

House Research Act Summary

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TOPIC: State Fund Mutual Insurance Company

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Overview

This act involves the State Fund Mutual Insurance Company, which was created by the legislature in 1983. It has been a public nonprofit corporation organized as a mutual insurance company. Four of its seven board members are employers appointed by the governor, and the commissioner of labor and industry is an ex officio board member. State Fund's purpose has been to sell worker's compensation insurance to employers while serving as a "benchmark" against which to evaluate the private for-profit worker's compensation insurance market. This act ends state involvement with the company, allowing it to continue as a purely private sector mutual insurance company.

- 1 **State Fund Mutual Insurance Company; continuation.** Permits State Fund Mutual to continue existence as an ordinary private sector mutual insurance company, without the involvement of the state, but subject to all state laws that apply to mutual insurance companies generally.
- 2 **Repealer.** Repeals all laws relating to State Farm Mutual's special relationship with the state.
- 3 **Effective date.** Provides immediate effective date.