



Annual Report

Supporting and Advancing Minnesota's Workers Compensation System

2025



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Simplify to Sustain



Jennifer Wolf - President

Dear Members, Partners, and Friends,

Running has always been my way to sort out challenges—and this year, there were a lot of crosswinds. The kind of winds that test your balance, pulling you sideways and forcing you to adjust stride after stride. But there’s a lesson in those miles: if you strip away distraction and focus on the essentials—steady pace, clear direction—you find stability even in the gusts.

That’s been the story of MWCIA this year. We chose simplification as our way to sustain stability in a complex system. By removing what was unnecessary, we created room for clarity, resilience, and growth.

We began with our **financials**, building a reporting model that’s easier to understand and more transparent. For our Board and members, this clarity strengthens trust and shows exactly how we are stewarding resources.

We reimaged **the reapportionment process**, taking something that had long been complex and frustrating and turning it into a system that is straightforward and equitable. Carriers now have confidence in both the efficiency and fairness of the process.

We introduced **monthly data quality reports** and a systematic review of all edits—a significant step in simplifying how data is monitored and improved. By shifting from reactive fixes to proactive reviews, we’ve reduced errors, improved consistency, and given stakeholders more reliable insights to guide decisions.

We advanced our technology modernization, leaving behind outdated infrastructure and embracing a secure, resilient cloud environment. Simplification here means less risk, fewer points of failure, and more energy devoted to what matters—data quality and service.

And we invested in our leadership and team. Stability is not about standing still; it’s about preparing people to carry the mission forward. Through leadership development and succession planning, we’ve embedded stability in the way we lead.

Simplification, like running through the wind, is about narrowing focus to the things that matter most. By doing so, we’ve built a system that is stable today and sustainable tomorrow.

Thank you for being part of this journey.

With gratitude,

Jennifer

Fast Facts

**Cloud Migration Started
Estimated completion in 2026**

**5,626
Stakeholder Connections**

**Reapportionment Reimagined
Equitable, Streamlined, Efficient**

***We chose simplification as our way to sustain
stability in a complex system.***

MWCIA Vision & Mission

MWCIA's mission to advance the state's public welfare and economic security by supporting a sustainable workers' compensation system in Minnesota is defined by Minnesota Statute 79.50.

We achieve this Vision by following our mission to

- ▶ **Develop Base Rates**
- ▶ **Incentivize Workplace Safety**
- ▶ **Maintain Resources**
- ▶ **Monitor Compliance**
- ▶ **Educate Stakeholders**
- ▶ **Conduct Research**





Stakeholder Engagements in 2025

MWCIA believes that truly supporting Minnesota's workers' compensation system means engaging and educating our broader community. Our stakeholder engagements are a key part of delivering that assistance and education—whether by providing timely information, answering questions, offering training, or building vital connections. Our team uses multiple touchpoints to interact with stakeholders each day, and we respond to requests for both in-person and virtual training events to ensure our services remain accessible and relevant.

The following metrics highlight the breadth of our annual outreach and engagement. Through thousands of telephone calls, chats, circular letters, training sessions, seminars, conventions, and philanthropic events, we reinforce our commitment to fostering a knowledgeable, connected, and resilient workers' compensation community.

