

MICHIGAN WORKERS' COMPENSATION PLACEMENT FACILITY

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**CIRCULAR LETTER #223
TO ALL PARTICIPANTS IN
THE MICHIGAN WORKERS' COMPENSATION PLACEMENT FACILITY**

**Regarding Assigned Risk Rates and Rating Values for the
Michigan Workers' Compensation Placement Facility - Effective 1/1/2009
Applicable to New and Renewal Policies Only**

Dear Member:

Attached are copies of the rate sheets and rating values which will be applicable to new and renewal Assigned Risk policies having effective dates on or after January 1, 2009. There is no application to outstanding policies.

Please share this rate information with agents representing your firm. **These rates are now available via the Internet on our web site @ www.caom.com.** The revision represents an average **increase of 1.7%** in overall rate level for the residual market. The rate changes are determined by using weighted averages of 80% statewide experience and 20% Facility experience.

By industry group, the changes are as follows:

Manufacturing	0.1% increase
Contracting	2.5% increase
Office & Clerical	0.0% increase
Goods & Services	4.0% increase
Miscellaneous	0.0% increase

Specific classifications within each industry class may vary from the average depending upon the volume and character of the particular classification experience.

Swing limits have been applied which operate to hold individual class rates to the following maximum movement from January 1, 2008 rates.

Manufacturing	from 25.1% above to 24.9% below
Contracting	from 27.5% above to 22.5% below
Office & Clerical	from 25.0% above to 25.0% below
Goods & Services	from 29.0% above to 21.0% below
Miscellaneous	from 25.0% above to 25.0% below

The classifications which have been limited are:

List of Classifications Limited by Upper Swing

0005 0106 0909 1164 2587 3131
 3257 3306 3559 3581 3635 4131
 4250 4253 5146 7151 7152 7153
 7213 7904 8046 8050 8232 8264
 8803 8820 9558

List of Classifications Limited by Lower Swing

3827 8279 8291

Miscellaneous Values

1. United States Longshoremen’s and Harbor Workers’ Compensation Coverage Percentage

Due to the benefit provisions of federal and state laws, the United States Longshoremen’s and Harbor Workers’ Compensation coverage percentage applicable only in connection with Rule XI - D-3 “*United States Longshoremen’s and Harbor Workers’ Act*” of the Basic Manual for Michigan Workers’ Compensation Placement Facility is 71%, applicable to new and renewal business. As a multiplier, the percentage increase is 1.71 (rate multiplied by 1.71).

2. Retrospective Rating Plan Tax Multiplier

Due to the change in the Miscellaneous Tax and in the Secondary Injury Fund, the Silicosis and Dust Disease Fund, and the Occupational Safety Fund Assessment, the tax multipliers used in connection with retrospective ratings are:

A. State (Non-F Classes)	1.027
B. Federal Classes, or Non-F classes where rate is increased by the USL & HW Act percentage	1.055

These factors are applicable to new and renewal policies.

3. Basis of Premium

Basis of Premium applicable in accordance with the footnote instructions for Code 7220 "Taxicab Company - Drivers" is \$27,500.

4. Remuneration for Executive Officers

The weekly payroll amount for corporate officers and active members of limited liability companies is \$409 for the minimum weekly payroll assumption and \$1,500 is the maximum.

5. Minimum Premiums

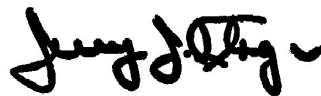
The Maximum Minimum Premium is \$750. The Minimum Premium multiplier is 125.

Example: Manual Rate = $\$4.40 \times 125 = \$550 + \$200 = \750

$(\text{Manual Rate}) \times (\text{Multiplier}) + (\text{Expense Constant}) = \text{Minimum Premium}$

The revision of rates and rating values was approved for use in the Facility and is applicable to all Facility policies with new or renewal dates of January 1, 2009 or later.

Yours truly,



Jerry J. Stage
President