

**MICHIGAN WORKERS' COMPENSATION PLACEMENT FACILITY**

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October 1, 2009

**CIRCULAR LETTER #230  
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 1/1/2010  
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, 2010. 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](http://www.caom.com).** The revision represents an average **decrease of 4.1%** 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	2.4% decrease
Contracting	6.4% decrease
Office & Clerical	8.7% decrease
Goods & Services	3.4% decrease
Miscellaneous	2.4% decrease

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, 2009 rates.

Manufacturing	from 22.6% above to 27.4% below
Contracting	from 18.6% above to 31.4% below
Office & Clerical	from 16.3% above to 33.7% below
Goods & Services	from 21.6% above to 28.4% below
Miscellaneous	from 22.6% above to 27.4% below

The classifications which have been limited are:

**List of Classifications Limited by Upper Swing**

0005 0909 2380 2587 3040 3081  
 3145 3257 3306 3581 3726 4131  
 6504 7220 8116 8264 8293 8803  
 9558

**List of Classifications Limited by Lower Swing**

3372 3827 8381

**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 65%, applicable to new and renewal business. As a multiplier, the percentage increase is 1.65 (rate multiplied by 1.65).

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)	1.026
B. Federal Classes, or Non-F classes where rate is increased by the USL & HW Act percentage	1.044

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 \$28,000.

4. Remuneration for Executive Officers

The weekly payroll amount for corporate officers and active members of limited liability companies is \$417 for the minimum weekly payroll assumption and \$1,700 is the maximum.

5. Minimum Premiums

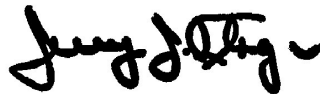
The Maximum Minimum Premium is \$750. The Minimum Premium multiplier is 125.

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, 2010 or later.

Yours truly,



Jerry J. Stage  
President