STAKEHOLDER ENGAGEMENTS

18

Direct Contact Emails
Circular Letters & Newsletters

10

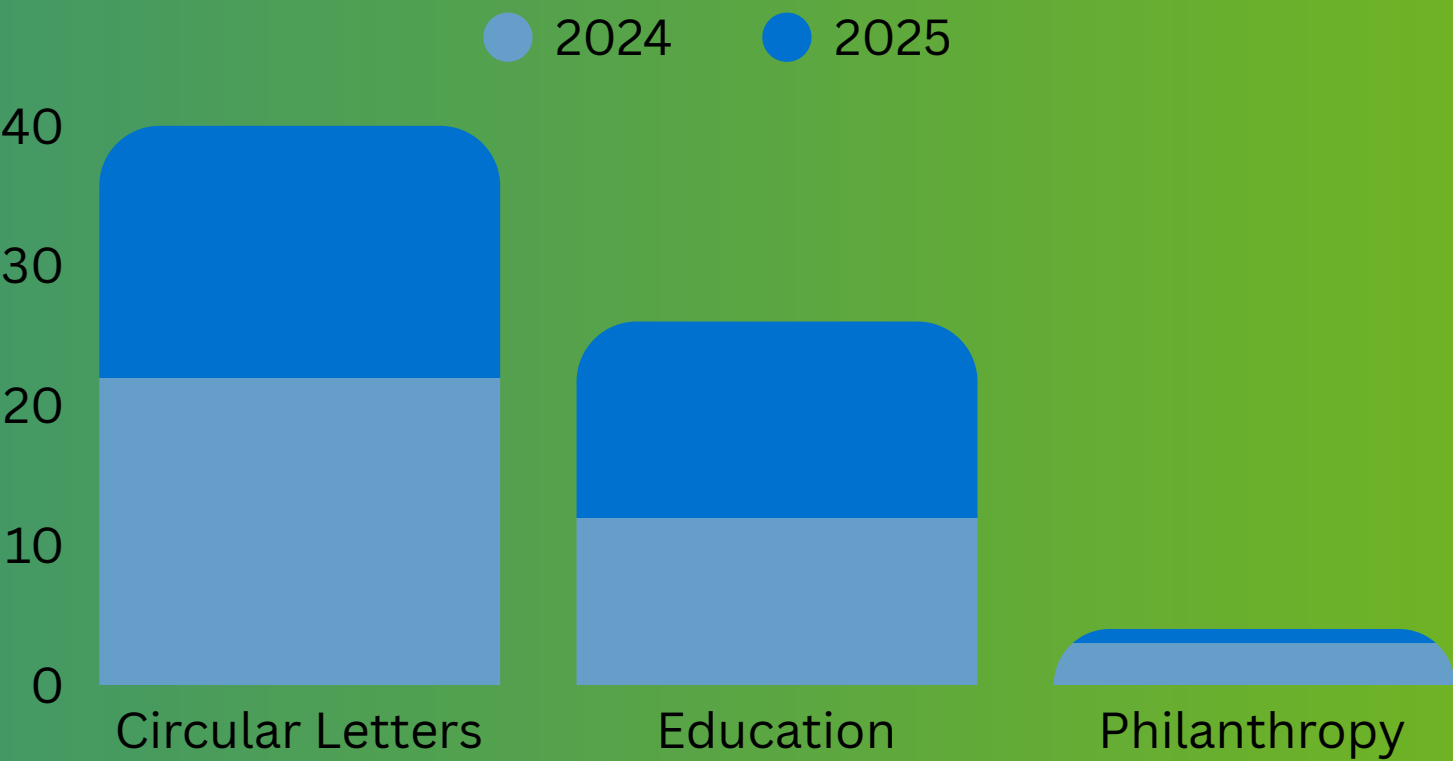
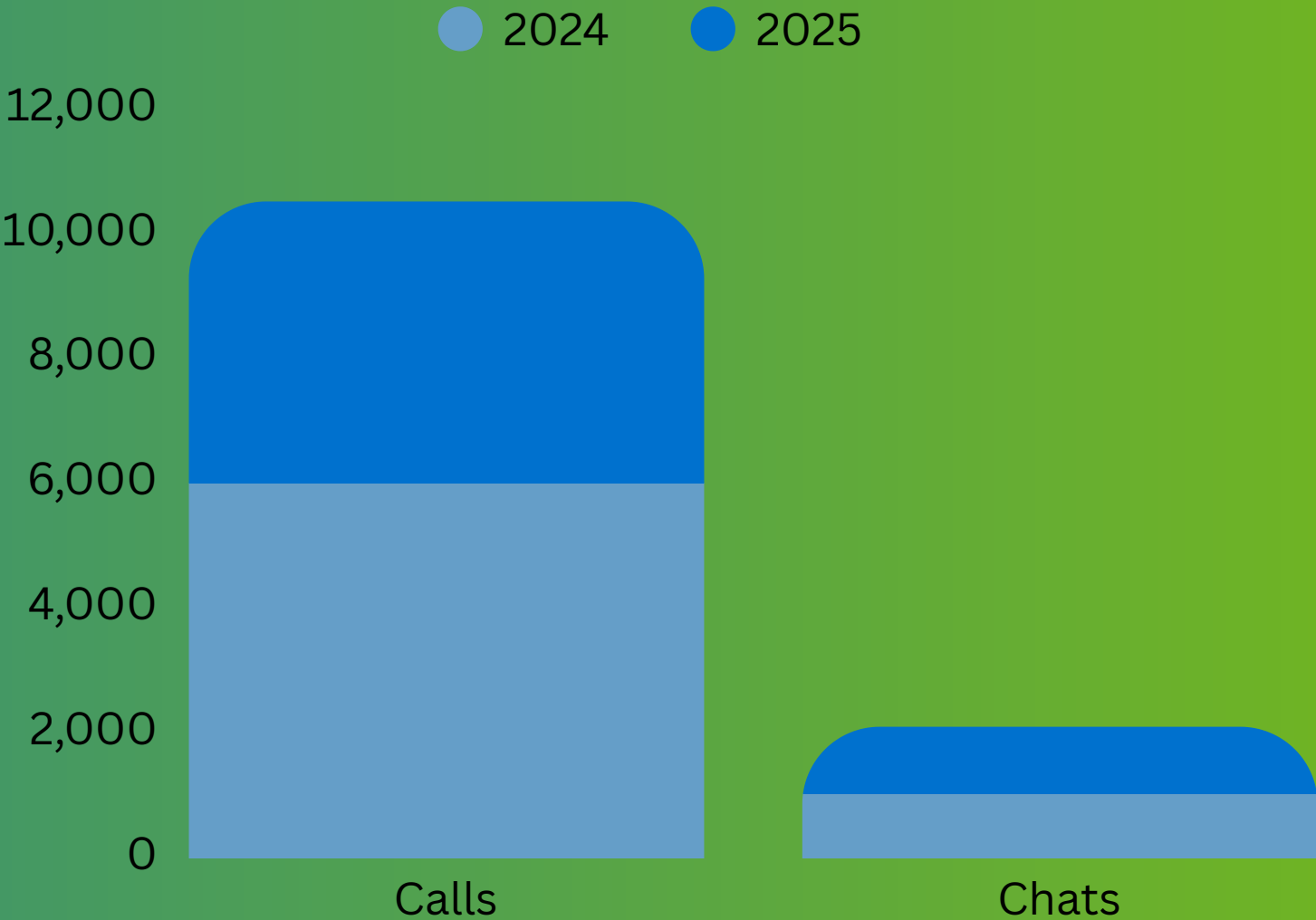
In Person Training and Education Events
Seminars in conjunction with MN Dept of Employment and Economic Development & MN Dept of Revenue, Central States Seminar, as well as external seminars for individual groups

4

Industry Conventions
MN Work Comp Forum, Big I Minnesota, PIA, MN Dept of Labor and Industry Summit

4,520
Calls

1,075
Chats





Minnesota Work Comp Forum 2025

The 2025 Minnesota Work Comp Forum, held on October 14, brought together stakeholders from across the state's workers' compensation community for a full day of education and networking.

