

HOUSE RESEARCH

Bill Summary

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Section

1 Class actions against insurers.

Subd. 1. Requirement. Requires a court to stay a class action against an insurer unless the court finds:

- there are only questions of law; and
- the Commerce Department may not make any findings or issue orders that would help the court resolve the action.

Allows a court to stay a class action against an insurer if it determines that commerce may order in a contested case all or part of the relief the claimant seeks. Requires the court to cite the statute it relies on.

If a court stays an action under this section, it must refer to commerce claims within the department's jurisdiction. It may direct commerce to report periodically about disposition of the referred matters.

Stops the statute of limitations running during the time the claimant is seeking an administrative remedy.

Subd. 2. Period of stay. Requires the court to stay the action at least six months from

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entry of the stay, or such other reasonable time the court determines.

Subd. 3. Adequate relief. Provides that relief may be adequate even if it does not include exemplary damages, multiple damages, attorney fees, or costs.

Subd. 4. Applicability. The section applies to a class action against and insurer where (1) a claimant seeks recovery for a class, and (2) the interpretation, application, or violation of an insurance rule or statute is involved for at least one defendant.

Subd. 5. Definition. The bill covers any entity required to be licensed under the insurance laws of this state.