

Min. Journal of the House  
Vol. 4

HF 564

JOURNAL OF THE HOUSE

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	306	340	23:00-June 1	June 2
	13	344	23:10-June 1	June 2
1083		346	23:06-June 1	June 2
1009		348	23:07-June 1	June 2
	260	349	23:16-June 1	June 2
895		353	23:05-June 1	June 2
470		354	23:25-June 1	June 2

Sincerely,

JOAN ANDERSON GROWE  
Secretary of State

STATE OF MINNESOTA  
OFFICE OF THE GOVERNOR  
SAINT PAUL 55155

June 1, 1989

The Honorable Robert E. Vanasek  
Speaker of the House of Representatives  
The State of Minnesota

Dear Mr. Speaker:

I have vetoed and am returning to you Chapter 302, H. F. No. 564, a bill relating to workers' compensation. During discussions on workers' compensation, I have requested that any reform bill must authorize the state to examine the books of insurance companies before they are allowed to raise their rates. This bill does not meet that requirement.

While the bill does propose a form of regulation, that regulation is too weak—it does not give the Commissioner of Commerce any additional powers to regulate workers' compensation insurance companies. Further, the one time premium reduction would only be in effect for three months, from October 1, 1989 to January 1, 1990. It offers no guarantee for long term premium reductions. Lastly, the contingent regulation does not go into effect until July 1991, and then, only if the Governor notifies the Legislature of his intent to regulate. Not only do I believe that the contingent regulation is inadequate, but this bill leaves open the possibility that even this protection will never go into effect. The Attorney General's Office has also raised questions regarding the constitutionality of this provision.

We have previously seen that cutting benefits in injured workers will not necessarily result in reduced premiums. In 1983, the Legislature enacted a workers' compensation reform bill which cut

benefits to injured workers while deregulation of the insurance industry was taking place. We expected to see reductions in workers' compensation insurance premiums. Instead, the deregulated insurance industry raised its rates and drove up the cost of workers' compensation for Minnesota businesses. I cannot sign a bill which again cuts benefits to injured workers without providing adequate guarantees that it will reduce compensation premiums to Minnesota businesses. While I could support a balanced approach to workers' compensation reform, this bill does not provide that balance.

Minnesota would not be alone if it chose to regulate workers' compensation insurance. Thirty-seven states—including three of our surrounding states—impose strict regulations on their workers' compensation insurance companies. Unless we return to adequate regulation, small businesses across Minnesota will continue to pay higher than necessary workers' compensation premiums.

In an effort to obtain an accurate picture of the profitability of the workers' compensation insurance companies, I have asked Commerce Commissioner Mike Hatch to conduct a study of these insurance companies and report to the Legislature in 1990.

In light of the failure of the legislature to pass a balanced package, I am vetoing this bill and returning it to you.

Sincerely,

RUDY PERPICH  
Governor

STATE OF MINNESOTA  
OFFICE OF THE GOVERNOR  
SAINT PAUL 55155

June 2, 1989

The Honorable Robert E. Vanasek  
Speaker of the House of Representatives  
The State of Minnesota

Dear Sir:

I have the honor of informing you that I have received, approved, signed and deposited in the Office of the Secretary of State the following House Files:

H. F. No. 1108, relating to agriculture; changing a provision that allows averaging of certain multiple loads of grain.