- Co-hosted by the Minnesota Workers' Compensation Insurers Association (MWCIA) and the Workers' Compensation Reinsurance Association (WCRA).
- The event featured multiple learning tracks, interactive sessions, and an exhibitor hall highlighting key industry partners.
- Attendees engaged in presentations on emerging trends, market conditions, and practical issues affecting claims, pricing, and workplace safety, with continuing education credits available.
- Overall, the forum strengthened professional connections and reinforced a shared commitment to a stable, responsive workers' compensation system in Minnesota.



Education



Networking



Partnerships

State of the Market

The State of the Market report tracks industry metrics to provide information on the Workers' Compensation environment in Minnesota. The report details statistics on employer costs, claim frequency, claim severity, distribution of costs, and changes in case reserves.

2%

Premium volume decline (Calendar year 2024)

Minnesota's calendar year 2024 workers' compensation premium volume fell by 2% due to eased employment growth and insurance rate decreases.

Direct Earned Premium Volume

45%

Decline in ARP premium volume (2015-2024)

Assigned risk plan (ARP) premium volume declined by 45% from 2015-2024, nearly splitting the ARP market share in half.

Assigned Risk Premium Volume

10%

Steady wage increases and recent regulatory changes to Minnesota's permanent partial disability schedule resulted in increases of almost 10% for average indemnity cost per claim in each of the two latest accident years.

Average Indemnity Cost Per Claim



Reserves released on prior accident years resulted in continued net case reserve decreases since calendar year 2020.

Net Case Reserves

[Click here to view the detailed 2025 State of the Market Report](#)

Ratemaking

The 2026 Ratemaking Report, completed in August of 2025, includes the pure premium base rate schedule by class, the calculations used to produce the schedule, and explanations of the methods and factors available to amend or complement the rates.

The 2026 pure premium base rates explicitly reflect trend, loss development to ultimate, and a provision for loss adjustment expenses.



Exhibit A - Pure Premium Level Change

Determines the statewide indicated pure premium change using latest two policy and accident years of premium and loss data adjusted for current loss cost levels, audit expectations, development, trends, benefits, and loss adjustment expenses (LAE).



Exhibit B – Derivation of Pure Premium Base Rates by Class

Shows how the statewide pure premium change is applied to five sample class codes using five years of payroll and loss data with nuanced adjustments for loss development, benefit levels, trend, and industry group factors.



Appendix 3 – Trend Indications

Summarizes selected frequency, severity, and wage trends and the resulting loss ratio trend factors.



Appendix 4 – Workers’ Compensation Loss Adjustment Expenses

Describes how adjusting and other expenses (AOE) and defense and cost containment expenses (DCCE) are evaluated to develop the selected LAE provision.

