

Legislative proposals: Workers' Compensation Advisory Council  
May 9, 2025

Minnesota Statutes, section 176.011, **Definitions.**

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**Subd. 20. Zero estimated exposure policy.** “Zero estimated exposure policy” means a policy of insurance that an employer obtains to cover its liability to pay compensation under this chapter after reporting its total estimated exposure is zero.

**Effective date:** day after final enactment.

Minnesota Statutes, section **176.185, Policy of Insurance.**

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**Subd. 11. Employment and insurance data.** (a) The following workers' compensation insurance coverage data reported to or collected by the department under this section, or otherwise created or received by the department, is public data **required to be reported by an insurer**, subject to the limitations provided in paragraph (b):

(1) all action on an insurance policy, but not including the policy itself. Examples of action on a policy are the date of issuance of a new policy, the date of cancellation, or copies of a correction, binder, reinstatement, expiration, cancellation, termination, or declaration page;

(2) the employer's legal name;

(3) every "doing business as" name used by the employer;

(4) the employer's legal form of ownership, such as corporation, partnership, limited partnership, or government entity, and the names of all owners and partners including, for limited partnerships, the names of general partners;

(5) the employer's complete mailing and physical addresses;

(6) the nature of the employer's business;

(7) the policy number;

(8) the effective and expiration dates of the policy;

(9) the name of the insurance carrier;

(10) if the policy has been canceled, the type of cancellation, reason for cancellation, and effective date of cancellation; ~~and~~

(11) the employer's unemployment account number; and

(12) the employer's total estimated exposure amount and reported construction classification codes, for a zero estimated exposure policy.

(b) The commissioner shall release the insurance coverage data listed in paragraph (a) only in response to an inquiry about an employer in which the requester provides employer identifying information required by the commissioner. The commissioner or an entity with whom the department has contracted pursuant to subdivision 10 shall provide a website for such public inquiries and may impose access restrictions necessary to limit access to individual inquiries and to otherwise deter the use of the website for purposes other than insurance verification. Persons who obtain the data prescribed in paragraph (a) from the department are prohibited from using the data for commercial purposes.

(c) For purposes of this subdivision, "employer" includes a policyholder and any other entities listed on the same insurance policy as the employer.

(d) For purposes of this subdivision, "commercial purposes" means the sale or use of insurance coverage data listed in paragraph (a) for marketing or profit.

(e) An entity with whom the department has contracted pursuant to subdivision 10 has a private right of action to enforce the prohibition in paragraph (b) against a person who uses the data for commercial purposes. The entity may bring a civil action to recover damages and costs and disbursements, including reasonable attorney fees, from the person, and for other equitable relief as determined by the court.

**Subd.12. Policies with zero estimated exposure.** If an employer providing or performing building construction or improvement services obtains a zero estimated exposure policy, the employer must provide written notification to all entities with which it directly contracts to provide or perform building construction or improvement services of its total estimated exposure of zero and provide a copy of the policy. When an entity receives such notification, it must maintain the written notification and policy provided for three years from the date the notification and policy were received.

Effective date: January 1, 2026.

Minnesota Statutes, (new section) in chapter 79, **Workers' Compensation Insurance**.

**79.XX. Attestation Required.**

Subdivision 1. For purposes of this section, a “zero estimated exposure policy” has the meaning given in section 176.011, subdivision 20. This section shall apply to zero estimated exposure policies issued to employers performing building construction or improvement services.

Subdivision 2. Each insurer shall require with or as part of each completed application for a “zero estimated exposure policy” a statement signed by the applicant attesting to the accuracy of the information on the application, including the applicant’s absence of employees and estimated exposure of zero. The attestation shall include the following: “I attest that all information provided on this application is current, true, correct, accurate, and complete to the best of my knowledge and belief. I further attest that I have no employees and an estimated exposure of zero. If I employ any employees during the policy period, I must provide within 60 days of the employment written notification to my workers’ compensation insurer of the employment including estimated payroll and classification codes of my employees. I understand that omissions or misrepresentations with intent to defraud on this application are a crime under Minnesota Statutes section 609.611.”

Effective date: effective for policies issued or renewed on or after January 1, 2026.

Minnesota Statutes, (new section) in chapter 79, **Workers' Compensation Insurance**

Minn. Stat. 79.XX

**Subdivision 1. Definitions.**

(a) “Project Sponsor” means a person who engages the services of a contractor for the purpose of working on a single, specific, and large construction, erection, or demolition project.

(b) “Owner controlled insurance program” or “program” is a single, specific, and large construction, erection, or demolition project for which a series of policies have been issued to a project sponsor and two or more contractors or subcontractors engaged in the project to cover liability for workers’ compensation as provided in section 176.181.

