

79A.12 MAINTENANCE OF ASSETS OR LINE OF CREDIT TO CONTINUE PAYMENT OF COMPENSATION OBLIGATIONS.

Subdivision 1. **Assets maintained.** The security fund shall maintain cash, readily marketable securities, or other assets, or a line of credit, approved by the commissioner, sufficient to immediately continue the payment of the compensation obligations of an insolvent private self-insurer pending receipt of the security deposit, surety bond proceeds, irrevocable letter of credit, or, if necessary, assessment of the members. The commissioner may establish the minimum amount to be maintained by, or immediately available to, the security fund for this purpose.

Subd. 2. **Assessment.** The security fund may assess each of its members a pro rata share of the funding necessary to carry out its obligation and the purposes of this chapter. Total annual assessments in any calendar year shall not exceed ten percent of paid indemnity losses, as defined in section 176.129, made by the self-insured employer during the preceding calendar year. The annual assessment calculation shall not include supplementary benefits paid which will be reimbursed by the special compensation fund. Funds obtained by assessments pursuant to this subdivision may only be used for the purposes of this chapter. The trustees shall certify to the commissioner the collection and receipt of all money from assessments, noting any delinquencies. The trustees shall take any action deemed appropriate to collect any delinquent assessments.

History: 1988 c 674 s 12; 1990 c 450 s 2; 2005 c 132 s 33