

mission shall have power on or before the first day of January of each year to reclassify such industries, or oftener, if, in the opinion of the Commission, the same should be deemed just and advantageous; or to create additional classifications with respect to their respective degrees of hazard and determine the risk of the different classes, and fix the rate of premium for each class, according to the risks of the same sufficiently large to guarantee a workmen's compensation fund from year to year. It shall be the duty of the Commission in determining the rates, in order to create a fund sufficiently large to guarantee a workmen's compensation fund from year to year to also re-classify from time to time the industries or occupations, in order that there may be a flexible adjustment of the rates as the hazard fluctuates, and to use all means in their power through the rate adjustment to lessen the opportunities for injuries to the workmen. The classification so determined and the rates of premium established shall be applicable for such year unless a reclassification should, in the opinion of the Commission, necessitate a change of rate within such year; and based on each one hundred dollars of the gross annual payroll of each employer in any class; provided, also, that for the purpose of this sub-title, the pay of the employee partly within and partly without the State shall be deemed to be such proportion of the total pay of such employee as his service within the State bears to his service outside the State.

The State Industrial Accident Commission shall have the power to apply that form of rating system in the establishment of premiums which, in its judgment, is best calculated to merit or individually rate the risk most equitably, predicated upon the basis of its individual industrial accident experience, and to encourage and stimulate accident prevention; and shall develop fixed and equitable rules controlling such merit or individual rates. The Commission shall also have power to establish and fix minimum premiums to be paid by any employer insured or insuring in the State Accident Fund, and to require the payment of estimated premiums in advance.

The Commission, in its administration of the State Accident Fund, shall have the power to declare dividends to the subscribers or policyholders in the fund, either in the form of cash refunders or credits, when the financial condition of the fund is such, in the judgment of the Commission, as to make such dividend declaration warranted and advisable.

SEC. 2. *And be it further enacted*, That this Act shall take effect June 1, 1937.

Approved May 18, 1937.