

CHAPTER 27--H.F.No. 3228

An act relating to workers' compensation; adopting recommendations from the Workers' Compensation Advisory Council; amending Minnesota Statutes 2024, sections 176.011, subdivisions 9, 11, by adding a subdivision; 176.041, subdivision 1; 176.135, subdivision 1; 176.151; 176.175, subdivision 2; 176.185, subdivision 11, by adding a subdivision; 176.361, subdivision 2; 176.421, subdivision 4; proposing coding for new law in Minnesota Statutes, chapter 79; repealing Minnesota Rules, part 5220.2840.

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

ARTICLE 1**WORKERS' COMPENSATION**

Section 1. Minnesota Statutes 2024, section 176.011, subdivision 9, is amended to read:

Subd. 9. **Employee.** (a) "Employee" means any person who performs services for another for hire including the following:

- (1) an alien;
- (2) a minor;
- (3) a sheriff, deputy sheriff, police officer, firefighter, county highway engineer, and peace officer while engaged in the enforcement of peace or in the pursuit or capture of a person charged with or suspected of crime;
- (4) a person requested or commanded to aid an officer in arresting or retaking a person who has escaped from lawful custody, or in executing legal process, in which cases, for purposes of calculating compensation under this chapter, the daily wage of the person shall be the prevailing wage for similar services performed by paid employees;
- (5) a county assessor;
- (6) an elected or appointed official of the state, or of a county, city, town, school district, or governmental subdivision in the state. An officer of a political subdivision elected or appointed for a regular term of office, or to complete the unexpired portion of a regular term, shall be included only after the governing body of the political subdivision has adopted an ordinance or resolution to that effect;
- (7) an executive officer of a corporation, except those executive officers excluded by section 176.041;
- (8) a voluntary uncompensated worker, other than an inmate, rendering services in state institutions under the Direct Care and Treatment executive board and commissioner of corrections similar to those of officers and employees of the institutions, and whose services have been accepted or contracted for by the Direct Care and Treatment executive board and commissioner of corrections as authorized by law. In the event of injury or death of the worker, the daily wage of the worker, for the purpose of calculating compensation under this chapter, shall be the usual wage paid at the time of the injury or death for similar services in institutions where the services are performed by paid employees;

(9) a voluntary uncompensated worker engaged in emergency management as defined in section 12.03, subdivision 4, who is:

(i) registered with the state or any political subdivision of it, according to the procedures set forth in the state or political subdivision emergency operations plan; and

(ii) acting under the direction and control of, and within the scope of duties approved by, the state or political subdivision.

The daily wage of the worker, for the purpose of calculating compensation under this chapter, shall be the usual wage paid at the time of the injury or death for similar services performed by paid employees;

(10) a voluntary uncompensated worker participating in a program established by a local social services agency. For purposes of this clause, "local social services agency" means any agency established under section 393.01. In the event of injury or death of the worker, the wage of the worker, for the purpose of calculating compensation under this chapter, shall be the usual wage paid in the county at the time of the injury or death for similar services performed by paid employees working a normal day and week;

(11) a voluntary uncompensated worker accepted by the commissioner of natural resources who is rendering services as a volunteer pursuant to section 84.089. The daily wage of the worker for the purpose of calculating compensation under this chapter, shall be the usual wage paid at the time of injury or death for similar services performed by paid employees;

(12) a voluntary uncompensated worker in the building and construction industry who renders services for joint labor-management nonprofit community service projects. The daily wage of the worker for the purpose of calculating compensation under this chapter shall be the usual wage paid at the time of injury or death for similar services performed by paid employees;

(13) a member of the military forces, as defined in section 190.05, while in state active service, as defined in section 190.05, subdivision 5a. The daily wage of the member for the purpose of calculating compensation under this chapter shall be based on the member's usual earnings in civil life. If there is no evidence of previous occupation or earning, the trier of fact shall consider the member's earnings as a member of the military forces;

(14) a voluntary uncompensated worker, accepted by the director of the Minnesota Historical Society, rendering services as a volunteer, pursuant to chapter 138. The daily wage of the worker, for the purposes of calculating compensation under this chapter, shall be the usual wage paid at the time of injury or death for similar services performed by paid employees;