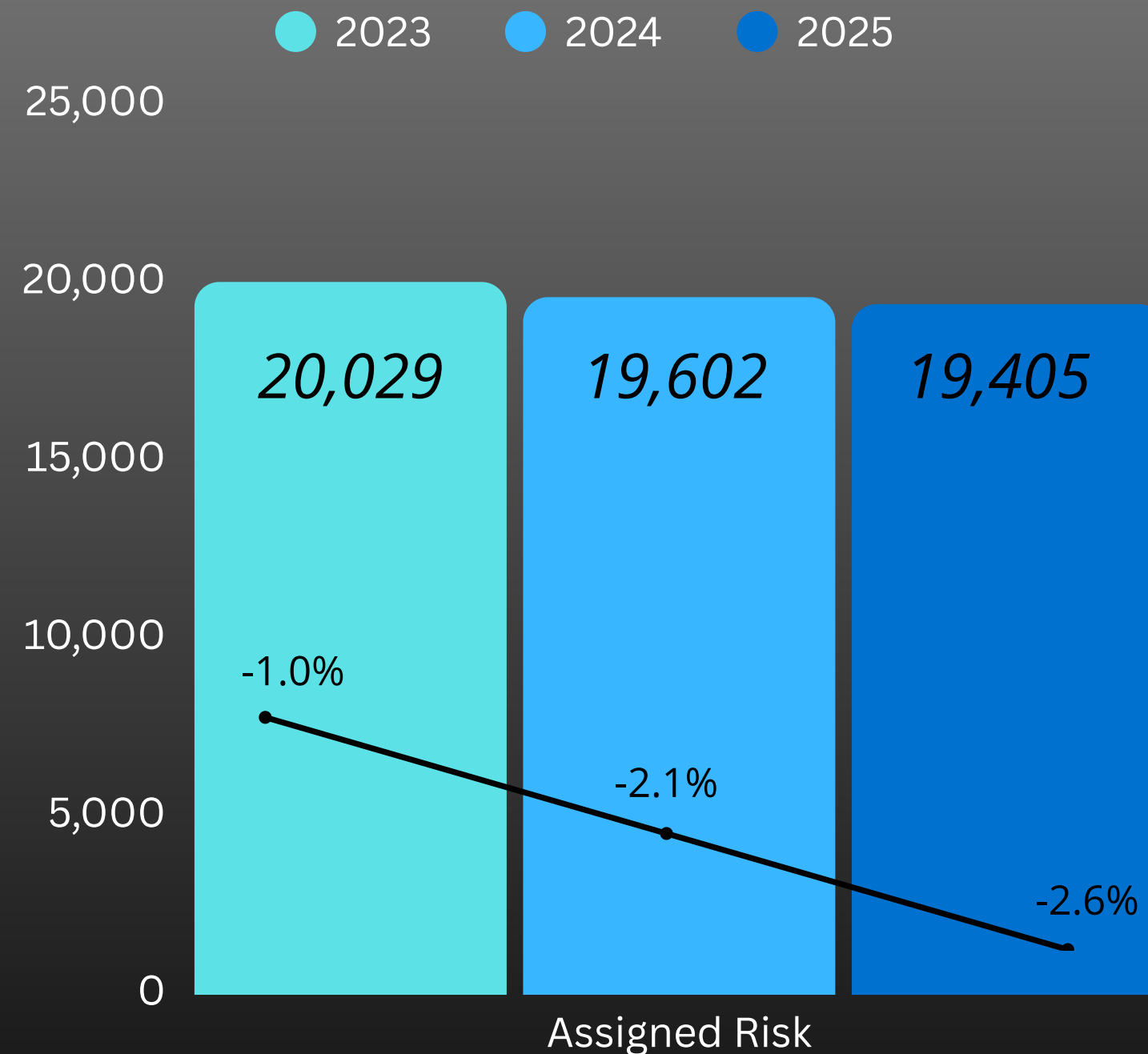


Data Analysis

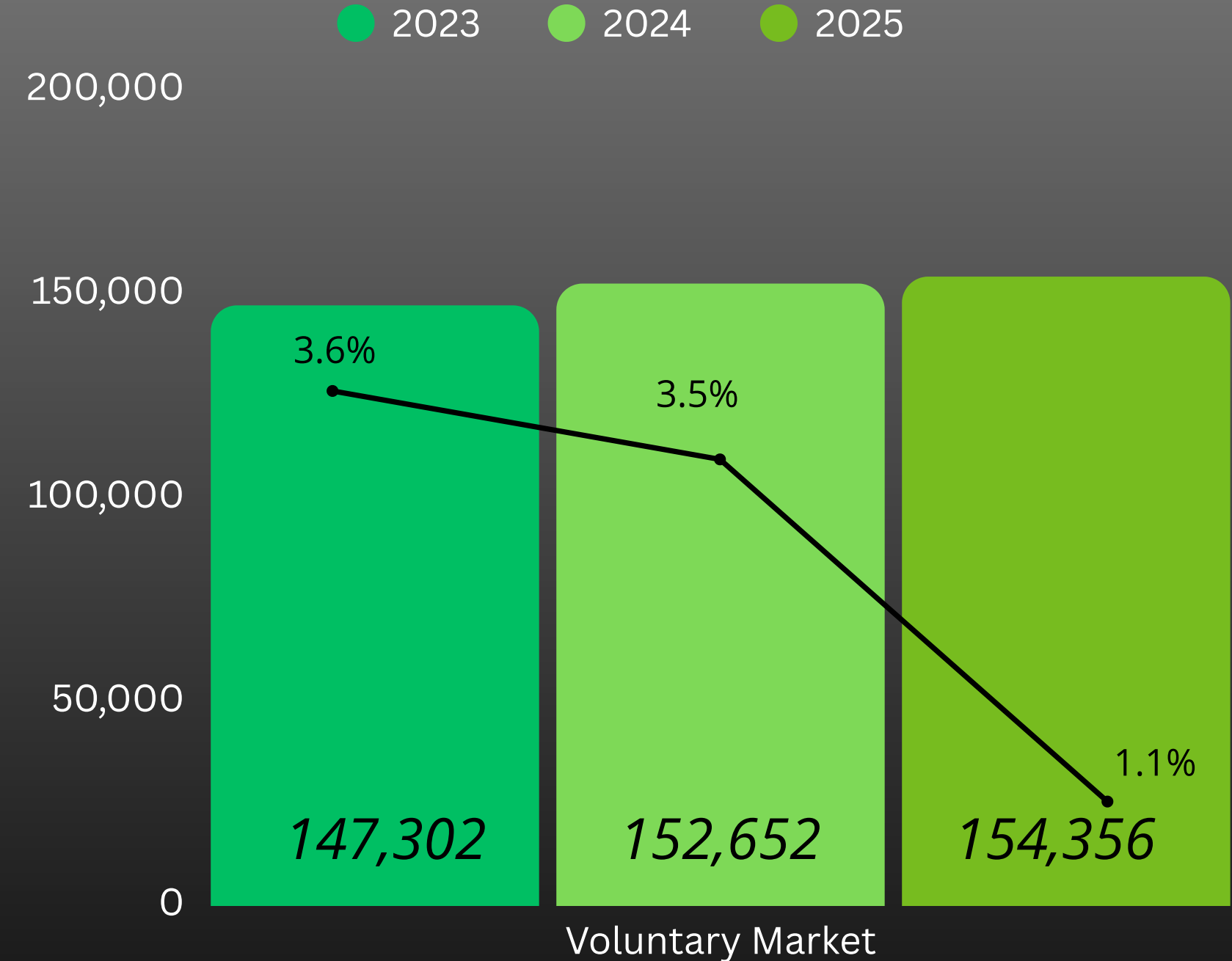
As part of our commitment to maintaining a robust and secure workers' compensation system in Minnesota, we analyze a wealth of data to deliver essential insights to our stakeholders. In this section, we present a snapshot of key data points that will shed light on our performance and trends, providing clarity and valuable information for informed decision-making.

