

CHAPTER 360—H. F. No. 1784

An act relating to examinations by the commissioner of insurance; amending Minnesota Statutes 1965, Sections 64.32, 64.34, 159.14, 159.34, and 309.15.

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

Section 1. Minnesota Statutes 1965, Section 159.14, is amended to read:

159.14 Insurance; examination by commissioner; duties of attorney general. *At least once in every three years, the commissioner of insurance shall visit each medical service plan corporation and carefully examine its affairs to ascertain its financial condition and ability to fulfill its obligations and whether it is complying with the provisions of this chapter. He may also make an examination at any other time he has reason to believe the company is in an unsound condition, or that it is not conducting its business according to the provisions of this chapter.* The commissioner of insurance, or any deputy or examiner designated by him, shall have the right, at all reasonable times, to free access to all books and records of such corporation in all matters pertaining to its financial condition, and may summon and examine, under oath, the officers and employees of such corporation in all such matters. The expense of any such examination of its books and financial condition shall be borne by such corporation. The commissioner of insurance may, in the event such corporation has acted in a manner detrimental and unjust to persons who become subscribers to said plan, or contrary to or in violation of the articles and bylaws of said corporation, request the attorney general to bring an action against such corporation to terminate its corporate existence, provided that such action shall not be instituted unless the commissioner of insurance or the attorney general shall have given such corporation written notice of the action complained of, if correction can be made thereof, and the corporation shall fail to institute proceedings to correct the same within 30 days thereafter.

Sec. 2. Minnesota Statutes 1965, Section 159.34, is amended to read:

159.34 Examination by commissioner; duties of attorney general. *At least once in every three years, the commissioner of insurance shall visit each dental service plan corporation and carefully examine its affairs to ascertain its financial condition and ability to fulfill its obligations and whether it is complying with the provisions of this chapter. He may also make an examination at any other time he has reason to believe the company is in an unsound condition, or*

Changes or additions indicated by italics, deletions by strikeout.

that it is not conducting its business according to the provisions of this chapter. The commissioner of insurance, or any deputy or examiner designated by him, shall have the right, at all reasonable times, to free access to all books and records of such corporation in all matters pertaining to its financial condition, and may summon and examine, under oath, the officers and employees of such corporation in all such matters. The expense of any ~~such~~ examination of its books and financial condition shall be borne by such corporation. The commissioner of insurance may, in the event such corporation has acted in a manner detrimental and unjust to persons who become subscribers to said plan, or contrary to or in violation of the articles and bylaws of said corporation, request the attorney general to bring an action against such corporation to terminate its corporate existence, provided that such action shall not be instituted unless the commissioner of insurance or the attorney general shall have given such corporation written notice of the action complained of, if correction can be made thereof, and the corporation shall fail to institute proceedings to correct the same within 30 days thereafter.

Sec. 3. Minnesota Statutes 1965, Section 309.15, is amended to read:

309.15 Commissioner of insurance to have access to books. *At least once in every three years, the commissioner of insurance shall visit each hospital service plan corporation and carefully examine its affairs to ascertain its financial condition and ability to fulfill its obligations and whether it is complying with the provisions of this chapter. He may also make an examination at any other time he has reason to believe the company is in an unsound condition, or that it is not conducting its business according to the provisions of this chapter.* The commissioner of insurance, or any deputy or examiner designated by him, shall have the right, at all reasonable times, to free access to all books and records of such corporation, and may summon and examine, under oath, the officers and employees of such corporation in all matters pertaining to its financial condition. The expense of any ~~such~~ examination of its books and financial condition shall be borne by such corporation.

Sec. 4. Minnesota Statutes 1965, Section 64.32, is amended to read:

64.32 Domestic associations; dissolution. The commissioner, or any person he may appoint, shall have the power of visitation and examination into the affairs of any domestic association. *The commissioner shall conduct an examination at least once in every three years.* He may employ assistants for the purposes of examination, and he, or any person he may appoint, shall have free access

Changes or additions indicated by italics, deletions by strikeout.

to any books, papers, and documents that relate to the business of the association, and may summon and qualify as witnesses, under oath, and examine its officers, agents, and employees, or other persons, in relation to the affairs, transactions, and condition of the association.

