

HOUSE OF REPRESENTATIVES

EIGHTY-EIGHTH SESSION

H. F. No. 654

02/18/2013 Authored by Laine, Lillie and Hoppe

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

03/14/2013 Adoption of Report: Pass as Amended and Read Second Time

1.1 A bill for an act
1.2 relating to commerce; regulating preneed funeral insurance; amending Minnesota
1.3 Statutes 2012, sections 61A.258, by adding a subdivision; 72A.207.

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

1.5 Section 1. Minnesota Statutes 2012, section 61A.258, is amended by adding a
1.6 subdivision to read:

1.7 Subd. 5. **Exception.** A policy providing preneed insurance or designed to cover,
1.8 in whole or in part, the goods and services described in subdivision 1, clause (3), is not
1.9 subject to section 72A.207.

1.10 Sec. 2. Minnesota Statutes 2012, section 72A.207, is amended to read:

1.11 **72A.207 GRADED DEATH BENEFITS.**

1.12 For the purpose of this section, a graded death benefit is a provision within a life
1.13 insurance policy in which the death benefit, in the early years of the policy, is less than the
1.14 face amount of the policy, but which increases with the passage of time.

1.15 No policy of life insurance paying a graded death benefit may be issued in this state
1.16 unless the graded death benefit is equal to at least four times the first year premium. This
1.17 section does not prohibit the return of premiums or premiums plus interest in connection
1.18 with the voluntary or judicially ordered rescission of the policy, or according to the terms
1.19 of the exclusions from coverage for suicide, aviation, or war risk.

1.20 A policy providing preneed insurance as defined in section 61A.258, or designed
1.21 to cover, in whole or in part, the goods and services described in section 61A.258,
1.22 subdivision 1, clause (3), is not subject to this section.