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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETIETH SESSION

H. F. No. 3409

03/08/2018 Authored by Fenton and Hoppe  
The bill was read for the first time and referred to the Committee on Commerce and Regulatory Reform

1.1 A bill for an act  
1.2 relating to insurance; regulating affinity group coverages and insurance fraud;  
1.3 amending Minnesota Statutes 2016, section 65B.44, subdivision 2a; Minnesota  
1.4 Statutes 2017 Supplement, section 72A.328, subdivision 1.

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

1.6 Section 1. Minnesota Statutes 2016, section 65B.44, subdivision 2a, is amended to read:

1.7 Subd. 2a. **Person convicted of insurance fraud.** (a) A person convicted of or pleading  
1.8 guilty to insurance fraud under section 609.611 in a case related to this chapter or of  
1.9 employment of runners under section 609.612, or convicted under or pleading guilty to any  
1.10 federal or state law criminalizing fraud in a case related to no-fault automobile insurance,  
1.11 may not enforce a contract for payment of services eligible for reimbursement under  
1.12 subdivision 2 against an insured or reparation obligor.

1.13 (b) After a period of five years from the date of conviction, a person described in  
1.14 paragraph (a) may apply to district court to extinguish the collateral sanction set forth in  
1.15 paragraph (a), which the court may grant in its reasonable discretion.

1.16 Sec. 2. Minnesota Statutes 2017 Supplement, section 72A.328, subdivision 1, is amended  
1.17 to read:

1.18 Subdivision 1. **Definitions.** (a) For purposes of this section the following terms have  
1.19 the meanings given.

1.20 (b) "Affinity program" means a group of individuals who are members of an entity that  
1.21 offers individuals benefits based on their membership in that entity. Affinity program does

2.1 not include an entity that obtains group insurance, as defined in section 60A.02, subdivision  
2.2 28, or risk retention groups as defined in section 60E.02, subdivision 12.

2.3 (c) "Policy" means an individually underwritten policy of private passenger vehicle  
2.4 insurance, as defined in section 65B.001, subdivision 2, an individually underwritten policy  
2.5 of homeowner's insurance, as defined in section 65A.27, subdivision 4, or an individually  
2.6 underwritten policy issued under section 60A.06, subdivision 1, clause (10)-, or an  
2.7 individually underwritten policy issued under section 60A.06, subdivision 1, clause (12),  
2.8 or a commercial policy as defined by the commissioner in rule.