

mission shall be exercised and performed by the Industrial Commission of Minnesota and its subordinates, as a part of the functions of the division of women and children in the Department of Labor and Industries.

**Sec. 2. Secretary and employees transferred.**—On the first day of June, 1921, persons then serving as secretary and employees of the Minimum Wage Commission, shall be transferred by the Industrial Commission to the division of women and children in the Department of Labor and Industries and assigned to such positions as the Industrial Commission shall designate.

**Sec. 3. Minimum wage commission abolished.**—On and after the first day of June, 1921, the Minimum Wage Commission, as heretofore constituted, shall have no further legal existence, except that it shall, within ten days after such date, submit to the Governor a report covering the period extending to such date from the date of the last report of such Minimum Wage Commission.

**Sec. 4. Inconsistent acts repealed.**—All acts and parts of acts so far as inconsistent with the provisions of this act and not otherwise are hereby repealed.

**Sec. 5. Effective June 1, 1921.**—This act shall take effect on the first day of June, 1921.

Approved March 15, 1921.

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#### CHAPTER 85—H. F. No. 604.

*An act to provide for the regulation of workmen's compensation insurance rates and a rate making bureau, to create a Workmen's Compensation Insurance Board for the supervision and regulation of such rates and of such bureau, and to provide penalties.*

Be it enacted by the Legislature of the State of Minnesota:

**Section 1. Definitions.**—The word "insurer" as used in this act means any insurance carrier authorized, by license issued by the department of insurance, to transact the business of workmen's compensation insurance in this state. The word "insurance" as used in this act, means workmen's compensation insurance. The word "board" means the Compensation Insurance Board.

**Sec. 2. Compensation insurance board created.**—There is hereby created a board to be known as the "Compensation Insurance Board." Said board shall consist of the commissioner of insurance, one member of the industrial commission to be chosen by that commission, and a third person to be appointed by the governor. The member of the industrial commission shall serve at the pleasure of that commission. The person appointed by the governor shall be versed in the subject of workmen's compensation insurance and in the making of rates therefor. His term shall be for five years and his salary shall be fixed by the governor at a sum not exceeding four

thousand five hundred dollars per year. He shall take and file with the secretary of state the constitutional oath of office before entering upon the discharge of his duties.

**Sec. 3. Salaries—Expenses.**—The members of the board other than the person appointed by the governor shall serve without compensation other than that received in their regular positions, except that they shall be paid from the state treasury their expenses actually and necessarily incurred in performing their duties under this act. A majority of said board shall constitute a quorum for the transaction of business and the performance of the duties of the board. The said board shall maintain an office in the department of insurance at the state capitol, but it may hold sessions or conduct investigations at any place in the state other than the capitol when deemed necessary to facilitate the discharge of its duties.

**Sec. 4. Organization—Secretary—Rules—Powers.**—The board shall organize by electing one of its members chairman and another of its members secretary. The secretary shall keep full minutes of all hearings, transactions and proceedings by or before said board. The board shall have power to make all needful rules for the orderly performance of its duties, and to prescribe the procedure for the conduct of hearings and other proceedings before it. The board shall also have power to employ such persons as may be necessary for the proper discharge of its duties.

**Sec. 5. Hearings—Subpoenas—Witnesses.**—In all hearings before, or investigations conducted by the board, any member thereof shall have power to issue subpoenas requiring the attendance of witnesses and the production of books, records, and papers, and shall have power to administer oaths. Any person who shall testify falsely in any material matter under consideration by the board shall be guilty of and punished for perjury. Subpoenas or other process issued by the board shall be served as a summons in the district court. In case any witness shall fail to obey summons to appear before the board or shall refuse to testify or answer any material question or to produce records, books, papers or documents when required so to do, such failure or refusal shall be reported to the attorney-general who shall thereupon institute proceedings in the proper district court to compel obedience to any summons or order of the board or to punish witnesses for any such neglect or refusal.

**Sec. 6. Commission to appoint representative.**—The board shall have power to appoint and authorize any person chosen by it to hold hearings, make investigations and examinations with reference to any subject over which the board has or may have jurisdiction. The person so appointed shall have all the powers in relation to the hearing, investigation or examination that such board would have if itself acting, but shall report in writing the result of such hearing, examination or investigation and any testimony taken by him to the board.

**Sec. 7. Duties—Rates of insurance.**—To provide for the solvency of insurers writing workmen's compensation insurance in this state and to secure reasonable rates, the board shall approve a minimum and adequate and reasonable rate for each classification under which such business is written. The Board shall, in approving such rates make use of the experience which from time to time may be available, and of such other helpful information as may be obtainable. For the purpose of uniformity and equality the board shall, after consultation with insurers, approve a system of schedule, merit and experience rating for use in writing of such business in this state. No system of schedule, merit or experience rating except the one so approved shall be used in this state.

**Sec. 8. Board may require survey.**—The board may at any time require a survey and report by the bureau herein provided for of any risk regarding which complaint may have been made. Its approval of any rate or classification may be withdrawn by the board upon ten days' notice to the parties interested.

