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DATE	D-PG	OFFICIAL STATUS
03/07/2011	423	Introduction and first reading Referred to Commerce and Consumer Protection
03/17/2011	537a	Comm report: To pass as amended and re-refer to Judiciary and Public Safety

1.1

A bill for an act

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relating to commerce; modifying certain insurance notices and authorizations to

1.3

collect information; regulating certain insurance appraisers; amending Minnesota

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Statutes 2010, sections 60C.21, subdivision 1; 65A.12, subdivision 2; 72A.501;

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72A.502, subdivision 1.

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

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Section 1. Minnesota Statutes 2010, section 60C.21, subdivision 1, is amended to read:

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Subdivision 1. **Notice required.** No person, including an insurer, agent, or affiliate

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of an insurer or agent shall sell, or offer for sale, a covered property and casualty insurance

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policy, unless the notice, in the form specified in subdivision 2, is delivered given or

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obtained with or as a part of the application for that policy. ~~A copy of the notice must~~

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~~be given to the applicant. If the application is not taken from the applicant in person, the~~

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~~notice must be sent to the applicant within 72 hours after the application is taken. The~~

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~~person offering the policy or contract shall document the fact that the notice was given at~~

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~~the time of application or was sent within the specified time and shall include a copy of~~

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~~the notice with the policy or contract when delivered to the applicant. This section does~~

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not apply to renewals, unless the renewal increases the dollar amount of a coverage by

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more than 100 percent. The notice must be given or obtained in writing or in the same

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medium as the application for insurance.

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Sec. 2. Minnesota Statutes 2010, section 65A.12, subdivision 2, is amended to read:

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Subd. 2. **Appraiser.** No person shall be a qualified appraiser who is not ~~a resident of~~

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~~the state,~~ disinterested, and willing to act.

Sec. 3. Minnesota Statutes 2010, section 72A.501, is amended to read:

72A.501 DISCLOSURE AUTHORIZATION.

Subdivision 1. **Requirement; content.** An authorization used by an insurer, insurance-support organization, or insurance agent to disclose or collect personal or privileged information ~~must be in writing and must meet the following requirements~~ is valid if it:

(1) is ~~written~~ in plain language;

(2) is dated;

(3) specifies the types of persons authorized to disclose information about the person;

(4) specifies the nature of the information authorized to be disclosed;

(5) names the insurer or insurance agent and identifies by generic reference representatives of the insurer to whom the person is authorizing information to be disclosed;

(6) specifies the purposes for which the information is collected; and

(7) specifies the length of time the authorization remains valid.

If the insurer, insurance-support organization, or insurance agent determines to disclose or collect a kind of information not specified in a previous authorization, a new authorization specifying that kind of information must be obtained.

Subd. 2. **Application.** (a) If the authorization is ~~signed~~ given or obtained to collect information in connection with an application for a property and casualty insurance policy, a policy reinstatement, or a request for a change in benefits, the authorization is valid as long as the individual is continually insured with the insurer. At each renewal of the policy, the insurer must notify the insured in writing of the contents of the authorization and that the authorization remains in effect unless revoked.

(b) If the authorization is ~~signed~~ given or obtained to collect information in connection with an application for a life, disability, and health insurance policy or contract, reinstatement, or request for change in benefits, the authorization is valid as long as the individual is continually insured with the insurer. At each renewal of the policy, the insurer must notify the insured in writing of the contents of the authorization and that the authorization remains in effect unless revoked.

(c) This section and section 72A.502, subdivisions 1 and 12, do not apply to the collection and use of a numeric product referred to as an insurance score or credit score that is used by a licensed insurance agent or insurer exclusively for the purpose of underwriting or rating an insurance policy, if the agent or insurer informs the policyholder or prospective policyholder requesting the insurance coverage that an insurance score or credit score will be obtained for the purpose of underwriting or rating the policy.

3.1 Subd. 3. **Claims.** If the authorization is ~~signed~~ given or obtained to collect
3.2 information in connection with a claim for benefits under an insurance policy, the
3.3 authorization must not remain valid for longer than:

3.4 (1) the term of coverage of the policy, if the claim is for a health insurance benefit; or
3.5 (2) the duration of the claim, if the claim is for a claim other than for a health
3.6 insurance benefit.

3.7 Subd. 4. **Authorization; noninsurers.** If an authorization is submitted to an insurer,
3.8 insurance-support organization, or insurance agent by a person other than an insurer,
3.9 insurance-support organization, or insurance agent, the authorization must be dated,
3.10 signed by the person, and obtained one year or less before the date a disclosure is sought.

3.11 Sec. 4. Minnesota Statutes 2010, section 72A.502, subdivision 1, is amended to read:

3.12 Subdivision 1. **Requirement.** An insurer, insurance agent, or insurance-support
3.13 organization must not disclose any personal or privileged information about a person
3.14 collected or received in connection with an insurance transaction without the ~~written~~
3.15 authorization of that person except as authorized by this section. An insurer, insurance
3.16 agent, or insurance-support organization must not collect personal information about a
3.17 policyholder or an applicant not relating to a claim from sources other than public records
3.18 without ~~a written~~ an authorization from the person. The authorization to collect personal
3.19 information must be in writing or in the same medium as the application for insurance.