

Meeting minutes: Workers' Compensation Advisory Council

Date: Oct. 8, 2025

Minutes prepared by: Alyssa Westergard, executive secretary to the Workers' Compensation Advisory Council

Location: Department of Labor and Industry, Minnesota Room, 443 Lafayette Road N., St. Paul, MN

Attendance

Members attended

Bernie Burnham

Bob Ryan

Colin Beere

David Henrich

Doug Loon

Gary Thaden

Hannah Alstead

John Thorson

Maggie Hobbs

Matthew Schmidt

Nicole Van Heel

Rep. Kaela Berg

Sen. Paul Utke

DLI staff members attended

Commissioner Nicole Blissenbach

Assistant Commissioner Jessica Stimac

Alyssa Westergard

Alexis Johnson

April DelCastillo

Bretta Hines

Derek Rushlow

Donna Olson

Elisabeth Griswold

Ender Kavas

Ethan Landy

Gideon Ondieki

Hared Mah

Jeanne Vogel

Joe Lolich

Josiah Moore

Karen Kask-Meinke

Larry Farrar

Laura Zajac

Melissa Parish

Michael Gray

Nichole Sorenson

Virginia Prax

Yuri Jelokov

Visitors attended

Adam Wolkoff, Court of Administrative Hearings

Alison Khan, WCRA

Andrea Everling, MWCIA

Anna Kim, LMC

Auntara De, MWCIA

Bill Marshall, Wilson McShane

Carla Ferrucci, MAJ

David Sullivan, Minnesota House of Representatives

Deb Norsten, Hennepin County

James Heer, WCRA

Jerry Sisk, Mottaz Sisk

Jill Gustafson, Ram Mutual

Jonathan Boesche, NFIB

Kara Huberty, LMC

Kathleen Moulton, Allina

Kathryn H. Carlson, Workers' Compensation Court
of Appeals

Kathy Fisher, WCRI

Katie Storms, Aafedt Forde

Lauren Reller, Stinson

Lauryn Schothorst, Minnesota Chamber of
Commerce

Mark Freeman, Teplinsky Law Group

Melissa Hysing, Minnesota AFL-CIO

Owen Wirth, LMC

Ryan SanCartier, MCA

Steve Hollander, Voc Rehab Associates
Suzanna Kennedy, Stinson

Tom Hanson, Winthrop
Tori Kee, LMC

Call to order and roll call

Department of Labor and Industry (DLI) Commissioner Nicole Blissenbach called the meeting to order at 9:38 a.m. A roll call was taken and a quorum was present.

Approval of the minutes and agenda

Bernie Burnham moved to accept today's agenda and the minutes from Sept. 10, 2025. Gary Thaden seconded the motion. A vote was taken and the motion carried.

Announcements

Assistant Commissioner Jessica Stimac noted that DLI Special Compensation Fund supervisor Karen Kask-Meinke is retiring. She also reminded the council the Work Comp Forum is Oct. 14 and said there is still time to register to attend. The event is hosted by WCRA and MWCIA, and content was developed in collaboration with DLI.

Agenda items

1. Rate Oversight Commission

Andrea Everling, vice president of actuarial services, MWCIA, addressed the council to give an overview of the 2026 Minnesota Ratemaking report. Everling detailed the data MWCIA analyzed to determine pure premium base rates. It starts with including an experience-only indication based on the two most recent policy and accident years adjusted forward to 2026 and then averaged. Next, it looks at legislative impact, including the statewide average weekly wage. Finally, it looks at the loss adjustment expenses. The overall indication was a 4.6% decrease to the pure premium base rates for 2026.

Everling gave an overview of a few metrics MWCIA monitors each year, which are: how direct-written premium has changed over time; how the Assigned Risk Plan has changed; indemnity severity; and indemnity frequency. During the past five years, Minnesota had an indemnity severity increase of 24% and NCCI had a 20% increase. Medical costs on claims with an indemnity payment have steadily increased in NCCI states, averaging about 2.1% each year. Minnesota has stayed between the \$20,000 and \$23,000 average severity across the past decade. As far as frequency, there has been a decline – especially in accident year 2024. This is one of the drivers of the decrease in the 2026 pure premium base rates.

2. 2025 Minnesota Workers' Compensation System Report

Hared Mah addressed the council to give an overview of the *2025 Minnesota Workers' Compensation System Report*. He began by noting the primary data sources for the report are DLI's claims database – but limited to claims with lost time or paid indemnity benefits – and MWCIA's data service organization and rating bureau. He also noted there is an adjustment of cost data for average wage growth.

Mah then summarized some key aspects of the report. Indemnity and medical benefits have continued to decrease during the past 20 years. There has been a long-term downward trend in system cost

relative to payroll. He noted medical benefits are the largest expense, followed by insurer expenses and then indemnity benefits. Mah also discussed changes in the average pre-injury wage (APIW) and statewide average weekly wage (SAWW) from 2019 to 2023. He noted the APIW is less than the SAWW because, on average, injured workers are concentrated at the lower wage sectors.

Mah then discussed changes in total disability benefits and average permanent partial disability benefits, including an increase in the average duration that workers received temporary total disability benefits for non-COVID-19 claims in 2023.

Related to vocational rehabilitation, Mah noted the number of workers with vocational rehabilitation plans is now closer to pre-pandemic levels. The adjusted total cost of vocational rehabilitation services for injury-year 2023 is estimated at \$48.4 million, which is a 7% increase from 2022. A majority of closed vocational rehabilitation plans shows injured workers back at work. Average and median vocational rehabilitation service durations have remained stable for the past 10 years, with only some minor fluctuations.

Mah concluded with an overview of denial rates. He said denial rates increased from 2019 to 2022, but were not outside of the historical ranges. He also noted the denial rate for COVID-19 claims was 50% in 2023, which is significantly higher than the 16% denial rate for non-COVID-19 claims in 2023.

Council members had questions about both presentations and additional discussion ensued.

Other business

The next Workers' Compensation Advisory Council meeting will be Nov. 12, 2025.

Adjournment

Bob Ryan moved to adjourn the meeting and Thaden seconded. A vote was taken and the meeting adjourned at 10:38 a.m.

Respectfully submitted,
Alyssa Westergard, executive secretary