

1.1 ..... moves to amend H.F. No. .... as follows:

1.2 Page 3, delete section 2 and insert:

1.3 "Sec. 2. Minnesota Statutes 2012, section 176.129, subdivision 2a, is amended to read:

1.4 Subd. 2a. **Payments to fund.** (a) On or before April 1 of each year, all self-insured  
1.5 employers shall report paid indemnity losses and insurers shall report paid indemnity  
1.6 losses and standard workers' compensation premium in the form and manner prescribed  
1.7 by the commissioner. On June 1 of each year, the commissioner shall determine the  
1.8 total amount needed to pay all estimated liabilities, including administrative expenses,  
1.9 of the special compensation fund for the following fiscal year. The commissioner shall  
1.10 assess this amount against self-insured employers and insurers. The total amount of the  
1.11 assessment must be allocated between self-insured employers and insured employers  
1.12 based on paid indemnity losses for the preceding calendar year, as provided by paragraph  
1.13 (b). The method of assessing self-insured employers must be based on paid indemnity  
1.14 losses, as provided by paragraph (c). The method of assessing insured employers is based  
1.15 on standard workers' compensation premium, as provided by paragraph (c). Each insurer  
1.16 shall collect the assessment through a policyholder surcharge as provided by paragraph  
1.17 (d). On or before June 30 of each year, the commissioner shall provide notification to each  
1.18 self-insured employer and insurer of amounts due. Each self-insured employer and each  
1.19 insurer shall pay at least one-half of the amount due to the commissioner for deposit into  
1.20 the special compensation fund on or before August 1 of the same calendar year. The  
1.21 remaining balance is due on February 1 of the following calendar year. Each insurer must  
1.22 pay the full amount due as stated in the commissioner's notification, regardless of the  
1.23 amount the insurer actually collects from the ~~premium~~ policyholder surcharge.

1.24 (b) The portion of the total assessment that is allocated to self-insured employers  
1.25 is the proportion that paid indemnity losses made by all self-insured employers bore to  
1.26 the total paid indemnity losses made by all self-insured employers and insured employers  
1.27 during the preceding calendar year. The portion of the total assessment that is allocated

2.1 to insured employers is the proportion that paid indemnity losses made on behalf of  
2.2 all insured employers bore to the total paid indemnity losses made by all self-insured  
2.3 employers and insured employers during the preceding calendar year.

2.4 (c) The portion of the total assessment allocated to self-insured employers that  
2.5 shall be paid by each self-insured employer must be based upon paid indemnity losses  
2.6 made by that self-insured employer during the preceding calendar year. The portion of  
2.7 the total assessment allocated to insured employers that is paid by each insurer must be  
2.8 based on standard workers' compensation premium earned in the state by that insurer  
2.9 during the ~~preceding~~ current calendar year. If the current calendar year earned standard  
2.10 workers' compensation premium is not available, the commissioner shall estimate the  
2.11 portion of the total assessment allocated to insured employers that is paid by each insurer  
2.12 using the earned standard workers' compensation premium from the preceding calendar  
2.13 year. The commissioner shall then perform a reconciliation and final determination of  
2.14 the portion of the total assessment to be paid by each insurer when the earned standard  
2.15 workers' compensation premium for the current calendar year is calculable, but the final  
2.16 determination must not be made after December 1 of the following calendar year. An  
2.17 employer who has ceased to be self-insured shall continue to be liable for assessments  
2.18 based on paid indemnity losses arising out of injuries occurring during periods when the  
2.19 employer was self-insured, unless the self-insured employer has purchased a replacement  
2.20 policy covering those losses. An insurer who assumes a self-insured employer's obligation  
2.21 under a replacement policy shall separately report and pay assessments based on indemnity  
2.22 losses paid by the insurer under the replacement policy. The replacement policy may  
2.23 provide for reimbursement of the assessment to the insurer by the self-insured employer.

2.24 (d) Insurers shall collect the assessments from their insured employers through  
2.25 a surcharge based on standard workers' compensation premium for each employer.  
2.26 Assessments when collected do not constitute an element of loss for the purpose of  
2.27 establishing rates for workers' compensation insurance but for the purpose of collection  
2.28 are treated as separate costs imposed on insured employers. The ~~premium~~ policyholder  
2.29 surcharge is included in the definition of gross premium as defined in section 297I.01 only  
2.30 for premium tax purposes. An insurer may cancel a policy for nonpayment of the ~~premium~~  
2.31 policyholder surcharge. The ~~premium~~ policyholder surcharge is excluded from the  
2.32 definition of premium for all other purposes, except as otherwise provided in this paragraph.

2.33 (e) For purposes of this section, the workers' compensation assigned risk plan  
2.34 established under section 79.252, shall report and pay assessments on standard workers'  
2.35 compensation premium in the same manner as an insurer.

3.1 **EFFECTIVE DATE.** This section is effective for assessments due under Minnesota  
3.2 Statutes, section 176.129, subdivision 2a, paragraph (a), on August 1, 2013, and February  
3.3 1, 2014, and for the first reconciliation and final determination under Minnesota Statutes,  
3.4 section 176.129, subdivision 2a, paragraph (c), due on or before December 1, 2014.

3.5 Sec. 3. Minnesota Statutes 2012, section 176.129, subdivision 7, is amended to read:

3.6 Subd. 7. **Refunds.** In case deposit is or has been made pursuant to subdivision  
3.7 2a by mistake or inadvertence, or under circumstances that justice requires a refund,  
3.8 the commissioner of management and budget is authorized to refund the deposit under  
3.9 order of the commissioner, a compensation judge, the Workers' Compensation Court of  
3.10 Appeals, or a district court. Claims for refunds must be submitted to the commissioner  
3.11 within three years of the assessment due date of reconciliation and final determination  
3.12 under subdivision 2a. There is appropriated to the commissioner from the fund an amount  
3.13 sufficient to make the refund and payment.

3.14 **EFFECTIVE DATE.** This section is effective for assessments due under Minnesota  
3.15 Statutes, section 176.129, subdivision 2a, paragraph (a), on August 1, 2013, and February  
3.16 1, 2014, and for the first reconciliation and final determination under Minnesota Statutes,  
3.17 section 176.129, subdivision 2a, paragraph (c), due on or before December 1, 2014."

3.18 Renumber the sections in sequence and correct the internal references

3.19 Amend the title accordingly