

**Workers' Compensation Advisory Council
Meeting Minutes
July 29, 2009
Kneip Building Conference Room #3
Pierre, SD**

The Workers' Compensation Advisory Council met on Wednesday, July 29, 2009, at the Kneip Building Conference Room #3 in Pierre, South Dakota.

Members Present

Dennis Daugaard, Chair
Paul Aylward
Connie Halverson
Jeff Haase
Chris Lien (Via DDN)
Glenn Barber
Pam Roberts

Members Absent

Randy Stainbrook
Guy Bender
Carol Hinderaker
Paul Kinsman

Others Present

James Marsh
Mike Taylor
Dan Nelson
Nathan Lukkes
Naomi Cromwell
Mary Weischedel
Mike Shaw
Kelly Campbell
Deb Mortenson
Lynn Job
Patsy Mehlhaff
Merle Scheiber
Ashley Huber (SF DDN)
Jeff Shultz (SF DDN)
Bob O'Connell (SF DDN)
Larry Klaasen (SF DDN)
Drew Johnson (Aberdeen DDN)

Chairman Daugaard called the meeting to order, and roll call was taken by secretary, Sarah Trebesch. Glenn Barber MOVED approval of the minutes from the September 23, 2009, meeting. Jeff Haase SECONDED. Motion Carried.

The first agenda item discussed was the overview of the 2009 Legislative Session. James Marsh gave a brief update on SDCL 62-4-16, burial and transportation expenses paid when death results from injury. The expense was changed from \$5,000 to \$7,500. No other legislative changes were made.

The second agenda item discussed was the "State of Workers' Compensation" for the annual report. James Marsh gave a brief overview. Average base rates for the voluntary insurance market will increase by 3.5 percent for the next fiscal year. Assigned-risk rates will remain the same. South Dakota rates remain competitive with neighboring states and nationwide. Injury rates continue to go down; however, the severity of claims continues to rise. Medical costs are taking an increasingly large share of benefit payments.

The third agenda item discussed was DOL Website updates by Dawn Dovre, DOL Public Information Officer. Two new items were added to the DOL website, E-lets, a service users can subscribe to receive emails on any updates to the DOL website. The second item added to the website was survivor benefits. Both items can be found at www.sdjobs.org, under workers compensation.

The last agenda item discussed was a letter written by attorney Drew Johnson from Aberdeen. His letter addressed prosecution costs, causation, impairment ratings, and permanent disfigurement or permanent disability. Mr. Johnson agreed to submit specific proposed amendments to the Council by the end of August so they can be posted to the website with the next agenda before the next meeting on September 29.

Other items suggested by Council members: Paul Aylward would like the Council to review the burial expense again and raise the amount to \$10,000. This topic will be added to the agenda for next meeting.

Another issue discussed was the required training for insurance representatives. This topic was deferred from last year's meeting and will also be added to the agenda for next meeting. Merle Scheiber, with the Division of Insurance advised the Council that NAIC is drafting a Model Act for adjuster licensure and he will report back to the Council at the next meeting.

Lastly, Mike Taylor gave testimony on the role of NCCI. There is a presentation available on their website; www.ncci.com.

The Council scheduled the next meeting for September 29, 2009, at 1:00 p.m. CDT at the Kneip Building, Kneip Conference room 3, Pierre, SD .

Paul Aylward MOVED to adjourn. Glenn Barber SECONDED. Motion Carried.