

nor increase the effect as notice, actual or constructive, of any instrument now of record; nor bar the rights of any person, partnership or corporation in possession of real estate. This section shall not impair the record title or record interest, or title obtained by or through any congressional or legislative grant, of any railroad corporation or other public service corporation or any trustee or receiver thereof or of any educational or religious corporation in any real estate by reason of any failure to file or record further evidence of such title or interest even though the record thereof is new or hereafter more than 40 years old; nor shall this section require the filing of any notice as provided for in this act as to any undischarged mortgage or deed of trust executed by any such corporation or any trustee or receiver thereof or to any claim or action founded upon any such undischarged mortgage or deed of trust. The exceptions of this subdivision shall not include (a) reservations or exceptions of land for right of way or other railroad purposes contained in deeds of conveyance made by a railroad company or by trustees or receivers thereof, unless said reserved or excepted land shall have been put to railroad use within 40 years after the date of said deeds of conveyance, (b) nor any rights under any conditions subsequent or restrictions contained in any such deeds of conveyance. This act shall not affect any action or proceeding which is now or on January 1, 1948, shall be pending, for the determination of validity of the title to real estate.

Approved March 24, 1947.

CHAPTER 119—H. F. No. 245

[Coded as Sections 70.35 to 70.51]

An act relating to the regulation of rates for insurance commonly known as casualty insurance, for all other forms of motor vehicle insurance, and for fidelity, surety, and guaranty bonds, and to rating organizations, advisory organizations, joint underwriting and joint reinsurance.

Be it enacted by the Legislature of the State of Minnesota:

[70.35] Section 1. **Purpose of act.** The purpose of this act is to promote the public welfare by regulating insurance rates to the end that they shall not be excessive, inadequate or unfairly discriminatory, and to authorize and regulate coopera-

tive action among insurers in rate making and in other matters within the scope of this act. Nothing in this act is intended (1) to prohibit or discourage reasonable competition, or (2) to prohibit, or encourage except to the extent necessary to accomplish the aforementioned purpose, uniformity in insurance rates, rating systems, rating plans or practices. This act shall be liberally interpreted to carry into effect the provisions of this section.

[70.36] **Sec. 2. Scope of act. Subdivision 1. Forms of insurance to which applicable.** This act applies to casualty insurance, to all other forms of motor vehicle insurance, and to fidelity, surety and guaranty bonds, on risks or operations in this state.

Subd. 2. "Casualty insurance" and "insurers" defined. Except as excluded by subdivision 4 of this section, "casualty insurance" means any of the kinds of insurance enumerated in Minnesota Statutes 1945, Section 60.29, Subdivision 1, clauses (3), (5), (6), (7), (8), (9), (10), (11), (12), (13), and (14), together with similar kinds of insurance which may be written pursuant to the provisions of Minnesota Statutes 1945, Section 60.31, and, notwithstanding the provisions of Minnesota Statutes 1945, Section 71.13, includes insurance effected or exchanged pursuant to the provisions of Minnesota Statutes 1945, Sections 71.07 to 71.15, and the term "insurers" includes all individuals, partnerships or corporations and their attorneys engaged in effecting or exchanging insurance pursuant to the provisions of those statutes.

Subd. 3. Commissioner. "Commissioner" means the commissioner of insurance of this state.

Subd. 4. Non application of act. This act shall not apply to:

(1) Insurance written by township or farmers' mutual insurance companies subject to the provisions of Minnesota Statutes 1945, Chapter 67;

(2) Reinsurance, other than joint reinsurance to the extent stated in section 11;

(3) Accident and health insurance;

(4) Insurance against loss of or damage to aircraft or against liability arising out of the ownership, maintenance, or use of aircraft;

(5) Workmen's compensation insurance;

(6) Insurance covering any of the liability of an employer exempted from insuring his liability for compensation as provided in Minnesota Statutes 1945, Section 176.24; and

(7) Disability and double indemnity insurance issued as part of a life insurance contract.

