



CIRCULAR NO. 25-1862

Date: July 22, 2025

To: All Association Members

Re: **FYI – Summary of 2025 Legislative Session**

Overview

In response to the 2025 legislative session, MWCIA would like to share a summary of changes enacted through [House File 3228](#) and the action MWCIA is taking in response to these updates. The provisions related to Home Care Services Workers and Executive Officers became effective the day after enactment, on May 23, 2025. All other provisions included in the legislation will take effect on January 1, 2026.

MWCIA will revise its manuals where applicable to reflect the recent legislative changes. For items requiring a filing with the Minnesota Department of Commerce, a circular will be issued once those filings have been reviewed and approved.

Key Legislative Changes & Required Actions

I. HOME CARE SERVICES WORKERS

The definition of **employee** has been clarified to ensure that home care support workers, whether employed by an agency or engaged directly through consumer-directed care programs, are entitled to workers' compensation coverage. Additionally, the new rule establishes that fiscal agents are responsible for both **requiring** and **verifying** that participants maintain active workers' compensation policies for their support workers.

MWCIA Action: MWCIA has prepared a revision to the Basic Manual to reflect these statutory changes, with a planned filing date of August 1, 2025.

II. EXECUTIVE OFFICERS

The definition of executive officers is clarified to include:

- Board of Directors elected or appointed officers. Roles are defined by the corporation's articles, bylaws, or board decisions, and subject to any shareholder control agreement.
- CEO appointed officers. The CEO cannot appoint the CFO.
- Individuals who, in the absence of a formal appointment, are performing the duties of the CEO or CFO. (Only formally appointed CEOs and CFOs may determine the location of the principal executive office.)

MWCIA Action: MWCIA has prepared a revision to the Basic Manual to reflect these statutory changes, with a planned filing date in September 2025.

III. WRAP-UP CONSTRUCTION PROJECTS

The new statutory language refines eligibility criteria and introduces key definitions for wrap-up insurance projects in Minnesota. These include the **Owner-Controlled Insurance Program (OCIP)**, where the project sponsor is responsible for managing workers' compensation policies, and the **Contractor-Controlled Insurance Program (CCIP)**, which is administered by the general contractor or construction manager. The term *project sponsor* is formally defined to clarify roles within these wrap-up structures.

There is a new application process requiring approval from the Commissioner, who will review applications within 60 days of receipt.

To qualify, a project must meet several requirements, including but not limited to:

- A separate policy must be issued for each legal entity involved, unless all entities are under common majority ownership.
- The total project value must exceed \$100 million.
- The project must be located at a single site or at multiple related sites.
- Combined annual written workers' compensation premiums in Minnesota must total \$500,000 or more for all policies issued to participating employers.
- The project sponsor, contractor, and subcontractors must not have any convictions related to insurance fraud.
- Policies with zero estimated exposure are not permitted.
- The proposed insurer's rates and rating plan for the program must be approved by the commissioner.

MWCIA Action: MWCIA will prepare a revision to the Basic Manual to reflect statutory changes, with a filing date in September 2025.

IV. ZERO ESTIMATED EXPOSURE POLICIES

A. Attestation Requirements for Construction and Improvement Industry

Insurers issuing zero estimated exposure policies or what are commonly referred to as "if any" or "ghost" policies to employers in the building construction or improvement industry must now collect a signed attestation with each completed application.

The attestation must confirm that the applicant has no employees and that the estimated exposure is zero. It must also acknowledge the obligation to notify the insurer within 60 days if employees are hired during the policy period and the estimated payroll and classification codes.

Insurer Action: MWCIA does not have a manual provision for zero estimated exposure policies. Please ensure your application process aligns with the new regulatory requirements when issuing these policies.

B. Contract Notification Requirements for the Construction and Improvement Industry

Employers having a zero estimated exposure workers' compensation policy must provide written notification to each entity they contract with to perform construction or improvement services. This notice must include confirmation of their zero estimated exposure and a copy of the policy.

Entities receiving this notification are required to retain both the written notice and the policy for three years from the date they are received.

Insurer Action: MWCIA does not have a manual provision for zero estimated exposure policies. Please ensure your policyholders are aware of the new regulatory requirements.

C. Public Access for Zero Estimated Exposure Policies when Construction Classification Codes are Present

Policies that include construction class codes with a reported total estimated exposure amount of zero are now classified as public data. This information will be viewable through the [Minnesota Department of Labor and Industry look-up tool](#).

Insurer Action: Insurers should inform policyholders that this data will be visible to the public and ensure accuracy when submitting policy information.

Contact Information

Insurers who have specific questions related to House File 3228 are encouraged to contact their regulatory or compliance department.

For questions regarding MWCIA's projected filings, please contact us:

- underwriting@mwcia.org;
- 952-897-1737, select Option 1 from the menu;
- Hours: Monday–Friday, 8:00 a.m. – 4:00 p.m. Central Time