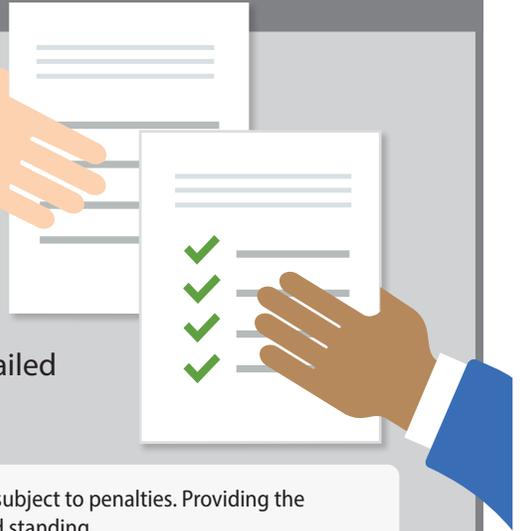


MCIT'S DATA REPORTING CYCLE

KNOW YOUR RESPONSIBILITIES

The MCIT Bylaws (Section 5.3) require that MCIT provide members with the annual renewal notice between Aug. 1 and Aug. 21. This deadline was established based on county members' request to have this information in time for their budget calculations to comply with the Truth in Taxation deadline for setting a preliminary levy in September. To meet the deadline and to be a member in good standing, all members are required to provide specific data on a prescribed schedule. Members receive a formal request with detailed submission instructions for each request for data.



According to the MCIT Bylaws (Section 10.2), a member that fails to be in good standing may be subject to penalties. Providing the information necessary for MCIT to complete its renewal process is key to being a member in good standing.

JANUARY

ANNUAL CONTRIBUTION

- Contribution payment is due by Jan. 31. This includes the current year's contribution and any contribution due for the previous year's workers' compensation audit if the member underestimated the payroll.



Pursuant to the Prompt Payment statute (Minn. Stat. § 471.425), MCIT charges a fee for late payments.

ACTUAL PAYROLL INFORMATION

- Provide the organization's actual payroll data from the previous year by classification code by Feb. 1.
- Include the state unemployment return.
- Members that overestimate payroll will receive a refund in June.
- Members that underestimate payroll receive notification of the amount due, which is invoiced later in the year and payable by Jan. 31 the following year.



Ensure the payroll report identifies each employee and his or her gross wages by classification code.

MARCH

LIABILITY RISK ASSESSMENT FOR NEXT COVERAGE YEAR

- By March 31, submit information online regarding ratable exposures, such as number of employees, the organization's budget, road miles maintained and total jail cells. The data is used to calculate a member's liability (casualty) coverage contribution for the following year.



Absent receiving a risk assessment, MCIT automatically increases the member's ratable exposures and annual contribution, regardless of any actual changes.



MCIT aggregates the data from all members to help establish coverage rates that are uniformly applied across the membership.



WE'RE HAPPY TO HELP!

MCIT's underwriting department is available Monday through Friday 8 a.m. to 4:30 p.m. to answer members' questions or to provide other assistance related to the processes explained in this handout.



APRIL

PAYROLL ESTIMATE FOR NEXT COVERAGE YEAR

- By April 30, submit the best estimate of the organization's gross payroll for each applicable MCIT job classification for the coming year. Members complete and submit this estimate online, using specific job classification codes that consider the risks associated with job duties. This information and the organization's unique experience modification factor are used to calculate the member's workers' compensation contribution.

TIP

- Refer to MCIT's Workers' Compensation Classification Code Handbook (MCIT.org/reporting-MCIT/) to:
 - ◆ Determine the appropriate job classification codes for positions in the organization.
 - ◆ Calculate an employee's gross pay.

EDP INVENTORY

- Submit the organization's electronic data processing equipment inventory by April 30 via e-mail or U.S. mail. The inventory establishes the blanket amount of coverage provided to the member for this specialized equipment, such as computers, monitors, servers, smart phones, printers, etc.

TIP

- An EDP equipment inventory template is available at *MCIT.org*. An alternative format is acceptable as long as it includes item description (make, model, manufacturer), department/location, model/serial number, acquisition date and replacement cost value.

JUNE

AUTOMOBILE AUDIT

- MCIT reviews all changes (additions/deletions) to a member's automobile schedule made during the prior coverage year. Rather than invoicing and refunding members each time a change is made, MCIT combines all changes into one adjustment.
 - ◆ MCIT issues refunds to members by June 30.
 - ◆ Members that owe MCIT additional contribution have until Aug. 15 to make the payment.