Subd. 5. Designation of type of coverage. If any kind of insurance, subdivision or combination thereof, or type of coverage, subject to this act, is also subject to regulation by another rate regulatory act of this state, an insurer to which both acts are otherwise applicable shall file with the commissioner a designation as to which rate regulatory act shall be applicable to it with respect to such kind of insurance, subdivision or combination thereof, or type of coverage.

[70.37] **Sec. 3. Making of rates.** Subdivision 1. **Plan of making.** All rates shall be made in accordance with the following provisions:

(1) Due consideration shall be given to past and prospective loss experience within and outside this state, to catastrophe hazards, if any, to a reasonable margin for underwriting profit and contingencies, to dividends, savings or unabsorbed premium deposits allowed or returned by insurers to their policyholders, members or subscribers, to past and prospective expenses both country-wide and those specially applicable to this state, and to all other relevant factors within and outside this state;

(2) The systems of expense provisions included in the rates for use by any insurer or group of insurers may differ from those of other insurers or groups of insurers to reflect the requirements of the operating methods of any such insurer or group with respect to any kind of insurance, or with respect to any subdivision or combination thereof for which subdivision or combination separate expense provisions are applicable;

(3) Risks may be grouped by classifications for the establishment of rates and minimum premiums. Classification rates may be modified to produce rates for individual risks in accordance with rating plans which establish standards for measuring variations in hazards or expense provisions, or both. Such standards may measure any differences among risks that can be demonstrated to have a probable effect upon losses or expenses;

(4) Rates shall not be excessive, inadequate or unfairly discriminatory. No rate shall be held to be inadequate if the

information furnished by the insurer in support of the filing shows that the business being written at the rate proposed in the filing is being written by the insurer at a profit.

Subd. 2. Uniformity. Except to the extent necessary to meet the provisions of clause 4 of subdivision 1 of this section, uniformity among insurers in any matters within the scope of this section is neither required nor prohibited.

[70.38] **Sec. 4. Rate filings.** Subdivision 1. **Contents; information; public inspection.** Every insurer shall file with the commissioner every manual of classifications, rules and rates, every rating plan and every modification of any of the foregoing which it proposes to use. Every filing shall state the proposed effective date thereof, and shall indicate the character and extent of the coverage contemplated. When a filing is not accompanied by the information upon which the insurer supports it, and the commissioner does not have sufficient information to determine whether the filing meets the requirements of this act, he shall require the insurer to furnish the information upon which it supports the filing, and in such event:

(1) The waiting period provided for in subdivision 4 shall commence as of the date such information is furnished;

(2) The information furnished in support of a filing may include (a) the experience or judgment of the insurer or rating organization making the filing, (b) its interpretation of any statistical data it relies upon, (c) the experience of other insurers or rating organizations, and (d) any other relevant factor. A filing and any supporting information shall be open to public inspection after the filing becomes effective.

Subd. 2. Membership in licensed rating organization in lieu of filing. An insurer may satisfy its obligation to make such filings by becoming a member of, or a subscriber to, a licensed rating organization which makes such filings, and by authorizing the commissioner to accept filings by that rating organization on its behalf. Nothing contained in this act shall be construed as requiring any insurer to become a member of or a subscriber to any rating organization.

Subd. 3. Review by commissioner. The commissioner shall review filings as soon as reasonably possible after they have been made in order to determine whether they meet the requirements of this act.

Subd. 4. Waiting period; effective date. Subject to the

exception specified in subsection 5 of this section, each filing shall be on file for a waiting period of 15 days before it becomes effective, which period may be extended by the commissioner for an additional period not to exceed 15 days if he gives written notice within this waiting period to the insurer or rating organization which made the filing that he needs that additional time for the consideration of the filing. Upon written application by an insurer or rating organization, the commissioner may authorize a filing which he has reviewed to become effective before the expiration of the waiting period or any extension thereof. A filing shall be deemed to meet the requirements of this act unless disapproved by the commissioner within the waiting period or any extension thereof.

Subd. 5. Relating to surety or guaranty bonds. Any special filing with respect to a surety or guaranty bond required by law or by court or executive order or by order, rule or regulation of a public body, not covered by a previous filing, shall become effective when filed and shall be deemed to meet the requirements of this act until such time as the commissioner reviews the filing and so long thereafter as the filing remains in effect.