Wherever, after examination, the commissioner is satisfied that any domestic association has failed to comply with any provisions of sections 64.03 to 64.07, 64.14 to 64.20, and 64.24 to 64.37, or is exceeding its powers, or is not carrying out its contracts in good faith, or is transacting business fraudulently, or is in such condition as to render further proceedings hazardous to the public or its certificate holders, or when any domestic association, after being in existence one year or more, shall have a membership of less than 300, or votes to discontinue business, the commissioner may present the facts relating thereto to the attorney general, who shall, if he deem the circumstances warrant, commence an action quo warranto in a court of competent jurisdiction and the court shall thereupon notify the officers of the association of a hearing, and, unless it shall then appear that some special and good reason exists why the association should not be closed, the association shall be enjoined from carrying on any further business, and some person shall be appointed receiver of the association and proceed at once to take possession of the books, papers, moneys, and other assets of the association; and forthwith, under the direction of the court, proceed to close the affairs of the association and to distribute its funds to those entitled thereto. No proceedings shall be commenced by the attorney general against any such association until after notice has been duly served on the chief executive officers of the association and a reasonable opportunity given to it, on a date to be named in the notice, to show cause why the proceedings should not be commenced.

Sec. 5. Minnesota Statutes 1965, Section 64.34, is amended to read:

64.34 Foreign associations; examinations; revocation of license. The commissioner, or any person whom he may appoint, may examine any foreign association transacting, or applying for admission to transact, business in this state. *The commissioner shall conduct an examination at least once in every three years.* The commissioner may employ assistants for the purpose of examination and he, or any person he may appoint, shall have free access to all the books, papers, and documents that relate to the business of the association and may summon and qualify as witnesses, under oath, and examine its officers, agents, employees, and other persons in relation to the affairs, transactions, and condition of the association. He may, in his discretion, accept in lieu of this examination the ex-

Changes or additions indicated by italics, deletions by ~~strikeout~~.

amination of the insurance department of the state, territory, district, province, or country where the association is organized.

If any such association, or its officers, refuse to submit to examination or to comply with the provisions of this section relating thereto, or if upon an examination the commissioner, on investigation, is satisfied that any foreign association transacting business under sections 64.03 to 64.07, 64.14 to 64.20, and 64.24 to 64.37 has exceeded its powers, or has failed to comply with the provisions of the law, or is conducting business fraudulently, or is not carrying out its contracts in good faith, or is in such condition as to render further proceedings hazardous to the public or its certificate holders, he may, by a written order or decision filed in his office, revoke the license of the association to do business in this state, subject to an appeal by the association, as provided by and in accordance with the provisions of section 64.26, and upon any such appeal all the provisions of section 64.26 shall apply thereto. No license shall be revoked by the commissioner until after notice has been duly served on the chief executive officers of the association and a reasonable opportunity given to it on a date to be named in the notice to show cause why the license should not be revoked.

Approved May 10, 1967.

CHAPTER 361—H. F. No. 1790

[Not Coded]

An act relating to the tax levy for the county building fund in the county of Dakota.

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

Section 1. **Dakota county; building fund.** Notwithstanding the provisions and limitations of Minnesota Statutes, Section 373.25, the board of county commissioners of the county of Dakota may levy a tax not to exceed five mills on the dollar of the taxable valuation of the county for the county building fund.

Sec. 2. This act shall become effective only after its approval by the board of county commissioners of the county of Dakota, and upon compliance with the provisions of Minnesota Statutes, Section 645.021.

Approved May 10, 1967.

Changes or additions indicated by *italics*, deletions by ~~strikeout~~.