Overview

This is the department of commerce omnibus technical insurance and enforcement bill. It makes technical insurance changes and changes to various provisions pertaining to the department's licensing and enforcement activities.

Section

1. **Authorized disclosures of information and data.** Permits the commissioner to release investigative information about insurance activities to federal banking regulators.

2. **Grounds.** Would permit the department to restrict an insurer's authority to continue to do business in the state under an agreement with the insurer based upon the insurer's financial condition.

3. **Suspension or revocation of authority or censure.** Makes a change to conform to section 1.

4. **Consolidated filing.** Specifies when an affiliated insurance company may be included in a consolidated or combined financial statement.

5. **Term and fees.** Provides that the term and license fees of a managing general agent license are the same as for a licensed insurance agent.

6. **Term.** Requires a licensed insurance agent to notify the commissioner within ten days of a change in name, address, or other information, instead of the current thirty-day period.

7. **Brokerage business.** Corrects an error in 1999 legislation, which unintentionally repealed all of a section instead of only part of it. This reenacts the part that was not intended to be repealed. It permits insurance agents to find insurance for customers from insurance companies that the agent does not represent, as long as the transaction is done through an agent who does represent that company. The reenacted language includes some minor changes.

8. **Personal solicitation of insurance sales.** Eliminates a requirement that insurance agents disclose to customers their insurance agent license number.
Minimum education requirement. Eliminates a requirement from 1999 legislation, requiring insurance agent continuing education to include two hours on state insurance laws every two years.

Application. This section involves employee group life insurance. Specifies rights of dependent children to be have continuation coverage and rights of employees and dependents to have conversion policies on termination of the group policy.

Dental and vision plan coverage. Adds to the list of sections that do not apply to insurance for dental or vision care only.

Financial statements. This section applies to nonprofit health service corporations, such as Blue Cross and Delta Dental. Eliminates a requirement that financial statements include a report of a certified audit.

Continuation privilege. This section also applies only to nonprofit health service plan corporations. Provides that continuation rights are not dependent on the terms of a divorce and that continuation rights end upon being covered by another group plan, rather than by remarriage. This conforms this continuation provision to those that apply to other types of insurers.

Major medical coverage. Eliminates requirement that a purchaser of "nonqualified" health coverage be offered a "qualified" plan, if the nonqualified coverage has a lifetime maximum benefit of at least $1,000,000.

Broker. Corrects a cross-reference to conform to the section above, dealing with brokerage business.

Compliance. Clarifies that state law requiring uniform electronic billing for health claims does not require compliance with federal law before federal law does.

Requirements. Clarifies that a qualified long term care insurance policy form must be filed with the department.

Visitation and examination. Permits financial examination of fraternal benefit societies as often as required under the department's general requirements.

Insurance required. Requires insurance companies providing reinsurance for motor vehicle service contracts to have financial capital and surplus of at least $5,000,000. This provision has a January 1, 2001, effective date.

Filing requirements. Requires that forms for motor vehicle service contracts filed with the commissioner prior to their use not be used until either the commissioner has approved them or 60 days have passed. (This is called a 60-day "deemer clause," because after 60 days they are deemed approved, unless disapproved.)

Return of premiums. Requires refund of unearned premium on life insurance within 30 days after cancellation by the insured and surrender of the policy.

Discrimination in automobile insurance policies. Combines into this section another similar section for convenience. This is purely technical.

Notice and information. Provides that if an applicant for insurance is turned down on the basis of a credit report or credit score, the applicant must be informed of the specific basis for the rejection.

- Workers' compensation self-insurance. These sections all involve technical changes relating to workers' compensation self-insurance and self-insurance groups. They do not affect workers' compensation benefits.

Affiliation. Specifies when a broker-dealer or investment advisor is considered to be affiliated by common control.

General grounds. Adds language to the existing set of grounds for discipline against a securities licensee to allow the commissioner to act based on discipline imposed by a securities exchange.

Copies of prospectus. Current law requires securities registration applicants to file two copies of the latest prospectus; this section reduces that requirement to one copy.

Clarification. Paragraph (a) clarifies that limits on exemption from securities registration are based only upon transactions in Minnesota.

Dormant applications. Current law implies that it is mandatory that the commissioner consider withdrawn any franchise offering registration application that has no activity for 120 days. This section provides that the commissioner has discretion to take that step.

Amendment of registration. Similar to the previous section, gives the commissioner discretion to withdraw a franchise offering registration amendment application that has had no activity for 120 days.

Continuing education. Extends to August 1, 2001, the sunset of authority for a pilot project on using new technology to deliver continuing education for real estate brokers and salespersons.

Effective date. Provides that camping membership registrations are effective on the date the commissioner declares by order.

Withdrawal of application. Gives the commissioner authority to consider inactive membership camping registration applications withdrawn.

Experience requirement. Provides that fifty percent, or 1,500 hours, of real estate appraisal experience must be in nonresidential appraisals.

Withdrawal of application. Gives the commissioner authority to consider inactive land subdivision applications withdrawn.

Alternate procedure to disburse property. Adjusts a deadline for a filing by cooperatives relating to unclaimed property, to conform to 1996 legislation.

Generally. Limits the use of the contractor's recovery fund to properties located in Minnesota.

Agency responsibility for collectors. Provides that the commissioner may take action against a collection agency based on actions of its collectors.

Agreements to locate reported property. Regulates contracts to locate unclaimed property.

Standards of conduct for notarial acts. Provides what a notarial officer is required to do in taking acknowledgments, witnessing signatures, and performing other acts.

Insurance agent continuing education. Delays for one year a 1999 provision permitting insurance agent continuing education to be provided over the Internet or other nontraditional methods.

Repealer. Repeals provisions dealing with breast implant underwriting (obsolete), a phase-in dealing with 1993, and the section being combined into the section on discrimination in auto insurance policies above.

Effective date. Various effective dates.