

Sec. 3. This act shall take effect and be in force from and after its passage.

Approved April 16, 1923

CHAPTER 282—S. F. No. 656.

An act to amend Sections 28 and 29 of Chapter 82, General Laws of 1921, commonly known as the Workmen's Compensation Act.

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

Section 1. **Employer to insure employes—Exceptions—Violations—Penalties.**—That Section 28 of Chapter 82, General Laws of 1921 be amended so as to read as follows:

Section 28. *Every employer except the state and the municipal subdivisions thereof, liable under this act to pay compensation shall insure payment of such compensation with some insurance carrier authorized to insure such liability in this state unless such employer shall be exempted from such insurance by the Industrial Commission; provided that nothing herein contained shall prevent any employer with the approval of the Commission from excluding medical and hospital benefits as required in Section 19; provided, also, that an employer conducting distinct operations or establishments at different locations may either insure or self-insure each separate establishment, or operation and such other portion of his operations, which may be determined by the Industrial Commission to be a distinct and separate risk.* An employer desiring to be exempted from insuring his liability for compensation, shall make application to the Industrial Commission, showing his financial ability to pay such compensation, whereupon the Commission by written order may make such exemption, as it deems proper. The Commission may, from time to time, require further statement of financial ability of such employer to pay compensation and may upon ten days' notice, in writing revoke its order granting such exemption, in which case such employer shall immediately insure his liability. As a condition for the granting of an exemption, the Commission shall have authority to require the employer to furnish such security as it may consider sufficient to insure payment of all claims under compensation. Where the security is in the form of a bond or other personal guaranty, the Commission may, at any time, either before or after the entry of an award, upon at least ten days' notice, and opportunity to be heard, require the surety to pay the amount of the award, the same to be enforced in like manner as the award itself may be enforced.

Any employer who shall fail to comply with the provisions of this section to secure payment of compensation shall be liable to

the State of Minnesota for a penalty of fifty (\$50.00) dollars; and in addition thereto, if the employer continues his noncompliance, he shall be liable for five (5) times the lawful premium, as determined by the Compensation Insurance Board, for compensation insurance for such employer for the period he fails to comply with such provisions, commencing ten (10) days after notice has been served upon such employer by the Industrial Commission in the manner provided for the service of the summons in civil actions. Such penalties may be covered jointly or separately in a civil action brought in the name of the state by the attorney general in any court having jurisdiction thereof, and it shall be the duty of the Industrial Commission, whenever any such failure occurs, to immediately certify the fact thereof to the attorney general and upon receipt of such certification the attorney general shall forthwith commence and prosecute such action. All penalties recovered by the state hereunder shall be paid into the state treasury, to be credited to the special compensation fund.

Sec. 2. Who may insure—Policies, etc.—That section 29 of Chapter 82, General Laws of 1921, be amended so as to read as follows:

Section 29. Any employer who is responsible for compensation as provided under part 2 of this act may insure the risk in any manner then authorized by law. But those writing such insurance shall, in every case, be subject to the conditions of this section hereinafter named.

If the risk of the employer is carried by any insurer doing business for profit, or by an insurance association or corporation formed of employers, or of employers and workmen, to insure the risks under part 2 of this act, operating by the mutual assessment or other plan or otherwise, then insofar as policies are issued on such risks they shall provide for compensation for injuries or death, according to the full benefits of part 2 of this act.

Such policies shall contain a clause to the effect that as between the workman and the insurer, that notice to and knowledge by the employer of the occurrence of the injury shall be deemed notice and knowledge on the part of the insurer; that jurisdiction of the employer for any purpose shall be jurisdiction of the insurer, and that the insurer will, in all things, be bound by and subject to the awards rendered against such employer upon the risks so insured.