Subd. 6. Suspension or modification of rates; notice. Under such rules and regulations as he shall adopt the commissioner may, by written order, suspend or modify the requirement of filing as to any kind of insurance, subdivision or combination thereof, or as to classes of risks, the rates for which cannot practicably be filed before they are used. These orders, rules and regulations shall be made known to insurers and rating organizations affected thereby. The commissioner may make such examination as he may deem advisable to ascertain whether any rates affected by such order meet the standards set forth in clause 4 of subdivision 1 of section 3.

Subd. 7. Excess rate in certain cases. Upon the written application of an insured, stating his reasons therefor, filed with and approved by the commissioner, a rate in excess of that provided by a filing otherwise applicable may be used on any specific risk.

Subd. 8. Effective date of this section. Beginning 90 days after the effective date of this act no insurer shall make or issue a contract or policy except in accordance with filings which are in effect for that insurer as provided in this act or in accordance with subdivision 6 or 7 of this section.

[70.39] Sec. 5. Disapproval of findings. Subdivision 1. **Notice by commissioner.** If within the waiting period of any extension thereof as provided in subdivision 4 of section 4, the commissioner finds that a filing does not meet the requirements of this act, he shall send to the insurer or rating organization which made that filing written notice of disapproval of the filing specifying therein in what respects he finds it fails to meet the requirements of this act and stating that the filing shall not become effective.

Subd. 2. Surety or guaranty filings. If within 30 days after a special surety or guaranty filing subject to subdivision 5 of section 4 has become effective, the commissioner finds that that filing does not meet the requirements of this act, he shall send to the insurer or rating organization which made such filing written notice of disapproval of the filing specifying therein in what respects he finds that it fails to meet the requirements of this act and stating when, within a reasonable period thereafter, the filing shall be deemed no longer effective. This disapproval shall not affect any contract made or issued prior to the expiration of the period set forth in the notice.

Subd. 3. Hearings and order. If at any time subsequent to the applicable review period provided for in subdivision 1 or 2 of this section, the commissioner finds that a filing does not meet the requirements of this act, he shall, after a hearing held upon not less than ten days' written notice, specifying the matters to be considered at that hearing, to every insurer and rating organization which made the filing, issue an order specifying in what respects he finds that the filing fails to meet the requirements of this act, and stating when, within a reasonable period thereafter, it shall be deemed no longer effective. Copies of the order shall be sent to every such insurer and rating organization. The order shall not affect any contract or policy made or issued prior to the expiration of the period set forth in it.

Subd. 4. Rehearing and order. Any person or organization aggrieved with respect to any filing which is in effect may make written application to the commissioner for a hearing thereon; provided, however, that the insurer or rating organization that made the filing shall not be authorized to proceed under this subdivision. The application shall specify the grounds to be relied upon by the applicant. If the commissioner shall find that the application is made in good faith, that the applicant would be so aggrieved if his grounds are established, and that those grounds otherwise justify

holding such a hearing, he shall, within 30 days after receipt of the application, hold a hearing upon not less than ten days' written notice to the applicant and to every insurer and rating organization which made the filing. If, after the hearing, the commissioner finds that the filing does not meet the requirements of this act, he shall issue an order specifying in what respects he finds that it fails to meet the requirements of this act, and stating when, within a reasonable period thereafter it shall be deemed no longer effective. Copies of the order shall be sent to the applicant and to every insurer and rating organization. The order shall not affect any contract or policy affected by it made or issued prior to the expiration of the period set forth in it.

Subd. 5. Manual of classifications. No manual of classifications, rules, rating plans, or any modifications of any of the foregoing which establish standards for measuring variations in hazards or expense provisions, or both, and which have been filed pursuant to the requirements of section 4, shall be disapproved if the rates thereby produced meet the requirements of this act.