Policy Counts

Assigned Risk Vs. Voluntary Market Data



Percent of Change Year over Year represented by line, Policy Count represented by bar.

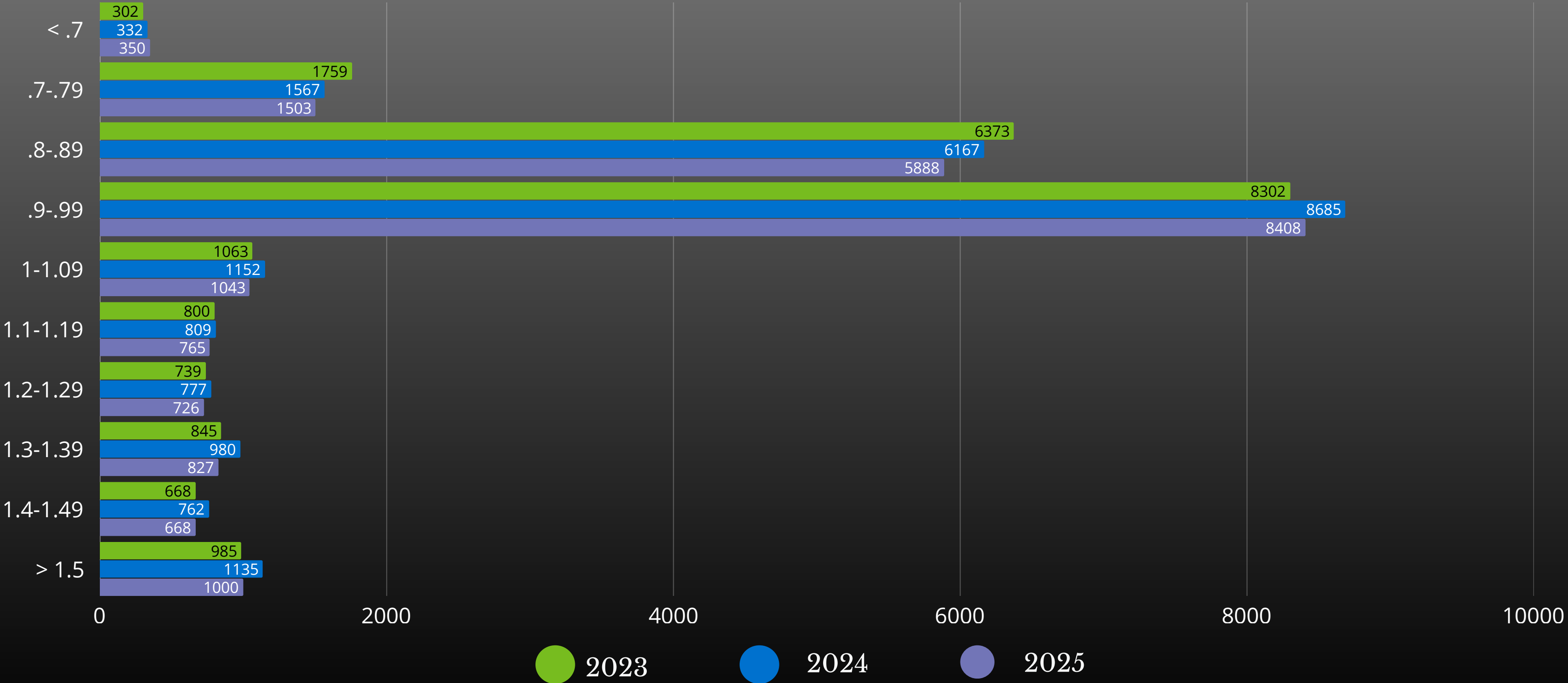


Percent of Change Year over Year represented by line, Policy Count represented by bar.

Application submission has become almost entirely digital, with 99.8% submitted online and only 0.2% received as paper applications.

