



H.F 3228 – Workers’ Compensation Advisory Council Recommendations (Contents of S.F. 3407 1st Engrossment)

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H.F. 3228 (contents of S.F. 3407 1st Engrossment) contains proposed changes to workers' compensation laws based on recommendations from the Workers' Compensation Advisory Council.

ARTICLE 1 — WORKERS’ COMPENSATION

Section 1. [176. 011, subd. 9] **Definition of "Employee."** Clarifies the definition of “employee” relative to direct support services workers in various care settings for purposes of requiring workers' compensation coverage for those individuals.

Section 2. [176. 011, subd. 11] **Definition of "Executive Officer."** Clarifies the definition of “executive officer of a corporation” for purposes of workers’ compensation insurance coverage requirements.

Section 3. [176.041, subd. 1] **Employments excluded.** Includes citation cross references to the definition of “executive officer,” which is modified in section 2.

Section 4. [176.135, subd. 1] **Medical, psychological, chiropractic, podiatric, surgical, hospital.** Provides a clarification related to an employer’s payment for nursing services to include when they are provided by a household member of an injured worker with a permanent total disability.

Section 5. [176.151] **Time limitations.** Makes a technical change to the section addressing time limitations for filing claims.

Section 6. [176.175, subd. 2] **Nonassignability.** Increases the limit of the amount of workers’ compensation benefits that are exempt from seizure or sale for the payment of any debt or liability from \$1 million to \$10 million.

Section 7. [176.361 subd. 2] **Written motion.** Provides an exception related to motions to intervene in a workers' compensation case where a family or household member is supplying nursing services to the injured worker.

Section 8. [176.421, subd. 4] **Service and filing of notice; cost of transcript.** Eliminates the requirement that appellants file a copy of the notice of appeal filing with the commissioner of labor and industry in addition to the chief administrative law judge.

Section 9. Repealer. Repeals Minnesota Rules, part 5220.2840, which pertains to penalties for failure to make payments or report to the special compensation fund. This rule has been previously codified in statute at M.S. 176.129.

Sections 1 and 2 and 3 to 6 are effective the day following final enactment. Section 3 takes effect on October 1, 2025.

ARTICLE 2 — OTHER INSURANCE POLICIES

Section 1. [79.101] **Attestation required.** Requires insurers to include specific language in an application for a zero estimated exposure policy attesting to the accuracy of the application, including the absence of employees and estimated zero exposure. This section is effective for policies issued or renewed on or after January 1, 2026.

Section 2. [79.102] **Owner- and contractor-controlled insurance programs.**

Subdivision 1. Definitions. Provides definitions used in this section including "project sponsor," "owner-controlled insurance program," "contractor-controlled insurance program," and "program. "

Subdivision 2. Approval. Requires owner- and contractor-controlled insurance programs to be approved by the commissioner of commerce.

Subdivision 3. Application.

Paragraph (a). Requires commissioner approval or disapproval of an application for owner- and contractor-controlled insurance programs within 60 days of receipt of a completed application. Requires approval if the project meets certain requirements, including: having an aggregate value in excess of \$100,000,000; is a specific construction, erection, or demolition project at a single location or multiple related locations; generates a combined \$500,000 or more in annual written workers' compensation premiums in Minnesota; the project sponsor, contractors, or subcontractors in the program have not been convicted of insurance fraud; and the program's proposed insurer's rates and rating plan have been approved by the commissioner.

Paragraph (b). Lists the information to be submitted as part of the application.

Paragraph (c). Requires information updates to be provided to the commissioner every three months by the project sponsor or general contractor for the duration of an approved program.

Paragraph (d). Allows the commissioner to share information with a licensed data service organization regarding approved programs.

Paragraph (e). Requires an approved program's insurance policies to provide replacement insurance options upon cancellation of a policy prior to completion of the construction project.

Paragraph (f). Provides a nonrefundable application fee of \$2,500.

Subdivision 4. Exclusion. Prohibits a contractor or subcontractor involved in an approved program to have a zero estimated exposure policy for its work on the program's project.

Subdivision 5. Policy forms and rates. Specifies that an approved program's insurer must use forms, auditing standards, and the experience rating plan of a licensed data service organization. Provides limits for a program's policy deductible or retrospective rating plan retention of no less than \$50,000 and no more than \$1,000,000.

Subdivision 6. Payroll records. Requires a project sponsor or general contractor of an approved program to obtain payroll records for the project for purposes of premium audits. Requires retention of payroll records for three years following project completion.

Subdivision 7. Notice required. Requires contractors and subcontractors to be given a copy of the insurance policy covering their employees. Requires posting of a notice at all job sites in English and Spanish about how to submit a claim for compensation under the program's policy or policies.

Subdivision 8. Audits. Authorizes the commissioner to conduct audits and investigations to determine compliance with Minnesota law in the issuance of the policies.

Provides an effective date of January 1, 2026, for this section.

Section 3. [176.011] Zero estimated exposure policy. Defines a “zero estimated exposure policy” as a workers’ compensation insurance policy obtained by an employer to cover the employer’s liability when the employer has reported a total estimated exposure (covered payroll) as zero. This section is effective the day following final enactment.

Section 4. [176.185, subd. 11] Employment and insurance data. Specifies that the employer’s total estimated exposure amount and reported construction classification codes for a zero estimated exposure policy are public data that must be reported by an insurer. Provides an effective date of January 1, 2026, for this section.

Section 5. [176.185, subd 12] **Policies with zero estimated exposure.** Requires a construction employer that obtains a zero estimated exposure policy to provide written notification of the insurance and a copy of the policy to all entities with which it directly contracts to provide construction or improvement services. Requires the entity receiving the notification and policy copy to maintain the documents for three years. Provides an effective date of January 1, 2026, for this section.



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