b> Rule 2-E-2-b</li> </ul>	\$380.00	
<b>Minimum Remuneration for Spouse, Parent or Child Elections</b>		
<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>	\$255.00	
<b>United States Longshore and Harbor Workers' Compensation Coverage</b>		
<b>Percentage</b> applicable only in connection with <b>Minnesota Basic Manual Rule 3-A-4-b</b> (Multiply a Non-F classification rate by a factor of 1.48)	48%	
<b>Terrorism per \$100 of payroll</b>	\$0.02	
<b>Minnesota Special Compensation Fund Assessment</b>	3.0%	
<b>Limits of Employers Liability</b>		
<b>Standard:</b>		
Bodily Injury by Accident	\$100,000 Each Accident	
Bodily Injury by Disease:	\$500,000 Policy Limit	
Bodily Injury by Disease:	\$100,000 Each Employee	
<b>Increased Limits to:</b>		
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
<b>Increased Limits to:</b>		
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

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**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.

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**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.

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**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.

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**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"><li>• written accident and injury reduction plan</li><li>• management participation, established,</li><li>• measured and maintained</li><li>• implementation of plan, how and by who</li><li>• communication of plan to all employees</li><li>• enforcement of safe work practices and rules</li><li>• copy of OSHA 300 log, accident summary – 3 years</li></ul>	

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## 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; 8300 Norman Center Drive, 4<sup>th</sup> Floor; Minneapolis, MN 55437, by phone at 800-471-6767 or by email [kim\\_zersen@ars.aon.com](mailto:kim_zersen@ars.aon.com).

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**Deductible Plan — Rule**

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

<b><u>Per Claim Medical Loss Deductible</u></b>	<b><u>Deductible</u></b>	<b><u>Premium Credit</u></b>
\$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](http://www.mwcarp.org).

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