Such policies must provide that the workman shall have an equitable lien upon any amount which shall become owing on account of such policy to the employer from the insurer, and in case of the legal incapacity or inability of the employer to receive the said amount and pay it over to the workman or dependents, the said insurer will pay the same direct to said workman or dependents, thereby discharging all obligations under the policy to the employer,

and all of the obligations of the employer and insurer to the workman; but such policies shall contain no provision relieving the insurance company from payment when the employer becomes insolvent or discharged in bankruptcy or otherwise, during the period the policy is in force, if the compensation remains owing.

The insurer must be one authorized by law to conduct such business in the state of Minnesota and authority is hereby granted to all insurance companies writing such insurance to include in their policies in addition to the requirements now provided by law, the additional requirements, terms and conditions in this section provided. No agreement by an employe to pay to an employer any portion of the cost of insuring his risk under this act shall be valid. But it shall be lawful for the employer and the workman to agree to carry the risk covered by part 2 of this act in conjunction with other and greater risks and providing other and greater benefits such as additional compensation, accident, sickness or old age insurance or benefits, and the fact that such plan involves a contribution by the workman shall not prevent its validity if such plan has been approved in writing by the Industrial Commission. Any employer who shall make any charge or deduction prohibited by this section shall be guilty of a misdemeanor.

If the employer shall insure to his employes the payment of the compensation provided by part 2 of this act in a corporation or association authorized to do business in the state of Minnesota, and approved by the insurance commissioner of the state of Minnesota, and if the employer shall post a notice or notices in a conspicuous place or in conspicuous places about his place of employment, stating that he is so insured and stating by whom insured, and if the employer shall further file copy of such notice with the Industrial Commission, then, and in such case, any proceedings brought by an injured employe or his dependents shall be brought directly against the insurer, and the employer or insured shall be released from any further liability.

Provided that in case of insolvency or bankruptcy of such insurance company the employer shall not be released from liability under the provisions of this act.

The return of any execution upon any judgment of an employe against any such insurance company unsatisfied in whole or in part, shall be conclusive evidence of the insolvency of such insurance company, and in case of the adjudication of bankruptcy or insolvency of any such insurance company by any court of competent jurisdiction proceedings may be brought by the employe against the employer in the first instance, or against such employer and insurance company jointly or severally or in any pending proceedings against any insurance company, the employer may be joined at any time after such adjudication.

Sec. 3. This act shall take effect and be in force from and after its passage.

Approved April 16, 1923.

CHAPTER 283—S. F. No. 679.

An act to amend Section 5807, General Statutes 1913, relating to usurious contracts.

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

Section 1. **Usurious contracts invalid—Exceptions.**—That section 5807, General Statutes 1913, be and the same hereby is amended so as to read as follows:

"5807. All bonds, bills, notes, mortgages, and all other contracts and securities whatsoever, and all deposits of goods, or any other thing, whereupon or whereby there shall be reserved, secured, or taken any greater sum or value for the loan or forbearance of any money, goods, or things in action than hereinbefore prescribed, shall be void, except as to bona fide purchasers of negotiable paper, in good faith, for a valuable consideration and before maturity, as hereinafter provided. But no merely clerical error in the computation of interest, made without intent to avoid the provisions of this chapter, shall constitute usury. Interest at the rate of one-twelfth of *eight* per cent. for every thirty days shall not be construed to exceed *eight* per cent. per annum; nor shall the payment of interest in advance of one year, or any less time, at a rate not exceeding *eight* per cent. per annum, constitute usury; and nothing herein shall prevent the purchase of negotiable mercantile paper, usurious or otherwise, for a valuable consideration, by an innocent purchaser, at any price before the maturity of the same, when there has been no intent to evade the provisions of this chapter, or where such purchase has not been a part of the original usurious transaction; but where the original holder of a usurious note sells the same to an innocent purchaser the maker thereof, or his representatives may recover back from the original holder the amount of principal and interest paid by him on said note."

Sec. 2. **Effective January 1, 1924.**—This act shall take effect and be in force from and after January 1, 1924.

Approved April 16, 1923.

CHAPTER 284—S. F. No. 909.

An act requiring the commissioner of agriculture to provide for the formulating and installing of accounting systems for co-operative associations in this state; to assist such co-operative asso-