



Minnesota Workers' Compensation  
Insurers Association, Inc.  
7701 France Avenue South ▪ Suite 450  
Minneapolis, MN 55435-3200

August 24, 2000

**ALL ASSOCIATION MEMBERS**

Circular Letter 00-1350

**RE: Special Compensation Fund Assessment**

The Minnesota Department of Labor and Industry (DOLI) has announced a reduction of the Special Compensation Fund assessment rate. Attached is copy of their notice. Please provide this notice to staff members responsible for the reporting.

Very truly yours,

BRUCE A. TOLLEFSON, CIC

President

Special Compensation Fund  
443 Lafayette Road  
St. Paul, Minnesota 55155  
(651) 296-2117  
(651) 297-4198 (TTY)  
Toll Free: 1-800-DIAL-DLI

This information can be provided in alternative formats (Braille, large print or audio tape) by calling the above number(s).



World Wide Web address:  
[www.doli.state.mn.us](http://www.doli.state.mn.us)  
E-mail address:  
[DLI.Specialcomp@state.mn.us](mailto:DLI.Specialcomp@state.mn.us)  
FAX: (651) 297-7098

Department of Labor and Industry (DLI) Commissioner Gretchen Maglich announced the reduction of the Special Compensation Fund assessment rate, from 30 percent to 20 percent, effective with claims paid July 1, 2000 and thereafter. This assessment is charged to insurers based on the amount of indemnity benefits paid by an insurer.

The reduction is in response to legislation passed during the 2000 session, which transferred \$325 million of excess surplus from the Department of Commerce Assigned Risk Plan (ARP) to DLI's Special Compensation Fund (SCF). The money is legislatively designated for settlement of liabilities of the Supplementary Benefit and Second Injury programs. DLI manages approximately 7,000 claims from these two programs, both of which have been discontinued by the Legislature. The cash infusion will allow the department to do lump-sum settlements, thereby reducing long-term liabilities and associated administrative costs. Any settlements require agreement from the injured worker, the insurer and the SCF; no one is required to settle.

The Workers' Compensation Advisory Council, which is made up of equal representatives of business and labor, presented a bill to the Legislature which contained this reduction in assessment rate, as well as a number of benefit increases for injured workers, including an increase in the permanent partial disability schedule and increases in the minimum and maximum temporary total disability payments to injured workers.