(15) a voluntary uncompensated worker, other than a student, who renders services at the Minnesota State Academy for the Deaf or the Minnesota State Academy for the Blind, and whose services have been accepted or contracted for by the commissioner of education, as authorized by law. In the event of injury or death of the worker, the daily wage of the worker, for the purpose of calculating compensation under this chapter, shall be the usual wage paid at the time of the injury or death for similar services performed in institutions by paid employees;

(16) a voluntary uncompensated worker, other than a resident of the veterans home, who renders services at a Minnesota veterans home, and whose services have been accepted or contracted for by the commissioner of veterans affairs, as authorized by law. In the event of injury or death of the worker, the daily wage of the worker, for the purpose of calculating compensation under this chapter, shall be the usual wage paid at the time of the injury or death for similar services performed in institutions by paid employees;

(17) a worker performing direct support services, including any of the following:

(i) under section 256B.0659 for a recipient in the home of the recipient or in the community under section 256B.0625, subdivision 19a, who is paid from government funds through a fiscal intermediary under section 256B.0659, subdivision 33. For purposes of maintaining workers' compensation insurance, the employer of the worker is as designated in law by the commissioner of the Department of Human Services, notwithstanding any other law to the contrary where the personal care assistance provider agency is responsible for maintaining workers' compensation insurance for any employments not excluded under this chapter;

(ii) under section 256B.85 where the worker is either employed by an agency-provider or by a participant. When the worker is employed by a participant, the financial management services provider must require and verify that the participant maintains workers' compensation insurance for any employments not excluded under this chapter. When the worker is employed by an agency-provider, the agency-provider is responsible to maintain workers' compensation insurance for any employments not excluded under this chapter;

(iii) under section 256B.4911 where the worker is employed by the consumer-directed community supports participant. The financial management services provider must require and verify the participant maintains workers' compensation insurance for any employments not excluded under this chapter; and

(iv) under section 256.476 where the worker is employed by the consumer support grant participant. The financial management services provider must require and verify the participant maintains workers' compensation insurance for any employments not excluded under this chapter;

(18) students enrolled in and regularly attending the Medical School of the University of Minnesota in the graduate school program or the postgraduate program. The students shall not be considered employees for any other purpose. In the event of the student's injury or death, the weekly wage of the student for the purpose of calculating compensation under this chapter, shall be the annualized educational stipend awarded to the student, divided by 52 weeks. The institution in which the student is enrolled shall be considered the "employer" for the limited purpose of determining responsibility for paying benefits under this chapter;

(19) a faculty member of the University of Minnesota employed for an academic year is also an employee for the period between that academic year and the succeeding academic year if:

(i) the member has a contract or reasonable assurance of a contract from the University of Minnesota for the succeeding academic year; and

(ii) the personal injury for which compensation is sought arises out of and in the course of activities related to the faculty member's employment by the University of Minnesota;

(20) a worker who performs volunteer ambulance driver or attendant services is an employee of the political subdivision, nonprofit hospital, nonprofit corporation, or other entity for which the worker performs the services. The daily wage of the worker for the purpose of calculating compensation under this chapter shall be the usual wage paid at the time of injury or death for similar services performed by paid employees;

(21) a voluntary uncompensated worker, accepted by the commissioner of administration, rendering services as a volunteer at the Department of Administration. In the event of injury or death of the worker, the daily wage of the worker, for the purpose of calculating compensation under this chapter, shall be the usual wage paid at the time of the injury or death for similar services performed in institutions by paid employees;

(22) a voluntary uncompensated worker rendering service directly to the Pollution Control Agency. The daily wage of the worker for the purpose of calculating compensation payable under this chapter is the usual

going wage paid at the time of injury or death for similar services if the services are performed by paid employees;

(23) a voluntary uncompensated worker while volunteering services as a first responder or as a member of a law enforcement assistance organization while acting under the supervision and authority of a political subdivision. The daily wage of the worker for the purpose of calculating compensation payable under this chapter is the usual going wage paid at the time of injury or death for similar services if the services are performed by paid employees;

(24) a voluntary uncompensated member of the civil air patrol rendering service on the request and under the authority of the state or any of its political subdivisions. The daily wage of the member for the purposes of calculating compensation payable under this chapter is the usual going wage paid at the time of injury or death for similar services if the services are performed by paid employees; and

(25) a Minnesota Responds Medical Reserve Corps volunteer, as provided in sections 145A.04 and 145A.06, responding at the request of or engaged in training conducted by the commissioner of health. The daily wage of the volunteer for the purposes of calculating compensation payable under this chapter is established in section 145A.06. A person who qualifies under this clause and who may also qualify under another clause of this subdivision shall receive benefits in accordance with this clause.