[70.40] **Sec. 6. Rating organizations.** Subdivision 1. **Application and license fee.** A corporation, an unincorporated association, a partnership or an individual, whether located within or outside this state and which maintains an office within the United States, may make application to the commissioner for license as a rating organization for the kinds of insurance or subdivisions thereof that are specified in its application and shall file therewith (1) a copy of its constitution, its articles of agreement or association or its certificate of incorporation, and of its by-laws, rules and regulations governing the conduct of its business, (2) a list of its members and subscribers; (3) the name and address of a resident of this state upon whom notices or orders of the commissioner or process affecting such rating organization may be served and (4) a statement of its qualifications as a rating organization. If the commissioner finds that the applicant is competent, trustworthy and otherwise qualified to act as a rating organization and that its constitution, articles of agreement or association or certificate of incorporation, and its by-laws, rules and regulations governing the conduct of its business conform to the requirements of law, he shall issue a license specifying the kinds of insurance or subdivisions thereof for which it is authorized to act as a rating organization. Every such application shall be granted or denied in whole or in part by the commissioner within 60 days of the date of its filing with him. Licenses

issued pursuant to this section shall remain in effect for three years unless sooner suspended or revoked by the commissioner. The fee for said license shall be \$25.00. Licenses issued pursuant to this section may be suspended or revoked by the commissioner, after hearing upon notice, in the event the rating organization ceases to meet the requirements of this subdivision. Every rating organization shall promptly file with the commissioner a copy of every change in its constitution, its articles of agreement or association or its certificate of incorporation, and its by-laws, rules and regulations governing the conduct of its business, and promptly notify him of every change in its list of members and subscribers, and in the name and address of the resident of this state designated by it upon whom notices or orders of the commissioner, or process affecting it may be served.

Subd. 2. Subscribers to rating service. Subject to rules and regulations which have been approved by the commissioner as reasonable, each rating organization shall permit any insurer, not a member, to be a subscriber to its rating services for any kind of insurance or subdivision thereof for which it is authorized to act as a rating organization. Notice of proposed changes in those rules and regulations shall be given to subscribers. Each rating organization shall furnish its rating services without discrimination to its members and subscribers. The reasonableness of any rule or regulation in its application to subscribers, or the refusal of any rating organization to admit an insurer as a subscriber, shall, at the request of any subscriber or any such insurer, be reviewed by the commissioner at a hearing held upon at least ten days' written notice to the rating organization and to the subscriber or insurer. If the commissioner finds that the rule or regulation is unreasonable in its application to subscribers, he shall order that that rule or regulation shall not be applicable to subscribers. If the rating organization fails to grant or reject an insurer's application for subscribership within 30 days after it was made, the insurer may request a review by the commissioner as if the application had been rejected. If the commissioner finds that the insurer has been refused admittance to the rating organization as a subscriber without justification, he shall order the rating organization to admit the insurer as a subscriber. If he finds that the action of the rating organization was justified, he shall make an order affirming its action.

Subd. 3. Limitation upon rules. No rating organization shall adopt any rule the effect of which would be to prohibit or regulate the payment of dividends, savings or unabsorbed

premium deposits allowed or returned by insurers to their policyholders, members or subscribers.

Subd. 4. **Cooperation among rating organizations.** Cooperation among rating organizations, or among rating organizations and insurers, in rate making or in other matters within the scope of this act is hereby authorized, provided the filings resulting from that cooperation are subject to all the provisions of this act which are applicable to filings generally. The commissioner may review such cooperative activities and practices and if, after a hearing, he finds that any such activity or practice is unfair or unreasonable, or otherwise inconsistent with the provisions of this act, he may issue a written order specifying in what respects the activity or practice is unfair or unreasonable or otherwise inconsistent with the provisions of this act, and requiring the discontinuance of the activity or practice.

