

CHAPTER 103—S. F. No. 805.

An act providing for the payment by carriers of workmen's compensation insurance in this state of unpaid awards of workmen's compensation as to which the employer liable therefor was duly insured at the time claim arose upon which such award was based and providing for the subrogation of the rating bureau of Minnesota to the rights of any employe or his dependents for any sums so paid.

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

Section 1. Liability of insurers.—Carriers of workmen's compensation insurance shall be liable to the extent and in the manner hereafter set forth for the payment of unpaid awards of workmen's compensation arising out of injuries sustained from and after the passage of this Act while the employer was insured by a carrier and such carrier becomes insolvent. Upon the determination by the Insurance Commissioner, or other competent authority of the State where such carrier is incorporated or organized, that any carrier of workmen's compensation insurance, which is or has been engaged in such business in this State, is insolvent, the Industrial Commission shall thereupon and thereafter from time to time certify to the Rating Bureau of Minnesota, as defined in Mason's Minnesota Statutes of 1927, Sections 3622 and 3623, the unpaid awards of workmen's compensation for such injuries outstanding against employers insured by such carrier and as to which it is liable. Said Rating Bureau shall thereupon make payment of such unpaid awards so far as funds are available, at the times, and in the amounts, required by such awards, unless payment in a lesser number of installment is authorized by the Industrial Commission, and if sufficient funds to make all of said payments, due and payable, are not available in any one year, then the available funds shall be prorated to such claims in proportion to the amounts of the awards due and payable in said year, and the unpaid portion thereof shall be paid as soon as funds are available.

Sec. 2. Assessments.—If necessary to secure funds for the payment of such awards it shall be the duty of said Rating Bureau upon such certification to levy an assessment or assessments on all carriers writing workmen's compensation insurance in the proportion that the workmen's compensation insurance written by each such carrier in the State during the preceding calendar year bears to the total of such insurance written in the State during such year. Said assessments may be made at any time by said Bureau in its discretion for such amount as it estimates will be necessary to meet

both past and future awards which will probably become due and payable during the year in which such assessment is levied. Each company assessed shall have at least thirty (30) days' notice by mail as to the date such assessment is due and payable. In no event shall the total sum assessed in any calendar year exceed one (1) per cent of the premiums for workmen's compensation insurance written in this State during the preceding calendar year. Any assessment paid under the provisions of this Act shall be included in determining the loss ratio of such carriers.

Sec. 3. Subrogation upon insolvency.—Said Rating Bureau shall be subrogated to the rights of such employee or his dependents as against the employer and his carrier to the extent of payments made by the Rating Bureau under the provisions hereof, and shall take such legal proceedings as it shall deem necessary or advisable to recover thereon, and all sums so recovered shall constitute an additional fund for payment of such awards until the same are paid in full.

Sec. 4. Rating bureau to be party in interest.—After insolvency of any such carrier the Rating Bureau shall be a party in interest in all workmen's compensation proceedings involving risks insured by such carrier with the same rights to receive notice, defend, appeal, and review as a solvent carrier would have.

Sec. 5. Duties of Rating Bureau.—Said Bureau may sue for and recover any assessment not paid when due, and any member thereof which shall fail to pay an assessment as provided herein shall be liable to forfeiture and revocation of its license upon complaint made to Commissioner of Insurance by the Bureau.

Sec. 6. Provisions severable.—If any provision hereof is found unconstitutional, such determination shall not affect the validity of the remaining provisions not clearly dependent thereon.

Approved April 1, 1935.

CHAPTER 104—S. F. No. 822.

An act to amend Mason's Minnesota Statutes of 1927, Section 3659, as amended by Laws 1931, Chapter 269, and as amended by Laws 1933, Chapter 421, relating to township mutual fire insurance companies.