A bill for an act

relating to insurance; regulating workers' compensation self-insurance group security requirements; providing exceptions; amending Minnesota Statutes 2008, sections 79A.04, subdivision 1, by adding a subdivision; 79A.24, subdivision 1, by adding a subdivision.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. Minnesota Statutes 2008, section 79A.04, subdivision 1, is amended to read:

Subdivision 1. **Annual securing of liability.** Each year every private self-insuring employer shall secure incurred liabilities for the payment of compensation and the performance of its obligations and the obligations of all self-insuring employers imposed under chapter 176 by renewing the prior year's security deposit or by making a new deposit of security. If a new deposit is made, it must be posted ~~within 60 days of the filing of the self-insured employer's annual report with the commissioner, but in no event later than July 1~~ in the following manner: within 60 days of the filing of the annual report, the security posting for all prior years plus one-third of the posting for the current year; by September 30, one-third of the posting for the current year; by December 31, one-third of the posting for the current year.

Sec. 2. Minnesota Statutes 2008, section 79A.04, is amended by adding a subdivision to read:

Subd. 2a. **Exceptions.** Notwithstanding the requirements of subdivisions 1 and 2, the commissioner may, until the next annual securing of liability, adjust this required security deposit for the portion attributable to the current year only, if in the commissioner's judgment, the self-insurer will be able to meet its obligations under this chapter until the next annual securing of liability.

Sec. 3. Minnesota Statutes 2008, section 79A.24, subdivision 1, is amended to read:

Subdivision 1. **Annual securing of liability.** Each year every commercial self-insurance group shall secure its estimated future liability for the payment of compensation and the performance of the obligations of its membership imposed under chapter 176. A new deposit must be posted ~~within 30 days of the filing of the commercial self-insurance group's annual actuarial report with the commissioner~~ in the following manner: within 30 days of the filing of the annual report, the security posting for all prior years plus one-third of the posting for the current year; by September 30, one-third of the posting for the current year; by December 31, one-third of the posting for the current year.

Sec. 4. Minnesota Statutes 2008, section 79A.24, is amended by adding a subdivision to read:

Subd. 2a. **Exceptions.** Notwithstanding the requirements of subdivisions 1 and 2, the commissioner may, until the next annual securing of liability, adjust this required security deposit for the portion attributable to the current year only, if in the commissioner's judgment, the self-insurer will be able to meet its obligations under this chapter until the next annual securing of liability.

Sec. 5. **EFFECTIVE DATE.**

Sections 1 to 4 are effective the day following final enactment.