**Sec. 9. Board must approve classification.**—No classification for compensation insurance purposes shall be effective until approved as correct by the board. No rule or regulation with reference to compensation risks filed by any insurer or by the bureau herein provided shall be effective until approved by such board. If it shall appear at any time that reasonable doubt on the part of the board as to the proper classification or rate for any risk exists, such risk may be bound for insurance subject to rate and classification to be established therefor.

**Sec. 10. Board to review acts of insurers.**—The board shall have power upon its own motion or upon the written complaint of any person having a direct interest, to review the acts of any insurer, bureau or agent subject to the provision of this act, and to make findings and orders requiring compliance with the provisions hereof. Such review before the board shall be upon not less than ten days notice to the parties interested, and its findings or orders shall be made after a hearing before it, and in all cases shall be subject to summary review by the district court. During such court review the operation of the board's order shall be suspended, but in the event of final determination against an insurer, any overcharge made during the pendency of such proceedings shall be refunded to the person entitled thereto. All written complaints under this section shall be verified, and may be upon information and belief of the person complaining. A copy of such complaint shall be served upon the insurer, bureau, or person against whom the complaint is directed, and each of such parties in interest shall be entitled to at least ten days' notice of any hearing thereon.

**Sec. 11. Insurers shall be members of bureau.**—Every insurer transacting the business of workmen's compensation insurance

in this state shall be a member of the bureau organized under this act to be maintained in this state for the following purposes:

1. To separate the industries of this state that are subjects of workmen's compensation insurance into proper classes for compensation insurance purposes; to make inspections of compensation risks and to apply thereto the schedule, merit and experience rating system approved for use in this state; to establish charges and credits under such system and to make reports showing all facts affecting such risks as the subject of compensation insurance and for approving policies of compensation insurance as being written in conformity with classifications and rates previously promulgated by the Bureau and approved by the Board.

2. To assist the compensation insurance board and insurers in approving rates, determining hazards and other material facts in connection with compensation risks and to assist in promoting safety in the industries.

**Sec. 12. Organization of bureau.**—The bureau shall be organized by the insurers writing workmen's compensation insurance in this state within ninety days after the passage and publication of this act. The commissioner of insurance shall fix a time and place for the first meeting of representatives of such insurers to organize the bureau. Notice of such meeting shall be given to each insurer authorized to write workmen's compensation insurance in this state at least ten days before such meeting. The bureau shall adopt articles of association and by-laws for its government and for the government of its members. Such articles and by-laws and all amendments thereto shall be filed with and approved by the compensation insurance board and shall not be effective until so filed and approved. Such bureau shall admit to membership any insurer authorized to transact workmen's compensation insurance in this state. The charges and service of such bureau shall be fixed in the articles or by-laws and shall be equitable and nondiscriminatory as between members.

**Sec. 13. Expense, how paid.**—Each member of such bureau shall pay an equitable and nondiscriminatory share of the cost of operating the bureau. If the members of the bureau cannot agree upon an apportionment of cost, any member may, in writing, petition the compensation insurance board to establish a basis for apportioning such cost. If any member is aggrieved by an apportionment made by the bureau it may, in writing, petition the board for a review of such apportionment. The board shall, upon not less than five days' notice to each member of the bureau, hold a hearing upon any such petition, at which all members shall be entitled to be present and be heard. The board shall determine the matter and mail a copy of its decision to each member of the bureau. The decision of the board shall be final and binding upon all members of the bureau.

**Sec. 14. Representation.**—Each class of insurers, to wit,

stock companies, mutual companies, and interinsurers which are members of such bureau shall be represented in the bureau management and on committees as provided in the by-laws, but the participating and nonparticipating companies shall have equal representation on the governing or managing committee and also on the rating committee of the bureau. One half the members of each committee shall be chosen by the participating companies and one-half by the nonparticipating companies. Each member company shall be entitled to one vote. In case of a tie vote upon any committee the compensation insurance board shall cast the deciding vote.

**Sec. 15. License—Fee.**—The bureau shall procure annually from the commissioner of insurance a license to carry on its business. The license year for such bureau shall be from March first to the last day of February succeeding. The bureau shall pay to the state, through the commissioner of insurance, an annual license fee of one hundred dollars, such fee to be paid at the time of filing application for license. The commissioner of insurance shall prescribe blanks and make needed regulations governing the licensing of the Bureau.

**Sec. 16. Annual statement.**—The bureau shall annually on or before March first, file with the compensation insurance board a statement covering its activities for the year ending on the preceding thirty-first day of December. Such report shall cover its financial transactions and also other matters connected with its operation as required by the board. The board shall prescribe the form of such report. The bureau shall be subject to supervision and examination by the compensation insurance board or any examiner authorized by it. Examinations may be made as often as deemed expedient. The expense of such examination shall be paid by the bureau.

