

Department of Commerce

Proposed Expedited Rules Relating to Workers' Compensation Ratemaking

2705.0200 DEFINITIONS.

[For text of subparts 1 to 6, see Minnesota Rules]

Subp. 7. **Pure premium base rate schedule.** A "pure premium base rate schedule" is a set of pure premium rates ~~with no adjustments~~ that include provisions for trend ~~and with only partial, ultimate~~ loss development ~~reflecting some additional development but not developed to the ultimate expected loss level,~~ and loss adjustment expense.

[For text of subparts 8 to 12, see Minnesota Rules]

2705.1700 CONTENTS OF RATEMAKING REPORT.

[For text of subpart 1, see Minnesota Rules]

Subp. 2. **Minimum content.** A ratemaking report shall include:

A. a compilation of financial data collected under Minnesota Statutes, section 79.61 ~~without adjustments for either premium or loss development or trend.~~ Financial data ~~must be,~~ reconcilable to that reported by insureds in their the insureds' annual financial statements to the commissioner;

B. a compilation of reporting classification data collected under Minnesota Statutes, section 79.61 ~~without adjustments for either premium development or loss development or premium trend or loss trend;~~

C. ~~a~~ an analysis and calculation of factors to adjust reported premium and loss data to ~~a common~~ an ultimate development level. ~~The development level is subject to approval by the commissioner;~~

[For text of items D to F, see Minnesota Rules]

2.1 G. ~~an analysis and calculation of factors to adjust reported premium and loss data~~
2.2 ~~to an expected ultimate level. The analysis shall be in detail so as to permit insurers to select~~
2.3 ~~and modify the factors based on their own interpretations of underlying loss data for loss~~
2.4 ~~adjustment expenses;~~

2.5 H. ~~an analysis and calculation of trended data to reflect future conditions through~~
2.6 ~~the use of factors or some other method. The analysis shall be in detail so as to permit~~
2.7 ~~insurers to select and modify the factors or utilize other trending methods based on their~~
2.8 ~~own interpretations of underlying data;~~

2.9 *[For text of items I and J, see Minnesota Rules]*

2.10 *[For text of subpart 3, see Minnesota Rules]*