If it is difficult to determine the daily wage as provided in this subdivision, the trier of fact may determine the wage upon which the compensation is payable.

(b) For purposes of this chapter "employee" does not include farmers or members of their family who exchange work with other farmers in the same community.

EFFECTIVE DATE. This section is effective the day following final enactment.

Sec. 2. Minnesota Statutes 2024, section 176.011, subdivision 11, is amended to read:

Subd. 11. **Executive officer of a corporation.** "Executive officer of a corporation" means any officer of a corporation elected or appointed in accordance with its charter or bylaws or pursuant to section 302A.011, subdivision 18.

EFFECTIVE DATE. This section is effective the day following final enactment.

Sec. 3. Minnesota Statutes 2024, section 176.041, subdivision 1, is amended to read:

Subdivision 1. **Employments excluded.** This chapter does not apply to any of the following:

(1) a person employed by a common carrier by railroad engaged in interstate or foreign commerce and who is covered by the Federal Employers' Liability Act, United States Code, title 45, sections 51 to 60, or other comparable federal law;

(2) a person employed by a family farm as defined by section 176.011, subdivision 11a;

(3) the spouse, parent, and child, regardless of age, of a farmer-employer working for the farmer-employer;

(4) a sole proprietor, or the spouse, parent, and child, regardless of age, of a sole proprietor;

(5) a partner engaged in a farm operation or a partner engaged in a business and the spouse, parent, and child, regardless of age, of a partner in the farm operation or business;

- (6) an executive officer, as defined in section 176.011, subdivision 11, of a family farm corporation;
- (7) an executive officer, as defined in section 176.011, subdivision 11, of a closely held corporation having less than 22,880 hours of payroll in the preceding calendar year, if that executive officer owns at least 25 percent of the stock of the corporation;
- (8) a spouse, parent, or child, regardless of age, of an executive officer of a family farm corporation as defined in section 500.24, subdivision 2, and employed by that family farm corporation;
- (9) a spouse, parent, or child, regardless of age, of an executive officer of a closely held corporation who is referred to in clause (7);
- (10) another farmer or a member of the other farmer's family exchanging work with the farmer-employer or family farm corporation operator in the same community;
- (11) a person whose employment at the time of the injury is casual and not in the usual course of the trade, business, profession, or occupation of the employer;
- (12) persons who are independent contractors as defined by sections 176.043 and 181.723, and any rules adopted by the commissioner pursuant to section 176.83 except that these exclusions do not apply to an employee of an independent contractor;
- (13) an officer or a member of a veterans' organization whose employment relationship arises solely by virtue of attending meetings or conventions of the veterans' organization, unless the veterans' organization elects by resolution to provide coverage under this chapter for the officer or member;
- (14) a person employed as a household worker in, for, or about a private home or household who earns less than \$1,000 in cash in a three-month period from a single private home or household provided that a household worker who has earned \$1,000 or more from the household worker's present employer in a three-month period within the previous year is covered by this chapter regardless of whether or not the household worker has earned \$1,000 in the present quarter;
- (15) persons employed by a closely held corporation who are related by blood or marriage, within the third degree of kindred according to the rules of civil law, to an officer of the corporation, who is referred to in clause (7), if the corporation files a written election with the commissioner to exclude such individuals. A written election is not required for a person who is otherwise excluded from this chapter by this section;
- (16) a nonprofit association which does not pay more than \$1,000 in salary or wages in a year;
- (17) persons covered under the Domestic Volunteer Service Act of 1973, as amended, United States Code, title 42, sections 5011, et seq.;
- (18) a manager of a limited liability company having ten or fewer members and having less than 22,880 hours of payroll in the preceding calendar year, if that manager owns at least a 25 percent membership interest in the limited liability company;
- (19) a spouse, parent, or child, regardless of age, of a manager of a limited liability company described in clause (18);
- (20) persons employed by a limited liability company having ten or fewer members and having less than 22,880 hours of payroll in the preceding calendar year who are related by blood or marriage, within the third degree of kindred according to the rules of civil law, to a manager of a limited liability company described in clause (18), if the company files a written election with the commissioner to exclude these

persons. A written election is not required for a person who is otherwise excluded from this chapter by this section; or

(21) members of limited liability companies who satisfy the requirements of clause (12).

