

**South Dakota Department of Labor and Regulation
Workers' Compensation Advisory Council
2016 Annual Report**

This document serves as the report of meetings, discussions, and recommendations of the Workers' Compensation Advisory Council, pursuant to SDCL 62-2-10. Council members include Lt. Governor Matt Michels (chair), Guy Bender, Peter Bullene, Carol Hinderaker, Russ Hohn, Jean Murphy, Kory Rawstern, Randy Stainbrook, Daniel Tribby, and the nonvoting member Department of Labor and Regulation (DLR) Secretary Marcia Hultman. The report is available to any interested person or groups and can be found on the DLR website at dlr.sd.gov.

South Dakota's base premium rates for workers' compensation insurance for July 1, 2017 – June 30, 2018 decreased an average of 1.3 percent in both the voluntary and assigned-risk markets, with a 15-point "swing" up and down (a maximum increase of 13.7 percent or decrease of 16.3 percent). These base rates do not factor in "experience-modification" adjustments, which change some individual employers' premium rates based on injury claims.

Council action for 2016 began at the October 11, 2016, meeting. The Council received the DLR Division of Labor and Management's report about the state of the system. Attorney Jim Leach proposed the Council recommend legislation making workers' compensation coverage mandatory for all South Dakota employers. No action was taken on the proposal, as it was concluded further vetting was necessary.

The Council held its second meeting via conference call on December 5, 2016. NCCI submitted its 2016 Medical Data Report. The Public Utilities Commission proposed SDCL 62-5-17, which calls for it to issue certificates of good standing for self-insuring utilities, be repealed. The Council made no recommendation for or against the proposal, though it is anticipated a bill will be presented in the 2017 Legislative Session, and DLR will support PUC's position.

Submitted documents and Council minutes will be available on DLR's web site at http://dlr.sd.gov/workers_compensation/meetings.aspx.

Respectfully submitted on December 31, 2016, by the Workers' Compensation Advisory Council.