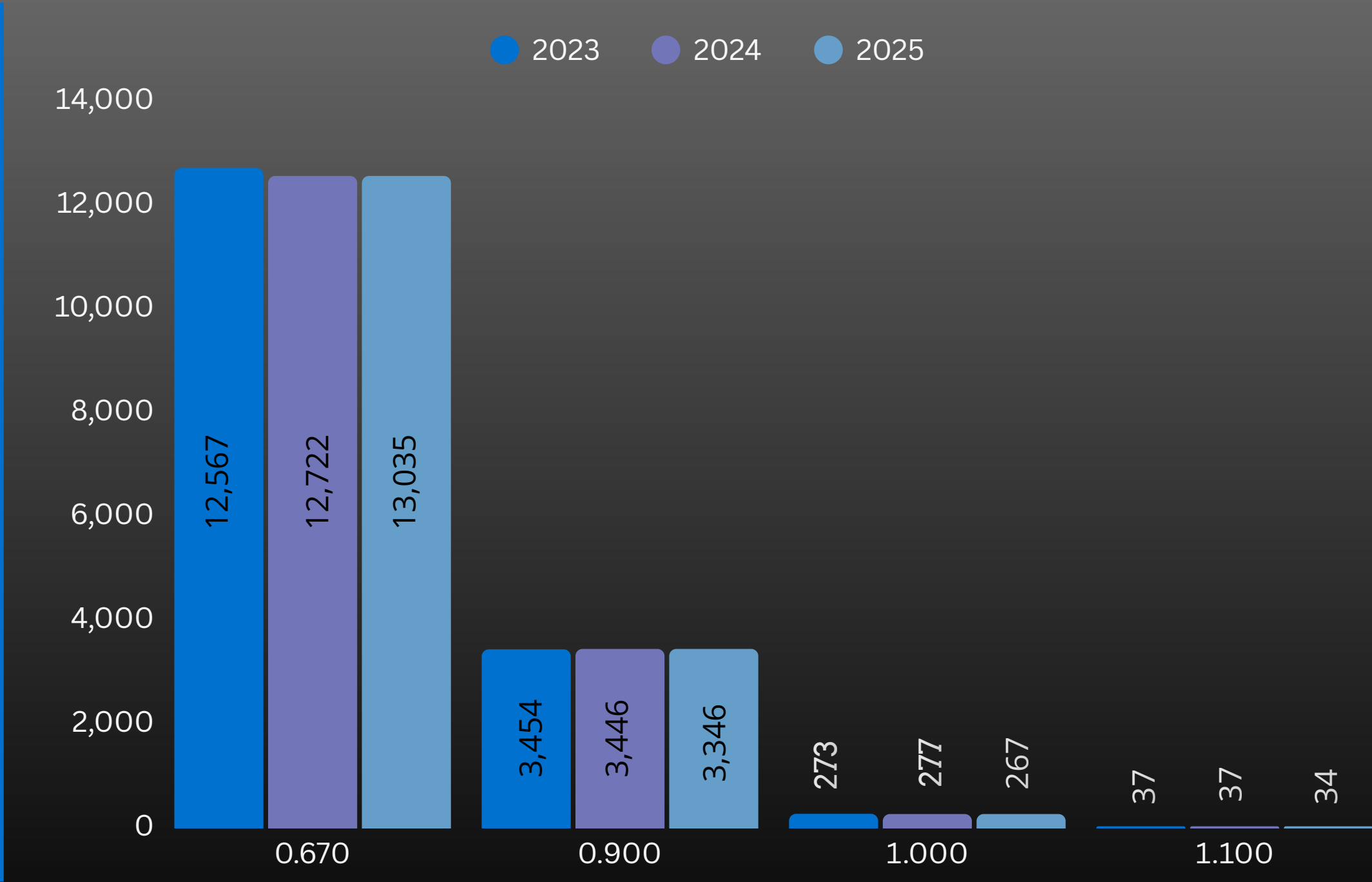
Experience Rating Counts

For 2023 - 2025 most experience modification factors remain between .80 and .99.
Annual Experience Rating Counts that total below 300 have been removed from the chart.



Number of Merit Ratings by Year and Factor

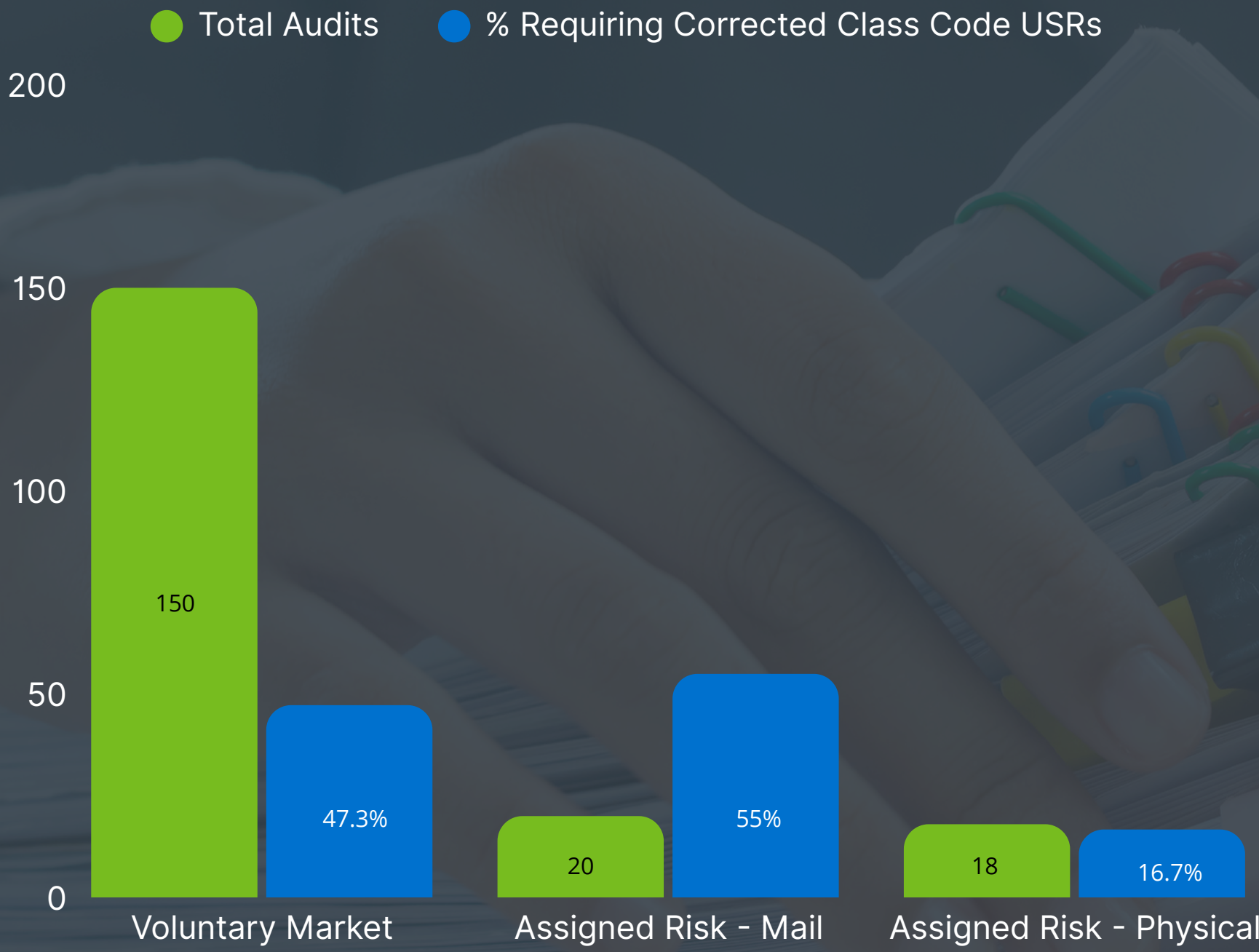
Merit rating is a premium adjustment program used for Minnesota Assigned Risk employers that are not eligible for experience rating. The program adjusts an employer's workers' compensation premium based on its loss experience and length of participation in the Assigned Risk Plan, rewarding employers with favorable loss histories and surcharging employers with adverse loss histories.



