

This Document can be made available in alternative formats upon request

State of Minnesota

HOUSE OF REPRESENTATIVES

EIGHTY-EIGHTH SESSION

H. F. No. 3396

05/16/2014 Authored by Atkins

The bill was read for the first time and referred to the Committee on Commerce and Consumer Protection Finance and Policy

1.1 A bill for an act  
1.2 relating to insurance; regulating sales of insurance coverage to school districts;  
1.3 amending Minnesota Statutes 2012, section 60K.46, by adding a subdivision.

1.4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.5 Section 1. Minnesota Statutes 2012, section 60K.46, is amended by adding a  
1.6 subdivision to read:

1.7 Subd. 9. Sales of insurance to school districts. An insurance broker who provides  
1.8 insurance coverage to school districts must not:

1.9 (1) receive and retain an overriding commission in connection with the sale. For  
1.10 purposes of this subdivision, an overriding commission is a portion of the proceeds of a  
1.11 sale of insurance that is earned by an agent of the broker, rather than by the broker, but  
1.12 which the broker retains as income for the broker;

1.13 (2) fail to disclose all compensation to the broker or agents from any potential  
1.14 sale of insurance to the school district; or

1.15 (3) fail to initiate and maintain a fiduciary responsibility to the school district.

1.16 EFFECTIVE DATE. This section is effective July 1, 2014.