EFFECTIVE DATE. This section is effective the day following final enactment.

Sec. 4. Minnesota Statutes 2024, section 176.135, subdivision 1, is amended to read:

Subdivision 1. **Medical, psychological, chiropractic, podiatric, surgical, hospital.** (a) The employer shall furnish any medical, psychological, chiropractic, podiatric, surgical and hospital treatment, including nursing, medicines, medical, chiropractic, podiatric, and surgical supplies, crutches and apparatus, including artificial members, or, at the option of the employee, if the employer has not filed notice as hereinafter provided, Christian Science treatment in lieu of medical treatment, chiropractic medicine and medical supplies, as may reasonably be required at the time of the injury and any time thereafter to cure and relieve from the effects of the injury. This treatment shall include treatments necessary to physical rehabilitation.

(b) The employer shall pay for the reasonable value of nursing services provided by a member of the employee's family or household in cases of permanent total disability.

(c) Exposure to rabies is an injury and an employer shall furnish preventative treatment to employees exposed to rabies.

(d) The employer shall furnish replacement or repair for artificial members, glasses or spectacles, artificial eyes, podiatric orthotics, dental bridge work, dentures or artificial teeth, hearing aids, canes, crutches, or wheel chairs damaged by reason of an injury arising out of and in the course of the employment. If an item under this paragraph is customized specifically for the injured worker, the item is the property of the injured worker. For the purpose of this paragraph, "injury" includes damage wholly or in part to an artificial member. In case of the employer's inability or refusal to timely provide the items required to be provided under this paragraph, the employer is liable for the reasonable expense incurred by or on behalf of the employee in providing the same, including costs of copies of any medical records or medical reports that are in existence, obtained from health care providers, and that directly relate to the items for which payment is sought under this chapter, limited to the charges allowed by subdivision 7, and attorney fees incurred by the employee.

(e) Both the commissioner and the compensation judges have authority to make determinations under this section in accordance with sections 176.106 and 176.305.

(f) An employer may require that the treatment and supplies required to be provided by an employer by this section be received in whole or in part from a managed care plan certified under section 176.1351 except as otherwise provided by that section.

(g) An employer may designate a pharmacy or network of pharmacies that employees must use to obtain outpatient prescription and nonprescription medications. An employee is not required to obtain outpatient medications at a designated pharmacy unless the pharmacy is located within 15 miles of the employee's place of residence.

(h) Notwithstanding any fees established by rule adopted under section 176.136, an employer may contract for the cost of medication provided to employees. All requests for reimbursement from the special compensation fund formerly codified under section 176.131 for medication provided to an employee must be accompanied by the dispensing pharmacy's invoice showing its usual and customary charge for the medication at the time it was dispensed to the employee. The special compensation fund shall not reimburse

any amount that exceeds the maximum amount payable for the medication under Minnesota Rules, part 5221.4070, subparts 3 and 4, notwithstanding any contract under Minnesota Rules, part 5221.4070, subpart 5, that provides for a different reimbursement amount.

EFFECTIVE DATE. This section is effective the day following final enactment.

Sec. 5. Minnesota Statutes 2024, section 176.151, is amended to read:

176.151 TIME LIMITATIONS.

The time within which the following acts shall be performed shall be limited to the following periods, respectively:

(a) Actions or proceedings by an injured employee to determine or recover compensation, three years after ~~the employer has made~~ a written report of the injury has been made to the commissioner of the Department of Labor and Industry, but not to exceed six years from the date of the accident.

