



## COMPENSATION ADVISORY ORGANIZATION OF MICHIGAN

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### **CIRCULAR LETTER #186 TO ALL MEMBERS RE: 2004 EXPERIENCE RATINGS**

Dear Member:

The Compensation Advisory Organization of Michigan is preparing to promulgate year 2004 experience modifications beginning October 20, 2003. If you wish to have new rating values used in the promulgation of your January 2004 modifications, we would need to be notified by October 17, 2003. Changes received after that date may result in revisions. **Carriers contracting with CAOM for production of experience ratings must notify CAOM of rating plan changes 60 days prior to their effective date. Notification of filings received less than 60 days prior to the effective date will result in a \$10 charge for each revised experience modification promulgated.**

Michigan Law requires that each workers' compensation insurer file an Experience/Merit Rating Plan with the Michigan Office of Financial Insurance Services. **CAOM must be notified separately of your company's filing.** The 2004 Data Collection Agency Pure Premium Publication (CAOM Circular Letter #185 dated September 15, 2003) outlines in Part III, Section A, the choices which should be considered when filing or updating your company's rating plan values. Since classification relativities based upon prior years' experience have an impact on rating values, i.e., expected loss rates, just as they impact manual rate relativities, consideration should be given to updating rating factors when new manual rates are filed.

The Michigan Workers' Compensation Placement Facility (MWCPF) has filed for and is awaiting Insurance Bureau approval of its January 1, 2004 rates which will include the same rating values as the Data Collection Agency's 2004 rates. The 2004 DCA and Facility rating values are available on our web site @ [www.caom.com](http://www.caom.com).

Unless we receive direction to the contrary, we will produce each carrier's 2004 ratings with the same factors currently in use. If you have any questions regarding which rating values CAOM is currently using for your company's modifications, please contact our office.

Very truly yours,

Jon D. Heikkinen