[70.41] Sec. 7. **Deviations.** Every member of or subscriber to a rating organization shall adhere to the filings made on its behalf by that organization, except that any such insurer may make written application to the commissioner for permission to file a uniform percentage decrease or increase to be applied to the premiums produced by the rating system so filed for a kind of insurance, or for a class of insurance which is found by the commissioner to be a proper rating unit for the application of such uniform percentage decrease or increase, or for a subdivision of a kind of insurance (1) comprised of a group of manual classifications which is treated as a separate unit for rate making purposes, or (2) for which separate expense provisions are included in the filings of the rating organization. The application shall specify the basis for the modification and shall be accompanied by the data upon which the applicant relies. A copy of the application and data shall be sent simultaneously to the rating organization. The commissioner shall set a time and place for a hearing at which the insurer and the rating organization may be heard, and shall give them not less than ten days' written notice thereof. In the event the commissioner is advised by the rating organization that it does not desire a hearing he may, upon the consent of the applicant, waive such hearing. The commissioner shall issue an order permitting the modification for the insurer to be filed if he finds it to be justified and it shall thereupon become effective. He shall issue an order denying the application if he finds that the modification is not justified or that the resulting premiums would be excessive, inadequate or unfairly discriminatory. Each deviation permitted to be filed shall be

effective for a period of one year from the date of that permission unless terminated sooner with the approval of the commissioner.

[70.42] Sec. 8. **Appeal by minority.** Subdivision 1. **Appeal by subscriber to commissioner.** Any member of or subscriber to a rating organization may appeal to the commissioner from the action or decision of that rating organization in approving or rejecting any proposed change in or addition to the filings of the rating organization, and the commissioner shall, after a hearing held upon not less than ten days' written notice to appellant and to the rating organization, issue an order approving the action or decision of the rating organization or directing it to give further consideration to the proposal, or, if the appeal is from the action or decision of the rating organization in rejecting a proposed addition to its filings, he may, in the event he finds that the action or decision was unreasonable, issue an order directing the rating organization to make an addition to its filings, on behalf of its members and subscribers, in a manner consistent with his findings, within a reasonable time after the issuance of his order:

Subd. 2. **Failure of rating organizations to make filing for subscriber.** If the appeal is based upon the failure of the rating organization to make a filing on behalf of the member or subscriber which is based on a system of expense provisions which differs, in accordance with the right granted in clause 2 of subdivision 1 of section 3, from the system of expense provisions included in a filing made by the rating organization, the commissioner shall, if he grants the appeal, order the rating organization to make the requested filing for use by the appellant. In deciding that appeal the commissioner shall apply the standards set forth in section 3.

[70.43] Sec. 9. **Information to be furnished insureds; hearing and appeals of insureds.** Every rating organization and every insurer which make its own rates shall, within a reasonable time after receiving written request therefor, furnish to any insured affected by a rate made by it, or to the authorized representative of that insured, all pertinent information as to that rate. Every rating organization and every insurer which makes its own rates shall provide within this state reasonable means whereby any person aggrieved by the application of its rating system may be heard, in person or by his authorized representative, on his written request to review the manner in which that rating system has been applied in connection with the insurance afforded him.

If the rating organization or insurer fails to grant or reject any such request within 30 days after it is made, the applicant may proceed in the same manner as if his application had been rejected. Any party affected by the action of a rating organization or insurer on any such request may, within 30 days after written notice of such action, appeal to the commissioner who, after a hearing held upon not less than ten days' written notice to the appellant and to the rating organization or insurer, may affirm or reverse its action.

[70.44] **Sec. 10. Advisory organizations.** Subdivision 1. **Advisory organization defined.** Every group, association or other organization of insurers, whether located within or outside this state, which assists insurers which make their own filings, or rating organizations, in rate making, by the collection and furnishing of loss or expense statistics, or by the submission of recommendations, but which does not make filings under this act, shall be known as an advisory organization.

Subd. 2. Filing; information. Every advisory organization shall file with the commissioner (1) a copy of its constitution, its articles of agreement or association or its certificate of incorporation and of its by-laws, rules and regulations governing its activities, (2) a list of its members, (3) the name and address of a resident of this state upon whom notices or orders of the commissioner or process issued at his direction may be served, and (4) an agreement that the commissioner may examine it in accordance with the provisions of section 12 of this act.

