

May 9, 2025

Members of the Minnesota House of Representatives  
State Office Building  
100 Rev Dr. Martin Luther King Jr Blvd  
St. Paul, MN 55155

Members of the Minnesota Senate  
Minnesota Senate Building  
95 University Ave W  
St. Paul, MN 55155

**Re: 2025 Workers' Compensation Advisory Council recommendations  
HF3228 (Baker/Berg/Wolgamott/Virnig)/SF3407 (McEwen/Utke)**

Dear Senators and Representatives:

The Workers' Compensation Advisory Council (WCAC) is a statutory labor-employer council that negotiates reforms to the workers' compensation system before recommending a consensus bill to the Legislature. *See* Minn. Stat. § 175.007.

The WCAC has been meeting and considering proposals since the fall of 2024. The Council worked closely with workers' compensation stakeholders over many months to generate both technical and substantive proposals to improve the workers' compensation process and system for businesses and injured workers.

On March 26, 2025, the WCAC approved amendments to finalize a package of technical recommendations including: clarifying the definition of employee as it relates to certain direct care programs under the Minnesota Department of Human Services; clarifying the definition of a corporate executive officer for insurance purposes; increasing the limit above which benefits are assignable; clarifying payment for home nursing services provided by a household member of an injured worker; technical changes related to certain filing provisions; and repeal of a rules provision codified into statute.

On May 9, 2025, the WCAC approved amendments related to two substantive items: (1) workers' compensation premium fraud prevention in the construction industry; and (2) wrap-up forms for major construction projects. The Department of Labor and Industry, the Department of Commerce, the Bureau of Criminal Apprehension, and key stakeholders conducted extensive conversations to reach consensus, demonstrating the ability of the WCAC to continue to tackle major workers' compensation issues and come to a resolution that is beneficial to both the business and labor communities.

The approved amendments to chapters 176 and 79 related to premium fraud prevention in the construction industry specifically address workers' compensation "zero estimated exposure" policies, newly defined as a policy where the employer reports its total estimated exposure—or covered payroll—as zero. The proposal establishes new reporting requirements and requires an attestation at the time of application for a zero estimated exposure workers' compensation policy.

Additionally, the WCAC approved amendments to allow for use of “owner” or “contractor” controlled insurance programs in which a series of workers’ compensation policies are issued to a project sponsor to cover the workers’ compensation liability for multiple contractors on a specific project—often described as a “wrap-up” policy. The amendments set out the requirements necessary to apply for a wrap-up policy and the process for approval or disapproval with the Department of Commerce.

Authors to the bill include all four legislative liaisons to the Council, Representative Baker, Representative Berg, Senator McEwen and Senator Utke. It is important that the legislature support the work of the WCAC and we respectfully request that the House and Senate vote in support of the bill, as approved by the WCAC.

Sincerely,



Nicole Blissenbach  
Commissioner  
MN Department of Labor and Industry  
WCAC Chair



Doug Loon  
President and CEO  
MN Chamber of Commerce  
WCAC Member



Bernie Burnham  
President  
MN AFL-CIO  
WCAC Member

cc: Members of the Workers’ Compensation Advisory Council  
Nicauris Heredia-Rosario, Governor’s Office