

## CHAPTER 359—S.F.No. 785

VETOED

## CHAPTER 360—S.F.No. 544

VETOED

## CHAPTER 361—S.F.No. 176

*An act relating to insurance; workers' compensation; regulating distributions of excess surplus made by the workers' compensation reinsurance association; clarifying the law regulating distributions of excess surplus; amending Minnesota Statutes 1992, sections 45.027, subdivision 1; and 79.34, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 79.*

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

Section 1. **LEGISLATIVE FINDINGS.**

The intent and public purpose of the legislature in creating the workers' compensation reinsurance association was to benefit employers by lowering their costs for mandated workers' compensation insurance through a low cost, compulsory, nonprofit reinsurance mechanism. In 1992 the reinsurance association declared and distributed a \$100,000,000 excess surplus to insurers and self-insured employers. That excess surplus was not refunded to employer policyholders, whom the legislature intended to benefit when it created the reinsurance association. An orderly process with state assistance is required to ensure that employer policyholders receive their intended rightful share of the original \$100,000,000 excess surplus and a second \$302,000,000 excess surplus declared in March 1993, that is being held by the reinsurance association. An orderly process requires balancing fairness to employers with administrative feasibility. Sections 1 to 11 are the legislature's determination of that proper balance. The public purpose for creating the nonprofit reinsurance association requires that this surplus be refunded to Minnesota employers, who are the ultimate payors of the premiums that helped create this excess surplus.

**Sec. 2. 1992 WORKERS' COMPENSATION REINSURANCE ASSOCIATION EXCESS SURPLUS DISTRIBUTION.**

Subdivision 1. SCOPE. This section governs any distribution of excess surplus made by the workers' compensation reinsurance association in 1992 other than distributions to self-insured members of the association. No distribution of that excess surplus other than that provided by this section may be made. For the purpose of this section, a distribution is made upon the actual distribution

New language is indicated by underline, deletions by ~~strikeout~~.