

## CHAPTER 79

## COMPENSATION INSURANCE

79.211 Certain premium determination practices.

79.34 Creation of reinsurance association.  
79.38 Plan of operation.

**79.211 CERTAIN PREMIUM DETERMINATION PRACTICES.**

*[For text of subs 1 and 2, see M.S.1986]*

**Subd. 3. Payroll computations for certain public employees.** The commissioner of commerce in setting the assigned risk plan rates or an insurer shall compute a premium for an elected or appointed official of a town based on the actual annual wage received from the town.

**History:** 1987 c 301 s 1

**79.34 CREATION OF REINSURANCE ASSOCIATION.**

Subdivision 1. A nonprofit association known as the workers' compensation reinsurance association is created, which may be incorporated under chapter 317 with all the powers of a corporation formed under that chapter, except that if the provisions of that chapter are inconsistent with sections 79.34 to 79.40 or any amendments thereto, sections 79.34 to 79.40 shall govern. Each insurer as defined by section 79.01, subdivision 2, shall as a condition of its authority to transact workers' compensation insurance in this state, be a member of the reinsurance association and shall be bound by the plan of operation of the reinsurance association; provided, that all affiliated insurers within a holding company system as defined in sections 60D.01 to 60D.13 shall be considered a single entity for purposes of the exercise of all rights and duties of membership in the reinsurance association. Each self-insurer approved pursuant to section 176.181 and each political subdivision which self-insures shall, as a condition of its authority to self-insure workers' compensation liability in this state, be a member of the reinsurance association and shall be bound by its plan of operation; provided, that (a) all affiliated companies within a holding company system, as determined by the commissioner in a manner consistent with the standards and definitions in sections 60D.01 to 60D.13, shall be considered a single entity for purposes of the exercise of all rights and duties of membership in the reinsurance association, and (b) all group self-insurers granted authority to self-insure pursuant to section 176.181 shall be considered a single entity for purposes of the exercise of all the rights and duties of membership in the reinsurance association. As a condition of its authority to self-insure workers' compensation liability, and for losses incurred on or after January 1, 1984, the state shall be a member of the reinsurance association and is bound by its plan of operation. The commissioner of labor and industry represents the state in the exercise of all the rights and duties of membership in the reinsurance association. The state treasurer shall pay the premium to the reinsurance association from the state compensation revolving fund upon warrants of the commissioner of labor and industry. For the purposes of this section "state" means the administrative branch of state government, the legislative branch, the judicial branch, the University of Minnesota, and any other entity whose workers' compensation liability is paid from the state revolving fund. The commissioner of finance may calculate, prorate, and charge a department or agency the portion of premiums paid to the reinsurance association for employees who are paid wholly or in part by federal funds, dedicated funds, or special revenue funds. The reinsurance association is not a state agency. Actions of the reinsurance association and its board of directors and actions of the commissioner of labor and industry with respect to the reinsurance association are not subject to chapters 13, 14, and 15. All property owned by the association is exempt from taxation. The reinsurance association is not obligated to make any payments or pay any assess-

ments to any funds or pools established pursuant to this chapter or chapter 176 or any other law.

Subd. 1a. The direct funded premium received by the reinsurance association is subject to the gross premium tax imposed by section 60A.15. Only direct funded premium payments made to the reinsurance association by self-insurers approved pursuant to section 176.181 and each political subdivision that self-insures shall be subject to the gross premiums tax.

*[For text of subds 2 to 7, see M.S.1986]*

**History:** 1987 c 268 art 2 s 26,27

### **79.38 PLAN OF OPERATION.**

Subdivision 1. **Provisions.** The plan of operation shall provide for all of the following:

- (a) The establishment of necessary facilities;
- (b) The management and operation of the reinsurance association;
- (c) A preliminary premium, payable by each member in proportion to its total premium in the year preceding the inauguration of the reinsurance association, for initial expenses necessary to commence operation of the reinsurance association;
- (d) Procedures to be utilized in charging premiums, including adjustments from excess or deficient premiums from prior periods;
- (e) Procedures governing the actual payment of premiums to the reinsurance association;
- (f) Reimbursement of each member of the board by the reinsurance association for actual and necessary expenses incurred on reinsurance association business;
- (g) The composition, terms, compensation and other necessary rules consistent with section 79.37 for boards of directors of the reinsurance association;
- (h) The investment policy of the reinsurance association; and
- (i) Any other matters required by or necessary to effectively implement sections 79.34 to 79.42.

*[For text of subds 2 and 3, see M.S.1986]*

**History:** 1987 c 384 art 2 s 16