(c) “Contractor controlled insurance program” or “program” is a single, specific, and large construction, erection or demolition project for which a series of policies have been issued

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to a general contractor or construction manager and two or more contractors or subcontractors engaged in the project to cover liability for workers' compensation as provided in section 176.181.

**Subdivision 2. Approval.**

(a) Owner and Contractor controlled insurance programs must be approved by the commissioner.

(b) Separate insurance policies must be issued to each eligible entity involved in the program. Separate legal entities may be insured by one insurance policy in the program only if the same person or group of persons own the majority interest in each such legal entities.

**Subdivision 3. Application.**

(a) The commissioner, upon application of a project sponsor or general contractor, shall approve or disapprove owner and contractor controlled insurance programs within 60 days of receipt of a completed application. The commissioner shall grant approval upon a determination that the project sponsor or general contractor has provided all the information that is available at the time of application required in subdivision 3(b) and that the program meets the following requirements:

- (1) the project has an aggregate value in excess of \$100 million;
- (2) the project is a specific construction, erection, or demolition project at a single location or multiple related locations;
- (3) the project generates a combined \$500,000 or more in annual written workers' compensation premiums in Minnesota for the policies issued to all employers as part of the program;
- (4) the project sponsor, contractors, or subcontractors in the program have not been convicted of a crime involving insurance fraud as defined in section 609.611; and
- (5) The program's proposed insurer's rates and rating plan for the program have been approved by the commissioner pursuant to section 79.56, subdivision 1(a).

(b) A project sponsor or general contractor must provide the following information regarding the project and each individual contractor and subcontractor involved in the program as part of the application to the commissioner:

- (1) the name of the proposed insurer;
- (2) project location and address;
- (3) project sponsor name, address, and telephone number;
- (4) addresses and telephone numbers for all contractors and subcontractors in the program;

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- (5) estimated project duration;
- (6) estimated payroll for the project;
- (7) estimated number of employees for the project;
- (8) classification code/primary business code for the project;
- (9) professional or occupational licenses for all contractors in the program;
- (10) any professional or occupational license discipline or suspension for all contractors in the program;
- (11) any criminal charges or convictions for insurance fraud as defined in section 609.611 of any individuals in the program; and
- (12) any bankruptcy or receivership proceedings for any legal entities in the program.
- (c) Every three months during the course of a project of an approved program, the project sponsor or general contractor will provide to the commissioner any updates to the application information required by paragraph 3(b).
- (d) The commissioner may share with a licensed data service organization information concerning approved programs. A licensed data service organization must provide upon request to the commissioner any policy issued to an employer involved in an approved program.
- (e) An approved program's insurance policies shall provide that upon cancellation of a policy prior to completion of the construction project, the project sponsor or contractor will either replace the insurance or pay the contractor or subcontractor to obtain replacement insurance in an amount equal to the premium paid by the contractor or subcontractor to obtain replacement insurance for the duration of the project.
- (f) A project sponsor or general contractor applying for approval of an owner controlled insurance program or a contractor controlled insurance program must pay a nonrefundable application fee of \$2,500.
- Subdivision 4. No contractor or subcontractor involved in an approved program may have a zero estimated exposure policy as defined in 176.011, subdivision 20 for its work on the program's project.
- Subdivision 5. Policy forms and rates.**
- (a) An approved program's insurer must use forms and auditing standards of a licensed data service organization.
- (b) An approved program's insurer must use the experience rating plan of a licensed data service organization.

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(c) An approved program's policies deductible or retrospective rating plan retention must be no less than \$50,000 and no more than \$1,000,000. In no case can the deductible or retrospective rating plan retention be higher than the program's insurer's applicable Workers' Compensation Reinsurance Association retention limit.

(d) To the extent an approved program's insurer deviates from the rates and rating plan approved by the commissioner when determining rates for each employer in the program, the insurer shall submit to the commissioner data and calculations used by the insurer to calculate such deviations within 60 days of the program's policies' effective date.

Subdivision 6. A project sponsor or general contractor of an approved program must obtain payroll for the project from all contractors and subcontractors in the program at the time of premium audit. The project sponsor or general contractor shall maintain these payroll records for three years after the date of completion of the project.

Subdivision 7. All subcontractors and contractors participating in an approved program shall be provided with a copy of the insurance policy covering their employees. The project sponsor, general contractor, or construction manager shall post the notice required by section 176.139, subdivision 1, at job site(s) in English and Spanish, including information about how to submit a claim for compensation under the program's policy or policies. Upon request, contractors and subcontractors must furnish this information to an employee covered by the program in a language that the employee can understand.

Subdivision 8. The commissioner is authorized to conduct audits and investigations under section 45.027 to determine if insurers and approved owner and contractor controlled insurance programs are complying with Minnesota law in the issuance of policies described in this section.

Effective date: January 1, 2026.