TIP

- Immediately submit changes to MCIT when vehicles are acquired or removed from service.

PAYROLL AUDIT

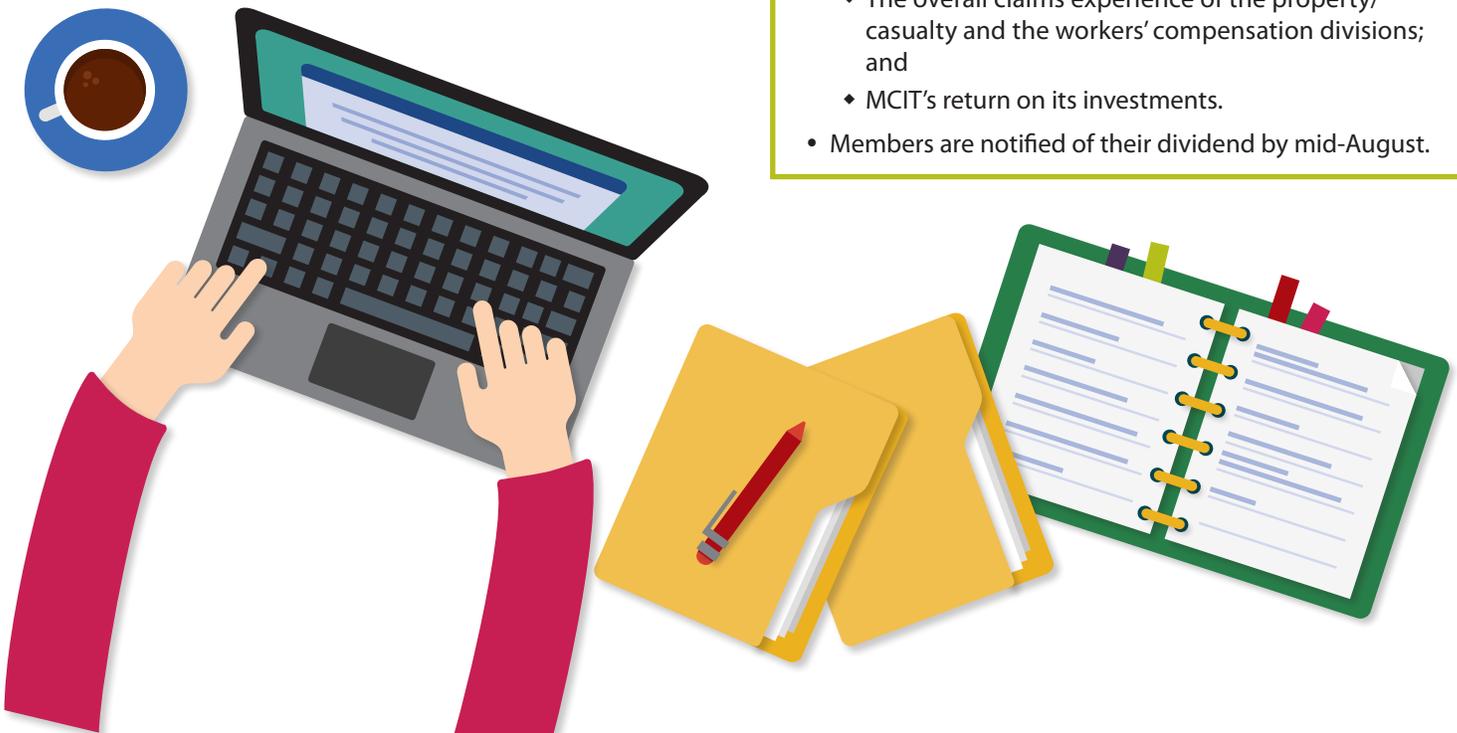
- MCIT completes the annual payroll audit by comparing the member's estimated payroll for the previous coverage year to the actual payroll for the year that was submitted in January.
 - ◆ MCIT sends a refund to members that overestimated their payroll or sends notice of amount owed to those that underestimated payroll for the previous year.

DIVIDEND DECISION

- Upon completion of the independent audit and actuary's analysis of reserves, the MCIT Board of Directors makes a decision regarding the merit of a dividend. The decision to announce a dividend is influenced by:
 - ◆ The overall claims experience of the property/casualty and the workers' compensation divisions; and
 - ◆ MCIT's return on its investments.
- Members are notified of their dividend by mid-August.

TRAP

- Dividends are not guaranteed and can vary from year to year.