Test Audits

Jan 2024-Dec 2024

Full test audit data used in these charts can be found in Circular 25-1856 on mwcia.org



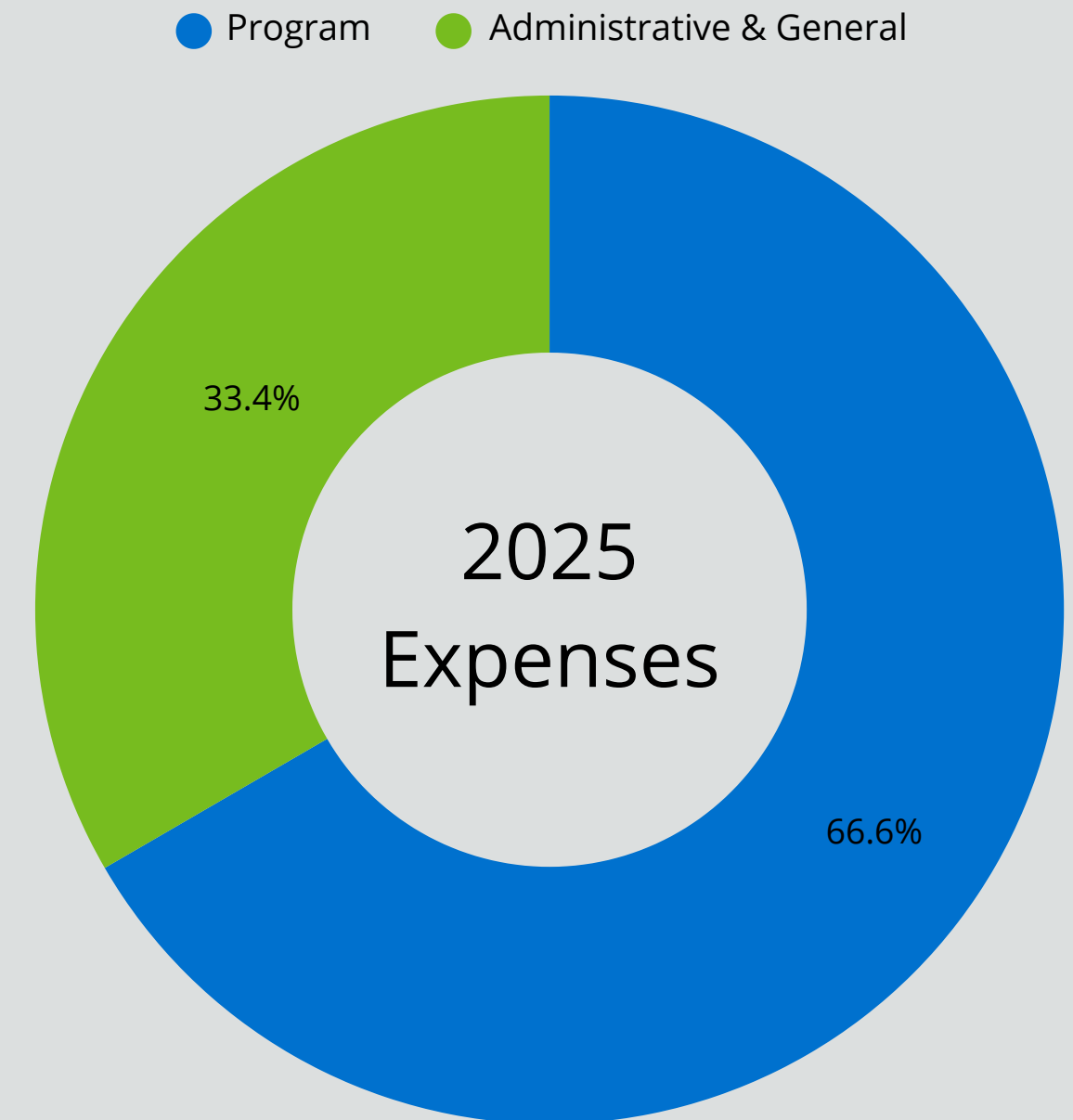
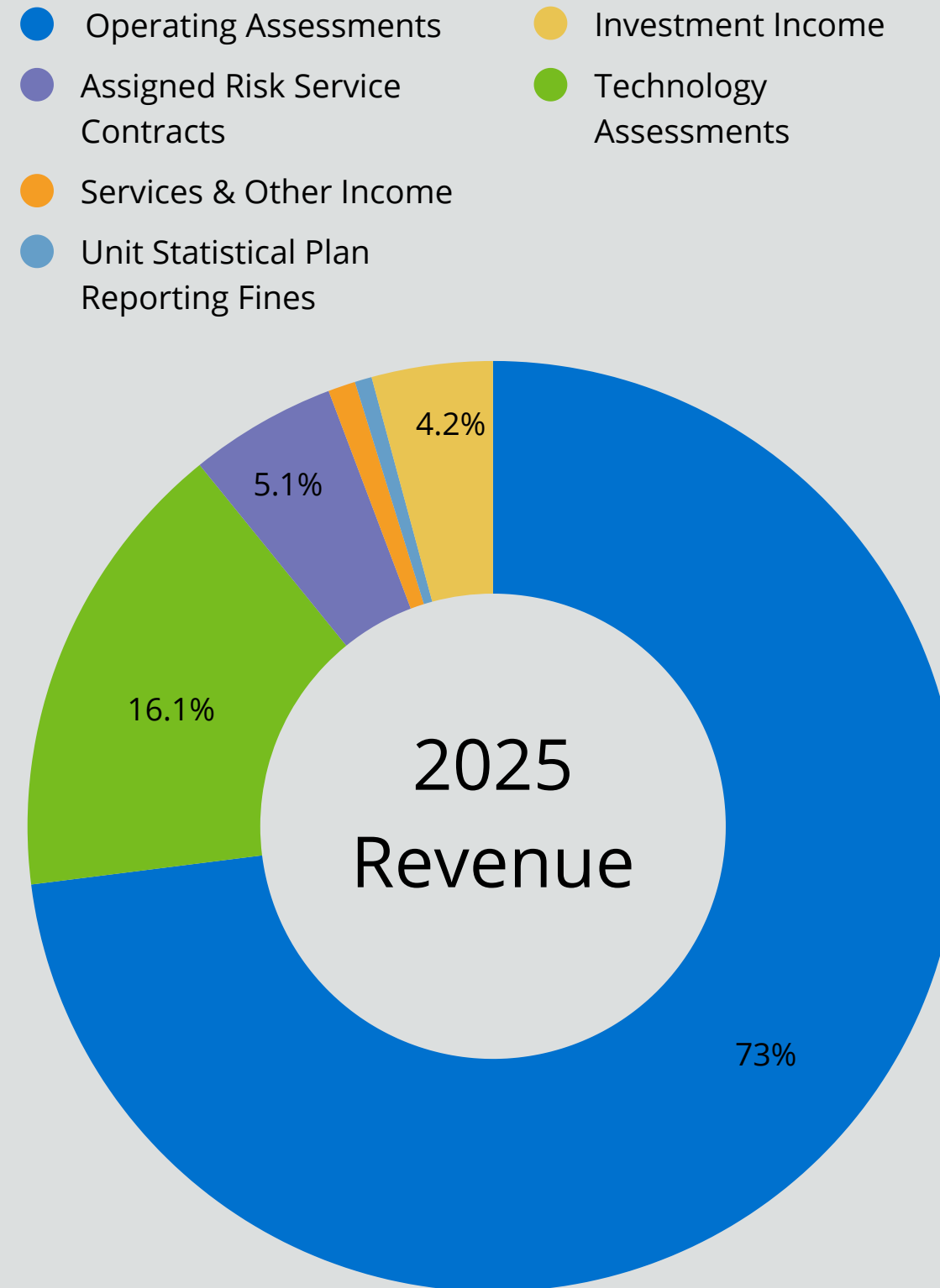
Fiscal Responsibility

