

Chapter 103

2026 Regular Session

Subject Worker's compensation**Bill** S.F. 3720**Analyst** Megan Mullenbach**Date** May 26, 2026

Overview

This act contains recommendations from the Workers' Compensation Advisory Council. Governor Tim Walz signed this act into law on May 18, 2026. Most sections in this act are effective the day following final enactment.

Summary

Section	Description
1	Withdrawal from association. Adds other outstanding amounts to the amount owed if an insurer or self-insurer withdraws from the reinsurance association. This section is effective the day following final enactment.
2	Liabilities of insolvent members. Determines that an unsatisfied net liability to the reinsurance association from an insolvent member must be governed by the plan of operation instead of assumed and apportioned among remaining members as provided in the plan of operation. This section is effective the day following final enactment.
3	Duties; responsibilities; powers. Moves the duty to equitably distribute excess or deficient premiums to its own paragraph. Clarifies that the reinsurance association must distribute excess surplus and collect deficiency assessments as recommended by the board of directors and Department of Labor and Industry (DLI). This section is effective the day following final enactment.
4	Additional powers. Removes reference to reinsurance association's ability to reinsure potential liability in excess of the prefunded limit.

Section	Description
	This section is effective the day following final enactment.
5	Workers' compensation reinsurance association excess surplus distribution or deficiency assessment. Establishes a process for the manner in which the reinsurance association can distribute excess surplus or assess members for a deficiency. This section is effective the day following final enactment.
6	Provisions. Makes conforming changes. This section is effective the day following final enactment.
7	Active compensation judges. Allows the chief judge of the Workers' Compensation Court of Appeals to assign an active compensation judge to hear a case properly assigned to a judge of the Workers' Compensation Court of Appeals. Provides for compensation for active compensation judges performing this service. This section is effective the day following final enactment.
8	Occupational disease. Modifies definition of "mental impairment" to include a diagnosis by a psychiatric mental health nurse practitioner. This section is effective for dates of injury on or after October 1, 2026.
9	Retainer agreement. Increases the maximum fees allowed for legal services. This section is effective for dates of injury on or after October 1, 2024.
10	Permanent partial disability. Increases the compensation allowed for permanent partial disability. This section is effective for dates of injury on or after October 1, 2026.
11	Employer's physician. Clarifies that if an employee requests a witness at an examination, that witness is unpaid. And requires parties with the witness to pay for the cost of the witness.

Section	Description
	This section is effective the day following final enactment.
12	Commencement of payment. Broadens window that an employer or insurer has after commencing payment of compensation to terminate compensation due to notice that the disability is not a result of a personal injury from 60 to 90 days. This section is effective for dates of injury on or after October 1, 2026.
13	Decisions based on stipulated facts. Allows commissioner of labor and industry to also determine that a matter without a hearing and agreed upon facts can be appealable to the court of appeals. This section is effective the day following final enactment.
14	Repealer. Repeals sections regarding reinsurance association deficiency, post-1992 distribution of workers' compensation reinsurance association surplus, and distribution of excess surplus.



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