(b) Actions or proceedings by dependents to determine or recover compensation, three years after the receipt by the commissioner of the Department of Labor and Industry of written notice of death, given by the employer, but not to exceed six years from the date of injury, provided, however, if the employee was paid compensation for the injury from which the death resulted, such actions or proceedings by dependents must be commenced within three years after the receipt by the commissioner of the Department of Labor and Industry of written notice of death, given by the employer, but not to exceed six years from the date of death. In any such case, if a dependent of the deceased, or any one in the dependent's behalf, gives written notice of such death to the commissioner of the Department of Labor and Industry, the commissioner shall forthwith give written notice to the employer of the time and place of such death. In case the deceased was a native of a foreign country and leaves no known dependent within the United States, the commissioner of the Department of Labor and Industry shall give written notice of the death to the consul or other representative of the foreign country forthwith.

(c) In case of physical or mental incapacity, other than minority, of the injured person or dependents to perform or cause to be performed any act required within the time specified in this section, the period of limitation in any such case shall be extended for three years from the date when the incapacity ceases.

(d) In the case of injury caused by x-rays, radium, radioactive substances or machines, ionizing radiation, or any other occupational disease, the time limitations otherwise prescribed by Minnesota Statutes 1961, chapter 176, and acts amendatory thereof, shall not apply, but the employee shall give notice to the employer and commence an action within three years after the employee has knowledge of the cause of such injury and the injury has resulted in disability.

EFFECTIVE DATE. This section is effective the day following final enactment.

Sec. 6. Minnesota Statutes 2024, section 176.175, subdivision 2, is amended to read:

Subd. 2. **Nonassignability.** No claim for compensation or settlement of a claim for compensation owned by an injured employee or dependents is assignable. Except as otherwise provided in this chapter, any claim for compensation owned by an injured employee or dependents is exempt from seizure or sale for the payment of any debt or liability, up to a total amount of ~~\$1,000,000~~ \$10,000,000 per claim and subsequent award.

EFFECTIVE DATE. This section is effective for dates of injury on or after October 1, 2025.

Sec. 7. Minnesota Statutes 2024, section 176.361, subdivision 2, is amended to read:

Subd. 2. **Written motion.** (a) A person desiring to intervene in a workers' compensation case as a party, including but not limited to a health care provider who has rendered services to an employee or an insurer who has paid benefits under section 176.191, shall submit a timely written motion to intervene to the commissioner, the office, or to the court of appeals, whichever is applicable.

~~(a)~~ (b) The motion must be served on all parties, except for other intervenors, either personally, by first class mail, or by registered mail, return receipt requested. A motion to intervene must be served and filed within 60 days after a potential intervenor has been served with notice of a right to intervene or within 30 days of notice of an administrative conference or expedited hearing. Upon the filing of a timely motion to intervene, the potential intervenor shall be granted intervenor status without the need for an order. Objections to the intervention may be subsequently addressed by a compensation judge. Except where a member of the employee's family or household is supplying nursing services pursuant to section 176.135, subdivision 1, paragraph (b), where a motion to intervene is not timely filed under this section, the potential intervenor interest shall be extinguished and the potential intervenor may not collect, or attempt to collect, the extinguished interest from the employee, employer, insurer, or any government program.

~~(b)~~ (c) The motion must show how the applicant's legal rights, duties, or privileges may be determined or affected by the case; state the grounds and purposes for which intervention is sought; and indicate the statutory right to intervene. The motion must be accompanied by the following:

(1) an itemization of disability payments showing the period during which the payments were or are being made; the weekly or monthly rate of the payments; and the amount of reimbursement claimed;

(2) a summary of the medical or treatment payments, or rehabilitation services provided by the Vocational Rehabilitation Unit, broken down by creditor, showing the total bill submitted, the period of treatment or rehabilitation covered by that bill, the amount of payment on that bill, and to whom the payment was made;

(3) copies of all medical or treatment bills for which payment is sought;

(4) copies of the work sheets or other information stating how the payments on medical or treatment bills were calculated;

(5) a copy of the relevant policy or contract provisions upon which the claim for reimbursement is based;

(6) the name and telephone number of the person representing the intervenor who has authority to represent the intervenor, including but not limited to the authority to reach a settlement of the issues in dispute;

(7) proof of service or copy of the registered mail receipt evidencing service on all parties except for other intervenors;

(8) at the option of the intervenor, a proposed stipulation which states that all of the payments for which reimbursement is claimed are related to the injury or condition in dispute in the case and that, if the petitioner is successful in proving the compensability of the claim, it is agreed that the sum be reimbursed to the intervenor; and

(9) if represented by an attorney, the name, address, telephone number, and Minnesota Supreme Court license number of the attorney.