Subd. 3. Unfair or unreasonable practice. If, after a hearing, the commissioner finds that the furnishing of such information or assistance as is referred to in subdivision 1 of this section, involves any act or practice which is unfair or unreasonable or otherwise inconsistent with the provisions of this act, he may issue a written order specifying in what respects that act or practice is unfair or unreasonable or otherwise inconsistent with the provisions of this act, and requiring the discontinuance of that act or practice.

Subd. 4. Finding of fact; discontinuance of violation. Neither any insurer which makes its own filings, nor any rating organization, shall support its filings by statistics or adopt rate making recommendations, furnished to it by an advisory organization which has not complied with this section or with an order of the commissioner involving such statistics or recommendations issued under subdivision 3 of this section. If the commissioner finds that insurer or rating

organization is violating this subdivision, he may issue an order requiring the discontinuance of such violation.

[70.45] **Sec. 11. Joint underwriting or joint reinsurance.** Subdivision 1. **Joint underwriting.** Every group, association, or other organization of insurers which engages in joint underwriting shall be subject to all the provisions of this act.

Subd. 2. **Joint reinsurance.** Every group, association, or other organization of insurers which engages in joint reinsurance, shall be subject to the provisions of sections 12, and 14 to 17, inclusive.

Subd. 3. **Unfair or unreasonable practice.** If, after a hearing, the commissioner finds that any activity or practice of any group, association or other organization referred to in subdivision 1 or 2 of this section, is unfair, unreasonable, or otherwise inconsistent with the provisions of this act, he shall issue a written order specifying in what respects that activity or practice is unfair, unreasonable or otherwise inconsistent with the provisions of this act, and requiring the discontinuance of the activity or practice.

[70.46] **Sec. 12. Examinations.** The commissioner shall, at least once in five years, make or cause to be made an examination of each rating organization licensed in this state as provided in section 6 and he may, as often as he may deem it expedient, make or cause to be made an examination of each advisory organization referred to in section 10 and of each group, association or other organization referred to in section 11. The reasonable costs of any such examination shall be paid by the rating organization, advisory organization, or group, association or other organization examined, upon presentation to it of a detailed account of such costs. The officers, manager, agents and employees of any such rating organization, advisory organization, or group, association or other organization may be examined at any time under oath and shall exhibit all books, records, accounts, documents, or agreements governing its method of operation. In lieu of any such examination the commissioner may accept the report of an examination made by the insurance supervisory official of another state, pursuant to the laws of such state.

[70.47] **Sec. 13. Rate administration.** Subdivision 1. **Recording and reporting of loss and expense experience.** The commissioner shall promulgate reasonable rules and statistical plans, reasonably adapted to each of the rating systems on file with him, which may be modified from time to time

and which shall be used thereafter by each insurer in the recording and reporting of its loss and countrywide expense experience, in order that the experience of all insurers may be made available at least annually in such form and detail as may be necessary to aid him in determining whether rating systems comply with the standards set forth in section 3. Those rules and plans may also provide for the recording and reporting of expense experience items which are specially applicable to this state and are not susceptible of determination by a prorating of countrywide expense experience. In promulgating those rules and plans, the commissioner shall give due consideration to the rating systems on file with him and, in order that such rules and plans may be as uniform as is practicable among the several states, to the rules and to the form of the plans used for such rating systems in other states. No insurer shall be required to record or report its loss experience on a classification basis that is inconsistent with the rating system filed by it. The commissioner may designate one or more rating organizations or other agencies to assist him in gathering such experience and making compilations thereof, and such compilations shall be made available, subject to reasonable rules promulgated by the commissioner, to insurers and rating organizations. No insurer shall be required to record or report its experience to any rating organization or agency unless it is a member of such rating organization or agency.

Subd. 2. Interchange of rating plan data. Reasonable rules and plans may be promulgated by the commissioner for the interchange of data necessary for the application of rating plans.

Subd. 3. Consultation with other states. In order to further uniform administration of rate regulatory laws, the commissioner and every insurer and rating organization may exchange information and experience data with insurance supervisory officials, insurers and rating organizations in other states and may consult with them with respect to rate making and the application of rating systems.

