



Minnesota FAIR Plan

Plan of Operation

Member Company Assessment Policy

Appendix G

The data used to calculate the Assessment Base and Participation Factors is obtained from the Minnesota Department of Commerce. Participation factors are posted at our web site in the Member Company Section.

The Assessment Base of the Facility is determined using the method described in Section 10 of the Plan of Operation. The Participation Factor is the amount that each Member's total premium bears to the Assessment Base.

The Governing Board has determined the non-liability portion of Farm premium to be 66% of total Farm premiums.

The Board will approve a budget for the upcoming year no later than the 4th Quarter Governing Board Meeting. After adoption of the budget the Board will approve the amount of the assessment for the coming year. The assessment amount will be calculated as follows: Projected budgeted expenses for the next fiscal year, PLUS outstanding Loss and Loss Adjustment Reserves, MINUS total cash on hand. At the Board's discretion, the resulting figure may be adjusted up or down, based upon expectations for the coming year.

The assessment notice will be sent after the 4th Quarter Governing Board Meeting. Assessment notices will be due and payable upon receipt.

Nothing in this assessment procedure should be construed as to prohibit an emergency assessment should one be required.