EFFECTIVE DATE. This section is effective the day following final enactment.

Sec. 8. Minnesota Statutes 2024, section 176.421, subdivision 4, is amended to read:

Subd. 4. **Service and filing of notice; cost of transcript.** Within the 30-day period for taking an appeal, the appellant shall:

(1) serve a copy of the notice of appeal on each adverse party; and

(2) pursuant to section 176.285, file the original notice of appeal, with proof of service by admission or affidavit, with the chief administrative law judge ~~and file a copy with the commissioner.~~

In order to defray the cost of the preparation of the record of the proceedings appealed from, each appellant and cross-appellant shall pay to the commissioner of management and budget, Office of Administrative Hearings account the sum of \$25. The filing fee must be received by the Office of Administrative Hearings within ten business days after the end of the appeal period. If the filing fee is not received within ten days after the appeal period, the appeal is not timely filed.

The first party to file an appeal is liable for the original cost of preparation of the transcript. Cross-appellants or any other persons requesting a copy of the transcript are liable for the cost of the copy. The chief administrative law judge may require payment for transcription costs to be made in advance of the transcript preparation. The cost of a transcript prepared by a nongovernmental source shall be paid directly to that source and shall not exceed the cost that the source would be able to charge the state for the same service.

Upon a showing of cause, the chief administrative law judge may direct that a transcript be prepared without expense to the party requesting its preparation, in which case the cost of the transcript shall be paid by the Office of Administrative Hearings.

All fees received by the Office of Administrative Hearings for the preparation of the record for submission to the Workers' Compensation Court of Appeals or for the cost of transcripts prepared by the office shall be deposited in the Office of Administrative Hearings account in the state treasury and shall be used solely for the purpose of keeping the record of hearings conducted under this chapter and the preparation of transcripts of those hearings.

EFFECTIVE DATE. This section is effective the day following final enactment.

Sec. 9. **REPEALER.**

Minnesota Rules, part 5220.2840, is repealed.

EFFECTIVE DATE. This section is effective the day following final enactment.

ARTICLE 2

OTHER INSURANCE POLICIES

Section 1. **[79.101] ATTESTATION REQUIRED.**

Subdivision 1. **Zero estimated exposure.** For purposes of this section, a "zero estimated exposure policy" has the meaning given in section 176.011, subdivision 19a. This section applies to zero estimated exposure policies issued to employers performing building construction or improvement services.

Subd. 2. **Attestation.** Each insurer shall require with or as part of each completed application for a zero estimated exposure policy a statement signed by the applicant attesting to the accuracy of the information on the application, including the applicant's absence of employees and estimated exposure of zero. The attestation shall include the following: "I attest that all information provided on this application is current, true, correct, accurate, and complete to the best of my knowledge and belief. I further attest that I have no employees and an estimated exposure of zero. If I employ any employees during the policy period, I must provide within 60 days of the employment written notification to my workers' compensation insurer of the employment, including estimated payroll and classification codes of my employees. I understand that omissions or misrepresentations with intent to defraud on this application are a crime under Minnesota Statutes, section 609.611."

EFFECTIVE DATE. This section is effective for policies issued or renewed on or after January 1, 2026.

Sec. 2. [79.102] OWNER- AND CONTRACTOR-CONTROLLED INSURANCE PROGRAMS.

Subdivision 1. **Definitions.** (a) "Project sponsor" means a person who engages the services of a contractor for the purpose of working on a single, specific, and large construction, erection, or demolition project.

(b) "Owner-controlled insurance program" is a single, specific, and large construction, erection, or demolition project for which a series of policies have been issued to a project sponsor and two or more contractors or subcontractors engaged in the project to cover liability for workers' compensation as provided in section 176.181.