Subd. 4. Rules and regulations. The commissioner may make reasonable rules and regulations necessary to effect the purposes of this act.

[70.48] **Sec. 14. False or misleading information.** No person or organization shall wilfully withhold information from, or knowingly give false or misleading information to, the commissioner, any statistical agency designated by the

commissioner, any rating organization, or any insurer, which will affect the rates or premiums chargeable under this act.

[70.49] Sec. 15. **Assigned risks.** Agreements may be made among insurers with respect to the equitable apportionment among them of insurance which may be afforded applicants who are in good faith entitled to but who are unable to procure such insurance through ordinary methods and those insurers may agree among themselves on the use of reasonable rate modifications for that insurance, those agreements and rate modifications to be subject to the approval of the commissioner.

[70.50] Sec. 16. **Penalties.** Subdivision 1. **Violation; wilful violation.** The commissioner may, if he finds that any person or organization has violated any provision of this act, impose a penalty of not more than \$50.00 for each such violation, and if he finds such violation to be wilful he may impose a penalty of not more than \$500 therefor. Such penalties may be in addition to any other penalty provided by law.

Subd. 2. **Suspension of license.** The commissioner may suspend the license of any rating organization or insurer which fails to comply with any order made by him within the time limited by such order, or any extension thereof which he may grant. He shall not suspend the license of any rating organization or insurer for failure to comply with an order until the time prescribed for an appeal therefrom has expired or if an appeal has been taken, until the order has been affirmed. He may determine when a suspension of license shall become effective and that suspension shall remain in effect for the period fixed by him, unless he modifies or rescinds it, or until the order upon which it is based is modified, rescinded or reversed.

Subd. 3. **Penalty imposed by written order.** No penalty shall be imposed and no license shall be suspended or revoked except upon a written order of the commissioner, stating his findings, made after a hearing held upon not less than ten days' written notice to the person or organization to be affected thereby, specifying the alleged violation.

[70.51] Sec. 17. **Hearing procedure and judicial review.** Subdivision 1. **Request for hearing; hearing; order thereon.** Any insurer or rating organization aggrieved by any order or decision of the commissioner made without a hearing, may, within 30 days after notice of the order to it, make written request to the commissioner for a hearing thereon. The commissioner shall hear the party or parties within 20 days after re-

ceipt of such request and shall give not less than ten days' written notice of the time and place of the hearing. Within 15 days after the hearing the commissioner shall affirm, reverse or modify his previous action, specifying his reasons therefor. Pending the hearing and decision thereon the commissioner may suspend or postpone the effective date of his previous action.

Subd. 2. **Formal rules of pleading or evidence not required.** Nothing contained in this act shall require the observance at any hearing of formal rules of pleading or evidence.

Subd. 3. **Certiorari.** Any order or decision of the commissioner shall be subject to review by writ of certiorari at the instance of any party in interest. The court shall determine whether the granting of the writ shall operate as a stay of the order or decision of the commissioner. The court may, in disposing of the issue before it, modify, affirm or reverse the order or decision of the commissioner in whole or in part.

Sec. 18. **Effective date.** This act shall take effect October 1, 1947.

Approved March 24, 1947.

CHAPTER 120—H. F. No. 246

[Coded as sections 70.60 to 70.75]

An act relating to the regulation of rates for fire and allied lines of insurance and inland marine insurance; to rating organizations, advisory organizations, joint underwriting and joint reinsurance, and repealing Minnesota Statutes 1945, Sections 71.01 to 71.06, inclusive.

Be it enacted by the Legislature of the State of Minnesota:

[70.60] **Section 1. Purpose of act.** The purpose of this act is to promote the public welfare by regulating insurance rates to the end that they shall not be excessive, inadequate or unfairly discriminatory, and to authorize and regulate cooperative action among insurers in rate making and in other matters within the scope of this act. Nothing in this act is intended (1) to prohibit or discourage reasonable competition, or (2) to prohibit, or encourage except to the extent necessary to accomplish the aforementioned purpose, uniformity in insurance rates, rating systems, rating plans or