In 2025, MWCIA continued its mission to advance the state's public welfare and economic security by supporting a sustainable workers' compensation system in Minnesota while maintaining strong financial stability. Total revenues and expenses were each \$10.7 Million, cash and cash equivalents increased to \$3.7 Million from \$2.1 Million, and available liquidity rose to \$5.1 Million from \$3.4 Million. These results reflect disciplined operations and continued investment in the data, ratemaking, and administrative infrastructure that supports Minnesota's workers' compensation system.



2025 Revenue and Expenses

In 2025, MWCIA reported total revenues of \$10.7 Million and total expenses of \$10.7 Million. Of these expenses, \$7.1 Million supported program activities, while \$3.5 Million funded administrative and general functions, demonstrating that the majority of spending was directed to mission-critical work.





Updated Technology

Cloud Migration

Began the process to migrate all systems to the cloud. This will enable faster load and response times, fewer outages with quicker recovery, and stronger data protection and security.

ACCEDE Reporting Tool

Updates to the entire reporting tool to enhance user experience, create reports more easily, and have greater access to make changes and view errors.

Website Security

Made multiple security improvements, including adding Captcha to applications on our website.

THANK YOU

The background of the entire image is a photograph of a construction worker in silhouette, wearing a hard hat and safety vest, working on a structure. The worker is positioned on the left side, reaching towards the center. The sky is a gradient of blue and purple at the top, transitioning to a bright orange and yellow at the bottom where a large, glowing sun is setting or rising. The sun is a large, bright yellow circle in the lower right quadrant.

For being a valued partner in MWCIA's mission to create a safe and healthy workers' compensation system in Minnesota.