(c) "Contractor-controlled insurance program" is a single, specific, and large construction, erection, or demolition project for which a series of policies have been issued to a general contractor or construction manager and two or more contractors or subcontractors engaged in the project to cover liability for workers' compensation as provided in section 176.181.

(d) "Program" means either of the programs under paragraphs (b) or (c).

Subd. 2. **Approval.** (a) Owner- and contractor-controlled insurance programs must be approved by the commissioner.

(b) Separate insurance policies must be issued to each eligible entity involved in the program. Separate legal entities may be insured by one insurance policy in the program only if the same person or group of persons own the majority interest in each such legal entity.

Subd. 3. **Application.** (a) The commissioner, upon application of a project sponsor or general contractor, shall approve or disapprove owner- and contractor-controlled insurance programs within 60 days of receipt of a completed application. The commissioner shall grant approval upon a determination that the project sponsor or general contractor has provided all the information that is available at the time of application required in paragraph (b) and that the program meets the following requirements:

(1) the project has an aggregate value in excess of \$100,000,000;

(2) the project is a specific construction, erection, or demolition project at a single location or multiple related locations;

(3) the project generates a combined \$500,000 or more in annual written workers' compensation premiums in Minnesota for the policies issued to all employers as part of the program;

(4) the project sponsor, contractors, or subcontractors in the program have not been convicted of a crime involving insurance fraud as defined in section 609.611; and

(5) the program's proposed insurer's rates and rating plan for the program have been approved by the commissioner pursuant to section 79.56, subdivision 1, paragraph (a).

(b) A project sponsor or general contractor must provide the following information regarding the project and each individual contractor and subcontractor involved in the program as part of the application to the commissioner:

(1) the name of the proposed insurer;

(2) project location and address;

(3) project sponsor name, address, and telephone number;

(4) addresses and telephone numbers for all contractors and subcontractors in the program;

(5) estimated project duration;

(6) estimated payroll for the project;

(7) estimated number of employees for the project;

(8) classification code or primary business code for the project;

(9) professional or occupational licenses for all contractors in the program;

(10) any professional or occupational license discipline or suspension for all contractors in the program;

(11) any criminal charges or convictions for insurance fraud as defined in section 609.611 of any individuals in the program; and

(12) any bankruptcy or receivership proceedings for any legal entities in the program.

(c) Every three months during the course of a project of an approved program, the project sponsor or general contractor must provide to the commissioner any updates to the application information required by paragraph (b).

(d) The commissioner may share with a licensed data service organization information concerning approved programs. A licensed data service organization must provide upon request to the commissioner any policy issued to an employer involved in an approved program.

(e) An approved program's insurance policies shall provide that upon cancellation of a policy prior to completion of the construction project, the project sponsor or contractor must either replace the insurance or pay the contractor or subcontractor to obtain replacement insurance in an amount equal to the premium paid by the contractor or subcontractor to obtain replacement insurance for the duration of the project.

(f) A project sponsor or general contractor applying for approval of an owner-controlled insurance program or a contractor-controlled insurance program must pay a nonrefundable application fee of \$2,500.

Subd. 4. **Exclusion.** No contractor or subcontractor involved in an approved program may have a zero estimated exposure policy as defined in section 176.011, subdivision 19a, for its work on the program's project.

Subd. 5. **Policy forms and rates.** (a) An approved program's insurer must use forms and auditing standards of a licensed data service organization.

(b) An approved program's insurer must use the experience rating plan of a licensed data service organization.

(c) An approved program's policy deductible or retrospective rating plan retention must be no less than \$50,000 and no more than \$1,000,000. The deductible or retrospective rating plan retention must not be higher than the program's insurer's applicable Workers' Compensation Reinsurance Association retention limit.

(d) To the extent an approved program's insurer deviates from the rates and rating plan approved by the commissioner when determining rates for each employer in the program, the insurer shall submit to the commissioner data and calculations used by the insurer to calculate the deviations within 60 days of the program's policies' effective date.

Subd. 6. **Payroll records.** A project sponsor or general contractor of an approved program must obtain payroll records for the project from all contractors and subcontractors in the program at the time of premium audit. The project sponsor or general contractor shall maintain the payroll records under this subdivision for three years after the date of completion of the project.

