This is the department of commerce's 2000 omnibus insurance bill. It makes a variety of substantive, clarifying, and technical changes in state insurance laws.

Section
1. **Cancellation of group coverage; notification to covered persons.** Expands the scope of a current law requiring that an insurer notify individual enrollees 30 days before a group life, disability, or medical expense policy is going to be cancelled. The expansion clarifies that it applies to small employer health policies and health plans subject to chapter 62Q.

2. **Assumption transactions regulated.** Provides that Minnesota's law regulated assumption transactions applies to arrangements that are not technically assumption transactions, but that have substantially similar effects. An assumption transaction is one in which one insurer agrees with another insurer to assume the first insurer's obligations under a policy.

3. Deleted by author's amendment.

4. **Requirement.** This section deals with closed blocks of business. Health insurers sometimes stop selling a particular policy form to new insureds, while continuing to renew the coverage for existing insureds. This can create a self-perpetuating spiral of increased premium rates, healthy people moving to other coverage, further rate increases, and so on. This section requires insurers to notify insureds when a block of business has been closed and tell insureds how to get out of it and into a similar product offered by that insurer.

5. **Continuation of benefits to survivors.** Provides that the insurer or other issuer of a group policy must disclose to a surviving spouse on continuation coverage the amount the insurer is charging the employer for that surviving spouse's coverage. Currently that requirement is only on the employer.

6. **Required coverage.** Specifies that the existing benefit mandate covering "routine screening procedures for cancer" include digital rectal exams, the PSA test for prostate cancer (already
required under another section), and the cost of office visits related to cancer screening.

7 Notice before termination or lapse. Requires that the sale of Medicare supplement policies to include listing a person other than the insured to be notified prior to termination of the policy for nonpayment of premium, or a waiver by the insured of the right to designate a person for that purpose. Requires a reminder notice of this right every two years.

8 Notice requirement. Requires insurers to notify the person designated under the preceding section prior to termination for nonpayment of premium.

9 Extended basic medicare supplement plan; coverage. Specifies that cancer screening already required under the extended basic Medicare supplement plan includes a digital rectal exam and the PSA test for prostate cancer.

10 Basic medicare supplement plan; coverage. Same as preceding section, but for the basic plan.

11 Cessation of individual business. Requires insurers that leave the individual health insurance market in Minnesota to give the commissioner a list of terminated policyholders. Requires the notice to policyholders to include information about the Minnesota Comprehensive Health Association and referrals to the departments of health and commerce.

12 Prohibited provision; judicial review. Extends to disability income insurance a current law prohibiting a policy from limiting judicial review of a decision by the insurance company.

13 Statement of reasons for cancellation or reduction. Provides that a notice of cancellation for nonpayment of premium or within the first 60 days of coverage must be mailed at least 15 days (instead of 10 days) prior to the effective date of cancellation.

14 Insurance required. Sets a minimum solvency standard for issuers of motor vehicle service contracts.

15 Filing requirements. Requires prior approval of motor vehicle service contracts. Includes a 60-day "deemer clause."

16 Deleted by author's amendment.

17 Deleted by author's amendment.

18 Auto insurance lapse in treatment. Requires a notice to an insured receiving no-fault automobile medical benefits that a lapse in treatment is about to affect eligibility for future benefits.

19 Deleted by author's amendment.

20 Deleted by author's amendment.


22 Minimum deposit. Provides that the entire deposit of a workers compensation self-insurer (rather than just 10 percent of it) may be used to secure the obligations of all self-insurers. Permits the commissioner to allow former self-insurers to post lower deposits under certain circumstances.

23 Perfection of security. In the case of a bankruptcy by a self-insurer, protects the rights of the commissioner to that firm's deposit with the self-insurers' security fund.

24 Insolvency, bankruptcy or default; utilization of security deposit. Similar to preceding section.

25 Security deposits. Similar to preceding section.

26 Replacement insurance policy. Another section strengthening the security fund in the event of bankruptcy of a self-insurer.