JULY AND AUGUST

RATES DECISION, RENEWAL ESTIMATE

- Based on the actuary's analysis of estimated future costs of claims and operations, rates for property, liability and workers' compensation coverages for the following year are determined.
 - ♦ Property/casualty rates are applied to each member's specific exposures to calculate an estimate of contribution. MCIT does not experience rate property or liability coverages. A member's prior loss history does not affect the cost of contribution. Exposures are treated uniformly regardless of the size of the member.
 - ♦ Workers' compensation coverage is calculated using the approved rate, the member's gross payroll in each employee classification code and the member's unique experience modification factor (claims experience).
- Members receive an estimate of their next year's coverage contribution no later than Aug. 21.



A member's workers' compensation experience modification factor changes each year and may vary greatly depending on the member's past claims experience.

OCTOBER, NOVEMBER

COVERAGE CHANGES, DIVIDENDS DISTRIBUTED

- Material changes to the MCIT Coverage Document for the following year are shared with members via e-mail, newsletter, phone or webinar (January).
- MCIT electronically distributes dividend payments to members in November if announced in June.

DECEMBER

COVERAGE DOCUMENT MAILED, RENEWAL INVOICE SENT ELECTRONICALLY

- In mid-December, MCIT mails to members for the following year:
 - ♦ MCIT Coverage Document
 - ♦ Location, inland marine, vehicle and canine schedules
 - ♦ Coverage declarations pages
 - ♦ Vehicle identification cards
 - ♦ County members receive a breakdown of their contribution by department
- MCIT sends electronic renewal/contribution Invoice to members:
 - ♦ Invoice may be different than estimate provided, as the final invoice reflects changes made to schedules since August.
 - ♦ Invoice the amount a member may owe in additional workers' compensation contribution for the previous year based on the payroll audit completed in May.



- MCIT coverage renews for all members Jan. 1.

ONGOING

SCHEDULES

- Members are required to submit changes to their property, inland marine, vehicle and canine schedules through the online member portal. If an item is not on the schedule, it likely is not covered.



- To submit a schedule change (e.g., add or delete a vehicle or building), simply log in to the member portal (*MCIT.org*) and complete the appropriate change request form. Specific instructions on how to request schedule changes are available at *MCIT.org* under the Claims and Data Reporting tab. Members can also review their current schedules through the member portal.
- To make sure that an item's value is scheduled appropriately, learn whether the item is covered on a replacement cost or actual cash value basis. Then check the schedule to see if the amount is correct. Replacement cost is the amount for a similar new item, whereas actual cash value is the physically depreciated value of an item.



Schedules include the property that a member owns, as well as the property's covered value. Available coverage is based on what a member has listed on the schedules.



MCIT'S DATA REPORTING CALENDAR

JANUARY	FEBRUARY	MARCH	APRIL
 DUE JAN. 31 <ul style="list-style-type: none"> Annual contribution payment Previous year's actual payroll data 		 DUE MARCH 31 <ul style="list-style-type: none"> Liability risk assessment 	 DUE APRIL 30 <ul style="list-style-type: none"> Estimated payroll for next year EDP inventory
MAY	JUNE	JULY	AUGUST
	 RECEIVE: <ul style="list-style-type: none"> Auto refund or invoice Payroll audit refund or notice of payment MCIT DECISION: <ul style="list-style-type: none"> MCIT announces a dividend when appropriate 	MCIT DECISION: <ul style="list-style-type: none"> MCIT board sets aggregate rates for next year's coverage 	 RECEIVE: <ul style="list-style-type: none"> Estimated contribution for next year Notification of dividend  DUE AUG. 15 <ul style="list-style-type: none"> Auto coverage contribution (if applicable) for previous year
SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER
		 RECEIVE: <ul style="list-style-type: none"> Dividend payment MCIT DECISION: <ul style="list-style-type: none"> MCIT determines any coverage changes for the next year 	 RECEIVE: <ul style="list-style-type: none"> Updated coverage document Next year's contribution invoice

THROUGHOUT THE YEAR, SUBMIT CHANGES TO LOCATION, INLAND MARINE EQUIPMENT, VEHICLE AND CANINE SCHEDULES VIA THE ONLINE MEMBER PORTAL AT MCIT.ORG AS NEEDED.



MCIT IS HAPPY TO HELP!

MCIT's underwriting department is available Monday through Friday 8 a.m. to 4:30 p.m. to answer members' questions or to provide other assistance related to the processes explained in this handout.

CONTACT MCIT UNDERWRITING:

- 1.866.547.6516 (toll-free) or 651.209.6400 (local)
- underwriting@mcit.org