Subd. 7. **Notice required.** All contractors and subcontractors participating in an approved program shall be provided with a copy of the insurance policy that covers their employees. The project sponsor, general contractor, or construction manager shall post the notice required by section 176.139, subdivision 1, at all job sites in English and Spanish, including information about how to submit a claim for compensation under the program's policy or policies. Upon request, contractors and subcontractors must furnish this information to an employee covered by the program in a language that the employee understands.

Subd. 8. **Audits.** The commissioner is authorized to conduct audits and investigations under section 45.027 to determine if insurers and approved owner- and contractor-controlled insurance programs are complying with Minnesota law in the issuance of policies described in this section.

EFFECTIVE DATE. This section is effective January 1, 2026.

Sec. 3. Minnesota Statutes 2024, section 176.011, is amended by adding a subdivision to read:

Subd. 19a. **Zero estimated exposure policy.** "Zero estimated exposure policy" means a policy of insurance that an employer obtains to cover the employer's liability to pay compensation under this chapter after reporting the employer's total estimated exposure is zero.

EFFECTIVE DATE. This section is effective the day following final enactment.

Sec. 4. Minnesota Statutes 2024, section 176.185, subdivision 11, is amended to read:

Subd. 11. **Employment and insurance data.** (a) The following workers' compensation insurance coverage data reported to or collected by the department under this section, or otherwise created or received by the department, is public data required to be reported by an insurer, subject to the limitations provided in paragraph (b):

(1) all action on an insurance policy, but not including the policy itself. Examples of action on a policy are the date of issuance of a new policy, the date of cancellation, or copies of a correction, binder, reinstatement, expiration, cancellation, termination, or declaration page;

(2) the employer's legal name;

(3) every "doing business as" name used by the employer;

(4) the employer's legal form of ownership, such as corporation, partnership, limited partnership, or government entity, and the names of all owners and partners including, for limited partnerships, the names of general partners;

(5) the employer's complete mailing and physical addresses;

(6) the nature of the employer's business;

(7) the policy number;

(8) the effective and expiration dates of the policy;

(9) the name of the insurance carrier;

(10) if the policy has been canceled, the type of cancellation, reason for cancellation, and effective date of cancellation; ~~and~~

(11) the employer's unemployment account number; and

(12) the employer's total estimated exposure amount for a zero estimated exposure policy and the employer's reported construction classification codes for a zero estimated exposure policy.

(b) The commissioner shall release the insurance coverage data listed in paragraph (a) only in response to an inquiry about an employer in which the requester provides employer identifying information required by the commissioner. The commissioner or an entity with whom the department has contracted pursuant to subdivision 10 shall provide a website for such public inquiries and may impose access restrictions necessary to limit access to individual inquiries and to otherwise deter the use of the website for purposes other than insurance verification. Persons who obtain the data prescribed in paragraph (a) from the department are prohibited from using the data for commercial purposes.

(c) For purposes of this subdivision, "employer" includes a policyholder and any other entities listed on the same insurance policy as the employer.

(d) For purposes of this subdivision, "commercial purposes" means the sale or use of insurance coverage data listed in paragraph (a) for marketing or profit.

(e) An entity with whom the department has contracted pursuant to subdivision 10 has a private right of action to enforce the prohibition in paragraph (b) against a person who uses the data for commercial purposes. The entity may bring a civil action to recover damages and costs and disbursements, including reasonable attorney fees, from the person, and for other equitable relief as determined by the court.

EFFECTIVE DATE. This section is effective January 1, 2026.

Sec. 5. Minnesota Statutes 2024, section 176.185, is amended by adding a subdivision to read:

Subd. 12. Policies with zero estimated exposure. If an employer providing or performing building construction or improvement services obtains a zero estimated exposure policy, the employer must provide written notification to all entities the employer directly contracts with to provide or perform building construction or improvement services of the employer's total estimated exposure of zero and provide a copy

of the policy. When an entity receives the notification under this subdivision, the entity must maintain the written notification and policy provided for three years from the date the notification and policy were received.

EFFECTIVE DATE. This section is effective January 1, 2026.

Presented to the governor May 20, 2025

Signed by the governor May 22, 2025, 3:32 p.m.