**Sec. 17. Bureau shall make classification.**—The bureau shall on behalf of all its members assign each compensation risk and subdivision thereof in this state to its proper classification. Such determination as to the proper classification by the bureau shall be subject, however, to the approval of the compensation insurance board as herein provided. The bureau shall also on behalf of all members thereof inspect and make a written survey of each risk to which the system of schedule or merit rating approved for use in this state is applicable. It shall, on behalf of all the members thereof, file with the board its classification of risks and shall also keep on file at the office of the bureau, the written surveys of all risks inspected by it, which survey shall show the location and description of all items producing charges and credits, if any, and such other facts as are material in the writing of insurance thereon. It shall also file any subsequent proposed classification or later survey and all rules and regulations which do or may affect the writing of such risks. The bureau classification shall be binding upon all insurers. The

board and also the bureau and its representatives shall give all information as to classifications, rates, surveys and other facts collected and intended for the common use of insurers subject to this act to all such insurers at the same time. A copy of the complete survey together with the approved classification and rates based thereon and the effective date thereof shall be furnished to the insurer of record as soon as approved. The approved classification and rates upon a specific risk shall also be furnished upon request to any other insurer upon the payment of a reasonable charge for such service. Every insurer shall promptly file with the bureau a copy of each payroll audit, which shall be checked by the bureau for correctness of classification and rate. The board may require the bureau to file with it any such copy, and may verify any payroll audit by a re-audit of the books of the employer or in such other manner as may to it appear most expedient. Upon written complaint stating facts sufficient to warrant action by it, the board shall verify any payroll audit reported to it.

**Sec. 18. Record—**Shall furnish information.—The bureau shall keep a careful record of its proceedings. It shall furnish, upon his demand, to any employer upon whose workmen's compensation risk a survey has been made, full information as to such survey including the method of the computation and a detailed description and location of all items producing charges or credits. The bureau shall also provide such means as may be approved by the board whereby any member or any employer whose risk has been inspected by it may be heard, either in person or by a representative, before the governing or rating committee or other proper representatives with reference to any matter affecting such risk. Any insurer or employer may appeal from a decision of the bureau to the board. The bureau shall also make rules governing appeals, which rules shall be filed with and approved by the board. The bureau shall file with the compensation insurance board, whenever it may call therefor, such information as it may have concerning any matter connected with its activities.

**Sec. 19. Insurers shall not discriminate.—**No insurer shall make or charge any rate for workmen's compensation insurance in this state which discriminates unfairly between risks or classes, or which discriminates unfairly between risks in the application of like charges and credits in the plan of schedule, merit or experience rating in use; and no insurer shall discriminate by granting to any employer insurance against other hazards at less than its regular rates for such insurance, or otherwise.

**Sec. 20. Rates shall be filed.—**Every insurer writing workmen's compensation insurance in this state shall, except as otherwise ordered by the board, file with the board its rates for such insurance and all additions thereto or changes therein. All rates so filed shall comply with the requirements of law and shall not be effective or

used until approved as to such compliance by the board. A rate which is filed and approved shall not be changed until the substituted rate has been filed for at least fifteen days and has been approved by the board.

**Sec. 21. Rates to be uniform—Exceptions.**—No insurer shall write insurance at a rate other than that made and put into force by such bureau and approved as adequate and reasonable by the board; provided, that the bureau may reduce or increase a rate by the application to individual risks of the system of schedule, merit or experience rating which has been approved by the board. Such reduction or increase shall be set forth in the policy or by indorsement thereon.

**Sec. 22. Duties of insurance commissioner.**—The Commissioner of Insurance shall upon the request of the Board require such insurers or their agents to file with him on such blanks as he may prescribe such reports as in the judgment of the Board may be necessary for the purposes of this act; and such information when so filed shall be available for the use of the Board. No information regarding the writings of any insurer shall be made public by said Board or said Bureau or any of its employes except as required by law.

**Sec. 23. Violations—Penalties.**—Any insurer, rating bureau, agent or other representative or employe of any insurer or rating bureau failing to comply with or which is guilty of a violation of any of the provisions of this act, or of any order or ruling of the commissioner of insurance or of the compensation insurance board made hereunder, shall be punished by a fine of not less than fifty nor more than five hundred dollars. In addition thereto, the license of any insurer, agent, or broker guilty of such violation may be revoked or suspended by the commissioner of insurance.

**Sec. 24. Effective June 1, 1921.**—This act shall take effect the first day of June, 1921.

Approved March 15, 1921.

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#### CHAPTER 86—S. F. No. 365.

*An act to amend Chapter 297 Laws of Minnesota, 1917, relating to the duties of county auditors and assessors and fixing the compensation of assessors in certain cases.*

Be it enacted by the Legislature of the State of Minnesota:

**Section 1. County auditor to provide assessment books—Assessors' meetings—Duties of tax commission—Per diem of assessors.**—That chapter 297, Laws of Minnesota, 1917, be and the same is hereby amended so as to be and read as follows:

**Section 1.** The county auditor shall annually provide the necessary assessment books and blanks at the expense of the county, for and to correspond with each assessment district. He shall make out,